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STATE OF CALIFORNIA

PUBLIC EMPLOYMENT RELATIONS BOARD

UNFAIR PRACTICE CHARGE

DO NOT WRITE IN THIS SPACE: Case No:

Date Filed: 07/24/2025

INSTRUCTIONS: File the original and one copy of this charge form in the appropriate PERB regional office (see PERB Regulation 32075), with proof of service attached to each copy. Proper filing includes concurrent service and proof of service of the charge as required by PERB Regulation 32615(c). All forms are available from the regional offices or PERB's website at www.perb.ca.gov. If more space is needed for any item on this form, attach additional sheets and number items.

IS THIS AN AMENDED CHARGE? YES ☐ If so, Case No NO ☒

1. CHARGING PARTY: EMPLOYEE ☐ EMPLOYEE ORGANIZATION ☒ EMPLOYER ☐ PUBLIC¹ ☐

a. Full name: Child Care Providers United – California, a joint partnership of SEIU and AFSCME/UDW
b. Mailing Address: 3055 Wilshire Blvd., Suite 1050, Los Angeles, CA 90010
c. Telephone number:
d. Name and title of agent to contact: Eli Naduris-Weissman, Attorney E-mail Address: enaduris-weissman@rsglabor.com
Telephone number: (626) 796-7555 Fax No.:
e. Bargaining Unit(s) involved: Statewide Unit

2. CHARGE FILED AGAINST: (mark one only) EMPLOYEE ORGANIZATION ☐ EMPLOYER ☒

a. Full name: California Department of Human Resources, Childcare Providers Labor Relations Division
b. Mailing Address: 1515 S Street, North Building, Suite 500 Sacramento,, CA 95811-7258
c. Telephone number: (916) 926-8699
d. Name and title of agent to contact: Candace Hyatt, Division Chief E-mail Address: candace.hyatt@calhr.ca.gov
Telephone number: (916) 926-8699 Fax No.:

3. NAME OF EMPLOYER (Complete this section only if the charge is filed against an employee organization.)

a. Full name:
b. Mailing address:

4. APPOINTING POWER: (Complete this section only if the employer is the State of California. See Gov. Code, § 18524.)

a. Full name:
b. Mailing Address:
c. Agent:

5. GRIEVANCE PROCEDURE

¹An affected member of the public may only file a charge relating to an alleged public notice violation, pursuant to Government Code section 3523, 3547, 3547.5, or 3595, or Public Utilities Code section 99569

Are the parties covered by an agreement containing a grievance procedure which ends in binding arbitration?

Yes ☒ No ☐ Unknown ☐

6. STATEMENT OF CHARGE

a. The charging party hereby alleges that the above-named respondent is under the jurisdiction of: (check one)

- ☐ Educational Employment Relations Act (EERA) (Gov. Code, § 3540 et seq.)
- ☐ Ralph C. Dills Act (Gov. Code, § 3512 et seq.)
- ☐ Higher Education Employer-Employee Relations Act (HEERA) (Gov. Code, § 3560 et seq.)
- ☐ Meyers-Milias-Brown Act (MMBA) (Gov. Code, § 3500 et seq.)
- ☐ Los Angeles County Metropolitan Transportation Authority Transit Employer-Employee Relations Act (TEERA) (Pub. Utilities Code, § 99560 et seq.)
- ☐ One of the following Public Utilities Code Transit District Acts: San Francisco Bay Area Rapid Transit District Act (SFBART Act) (Pub. Util. Code, § 28848 et seq.), Orange County Transit District Act (OCTDA) (Pub. Util. Code, § 40000 et seq.), Sacramento Regional Transit District Act (Sac RTD Act) (Pub. Util. Code, § 102398 et seq.), Santa Clara VTA, (Pub. Util. Code, § 100300 et seq.), and Santa Cruz Metro (Pub. Util. Code, § 98160 et seq.)
- ☐ Trial Court Employment Protection and Governance Act (Trial Court Act) (Article 3; Gov. Code, § 71630 – 71639.5)
- ☐ Trial Court Interpreter Employment and Labor Relations Act (Court Interpreter Act) (Gov. Code, § 71800 et seq.)

b. The specific Government or Public Utilities Code section(s) or PERB regulation section(s) alleged to have been violated is/are:
Welfare & Institutions Code §§ 10427.5 (a), (b) & (c).

c. For MMBA, Trial Court Act and Court Interpreter Act cases, if applicable, the specific local rule(s) alleged to have been violated is/are (***a copy of the applicable local rule(s) MUST be attached to the charge***):

d. Provide a clear and concise statement of the conduct alleged to constitute an unfair practice including, where known, the time and place of each instance of respondent's conduct, and the name and capacity of each person involved. This must be a statement of the facts that support your claim and *not conclusions of law*. A statement of the remedy sought must also be provided. (*Use and attach additional sheets of paper if necessary.*)

See attached.

DECLARATION

I declare under penalty of perjury that I have read the above charge and that the statements herein are true and complete to the best of my knowledge and belief. (A Declaration will be included in the e-mail you receive from PERB once you have completed this screen. The person filing this Unfair Practice Charge is required to return a properly filled out and signed original Declaration to PERB pursuant to PERB Regulations 32140 and 32135.)

(Type or Print Name)

/s/
(Signature)

07/24/2025
Date



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STATE OF CALIFORNIA
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UNFAIR PRACTICE CHARGE

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IS THIS AN AMENDED CHARGE?

YES

If so, Case No.

NO

1. CHARGING PARTY:

EMPLOYEE

EMPLOYEE ORGANIZATION

EMPLOYER

PUBLIC¹

a. Full name:

b. Mailing address:

c. Telephone number:

d. Name and title of
person filing charge:
Telephone number:

E-mail Address:

e. Bargaining unit(s)
involved:

2. CHARGE FILED AGAINST: (mark one only)

EMPLOYEE ORGANIZATION

EMPLOYER

a. Full name:

b. Mailing address:

c. Telephone number:

d. Name and title of
agent to contact:
Telephone number:

E-mail Address:

3. NAME OF EMPLOYER (Complete this section only if the charge is filed against an employee organization.)

a. Full name:

b. Mailing address:

4. APPOINTING POWER: (Complete this section only if the employer is the State of California. See Gov. Code, § 18524.)

a. Full name:

b. Mailing address:

c. Agent:

¹ An affected member of the public may only file a charge relating to an alleged public notice violation, pursuant to Government Code section 3523, 3547, 3547.5, or 3595, or Public Utilities Code section 99569.

5. GRIEVANCE PROCEDURE

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Are the parties covered by an agreement containing a grievance procedure which ends in binding arbitration?

Yes

No

Unknown

6. STATEMENT OF CHARGE

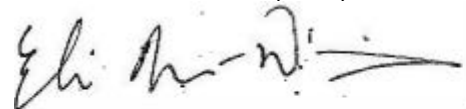
- a. The charging party hereby alleges that the above-named respondent is under the jurisdiction of: (check one)
- Educational Employment Relations Act (EERA) (Gov. Code, § 3540 et seq.)
- Ralph C. Dills Act (Gov. Code, § 3512 et seq.)
- Higher Education Employer-Employee Relations Act (HEERA) (Gov. Code, § 3560 et seq.)
- Meyers-Milias-Brown Act (MMBA) (Gov. Code, § 3500 et seq.)
- One of the following Public Utilities Code Transit District Acts: San Francisco Bay Area Rapid Transit District Act (SFBART Act) (Pub. Util. Code, § 28848 et seq.), Orange County Transit District Act (OCTDA) (Pub. Util. Code, § 40000 et seq.), Sacramento Regional Transit District Act (Sac RTD Act) (Pub. Util. Code, § 102398 et seq.), Santa Clara VTA, (Pub. Util. Code, § 100300 et seq.), and Santa Cruz Metro (Pub. Util. Code, § 98160 et seq.)
- The Los Angeles County Metropolitan Transportation Authority Transit Employer-Employee Relations Act (TEERA) (Supervisory Employees of the Los Angeles County Metropolitan Authority (Pub. Util. Code, § 99560 et seq.)
- Trial Court Employment Protection and Governance Act (Trial Court Act) (Article 3; Gov. Code, § 71630 – 71639.5)
- Trial Court Interpreter Employment and Labor Relations Act (Court Interpreter Act) (Gov. Code, § 71800 et seq.)
- ☒ Building a Better Early Care & Education System Act (Childcare Provider Act) (Welf. & Inst. Code § 10420 et seq.)
- b. The specific Government or Public Utilities Code section(s), or PERB regulation section(s) alleged to have been violated is/are: Unknown
- c. For MMBA, Trial Court Act and Court Interpreter Act cases, if applicable, the specific local rule(s) alleged to have been violated is/are **(a copy of the applicable local rule(s) MUST be attached to the charge)**:
- d. Provide a clear and concise statement of the conduct alleged to constitute an unfair practice including, where known, the time and place of each instance of respondent's conduct, and the name and capacity of each person involved. This must be a statement of the facts that support your claim and *not conclusions of law*. A statement of the remedy sought must also be provided. (Use and attach additional sheets of paper if necessary.) See attached

DECLARATION

I declare under penalty of perjury that I have read the above charge and that the statements herein are true and complete to the best of my knowledge and belief and that this declaration was executed on _____

(Date)

at _____
(City and State)



(Type or Print Name and Title, if any)

(Signature)

Mailing Address:

E-Mail Address:

Telephone Number:

Statement of Charges
(Attachment to Unfair Practice Charge dated July 24, 2025)

1. Child Care Providers United (“CCPU” or “Union”) is the certified provider organization within the meaning of the Building a Better Early Care and Education System Act (Childcare Provider Act), Welfare and Institutions Code (“WIC”) §§ 10420 – 10429.5. As the certified provider organization, CCPU is the exclusive representative of a statewide bargaining unit of all family childcare providers within the State of California as set forth in the Childcare Provider Act. *See* WIC §§ 10421(a), 10424(k).
2. The Childcare Provider Act defines “family childcare providers” as those who participate in “state-funded early care and education program[s]” which in turn is defined to mean a program administered by the state Department of Social Services [hereinafter “DSS”], “another department or agency, or a political subdivision of the state, including programs established subsequent to the enactment of this chapter, to subsidize early learning and care for children, but does not include the public education system.” WIC §§ 10241(b) & (f). Whether licensed, or license-exempt, the distinguishing feature of providers under the Act is that they provide childcare in their own home or a child’s home, and they receive reimbursements for such care under a number of state-sponsored subsidized childcare programs for low-income families. WIC § 10241(b).
3. The Governor, through the Department of Human Resources (“CalHR”) or the Governor’s designee, has an obligation to meet and confer in good faith regarding all matters within the scope of representation with representatives of a certified provider organization. WIC § 10425.5(a).
4. The scope of representation includes, among other things, reimbursement rates for providers and other economic matters. WIC § 10424.5(a)(7).
5. CCPU and the State of California are parties to an expired Memorandum of Understanding (“MOU”) that was effective from September 13, 2023 to July 1, 2025. As set forth in the MOU’s Preamble, the MOU was entered into between CCPU and 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).” A true and correct copy of the MOU is attached hereto as Exhibit A.

Provider Reimbursement Rates

6. Childcare providers in the bargaining unit are paid for their services based on reimbursement rates provided by the State under a number of subsidized childcare programs. Historically, providers have been under two types of rate-structures. For Voucher-based child

care programs, sometimes also referred to as “alternative payment” programs addressed in Section 7.1A of the expired MOU, providers have been paid according to the “regional market rate.” For Direct-Contract child care programs, sometimes also referred to as Direct service-based, Center-based, or Title V programs (all addressed in Section 7.2B of the expired MOU), contractors are reimbursed based on what is called the Standardized Reimbursement Rate, or “SRR,” a portion of which passes through to providers.

7. In previous bargaining, the parties agreed that they would seek to reform the rate structure, in two respects. First, the parties sought to incorporate “cost of care” as a central principle in the rate structure, reflected in Section 7.2 of the expired MOU. Second, the parties agreed to work to develop 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.” MOU, Section 7.3. This effort is ongoing.

**In Successor Bargaining, State Proposes to Implement
“Cost of Care Plus Rate” Effective July 1, 2025**

8. In December, 2024, the parties first met and conferred in order to reach a successor MOU. Between December, 2024 and July 16, 2025, the parties met on 28 days of bargaining sessions.

9. The principal economic articles under negotiations included both elements of the rate reform first incorporated in the prior MOU: Section 7.2, the interim “Cost of Care Plus Rate,” and continued efforts to develop a Single Rate Structure and the Alternative Methodology State Subsidy Rates.

10. On June 26, 2025, the State passed a proposal regarding Section 7.2, “Cost of Care Plus Rate,” as part of “State Proposal #2 (Economic Package #5).” Under that proposal, childcare providers would receive increased “Cost of Care Plus Rates,” based on the region of the State in which they worked. Critically, with respect to timing, the State’s proposal said: “Effective July 1, 2025 until the implementation of the Alternative Methodology State Subsidy Rates, the per-child plus rate amounts shall be as follows” (Emphasis added.) This was the State’s first proposal on Section 7.2 with this timing for the Cost of Care Plus Rate. A true and correct copy of the State’s June 26, 2025 proposal described above is attached hereto as Exhibit B.

SB 120 Implements a Higher Cost of Care Plus Rate

11. On June 27, 2025, the Legislature passed, and the Governor approved, Senate Bill 120 (“SB 120”), entitled “Early childhood education and childcare,” which effected rate increases to take place days later, on July 1, 2025. As described in part in the bill’s preamble language:

This bill would extend the payment of the monthly cost of care plus rate to June 30, 2026, and would allocate additional funds to the State Department of Social Services and State

Department of Education from the Budget Act of 2025 to provide a once-per-month cost of care plus rate for each child served who is enrolled in subsidized childcare, therefore making an appropriation. From July 1, 2025, to June 30, 2026, inclusive, the bill would require that monthly rate to be equal to the existing rate increased by a percentage calculated by the Department of Finance based on a specified formula.

Sen. Bill 120, subdivision (4) (Emphasis added.)

