

AGREEMENT BETWEEN
THE GOVERNOR OF MARYLAND,
THE MARYLAND STATE DEPARTMENT OF EDUCATION,
AND
SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 500, CtW

July 1, 2018- June 30, 2021

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement (hereinafter “Agreement”) is entered into by and between The Office of the Governor of Maryland, the Maryland State Department of Education (hereinafter collectively referred to as the “State”) and Service Employees International Union, Local 500, CtW (hereinafter referred to as the “Union”).

In accordance with the Collective Negotiations for Family Childcare Providers’ Law, the State and the Union have met and negotiated on matters of concern to the parties pertaining to family child care providers covered by the above referenced law. Those terms are set forth as follows:

PREAMBLE

As signatories to this agreement, the State and the Union agree to work together in a collaborative partnership to build an affordable, accessible child care program that respects providers, empowers working families, and promotes the safe, healthy development of children. The parties further recognize and value the important contribution family child care providers make in the lives of families who receive purchase of care subsidies. Their programs offer children a learning environment that will better prepare them for their years in education and beyond.

TERMS OF AGREEMENT

Section 1: Recognition:

The State recognizes the Union as the sole collective negotiation representative for all registered and registered exempt family child care providers who participate in the State’s Child Care Subsidy Program (hereinafter “CCS”), formerly known as the “Purchase of Care Program (POC)”, with respect to all matters subject to collective negotiations in accordance with state law.

Section 2: Union Dues, Committee on Political Education (COPE) and Deductions from CCS Payments:

- A. The State agrees to deduct union dues from CCS payments received by providers who have elected to join the Union. The amounts to be deducted under paragraph A above shall be deducted no less frequently than once per month, and may be deducted from each biweekly payment.

- B. Any provider who has elected to join the Union and is paying dues or an amount equal to dues may stop making payments by giving written notice to the Union during the period not less than (30) thirty and not more than forty-five (45) days before the annual anniversary date of the provider's authorization. The State will honor provider check off authorization, unless they are revoked in writing during the window period, irrespective of the provider's election to revoke membership in the union.
- C. The State further agrees to deduct voluntary contributions authorized by members of the Union to the Union's Committee on Political Education (COPE).
- D. The State will provide to the Union a listing of all providers for whom deductions are being made, including updated contact information unique identifying number, as well as other information and other information permissible under the law.
- E. The State shall provide to the Union, thirteen (13) times a year, a listing of providers whose CCS status has changed during the previous two (2) biweekly payment periods. The listing shall include names, addresses and unique identifying numbers of providers who are receiving CCS payments for the first time and should be submitted electronically.
- F. All deductions shall be remitted to the union via direct deposit no later than ten (10) calendar days following the deduction.
- G. The Union will provide to the State verification as required by the State, that such deductions have been authorized by the provider. Providers may express such authorization by submitting to the Union a written application form, through electronically recorded phone calls, or by submitting to the Union an on-line deduction authorization. The Union shall indemnify and hold the State harmless against any and all claims arising of the State's actions in compliance with the provisions of this section.

Section 3: Provider Orientation:

- A. In order to ensure that providers covered under this Agreement understand how the CCS program operates, including their role and responsibilities as providers, the State will make information available to family child care providers via the Maryland State Department of Education's website and upon the request of a provider, supply a written copy of this information.
- B. The orientation information will include, but not be limited to information on CCS rates, hours, billing policies and procedures, other policies and procedures required by the State, co-pays, tax information resources, the State CCS hotline

number, contact numbers for all appropriate local and state agencies including current designated staff, copies of materials routinely provided to parents and ongoing training opportunities.

- C. The State will provide parents entering the CCS program with information explaining CCS policies and procedures. The State will provide paper copies of CCS program information upon the request of a parent.

Section 4: Training, Education, and Quality Initiatives

- A. The State and the Union have a shared commitment to ensuring that all providers have easy access to affordable, quality, varied, and on-going training opportunities in accessible locations within communities.
- B. The State agrees to include the Union among other stakeholder groups, in any committee charged with developing policies impacting the easy access to affordable and quality training for child care providers.
- C. If at any time, the legislature of the State of Maryland or the Federal Government enacts legislation on the provision of pre-kindergarten services by family child care providers, the State will work with the Union and other early childhood stakeholders to establish mechanisms through which child care providers may become qualified to deliver pre-kindergarten services in their child care homes. Such a mechanism shall be included in the Maryland State Department of Education's "Preschool for All" Business Plan.
- D. Should the proposed expansion of Pre-K and early Head Start be enacted by the Federal Government, the state agrees to work with the Union to develop a plan during the term of this agreement to allow more qualified family child care providers to participate and access these programs.
- E. The State will continue its effort to establish an on-line training calendar reflecting the dates, time, location, cost and space availability for trainings being offered to providers, and to require outside organizations providing such training through State funding, to make such schedules available for inclusion on this calendar. Such calendar shall be updated electronically as changes occur. The State will provide a hard copy of the training calendar, upon the request of a provider. A website link to the Union website shall be established.
- F. The State agrees to include representatives designated by the Union on all review committees within the procurement process that evaluate grant proposals from outside vendors for providing training to child care providers.

