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PROGRAM MEMO

TO: Area Agency on Aging (AAA)

NO: 23-14

DATE ISSUED: July 19, 2023

EXPIRES: N/A

PROGRAMS AFFECTED: HCBS Funding

SUPERCEDES: N/A

SUBJECT: CDA Digital Connections (DC) program

PURPOSE

This Program Memo (PM) provides clarification of inconsistencies that have been identified within the CDA Standard Agreement (DC-2223-XX) and Digital Connections Program Budget (CDA 7057) for the Digital Connections (DC) program which supports the California Department of Aging's (CDA) Digital Inclusion initiative.

There are five appendices for reference and to ensure guidance for all Area Agencies on Aging (AAA) partners that maintain the DC program. These appendices are as follows:

- APPENDIX A: Language from DC-2223-XX Standard Agreement, Exhibit A, Section 3, item C
- APPENDIX B: Language from DC-2223-XX Standard Agreement, Exhibit D, Article VII
- APPENDIX C: Language from DC-2223-XX Standard Agreement, Exhibit B, Article III, Item D
- APPENDIX D: The Digital Connections Program Budget (CDA 7057)
- APPENDIX E: DC-2223-XX Standard Agreement, Exhibit B, Attachment 1 – Budget Display

BACKGROUND

In 2022, CDA launched the Digital Connections program through its Home and Community Based Services (HCBS) Spending Plan, which has allowed CDA to provide technology,

connectivity, and digital literacy resources to the Area Agencies on Aging (AAAs), the Multipurpose Senior Services Program (MSSP) sites, the Program of All-Inclusive Care for the Elderly (PACE) centers, and the Community-Based Adult Services (CBAS) programs. CDA will continue to fund and support DC through December 31, 2023. The AAA Digital Connections contracts were released to the AAAs on April 14, 2023.

INCONSISTENCIES IDENTIFIED IN THE CDA STANDARD AGREEMENT FOR THE DIGITAL CONNECTIONS PROGRAM (DC-2223-XX)

Inconsistency Number 1 - CDA has identified language within CDA Standard Agreement Exhibit D, Article VII which conflicts with the language in Exhibit A, Section 3, item C. The language in Exhibit D requires the AAAs to follow CDA's standard process for property accounting, while Exhibit A, Section 3, item C expresses the equipment and asset management language based upon the Budget Act language which allows transfer of title and ownership of equipment purchased as part of this agreement directly to the AAAs and requires the AAAs to maintain property records and controls in accordance with their local procedures. (Please Note: Inconsistency number 1 does not apply to AAAs who chose to receive Admin and Connectivity funding but no devices.)

Inconsistency Number 2 - CDA has identified language within CDA Standard Agreement Exhibit B, Article III, Item D which states "Contractor Administration shall be no more than ten percent (10%) of the total program allocation." The Digital Connections Program Budget (CDA 7057) was issued with the Administration Cost Category also limiting administration to no more than 10%. Exhibit B, Attachment 1 – Budget Display, which displays CDA's calculated allocation to the AAA for this program, has administration costs that exceed the 10% maximum administrative costs as outlined in Exhibit B and the CDA 7057. (Please note: Inconsistency number 2 does not apply to AAAs who chose to receive devices but no Admin or Connectivity funding.)

RESOLUTION

Inconsistency Number 1 - CDA is issuing this PM to instruct the AAAs to abide by the language in CDA Standard Agreement Exhibit A (for property accounting). The language in CDA Standard Agreement Exhibit D, Article VII is not applicable to this contract.

Inconsistency Number 2 - CDA is issuing this PM to instruct the AAAs that the language in CDA Standard Agreement Exhibit B and the CDA 7057 allowing for a maximum of 10% for Admin is in error and not applicable to this contract.