12. SB 120 amended sections 10277.1 and 10277.2 of the Welfare and Institutions Code to provide an increase to the Cost of Care Plus rate that was provided to childcare providers the previous fiscal year. Specifically, WIC Section 10277.1(c)(2)(A) specified that “commencing July 1, 2025,” family childcare providers would receive the previous year’s per-child amounts, specified in 10277.1(b), increased by a percentage calculated based on a formula set forth in statute. *See* WIC Section 10277.1(c)(2)(A) [“The amount per child shall be equal to the amounts described in subdivision (b) increased by the percentage calculated in clause (iii) of subparagraph (B).”]. Likewise, WIC Section 10277.2(c)(2) specified that for childcare centers—which are not represented by CCPU or covered by the parties’ expired MOU—the same increased Cost of Care Plus Rate would apply based on the same percentage increase formula. *See* WIC Section 10277.2(c)(2) [“The amount per child shall be equal to the amounts described in subdivision (b) increased by the percentage calculated in clause (iii) of subparagraph (B) of paragraph (2) of subdivision (c) of Section 10277.1.”].

13. SB 120 also contained language regarding conflicts with an MOU. WIC Section 10277.1(l) states:

If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 10426, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

WIC Section 10277.2(c)(3), concerning the increased rate for childcare centers, similarly states: “If this subdivision is in conflict with a memorandum of understanding reached pursuant to Section 10426, the memorandum of understanding shall be controlling without further legislative action, except that if the provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.”

14. It is CCPU’s understanding that the State’s proposals on the Cost of Care Plus rate in Section 7.2, dated June 26, July 1 and July 10, 2025, include the same rate increases that childcare providers would be entitled to under application of SB 120. In other words, the rate table in the State’s proposal for the Cost of Care Plus rate for child-care providers by license type

and Region, reproduced below, reflects the same percentage increase that would apply under WIC Section 10277.1(c)(2)(A).

Region	Licensed Family Child Care Providers	License-Exempt Providers
Central	\$152	\$107
Northern	\$154	\$108
Southern	\$174	\$122
Los Angeles	\$186	\$130
Bay Area	\$230	\$161

15. CCPU is informed that effective July 1, 2025, child care centers would receive the increased Cost of Care Plus rates, for June 2025 enrollments going forward.

14. However, despite the language of SB 120, the State did *not* provide the increased Cost of Care Plus rates to childcare providers represented by CCPU. Instead, the State has claimed that it could not do so due to a conflict with an MOU, per WIC Section 10277.1(*l*). However, after July 1, 2025, the MOU between CCPU and the State had expired, and there was thus no conflict with any provision of an existing MOU. Therefore, the conflict provision in WIC Section 10277.1(*l*) does not apply.

Nothing in SB 120, suggests that conflict with an *expired* MOU would require the previously-negotiated rates to control over the increased rates set forth in statute. Moreover, the language used in the “conflict” provision of WIC Section 10277.1(*l*) makes clear it only applies to a conflict with a *newly-negotiated* MOU, by referring to future legislative actions that would be required of a new MOU, i.e. that such MOU “shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.” This provision would make no sense if it referred to a prior MOU that had become effective after approval by the Legislature two years prior.

16. Instead of complying with SB 120, which established the existing policy for the Cost of Care Plus rate, on July 10, 2025 the State provided a new proposal on Section 7.2, Cost of Care Plus Rate, labeled “State Proposal #5 (Economic Package #9).” This proposal included the same Cost of Care Plus rate increases it had previously proposed (and required by SB 120), but rather than July 1, 2025 would be “[e]ffective six (6) months after full ratification of this agreement” A true and correct copy of the State’s July 10, 2025 proposal described above is attached hereto as Exhibit C. In effect, based on this timeline and the possible ratification timeline, this would mean covered providers would not see the increase rate any time before April 2026—at least nine months after the time period set forth in SB 120.

17. CCPU was, and remains, willing to agree to application of SB 120 to childcare provider Cost of Care Plus rates while the parties continue to bargain over the applicable Cost of Care Plus rates in a future MOU between the parties.

Legal Violations and Relief Requested

18. By the above-described conduct the State, through CalHR, has unilaterally changed a policy or practice within the scope of representation, i.e. the rates to be provided to providers, where the existing policy has been set by SB 120 and governs in the absence of conflict with an MOU that is actually in effect (i.e., not expired). By this same conduct, the State has interfered with, restrained and coerced childcare providers because of their exercise of rights in violation of WIC §§ 10427.5 (a); denied CCPU rights guaranteed it by the Childcare Provider Act, WIC §§ 10427.5 (b); and (c) discriminated against childcare providers by refusing to provide them the same Cost of Care Plus rate increases that it provided to childcare centers, whose providers are not represented by CCPU, without any valid reason, in violation of WIC §§ 10427.5 (a).

19. As a remedy, CCPU seeks, *inter alia*, an order requiring the State, through CalHR, to: (1) cease and desist from meeting and conferring in bad faith by, among other reasons, unilaterally implementing reduced Cost of Care Plus rate for childcare providers that conflict with the existing policy set out in law, SB 120; (2) immediately rescind its decision to implement the Cost of Care Plus rate increases for non-represented childcare providers only, by immediately implementing such rates for all childcare providers; (3) meet and confer with CCPU concerning further implementation of the mandates set forth in SB 120; (4) make all affected childcare providers whole; (5) distribute a notice to all providers in the bargaining unit concerning the violations of the Childcare Provider Act, and because childcare providers are distributed throughout California and do not work in central locations, *see State of California (Department of Human Resources)*, PERB Decision No. HO-U-1733-N, for the State to distribute such notice by mail, electronic mail, intranet, and internet site, as well as other methods calculated to achieve distribution to every member of the bargaining unit by each the by the State; and (6) provide such other relief deemed just and proper.

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Exhibit A



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

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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

PERB Received
07/24/25 10:22 AM

Exhibit B

STATE PROPOSAL #2 (ECONOMIC PACKAGE #5)

DATE:

TIME:

ARTICLE: 7 – RATES AND INCENTIVES

SECTION: 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~~ 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. Effective July 1, 2025 until the implementation of the Alternative Methodology State Subsidy Rates, the ~~Perper~~per-child plus rate amounts shall be as follows:

Region	Licensed Family Child Care Providers	License-Exempt Providers
Central	\$140 <u>152</u>	\$98 <u>107</u>
Northern	\$141 <u>154</u>	\$99 <u>108</u>
Southern	\$160 <u>174</u>	\$112 <u>122</u>
Los Angeles	\$171 <u>186</u>	\$119 <u>130</u>
Bay Area	\$211 <u>230</u>	\$148 <u>161</u>

STATE PROPOSAL #2 (ECONOMIC PACKAGE #5)

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~~

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07/24/25 10:22 AM

Exhibit C

STATE PROPOSAL #5 (ECONOMIC PACKAGE #9)

DATE: July 10, 2025

TIME:

ARTICLE: 7 – RATES AND INCENTIVES

SECTION: 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~~ 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. Effective six (6) months after full ratification of this agreement until the implementation of the Alternative Methodology State Subsidy Rates, the Perper-
child plus rate amounts shall be as follows:

Region	Licensed Family Child Care Providers	License-Exempt Providers
Central	\$140 <u>152</u>	\$98 <u>107</u>
Northern	\$141 <u>154</u>	\$99 <u>108</u>
Southern	\$160 <u>174</u>	\$112 <u>122</u>
Los Angeles	\$171 <u>186</u>	\$119 <u>130</u>

STATE PROPOSAL #5 (ECONOMIC PACKAGE #9)

Region	Licensed Family Child Care Providers	License-Exempt Providers
Bay Area	\$211 <u>230</u>	\$148 <u>161</u>

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~~

One-Time, Per-Child Provider Subsidy Payments

Family child care providers who were paid in April 2025 shall receive one-time, per-child payments corresponding to the reported April 2025 enrollments as follows:

One-time, per-child payments shall be as follows:

<u>Licensed Family Child Care Providers</u>	<u>License-Exempt Providers</u>
<u>\$383</u>	<u>\$266</u>

PROOF OF SERVICE

I declare that I am a resident of or employed in the County of _____,
State of _____. I am over the age of 18 years. The name and address of my
Residence or business is _____

On _____, I served the _____
(Date) (Description of document(s))

_____ in Case No. _____.
(Description of document(s) continued) PERB Case No., if known)

on the parties listed below by (check the applicable method(s)):

placing a true copy thereof enclosed in a sealed envelope for collection and
delivery by the United States Postal Service or private delivery service following
ordinary business practices with postage or other costs prepaid;

personal delivery;

electronic service - I served a copy of the above-listed document(s) by
transmitting via electronic mail (e-mail) or via e-PERB to the electronic service
address(es) listed below on the date indicated. *(May be used only if the party
being served has filed and served a notice consenting to electronic service or has
electronically filed a document with the Board. See PERB Regulation 32140(b).)*

(Include here the name, address and/or e-mail address of the Respondent and/or any other parties served.)

I declare under penalty of perjury under the laws of the State of California that the
foregoing is true and correct and that this declaration was executed on _____,
(Date)
at _____.
(City) (State)

(Type or print name)

(Signature)



PERB Received
07/24/25 09:55 AM

STATE OF CALIFORNIA

PUBLIC EMPLOYMENT RELATIONS BOARD

UNFAIR PRACTICE CHARGE

DO NOT WRITE IN THIS SPACE: Case No:

Date Filed: 07/24/2025

INSTRUCTIONS: File the original and one copy of this charge form in the appropriate PERB regional office (see PERB Regulation 32075), with proof of service attached to each copy. Proper filing includes concurrent service and proof of service of the charge as required by PERB Regulation 32615(c). All forms are available from the regional offices or PERB's website at www.perb.ca.gov. If more space is needed for any item on this form, attach additional sheets and number items.

IS THIS AN AMENDED CHARGE?

YES ☐

If so, Case No

NO ☒

1. CHARGING PARTY: EMPLOYEE ☐ EMPLOYEE ORGANIZATION ☒ EMPLOYER ☐ PUBLIC¹ ☐

- a. Full name: Child Care Providers United – California, a joint partnership of SEIU and AFSCME/UDW
- b. Mailing Address: 3055 Wilshire Blvd., Suite 1050, Los Angeles, CA 90010
- c. Telephone number: (626) 796-7555
- d. Name and title of agent to contact: Child Care Providers United – California, a joint partnership of SEIU and AFSCME/UDW
Telephone number: (626) 796-7555
E-mail Address: enaduris-weissman@rsglabor.com
Fax No.:
- e. Bargaining Unit(s) involved: Statewide Unit

2. CHARGE FILED AGAINST: (mark one only) EMPLOYEE ORGANIZATION ☐ EMPLOYER ☒

- a. Full name: California Department of Human Resources, Childcare Providers Labor Relations Division
- b. Mailing Address: 1515 S Street, North Building Suite 500, Sacramento, CA 95811-7258
- c. Telephone number: (916) 926-8699
- d. Name and title of agent to contact: California Department of Human Resources, Childcare Providers Labor Relations Division
Telephone number: (916) 926-8699
E-mail Address:
Fax No.:

3. NAME OF EMPLOYER (Complete this section only if the charge is filed against an employee organization.)

- a. Full name:
- b. Mailing address:

4. APPOINTING POWER: (Complete this section only if the employer is the State of California. See Gov. Code, § 18524.)

- a. Full name:
- b. Mailing Address:
- c. Agent:

5. GRIEVANCE PROCEDURE

¹An affected member of the public may only file a charge relating to an alleged public notice violation, pursuant to Government Code section 3523, 3547, 3547.5, or 3595, or Public Utilities Code section 99569

PERB Received
07/24/25 09:55 AM

Are the parties covered by an agreement containing a grievance procedure which ends in binding arbitration?

Yes ☒ No ☐ Unknown ☐

6. STATEMENT OF CHARGE

a. The charging party hereby alleges that the above-named respondent is under the jurisdiction of: (check one)

- ☐ Educational Employment Relations Act (EERA) (Gov. Code, § 3540 et seq.)
- ☐ Ralph C. Dills Act (Gov. Code, § 3512 et seq.)
- ☐ Higher Education Employer-Employee Relations Act (HEERA) (Gov. Code, § 3560 et seq.)
- ☐ Meyers-Milias-Brown Act (MMBA) (Gov. Code, § 3500 et seq.)
- ☐ Los Angeles County Metropolitan Transportation Authority Transit Employer-Employee Relations Act (TEERA) (Pub. Utilities Code, § 99560 et seq.)
- ☐ One of the following Public Utilities Code Transit District Acts: San Francisco Bay Area Rapid Transit District Act (SFBART Act) (Pub. Util. Code, § 28848 et seq.), Orange County Transit District Act (OCTDA) (Pub. Util. Code, § 40000 et seq.), Sacramento Regional Transit District Act (Sac RTD Act) (Pub. Util. Code, § 102398 et seq.), Santa Clara VTA, (Pub. Util. Code, § 100300 et seq.), and Santa Cruz Metro (Pub. Util. Code, § 98160 et seq.)
- ☐ Trial Court Employment Protection and Governance Act (Trial Court Act) (Article 3; Gov. Code, § 71630 – 71639.5)
- ☐ Trial Court Interpreter Employment and Labor Relations Act (Court Interpreter Act) (Gov. Code, § 71800 et seq.)

b. The specific Government or Public Utilities Code section(s) or PERB regulation section(s) alleged to have been violated is/are:
Welfare & Institutions Code §§ 10427.5 (a), (b) & (c)

c. For MMBA, Trial Court Act and Court Interpreter Act cases, if applicable, the specific local rule(s) alleged to have been violated is/are (***a copy of the applicable local rule(s) MUST be attached to the charge***):

d. Provide a clear and concise statement of the conduct alleged to constitute an unfair practice including, where known, the time and place of each instance of respondent's conduct, and the name and capacity of each person involved. This must be a statement of the facts that support your claim and *not conclusions of law*. A statement of the remedy sought must also be provided. (*Use and attach additional sheets of paper if necessary.*)

See Attached.

DECLARATION

I declare under penalty of perjury that I have read the above charge and that the statements herein are true and complete to the best of my knowledge and belief. (A Declaration will be included in the e-mail you receive from PERB once you have completed this screen. The person filing this Unfair Practice Charge is required to return a properly filled out and signed original Declaration to PERB pursuant to PERB Regulations 32140 and 32135.)

