

August 21, 2025

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RE: State Personal Responsibility Education Program for Fiscal Years 2023 (Grant # 2301CAPREP), 2024 (Grant #2401CAPREP) & 2025 (Grant # 2501CAPREP)

Dear Ms. Armendariz and Mr. Green:

Pursuant to 45 Code of Federal Regulations (C.F.R.) §§ 75.371(c), 75.372(a)(1), and 75.373(a), this letter constitutes official notification that the U.S. Department of Health and Human Services (HHS), Administration for Children and Families (ACF), Family and Youth Services Bureau (FYSB)'s, Division of Positive Youth Development, is hereby terminating all California State Personal Responsibility Education Program (PREP) awards and suspending the funding effective August 21, 2025. The effect of this termination is to shorten the duration of the current budget and project periods without the possibility of additional support under the above-referenced grant awards. California shall not incur new obligations after the effective date of the termination and shall take steps to cancel as many outstanding obligations as possible.

ACF is taking this action for two reasons: (1) the grant is not being administered consistent with the authorizing statute because the funded programs and services include gender ideology which is outside the scope of the statute; and (2) California has failed to modify its State PREP content to remove all references to gender ideology consistent with the additional conditions imposed by ACF. As a result, California failed to demonstrate that the grant and maintenance-of-effort funds are being used on allowable costs, which violates the terms and conditions of the state's three current grant awards. For these reasons, ACF is terminating each of the grants awarded under the California State PREP.

Summary of Findings

On March 27, 2025, ACF requested that California submit all State PREP curricula and programmatic material for a medical accuracy review, in accordance with the terms and conditions of California's three State PREP grants. See March 27, 2025 letter; California State PREP Terms and Conditions, Other Terms and Conditions Section under Program Reporting and Requirements. California was given three business days from receipt of the letter to provide its curricula and programmatic materials. California submitted its State PREP content on April 1, 2025.

While preparing California's PREP content for the medical accuracy review, ACF identified content in the curricula and other program materials that falls outside of the scope of PREP's authorizing statute at 42 U.S.C. § 713. Specifically, ACF identified multiple examples of gender ideology content, including lessons teaching students that gender identity is distinct from biological sex and that boys can identify as girls and vice versa.

On June 20, 2025, ACF sent a letter to California that imposed additional grant conditions instructing California to remove all content concerning gender ideology from its State PREP curricula, program materials and any other aspects of its program delivery within 60 days of receipt of the letter and to provide a copy of the modified materials to ACF for approval. *See* June 20, 2025 letter. The letter included specific examples of content in California's State PREP curricula and programmatic materials that constituted unallowable gender ideology teachings that are outside the scope of the authorizing statute and needed to be removed. *Id.* All responsive materials were due on August 19, 2025.

California submitted a response to ACF dated August 19, 2025. California responded, "CDPH will not make any such modifications at this time for several reasons." The listed reasons were: 1) PREP materials had already been reviewed and approved by ACF; 2) the materials are medically accurate; 3) the gender ideology content is relevant to purposes identified in the authorizing statute, specifically the adult preparation subjects listed at 42 U.S.C. § 713(b)(2)(C); and 4) ACF does not have authority to take an enforcement action. *See* August 19, 2025 California letter.

ACF addresses each argument below, but begins here with ACF's authority to terminate California State PREP. The authorizing statute, 42 U.S.C. § 713, and applicable HHS grant regulations at 45 C.F.R. Part 75 establish requirements to which all funded projects must comply or be subject to enforcement actions.