APPENDIX A: LANGUAGE FROM DC-2223-XX STANDARD AGREEMENT. EXHIBIT A, SECTION 3, ITEM C

A. Contractor Responsibilities for Equipment and Asset Management:

- a) Pursuant to the funding authority underlying the DC Program, title and ownership of the devices shall immediately and unconditionally transfer to the Contractor upon delivery from CDA, to allow for effective program administration at the local level.
- b) Based on transfer of title and ownership, and the underlying authority (Budget Act of 2021, Chapter 21, Item 4170-102-0001, provision 5) to do so, the Contractor shall manage all DC Program devices as follows:
 - (1) Maintain detailed property records that include, among other things:
 - (a) a description of the device
 - (b) an identifying number for the device
 - (c) the location of the device; and
 - (d) the ultimate disposition data, including the date of disposal.
 - (2) Develop and implement a control system to ensure adequate safeguards are in place to prevent and investigate any loss, damage, or theft.
 - (3) Implement measures to care for the device and keep it in good condition.
 - (4) Contractor acknowledges and agrees to adhere to these maintenance restrictions on a per unit basis until disposal of the associated device.
 - (5) Contractor agrees and understands that iPads do not depreciate to \$0 value until after 5-years of activation. Therefore, Contractor agrees that a functioning iPad shall be maintained for the purposes of the DC Program until it fully depreciates to \$0.
- c) Upon notification or realization of a device becoming lost, stolen, broken, or disposed, Contractor shall perform the following:
 - (1) Notify AT&T Customer Service by contacting 855-563-0055.
 - (2) Update Contractor's property log for the DC Program.
 - (3) Notify CDA to allow CDA to turn off connectivity for that device.
 - (a) If after December 31, 2023, Contractor shall only perform items (1) and (2) above.

Note: Contractors are not required to replace the lost, stolen, broken, or disposed of iPad devices.

- d) If a device is going to a new program participant, the Contractor shall perform the following:
- (1) Ensure the device is reset so that all personal information and data is deleted from the device for any previous users.
 - (2) Notify CDA for any iPad, if prior to December 31, 2023, as CDA can support updating the iPad device through the Mobile Iron MDM system as well. Similarly, AT&T Customer Service 855-563-0055 can support this need as well.
 - (3) Update Contractor's property log for the DC program.

APPENDIX B: LANGUAGE FROM DC-2223-XX STANDARD AGREEMENT. EXHIBIT D. ARTICLE VII

ARTICLE VII. PROPERTY

- A. Unless otherwise provided for in this Article, property refers to all assets used in operation of this Agreement.
1. Property includes land, buildings, improvements, machinery, vehicles, furniture, tools, and intangibles, etc.
 2. Property does not include consumable office supplies such as paper, pencils, toner cartridges, file folders, etc.
- B. Property acquired under this Agreement, which meets any of the following criteria is subject to the reporting requirements:
1. Has a normal useful life of at least one (1) year and has a unit acquisition cost of at least \$5,000 (a desktop or laptop setup, is considered a unit, if purchased as a unit).
 2. All computing devices, regardless of cost (including but not limited to, workstations, servers, laptops, personal digital assistants, notebook computers, tablets, smartphones and cellphones).
 3. All Portable electronic storage media, regardless of cost (including but not limited to, thumb/flash drives and portable hard drives).
- C. Additions, improvements, and betterments to assets meeting all of the conditions in Section B above must also be reported. Additions typically involve physical extensions of existing units. Improvements and betterments typically do not increase the physical size of the asset. Instead, improvements and betterments enhance the condition of an asset (e.g., extend life, increase

service capacity, and lower operating costs). Examples of assets that might be improved and bettered include roads, bridges, curbs and gutters, tunnels, parking lots, streets and sidewalks, drainage, and lighting systems.

- D. Intangibles are property which lack physical substance but give valuable rights to the owner. Examples of intangible property include patents, copyrights, leases, and computer software. By contrast, hardware consists of tangible equipment (e.g., computer

printer, terminal, etc.). Costs include all amounts incurred to acquire and to ready the intangible asset for its intended use. Typical intangible property costs include the purchase price, legal fees, and other costs incurred to obtain title to the asset.

- E. The Contractor shall keep track of property purchased with funds from this Agreement that meet the requirements as defined in Exhibit D, Article VII, item B, and submit to CDA a Property Acquisition Form (CDA 9023) for all property furnished or purchased by either the Contractor or the Subcontractor with funds awarded under the terms of this Agreement, as instructed by the CDA. The Contractor shall certify their reported property inventory annually with the Closeout by completing the Program Property Inventory Certification (CDA 9024), unless further restricted by Exhibit E, where applicable.

