Temporary, Voluntary Transfer of Funds (TVTF) Process
For California Department of Education (CDE) Contractors in Los Angeles County
Developed and Approved by the Los Angeles County Child Care Planning Committee
October 2009; Updated October 2013

Process Development

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 the contractors and on the framework established by CDE for implementing the TVTF, the ad hoc work group developed the procedure described in this document.

The Planning Committee, in approving this procedure, appointed the Los Angeles County Child Care Planning Coordinator (Coordinator) as the designated 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. To ensure a fair process, the Coordinator and the Planning Committee's ad hoc TVTF work group developed a method for informing CDE contractors of the TVTF process, reviewing activities, and tracking and documenting all TVFT requests, which was approved by the Planning Committee in June 2009.

TVTF Process

1. The Coordinator will hold at least one orientation before each of the deadline periods established by CDE: November 1-15 and May 1-15. All contractors will be contacted to inform them of the process and of the orientations. Contractors are able to contact the Coordinator to seek information if they cannot attend an orientation.

2. Agencies/organizations that are willing to participate may contact the Coordinator by e-mail at msartell@ceo.lacounty.gov or by telephone at (213) 974-5187 to indicate their interest. These organizations will complete a TVTF Request Form detailing their requests to release or to receive funds. The TVTF Request Form is 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 website at www.childcare.lacounty.gov.

3. The TVTF Request Form asks for information from the agency meant to establish the feasibility of releasing or accepting funding in the current fiscal year. The information in the TVTF Request Form will also 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 the ability to over-earn their existing contract amount and/or serve more children with their existing licensed capacity. For the Fall transfer period, the program must be immediately ready to provide additional child days of enrollment; for the Spring transfer period, the program must demonstrate that they are projected to over-earn their contract amount, as indicated by the CDE Early Education and Support Division (EESD) fiscal and enrollment reports. Programs requesting funds 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 is asked to state or demonstrate the following:

   - 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
   - The availability of spaces or sites to provide more service
   - The 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 that may be over-earning)
   - Name and contact information for the Executive Director or individual responsible for signing state contracts

6. Deadlines to submit a TVTF request form to the Coordinator are **October 25th** for the November 1-15 CDE deadline; and **April 25th** 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 consultant indicates that the request should not go further, the agency will be informed.

8. Once the review is complete, the Coordinator will look for a match between funds being transferred and funds requested to serve more children or to compensate for over-earnings. Considerations for a match include:

   - Same type of contract is involved, (ex. CCTR to CCTR) as required by the CDE
   - 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 the amount requested

9. If requests have come in for which there is no match, the Coordinator may issue a general e-bulletin to all contractors describing the opportunity to release or receive and urging them to consider participation. If there are no agencies offering to release funds, **or** no agencies asking for additional funds by the stated deadline, no transfers can take place within the County. Those who requested to participate will be notified.

10. If there are more requests for funds than there are funds to be released, requests will be prioritized based on all of the above (see item 8) **and** the following considerations:

    - Consideration of the service priorities (Priority 1 will receive preference)
    - Agencies that 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 was requested
    - For the November deadlines, the plan for continuity of service for additional children enrolled with transferred funds
    - For the 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 Item 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 released 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 this with the signed letters from the agencies to CDE within the timeframes determined by CDE: November 1-15 or May 1-15. Information about specific contractors involved in these matched transfers will be handled confidentially.

14. The decision to approve or deny a TVTF request 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/EESD contracting agencies will receive contract amendments and fiscal adjustments based on CDE staff approvals.

16. If the request is denied, the participating CDE/EESD contracting agencies will receive a letter that explains why the request was denied.

17. CDE will report the Coordinator 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 constitute an evaluation of the process that includes the amount of time required to implement the TVTF, the amount of funds transferred, effectiveness of the TVTF in reducing under-earnings, and the estimated number of additional children served.