



Agreement Between

The State of California

and

**Child Care Providers United - California, a joint partnership of SEIU
and AFSCME/UDW (CCPU-CA)**

covering

**STATE-FUNDED FAMILY CHILDCARE
PROVIDERS**

Effective

September 13, 2023 through July 1, 2025

TABLE OF CONTENTS

| | |
|--|-----------|
| PREAMBLE | 3 |
| ARTICLE 1 – RECOGNITION | 3 |
| ARTICLE 2 – REPRESENTATION..... | 3 |
| 2.1 Preservice Meetings and Orientation..... | 3 |
| 2.2 Provider Information..... | 5 |
| 2.3 Dues Deduction | 6 |
| 2.4 Emergencies..... | 7 |
| ARTICLE 3 – PREROGATIVES RESERVED FOR THE STATE OF CALIFORNIA | 7 |
| ARTICLE 4 – GENERAL PROVISIONS | 8 |
| 4.1 No-Strike | 8 |
| 4.2 No Reprisals | 8 |
| 4.3 Entire Agreement..... | 9 |
| 4.4 Savings Clause | 9 |
| 4.5 Legislation..... | 9 |
| 4.6 Individual Agreements | 9 |
| 4.7 Non-Discrimination..... | 9 |
| ARTICLE 5 – GRIEVANCE AND ARBITRATION PROCEDURE | 10 |
| 5.1 Purpose | 10 |
| 5.2 Definitions | 10 |
| 5.3 Time Limits..... | 11 |
| 5.4 Waiver of Steps..... | 11 |
| 5.5 Presentation..... | 11 |
| 5.6 Informal Discussion..... | 11 |

| | |
|--|-----------|
| 5.7 Formal Grievance – Step 1 | 11 |
| 5.8 Formal Grievance – Step 2 | 12 |
| 5.9 Formal Grievance – Step 3 | 12 |
| ARTICLE 6 – TRAINING | 13 |
| ARTICLE 7 – RATES AND INCENTIVES | 14 |
| 7.1 Rates | 14 |
| 7.2 Cost of Care Plus Rate | 15 |
| 7.3 Single Rate Structure and Alternative Methodology..... | 16 |
| 7.4 Definition of Part-Time and Full-Time | 17 |
| 7.5 Reimbursement Based on Certified Need..... | 18 |
| 7.6 Payment Timeliness..... | 18 |
| ARTICLE 8 – CCPU BENEFITS TRUSTS..... | 20 |
| 8.1 Health Benefits Trust | 20 |
| 8.2 Retirement Benefit Trust..... | 20 |
| ARTICLE 9 – JOINT LABOR MANAGEMENT COMMITTEES..... | 21 |
| 9.1 Joint Labor Management Committees | 21 |
| 9.2 Suspension and Expulsion..... | 21 |
| ARTICLE 10 – DURATION..... | 22 |
| SIGNATURE PAGE | 23 |

PREAMBLE

This Memorandum of Understanding (MOU or Agreement) is entered into by the STATE OF CALIFORNIA, including the State Department of Education, the State Department of Social Services, any other state department or agency, any contractors or subcontractors, and any political subdivisions of the state that are administering a state-funded early care and education program (hereinafter referred to as the State), and CHILD CARE PROVIDERS UNITED (CCPU or Union), pursuant to the Building a Better Early Care and Education System Act (the Act), Welfare and Institutions Code section 10420 et seq.

The Act has the purpose to promote quality, access, and stability in the early care and education system by authorizing an appropriate unit of family childcare providers to choose a provider organization to act as their unit's representative on all matters specified in the Act; and to promote full communication between family childcare providers and the state by permitting a provider organization certified as the representative of family childcare providers to meet and confer with the state regarding matters within the scope of representation and other areas as mutually agreed upon in negotiations.

ARTICLE 1 – RECOGNITION

Pursuant to the Public Employment Relations Board Certification SA-PC-1-N, the State recognizes Child Care Providers United (CCPU) as the certified provider organization as defined by Welfare and Institutions Code section 10421, subdivision (a), and as the exclusive negotiating agent for all family childcare providers as defined by Welfare and Institutions Code section 10421, subdivision (b).

Pursuant to Welfare and Institutions Code section 10425.5 and Government Code section 19815.4, subdivision (i), CCPU recognizes the Director of the California Department of Human Resources or their designee as the Governor's designated representative for meeting and conferring as prescribed in the Act, and shall negotiate exclusively with the Director or their designee, except as otherwise specifically provided for herein.

ARTICLE 2 – REPRESENTATION

2.1 Preservice Meetings and Orientation

In accordance with Section 10428.7 of the Welfare and Institutions Code (WIC), the state or a department, contractor, subcontractor, or political subdivision of the state shall notify the Child Care Providers United (CCPU) at least 10 days prior when possible or as soon as a preservice meeting or orientation is scheduled. CCPU shall be provided access to the entirety of all live preservice meetings or orientations for family childcare providers, as defined by WIC section 10421(b), and conducted at the local level at the discretion of County Welfare Departments (CWDs) and local contracting agencies, such as but not limited to an Alternative Payment Program (APP), Family Child Care Home

Education Network (FCCHEN), and Resource and Referral Agency (R&R) and, notwithstanding WIC section 10428.7(C)(2), the CDSS Community Care Licensing Division (CCLD) Child Care Licensing Program for orientations pursuant to Health and Safety Code (HSC) Section 1596.845. Such CCPU access shall include, and not be limited to, the ability to make a presentation about CCPU and its activities, its negotiations and memorandum of understanding, and membership.