The Contractor shall record, at minimum, the following information when property is acquired:

1. Date acquired.
2. Item description (include model number).
3. CDA tag number.
4. Serial number (if applicable).
5. Purchase cost or other basis of valuation.
6. Fund source

- F. Disposal of Property

1. Prior to disposal of any property purchased by the Contractor or the Subcontractor with funds from this Agreement or any predecessor Agreement, the Contractor must obtain approval from CDA for all reportable property as defined in Section B of this Article. Disposition, which includes sale, trade-in, discarding, or transfer to another agency may not occur until approval is received from CDA. The Contractor shall submit to CDA a Request to Dispose of Property (CDA 248). CDA will then instruct the AAA on disposition

of the property. Once approval for disposal has been received from CDA and the AAA has reported to CDA the Property Survey Report's (STD 152) Certification of Disposition, the item(s) shall be removed from the Contractor's inventory report.

2. The Contractor must remove all confidential, sensitive, or personal information from CDA property prior to disposal, including removal or destruction of data on computing devices with digital memory and storage capacity. This includes, but is not limited to magnetic tapes, flash drives, personal computers, personal digital assistants, cell or smart phones, multi-function printers, and laptops.
 - G. Any loss, damage, or theft of equipment shall be investigated, fully documented and the Contractor shall promptly notify CDA and shall provide copies of investigative documents and police reports as requested by CDA.
 - H. The State reserves title to all State-purchased or financed property not fully consumed in the performance of this Agreement, unless otherwise required by federal law or regulations or as otherwise agreed by the parties.
 - I. The Contractor shall exercise due care in the use, maintenance, protection, and preservation of such property during the period of the project, and shall assume responsibility for replacement or repair of such property during the period of the project, or until the Contractor has complied with all written instructions from CDA regarding the final disposition of the property.
 - J. In the event of the Contractor's dissolution or upon termination of this Agreement, the Contractor shall provide a final property inventory to the State. The State reserves the right to require the Contractor to transfer such property to another entity, or to the State.
 - K. To exercise the above right, no later than one hundred twenty (120) days after termination of this Agreement or notification of the Contractor's dissolution, the State will issue specific written disposition instructions to the Contractor.
 - L. The Contractor shall use the property for the purpose for which it was intended under the Agreement. When no longer needed for that use, the Contractor shall use it, if needed, and with written approval of the State for other purposes in this order:
 1. For another CDA program providing the same or similar service.
 2. For another CDA-funded program.
 - M. The Contractor may share use of the property and equipment or allow use by other programs, upon written approval from CDA. As a condition of the approval, CDA may require reimbursement under this Agreement for its use.

- N. The Contractor or subcontractors shall not use equipment or supplies acquired under this Agreement with federal and/or State monies for personal gain or to usurp the competitive advantage of a privately-owned business entity.
- O. If purchase of equipment is a reimbursable item, the equipment to be purchased will be specified in the Budget Summary.
- P. The Contractor shall include the provisions contained in this Article in all its subcontracts awarded under this Agreement.

APPENDIX C: LANGUAGE FROM DC-2223-XX STANDARD AGREEMENT. EXHIBIT B. ARTICLE III. ITEM D

D. Administration

Contractor Administration shall be no more than ten percent (10%) of the total program allocation.

APPENDIX D: DIGITAL CONNECTIONS PROGRAM BUDGET (CDA 7057)

To request a copy of the CDA 7057 contact the Local Finance Bureau at:
finance@aging.ca.gov

APPENDIX E: LANGUAGE FROM DC-2223-XX STANDARD AGREEMENT. EXHIBIT B. ATTACHMENT 1 – BUDGET DISPLAY

(Note: Please refer to the Budget Display received in your DC-2223-XX CDA Standard Agreement to view actual Admin and Connectivity funding amounts. The budget display below is for illustration purposes only.)

State of California
California Department of Aging

Award#: DC-2223-XX
Date: 2/1/2023
Page 1 of 1

Exhibit B, Attachment 1 - Budget Display

DIGITAL CONNECTIONS
Budget Display

Area Agency on Aging

February 1, 2023 through December 31, 2023

Program	Fund Type	Project Number	Baseline	Adjustment	TOTAL
Digital Connections - Administration	Older Adults Recovery and Resilience Fund - Homeand Community Based Services	ODCA	\$0	\$0	\$0
Digital Connections - Program	Older Adults Recovery and Resilience Fund - Homeand Community Based Services	ODCL	\$0	\$0	\$0

Notes
Expenditures must be reported in closeout by February 29, 2024.

INQUIRIES

For Digital Connections program inquiries, email: digitalconnections@aging.ca.gov

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Cc:

Mark Beckley, Chief Deputy Director, California Department of Aging