Basis for Termination

ACF is taking this enforcement action under 45 C.F.R. §§ 75.371(c), 75.372(a)(1) and 75.373(a). California's areas of noncompliance are detailed as follows:

1. California State PREP is noncompliant with the federal authorizing statute.

As explained in the June 20, 2025 letter, gender ideology content is outside the scope of PREP's authorizing statute. The "purpose" of a PREP grant award is for states to "carry out personal responsibility education programs consistent with this subsection." 42

U.S.C. § 713(b)(1). The statute defines PREP as "a program that is designed to educate adolescents on -- (i) both abstinence and contraception for the prevention of pregnancy and sexually transmitted infections, including HIV/AIDS, consistent with the requirements of subparagraph (B); and (ii) at least 3 of the adulthood preparation subjects described in subparagraph (C)." 42 U.S.C. § 713(b)(2). 42 U.S.C. § 713(b)(2)(C) lists the following adult preparation subjects:

- (i) Healthy relationships, including marriage and family interactions
- (ii) Adolescent development, such as the development of healthy attitudes and values about adolescent growth and development, body image, racial and ethnic diversity, and other related subjects
- (iii) Financial literacy
- (iv) Parent-child communication
- (v) Educational and career success, such as developing skills for employment preparation, job seeking, independent living, financial self-sufficiency, and workplace productivity
- (vi) Healthy life skills, such as goal-setting, decision making, negotiation, communication and interpersonal skills, and stress management.

The statute includes no mention of gender ideology, which is both irrelevant to teaching abstinence and contraception and unrelated to any of the adult preparation subjects described in section 713(b)(2)(C). The statute does not require, support, or authorize teaching students that gender identity is distinct from biological sex or that boys can identify as girls and vice versa; thus, gender ideology is outside the scope of the authorizing statute. Applicable regulations require Federal grant recipients to comply with Federal statutes, regulations, and the terms and conditions of the Federal awards, which would include a requirement to comply with the PREP authorizing statute. See 45 C.F.R. § 75.303(b). Similarly, Standard Terms and Conditions that are incorporated by reference in each Notice of Award requires grant recipients to comply with "requirements of statutes and regulations applicable to the program under which the award is funded, including authorizing statutes, appropriations statutes, generally applicable statutes, and any regulations related thereto." See ACF Standard Terms and Conditions, Federal Financial Award Assistance, at 4 (applicable to NOA for Grant #2301CAPREP, NOA for Grant #2401CAPREP, and NOA for Grant #2501CAPREP).

In its August 19th response, California maintains that gender ideology is authorized under the PREP authorizing statute, specifically under the adult preparation subjects at 42 U.S.C. 713(b)(2)(C). In addition to the fact that gender ideology is not relevant to abstinence and contraception education, gender ideology is also not relevant to the adult preparation subjects listed in the statute. Furthermore, gender ideology is not supported by the weight of science, and thus cannot inform the adult preparation subjects that California refers to such as healthy relationships, healthy attitudes and values about adolescent growth and development, or healthy life skills.

In addition, in its response, California maintains that gender ideology is medically accurate. However, California has not met its statutory obligation to demonstrate that gender ideology is medically accurate. The authorizing statute at 42 U.S.C. § 713(e)(2) defines "medically accurate and complete" as:

verified or supported by the weight of research conducted in compliance with accepted scientific methods and—

- (A) published in peer-reviewed journals, where applicable; or
- (B) comprising information that leading professional organizations and agencies with relevant expertise in the field recognize as accurate, objective, and complete.

This is a very high statutory burden to meet, and ACF notes that California, as with other arguments within its response, simply makes a conclusory statement (claiming medical accuracy).

Because California State PREP's gender ideology content is unauthorized by the PREP program statute, the inclusion of any such content in a program or service that is funded with a State PREP grant violates the statute. The gender ideology content in California's program, including but not limited to the examples listed in the June 20 letter, are wholly unrelated to the statutory requirements and exceed the statutory authority. While we realize that ACF previously approved gender ideology content in the curricula and other programmatic materials, that decision was made in error because such approval exceeded the agency's authority to administer the program consistent with the authorizing legislation as enacted by Congress.

Moreover, gender ideology content does not comply with the applicable HHS regulations that limit the expenditure of grant and maintenance-of-effort funds to allowable costs, because such content is not necessary, reasonable, or allocable for the performance of this award. *See* 45 C.F.R. §§ 75.403(a), 75.404(b), and 75.405(a).