In accordance with WIC section 10420.5(c), nothing in this MOU is intended to change or interfere with the requirements governing licensing and enforcement of the Child Day Care Facilities Act, including orientations required by HSC section 1596.845.

For live preservice meetings or orientations, whether conducted in-person or virtual, CCPU shall be provided the opportunity to make a presentation at a time provided by the entity conducting the preservice meeting or orientation. For purposes of this section, "virtual" means conducted over computers or other electronic devices using a live-streaming internet platform.

There shall be a minimum of forty-five (45) minutes provided for the CCPU presentation and the entities conducting pre-service meetings and orientations shall not discourage participants to join in the CCPU presentation.

A. Live (in-person or virtual)

1. At its discretion, CCPU may create and provide in advance a presentation, which may be amended as determined by CCPU, to the state or a department, contractor, subcontractor, or political subdivision of the state offering online preservice meetings or orientations. When CCPU provides such a presentation, it shall be included as part of all preservice meetings and orientations.
2. CCPU may also, at its discretion, have a representative or representatives in attendance for the entirety of live preservice meetings or orientations. Such representative(s) shall be provided the opportunity to make presentations, whether or not CCPU has provided a presentation in advance.
3. Except for the CCLD orientation required by HSC 1596.845, upon the request of CCPU, the parties will share the backend data of who participated, how they answered poll questions, etc. as deemed permissible to share.

B. Online (Pre-recorded module)

For the CCLD orientation required by HSC section 1596.845, CCPU may provide a pre-recorded presentation to the California Department of Social Services (CDSS) to be included with the CCLD orientation pre-recorded module. The CCPU presentation shall be allotted up to fifteen (15) minutes at the end and shall be implemented in accordance with the CDSS module vendor contract timeframes and parameters.

C. Lists of Participants

Upon completion of any live preservice meetings and orientations, and except as specified below for the CCLD orientation attendees, CCPU shall be provided with a list of providers, who attended such preservice meetings or orientations, in the event a preservice meeting or orientation is scheduled for current providers. For preservice meetings or orientations held for prospective providers, CCPU shall be provided with a list of attendees unless an individual has requested not to have their information shared with CCPU. For the CCLD orientations required by HSC section 1596.845, lists of attendees will not be provided by CCLD to CCPU.

CCPU may bring any concerns regarding Preservice Meetings and Orientations to the JLMC established in Article 9.1 of this Agreement.

2.2 Provider Information

The State shall provide the Union with a list of Family Childcare Providers, as defined by Welfare and Institutions Code (WIC) Section 10421(b), as it is received by the State, electronically on a monthly basis by the fifth (5th) business day of each month. This list shall include:

- A. Names of all licensed and licensed-exempt family childcare providers, as defined by WIC Section 10421(b), who were paid a subsidy or subsidies in the month prior to the previous calendar month
- B. Effective July 1, 2024, those contractor(s), subcontractor(s), agency(ies), or political subdivision(s) of the state that are readily able to provide amounts of all subsidies paid in the previous month for each and every provider on the list. For those contractor(s), subcontractor(s), agency(ies), or political subdivision(s) of the state that are unable to meet the above timeframe, they shall submit an implementation plan to CCPU no later than July 1, 2024
- C. Mailing and home address, including county
- D. Home telephone number, and cell, and work telephone number, if known
- E. Email address, if known
- F. Whether the provider, as defined by WIC Section 10421(b), is license-exempt or licensed by the California Department of Social Services
- G. If licensed, state facility license number
- H. Primary language used, if known
- I. Contractor(s), subcontractor(s), agency(ies), or political subdivision(s) of the state administering the state-funded early care and education program in which the provider, as defined by WIC Section 10421(b), participates

- J. Unique provider identification number, when available
- K. Contract type

To the extent to which any information above is being maintained as unique fields (for example, street address, city, and zip in separate fields), then such data shall be transmitted in existing field format.

If CCPU cannot resolve concerns directly with counties and/or contractors, CCPU may submit concerns or questions regarding incomplete and/or inaccurate data to the California Department of Social Services (CDSS) designee. CDSS shall investigate those concerns, including discussions with sources of data, e.g. Alternative Payment Programs (APPs), County Welfare Dept (CWDs), etc., and take reasonable action to remedy instances of incomplete and/or inaccurate data, as determined necessary by CDSS. CDSS will communicate findings and the steps taken to CCPU upon information becoming available.

2.3 Dues Deduction

Consistent with Welfare and Institutions Code (WIC) section 10426.5, CCPU may request deductions from the subsidy payments of providers, and CalHR shall ensure those requests are honored. As such, the parties agree that CCPU shall be solely responsible for providing CCPU certifications for dues deductions.

1. CCPU will upload certifications for automatic deductions to the CalHR File Transfer Protocol (FTP). The certifications will be uploaded to the FTP by CCPU once per month with automated dissemination by CalHR, consistent with the current practice, for access by vendors.
2. Contractors and counties who reimburse providers, otherwise referred to as “vendors,” shall retrieve the CCPU certification files from the FTP, calculate and withhold the certified deductions, and remit the reconciliation files to the FTP consistent with the instructions established by CCPU no later than the 5th business day of the month following the certification month.
3. Vendors shall then issue the monthly deductions to CalHR’s Accounting Office by the 10th business day of month following the certification month, and shall be accompanied with the CalHR provided cover sheet to instruct CalHR Accounting as to how to remit the payment among the three respective CCPU locals.
4. CalHR Accounting will submit to the State Controller’s Office (SCO) request for payment to the three CCPU locals by the 20th calendar day of each month. Monthly payments will account for all payments deposited since the last processed payment.