- G. The State's policy prohibiting outside organizations from making presentations or soliciting membership when present at training programs funded through state resources shall be applied consistently to all such organizations.

Section 5: Child Care Subsidy Rates

- A. The CCS Rates for providers shall be increased by an amount necessary to set the rate at no less than the 20th percentile, as derived from the ~~2017~~ most current market rate survey available conducted pursuant to CCDF regulations, effective July 1, 2018.
- B. The CCS Rates for providers shall be increased by an amount necessary to set the rate at no less than the 30th percentile, as derived from the ~~2017~~ most current market rate survey available conducted pursuant to CCDF regulations, effective July 1, 2019.
- C. The CCS Rates for providers shall be increased by an amount necessary to set the rate at no less than the 45th percentile, as derived from the ~~2019~~ most current market rate survey available conducted pursuant to CCDF regulations, effective July 1, 2020.
- D. In no event shall CCS Rates fail to rise by at least 8% over the prior year's rates in each year of this Agreement, effective each July 1st.
- E. The State will ensure that the Union is included in any discussions intended to develop new rate setting structures for consideration by the State.
- F. Parental co-payments will not be increased as a result of this agreement.
- G. Should the State adopt a cost of quality care subsidy program that results in higher rates than those rates provided for in this Agreement, and such rates are funded by the legislature to be in effect for each fiscal year coinciding with this Agreement, said higher rates shall be implemented as of July 1st of each year of this Agreement.

Section 6: Child Care Credential Incentives

- A. The State will maintain amounts of the achievement bonuses at their current level. Providers who apply for an achievement bonus will receive notice of their approval or a need to submit more documentation 60 days from receipt of an application. As an automatic extension, providers will have up to 30 days after the expiration date to submit (1) proof of employment in child care; (2) the appropriate number of continued training clock hours, and (3) professional activities to MSDE for the annual renewal without penalty. If MSDE cannot send its request for re-submission, due to missing documentation, to the applicant within 15 days of the extended expiration date, it shall grant another extension of 15 days beyond the notification date to allow the applicant to submit the documentation within a reasonable timeframe. Providers will receive the bonus in

one payment upon verified completion of the required credentialing levels.

- B. Child care providers participating in the credential program at Level Two or higher will continue to be eligible for training vouchers or reimbursement for approved training within the Core of Knowledge of up to \$400.00 per year to pay for the cost of additional training needed to complete the training plan.
- C. Eligibility for participation in achievement bonuses and training vouchers and reimbursement shall be in accordance with the governing regulations in effect at the time this agreement goes into effect.
- D. The parties agree to collaborate on expanding professional development opportunities to address increasing qualification requirements being placed on providers.
- E. The State shall provide outreach to family child care providers who are eligible for Family Child Care Provider Grant.
- F. The Union and the State will work jointly to encourage providers to participate in the Maryland EXCELS program.
- G. Pursuant to COMAR 13A.14.09.04, providers who meet the requirements of registration or licensure are eligible to participate in the credentialing program.

Section 7: Payment Timelines, Accuracy, Overpayments, and Late Payments, Notifications

- A. Timely Payments. The State will maintain policies and procedures that provide for the issuance of CCS payments no later than ten (10) calendar days from the time of invoice approval to payment. In order to ensure timely receipt of invoices from the provider, the State will continue to maintain policies and procedures that provide for timely generation of invoices upon the receipt of a properly completed voucher by the local Department of Social Services from the provider.
- B. Direct Deposit. The State agrees to continue its practice to make CCS payments available through direct deposit. Providers seeking payment through direct deposit will submit a written request to the Comptroller's Office, along with appropriate bank information, in order to receive an initial direct deposit within sixty (60) calendar days.
- C. Emergency Payments. The State agrees to continue implementation of established emergency procedures for the issuance of emergency payments to providers seeking them in cases of demonstrated hardship. The State will make emergency

payments in the event of a system malfunction or human error that interrupts issuance of payments to all providers; this does not include late submission of documentation from a customer or provider.

- D. The Union shall establish a fund for the purpose of protecting family child care providers against extreme hardship or loss of livelihood.
- E. Accuracy of Payments. The State will continue its practice to maintain policies and procedures that provide for the issuance of CCS payments in accurate amounts. The State will include information in the orientation information directing child care providers on how to accurately complete CCS invoice forms. The state agrees to review its processes and implement procedural changes necessary to minimize errors.
- F. Overpayments. If an overpayment is made to a provider due to an error on the part of the State, that overpayment will be collected or recouped at no more than five percent (5%) of the provider's CCS payment until paid in full. If the overpayment is due to provider error, and the provider can reasonably establish that immediate repayment in full would cause an undue financial hardship, the State agrees to work with the provider in establishing a reasonable plan for repayment.
- G. Provider Notifications. The State and the Union agree that it is the parents' responsibility to inform the provider about any changes regarding the voucher status, including redetermination of CCS eligibility. However, the State agrees to hold a provider harmless from any obligation to reimburse the State for CCS monies received resulting from a provider caring for a child whose care has been authorized by the State, and the child's parent is later found to have fraudulently received eligibility in the CCS program. This provision shall not apply in instances of proven collusion by a provider in an act or parental fraud.
- H. Parent Eligibility for CCS. The State will continue to send notification to providers when the parent's eligibility status changes.
- I. The State will continue to maintain a customer service Help Desk where providers can call and get information on the current eligibility status of the parents of the child/children in their care.
- J. The State shall require a notarized signed release of information from CCS customers for the limited purpose of ascertaining whether the parent is in compliance with all requirements to ensure continued eligibility for the voucher program.
- K. If a parent has failed to meet his/her copayment obligation, the State shall deny the