Eli Naduris-Weissman
(Type or Print Name)

/s/ Eli Naduris-Weissman
(Signature)

07/24/2025
Date



PERB Received
07/24/25 09:55 AM

STATE OF CALIFORNIA
PUBLIC EMPLOYMENT RELATIONS BOARD
UNFAIR PRACTICE CHARGE

DO NOT WRITE IN THIS SPACE:

Case No:

Date Filed:

INSTRUCTIONS: File this charge form via the e-PERB Portal, with proof of service. Parties exempt from using the e-PERB Portal may file the original charge in the appropriate PERB regional office (see PERB Regulation 32075), with proof of service attached. Proper filing includes concurrent service and proof of service of the charge as required by PERB Regulation 32615(c). All forms are available from the regional offices or PERB's website at www.perb.ca.gov. If more space is needed for any item on this form, attach additional sheets and number items.

IS THIS AN AMENDED CHARGE? YES ☐ If so, Case No. NO ☒

1. CHARGING PARTY: EMPLOYEE ☐ EMPLOYEE ORGANIZATION ☒ EMPLOYER ☐ PUBLIC¹ ☐

a. Full name: Child Care Providers United – California, a joint partnership of SEIU and AFSCME/UDW

b. Mailing address: 3055 Wilshire Blvd., Suite 1050; Los Angeles, CA 90010

c. Telephone number:

d. Name and title of person filing charge: Eli Naduris-Weissman, Attorney

E-mail Address:

enaduris-weissman@rsglabor.com

Telephone number: (626) 796-7555

e. Bargaining unit(s) involved: Statewide Unit

2. CHARGE FILED AGAINST: (mark one only) EMPLOYEE ORGANIZATION ☐ EMPLOYER ☒

a. Full name: California Department of Human Resources, Childcare Providers Labor Relations Division

b. Mailing address: 1515 S Street, North Building, Suite 500, Sacramento, California 95811-7258

c. Telephone number: (916) 926-8699

d. Name and title of agent to contact: Candace Hyatt, Division Chief

E-mail Address:

candace.hyatt@calhr.ca.gov

Telephone number: (916) 926-8699

3. NAME OF EMPLOYER (Complete this section only if the charge is filed against an employee organization.)

a. Full name:

b. Mailing address:

4. APPOINTING POWER: (Complete this section only if the employer is the State of California. See Gov. Code, § 18524.)

a. Full name:

b. Mailing address:

c. Agent:

¹ An affected member of the public may only file a charge relating to an alleged public notice violation, pursuant to Government Code section 3523, 3547, 3547.5, or 3595, or Public Utilities Code section 99569.

5. GRIEVANCE PROCEDURE

PERB Received
07/24/25 09:55 AM

Are the parties covered by an agreement containing a grievance procedure which ends in binding arbitration?

Yes ☒ No ☐ Unknown ☐

6. STATEMENT OF CHARGE

- a. The charging party hereby alleges that the above-named respondent is under the jurisdiction of: (check one)
- ☐ Educational Employment Relations Act (EERA) (Gov. Code, § 3540 et seq.)
- ☐ Ralph C. Dills Act (Gov. Code, § 3512 et seq.)
- ☐ Higher Education Employer-Employee Relations Act (HEERA) (Gov. Code, § 3560 et seq.)
- ☐ Meyers-Milias-Brown Act (MMBA) (Gov. Code, § 3500 et seq.)
- ☐ One of the following Public Utilities Code Transit District Acts: San Francisco Bay Area Rapid Transit District Act (SFBART Act) (Pub. Util. Code, § 28848 et seq.), Orange County Transit District Act (OCTDA) (Pub. Util. Code, § 40000 et seq.), Sacramento Regional Transit District Act (Sac RTD Act) (Pub. Util. Code, § 102398 et seq.), Santa Clara VTA, (Pub. Util. Code, § 100300 et seq.), and Santa Cruz Metro (Pub. Util. Code, § 98160 et seq.)
- ☐ The Los Angeles County Metropolitan Transportation Authority Transit Employer-Employee Relations Act (TEERA) (Supervisory Employees of the Los Angeles County Metropolitan Authority (Pub. Util. Code, § 99560 et seq.)
- ☐ Trial Court Employment Protection and Governance Act (Trial Court Act) (Article 3; Gov. Code, § 71630 – 71639.5)
- ☐ Trial Court Interpreter Employment and Labor Relations Act (Court Interpreter Act) (Gov. Code, § 71800 et seq.)
- ☒ Building a Better Early Care & Education System Act (Childcare Provider Act) (Welf. & Inst. Code § 10420 et seq.)
- b. The specific Government or Public Utilities Code section(s), or PERB regulation section(s) alleged to have been violated is/are: Welfare & Institutions Code §§ 10427.5 (a), (b) & (c). Unknown ☐
- c. For MMBA, Trial Court Act and Court Interpreter Act cases, if applicable, the specific local rule(s) alleged to have been violated is/are **(a copy of the applicable local rule(s) MUST be attached to the charge)**:
- d. Provide a clear and concise statement of the conduct alleged to constitute an unfair practice including, where known, the time and place of each instance of respondent's conduct, and the name and capacity of each person involved. This must be a statement of the facts that support your claim and *not conclusions of law*. A statement of the remedy sought must also be provided. (Use and attach additional sheets of paper if necessary.) See attached ☒

DECLARATION

I declare under penalty of perjury that I have read the above charge and that the statements herein are true and complete to the best of my knowledge and belief and that this declaration was executed on 07/24/2025

at Pasadena, CA (Date)
(City and State)

Eli Naduris-Weissman, Attorney

(Type or Print Name and Title, if any)

(Signature)

Mailing Address: Rothner, Segall & Greenstone
510 S. Marengo Ave., Pasadena, CA 91101

E-Mail Address: enaduris-weissman@rsglabor.com

Telephone Number: (626) 796-7555

**Statement of Charges
(Attachment to Unfair Practice Charge dated July 24, 2025)**

1. Child Care Providers United (“CCPU” or “Union”) is the certified provider organization within the meaning of the Building a Better Early Care and Education System Act (Childcare Provider Act), Welfare and Institutions Code (“WIC”) §§ 10420 – 10429.5. As the certified provider organization, CCPU is the exclusive representative of a statewide bargaining unit of all family childcare providers within the State of California as set forth in the Childcare Provider Act. *See* WIC §§ 10421(a), 10424(k).
2. The Childcare Provider Act defines “family childcare providers” as those who participate in “state-funded early care and education program[s]” which in turn is defined to mean a program administered by the state Department of Social Services [hereinafter “DSS”], “another department or agency, or a political subdivision of the state, including programs established subsequent to the enactment of this chapter, to subsidize early learning and care for children, but does not include the public education system.” WIC §§ 10241(b) & (f). Whether licensed, or license-exempt, the distinguishing feature of providers under the Act is that they provide childcare in their own home or a child’s home, and they receive reimbursements for such care under a number of state-sponsored subsidized childcare programs for low-income families. WIC § 10241(b).
3. The Governor, through the Department of Human Resources (“CalHR”) or the Governor’s designee, has an obligation to meet and confer in good faith regarding all matters within the scope of representation with representatives of a certified provider organization. WIC § 10425.5(a).
4. CCPU and the State of California are parties to an expired Memorandum of Understanding (“MOU”) that was effective from September 13, 2023 to July 1, 2025. As set forth in the MOU’s Preamble, the MOU was entered into between CCPU and 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).” A true and correct copy of the MOU is attached hereto as Exhibit A.

Provider Reimbursement Rates

5. Childcare providers in the bargaining unit are paid for their services based on reimbursement rates provided by the State under a number of subsidized childcare programs. Historically, providers have been under two types of rate-structures. For Voucher-based child care programs, sometimes also referred to as “alternative payment” programs addressed in Section 7.1A of the expired MOU, providers have been paid according to the “regional market rate.” For Direct-Contract child care programs, sometimes also referred to as Direct service-

based, Center-based, or Title V programs (all addressed in Section 7.2B of the expired MOU), contractors are reimbursed based on what is called the Standardized Reimbursement Rate, or “SRR,” a portion of which passes through to providers.

6. In previous bargaining, the parties agreed that they would seek to reform the rate structure, in two respects. First, the parties sought to incorporate “cost of care” as a central principle in the rate structure, reflected in Section 7.2 of the expired MOU. Second, the parties agreed to work to develop 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.” MOU, Section 7.3. This effort is ongoing.

Successor Bargaining and Regressive Economic Proposals

7. In December, 2024, the parties first met and conferred in order to reach a successor MOU. Between December, 2024 and July 16, 2025, the parties met on 28 days of bargaining sessions.

8. The principal economic articles under negotiations included both elements of the rate reform first incorporated in the prior MOU: Section 7.2, the interim “Cost of Care Plus Rate,” and continued efforts to develop a Single Rate Structure, also known as Alternative Methodology State Subsidy Rates.

9. On June 26, 2025, the State passed a proposal regarding Section 7.2, “Cost of Care Plus Rate,” as part of “State Proposal #2 (Economic Package #5).” Under that proposal, childcare providers would receive increased “cost of care plus,” based on the Region of the State in which they worked. Critically, with respect to timing, the State’s proposal said: “Effective July 1, 2025 until the implementation of the Alternative Methodology State Subsidy Rates, the per-child plus rate amounts shall be as follows” (Emphasis added.) This was the State’s first proposal on Section 7.2 that provided an increased Cost of Care Plus Rate to be effective July 1, 2025. A true and correct copy of the State’s June 26, 2025 proposal described above is attached hereto as Exhibit B.

10. The next movement on Section 7.2 was on July 1, 2025, the last day of the previous contract. At 5:03 p.m. that day, CCPU passed a counter-proposal on Section 7.2, “Cost of Care Plus Rate,” which sought a higher “cost of care plus rate” that would be uniform statewide. CCPU’s proposal regarding timing, however, was the same as what the State had proposed on June 26, 2025. CCPU’s proposal also included a “one-time, per-child provider subsidy payment” by January 1, 2026. A true and correct copy of CCPU’s July 1, 2025 proposal at 5:03 p.m. is attached hereto as Exhibit C.

11. At 8:21 p.m., the State offered counter proposals for Section 7.2 and the Alternative Methodology State Subsidy Rates article, labeled “State Proposal #3 (Economic Package #7).” On Section 7.2, as to the first part of the proposal (the cost of care plus rate), the State’s proposal

matched that of CCPU, with new rates to be effective on July 1, 2025 until the implementation of the Alternative Methodology State Subsidy Rates. With respect to the one-time per-child subsidy, the State's proposal differed, offering a smaller one-time payment that varied by region. A true and correct copy of the State's July 1, 2025 proposal described above is attached hereto as Exhibit D.

12. The parties' next bargaining session was July 10, 2025. On that date the State provided a new proposal on Section 7.2, Cost of Care Plus Rate, labeled "State Proposal #5 (Economic Package #9)." In an about-face, the State now proposed that rather than July 1, 2025, the Cost of Care Plus rate increases would be "[e]ffective six (6) months after full ratification of this agreement" A true and correct copy of the State's July 10, 2025 proposal described above is attached hereto as Exhibit E.

13. Based on prior experience, the timeframe for full ratification of agreements between the parties has been between one and three months after reaching a full tentative agreement. As such, and given the parties' bargaining schedule, the State's proposal in effect proposed an at least eight-month delay in implementation of the cost of care plus rates. CCPU estimates that this would mean at least \$24 million dollars less in the hands of represented childcare providers.

14. That State did not provide a coherent explanation for the sudden, and drastic change in the timing of the Cost of Care Plus rates to be paid to childcare providers.

Legal Violations and Relief Requested

15. By the above-described conduct the State, through CalHR, has frustrated negotiations through regressive bargaining in violation of the Childcare Provider Act, thus refusing and failed to meet and confer in good faith on matters within the scope of representation, in violation of WIC §§ 10427.5 (c). By this same conduct, the State has interfered with, restrained and coerced childcare providers because of their exercise of rights in violation of WIC §§ 10427.5 (a) and denied CCPU rights guaranteed it by the Childcare Provider Act, WIC §§ 10427.5 (b).

16. As a remedy, CCPU seeks, *inter alia*, an order requiring the State, through CalHR, to: (1) cease and desist from meeting and conferring in bad faith; (2) restore the parties to their prior bargaining positions before any bad faith conduct, in accordance with *City of Palo Alto* (2019) PERB Decision No. 2664-M, p. 5 ("[I]t is appropriate to order a bargaining party to return to a prior bargaining position that it abandoned in bad faith. . . ."); (3) distribute a notice to all providers in the bargaining unit concerning the violations of the Childcare Provider Act, and because childcare providers are distributed throughout California and do not work in central locations, *see State of California (Department of Human Resources)*, PERB Decision No. HO-U-1733-N, for the State to distribute such notice by mail, electronic mail, intranet, and internet site, as well as other methods calculated to achieve distribution to every member of the bargaining unit by each the by the State; and (4) provide such other relief deemed just and proper.

