

California Department of Food and Agriculture
Fairs & Expositions – California Network of Fairs
New Fair Funding Allocation Program

**Grant for General Operational Support
Memorandum of Understanding (MOU)**

A. Purpose and Authority

The general operational support granted by the California Department of Food and Agriculture (CDFA) to the California State Fair (Fair) is subject to the following terms and conditions as required by Business and Professions Code (BPC) section [19620.15](#) and CDFA's audit authority under BPC section [19620](#). BPC section 19620.15 (h)(3)(C) is temporarily suspended while the Governor's Proclamation of the COVID-19 Emergency is in effect, pursuant to Executive Order N-40-20 (March 30, 2020).

B. Responsibilities of the Fair

1. The fair shall expend the funds for general operations only. Permissible uses include essential expenses only such as payroll, utility bills, loan obligations, etc.
2. The fair shall provide and require its lessees to provide, without interruption through at least June 30, 2021, the following conditions to all non-management employees (unless exempt as provided in the following paragraph):
 - a. A meal period of not less than 30 minutes for a work period of more than five hours per day, unless the work period per day of the employee is less than six hours and the meal period is waived by mutual consent of both the employer and the employee.
 - b. A second meal period of not less than 30 minutes for a work period of more than 10 hours per day, unless the work period per day of the employee is less than 12 hours, the second meal period is waived by mutual consent of both the employer and the employee, and the first meal period was not waived.
 - c. Compensation at the rate of no less than one and one-half times the regular rate of pay for any work in excess of eight hours in one workday, any work in excess of 40 hours in any one workweek, and the first eight hours worked on the seventh day of work in any one workweek.
 - d. Compensation at the rate of no less than twice the regular rate of pay for any work in excess of 12 hours in one day.
 - e. Compensation at the rate of no less than twice the regular rate of pay for any work in excess of eight hours on any seventh day of a workweek.
3. Exempt from the work conditions are the following:
 - a. Employees covered by a valid collective bargaining agreement if that agreement expressly provides for all of the following: (1) Wages, hours of work, and working conditions of the employees; (2) Meal periods for the employees,

including final and binding arbitration of disputes concerning application of its meal period provisions.

- b. Interim events and short-term rentals of a term less than a year.
 - c. Lessees that employ less than fifty employees of a fulltime status as determined by the Internal Revenue Service's [Monthly Measurement](#) Method.
4. The fair shall maintain, through at least June 30, 2021, its employee and contracting policies and procedures that require the Fair and all lessees provide the required work conditions to its non-management employees. Notice of the work conditions shall be provided to all non-management employees that qualify for the benefits and attached to all applicable leases.
5. Leases that grant exclusive and continuous occupancy for a period of one-year or longer shall include the following provisions:
- a. [Lessee] shall provide to all non-management employees the working conditions, or greater, outlined in "[Required Working Conditions Policy]," attached as Exhibit [X]. Failure to provide the working conditions shall be considered a material **breach**."
 - b. "[Lessee] acknowledges that the [Fair] is a state institution under the oversight of the California Department of Food and Agriculture (CDFA) which conducts periodic audits for the purpose of ensuring compliance with state law and policy. Upon written request and with reasonable notice, Lessee shall make records available to the CDFA Audit Office for examination in order to confirm compliance with the required work conditions outlined in Exhibit [X]. Records may include but are not limited to, payroll and time keeping records of non-management employees."
 - c. "Lessee shall notify [Fair] within 15 business days of receiving notice of any complaint made by a non-management employee or finding of a violation by a labor or personnel authority, based on the working conditions outlined in Exhibit [X]."
 - d. "Upon a finding that Lessee failed to comply with the required work conditions, Lessee shall provide [Fair] with written assurance within thirty (30) days of the finding that the breach will be cured before the [Fair] may terminate this lease as provided herein."
6. All existing leases shall be amended in writing and signed by the parties to include the required contract provisions and policy.
7. Upon the CDFA audit office's request, the fair shall make available all records necessary to conduct an audit. During an audit, the fair shall assist CDFA in requesting that the lessee make available its records for examination pursuant to the lease.

8. The fair shall inform CDFA in writing within 15 business days of receiving notice of either of the following:
 - a. Any complaint or finding of a violation for the fair's failure to provide the required work conditions to a non-management employee; or
 - b. A final ruling issued by a relevant labor or personnel authority that determines the fair or a lessee did not provide its non-management employees the required work conditions.
9. The fair shall otherwise be in compliance with all labor laws and current with the Department's audit reporting requirements.

C. Responsibilities of CDFA

1. MOU funding in the amount of \$ 132,000.00 to the Fair for its general operational use.
2. Communicate with relevant state and public agencies to ensure District Agricultural Associations are remaining current on obligations owed.
3. At its sole discretion, perform an audit to ensure compliance with work conditions and contract requirements as outlined in BPC section 19620.15.

D. Compliance with Work Conditions

Upon finding a violation of the required work conditions, the following procedure shall apply:

1. The CDFA shall provide written notice of the violation to the fair within 15 days of discovering or receiving notice of the violation.
2. The fair shall respond to CDFA in writing by describing any actions the fair has taken or intends to take to remedy the violation. The fair's response shall be submitted to CDFA no later than 60 days after the date of the CDFA's notice and monthly thereafter until final resolution has been achieved.
3. The CDFA may not terminate the fair's qualified status if written confirmation of resolution or identifiable course of action is provided by the 60-day deadline and the resolution or course of remedial action is accepted by the CDFA in writing.
4. For the first and second violation within the preceding three State fiscal years:
 - a. If the fair fails to respond or refuses to correct the violation or the course of remedial action is unacceptable to the Department, the Department shall terminate the qualified fair status until the fair reapplies to become a qualified fair and has proven compliance for the duration of a State fiscal year.

- b. If the violation is corrected and the remedial action is accepted by CDFA in writing, CDFA may dismiss the violation.
- 5. For the third violation within the preceding three State fiscal years: The CDFA shall terminate the fair's qualified fair status for the next State fiscal year until the fair reapplies to become a qualified fair and has proven compliance for the duration of a State fiscal year.
- 6. If the fair fails to respond or refuses to correct the violation or the course of remedial action is unacceptable to CDFA, the CDFA shall terminate the fair's qualified status for the next two State fiscal years and until the fair reapplies to be a qualified fair and has proven compliance for the duration of a State fiscal year.

E. Termination of Qualified Fair Status

To terminate its status as a "qualified fair" eligible to participate in the New Fair Funding Allocation Program, the fair must submit to the CDFA approved Board meeting minutes that memorialize the decision. However, the Fair shall continue to provide to its non-management employees the required work conditions through June 30, 2021.

By signing below, CDFA and the Fair agree to the terms and conditions herein.

CDFA Representative:

Name, Title
Fairs and Expositions Branch
1200 N Street
Sacramento, CA 95814
(916) 999-3000
Email

Signature

Date

Fair Representative:

Name, Title Rick Pickering
Name of the Fair California State Fair
Address 1600 Exposition Blvd.
City, CA Zip Sacramento, CA 95815
Phone 916-263-3061
Email rpickering@calexpo.com



Signature



Date