CalHR shall serve as a passthrough entity as it is related to the CCPU certifications and the remittance of dues. CalHR is not responsible for the information provided in the CCPU certifications, the vendor remittance reports, or the funds themselves. CalHR

shall grant the same access to CCPU to receive alerts and view uploaded files, as is provided to CalHR staff, as to allow CCPU complete transparency to information provided by vendors and account for compliance.

Before filing a grievance, CCPU shall attempt to resolve concerns with specific vendors in advance of bringing concerns to CalHR. If CCPU believes it has not obtained satisfactory results after first attempting to resolve the matter with a specific vendor, CCPU may bring its concern to CalHR to further assist and ensure CCPU requests for dues deduction are honored.

The timelines may be adjusted by mutual consent of the parties.

Nothing in this provision is intended to interfere with WIC section 10426.5 or 10428.3, and all rights and entitlements pertaining thereto. This section shall not be subject to the arbitration procedure established Section 5.9, Formal Grievance – Step 3, of this agreement. If the aggrieved party is unsatisfied with the response rendered in accordance with Section 5.8, Formal Grievance – Step 2, of this agreement, the aggrieved party may commence an unfair practice charge before the Public Employment Relations Board consistent with WIC section 10428.3.

2.4 Emergencies

As stated in California’s Child Care Disaster Plan of 2016, which serves as an annex to the State Emergency Plan, child care is an essential service for emergency response workers and necessary for a community’s economic recovery. Further, family childcare providers are vital to families working non-traditional hours and who value access to care in homelike environments.

In the event of an emergency as declared by State or Federal authorities, the state and CCPU shall meet and confer in good faith upon request by either party in accordance with Welfare and Institutions Code (WIC) § 10425.5. The meet-and-confer shall continue for a reasonable period of time in order to freely exchange information, opinions, and proposals, and to endeavor to reach an agreement on matters within the scope of representation. The State and CCPU shall endeavor to provide related information within a reasonable time frame upon request by either party.

ARTICLE 3 – PREROGATIVES RESERVED FOR THE STATE OF CALIFORNIA

All State rights and functions, except those which are expressly abridged by this Agreement, shall remain vested with the State. Nothing in this MOU is intended to change or interfere with the requirements governing licensing or enforcement thereof set forth in the California Child Day Care Facilities Act (Chapter 3.4 (commencing with Section 1596.70), Chapter 3.5 (commencing with Section 1596.90), and Chapter 3.6 (commencing with Section 1597.30) of Division 2 of the Health and Safety Code) and California Code of Regulations (Title 5 and Title 22, Division 12). Nothing in this MOU is intended to interfere with requirements set forth in the Child Care and Development

Services Act (WIC Section 10201 et seq.), the Early Education Act (Education Code Section 8200 et. seq.), and the Information Practices Act (California Civil Codes Section 1798 et seq. Nothing in this MOU is intended to interfere with the ability of the State, the State Department of Education, the State Department of Social Services, another department or agency, or a political subdivision of the State to comply with the laws governing it or the requirements of federal grants or federal funding.

The rights of the State include, but are not limited to the exclusive right to establish the State's missions, programs, objectives, activities, and priorities in accordance with applicable federal and state law; plan, direct, and control the use of resources to achieve the State's missions, programs, objectives, activities, standards, guidance, and priorities for state-funded early care and education programs; take all necessary actions to carry out its mission in emergencies; maintain and promote the efficiency of public operations entrusted to the State; to adopt, amend, or repeal in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code any rules and regulations which may be necessary to carry out its duties.

ARTICLE 4 – GENERAL PROVISIONS

4.1 No-Strike

During the term of this Agreement, neither CCPU, including its agents and staff, nor any family childcare provider, for any reason, will authorize, instigate, institute, aid, condone, or engage in a work slowdown, work stoppage, strike, sympathy strike, unfair labor practice strike, or any other interference with state-subsidized child care.

CCPU shall notify all of its officers, agents, staff, and all family childcare providers of their obligation and responsibility to maintain compliance with this section, including the responsibility to continue providing state-subsidized child care during an interruption which may be caused or initiated by others, and to encourage providers violating this section to resume providing state-subsidized child care.

Nothing in this section shall be construed to prohibit a licensed family daycare home, as defined in Health and Safety Code section 1596.78, from discharging, suspending, demoting, or otherwise disciplining any of its employees who violate this section.

Nothing in this section shall be construed to limit the ability of the State Department of Social Services from taking any action to ensure the health and safety of children in care pursuant to the Child Day Care Facilities Act (Chapter 3.4 (commencing with Section 1596.70), Chapter 3.5 (commencing with Section 1596.90), and Chapter 3.6 (commencing with Section 1597.30) of Division 2 of the Health and Safety Code).

4.2 No Reprisals

The parties agree that the state, any political subdivision, contractor, or subcontractor charged with the administration of a state-funded early care and education program

shall not interfere with, intimidate, retaliate, restrain, coerce or discriminate against any family childcare provider because of the exercise of the provider's rights granted pursuant to this Agreement, and the Building a Better Early Care and Education System Act.

