

March 11, 2026

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

EXECUTIVE SUMMARY

CHILD CARE BULLETIN (CCB) NO. 26-06

The purpose of this Child Care Bulletin (CCB) is to provide information to Child Care and Development Contractors who are on Provisional Contract status. The information contained in this bulletin describes the programmatic and fiscal systems that must be implemented prior to agencies being moved by the Child Care and Development Division from a Provisional Contract to Clear Contract status.



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DIRECTOR

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CHILD CARE BULLETIN (CCB) NO. 26-06

GUIDANCE TYPE: INFORMATIVE

TO: ALL CHILD CARE CONTRACTORS

SUBJECT: PROCESS FOR CONTRACTING AGENCIES TO MOVE FROM PROVISIONAL CONTRACT TO CLEAR CONTRACT STATUS

APPLICABLE PROGRAMS: CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS (CALWORKS) STAGE 2 (C2AP), CALWORKS STAGE 3 (C3AP), CALIFORNIA ALTERNATIVE PAYMENT PROGRAM (CAPP), GENERAL CHILD CARE AND DEVELOPMENT (CCTR), CHILDREN WITH SEVERE DISABILITIES (CHAN), FAMILY CHILD CARE HOME EDUCATION NETWORKS (CFCC), MIGRANT CHILD CARE AND DEVELOPMENT PROGRAM (CMIG), CALIFORNIA MIGRANT ALTERNATIVE PAYMENT PROGRAM (CMAP)

REFERENCES: [WELFARE AND INSTITUTION CODE \(WIC\) 10271](#), [WIC 10380](#), [WIC 10380.5](#), [WIC 10397](#), [TITLE 5 OF THE CALIFORNIA CODE OF REGULATIONS \(5 CCR\) SECTION 18056](#), [5 CCR 18068](#), [5 CCR 18071](#), [5 CCR 18072](#), [5 CCR 18073](#), [5 CCR 18273](#), [5 CCR 18274](#), [5 CCR 18275](#), [5 CCR 18278](#), [5 CCR 18279](#), [5 CCR 18281](#), [5 CCR 18303](#), FUNDING TERMS AND CONDITIONS (FT&C's)

Purpose

The purpose of this Child Care Bulletin (CCB) is to provide Child Care and Development Contractors with the process of moving a contract from Provisional Contract Status to Clear Contract Status.

Background

The Provisional Contract designation applies to any newly awarded contract for Child Care and Development programs under the purview of the Child Care and Development Division. The Provisional Contract designation applies to an agency's first contract, or to the contract of an existing agency for a new, modified, or different type of contract, for a Child Care and Development program.

The timeframe of a Provisional Contract is at the discretion of the California Department of Social Services (CDSS) to ensure that the contractor can demonstrate fiscal and programmatic compliance before the contract is designated as a clear contract. The contract status shall be reviewed annually.

For purposes of eligibility for funding, a contract is considered to be on provisional status if the contracting agency was awarded a child care and development contract in the prior year's child care and development expansion application cycle, regardless of whether a contract has been executed.

The CDSS will notify a contractor of a change in contract status.

Guidance

The Program Quality Improvement Branch (PQIB) will onboard, support, and conduct monitoring of Provisional Contracts in collaboration with Child Development Fiscal Services. The PQIB may provide some or all of the following assistance to contractors with provisional contracts depending on a contractor's level of need: targeted coaching and technical assistance through the Initial Visit, training, virtual and onsite coaching, Continuous Improvement Plans, and follow-up visits.

The PQIB will review the new contractor's compliance with all applicable laws and contractual provisions prior to making a recommendation regarding contract status. The monitoring review for Provisional Contracts is called an Initial Visit.

The following **programmatic requirements** must be met for CDSS to consider moving a contract from provisional status to clear status:

- Providing subsidized child care for at least three months before the PQIB conducts an Initial Visit.

- Contractor complies with Funding Terms & Conditions and Program Requirements.
- Timely and accurate submission of the annual Continued and Expansion Funding Application.

