

Voluntary, Temporary Transfer of Funds

Guidance and Directions to Local Child Care and Development Planning Councils regarding voluntary, temporary transfer requests.

Guidance Regarding the Voluntary, Temporary Child Development Division (CDD) Direct Service Contract Transfer Requests, California Education Code Section 8275.5

- The California Department of Education (CDE) is directing each Local Planning Council (LPC) to establish a local fair and transparent policy regarding the voluntary, temporary contract fund transfer process established by California *Education Code* Section 8275.5.
- The LPC must identify a LPC designee to coordinate this process. This may include appointing a LPC subcommittee to implement the voluntary, temporary contract fund transfer process.
- If the LPC chooses to establish an LPC subcommittee, their charge will be to develop a transparent and fair process to make voluntary, temporary contract fund transfer requests to CDE. The LPC subcommittee members should not have either a financial interest or any personal benefit from the activities related to the outcome of this process.
- The LPC, through its LPC designee or LPC subcommittee, shall convene meetings of CDD state-funded direct services contractors in the county. The purposes of these meetings are to describe and discuss the new voluntary, temporary contract fund transfer opportunity and to identify key timelines and eligibility requirements. No under or over earning information about individual contractors will be publicly discussed, unless initiated voluntarily by individual contractors, and only for their own specific contract(s).
- Contractors who believe they will under or over earn their contracts within the contract year will indicate their willingness to participate to the LPC designee or LPC subcommittee, via e-mail or other means, giving an estimate of the amount of contract funding they expect to be able to temporarily release and transfer or accept.
- In order to facilitate the submission of transfer requests to CDE within the agreed upon time schedules, the LPC designee or LPC subcommittee will evaluate the potential "fund transfer-receiving contractors" according to the following criteria:
 1. Potential contract fund transfers must be between the same contract types, or may be between general child care and development contracts and California State Preschool Program contracts.
 2. The requesting contractor must demonstrate the ability to over earn their existing contract amount within their existing licensed capacity. They must be immediately ready to serve additional child days of enrollment, or be already over-earning their contract maximum reimbursement amount.
 3. The LPC designee or LPC subcommittee will contact the CDE Field Services Consultant and the CDE Fiscal Services staff for a preliminary assessment of the contractor's standing and earnings status early in the process once agencies self-identify they are willing to participate in this voluntary, temporary agreement.
- In the event that more than one eligible, over earning contractor desires to participate, and there is insufficient funds being voluntarily released, the contractor operating in the highest priority zip code will be recommended. For example, if one eligible contractor operates in a Priority 1 zip code, and the other in a Priority 2 zip code, the contractor in Priority 1 will be recommended.

Directions regarding submitting required documents to the California Department of Education for consideration.

- Once the transfer agencies are identified, the LPC designee or LPC subcommittee group will collect signed letters of request from the authorized agency representatives indicating their willingness to temporarily release funds and transfer contract funds (Attachment B) or accept transferred contract funds (Attachment C). The LPC designee or LPC subcommittee will attach a cover letter (Attachment A) that requests review of the submitted documents and sends the complete package (all three letters, including copies of contract face sheets) to both the CDE Field Services Consultants and CDE Fiscal Services staff for consideration according to the specific time schedule determined by CDE. **All requests must be sent between November 1 and November 15 or between May 1 and May 15.**
- The decision to approve or deny voluntary, temporary transfers of contract funds will be made exclusively by CDE. Once the decision is made by the CDE staff, the LPC designee or LPC subcommittee will be notified of the outcome. All requests will be approved, modified, or denied. If the agreement is modified, all parties will be informed of the modification and be given the opportunity to agree before the contract modification is finalized.
- If the request is approved, the participating CDD contracting agencies will receive contract amendments and fiscal adjustments based on CDE staff approvals.
- If the request is modified, the participating CDD contracting agencies will receive contract amendments and fiscal adjustments based on the contract modification agreement with CDE staff approval.

- If the request is denied, the participating CDD contracting agencies will receive a letter that explains why the request was denied.
- The LPC designee or the LPC subcommittee will report annually to the full LPC on the progress and process of voluntary, temporary contract transfers of CDD contract funds in their county.

Questions: **Linda Parfitt** | lparfitt@cde.ca.gov | 916-322-1048

Last Reviewed: Friday, October 23, 2009