4.3 Entire Agreement

This Agreement sets forth the full and entire understanding of the parties regarding the matters contained herein, and any other prior or existing understanding or agreement by the parties, whether formal or informal, regarding any such matters are hereby superseded. Except as provided in this Agreement, it is agreed and understood that each party to this Agreement voluntarily waives its right to negotiate with respect to any matter raised in negotiations or covered by this Agreement, for the duration of the Agreement.

4.4 Savings Clause

Should any provisions of this Agreement be found unlawful by a court of competent jurisdiction or be invalidated by subsequently enacted legislation, the remainder of the Agreement shall continue in full force and effect. Upon the invalidation of any provision of this Agreement by such court decision or legislation, the parties shall meet as soon as practicable to attempt to renegotiate the terms of the invalidated provision(s).

4.5 Legislation

CCPU will notify CalHR of any legislation that it sponsors which, to its knowledge, has an effect on this Agreement.

CalHR will notify the Union of any legislation CalHR, the State Superintendent of Public Instruction at the California Department of Education, or the California Department of Social Services sponsors which, to its knowledge, has an effect on this Agreement.

These notifications shall occur after introduction of an applicable bill by the Legislature.

4.6 Individual Agreements

The State shall not negotiate with or enter into memoranda of understanding with one or more family childcare providers, amend final grievance responses, or grant rights or benefits not covered in this Agreement to any family childcare provider unless such action is with CCPU concurrence.

4.7 Non-Discrimination

The parties agree that a state agency or department charged with the administration of any state-funded early care and education program will not discriminate against any protected class in compliance with state and federal law.

A family childcare provider may file a complaint with any entity or jurisdiction vested with investigating and addressing such matter, including, but not limited to, California Civil Rights Department (CRD), the federal Equal Employment Opportunity Commission (EEOC), and the Equal Employment Opportunity Offices of the Department of Social Services, Department of Education, or a local agency that administers a state-funded early care and education program.

Nothing in this provision changes the family childcare providers' status as employees or independent business owners or classifies family childcare providers as public employees. This provision does not, for any purpose, create an employer-employee relationship between family childcare providers and the state, any agency or department of the state, any political subdivision of the state, or a contractor or subcontractor administering a state-funded early care and education program.

This section shall not be subject to the Grievance and Arbitration Procedure in Article 5 of this Agreement.

Alleged violations of this section may be brought to the Joint Labor Management Committee provided for in Article 9.1 of this Agreement to assess, if any, inequitable impacts of the policies and practices of a state-funded early care and education program.

ARTICLE 5 – GRIEVANCE AND ARBITRATION PROCEDURE

5.1 Purpose

- A. This grievance procedure shall be used to process and resolve grievances arising under this Agreement. Nothing in this procedure shall preempt or otherwise prohibit the parties from engaging in other dispute resolution procedures established by law.
- B. The purposes of this procedure are:
 - 1. To resolve grievances informally at the lowest possible level.
 - 2. To provide an orderly procedure for reviewing and resolving grievances promptly.

5.2 Definitions

- A. A grievance is a dispute between one or more of the parties below involving the interpretation, application, or enforcement of the express terms of this Agreement. Decisions or actions taken by the state that are not contained in this Agreement are not subject to the grievance and arbitration procedures.
- B. As used in this article, the term “party” means CCPU, a family childcare provider, the State, the Department of Social Services, the Department of Education, County Welfare Departments, County Child Welfare Services Departments or

Agencies, and local contracting agencies. "Department" means either the Department of Social Services or Department of Education depending on the nature of the dispute and the appropriate entity to address the matter.

5.3 Time Limits

Each party involved in a grievance shall act quickly so that the grievance may be resolved promptly. Every effort should be made to complete action within the time limits contained in the grievance procedure. However, with the mutual consent of the parties, the time limitation for any step may be extended.

5.4 Waiver of Steps

The parties may mutually agree to waive any step of the grievance procedure.

5.5 Presentation

At any step of the grievance procedure, a party may request a grievance conference. Grievances may not be amended unless by mutual consent once filed at the formal level.

5.6 Informal Discussion

Disputes shall be initially discussed with the applicable parties, and the respondent shall respond in writing within seven (7) calendar days of the discussion. Such initial, informal discussion shall be conducted within fourteen (14) calendar days from the date requested.

5.7 Formal Grievance – Step 1

- A. If an informal grievance is not resolved to the satisfaction of the grievant, or the grievant fails to receive a timely response at the informal level as specified above, a formal grievance may be filed no later fourteen (14) calendar days after the child care provider receives the informal grievance response or the applicable due date if there is no response. If the responding party fails to accommodate an informal grievance discussion in accordance with Section 5.6 (Informal Discussion), a formal grievance may be filed no later than thirty (30) calendar days after the event or circumstance(s) occasioning the grievance, or after knowledge of same reasonably should have been acquired.
- B. A formal grievance shall be initiated in writing and shall be filed with the local level. Said grievance shall include a statement as to the alleged violation; the specific act(s), dates, and times causing the alleged violation; any names of individuals involved; the specific article of this Agreement allegedly violated; any steps already taken to resolve the matter; and the specific remedy or remedies being sought.

- C. Within fourteen (14) calendar days after receipt of the formal grievance, the person designated as the first formal level of appeal shall respond in writing to the grievant. A copy of the written response shall be sent concurrently to CCPU by the designee.

