

CALIFORNIA DEPARTMENT OF HUMAN RESOURCES SUMMARY OF COLLECTIVE BARGAINING AGREEMENT WITH CHILD CARE PROVIDERS UNITED-CA (CCPU)

This is the successor agreement between the parties in accordance with the Building a Better Early Care and Education System Act (Welfare and Institutions Code Section 10420 et seq.) to the first ever collective bargaining agreement that was reached in 2021 and expired on July 1, 2023.

I. Rates and Incentives

Rates

- Consistent with the previous agreement, family child care providers shall continue to 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:
 - Alternative payment programs pursuant to Chapter 3 (commencing with Section 10225); migrant alternative payment programs pursuant to Chapter 6 (commencing with Section 10235); CaWORKs child care pursuant to Chapter 21 (commencing with Section 10370); family child care 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; 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 set at the 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 family 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.
- The reimbursement rate for the family child care 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 child care home education network contractors are:
 - Migrant Child Care and Development Programs pursuant to Chapter 6 (commencing with Section 10235); General Child Care 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; 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.

Cost of Care Plus Rate

- Beginning January 1, 2024, all represented family child care providers shall receive a once per month cost of care plus rate per child served and enrolled in subsidized child care. For purposes of the cost of care plus rate, the new Payment Timeliness provision of the agreement shall not apply to Stage 1 and Bridge family child care providers paid by counties.
- The amount per child shall be determined based on the county in which the family child care provider is located and the assigned “region”. Per-child plus rate amounts are as follows:

Region	Licensed Family Child Care Providers	License-Exempt Family Child Care Providers
Central (Fresno, Inyo, Kern, Kings, Madera, Mariposa, Merced, Monterey, Sacramento, San Benito, San Joaquin, San Luis Obispo, Stanislaus, Tulare)	\$140	\$98
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)	\$141	\$99
Southern (Imperial, Orange, Riverside, San Bernardino, San Diego, Santa Barbara, Ventura)	\$160	\$112
Los Angeles	\$171	\$119
Bay Area (Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Santa Cruz, Solano, Sonoma)	\$211	\$148

- Transitional Provider Subsidy Payments
 - Family child care providers who were paid in April 2023 shall receive a one-time payment no later than November 30, 2023, as follows:

Licensed-exempt = \$500; Licensed Small Family Daycare Home = \$2,500;
Licensed Large Family Daycare Home = \$3,000

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.
- 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.
- 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 Administration for Children and Families (ACF) in the Child Care and Development Fund (CCDF) State Plan or an amendment to the State Plan.
- The State shall provide CCPU an outline of implementation components for the approved Single Rate Structure within sixty (60) days of ACF approval of the Single Rate Structure utilizing the Alternative Methodology in the CCDF State Plan. 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.

Rate Trigger and Reopener

- Within ninety (90) days following ACF approval of the Single Rate Structure, the parties will re-open the Rates and Cost of Care Plus Rate sections of this Agreement to negotiate the restructuring of 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.

Definition of Part-Time and Full-Time

- “Part-Time” care shall be defined as care certified for a child for less than twenty-five (25) hours per week, moving from the previous definition of less than thirty (30) hours per week. “Full-Time” care shall be defined as care certified for a child for twenty-five (25) hours or more per week, moving from the previous definition of thirty (30) or more hours per week.

Reimbursement Based on Certified Need

- Represented family child care providers reimbursed through alternative payment programs or 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, including for families with variable schedules.
- Family child care home education network providers funded through California state preschool programs, migrant child care and development programs, general child care and development programs, or child care and development services for children with special needs shall receive 100 percent of their maximum 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.

II. Other Economics

Retirement Benefit Trust

- To assist CCPU with establishing a Retirement Trust, the state will provide a one-time contribution of one hundred thousand dollars (\$100,000) payable to such entity as designated by CCPU.
- The State will provide an initial \$80 million lump sum contribution to the Retirement Trust to be utilized for improving access to retirement benefits for licensed family child care providers that currently have been providing care and early education to children for an extended period of time. 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.
- CCPU will provide the State an annual report to detail the distribution of funds from the prior year and any remaining balance.
- 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 is less than \$80 million.

Health Benefits Trust

- CCPU will provide the State a report to detail the distribution of the previous one-hundred million dollars (\$100,000,000) provided to CCPU 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.
- 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 an annual report from CCPU to restore the balance to \$100,000,000 if the remaining balance in the required annual report is less than \$100,000,000.

Training

- The State and Child Care Providers United (CCPU) shall expend the previously agreed upon amount of forty million dollars (\$40,000,000) 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, and Health, and Safety in the three side letters previously reached.
- Beginning July 1, 2024, and for each year of the agreement thereafter, the State shall make a single contribution to the CCPU Training Fund within ninety (90) days of receiving an annual report from CCPU to restore the Fund balance to fifteen million dollars (\$15,000,000) if the remaining balance of the required annual report is less than fifteen million dollars (\$15,000,000).

III. Miscellaneous

Preservice Meetings and Orientations

- The state or a department, contractor, subcontractor, or political subdivision of the state shall notify CCPU prior to when a preservice meeting or orientation is scheduled to occur. CCPU shall be provided access to the entirety of all live preservice meetings or orientations for family child care providers, and conducted at the local level at the discretion of County Welfare Departments (CWDs) and local contracting agencies, to provide CCPU access that 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 the agreement is intended to change or interfere with the requirements governing licensing and enforcement of the Child Day Care Facilities Act, including orientations required by Health and Safety Code (HSC) Section 1596.845.

Provider Information

- The State shall provide CCPU with a list of family child care providers, as it is received by the State, electronically by the 5th business day of each month. The list shall include: names of providers, mailing and home addresses, county, telephone numbers, email address, whether the provider is licensed or license-exempt, the state facility license number, primary language, and contract type.
- Effective July 1, 2024, the list shall include amounts of all subsidies paid in the previous month, if contractors/subcontractors/agencies are readily able to provide. If not, those contractors/subcontractors/agencies shall submit an implementation plan to CCPU no later than July 1, 2024.

Dues Deduction

- CCPU may request deductions from the subsidy payments of family child care providers, and CalHR shall ensure those requests are honored. CCPU shall be solely responsible for providing CCPU certifications for dues deductions. 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.

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. 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.

Payment Timeliness

- Within 6 months of the ratification of this agreement, contractors and counties are required to develop, implement, and publish for access by family child care providers a plan for timely payment to represented family child care providers.

Suspension and Expulsion JLMC

- 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 1049.1 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 the agreement.

IV. Duration

- The date of full ratification through July 1, 2025

V. Fiscal

- Fiscal Year 2023-24: \$ 687.1 million
- Fiscal Year 2024-25: \$ 628.2 million

Agreement

- The complete Tentative Agreement between the state and CCPU is posted at:
[https://www.calhr.ca.gov/Pages/child care-providers-labor-relations.aspx](https://www.calhr.ca.gov/Pages/child-care-providers-labor-relations.aspx)