EXHIBIT “A”



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

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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

EXHIBIT “B”

STATE PROPOSAL #2 (ECONOMIC PACKAGE #5)

DATE:

TIME:

ARTICLE: 7 – RATES AND INCENTIVES

SECTION: 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~~ 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. Effective July 1, 2025 until the implementation of the Alternative Methodology State Subsidy Rates, the ~~Perper~~per-child plus rate amounts shall be as follows:

Region	Licensed Family Child Care Providers	License-Exempt Providers
Central	\$140 <u>152</u>	\$98 <u>107</u>
Northern	\$141 <u>154</u>	\$99 <u>108</u>
Southern	\$160 <u>174</u>	\$112 <u>122</u>
Los Angeles	\$171 <u>186</u>	\$119 <u>130</u>
Bay Area	\$211 <u>230</u>	\$148 <u>161</u>

STATE PROPOSAL #2 (ECONOMIC PACKAGE #5)

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~~

EXHIBIT “C”

CCPU COUNTER-PROPOSAL

DATE: July 1, 2025

TIME:

ARTICLE: 7 – RATES AND INCENTIVES

SECTION: 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~~ 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. Effective July 1, 2025 until the implementation of the Alternative Methodology State Subsidy Rates, the ~~Per~~per-child plus rate amounts shall be as follows:

Region	Licensed Family Child Care Providers	License-Exempt Providers
Central	\$140 152	\$98 107
Northern	\$141 154	\$99 108
Southern	\$160 174	\$112 122
Los Angeles	\$171 186	\$119 130
Bay Area	\$211 230	\$148 161

CCPU COUNTER-PROPOSAL

~~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~~

One-Time, Per-Child Provider Subsidy Payments

Upon ratification of this agreement, family child care providers who were paid in April 2025 shall receive one-time, per-child payments corresponding to reported April 2025 enrollments no later than January 1, 2026, as follows:

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~~

One-time, per-child payments shall be as follows:

<u>Region</u>	<u>Licensed Family Child Care Providers</u>	<u>License-Exempt Providers</u>
<u>Central</u>	<u>\$243</u>	<u>\$171</u>
<u>Northern</u>	<u>\$246</u>	<u>\$173</u>
<u>Southern</u>	<u>\$278</u>	<u>\$195</u>
<u>Los Angeles</u>	<u>\$298</u>	<u>\$208</u>
<u>Bay Area</u>	<u>\$368</u>	<u>\$258</u>
ALL	\$723	\$503

EXHIBIT “D”

STATE PROPOSAL #3 (ECONOMIC PACKAGE #7)

DATE:

TIME:

ARTICLE: 7 – RATES AND INCENTIVES

SECTION: 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~~ 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. Effective July 1, 2025 until the implementation of the Alternative Methodology State Subsidy Rates, the ~~Per~~per-child plus rate amounts shall be as follows:

Region	Licensed Family Child Care Providers	License-Exempt Providers
Central	\$140 152	\$98 107
Northern	\$141 154	\$99 108
Southern	\$160 174	\$112 122
Los Angeles	\$171 186	\$119 130
Bay Area	\$211 230	\$148 161

STATE PROPOSAL #3 (ECONOMIC PACKAGE #7)

~~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~~

One-Time, Per-Child Provider Subsidy Payments

Upon ratification of this agreement, family child care providers who were paid in April 2025 shall receive one-time, per-child payments corresponding to reported April 2025 enrollments no later than January 1, 2026, as follows:

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

One-time, per-child payments shall be as follows:

<u>Region</u>	<u>Licensed Family Child Care Providers</u>	<u>License-Exempt Providers</u>
<u>Central</u>	<u>\$243</u>	<u>\$171</u>
<u>Northern</u>	<u>\$246</u>	<u>\$173</u>
<u>Southern</u>	<u>\$278</u>	<u>\$195</u>
<u>Los Angeles</u>	<u>\$298</u>	<u>\$208</u>
<u>Bay Area</u>	<u>\$368</u>	<u>\$258</u>

EXHIBIT “E”

STATE PROPOSAL #5 (ECONOMIC PACKAGE #9)

DATE: July 10, 2025

TIME:

ARTICLE: 7 – RATES AND INCENTIVES

SECTION: 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~~ 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. Effective six (6) months after full ratification of this agreement until the implementation of the Alternative Methodology State Subsidy Rates, the Perper- child plus rate amounts shall be as follows:

Region	Licensed Family Child Care Providers	License-Exempt Providers
Central	\$140 <u>152</u>	\$98 <u>107</u>
Northern	\$141 <u>154</u>	\$99 <u>108</u>
Southern	\$160 <u>174</u>	\$112 <u>122</u>
Los Angeles	\$171 <u>186</u>	\$119 <u>130</u>

STATE PROPOSAL #5 (ECONOMIC PACKAGE #9)

Region	Licensed Family Child Care Providers	License-Exempt Providers
Bay Area	\$211 <u>230</u>	\$148 <u>161</u>

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~~

One-Time, Per-Child Provider Subsidy Payments

Family child care providers who were paid in April 2025 shall receive one-time, per-child payments corresponding to the reported April 2025 enrollments as follows:

One-time, per-child payments shall be as follows:

<u>Licensed Family Child Care Providers</u>	<u>License-Exempt Providers</u>
<u>\$383</u>	<u>\$266</u>

PROOF OF SERVICE

I declare that I am a resident of or employed in the County of LOS ANGELES,

State of CALIFORNIA. I am over the age of 18 years. The name and address of my

Residence or business is Rothner, Segall & Greenstone, 510 South Marengo Avenue
Pasadena, CA 91101

On July 24, 2024, I served the UNFAIR PRACTICE CHARGE
(Date) (Description of document(s))

_____ in Case No. _____.
(Description of document(s) continued) PERB Case No., if known)

on the parties listed below by (check the applicable method(s)):

☒ placing a true copy thereof enclosed in a sealed envelope for collection and delivery by the United States Postal Service or private delivery service following ordinary business practices with postage or other costs prepaid;

☐ personal delivery;

☒ electronic service - I served a copy of the above-listed document(s) by transmitting via electronic mail (e-mail) or via e-PERB to the electronic service address(es) listed below on the date indicated. *(May be used only if the party being served has filed and served a notice consenting to electronic service or has electronically filed a document with the Board. See PERB Regulation 32140(b).)*

(Include here the name, address and/or e-mail address of the Respondent and/or any other parties served.)

Candace Hyatt, Division Chief
California Department of Human Resources,
Childcare Providers Labor Relations Division
1515 S Street, North Building, Suite 500,
Sacramento, California 95811-7258

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration was executed on July 24, 2025,
(Date)

at Pasadena California.
(City) (State)

DONNA MARTIN

/s/ Donna Martin

(Type or print name)

(Signature)



PERB Received
07/24/25 11:59 AM

STATE OF CALIFORNIA

PUBLIC EMPLOYMENT RELATIONS BOARD

UNFAIR PRACTICE CHARGE

DO NOT WRITE IN THIS SPACE: Case No:

Date Filed: 07/24/2025

INSTRUCTIONS: File the original and one copy of this charge form in the appropriate PERB regional office (see PERB Regulation 32075), with proof of service attached to each copy. Proper filing includes concurrent service and proof of service of the charge as required by PERB Regulation 32615(c). All forms are available from the regional offices or PERB's website at www.perb.ca.gov. If more space is needed for any item on this form, attach additional sheets and number items.

IS THIS AN AMENDED CHARGE? YES ☐ If so, Case No _____ NO ☒

1. CHARGING PARTY: EMPLOYEE ☐ EMPLOYEE ORGANIZATION ☒ EMPLOYER ☐ PUBLIC¹ ☐

a. Full name: Child Care Providers United – California, a joint partnership of SEIU and AFSCME/UDW
b. Mailing Address: 3055 Wilshire Blvd., Suite 1050, Los Angeles, CA 90010
c. Telephone number: (626) 796-7555
d. Name and title of agent to contact: Child Care Providers United – California, a joint partnership of SEIU and AFSCME/UDW E-mail Address: enaduris-weissman@rsglabor.com
Telephone number: (626) 796-7555 Fax No.:
e. Bargaining Unit(s) involved: Statewide Unit

2. CHARGE FILED AGAINST: (mark one only) EMPLOYEE ORGANIZATION ☐ EMPLOYER ☒

a. Full name: California Department of Human Resources, Childcare Providers Labor Relations Division
b. Mailing Address: 1515 S Street, North Building Suite 500, Sacramento, CA 95811-7258
c. Telephone number: (916) 926-8699
d. Name and title of agent to contact: Candace Hyatt, Division Chief E-mail Address: candace.hyatt@calhr.ca.gov
Telephone number: Fax No.:

3. NAME OF EMPLOYER (Complete this section only if the charge is filed against an employee organization.)

a. Full name:
b. Mailing address:

4. APPOINTING POWER: (Complete this section only if the employer is the State of California. See Gov. Code, § 18524.)

a. Full name:
b. Mailing Address:
c. Agent:

5. GRIEVANCE PROCEDURE

¹An affected member of the public may only file a charge relating to an alleged public notice violation, pursuant to Government Code section 3523, 3547, 3547.5, or 3595, or Public Utilities Code section 99569

PERB Received
07/24/25 11:59 AM

Are the parties covered by an agreement containing a grievance procedure which ends in binding arbitration?

Yes ☒ No ☐ Unknown ☐

6. STATEMENT OF CHARGE

a. The charging party hereby alleges that the above-named respondent is under the jurisdiction of: (check one)

- ☐ Educational Employment Relations Act (EERA) (Gov. Code, § 3540 et seq.)
- ☐ Ralph C. Dills Act (Gov. Code, § 3512 et seq.)
- ☐ Higher Education Employer-Employee Relations Act (HEERA) (Gov. Code, § 3560 et seq.)
- ☐ Meyers-Milias-Brown Act (MMBA) (Gov. Code, § 3500 et seq.)
- ☐ Los Angeles County Metropolitan Transportation Authority Transit Employer-Employee Relations Act (TEERA) (Pub. Utilities Code, § 99560 et seq.)
- ☐ One of the following Public Utilities Code Transit District Acts: San Francisco Bay Area Rapid Transit District Act (SFBART Act) (Pub. Util. Code, § 28848 et seq.), Orange County Transit District Act (OCTDA) (Pub. Util. Code, § 40000 et seq.), Sacramento Regional Transit District Act (Sac RTD Act) (Pub. Util. Code, § 102398 et seq.), Santa Clara VTA, (Pub. Util. Code, § 100300 et seq.), and Santa Cruz Metro (Pub. Util. Code, § 98160 et seq.)
- ☐ Trial Court Employment Protection and Governance Act (Trial Court Act) (Article 3; Gov. Code, § 71630 – 71639.5)
- ☐ Trial Court Interpreter Employment and Labor Relations Act (Court Interpreter Act) (Gov. Code, § 71800 et seq.)

b. The specific Government or Public Utilities Code section(s) or PERB regulation section(s) alleged to have been violated is/are:
Welf. & Inst. Code Section 10420 et seq.

c. For MMBA, Trial Court Act and Court Interpreter Act cases, if applicable, the specific local rule(s) alleged to have been violated is/are (***a copy of the applicable local rule(s) MUST be attached to the charge***):

d. Provide a clear and concise statement of the conduct alleged to constitute an unfair practice including, where known, the time and place of each instance of respondent's conduct, and the name and capacity of each person involved. This must be a statement of the facts that support your claim and *not conclusions of law*. A statement of the remedy sought must also be provided. (*Use and attach additional sheets of paper if necessary.*)

See attached.

DECLARATION

I declare under penalty of perjury that I have read the above charge and that the statements herein are true and complete to the best of my knowledge and belief. (A Declaration will be included in the e-mail you receive from PERB once you have completed this screen. The person filing this Unfair Practice Charge is required to return a properly filled out and signed original Declaration to PERB pursuant to PERB Regulations 32140 and 32135.)

Eli Naduris-Weissman
(Type or Print Name)

/s/ Eli Naduris-Weissman
(Signature)

07/24/2025
Date

ROTHNER, SEGALL & GREENSTONE
ATTORNEYS

GLENN ROTHNER
ANTHONY R. SEGALL
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MARIA KEEGAN MYERS
DANIEL B. ROJAS
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(626) 796-7555

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(626) 577-0124

WEBSITE:
WWW.RSGLABOR.COM

July 24, 2025

Via E-Filing

Public Employment Relations Board
1031 18th Street
Sacramento, CA 95811-4124

Re: Consolidated Unfair Practice Charge

To Whom It May Concern:

Enclosed with this letter you will find an Unfair Practice Charge filed by the Child Care Providers United (“CCPU”) under the Building a Better Early Care and Education System Act (Childcare Provider Act), Welfare and Institutions Code (“WIC”) §§ 10420 – 10429.5.

As allowed under the Childcare Provider Act (*see* WIC § 10427.7), the charge is filed against two Respondents: (1) the California Department of Human Resources, Childcare Providers Labor Relations Division and (2) California Department of Social Services. The underlying facts are identical.

Based on the above, CCPU asks that the charges be consolidated. *See* PERB Reg. 32612(d).

Thank you for your attention to this matter.

Very truly yours,

/s/ Eli Naduris-Weissman
Eli Naduris-Weissman

Enclosures

SAN DIEGO OFFICE
402 WEST BROADWAY, SUITE 400
SAN DIEGO, CALIFORNIA 92101

MAIN OFFICE
510 SOUTH MARENGO AVENUE
PASADENA, CALIFORNIA 91101

BERKELEY OFFICE
2030 ADDISON STREET, SUITE 500
BERKELEY, CALIFORNIA 94704



PERB Received
07/24/25 11:59 AM

STATE OF CALIFORNIA
PUBLIC EMPLOYMENT RELATIONS BOARD
UNFAIR PRACTICE CHARGE

DO NOT WRITE IN THIS SPACE:

Case No:

Date Filed:

INSTRUCTIONS: File this charge form via the e-PERB Portal, with proof of service. Parties exempt from using the e-PERB Portal may file the original charge in the appropriate PERB regional office (see PERB Regulation 32075), with proof of service attached. Proper filing includes concurrent service and proof of service of the charge as required by PERB Regulation 32615(c). All forms are available from the regional offices or PERB's website at www.perb.ca.gov. If more space is needed for any item on this form, attach additional sheets and number items.

IS THIS AN AMENDED CHARGE? YES ☐ If so, Case No. NO ☒

1. CHARGING PARTY: EMPLOYEE ☐ EMPLOYEE ORGANIZATION ☒ EMPLOYER ☐ PUBLIC¹ ☐

a. Full name: Child Care Providers United – California, a joint partnership of SEIU and AFSCME/UDW

b. Mailing address: 3055 Wilshire Blvd., Suite 1050; Los Angeles, CA 90010

c. Telephone number:

d. Name and title of person filing charge: Eli Naduris-Weissman, Attorney

E-mail Address:

enaduris-weissman@rsglabor.com

Telephone number: (626) 796-7555

e. Bargaining unit(s) involved: Statewide Unit

2. CHARGE FILED AGAINST: (mark one only) EMPLOYEE ORGANIZATION ☐ EMPLOYER ☒

a. Full name: California Department of Human Resources, Childcare Providers Labor Relations Division

b. Mailing address: 1515 S. Street, North Building, Suite 500; Sacramento, California 95811-7258

c. Telephone number: (916) 324-0455

d. Name and title of agent to contact: Candace Hyatt, Division Chief

E-mail Address:

candace.hyatt@calhr.ca.gov

Telephone number: (916) 324-0830

3. NAME OF EMPLOYER (Complete this section only if the charge is filed against an employee organization.)

a. Full name:

b. Mailing address:

4. APPOINTING POWER: (Complete this section only if the employer is the State of California. See Gov. Code, § 18524.)

a. Full name:

b. Mailing address:

c. Agent:

¹ An affected member of the public may only file a charge relating to an alleged public notice violation, pursuant to Government Code section 3523, 3547, 3547.5, or 3595, or Public Utilities Code section 99569.

5. GRIEVANCE PROCEDURE

PERB Received
07/24/25 11:59 AM

Are the parties covered by an agreement containing a grievance procedure which ends in binding arbitration?