5.8 Formal Grievance – Step 2

- A. If the grievant is not satisfied with the decision rendered pursuant to Step 1, or does not receive a timely decision as specified above, the grievant may appeal the decision within fifteen (15) calendar days after receipt, or the applicable due date if there is no response, to the person designated as the applicable department's formal level of appeal.
- B. Within thirty (30) calendar days after receipt of the appealed grievance, the department designee shall respond in writing to the grievance. A copy of the written response shall be sent concurrently to CCPU and CalHR by the department designee.

5.9 Formal Grievance – Step 3

- A. If the grievance is not resolved at Step 2, within thirty (30) calendar days after receipt of the second level response, CCPU shall have the right to submit the grievance to arbitration by making the request to CalHR. If the grievance is not submitted to arbitration within thirty (30) calendar days after receipt of the second level response, it shall be considered withdrawn.
- B. Within fifteen (15) calendar days after the notice requesting arbitration has been served on the State, CCPU shall contact the State to mutually select an arbitrator. If the parties cannot mutually agree upon an arbitrator within forty-five (45) calendar days after the request to select an arbitrator has been served, CCPU may request the State Mediation and Conciliation Service or the Federal Mediation and Conciliation Service to submit to both parties a panel of nine (9) arbitrators. Within fifteen (15) calendar days after receipt of the panel of arbitrators from the State Mediation and Conciliation Service or the Federal Mediation and Conciliation Service, CCPU shall contact the State in writing and request to strike names from the panel. The parties shall then have ten (10) business days to meet and alternately strike names until only one name remains and this person shall be the arbitrator.
- C. CCPU shall have one hundred eighty (180) calendar days after appealing the grievance to request in writing to strike for arbitrators. If the request to strike arbitrators is not made within one hundred eighty (180) calendar days, the grievance shall be considered withdrawn and CCPU may not proceed to arbitration.
- D. The arbitration hearing shall be conducted in accordance with the Voluntary Labor Arbitration Rules of the American Arbitration Association. The cost of

arbitration shall be borne equally between the parties unless the parties mutually agree to a different arrangement.

- E. An arbitrator may, upon request of CCPU and the State, issue the arbitrator's decision, opinion, or award orally upon submission of the arbitration. Either party may request that the arbitrator put the arbitrator's decision, opinion, or award in writing and that a copy be provided.
- F. The arbitrator shall not have the power to add to, subtract from, or modify this Agreement. Only grievances as defined in this section shall be subject to arbitration. In all arbitration cases, the award of the arbitrator shall be final and binding upon the parties.

ARTICLE 6 – TRAINING

- A. To support providers and encourage participation in training, the parties previously reached agreement to expend \$40 million on training specifically for higher education; peer mentoring; California Family Child Care Apprenticeship Program; Family Child Care Peer Communities of Care; Trauma Informed Care Training; Beginning Together; Equity and Access; other expanding participation efforts; and Provider Wellness, Health, and Safety in the three side letters reached on January 1, 2022; July 22, 2022; and August 30, 2022, respectively.

CCPU will provide the state with reports no less than once per year.

Beginning July 1, 2024, and full ratification of this agreement, and for each year of the agreement thereafter, the State shall make a single contribution to the Fund within ninety (90) days of receiving the annual report to restore the Fund balance to \$15 million if the remaining balance of the annual report required by this article is less than \$15 million.

- B. The parties may bring any of the following matters of interest to the Joint Labor Management Committee provided for in Article 9.1:
 - 1. Recommendations for potential changes to current training requirements and/or for new training requirements for family child care providers, including, but not limited to, improving communication, coordination, accessibility, and support around existing training, education, and quality improvement training; developing new trainings and/or making changes to existing trainings, if such needs are identified by the parties; expanding access to and availability of existing and/or new trainings; developing and modifying existing training requirements providers need to complete and any other topics that support providers in promoting the health, safety, and development of children in care and improve upon the quality of care services for families.
 - 2. CCPU-represented providers have full access to the Quality Counts California Workforce Pathways Grants and any training programs that

CDSS or CDE creates, develops or augments during the term of this agreement.

ARTICLE 7 – RATES AND INCENTIVES

If at any time there is a need for any provider to update their rate sheet, they shall be afforded the opportunity to do so. Such updated rates shall be effective within sixty (60) days of their submission.

7.1 Rates

- A. Family child care providers shall be reimbursed in accordance with the Regional Market Rate (RMR) ceilings as established in Welfare and Institutions Code Section 10374.5 and as applicable to:
 - a. alternative payment programs pursuant to Chapter 3 (commencing with Section 10225),
 - b. migrant alternative payment programs pursuant to Chapter 6 (commencing with Section 10235),
 - c. CalWORKs childcare pursuant to Chapter 21 (commencing with Section 10370),
 - d. family childcare home education networks who reimburse providers based on the regional market rate pursuant to Chapter 8 (commencing with section 10250) of Part 1.8 of Division 9 of the Welfare and Institutions Code, and
 - e. the Emergency Child Care Bridge Program for Foster Children pursuant to Article 6 (commencing with Section 11461.6) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code.

The RMR ceilings shall be 75th percentile of the 2018 RMR survey for that region as established effective January 1, 2022, or the RMR ceilings that existed in that region on December 31, 2021, whichever is greater.

License-exempt child care providers shall be reimbursed at 70 percent of the licensed family child care home rate ceiling, including hourly, daily, weekly, and monthly, for both full- and part-time reimbursement categories.