2. California failed to adhere to ACF's additional conditions imposed for noncompliance.

California has failed to correct the deficiencies in its State PREP grant and notify ACF accordingly when given an opportunity to do so. ACF's June 20, 2025 letter requested that California remedy its noncompliance within 60 days of receipt of the letter by providing a copy of the modified materials to ACF for approval. See June 20, 2025 letter. ACF's instructions constituted an additional condition on California's State PREP grant imposed to remedy noncompliance under 45 C.F.R. § 75.371. California has responded that it will not comply with the imposed conditions, writing "CDPH will not make any

¹ In its response, California asserts that "the materials fully comply with state law, and ACF's proposed modifications may prevent PREP materials from use by California school districts." Neither the prior correspondence nor this enforcement letter concern any wholly state-funded program.

such modifications at this time for several reasons." *See* August 19, 2025 California letter.

It is a fundamental principle of grants law that a grantee bears the burden of demonstrating the allowability and allocability of costs for which it received federal funding. ACF imposed additional conditions that would enable it to show that funds are being used for allowable costs and California, as a PREP grantee, has an obligation to comply in order to meet its burden of demonstrating allowability.

Given the bases outlined above, termination of all California State PREP grants is now appropriate. *See* 45 C.F.R. § 75.371.

Summary of Violations

The above stated facts demonstrate that California is in violation of 42 U.S.C. § 713, 45 C.F.R. § 75.303(b), 45 C.F.R. §§ 75.403(a), 75.404(b), and 75.405(a) and the terms and conditions of the State PREP grant awards. California has demonstrated an unwillingness to modify its State PREP award to adhere to the PREP authorizing statute. Despite receiving an opportunity to correct the identified deficiencies, California has refused to make ACF's requested modifications. Therefore, the Administration for Children and Families has concluded that all California State PREP grants must be terminated.

Please note that this letter does not foreclose ACF from exercising its authority to pursue any other enforcement remedies that are authorized, such as disallowances, pursuant to 45 CFR § 75.371.

Next Steps

ACF will respond separately to drawdown requests that California PREP has submitted through the Payment Management System (PMS) for costs resulting from obligations that occurred prior to August 20, 2025, and any subsequent such requests received from California State PREP within the closeout period. Upon receipt of this letter, California State PREP must take the necessary steps to close out project operations, consistent with the requirements of 45 CFR § 75.381. Per 45 CFR § 75.471, certain costs associated with the termination of an award may be allowable to the award.

Communication will be issued in the coming weeks regarding the process for submitting those costs for approval for payment. Additional un-issued approved funding may be made available during the closeout period of the award for approved costs.

Appeal

This is the final decision of the Administration for Children and Families. It shall be the final decision of the Department unless, within 30 days after receiving this decision, you submit a notice of appeal to the Departmental Appeals Board (DAB), in accordance with 45 C.F.R. § 16.7.

The notice of appeal should note that you intend an appeal, state the amount in dispute, and briefly state why you think the decision is incorrect. Please attach a copy of this decision to your

notice of appeal. Appeals may be filed electronically using the Departmental Appeals Board's efiling system, DAB E-File, at https://dab.efile.hhs.gov. To use E-File, you or your representative must become a registered user. Detailed instructions can be found on the DAB E-File homepage. Submissions are considered made on the date successfully transmitted via DAB E-File. The DAB will notify you of further procedures.

When submitting your appeal to the DAB, please send a copy of your notice of appeal to David Lee, Grants Management Officer, Office of Grants Management: david.lee@acf.hhs.gov.

Inasmuch as this Notice is sent on August 21, 2025 by Certified Mail, electronic mail, and facsimile, it shall be deemed received by California State PREP as of August 21, 2025 and will be effective August 21, 2025 Eastern Standard Time.

If you have questions regarding the information provided in this letter, please contact Mousumi Banikya, Director, Division of Positive Youth Development, at mousumi.banikya@acf.hhs.gov or Resa Matthew, Deputy Associate Commissioner, Family and Youth Services Bureau at resa.matthew@acf.hhs.gov.

Sincerely,

Andrew Gradison

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Acting Assistant Secretary

Administration for Children and Families