Yes ☒ No ☐ Unknown ☐

6. STATEMENT OF CHARGE

- a. The charging party hereby alleges that the above-named respondent is under the jurisdiction of: (check one)
- ☐ Educational Employment Relations Act (EERA) (Gov. Code, § 3540 et seq.)
- ☐ Ralph C. Dills Act (Gov. Code, § 3512 et seq.)
- ☐ Higher Education Employer-Employee Relations Act (HEERA) (Gov. Code, § 3560 et seq.)
- ☐ Meyers-Milias-Brown Act (MMBA) (Gov. Code, § 3500 et seq.)
- ☐ One of the following Public Utilities Code Transit District Acts: San Francisco Bay Area Rapid Transit District Act (SFBART Act) (Pub. Util. Code, § 28848 et seq.), Orange County Transit District Act (OCTDA) (Pub. Util. Code, § 40000 et seq.), Sacramento Regional Transit District Act (Sac RTD Act) (Pub. Util. Code, § 102398 et seq.), Santa Clara VTA, (Pub. Util. Code, § 100300 et seq.), and Santa Cruz Metro (Pub. Util. Code, § 98160 et seq.)
- ☐ The Los Angeles County Metropolitan Transportation Authority Transit Employer-Employee Relations Act (TEERA) (Supervisory Employees of the Los Angeles County Metropolitan Authority (Pub. Util. Code, § 99560 et seq.)
- ☐ Trial Court Employment Protection and Governance Act (Trial Court Act) (Article 3; Gov. Code, § 71630 – 71639.5)
- ☐ Trial Court Interpreter Employment and Labor Relations Act (Court Interpreter Act) (Gov. Code, § 71800 et seq.)
- ☒ Building a Better Early Care & Education System Act (Childcare Provider Act) (Welf. & Inst. Code § 10420 et seq.)
- b. The specific Government or Public Utilities Code section(s), or PERB regulation section(s) alleged to have been violated is/are: Welfare & Institutions Code §§ 10427.5 (b) & (c). Unknown ☐
- c. For MMBA, Trial Court Act and Court Interpreter Act cases, if applicable, the specific local rule(s) alleged to have been violated is/are **(a copy of the applicable local rule(s) MUST be attached to the charge)**:
- d. Provide a clear and concise statement of the conduct alleged to constitute an unfair practice including, where known, the time and place of each instance of respondent's conduct, and the name and capacity of each person involved. This must be a statement of the facts that support your claim and *not conclusions of law*. A statement of the remedy sought must also be provided. (Use and attach additional sheets of paper if necessary.) See attached ☒

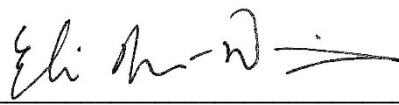
DECLARATION

I declare under penalty of perjury that I have read the above charge and that the statements herein are true and complete to the best of my knowledge and belief and that this declaration was executed on 07/24/2025

at Pasadena, CA (City and State)

Eli Naduris-Weissman, Attorney

(Type or Print Name and Title, if any)


(Signature)

Mailing Address: Rothner, Segall & Greenstone
510 S. Marengo Ave., Pasadena, CA 91101

E-Mail Address: enaduris-weissman@rsglabor.com

Telephone Number: (626) 796-7555

**Statement of Charges
(Attachment to Unfair Practice Charge dated July 24, 2025)**

1. Child Care Providers United (“CCPU” or “Union”) is the certified provider organization within the meaning of the Building a Better Early Care and Education System Act (Childcare Provider Act), Welfare and Institutions Code (“WIC”) §§ 10420 – 10429.5. As the certified provider organization, CCPU is the exclusive representative of a statewide bargaining unit of all family childcare providers within the State of California as set forth in the Childcare Provider Act. *See* WIC §§ 10421(a), 10424(k).
2. The Childcare Provider Act defines “family childcare providers” as those who participate in “state-funded early care and education program[s]” which in turn is defined to mean a program administered by the state Department of Social Services, “another department or agency, or a political subdivision of the state, including programs established subsequent to the enactment of this chapter, to subsidize early learning and care for children, but does not include the public education system.” WIC §§ 10241(b) & (f). Whether licensed, or license-exempt, the distinguishing feature of providers under the Act is that they provide childcare in their own home or a child’s home, and they receive reimbursements for such care under a number of state-sponsored subsidized childcare programs for low-income families. WIC § 10241(b).
3. The Governor, through Respondent Department of Human Resources (“CalHR”), has an obligation to meet and confer in good faith regarding all matters within the scope of representation with representatives of a certified provider organization. WIC § 10425.5(a).
4. Respondent California Department of Social Services (“DSS”) is a state department that administers state-funded early care and education program within the meaning of the Childcare Provider Act. *See* WIC § 10421(f).
5. The scope of representation includes, among other things, reimbursement rates for providers and other economic matters. WIC § 10424.5(a)(7).
6. CCPU and the State of California are parties to an expired Memorandum of Understanding (“MOU”) that was effective from September 13, 2023 to July 1, 2025. As set forth in the MOU’s Preamble, the MOU was entered into between CCPU and 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).” A true and correct copy of the MOU is attached hereto as Exhibit A.

Provider Reimbursement Rates and the Alternative Rate Methodology

7. Childcare providers in the bargaining unit are paid for their services based on reimbursement rates provided by the State under a number of subsidized childcare programs. Historically, providers have been under two types of rate-structures. For Voucher-based child care programs, sometimes also referred to as “alternative payment” programs addressed in Section 7.1A of the expired MOU, providers have been paid according to the “regional market rate.” For Direct-Contract child care programs, sometimes also referred to as Direct service-based, Center-based, or Title V programs (all addressed in Section 7.2B of the expired MOU), contractors are reimbursed based on what is called the Standardized Reimbursement Rate, or “SRR,” a portion of which passes through to providers.

8. In previous bargaining, the parties agreed that they would seek to reform the rate structure in several respects. Relevant here, the parties agreed to work to develop a single reimbursement rate structure and to “continue the Rate and Quality Systems Structure Review JLMC to continue work toward long-term rate reform . . . 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.” MOU, Section 7.3.

9. Section 7.3 provides a detailed framework for meetings between the State and CCPU, through a joint labor management committees, with various steps and benchmarks, including, among others:

- using a cost-based rate setting methodology (the “Alternative Methodology”) in developing a Single Rate Structure for subsidized child care reimbursement rates;
- submit[ting] a request for pre-approval of the Alternative Methodology and Single Rate Structure to the federal Administration for Children and Families (“ACF”);
- 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;
- launching the Rate and Advisory Panel as a forum for public engagement in the process;
- using information from the cost estimation model to 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; and
- submitting 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.

Some steps were linked to accomplishment of prior steps. For example, the parties agreed that:

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.

Successor Bargaining and DSS's July 9, 2025 Rate Reform Report Quarterly Update

10. Since December, 2024, the parties have been in bargaining for a successor MOU; the existing MOU expired on July 1, 2025. Both parties have proposed revisions to Section 7.3 in a new article both parties have referred to as “Alternative Methodology State Subsidy Rates.” The proposals from both parties acknowledge that reaching agreement on the Single Rate Structure is a necessary step towards making new reimbursement rates effective, and that such new reimbursement rates shall be subject to negotiations based on a set of parameters related to the childcare provider.

11. As prior MOU Section 7.3, and current bargaining over negotiations to establish a new rate show, the meet and confer process over the single rate structure is, and has been, ongoing.

12. On July 9, 2025, without prior notice to CCPU, the State, through DSS, issued a report to the Legislature entitled: “Child Care and State Preschool Rate Reform, July 2025 Quarterly Update to the January 2025 Implementation Report.” A true and correct copy of the report is attached hereto as Exhibit B.

13. Throughout the report, the State, through DSS, indicates that it has taken unilateral action to complete the alternative methodology process and set rates informed by the alternative methodology, based on processes the State has taken unilaterally and without meeting and conferring with CCPU.

14. For example, on page 2 of the report, CDSS explains that the report contains updates on “The completion of the alternative methodology process and rate setting informed by alternative methodology.” On page 3, the report explains that “The publication of this report coincides with

the ACF's deadline to complete the alternative methodology process, set rates informed by alternative methodology and submit a timeline for implementation of those rates." In the same vein, on page 5, CDSS directly states: "The alternative methodology process is now complete and a crosswalk of current rates to the alternative methodology cost of care has been submitted to the ACF in compliance with federal requirements."

15. On page 6, the report continues that on July 3, 2025, "the CDSS, in collaboration with P5FS [Prenatal to Five Fiscal Strategies], completed and submitted to ACF the following federally required [sic] related to the alternative methodology process:

- The P5FS and the CDSS co-submitted the detailed Cost Estimation Model (CEM) Report prepared by P5FS to the ACF. The CEM Report describes California's cost estimation model, the rate elements and selection points used as inputs to the model, and the annual per child cost outputs generated by the model as compared to current rates. Substantive information included in the CEM Report was publicly previewed at the RQAP meetings in April, May and June 2025.
- The CDSS submitted to the ACF rates tables documenting the child care and development reimbursement rates that are in effect as of July 1, 2025, and how those rates compare to the alternative methodology cost of care outputs. This includes calculating what share of the alternative methodology cost of care outputs current rates reflect. Submission of information regarding the rates in effect as of July 1, 2025, is sufficient for compliance with the federal requirement to set rates informed by alternative methodology."

16. On page 19 of the report, the report includes a table "summarizing the total direct service costs associated with the calculated Alternative Methodology cost of care for State-subsidized child care and development and state preschool programs." The table includes a "Total Cost of Care" column, which summarizes the costs of future reimbursement rates that will be used the alternative methodology. After the table, the report conclusively states that "The total annual direct services cost of care as determined through the alternative methodology process of \$18.7 billion." These statements further show predetermination by the State of rates that must be bargained with CCPU.

17. In the Conclusion, on page 22, the report states: "California has now reached a significant milestone: completion of the alternative methodology process that was approved by the federal ACF in August 2023."

18. All of the above statements demonstrate that the State and DSS have engaged in significant discussion, and indeed completed various steps as part of the alternative methodology process, unilaterally and without reaching agreement with CCPU.

Legal Violations and Relief Requested

19. By the above-described conduct the State, through CalHR and DSS, individually and collectively, have denied CCPU rights guaranteed it by the Childcare Provider Act, and refused or failed to meet and confer in good faith prior to implementation of changes to matters within the scope of representation, in violation of WIC §§ 10427.5 (b) & (c).

20. As a remedy, CCPU seeks, *inter alia*, an order requiring the State, through CalHR and DSS, to: (1) cease and desist from meeting and conferring in bad faith; (2) rescind any unilateral changes to matters within the scope of representation; (3) meet and confer with CCPU on all matters concerning the Alternative Methodology/Single Rate Structure; (4) distribute a notice to all providers in the bargaining unit concerning the violations of the Childcare Provider Act, and because childcare providers are distributed throughout California and do not work in central locations, *see State of California (Department of Human Resources)*, PERB Decision No. HO-U-1733-N, for the State to distribute such notice by mail, electronic mail, intranet, and internet site, as well as other methods calculated to achieve distribution to every member of the bargaining unit by each the by the State; and (5) provide such other relief deemed just and proper.

EXHIBIT “A”



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

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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

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California Department of Human Resources

Kate Van Sickle
California Department of Human Resources

Jordan Neves
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CCPU TEAM

To be added upon receipt

STATE TEAM

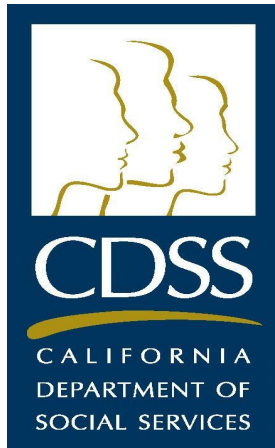
Corey Khan
California Department of Education

Virginia Early
California Department of Education

CCPU TEAM

EXHIBIT “B”

July 9, 2025



CHILD CARE AND STATE PRESCHOOL RATE REFORM

JULY 2025 QUARTERLY UPDATE TO THE
JANUARY 2025 IMPLEMENTATION REPORT

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

In collaboration with the California Department of Education



California Department of
EDUCATION

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1. Legislative Mandate

This report satisfies two legislative mandates.

First, [Welfare and Institutions Code \(WIC\) Section 10227.6\(g\)](#), excerpted below, requires regular reporting by the California Department of Social Services (CDSS) to the Legislature on progress towards implementing new reimbursement rates set under the alternative methodology. This report satisfies the quarterly reporting requirement in WIC Section 10227.6 (g)(2).

(g) (1) Within 60 days of federal approval of the single rate structure utilizing the alternative methodology in the state plan, the department, in collaboration with the State Department of Education, shall provide the Assembly Committee on Budget, the Senate Committee on Budget and Fiscal Review, and the Legislative Analyst's Office with a report that outlines the implementation components for the approved single rate structure. For a period of 30 days, the Legislature shall have the opportunity to review and provide feedback regarding draft guidance for implementation of policies. The report shall include all of the following:

(A) The department's plan to set new reimbursement rates under the alternative methodology by no later than July 1, 2025.

(B) The estimated costs and estimated timelines associated with the implementation components of the approved single rate structure, including, but not limited to, state operations resources, technology and infrastructure changes, and any regulatory or statutory changes necessary to implement the approved single rate structure.

(2) The department shall, from October 1, 2024, to January 1, 2026, inclusive, provide the Assembly Committee on Budget, the Senate Committee on Budget and Fiscal Review, and the Legislative Analyst's Office with quarterly updates on the implementation of the new reimbursement rates set under the alternative methodology. The quarterly updates shall include any changes to the information provided in the report described in paragraph (1).

Additionally, under the provisions of [WIC 10227.6\(h\) and \(i\)](#) excerpted below, if new reimbursement rates informed by the cost of care under alternative methodology do not take effect on July 1, 2025, CDSS is required to provide the Legislature with a timeline for transitioning to the new reimbursement rates. That timeline can be found in Section 6 of this report. The implementation timeline is based on preliminary, point-in-time information and will be updated as more information becomes available.

(h) The Governor and the Legislature shall, by no later than July 1, 2025, establish reimbursement rates based on the alternative methodology. Provider reimbursement rates shall not be reduced from the reimbursement rates that were in effect on June 30, 2024, pursuant to Sections 10280 and 10374.5 of this code and Section 8242 of the Education Code, inclusive of the cost of care plus

rates established pursuant to subdivision (b) of Section 10277.1 and subdivision (b) of Section 10277.2.

