



**ASSISTING
CHILD DEVELOPMENT DIVISION CONTRACTORS
TO SUCCESSFULLY EARN THEIR CONTRACTS:
A POLICY PAPER
NOVEMBER 2010**

Efforts and Results

In early 2009, the San Francisco Department of Children, Youth and Their Families (DCYF) and First 5 San Francisco, working in collaboration with the SB 701 Pilot Administrators, contracted with the Children's Collabrium to provide in-person, telephone and email consultation to San Francisco-based contractors with the Child Development Division (CDD) of the California Department of Education (CDE).¹¹

The most significant outcome of the above work in San Francisco is **the anticipated retention during FY 2010-11 of more than \$3,000,000 that would otherwise have been returned to the State. Consequently, more than 76,000 additional child days of enrollment will be delivered translating into full-time services for an estimated 300 income eligible children and their families per year.**

These outcomes are the direct result of,

- the **delivery of almost 600 hours of technical assistance** to Child Development Division (CDD) funded agencies and the Pilot Administrators in San Francisco.
- the provision of varying levels of technical assistance and/or training to 23 different agencies within San Francisco. Such **technical assistance revolved around issues related to earning CDD contracts including, but not limited to, projecting enrollment & earnings, family enrollment & certification, reporting earnings and expenses to the funder, facilitating crisis management sessions, evaluation of systems, and training of appropriate personnel.**
- the **analysis of agencies' abilities to earn their CDD contracts**, especially given licensed capacity and staffing limitations.
- collaboration with the Pilot Administrators to identify contract funds that might be transferred between San Francisco contractors. To date, **those transfers**

I think that staff have a better understanding of reporting to CDE and working together to make that happen. I want to thank both of you for giving us the opportunity to work with (you) – Thank you!!

Executive Director of a San Francisco Child Care Agency

exceeded \$2,559,000 on a permanent basis and \$409,000 on a temporary basis.

- the **delivery of approximately 60+ hours of technical support/consultation to Pilot Administrators** around issues related to Pilot administration, meetings with various contractors and other City/County agencies and departments and related topics.

Thank you again for the work that... you did with our staff on the various processes that we need to strengthen. We have started a records review/re-design process (as a result)....

Executive Director, San Francisco Multi-Service Agency

- consultation with Pilot Administrators** around issues such as targeted agencies for services, emerging issues among contractors, regular updates of assistance delivered, and other related topics.

Background on the Children’s Collabrium Work

A more thorough picture of the work undertaken by the Children’s Collabrium in consultation with the Pilot Administrators is depicted in the chart below.

Project Activities	Focus of Activities relative to Contract Management and Reporting
<ul style="list-style-type: none"> assessment of new or emerging needs for contractors, as required, both for existing and new contractors in San Francisco technical assistance and training on new CSPP (Preschool) contracts, as well as CCTR (infant, toddler and school-age) programs team building within organizations relative to earning their CDD contracts on-going mentoring of sites through group sessions to ensure full compliance with contract requirements and Funding Terms & Conditions (FT&C) facilitation of communication between contractors and SPHERE (data collection contractor) relative to 9500s and 8501SFs, reporting forms for contractors to CDE provision of technical assistance to make better use of computer software to develop 9400s, 9500s and projections, in order to increase efficiency and accuracy provision of other forms of TA, as warranted 	<ul style="list-style-type: none"> fully earning a CDD contract subcontracting to or from another entity estimating and projecting earnings re-evaluating contract terms for participating Pilot CDD contractors in order to make contract amendments factoring family fees into earning projections understanding CDD need and eligibility regulations determining daily enrollment and unit costs developing cost allocation plans reporting restricted and third-party funding and their impact on CDD contracts blending funding understanding reimbursement formulas making good use of fiscal and enrollment data in program planning reviewing Form 9500 and 8501SF and enrollment data exploring the use of databases for reporting requirements and contract management

The Needs Of Contractors

Initially, the Children’s Collabrium met with staff of each participating contractor to assess its needs. From this meeting, the Children’s Collabrium and the contractor’s staff identified specific topics and/or issues to be addressed through the consulting process. As mentioned above, such consultation was delivered at the contractor’s site, via telephone, and/or through email. In cases where multiple sites required the same form of assistance, the Children’s Collabrium facilitated group training(s). The number of consulting hours offered to each agency was based on expressed needs of that entity or observations made by Children’s Collabrium personnel.

Observations regarding Contractors	Specific Activities that Lead to Success	Factors Required for Effective Projects
<ul style="list-style-type: none"> • turnover in staff who do projections and enrollments impacts the earning of the contracts • silos exist among staff within many organizations performing contract related tasks (i.e., fiscal, projections, enrollment) which inhibit understanding about how CDD contracts are earned • some agencies view CDD funding as they do grants rather than contracts which must be earned • CDD contracts are complicated and require on-going technical assistance and training above and beyond that which CDD is able to provide • building trust and relationships are critical to the process of offering technical assistance and training and impact the results of such efforts • staff in some organizations are resistant to change and thus require a commitment at the highest levels to embrace new ways of successfully managing contracts 	<ul style="list-style-type: none"> • team building • consultation on the relinquishment of unearned funds • analysis of the capacity to earn contracts given staffing and licensed spaces • subcontracting: both the decision to do so, as well as networking to identify potential subcontractors • greater focus on projecting earnings • more efficient procedures for enrolling children • better understanding of the nuances related to operating/earning a CDD contract • building relationships with contractors that opened doors to difficult discussions that neither a funder nor regulator could facilitate • better earning of contract dollars • temporary transfer of funds among contractors at year end • helping contractors in their communications with CDD to ask questions that result in more effective operation of agencies’ programs and earning of funds 	<ul style="list-style-type: none"> • voluntary participation by CDD-funded agencies • a memorandum of understanding that outlines the responsibilities of all participating agencies • incentives that entice funded agencies to participate in the project (i.e., technical assistance, training, higher reimbursement rates) • a coordinating entity at the county level to oversee project activities • a willingness to change the status quo within agencies such as the formation of teams to accomplish the work required to earn contracts