- B. The reimbursement rate for the family childcare home education network contractors specified below shall be set in accordance with the rates established in section 10280 of Chapter 11 of Part 1.8 of Division 9 of the Welfare and Institutions Code, and Section 8242 of Article 4 of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code. These family childcare home education network contractors are:

- a. migrant childcare and development programs pursuant to Chapter 6 (commencing with Section 10235),
- b. general childcare and development programs pursuant to Chapter 7 (commencing with Section 10240) of Part 1.8 of Division 9 of the Welfare and Institutions Code, and
- c. California state preschool programs pursuant to Article 7 (commencing with Section 8200) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code.

Contractors traditionally reimbursed based on the standard reimbursement rate shall receive a daily rate equivalent to the RMR in counties where the RMR is greater than the per child amount as of December 31, 2021, and adjusted by any subsequent cost of living adjustments associated with daily rates.

Subagreements with Family Child Care Home Education Networks can be made with contractors, in which contractors pass through provider payments, maintaining a portion of the daily rate for administrative cost (not to exceed 15%).

Adjustment Factors Posting:

These adjustment factors, along with the reimbursement rate categories contained in 5 CCR § 18075, shall be posted on the state-administered websites that list RMR ceilings.

7.2 Cost of Care Plus Rate

- A. Beginning January 1, 2024, and upon full ratification of this agreement, through the duration of this agreement, all represented family child care providers shall receive a once per month per child served who is enrolled in subsidized child care cost of care plus rate as specified in the below chart.
- B. Section 7.6, Payment Timeliness of the agreement shall not apply to Stage 1 and Bridge providers paid by counties for the purpose of this section.
- C. The amount per child shall be determined based on the county that the family child care provider is located and the assigned “region”, defined as:

Central: Fresno, Inyo, Kern, Kings, Madera, Mariposa, Merced, Monterey, Sacramento, San Benito, San Joaquin, San Luis Obispo, Stanislaus, Tulare

Northern: Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Mendocino, Modoc, Mono, Nevada, Placer, Plumas, Shasta, Sierra, Siskiyou, Sutter, Tehama, Trinity, Tuolumne, Yolo, Yuba

Southern: Imperial, Orange, Riverside, San Bernardino, San Diego, Santa Barbara, Ventura

Los Angeles

Bay Area: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Santa Cruz, Solano, Sonoma

D. Per-child plus rate amounts shall be as follows:

| Region | Licensed Family Child Care Providers | License-Exempt Providers |
|---------------|---|---------------------------------|
| Central | \$140 | \$98 |
| Northern | \$141 | \$99 |
| Southern | \$160 | \$112 |
| Los Angeles | \$171 | \$119 |
| Bay Area | \$211 | \$148 |

E. Transitional Provider Subsidy Payments

Upon ratification of this agreement, family child care providers who were paid in April 2023 shall receive one-time payments no later than November 30, 2023, as follows:

Licensed-exempt = \$500
Small Licensed = \$2,500
Large Licensed = \$3,000

7.3 Single Rate Structure and Alternative Methodology

The State and CCPU shall continue the Rate and Quality Systems Structure Review JLMC to continue work toward long-term rate reform consistent with the committee's presentation made to the Department of Finance (DOF) in November 2022 and included in the Governor's January 2023 proposed budget to create a single reimbursement rate structure that addresses quality standards for equity and accessibility to all family childcare providers and supports positive learning and developmental outcomes for children.

Consistent with the committee's presentation in November 2022, the State and CCPU agree that, after pre-approval from the federal Administration for Children and Families (ACF) of the methodology that the State proposes to utilize as an alternative to the Regional Market Rate (RMR) methodology, the state will use a cost-based rate setting methodology (the "Alternative Methodology") in developing a Single Rate Structure for subsidized child care reimbursement rates. More specifically, the State will utilize a cost estimation model, which involves building a tool to estimate the impact of different variables on cost, such as program type (e.g., license-exempt family friend and neighbor, licensed family child care, licensed center), regulatory requirements (Title 22 or Title 5), ages and needs of children served, whether services are provided during the weekend or other non-traditional hours, regional variations in costs and resources, and defined program quality elements.

By undertaking the activities necessary to submit a request for pre-approval of the Alternative Methodology and Single Rate Structure on March 28, 2023; by contracting to complete the public engagement and data collection and analysis and creation of a cost estimation model necessary for federal approval of a Single Rate Structure based on the Alternative Methodology in the State Plan; and by launching the Rate and Advisory Panel as a forum for public engagement in the process; the State has taken steps and made progress toward adoption of an Alternative Methodology and Single Rate Structure.

Between July and October, 2023, the State will pursue constituent engagement and data collection activities intended to inform the development of the state's anticipated cost estimation model, incorporating committee feedback to the data collection and analysis plan. The State will use the information gathered during data collection in formulating the cost estimation model. No later than February 15, 2024, the committee, using information from the cost estimation model, shall define the elements of the base rate and any enhanced rates to inform the State's proposed Single Rate Structure and rates to be subjected to the mandated public engagement state plan process. No later than July 1, 2024, the State will submit necessary information to support use of a Single Rate Structure utilizing the Alternative Methodology to the ACF in the Child Care and Development Fund (CCDF) State Plan or an amendment to the State Plan.