(i) (1) If the new reimbursement rates established pursuant to subdivision (h) do not take effect on July 1, 2025, the department shall provide the Legislature with a timeline for transitioning from the rates that are in effect on July 1, 2025, to the new rates established pursuant to subdivision (h).

2. Executive Summary

This Rate Reform Quarterly Update is published pursuant to the legislative mandate described in Section 1. It provides an update to the [Rate Reform Implementation Report](#) published in January 2025 and the April 2025 quarterly update to that report that was previously provided to the Legislature. Readers of this report may find it useful to first review the January 2025 report and the associated April quarterly update for additional context. That foundational report, the quarterly rate reform updates and other key documents related to rate reform are posted on CDSS' [Rate Reform and Quality website](#).

Specifically, this report contains updates on:

- The completion of the alternative methodology process and rate setting informed by alternative methodology,
- Progress on the activities necessary to implement the new Single Rate Structure (SRS),
- The timeline for implementation of an SRS, and
- The cost to implement an SRS and rates informed by alternative methodology.

The next quarterly update will be submitted to the Legislature and posted online in October 2025.

3. Introduction

The California Department of Social Services (CDSS) is the State's Lead Agency of the Child Care and Development Fund (CCDF). As such, the CDSS is required to assess the adequacy of CCDF-supported reimbursement rates for child care and development programs, which are set through the budget process by the Legislature and the Governor. Federal regulations specify that reimbursement rates are to be informed by a regional market rate (RMR) survey or alternative methodology. State statute at WIC Section 10227.6 expresses the intent of the Legislature to set rates for all child care and development and state preschool programs based on an alternative methodology.

Historically, California has set rates for voucher-based child care programs using the RMR survey and for direct service child care and state preschool programs using the Standard Reimbursement Rate (SRR). To support past rate setting processes, the State's CCDF Lead Agency would conduct a RMR survey to collect data on private

market child care rates by county, age groups, and care setting. Through the budget process, the Administration and Legislature would then determine what percentile of the RMR survey outputs reimbursement rates for voucher-based programs would be set at. The RMR approach has a number of shortcomings, including inconsistent calculation of rates across program types, reflecting the price families are able to pay instead of the cost associated with caring for a child, and misalignment with program requirements. The SRR approach has similar, but also different shortcomings, such as failing to consider cost of care differences across regions, age groups, and settings.

In recent years, the vision of moving to an SRS that is informed by a cost-based methodology and encompasses the entirety of the mixed-delivery system has been broadly endorsed by the child care and development and early learning field, the State Legislature and multiple advisory and decision-making bodies, including the Governor's Master Plan for Early Learning and Care, the Rate and Quality Workgroup (RQWG), and the Rate and Quality Systems Structure Review Joint Labor Management Committee (JLMC), and the Rate and Quality Advisory Panel (RQAP). Under an SRS, reimbursement rates for all programs, including child care and state preschool, would be based on a consistent method that considers differences in cost of care based on region, care setting, regulatory requirements, child age groups, and time categories.

The CDSS secured pre-approval from the federal Administration for Children and Families (ACF) to update its rate assessment using an alternative methodology in August 2023. Since that time, the State has partnered with the child care and development and state preschool field and other interest holders to conduct a cost study and develop a cost estimation tool to inform rate setting. The publication of this report coincides with the ACF's deadline to complete the alternative methodology process, set rates informed by alternative methodology and submit a timeline for implementation of those rates.

4. Updates on Alternative Methodology Timeline and Process

The following infographic provides a high-level timeline of key phases and milestones associated with the development of California's alternative methodology and cost estimation model.

California Alternative Methodology

Process and timeline for moving to subsidized child care reimbursement rates based on a single rate structure



March – August 2023

Federal Pre-Approval

State obtained required pre-approval from federal Administration for Children and Families (ACF) to use proposed alternative methodology.



July – October 2023

Data Collection

State conducted data collection process, including surveys, focus groups, and ad hoc sessions.



Winter 2023 – Spring 2024

Cost Model Development

State used data to develop a dynamic cost estimation tool. Using information from the tool, a Joint Labor Management Committee has worked to define the elements of the base rate and enhanced rates to inform the single rate structure.



July 1, 2024

State Submits Information

State submits to ACF necessary information to support use of single rate structure utilizing alternative methodology.



Fall 2024 – Summer 2025

Rate Setting and Planning*

Following ACF approval, rate setting and implementation planning through negotiations between the State and Child Care Providers United (CCPU) union and state budget development process.

Public Engagement continues throughout the alternative methodology process

- Rate & Quality Workgroup and Advisory Panel
- Early Childhood Policy Council
- State Plan hearings



Find out more! Go to:

<https://www.cdss.ca.gov/inforesources/child-care-and-development/rate-reform-and-quality>

* ACF requires the State to set payment rates based on the alternative methodology no later than July 1, 2025. Rates will 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.

When the April 2025 quarterly rate reform update was published, the State was still completing the alternative methodology, rate setting, and implementation planning process. The alternative methodology process is now complete and a crosswalk of current rates to the alternative methodology cost of care has been submitted to the ACF in compliance with federal requirements. Planning for the implementation of a single rate structure informed by alternative methodology is ongoing. This section of the report details steps taken by the CDSS to comply with federal requirements.

PUBLIC ENGAGEMENT

Throughout the alternative methodology process, the State conducted robust public engagement activities, as committed to in its federally pre-approved plan for conducting an alternative methodology. In the past quarter, the CDSS convened several special sessions of the Rate and Quality Advisory Panel (RQAP), a body of subject matter experts charged with providing advice to the State on the alternative methodology and the transition to an SRS.

In recent RQAP meetings, the CDSS provided an overview of alternative methodology initial cost model results and related analysis. This overview was done in partnership with Prenatal to Five Fiscal Strategies (P5FS), the national consulting firm contracted by the CDSS to develop a alternative methodology cost estimation tool for California. All meetings provided an opportunity for discussion with panelists and public comment. Specifically:

- At the April 17, 2025, RQAP meeting, the CDSS and P5FS presented on the general components of an SRS (such as rates varying by geography, age of child, program setting, regulatory requirements, and time categories), the cost model selection points for center-based programs, and the initial cost outputs and analysis for center-based programs generated by the cost model. The comments from the panelists and the public focused on the timeline for automation, the difference in cost outputs across setting types and regulatory requirements, regional design considerations, and weekend care reimbursement rates.
- At the May 9, 2025, RQAP meeting, the CDSS and P5FS provided additional detail on the cost model regional groupings, assumed salary selection points, and the salary ladders for both centers and family child care programs, as well as the cost model selection points and cost per child outputs for family child care programs. The comments from the panelists and the public focused on the Family, Friend, and Neighbor (FFN) salary calculations, the rationale for regional groupings, and the age group definitions for preschool and school age categories.
- At the June 12, 2025, RQAP meeting, the CDSS and P5FS presented further details regarding cost model functioning, selection points and per child cost outputs, with a focus on responding to questions posed by panelists and the public at and after the May meeting. The agenda also included updates on the May Revise as relates to child care rate reform, automation readiness, and next steps in rate reform. The comments from the panelists and the public focused on

the cost model's regional groupings and salary ladder, and on the comparison of cost model outputs to current rates.

SUBMISSION OF INFORMATION TO THE FEDERAL GOVERNMENT

On July 3, 2025, the CDSS, in collaboration with P5FS, completed and submitted to ACF the following federally required related to the alternative methodology process:

- The P5FS and the CDSS co-submitted the detailed Cost Estimation Model (CEM) Report prepared by P5FS to the ACF. The CEM Report describes California's cost estimation model, the rate elements and selection points used as inputs to the model, and the annual per child cost outputs generated by the model as compared to current rates. Substantive information included in the CEM Report was publicly previewed at the RQAP meetings in April, May and June 2025.
- The CDSS submitted to the ACF rates tables documenting the child care and development reimbursement rates that are in effect as of July 1, 2025, and how those rates compare to the alternative methodology cost of care outputs. This includes calculating what share of the alternative methodology cost of care outputs current rates reflect. Submission of information regarding the rates in effect as of July 1, 2025, is sufficient for compliance with the federal requirement to set rates informed by alternative methodology.
- The CDSS submitted a timeline for key activities associated with implementing rates under an SRS informed by alternative methodology to the ACF. A slightly more detailed version of this timeline is also included in Section 6 of this report.

5. Update on Rate Reform Implementation Activities

Completion of the alternative methodology cost estimation model is distinct from setting and implementing rates under a new SRS. As adopted under the 2025-26 budget, the primary goals and components of an SRS include (1) reimbursing all child care and state preschool programs under a unified structure that takes into account a common set of rate elements; and (2) establishing rates informed by costs associated with meeting health and safety requirements and program requirements; (3) administering per-child base rates; (4) claiming reimbursement for services delivered consistent with enhanced rates, if any; and (5) establishing rates that vary by geography, type of child care setting, regulatory requirements applicable to each type of care setting, time categories, and age of a child.

Based on these general goals and components of an SRS, necessary implementation activities associated with implementing an SRS would include, but are not limited to, issuance of State program guidance; modifications to contracts, fiscal handbook and resources, program forms, and program monitoring and audit procedures; and training of State, contractor, agency, and county staff. Making updates to State, county, and local contractor-level automation systems is a primary readiness activity needed to implement rates under an SRS.

As the State works towards finalizing an SRS, the Departments have conducted a preliminary, point-in-time assessment of implementation timelines and found that it will take at a minimum of two years to complete necessary program and automation implementation activities following the finalization of an SRS. This initial point-in-time assessment is based on evaluations conducted to date by the CDSS and the CDE regarding how current State systems would need to be modified to support the calculation and issuance of payments under an SRS. Both Departments are still in the process of determining the full scope and scale of necessary automation changes, which may vary across child care and state preschool programs and differ based on whether the system that supports payment calculations is operated at the State, county, or program level. In addition, the State must further assess the scope and scale of automation changes that must be made to local program contractors' and agencies' data systems in order for them to report the information needed by the State to calculate and track contract payment levels under an SRS.

Overall, given that an SRS would apply to all child care and state preschool programs, implementation would not occur until all necessary implementation activities are completed by both Departments. We describe in detail the point-in-time assessment of key implementation activities below. The State will provide updates to its assessment of automation systems and other necessary implementation activities as they become available in future quarterly reports.

DATA SYSTEM READINESS ACTIVITIES

There are eleven identifiable automation systems used at the State and county-level to perform multiple functions related to the administration of State-subsidized child care and development programs and/or state preschool, including:

- Data collection from State contractors on child enrollment, child characteristics, program data, and fiscal data.
- Calculating subsidized child care and state preschool payments.
- Processing payments to subsidized child care and state preschool programs.
- Contract management, including the creation of annual contracts, processing contract amendments, projecting contract earnings and reconciling contract expenditures, fiscal reporting for State and federal monitoring purposes.

This section provides an initial point-in-time overview of each Department's assessment of current automation limitations that must be addressed to support the implementation of rates under an SRS. Additionally, this section describes the direction that each Department currently anticipates taking to enable implementation of a new SRS in the near term while further modifications are made to the data systems that will support administration of rates under an SRS over the long term.

Department of Social Services

The CDSS manages four separate automation systems that support the processing of payments to child care programs. These State-administered systems are used to

support payments for some, but not all child care programs. Other programs are supported by systems that are administered at the county, local contractor, or local agency level. Below is a description of the systems used to support payments across the different CDSS child care programs.

Current Systems Used to Administer Payments For Direct Service Contract Child Care Programs

The Child Development Program Reporting (CDPR) tool and PARIS are both used by CDSS to calculate and process payments to direct service contractors, including General Child Care and Development (CCTR) and Migrant Child Care and Development (CMIG).

- **The CDPR** is CDSS' enrollment and fiscal reporting tool used in direct service and support contract programs. The CDPR tool gathers information from direct service child care contractors in California. Users can submit data, such as total child days of enrollment by age group, days of attendance, days of operations, revenue, reimbursable expenses, program expenses, and other necessary information that is needed to calculate contract payments. Contractors are limited to viewing and editing data pertinent to their own organization. Upon submission, various complex mathematical operations are performed, calculating cumulative totals for necessary data points needed to calculate payments. The resulting totals for each contractor and fiscal report are then manually inputted into PARIS to calculate total reimbursement payment amounts. Contractors and CDSS fiscal analysts can access these cumulative totals through summary spreadsheets produced by CDPR.

As part of its automation business discovery process, CDSS determined that a number of updates will need to be made to the CDPR tool to gather the data elements required to calculate total reimbursement amounts under a new SRS. For example, under an SRS, reimbursements will be based on the number of children cared for. However, CDPR collects adjusted child days of enrollment because the SRR reimburses contractors based on a daily rate, not a per child rate. At this time, CDSS believes CDPR may be modified to gather new or different information needed to help calculate reimbursement amounts under an SRS.

- **The PARIS** system is used by CDSS to calculate child care contractor payments, generate payment files, store contract-related information, and manage program contracts. The CDSS fiscal analyst staff manually enters the cumulative totals for each individual data point generated by CDPR into PARIS. The PARIS system then uses these individual data points to calculate payment amounts for each contractor. Following data entry, CDSS exports payment reports from PARIS and routes these payment reports to the CDSS Accounting team to draw down the necessary funds to reimburse contractors.

As part of its automation business discovery process, CDSS determined that it was not feasible to modify PARIS because it is an antiquated application built on the obsolete FoxPro platform, which has not been supported since 2007. The

CDSS weighed the option of replacing PARIS wholesale but also ruled this out based on a determination that this would take a longer time to implement and potentially overlapping with broader payment improvements that the CDSS is pursuing through the long-term California Supporting Providers and Reaching Kids (CalSPARK) project. Therefore, the CDSS decided that PARIS should remain as is and other systems will need to be modified or designed to work with PARIS in its current form. PARIS' most significant limitation is its inability to handle more than one payment amount for the same contract. Under an SRS, base rates will vary by region, child age, type of care setting and regulatory requirements.

The CDSS is identifying how CDPR and other existing systems can be modified in the near-term to address some of the shortcomings with PARIS. These workarounds will still need to generate data that is compatible to PARIS and will likely require a greater amount of manual workload to transfer data from any near-term system solution into PARIS.

