

October 31, 2024

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

EXECUTIVE SUMMARY

CHILD CARE BULLETIN (CCB) NO. 24-25

The purpose of this CCB is to provide guidance to child care and development contractors regarding the process to assign relinquished funds to child care and development contractors.



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GOVERNOR

October 31, 2024

CHILD CARE BULLETIN (CCB) NO. 24-25

GUIDANCE TYPE: DIRECTIVE

TO: EXECUTIVE OFFICERS AND PROGRAM DIRECTORS OF
CHILD CARE AND DEVELOPMENT PROGRAMS

SUBJECT: **PROCESS TO ASSIGN RELINQUISHED FUNDS TO CHILD
CARE AND DEVELOPMENT CONTRACTORS**

APPLICABLE
PROGRAMS: CALIFORNIA ALTERNATIVE PAYMENT PROGRAMS (CAPP);
MIGRANT ALTERNATIVE PAYMENT PROGRAMS (CMAP);
CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO
KIDS (CALWORKS) STAGES TWO (C2AP), AND THREE (C3AP);
GENERAL CHILD CARE AND DEVELOPMENT PROGRAMS
(CCTR); FAMILY CHILD CARE HOME EDUCATION NETWORKS
(CFCC); MIGRANT CHILD CARE AND DEVELOPMENT
PROGRAMS (CMIG); CHILD CARE AND DEVELOPMENT
PROGRAMS FOR CHILDREN WITH SEVERE DISABILITIES
(CHAN)

REFERENCE: [WELFARE AND INSTITUTIONS CODE SECTION 10267.5; TITLE
5 OF THE CALIFORNIA CODE OF REGULATIONS SECTION
18024](#)

Purpose

This Child Care Bulletin provides guidance for Child Care and Development contractors on the process the Child Care and Development Division (CCDD) will use to reassign relinquished funds to a permanent contractor.

Background

Title 5 of the California Code of Regulations (CCR) ([5 CCR section 18024](#)) allows a contractor to terminate the contract for any reason during the contract term. The contractor shall notify the CCDD of its intent to terminate the contract at least 90 calendar days prior to the date the contractor intends to terminate the contract. Upon receipt of a notice of intent to terminate, the CCDD will transfer the program to another agency as soon as practicable. A current contractor is eligible to apply for relinquished funds except under certain circumstances as specified in [Welfare and Institutions Code \(WIC\) Section 10267.5](#).

Guidance

When a contractor relinquishes a Child Care and Development contract, the CCDD Program Quality and Improvement Branch (PQIB) will determine if these contract funds will be reassigned to another contractor or added to the next Request for Application Cycle.

Relinquished Funds Reassignment Process:

- Notification Requirements:
 - The contractor shall notify the CCDD of its intent to terminate the contract at least 90 calendar days prior to the date the contractor intends to terminate the contract.
 - Official notification must be sent either via email or mailed. The notification shall be written on agency letterhead, signed by the authorized agency representative.
 - For contractors with a Board of Directors, the notification shall include a Board approved resolution.
- Within 15 days from the date the contractor formally notifies the CCDD of its intent to terminate the contract, the contractor shall submit:
 - The names, addresses, email, and telephone numbers of all families served by the contract and all staff members funded by the contract.
 - A current inventory of equipment purchased in whole or in part with contract funds.
 - CFCC, CCTR, CMIG Family Child Care Home Education Networks, and C2AP, C3AP, CAPP, CMAP contractors shall also submit the names, addresses, email, and telephone numbers of all providers of subsidized services funded by the contract.
- In collaboration with the assigned consultant, the contractor will send the Parent and/or Providers a notification when affected by the relinquishment.

The assigned PQIB Consultant will:

- Develop the CCDD announcement email, Letter of Intent (LOI), and Weighted Questions packet.
- Email or mail an LOI notification packet announcing the availability of the funds to the Local Planning Council and to (1) all contractors and subcontractors who offer the same services in the county; (2) any known contractor whose administrative headquarters is located outside the service delivery area but has been serving CCDD children in the service delivery area for at least three years.
 - The LOI will include questions regarding the ability of the contractor to meet specific conditions to be considered for funding. For example, the contractor may need to provide services in a specific facility or to identify a new facility due to the unique circumstances of the relinquishment.
 - The relinquished funds can be divided among multiple contractors. Interested bidders will need to complete the LOI and Weighted Questions packet specifying the portion of the contract funds they wish to receive.
 - The LOI will be completed by interested CCDD contractors or subcontractors and sent back to the CCDD within a specified timeframe. The returned LOI will inform CCDD of the contractor's interest in assuming some or all of the relinquished contract services.
- Determine if each applicant is eligible for funding based on the [WIC Section 10267.5](#). For eligible contractors, the assigned consultant will determine which agency will be awarded the contract funds based on the scores attained on the LOI packet and answers to the Weighted Questions.
 - All children currently enrolled in the relinquished contract shall remain enrolled during the relinquishment process and services will not be disrupted.
 - If more than one agency attains the highest score, CCDD will conduct a lottery to determine who will be awarded the funds or the funds may be reassigned to multiple contractors.
 - Contractors will be notified of the scoring results via e-mail.
- Contact Community Care Licensing, Child Development Fiscal Services, and Office of Audit Services to conduct record reviews to determine that:
 - The contractor has not significantly under-earned any existing contract(s).
 - There are no serious licensing issues.
 - There is no delinquent audit.
 - There are no serious unresolved issues during the last Contract Monitoring Review or the Error Rate Monitoring Review.
- If time and budget permit, the assigned consultant may conduct a site visit with the awardee(s) to verify their capacity to assume the contract.
- At the time of the final decision, the newly awarded contractor will be notified in writing and the funds will be permanently transferred to them.
- The newly awarded contractor in collaboration with the assigned consultant will notify current families and/or providers affected by the relinquishment.

If you are a contractor and have any questions regarding the information in this letter, contact your assigned Program Quality and Improvement Consultant. The list of assigned consultants can be found on the [Child Care and Development Contacts webpage](#).

Sincerely,

Original Document Signed By

LUPE JAIME-MILEHAM, EdD
Deputy Director
Child Care and Development Division