Initial Visit Review

- The PQIB will utilize the [Program Integrity Monitoring Tool](#) during the Initial Visit. A summary of the key areas a contractor must meet include demonstration of:
 - Procedures in place for enrolling qualified families in priority order as described in [WIC 10271](#).
 - Evidence documenting families enrolled in the contractor's program must meet eligibility and need requirements.
 - Evidence parents have been provided with information on their due process rights, including how to submit an appeal.
 - Procedures ensuring Parent Handbook and/or written information contains all the elements from the Program Integrity Monitoring Tool (Appendix A).
 - Inclusion of a staff development component in accordance with [5 CCR 18274](#).
 - Completion of applicable annual parent survey.
 - Evidence that a contractor's asset management and procurement procedures meet Funding Terms and Conditions requirements.
 - Timely completion and submission to CDSS of a Program Self Evaluation by June 1 of each year in accordance with [5 CCR 18279](#).
 - **In addition to the above, direct service center based programs and Family Child Care Home Education Networks (FCCHEN), a demonstration of:**
 - Compliance with [WIC 10380](#) and [10380.5](#) and [5 CCR 18290](#)
 - Parent Involvement and Education component in accordance with [5 CCR 18275](#).
 - A nutrition component in accordance with [5 CCR 18278](#).
 - Classrooms and homes meet the Environment Rating Scale subscales of "good" in accordance with [5 CCR 18281](#).
 - The Desired Results System has been implemented including Desired Results Developmental Profile, Environment Rating Scale, Parent Survey, and Program Self-Evaluation.
 - Sites and service providers meet Community Care Licensing requirements. Any citations must be responded to timely and resolved in accordance with the corrective actions identified on the notice of deficiency.
 - An educational component in accordance with [5 CCR 18273](#).

- Implementation of suspension and expulsion prevention procedures in accordance with [CCB 23-24](#) and [CCB 24-23](#).
- **FCCHEN and Alternative Payment Programs:** The PQIB will also review evidence of the following for compliance: provider payments, written information, and provider agreements aligned with program requirements.

The following **fiscal requirements** have been met for CDSS to consider moving a contractor from a Provisional Contract to a Clear Contract:

- Timely monthly submissions of child development fiscal reports.
- Accurate enrollment and attendance reporting.
- Implementation of technical assistance provided by assigned fiscal analyst on fiscal requirements.
- Fiscal reporting is accurate and follows the accrual basis guidelines.

The following Child Development Data Collection, **CDSS – Child Development Management Information System** requirements have been met:

- Compliance with the CDD-801A Monthly Child Care Population Report, the CDD-801B Sample Report, and the Subsidized Provider Report (SPR), submitted electronically in accordance with instructions from the CDSS.
- Promptly updating administrative information to include Program Director, Executive Director, and Facility Information (Sites, Offices, and FCCHs) listed in the agency profile.

The following **audit requirements** have been met:

- Contractors shall submit to the CDSS, Office of Audit Services (OAS), an acceptable annual financial and compliance audit in accordance with [5 CCR 18071](#), [5 CCR 18072](#), and [5 CCR 18073](#).

Ongoing Training and Technical Assistance ([WIC 10397\(c\)](#))

Assigned consultants and fiscal analysts regularly communicate with assigned contractors. Contractors should reach out to their assigned consultant and fiscal analyst when support is needed with implementation of programmatic, audit and fiscal requirements. Technical assistance shall be provided to any contracting agency that submitted a written request for technical assistance to its assigned consultant or administrator within sixty (60) days of receipt of the request.

Annual Review of Contract Status

In accordance with [5 CCR 18303](#), the CDSS shall review contract performance annually to determine contract status recommendations by April 1 for the upcoming fiscal year. The PQIB will review all contractors on Provisional Contract status annually. Contractors that have demonstrated fiscal and programmatic compliance, including compliance with Funding Terms and Conditions and Program Requirements, may be recommended for Clear Contract status to take effect July 1 of the new fiscal year.

Contractors who have one or more Provisional Contracts and are unable to demonstrate fiscal and programmatic compliance may receive a Conditional Contract or No Offer of Continued Funding. Contractors will be notified of the reasons for the proposed change in contract status by April 7 of the fiscal year.

Resources

[Program Quality Improvement Consultant](#)

[Fiscal Analyst Contacts and Resources](#)

[Contractor Resources](#)

- Program Requirements
- Funding Terms and Conditions

[Desired Results](#)

[Contracting Agencies Audit Guidelines and Resources](#)

[Child Care and Development Forms](#)

[Child Care Bulletins](#)

If you have any questions or need additional guidance regarding the information in this letter, please contact your assigned [Program Quality Improvement Consultant](#).

Sincerely,

Original Document Signed By

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