

Principles of a Fair and Transparent Process for the Voluntary, Temporary Transfer of Local CDD Contract Funds

1. The basic underlying principle is to preserve funding allocated to the local County and at the same time maximize the services to children who are eligible to receive services, but are currently on the Centralized Eligibility List. Trusting relationships between the LPC designee and various CDD funded agencies at the local level is the key to a successful outcome. The LPC designee must follow through with all of the outlined steps and procedures to ensure a standardized process.
2. The first few attempts will be a learning experience for all involved and best practices will be shared across counties. This process requires documented communication and collaboration by all involved parties.
3. There are many reasons a CDD contractor could be under-earning their contract, including delays in licensing and changing community demographics. Agencies that are under-earning, and do not anticipate fully earning their contract within the current fiscal year, may voluntarily release anticipated unearned funding on a temporary basis. If the agency is in good standing, and the temporary fund transfer is approved by CDE staff, the funds will be restored in the next fiscal year. As always, New Year funding levels are contingent upon the Budget Act and the agency's Contract Review status.
4. Agencies who are over-earning their contract and have the licensed capacity to accept more children, may volunteer to accept additional funds from the under-earning agency with the understanding that these additional funds are for the current fiscal year only.
5. Agencies that receive additional funding must report serving additional children on the 801 A monthly report.
6. Transfers of funds may be from like contract type to like contract type (i.e., CCTR to CCTR. It may also be between CCTR and CSPP). Transfers from CSPP to CCTR are limited to the base funding source.
7. The LPC designee will need to consider the local priorities as a basis for transfers of funding. For example if there are a large number of children on the Centralized Eligibility List in a Priority 1 zip code area and there is a agency that is able to accept more children, **and** they are located in a Priority 1 area, that agency would be considered before an agency that is currently located in a Priority 3 area, where there are fewer eligible children. LPC designees are encouraged to contact the local CEL Administrators to identify where families on the CEL prefer services (preferred zip code areas) to see if there have been local shifts in demand.

8. After the consideration of local priorities, if there are two or more agencies requesting more funds than are available, the voluntarily relinquished funding would be divided on a percentage basis based on the amount of funding each agency would expend before the end of the fiscal year.

9. The legal entity administering the LPC contract has no priority for additional funds over any other contractor in the county.

10. Voluntary funds transferred may not culminate in a reserve fund transfer.

11. Funds must be earned through increased child days of enrollment.

12. CDE is the approver for all temporary transfers of funds and may not approve a transfer for specific reasons.