Recommendations for Replication

Based on the above, the following recommendations are offered to other technical assistance providers, like the Children's Collabrium, which might offer similar services to CDD contractors in their areas.

- Given turnover in staff, as well as the complexity and/or nuances of operating a CDD funded contract, technical assistance and training must be available on a continuing basis. One-time assistance, in most cases, does not provide the level of consultation that many contractors require. Without on-going assistance, contractors, which have historically under- or over-earned their contracts, fall into the same patterns that lead them to not perform according to CDD standards.
- Technical assistance must be specifically modified to meet the unique needs of each contractor. Given the diversity of agencies, their structures, and the systems within each, *one size does not fit all*. Consequently, an initial assessment of each agency must be undertaken to determine the strengths and weaknesses of that organization and then develop a plan for addressing the latter issues.
- A strong team of consultants well-versed in the operation of CDD contracts is essential to the success of the training and technical assistance outlined in this policy paper. Simple knowledge of how to operated a child care program is insufficient in addressing the types of issues faced by CDD-funded agencies relative to earning such contracts.
- The establishment of trust between the CDD contractors and the consultants in efforts described above facilitates the work of the latter party(ies) and allows the consultants to identify and discuss what may be either difficult or hard topics/issues relative to the solving of particular problems within agencies.
- Although the scope of services delivered through this effort in San Francisco was connected to the *Pilot Program*, CDD contractors in other counties throughout California experience similar problems with the earning of their contracts. That fact was documented by the underearning of almost \$60M during FY 2008-09 by contractors. Yet, thousands of children remain on eligibility lists for state-subsidized programs statewide. Consequently, contractors would benefit from a similar array of services in their communities. Such services should be driven by the need(s) of individual contractors, as opposed to a *one size fits all* approach to the delivery of training and technical assistance. This recommendation is particularly important given the restrictions

For more information about this effort or the Children's Collabrium, please contact us at 760.408.6578 or send an email to gjkinley@thechildrens-collabrium.com.

that consultants with the Child Development Division have on travel to contractors.

- CDD consultants were often contacted by personnel of the Children's Collaborium during the course of the current effort. Consequently, it behooves similar consulting agencies to establish such relationships with the appropriate CDD consultants (both programmatic and fiscal) and, therefore, facilitate the answering of questions that are so specific to a single agency, which may require the opinion or answers by a source within the Child Development Division.
- Lastly, a central entity, such as a countywide child care coordinator or local planning council with strong connections to and relationships with contractors, is pivotal to enlisting and maintaining the involvement and support of agencies in the community toward the implementation of the efforts described above.

Concluding Thoughts

The experience depicted above demonstrates the efficacy of providing a coordinated and on-going system of training and technical to Child Development Division contractors in order to retain funds in an individual county and, consequently, serve more income eligible children and their families. Given the current economic state and reduction of funds for child care services, these efforts can only result in the more effective delivery of child care and development services to the children and families of California. For more information about the work of the Children's Collaborium, please contact us via phone or email.

ⁱ The consultation offered by the Children's Collaborium was provided to any State-funded agency, but be targeted toward those programs, which DCYF and the Pilot Administrators had identified as most benefiting from such services. The technical assistance was intended to assist contractors to earn fully their CDD contracts and thus fulfill to requirements of SB 701, which created a *Pilot Program* in San Francisco.

The San Francisco Child Care Individualized County Subsidy Plan, also known as the *Pilot Program*, was enacted into law through SB 701 (Migden) in 2005. The *Pilot Program* allowed San Francisco to:

- Increase income limits for participation in subsidized child care from 75% of the state median income to 85% of the federal SHHS state median income. For a family of four, this change increased the maximum income eligibility from \$49,620 per year to \$60,108 per year. This enabled families with incomes just above the state eligibility cutoff to remain in high quality child care.
- Provided a slightly higher reimbursement rate to child care providers. In FY 2009-10, the State's Standard Reimbursement rate for Title 5 contractors was \$34.38 per day. Under the *Pilot Program*, San Francisco's Pilot Reimbursement Rate, which was not relative to SFUSD, agencies received \$36.63 per day while SFUSD as a participant in the Pilot was able to claim a higher reimbursement rate and adjustment factors for eligible children.
- The *Pilot Program* gave San Francisco the authority and flexibility to move money among contractors without having to go through an RFP process, in order to serve as many children as possible. In the last 16 months, the *Pilot Program* has transferred significant dollars from contractors which were not using their full allocation of funds to contractors that could utilize these funds and serve more children.
- At the end of each fiscal year, funds that had not been earned by contractors (out of the county allocation of \$57M) were returned to the state. In FY 08-09, such funds were swept from the CA Department of Education and transferred to the General Fund, this eliminating their use for child care and development services.