



Child Care Planning Committee

Temporary, Voluntary Transfer of Funds (TVTF) Process for California Department of Education (CDE) Contractors in Los Angeles County *Approved October 2009*

Per the requirements established by the California Department of Education (CDE), the Los Angeles County Child Care Planning Committee (Planning Committee) formed an ad hoc work group made up of non-CDE contractors who solicited input from current CDE contractors and members of the Planning Committee related to the processing of requests for temporary voluntary transfers of funds (TVTF). Based on the input from these contractors and on the framework established by CDE for implementing the TVTF, the ad hoc work group developed the procedure described below.

The Planning Committee, in approving this procedure, appoints the Planning Committee Coordinator (Coordinator) as the designated Local Planning Council (LPC) staff to coordinate activities related to the TVTF including informing CDE contractors, reviewing individual requests through CDE staff, matching and packaging the transfer requests, and submitting the requests within the allotted timeframes to CDE for approval or denial. The Coordinator is charged with maintaining the confidentiality of the requests and all information provided by the agencies participating in the TVTF process.

In order to ensure a fair process, the Coordinator and the Planning Committee's TVTF ad hoc work group have developed a method for informing CDE contractors of the TVTF process, reviewing activities, and tracking and documenting all TVTF requests. The following is the process:

1. The Coordinator will hold at least one orientation before each of the deadline periods established by CDE: November 1-15, 2009, and May 1-15, 2010. All contractors will be contacted to inform them of the process and of the orientations. Contractors may contact the Coordinator to seek information if they cannot attend an orientation.
2. Agencies/organizations that are willing to participate can call or e-mail the Coordinator to indicate their interest. These organizations will complete a Temporary Voluntary Transfer of Funds Request Form (hereinafter TVTF Request Form), detailing their request to transfer or to receive funds. The TVTF Request Forms are available through the Office of Child Care or the Planning Coordinator. The TVTF Request Form as well as these approved procedures are available on the Office of Child Care Web site at www.childcare.lacounty.gov.
3. The TVTF Request Form asks for information from the agency meant to establish the feasibility of relinquishment or acceptance of funding in the current fiscal year. The information in the TVTF Request Form will assist in matching requests for the transfer and/or applying priorities in the case of more requests for funds than there are funds to be transferred.

4. Contractors requesting additional funds must demonstrate their ability to over-earn their existing contract amount and serve more children with their existing licensed capacity – that is, to be immediately ready to provide additional child days of enrollment, or be already over-earning, as indicated by Child Development Division (CDD) fiscal and enrollment reports. They must also demonstrate that they will incur the additional costs required to earn an augmented contract. No transferred funds can go into a reserve account.
5. In the TVTF Request Form, the agency will be asked to state or demonstrate:
 - Contract type;
 - To which service area the funds had been assigned (or will be assigned if received) and ages served/to be served and the current priorities of those service areas;
 - Amount of funds to be transferred or accepted;
 - Estimated number of children or child days of enrollment the received funds will support over what period of time within the current fiscal year;
 - Availability of spaces or sites to provide more service;
 - Reason why an agency estimates it will under-earn its contract (if transferring funds);
 - Estimated expenditures related to the accepted funds;
 - Agency's projections of earnings (in the case of an agency which may be over-earning);
 - Name and contact information for the Executive Director or individual responsible for signing state contracts; and
 - Name of CDE field consultant.
6. Deadlines to submit a TVTF Request Form to the Coordinator are **October 27, 2009** for the November 1-15 CDE deadline; and **April 19, 2010** for the May 1-15 CDE deadline. These dates will be adjusted annually.
7. Once the agency has completed and submitted the TVTF Request Form, the Coordinator will contact the agency's CDE field consultant and fiscal consultant to verify that there are no impediments to considering the request. If the CDE consultants indicate that the request should not go further, he/she will be asked to provide a reason. Agencies will be informed if the CDE consultants state that a request should not go forward.
8. Once the review is complete, the Coordinator will look for a match between funds being transferred and funds requested to serve more children. Considerations for a match include:
 - Same type of contract is involved, (ex. CCTR to CCTR) per CDE requirement.
 - If at all possible, areas of service have the same priorities or the agency receiving funds will be utilizing them in a Priority 1 area.
 - Amount of funding to be transferred is similar to amount requested.

9. If requests are received for which there is no match, the Coordinator may issue a general e-bulletin to all contractors describing the opportunity to transfer or receive and urging them to consider participation. If there are no agencies offering to transfer funds, **or** no agencies asking for additional funds by the stated deadline, then no transfers can take place within the County. Those who requested to participate would be notified.
10. If there are more requests for funds than there are funds to be transferred, then requests will be prioritized based on all of the above (#8) **and** the following considerations:
 - Consideration of the service priorities (Priority 1 would have a preference);
 - Agencies who have offered to serve the same area where the funds are being relinquished unless there is reason to believe that there are barriers to utilizing funds in that particular area due to the number of programs or demographic shifts;
 - Stated feasibility of accepting a smaller amount than what was requested;
 - For the cycle with May deadlines, whether an agency has received transferred funds in the November cycle.
11. If there are more requests for funds than there are funds to be transferred, and all requesting agencies have equal priority based on #10 above, a recommendation to divide the transferred funds equally among those requesting additional funds may be made.
12. Once the recommended matches are determined, the Coordinator will provide a standard form letter (developed by CDE) to each agency. The letter will state the amount of the funds to be transferred or received, the contract type, the contractor's vendor number, and the fiscal year in which the transfer is occurring. The Executive Director or other authorized person will be required to sign and return the letter to the Coordinator.
13. The Coordinator will prepare the cover letter addressed to CDE staff and the summary of the transfers and submit these with the signed letters from the agencies to CDE within the timeframes determined by CDE: November 1-15, 2009 or May 1-15, 2010. Contractors involved in these matched transfers will not be informed of where the matching funds have come from or where they are being transferred.
14. The decision to approve or deny TVTF contract funds will be made exclusively by CDE. Once the decision is made by the CDE staff, the Coordinator will be notified of the outcome.
15. If the request is approved, the participating CDE contracting agencies will receive contract amendments and fiscal adjustments based on CDE staff approvals.

16. If the request is denied, the participating CDE contracting agencies will receive a letter that explains why the request was denied.
17. CDE will also report back to the Coordinator, as the LPC designee, about the results of CDE's decisions. The Coordinator will report annually to the full Planning Committee on the progress and process of the TVTF. This report will include an evaluation of the process, which includes the amount of time required to implement the TVTF, the amount of funds transferred, effectiveness of the TVTF in reducing under-earnings, and estimated number of additional children served.