Current Systems Used to Administer Payments For Voucher-Based Child Care Programs Other Than CalWORKs Stage One and Emergency Child Care Bridge Program

The State uses two systems to process and administer reimbursement payments for voucher-based programs, with the exception of CalWORKs Stage One and the Emergency Child Care Bridge Program for Foster Children (Bridge) program.

- **The CalWORKs/AP Portal** is used by Alternative Payment Provider (APP) agencies to input enrollment and fiscal data to create a fiscal worksheet with a rolled up reimbursement amount the agency is owed for any given reporting period. Similar to CDPR, the CalWORKs/AP Portal is accessed by both external agencies to report aggregate reimbursement payment amounts and internal CDSS users who manually transfer data into PARIS to calculate and process payment batches. The CDSS processes payments that go to agencies, who then pass along reimbursements to child care providers.

As part of its automation business discovery process, CDSS determined that numerous updates will need to be made to the CalWORKs/AP Portal to gather the data elements required for reporting under an SRS. At this time, CDSS believes the scope of the updates is technically feasible to complete, but will take time to test and complete.

- **The PARIS system**, as described in the preceding section, is also used by CDSS to calculate and process reimbursement payment batches for voucher-based child care programs. The limitations and alternative near-term solutions discussed in prior section apply to voucher-based child care programs, excluding Stage One and Bridge program.

Current Systems Used to Administer Payments for CalWORKs Stage One and Emergency Child Care Bridge Program Child Care Programs

Counties have the option to either contract out or directly administer the CalWORKs Stage One and Bridge Program child care programs. In either case, the State reimburses counties for Stage One and Bridge Program costs through the County Expense Claim Reporting Information System (CECRIS) process, which is also used more broadly to reimburse counties for various social services program costs using different claim forms. How counties collect the necessary program information to calculate total reimbursement payment amounts varies. For example, counties that choose to administer CalWORKs Stage One program may use CalSAWS to calculate, issue, and track child care reimbursement payments. However, if a county chooses to contract with an Alternative Payment Program (APP) agency to administer Stage One on their behalf, the APP agency must report to the county the necessary information needed to submit a reimbursement payment invoice through CECRIS. The APP agencies use different local-level calculation systems that CDSS does not control.

Below is a more detailed summary of the State-level processes and systems that support the administration of Stage One and Bridge Program reimbursement payments. The CDSS is currently conducting business discovery process with selected counties to better understand current local systems and the procedures counties use to calculate, process, and track reimbursement payments. This includes identifying how Stage One and Bridge Program payment processes and systems will need to be updated to calculate payments under an SRS.

- **The CECRIS** is a standardized claiming process used by counties to draw down payments for eligible program costs by reporting to CDSS rolled-up program expenses by fund source and type of program expense. Counties fill out specific forms to seek reimbursement for assistance (such as the CA 800) and administrative costs (such as the County Expense Claim) across a variety of county-administered programs, including foster care, housing assistance, food assistance, cash assistance, and other social service programs. In the case of CalWORKs Stage One and Bridge Program, these costs may be spread across multiple forms due to different fund sources, eligibility groups, and cost categories. Additionally, counties are generally only required to report rolled-up or aggregate assistance (child care voucher) and administrative costs through CECRIS. Counties that contract with an APP agency to administer Stage One or Bridge Program generally provides the county with an invoice with cumulative reimbursement payment totals and any additional back-up family-level data to validate the payment amounts. The CDSS does not receive detailed back-up payment files from counties in CECRIS.
- **The CalSAWS** is a comprehensive system used to manage public assistance programs, including some State-subsidized child care and development programs, across all 58 counties. For example, counties that choose to directly administer the CalWORKs Stage One program use CalSAWS to document child eligibility and certified need, compute the reimbursement rates, calculate reimbursement payments, and issue and track reimbursement payments to

providers. At this time, CalSAWS is structured to calculate and process reimbursement payments based on the rate categories under the RMR. The CalSAWS will need to be modified to calculate and process reimbursement payments based on the rate categories under an SRS instead. These automation updates include calculating reimbursement amounts based on new SRS rates while maintaining the ability to process and issue reimbursement payments using the historical RMR structure during any months prior to the implementation of an SRS. CalSAWS will not begin automation updates until final written program guidance or statutory language is in place. It can take between 12-18 month to complete any necessary updates to CalSAWS.

In addition to the State-level systems outlined above, to generate aggregate payment forms and invoices, counties—or APP agencies that administer child care programs on behalf of counties—may use different local-level calculation systems that CDSS cannot access. As a result, CDSS has limited insight into caseload composition, eligibility patterns, real-time local-level earning trends, and the specific rate categories used to claim Stage One and Bridge Program reimbursements. Additionally, the sophistication of these local-level Stage One and Bridge Program reimbursement calculation systems may vary. Some counties and APP agencies with smaller caseloads are potentially calculating monthly reimbursement amounts by hand and using Excel workbooks to track payment amounts while other APP agencies may leverage a more complex program management system used to administer and calculate payments for other child care programs.

Interim Solution to Support Implementation of Rate Reform

As noted in the previous section, CDSS uses PARIS to support administration of all but two child care programs. The PARIS system cannot support the functionality needed to fully implement the new rate structure. Therefore, the other CDSS tools, systems and processes noted in previous section need to be updated to work around the limitations of the PARIS application in order to support rate reform. However, these PARIS workarounds may present significant program drawbacks that would need to be considered relative to the option of awaiting a long-term, permanent automation solution through the implementation of CalSPARK. One of the improvements CalSPARK will offer is integrating the functionality of CDPR, CalWORKs/AP portal, and PARIS into one system that should significantly reduce the manual workaround for processing payments.

Based on the current point-in-time assessment, the CDSS has made a preliminary determination that, as an intermediate step while CalSPARK build-out is underway, an SRS could be implemented using a hybrid approach that largely relies on existing State-level tools and systems.

As currently envisioned, the high-level steps associated with the CDSS' identified a hybrid solution for State-level tools and systems are bulleted below and illustrated in the graphic that follows.

- **Step 1:** The CDPR and CalWORKs/AP intake portals will be updated to capture the new data points needed to support the calculation of rates under the new

structure. For example, this includes updating CDPR to collect necessary information to support calculation of per child reimbursements instead of per day reimbursements.

- **Step 2:** Automated process to capture certified data from CDPR and the CalWORKs AP Portal into a new calculation application that will be developed by the CDSS.
- **Step 3:** The new calculation application will generate projection worksheets and other necessary fiscal reports.
- **Step 4:** Using the fiscal reports generated by the new calculation application, staff of the CDSS will manually enter that information into PARIS to leverage existing payment functionality.
- **Step 5:** PARIS will generate payment files for manual processing by the CDSS and its contractors (Steps 6-8 in the graphic). The PARIS application will continue to be used for agency and contract management.

The scope and feasibility of this hybrid solution is subject to change as we continue to assess business requirements across all child care programs and as rate setting under an SRS is still being finalized. For example, the proposed hybrid solution currently does not capture potential automation solutions to implement an SRS under the CalWORKs Stage One or Bridge programs because CDSS is still conducting necessary business discovery and solutioning sessions. Therefore, the approach described above and illustrated in the graphic is subject to evolve as new information becomes known.

Rate Reform End-to-End Overview Process with Interim Solution

Contracts & Data Collection

Data Submission and Calculation

Billing and Payment

Contractors



Contract Types

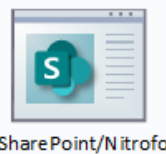
- ✓ CAPP
- ✓ CMAP
- ✓ C2AP
- ✓ C3AP
- ✓ CFCC

CalWorks



Web Application

CDPR



SharePoint/Nitroforms

- ✓ Data for payment calculation to New Calc App



2



Contractors

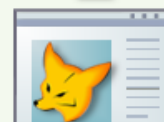
Contract Types

- ✓ CCTR
- ✓ CMIG
- ✓ CHAN*

- ✓ Hand-key calculated payment (Financial Worksheets) data
- ✓ Initiate payment process
- ✓ Open pay run and procedures
- ✓ Close pay run and generate payment files
- ✓ Review and reconcile payment information
- ✓ CDPS Manager authorizes payments
- ✓ CDPR Administrator/CDPS Manager notifies contractors in CDPR



Payment Files



Visual FoxPro 9.0



Pay Master

PARIS



New Calc App



Financial Worksheets

- ✓ Calculates apportionment/payments
- ✓ Calculate and marking for payments
- ✓ Export calculated data (Financial Worksheets)



Accounting

- ✓ Reconcile payment files
- ✓ Payment files routed to Accounting
- ✓ Accounting confirms payment



FCCC



Contractors



Providers

- ✓ Payments made to providers

Department of Education

Current Systems Used to Administer Payments For Direct Service Contract State Preschool Programs

The CDE manages four separate automation systems that support the processing of payments to California State Preschool Program (CSPP) contractors. The CDE is currently reviewing three of the existing data systems or combination of systems i.e. California Preschool Accounting Reporting Information System (CPARIS), Child Development Management Information System (CDMIS), or California Preschool Data Collection (CAPSDAC), is most appropriate for implementing the new rate structure for State Preschool programs in the long term. Below is a description of the systems used to support payments to CSPP contractors:

- **The CPARIS** is a web-based system developed by CDE and is used by authorized CDE employees and CSPP contractors. CSPP contractors use CPARIS to submit enrollment and fiscal data to CDE electronically, view payment information, and view correspondence from CDE regarding their contract earnings and payment withholds. Contractors are limited to viewing and editing data pertinent to their own organization. CPARIS collects aggregate days of enrollment by age group and other special criteria, from CSPP contractors at the contract and county level, aggregate days of attendance, days of operation, and expense and revenue data at the contract level. CPARIS does not currently collect child, site, or program-level data. This data is submitted monthly or quarterly and is used to determine contract earnings and payment advances. Enrollment and fiscal report data and earning calculations are all stored within the CPARIS database, allowing CDE to respond to various data requests. CPARIS uses this information and automates CDE processes in projecting CSPP contractors' contract earnings and generating monthly payment files.

A number of updates will need to be made to the CPARIS system to gather the data elements required to calculate total reimbursement amounts under the new SRS proposal. For example, under an SRS, reimbursements will be based on the number of children. However, CPARIS collects adjusted child days of enrollment given that the SRR reimburses contractors based on a daily rate.

- **The CDE's PARIS** is used by authorized CDE employees to manage CSPP contracts and is the primary database that stores contract terms for all CSPP contractors (i.e. contract numbers, period of performance, contract maximum reimbursable amounts, minimum days of operation, etc.). Because CDE has been in the process of phasing out PARIS, as CPARIS continues to be expanded, the CDE anticipates that minimal to no changes to PARIS would be necessary for CDE to implement a new SRS. If contract management is not incorporated into CPARIS prior to an SRS being implemented, the CDE believes that PARIS could still be used as the primary source for contracts, as contract language can be modified as necessary.

- **The CAPSDAC** is a new data collection system for housing CSPP data collected for county offices of education, school districts, and charter schools. CAPSDAC was developed in response to legislative requirements through AB 22 (Chapter 901, Statutes of 2022), and began collecting data in July 2024. The purpose of CAPSDAC is to collect child, family, staff, and classroom data elements in alignment with the data collected for Transitional Kindergarten through 12th grade students. Ongoing development of the CAPSDAC is continuing based on further requirements of legislation as well as feedback from users, and an updated product is planned for roll out in January 2026. In order to reduce reporting for LEAs, CDE moved additional elements previously collected in CDMIS (but not a required data element under AB 22) into CAPSDAC. The CDE currently uses CAPSDAC enrollment data to determine the Cost of Care Plus Rate payments for county offices of education, school districts, and charter schools. Because CAPSDAC is required to be a longitudinal data system, certain elements of an SRS are not appropriate to collect in this system. The longitudinal system only requires certification of a snapshot of a specific day of the program's data collection once in the fall and once in the end of the school year, while SRS data would require certified data monthly, if not more frequently. This data includes child level monthly enrollment, and attendance.

The current data collected through CAPSDAC relies on the CDMIS for program contractors to submit and update site information. Also, current legislative requirements only include school districts, county offices of education, and charter schools to participate in CAPSDAC.

- **The CDMIS** is a web-based system developed by the CDE. The CDE requires only community-based organizations (CBOs) and community college districts to submit the monthly report that collects family, child, and provider information for children in CSPP. Currently, the CDE uses CDMIS enrollment data to determine the Cost of Care Plus Rate payments for CBOs and community college districts. While the Monthly Child Care Population Report (801A Report) could be updated to collect the data elements required for reporting under an SRS, the 801A Report is only submitted by CBOs and community college districts.

Interim Solution to Support Implementation of Rate Reform

As currently envisioned, the high-level steps associated with the CDE's identified solution for State-level systems are bulleted below:

- **Step 1:** The CPARIS will be updated to capture the new data points needed to support the calculation of rates under the new structure. The CDE would also make necessary connections between existing data systems (i.e. CAPSDAC and CDMIS) to automate any payments based on child enrollment.
- **Step 2:** The CPARIS calculations will be updated to generate projection worksheets under the new structure.
- **Step 3:** The CPARIS will generate payment files for processing by CDE.

Making these system modifications to implement rate reform will require additional staff at CDE. These required changes cannot be made without additional staff. The scope and feasibility of updating CPARIS to accommodate a new SRS is subject to change as the CDE continues to assess business requirements across all existing CDE data systems.

Ultimately the CDE's long term goal is to consolidate systems where applicable, consistent with legislative mandates, to address internal efficiencies and administrative efficiencies for CSPP contractors. For example, in the long term, the CDE plans to move data elements collected currently in CDMIS and CAPSDAC that are necessary to administer fiscal aspects of CSPP into CPARIS, retire the CDMIS 801A Report, and focus CAPSDAC only on longitudinal data collected twice a year, as legislatively mandated.

STATE PARTNER DATA SYSTEMS

State partners, including State contractors and agencies, counties and county contractors will also need to implement changes to their data systems in response to rate reform. During the reporting quarter, the CDSS had preliminary conversations with numerous State contractors and their child care administration software vendors to solicit feedback on how to operationalize rates under a new single rate structure. State partners indicated that formal written program guidance is generally needed before they can undertake modifications to their systems. In some instances, State contractors and counties may need to amend contracts with their technology vendors, which also requires time. Partners have indicated that they may need up to a year to make automation changes, test them and train staff to use updated functionality. In the coming months, the CDSS intends to host focus group sessions with State contractors and their technology vendors to receive insight on the automation implications of the general components of a new SRS, both for purposes of refining the implementation timeline and to facilitate program partners' ability to plan for updates to their own automation systems.

