

SIDE LETTER OF AGREEMENT BETWEEN THE STATE OF CALIFORNIA AND CHILDCARE PROVIDERS UNITED-CA (CCPU) REGARDING ARTICLE 2.3 (DUES DEDUCTION)

This Agreement is a Side Letter to the current Memorandum of Understanding (MOU) effective July 26, 2021, through June 30, 2023, between Child Care Providers United-CA (CCPU) and the State of California (State). It is the intent of the parties to maintain the spirit and the letter of the 2021-2023 MOU with the following amendments.

Pursuant to Article 2.3 (CCPU/State of California JLMC regarding Dues Deduction) of the existing agreement, to enable the deduction of dues and other voluntary deductions from a childcare provider's subsidy payments requested by CCPU, and to fulfill the statutory obligations of the State, through the Department of Human Resources ("CalHR"), to ensure that such requests are honored, the State and CCPU have reached an agreement regarding the next steps that must be taken to achieve the processing of dues deductions as follows:

1. Initially, and periodically over time, CCPU will provide notice to CalHR that includes (a) a certification of all childcare providers for whom CCPU maintains an authorization regarding the deduction of dues and other voluntary deductions, and (b) the dues rate, expressed as a percentage of subsidy payments with a monthly cap, to be deducted per provider, including the partner unions CCPU designates to receive the dues amounts on behalf of CCPU (hereinafter "the CCPU union parties"). Such notices will include any changes to the dues rate and structure.
2. To aid CalHR in honoring CCPU requests for the deduction and remittance of such dues and other voluntary deductions for each childcare provider, including associated calculation and record-keeping (anticipated and detailed below), CCPU and CalHR, in accordance with Article 2.3 of the current MOU, as referenced above, will immediately schedule to commence discussions to determine the necessary processes to implement CCPU's requests as required in California Welfare and Institutions Code section 10426.5.

The parties will specifically address the following:

- a. How to ensure that appropriate deductions are remitted to the CCPU union parties from subsidy payments made to each provider after receipt of the notice described in paragraph 1, and how deductions will be withheld from the subsidy payments made by the State and directly remitted to the CCPU union parties.
- b. How and which state entity shall accurately track necessary data through a database or otherwise, all of the information described in paragraph (1) of subdivision (c) of California Welfare and Institutions Code section 10422, as well as the following, for each provider: the primary language used, if known; if licensed, the provider's state facility license number and license status; a unique provider identification number, if one has been supplied by the government agency or department involved in the administration of the applicable subsidy program, or if not, the parties agree to work together to establish unique provider identification numbers in a timely fashion; and the reimbursement amount received by the provider each month, separated out by contractor, subcontractor,

or political subdivision of the state. The JLMC will explore with the intent to provide if the above information is available.

- c. The data and information needed to reconcile deductions by CCPU such as, but not limited to, name and identifying information, deduction type, deduction amount, service period related to deduction made, and reimbursement amount with which the deduction is associated.
- d. How to manage childcare providers that receive subsidies under multiple subsidized childcare programs.
- e. How to manage a request from a childcare provider related to cancellation or changes to an authorization.

Nothing in this Side Letter waives any rights provided to CCPU under California Welfare and Institutions Code §10426.5.

Dated: August 17, 2022

/s/Candace Hyatt, State of California Department of Human Resources

/s/Alexa Frankenberg, Child Care Providers United-CA (CCPU)