The State and CCPU shall jointly determine the size and composition of the JLMC; the JLMC shall, at a minimum, include representatives of the State and CCPU, and shall also invite additional experts and/or stakeholders as deemed necessary and mutually agreed upon. The State will dedicate staff to support the work of the JLMC. The State shall secure a contractor, in consultation with the JLMC, to develop recommendations for rate reform and changes to the system of quality projects and programs.

Within sixty (60) days of ACF approval of the Single Rate Structure utilizing the Alternative Methodology in the CCDF State Plan, the State shall provide CCPU an outline of implementation components for the approved Single Rate Structure. For a period of thirty (30) days, CCPU shall have the opportunity to review and provide feedback regarding draft guidance for implementation of policies within the scope of representation. Within ninety (90) days subsequent to ACF approval of the Single Rate Structure utilizing the Alternative Methodology in the CCDF State Plan, the parties agree to re-open Article 7.1 (Rates) and 7.2 (Cost of Care Plus Rate) of this Agreement for good faith negotiations to restructure the current subsidy reimbursement rates, and the associated funding, to be applied to family child care providers consistent with the ACF-approved Single Rate Structure, and the implementation thereof. Rates shall take effect when any other activities reasonably necessary to implementation have occurred such as regulatory and policy guidance, training for contractors, and updates to contracts and necessary data systems.

7.4 Definition of Part-Time and Full-Time

Six (6) months following ratification of this agreement, "Part-Time" care shall be defined as care certified for a child for less than twenty-five (25) hours per week.

Six (6) months following ratification of this agreement, “Full-Time” care shall be defined as care certified for a child for twenty-five (25) hours or more per week.

This is intended to stabilize the workforce and providers who service children and families, and serve more children.

7.5 Reimbursement Based on Certified Need

- A. Alternative Payment Program providers, Migrant Alternative Payment Program providers, pursuant to Chapter 3 (commencing with section 10225) of Part 1.8 of Division 9 of the Welfare and Institutions Code, Emergency Child Care Bridge Program for Foster Children providers, pursuant to Welfare and Institutions Code section 11461.6, and providers of CalWORKs child care, including license-exempt providers, pursuant to Chapter 21 (commencing with section 10370) of Part 1.8 of Division 9 of the Welfare and Institutions Code and family child care providers operating through a family child care home education network pursuant to Chapter 8 (commencing with section 10250) of Part 1.8 of Division 9 of the Welfare and Institutions Code shall be reimbursed based on the families’ certified need rather than attendance.
1. Providers shall be reimbursed based on the maximum authorized hours of care, regardless of attendance.
 2. For families certified for a variable schedule, providers shall be reimbursed based on the maximum authorized hours of care.
 3. For license-exempt providers that provide part-time services, providers shall be reimbursed based on the maximum authorized hours of care.
- B. For Family child care home education network providers funded through California state preschool programs pursuant to Article 2 (commencing with Section 8207) of the Education Code, and migrant child care and development programs pursuant to Chapter 6 (commencing with Section 10235) of, general child care and development programs pursuant to Chapter 7 (commencing with Section 10240) of, or child care and development services for children with special needs pursuant to Article 9 (commencing with Section 10260) of, Part 1.8 of Division 9 of the Welfare and Institutions Code shall receive 100 percent of reimbursement based on the family’s certified need for services at the maximum authorized hours of care less any allowable administrative expenses withheld by the contractor.

7.6 Payment Timeliness

The State shall ensure that timely and accurate payments are made to family child care providers as follows.

The State's uniform, statewide procedures regarding payment timeliness are set forth below.

1. Within 6 months of the ratification of this agreement, contractors and counties are required to develop, implement, and publish for access by family childcare providers a plan for timely payment to family childcare providers, including publication in provider information/handbooks and in individual provider agreements. The plan shall include the following:
 - a. A provision requiring that, in accordance with Title 45, Code of Federal regulations 98.45, family childcare providers be paid within 21 calendar days of the submission of:
 - i. A complete record or invoice for services (attendance record), as defined in the WIC Section 10227.5, or
 - ii. Daily sign-in/sign-out sheets, as referenced in the California Code of Regulations, Title 5 (5 CCR) sections 17818 and 18065.
 - b. A schedule for the payment of services which shall be signed by the family childcare provider.
 - c. A provision that provides if a provider submits attendance records or invoices for multiple children and not all individual records or invoices within the submission are adequate, payments shall not be withheld for those records or invoices that include adequate information to provide a payment.
 - d. Procedures that establish clear processes and timelines to resolve overpayment and underpayment issues, which shall include provider written consent to recover overpayment(s).
 - e. A provision that provides if a contractor or county is unable to issue reimbursement payments within 21 calendar days of submission due to extenuating circumstances, such as an emergency or payment system malfunction, the impacted provider shall be notified within a reasonable timeframe of the contractor or county becoming aware of the circumstance causing the delay of reimbursement payment.
2. The State will support the contractor or county with the development and implementation of the plan and compliance with the requirement for timely payments. If a finding of noncompliance is determined by the California Department of Social Services or the California Department of Education, the respective department may issue a finding of noncompliance and the contractor or county may be subject to corrective action.
3. A family child care provider may submit a monthly attendance record or invoice, as defined in Welfare and Institutions Code section 10227.5(f), without a parent's signature when the parent has not communicated with the provider for seven

consecutive days and the provider has notified the county or contractor of the parent's lack of communication in accordance with Title 5, California Code of Regulations section 18066.5 and documented the provider's unsuccessful attempts to collect a signature.