CDSS also engaged with CalSAWS about the pending need for updates to that system to support rate reform. Similar to other changes of a similar magnitude, it can take at least 12-18 month to complete necessary CalSAWS updates. The CDSS will continue to engage with counties and CalSAWS to refine the timeline as more information on SRS implementation and policy guidance becomes available.

The CDE has also engaged in conversations with CSPP contractors and existing student information system software vendors on initial plans related to their needs for rate reform collection and system modification. In these conversations, CSPP partners have elevated that they will not begin making updates to their data collection processes until formal guidance has been issued. After the guidance and directive to contractors and software vendors is issued, software vendors require a minimum of six months to incorporate changes related to existing or updating reporting collections. Once the rate reform collection requirements are finalized, the CDE intends to host separate technical assistance sessions with CSPP contractors and software vendors to detail the requirements, establish implementation timelines, and support CSPP partners in their

ability to deliver SRS requirements. Additionally, the CDE will create resource technical manuals for CSPP partners to reference, and continue to host webinars up to and through when the changes are available in the data systems.

DEVELOPMENT OF NEW POLICY AND GUIDANCE ON INDIRECT AND SUPPORT SERVICES

As previously described in the January 2025 *Implementation Report* and subsequent quarterly updates, the State intends to reform its program policies and guidance for reimbursing program contractors, child care providers, and state preschool programs for costs associated with supporting administration of child care and preschool programs and related provider and family support services functions. The Departments are still in the process of assessing indirect and support service costs, and the overall reimbursement structure for those costs.

6. Timeline for Implementation of the Single Rate Structure

Under the provisions of [WIC 10227.6\(i\)](#), if new reimbursement rates informed by the cost of care under alternative methodology do not take effect on July 1, 2025, the CDSS is required to provide the Legislature with a timeline for transitioning to such rates. As discussed in Section 4, the federal ACF also requires that the State submit an implementation timeline.

In the January 2025 *Rate Reform Implementation Report* and April 2025 *Update*, the Department confirmed that while the alternative methodology will be completed and submitted to the federal government by July 2025 and could compare rate levels currently in place to the calculated alternative methodology cost of care, the implementation of an SRS would not take effect on July 1, 2025. As of the publication of this report and based on a preliminary, point-in-time assessment, the Departments have identified that a minimum of two years would be needed to complete the necessary automation and program implementation activities to implement an SRS. The exact completion date for automation and program implementation activities is subject to change and affected by several factors, such as programs needing different automation solutions, the pacing of these required changes, and availability of State identified resources. Additionally, implementation of an SRS is also subject to sufficient funding being provided in future budgets.

Below is a more detailed explanation of the point-in-time implementation timeline.

- **July 1, 2025:** Per WIC 10227.6(i), the rates in effect on July 1, 2025 shall be, at a minimum, equivalent to the reimbursement rates in effect on July 1, 2024, inclusive of the Cost of Care Plus monthly payments. Effective July 1, 2025, the State will continue to issue reimbursements based on the current RMR and SRR, supplemented by the existing monthly out-of-contract Cost of Care Plus payments, increased by a cost-of-living-adjustment provided under the 2025-26 Budget Act for center-based programs. Bargaining of reimbursement rates for represented family child care providers is still

ongoing and they, will continue to receive the existing COC Plus payments as of this date.

- **Provide SRS Development Updates Through October 2025 and January 2026 Quarterly Reports.** The 2025-26 Budget Act adopted trailer bill language outlining the following goals and general components of the SRS: (1) reimbursing all child care and state preschool programs under a unified structure that takes into account a common set of rate elements; and (2) establishing rates informed by costs associated with meeting health and safety requirements and program requirements; (3) administering per-child base rates; (4) claiming reimbursement for services delivered consistent with enhanced rates, if any; and (5) establishing rates that vary by geography, type of child care setting, regulatory requirements applicable to each type of care setting, time categories, and age of a child. In the coming months, CDSS will host focus groups with contractors, program partners, counties, and software vendors to seek feedback on various SRS components outlined in WIC 10227.6(l). The CDSS will provide updates on the content discussed in these focus group sessions and any resulting findings and recommendations through upcoming quarterly reports.
- **At a Minimum, Two Years Following Finalization of SRS:** Contingent upon finalizing an SRS and having the necessary state resources, CDSS and CDE will work towards completion of necessary automation and program readiness activities to implement the new SRS for all child care programs and state preschool, including but not limited to:
 - Updates to impacted State, contractor, agency and county payment, administrative and data automation systems
 - Issuance of written State program guidance
 - Required modifications to State contracts, funding terms and conditions, and program forms
 - Required updates to the fiscal handbook and fiscal monitoring and audit procedures
 - Conduct contract monitoring updates for both the educational/quality requirements and the error rate review; and
 - Develop trainings for State staff, contractors, agencies and counties.

The specific activities that need to be completed are detailed in the January 2025 *Rate Reform Implementation Report*, and progress will continue to be reported in quarterly rate reform updates to the Legislature. The earliest date by which the automation and program readiness activities to implement an SRS can be completed is two years following the finalization of SRS. In addition to the automation and program readiness activities, for an SRS to be implemented a sufficient amount of funding would also need to be appropriated to support provider reimbursement rates that are set pursuant to an SRS.

7. Update on Rate Reform Cost Estimates

This section provides an overview of total direct service costs based on the calculated cost of care under the alternative methodology and summarizes how other States have used their alternative methodologies to set rates. Additionally, this section describes in detail the cost implications of moving to an SRS relative to current RMR and SRR. Lastly, the section outlines rate reform related items that were included in the 2025-26 Budget Act as of July 1, 2025.

ALTERNATIVE METHODOLOGY TOTAL DIRECT SERVICE COST OF CARE

The table below summarizes the total direct service costs associated with the calculated Alternative Methodology cost of care for State-subsidized child care and development and state preschool programs.

Percent of Cost of Care Covered by Current Investment Levels (in billions)

Rate Elements	Current Investment (2025-26 Budget Act)	Total Cost of Care	Percent of Cost of Care Funded by Current Investment	Difference Between Current Investment and Cost of Care
Base Rate Elements	\$7.4	\$12.2	61%	\$4.8
<i>Enhanced Rate Elements</i>	\$0.4	\$6.6	6%	\$6.2
Funding for Direct Service Rates ONLY	\$7.8	\$18.7	41%	\$11.0

Note: As of June 1, 2025.

1. Current Investments are based on settings proportion of current rate cost using the Alternative Methodology cost model.
2. Total Cost of Care is based on settings proportion of total proposed costs using the Alternative Methodology cost model.
3. Enhanced rate element row is the sum of the alternative non-traditional hours, enhances inclusion, and transportation rate outputs.
4. The Current Investment column includes the adjustment factors used in today's rate system.

As reflected in the table, the State's current total investment in direct services rates for subsidized child care and development and state preschool programs is \$7.8 billion for 2025-26. The total annual direct services cost of care as determined through the alternative methodology process is \$18.7 billion, a difference of \$11 billion. These costs do not include indirect support service or administrative costs.

A fuller description of the alternative methodology, California's cost model, and the cost of care on a per child basis will be published in a *Cost Estimation Model Report* that will be posted on the [CDSS Rate Reform and Quality website](#) within 30 days following the July 1, 2025 submission to ACF.

Based on [issued federal guidance](#), there is currently no federal benchmark for where rates should be set based on costs to provide care. The alternative methodology can be used to evaluate the gap between current reimbursement rates and the costs of care and inform a State's strategic, long-term approach to rates that support equal access.

Among the handful of other States that have implemented or are in the process of conducting an alternative methodology process, none have been able to fund the full cost of care across all program types and all ages. In general, many States have taken an incremental approach to close the gap between the cost of care and current investment and reimbursement rate levels. While direct comparisons are difficult to make across states given variation in the early care landscapes, alternative methodology assumptions, and policy priorities, below is a description of how other States have utilized the findings of their alternative methodology to set rates.

- State A is working towards rates that reflect 74 percent of the cost of care. The salary floor in the model is aligned with living wage. This state has revised and significantly changed the quality standards in their Quality Rating and Improvement System. As a result, the percent of the cost of care covered by the rate has decreased in the most recent CCDF State Plan, but the actual reimbursement rates are higher than past levels.
- State B set rates in 2021 at 75 percent of the cost of care for centers, and at 100% of the cost of care for FCCs. This state's model assumes early childhood educators lead teacher salaries at 85% of elementary teacher parity.
- State C is seeking to set rates at 71 percent of the cost of care. The salary in the model was aligned with Bureau of Labor Statistics (BLS) salary data because these salary points were higher than minimum wage and higher than all the current salary data collected. This choice put the state on a path to living wage but BLS values are slightly lower than the 100% of living wage values. The BLS regional differences were not an issue for this state as the BLS values represented appropriate regional variations in cost of living. The BLS presented a valid option as a salary floor for raising child care worker salaries, in this state. The state also has a Quality Rating and Improvement System and differences in cost at levels of quality are used as part of their tiered reimbursement system.
- State D is seeking to set rates at 60-65 percent of the cost of care. The state reviewed outputs for multiple salary assumptions including current salaries from survey data, BLS data and the MIT Living Wage calculator. Their current planned rates use the BLS salary scale as a base, which is approximately 28% higher than current salaries reported in the provider survey. The state also has a Quality Rating and Improvement System and differences in cost at levels of quality are used as part of their tiered reimbursement system.

POTENTIAL COST IMPLICATIONS OF SINGLE RATE STRUCTURE IMPLEMENTATION

The Rate and Quality Workgroup recommended moving towards an SRS that is informed by the alternative methodology cost estimation model, and the Rate and Quality Systems Structure Review JLMC subsequently defined the elements of an SRS. As outlined in legislation related to the 2025-26 Budget Act , an SRS will calculate reimbursement payments based on rates that vary based on geography, type of care setting, regulatory requirements, time categories, and the age of a child. Due to the mismatch between reimbursement rate categories under the current RMR and SRR and rate categories under an SRS, additional funds would be needed to apply a unified SRS reimbursement model to all programs. For illustrative purposes, we describe the cost impacts of reconciling the mismatch between current CSPP and General Child Care program (CCTR) rates and other key questions that will need to be considered when creating a unified and single Title 5 program rates. This example is for illustrative purposes only and is not reflective of any rate setting proposal.

- Under an SRS, both CSPP and CCTR are anticipated to be reimbursed under the same Title 5 rate categories. This is because CCTR and CSPP are generally subject to the same Title 5 requirements. The CSPP currently has a higher standard statewide SRR reimbursement rate than CCTR. In transitioning to an SRS, it will need to be decided how the current mismatch between CSPP and CCTR rates will be aligned. There are different ways in which the alignment between CSPP and CCTR rates could occur, each with their own cost implications. For example, one approach could be averaging current CSPP and CCTR rates or alternatively setting the single Title 5 rate at the highest program rate across CSPP and CCTR. The averaging approach would generally result in CSPP rates decreasing and CCTR rates increasing and, on net, would increase total Title 5 reimbursement program costs because more children are served in CCTR than CSPP. Alternatively, setting rates at the highest program rate would better ensure that current rates remain at current levels but would have a greater cost impact than the averaging approach.
- Other key SRS decisions that likely will have cost implications include (1) how the current SRR reimbursement base rates, which are generally a flat statewide amount, would transition to a rate that varies by geography; (2) how to transition from a system that relies on adjustment factor multipliers to calculate reimbursement rates to one that incorporates cost-driven variations into the base rate itself; and (3) how to address the fact that some reimbursement rates are currently closer to the cost of care than others when establishing rates under an SRS.

2025-26 ADOPTED STATE BUDGET

As of July 1, 2025, the 2025-26 Budget Act includes the following child care rate reform-related items:

- Appropriates \$21.8 million in one-time federal CCDF dollars to support CDSS automation and start-up costs for implementing an SRS. This proposal aligns with federal guidance on how these funds should be used to make systemic and technical upgrades consistent with CCDF requirements, including upgrades related to implementing rates informed by an alternative methodology.
- Establishes the intent of the Legislature to cease using the RMR to set rates and instead use an alternative methodology.
- Establishes the intent of the Legislature to reimburse all child care and state preschool programs under an SRS.

8. Conclusion

California has now reached a significant milestone: completion of the alternative methodology process that was approved by the federal ACF in August 2023. Understanding the cost to provide child care that meets program requirements and standards is the first step necessary to begin the transformational shift to a rate reimbursement structure that comes closer to closing the gap between current reimbursement rates and cost of care. While the work of rate reform is ongoing, the State now also has a point-in-time timeline to work towards the implementation of an SRS and rates informed by alternative methodology when necessary automation and program readiness activities are completed and corresponding funding is appropriated.

The CDSS is statutorily required by [WIC Section 10227.6\(g\)](#) to provide quarterly updates to the Legislature on rate reform implementation through January 2026. The next report will be submitted in October 2025. All reports are publicly posted on the CDSS' [Rate Reform and Quality Website](#).

PROOF OF SERVICE

I declare that I am a resident of or employed in the County of Los Angeles,
State of California. I am over the age of 18 years. The name and address of my
Residence or business is Rothner, Segall & Greenstone
510 South Marengo Avenue, Pasadena, CA 91101

On July 24, 2025, I served the UNFAIR PRACTICE CHARGE
(Date) (Description of document(s))

_____ in Case No. _____.
(Description of document(s) continued) PERB Case No., if known)

on the parties listed below by (check the applicable method(s)):

- ☒ placing a true copy thereof enclosed in a sealed envelope for collection and delivery by the United States Postal Service or private delivery service following ordinary business practices with postage or other costs prepaid;
- ☐ personal delivery;
- ☒ electronic service - I served a copy of the above-listed document(s) by transmitting via electronic mail (e-mail) or via e-PERB to the electronic service address(es) listed below on the date indicated. *(May be used only if the party being served has filed and served a notice consenting to electronic service or has electronically filed a document with the Board. See PERB Regulation 32140(b).)*

(Include here the name, address and/or e-mail address of the Respondent and/or any other parties served.)

Candace Hyatt, Division Chief candace.hyatt@calhr.ca.gov
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Childcare Providers Labor Relations Division
1515 S Street, North Building, Suite 500
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I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration was executed on July 24, 2025,
(Date)
at Pasadena California.
(City) (State)

Donna Martin

/s/ Donna Martin

(Type or print name)

(Signature)