

This is a message from the California Department of Education (CDE), Early Learning and Care Division (ELCD).

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## **CONTINGENCY FUNDS APPLICATION PROCESS**

Dear Alternative Payment Program Contractors:

The purpose of this letter is to provide Alternative Payment Program (APP) contractors with information regarding the process to apply for contingency funds.

Pursuant to *Education Code* Section 8222.1, per the Budget Act of 2019, the CDE shall reallocate funds as necessary to reimburse APPs (excluding CalWORKs) for actual and allowable costs incurred for additional services. An APP may apply for reimbursement of up to three (3) percent of their contract amount, or for a greater amount subject to the discretion of the Department, based on availability of funds. Applications may be submitted as early as May 1, 2020, but no later than September 30, 2020. The CDE will approve or deny applications submitted pursuant to this section, but will not consider applications received after September 30, 2020, of the current calendar year for additional costs incurred during the 2019–20 fiscal year.

The CDE will distribute reimbursement funds for each approved application within 90 days of receipt of the application if it was filed between May 1 and July 20 inclusive of the current calendar year. Applications received after July 20 are not subject to the 90-day requirement for the distribution of funds. If requests for reimbursement pursuant to this section exceed available funds, CDE will assign priority for reimbursement according to the order in which it receives the applications.

Funds received by an APP pursuant to this section that are not substantiated by the program's annual audit must be returned to CDE and are not subject to the appeal process.

The Contingency Fund Application, form CDFS 1571, is now available on the Internet at <http://www.cde.ca.gov/fg/aa/cd/>. Please note, this form cannot be submitted electronically and must be received by the CDE no later than September 30, 2020.

If you have any questions regarding this process, please contact me at 916-324-6611, or email [JClegg@cde.ca.gov](mailto:JClegg@cde.ca.gov).

Sincerely,

Jordan Clegg, Staff Services Manager I  
Child Development & Nutrition Fiscal Services  
Fiscal and Administrative Services Division