ARTICLE 8 – CCPU BENEFITS TRUSTS

8.1 Health Benefits Trust

A health care benefits trust received one-hundred million and one-hundred thousand dollars (\$100,100,000) from the State to establish and administer a health benefits trust to be administered by CCPU. The trust, known as Child Care Providers United – California Workers Health Care Fund (“Fund”), was established for the purpose of providing healthcare benefits, including and not limited to: premium and out-of-pocket healthcare assistance to providers enrolled in health insurance plans through Covered CA, Medicare, Medi-Cal, or a partner/spouse's employer-based plan and for the purpose of paying administrative, outreach, and other Fund-related costs.

CCPU will provide the State an annual report to detail the distribution of funds from the prior year and any remaining balance. The State will give reasonable advance notice to CCPU of federal reporting requirements related to the funds provided pursuant to this MOU, and the parties agree to provide any information the federal government requires to be reported. The parties agree that there is no deadline by which the funding must be exhausted.

Beginning April 1, 2024, and for each year of the agreement thereafter, the State shall make a single contribution of additional funding to the Fund within ninety (90) days of receiving the annual report from CCPU to restore the balance to \$100,000,000 if the remaining balance in the annual report required by this article is less than \$100,000,000.

To the extent that additional data is requested from CCPU for trust administration of this benefit, the State will provide any existing information to CCPU, upon request. If the requested data is not currently held by the State, but may be available by a contractor of the State, the State will request the contractor to submit the data to CCPU.

8.2 Retirement Benefit Trust

- A. Upon full ratification of this agreement, \$100,000 one-time contribution payable to such entity as designated by CCPU to establish a CCPU Retirement Trust.
- B. Upon full ratification of this agreement, the State will provide an initial \$80 million lump sum contribution to the CCPU Retirement Trust to be utilized for improving access to retirement benefits for licensed providers that currently have been providing care and early education to children for an extended period of time. Further, this contribution may apply to family child care providers who become and remain licensed and may have their service time considered for the purpose

of receiving retirement benefits. The State contribution shall not require the State to assume any administrative or fiduciary responsibilities with respect to a CCPU Retirement Trust, which shall be the responsibilities of CCPU or its designated entity.

- C. CCPU will provide the State an annual report to detail the distribution of funds from the prior year and any remaining balance. The State will give reasonable advance notice to CCPU of federal reporting requirements related to the funds provided pursuant to this MOU, and the parties agree to provide any information the federal government requires to be reported. The parties agree that there is no deadline by which the funding must be exhausted.
- D. Beginning July 1, 2024, and for each year of the agreement thereafter, the State shall make a single contribution to the Retirement Trust within ninety (90) days of receiving the annual report from CCPU to restore the balance to \$80 million if the remaining balance in the annual report provided pursuant to Section C is less than \$80 million.

ARTICLE 9 – JOINT LABOR MANAGEMENT COMMITTEES

9.1 Joint Labor Management Committees

- A. The State and CCPU encourage the use of Labor Management Committees to address issues of concern to either party in a problem-solving context. Upon request of either party, a Joint Labor Management Committee (JLMC) shall be established to address specific or ongoing issues.
- B. An established JLMC shall adhere to the following guidelines unless otherwise expressly modified by this Agreement:
 - 1. The JLMC will consist of equal reasonable number of state representatives selected by the state and CCPU representatives selected by CCPU.
 - 2. JLMC recommendations, if any, will be advisory in nature.
 - 3. JLMC meetings shall not be considered contract negotiations and shall not be considered a substitute for the grievance procedure.
 - 4. Dates and times of meetings and agendas of the JLMC's shall be mutually determined by the members of the JLMC.

9.2 Suspension and Expulsion

The State and CCPU agree to a Joint Labor Management Committee (JLMC) to provide recommendations to the California Department of Education and the California Department of Social Services pursuant to Section 8489.1 of the Education Code and Section 10491.1 of the Welfare and Institutions Code no later than March 31, 2024. This date may be extended by mutual agreement.

The JLMC will commence no later than one calendar month following the ratification of this Agreement.

The State and CCPU shall jointly determine the size and composition of the Committee; the Committee shall, at a minimum, include representatives of the State and CCPU, and may also include additional experts and/or interest holders as deemed necessary and mutually agreed upon.

ARTICLE 10 – DURATION

This Collective Bargaining Agreement between CCPU and the State of California shall be effective from the date of full ratification and shall remain in full force and effect until July 1, 2025.

SIGNATURE PAGE

STATE TEAM

Candace Hyatt, Chief Negotiator
California Department of Human Resources

Kate Van Sickle
California Department of Human Resources

Jordan Neves
California Department of Human Resources

Kody Gralian
California Department of Human Resources

Jeremy Heebner
California Department of Social Services

Alice Juarez
California Department of Social Services

Joleen Allgood
California Department of Social Services

Noah Fullerton
California Department of Social Services

Chana Wynne-Swan
California Department of Social Services

Joey Cook
California Department of Social Services

Karen Chang
California Department of Social Services

Lupe Jaime-Mileham
California Department of Social Services

Shanice Orum
California Department of Social Services

Jennifer Osalbo
California Department of Education

Lucy Mosqueda
California Department of Education

Stephen Propheter
California Department of Education

CCPU TEAM

To be added upon receipt

STATE TEAM

Corey Khan
California Department of Education

Virginia Early
California Department of Education

CCPU TEAM