parent future vouchers until the payment delinquency has been resolved.

- L. In recognition of the value of stability of care to early childhood learning, the State will continue to offer a year-long voucher to parents with stable, approved activities. Recognizing that Maryland's children and providers level of care and education should not be impacted by the zip code where they live, MSDE will strive to create a more coherent and standard set of rules in the State of Maryland.

Section 8: Market Rate Survey

- A. The State and the Union have a shared interest in increasing the participation of Family Child Care Providers in the annual Market Rate Survey. To that end, the State and the Union agree to work together to educate family child care providers on the role the Market Rate Survey plays in determining CCS rates, and to encourage family child care providers to complete the annual survey.
- B. The State will place educational materials about the importance of the market rate survey in the provider orientation information, and will make these materials available at child care resource and referral centers.
- C. The State and the Union will periodically offer joint trainings to ensure that family child care providers understand the importance of accurately completing the market rate survey. The trainings will take place in the months preceding the distribution of the survey, and in different regions of the state.
- D. The State and the Union have a shared interest in producing a market rate survey that is the most effective and user-friendly tool possible. The Maryland State Department of Education will provide an overview and methodology of market surveys for review by the OCC Advisory Council. Union concerns with respect to the survey may be raised through the OCC Advisory Council.

Section 9: Child Care Career and Professional Development Fund

The State will include information about the Child Care Career and Professional Development Fund in the provider orientation information, and will make this information available at Resource and Referral Centers.

Section 10: Quality Incentives

All funds designated for Quality Incentives shall be dispersed in accordance with Federal spending guidelines.

Section 11: Protection of Existing Conditions

No family child care provider will suffer any reduction in subsidy rates, nor in amount of paid time for closures or child absences, nor eligibility for any and all

other reimbursements, nor reduction in any existing benefit as a result of this agreement.

Section 12: Parental Co-Pays

If at any time the State reduces the amount of co-pay owed to the provider by a parent, the amount of the subsidy received from the State by the provider will be increased by an equal amount. The state will inform parents in writing that the subsidy payments they receive are intended to be a supplement to the rate charged by the provider for the services being provided, and are not necessarily intended to be considered as full payment. All parental co pays, whether or not required by the state, are the responsibility of the parents.

Section 13: Termination Notification

The State shall require families to give notice of at least five (5) working days to a provider for the family's intention to remove a child from the provider's care.

Section 14: Food Program

The State and the Union will explore opportunities for informal providers to participate in the USDA's Child and Adult Food Program. The State will implement a process to set standards for informal providers to become certified to be eligible for participation in the USDA Child and Adult Care Food Program. The State will seek approval for the standards for the informal providers from the USDA Child and Adult Care Food Program.

Section 15: Family Day Care Provider Direct Grant Fund

- A. The Family Day Care Provider Direct Grant Fund allows registered providers to apply for an award to cover the cost of expenditures made to improve the quality of care provided to children such as the purchase of educational materials, books, toys and equipment, arts and crafts supplies or expenditures on small household repairs made to allow child care activities to take place or ensure child safety.
- B. While recognizing the importance of informal providers, the State and the Union will collaborate to support informal providers becoming registered.

Section 16: Participation in Existing Programs

The State and the Union have a shared interest in educating family child care providers on the range of grants, financial assistance and other monies available to eligible individuals and families through existing local and State programs. The State and the Union agree to work together to increase family child care providers' access to and participation in such programs.

Section 17: Child Care Providers in our Communities

Family Child Care providers are unique businesses in our community. Family Child Care providers, in addition to being small businesses, are also part of the social safety net and an important part of educational system of our state. MSDE will encourage greater appreciation and understanding by other state entities about the importance of Family Child Care homes.

Section 18: Rules, Notices, and Lists of Provider Information

- A. The State will provide the Union with copies of all present and future updated policies, including materials and manuals available or distributed to providers. In addition, the Union will receive notices of any proposed rule-making as an interested party, and afforded an opportunity to provide input, prior to a decision being made. These opportunities will be provided in the evenings and on weekends in order to allow provider participation.
- B. The Union will receive copies of any and all materials distributed to any group of providers, either state-wide or in specific localities.
- C. The State will provide the Union, 13 times a year, in a mutually acceptable electronic format, a listing of all registered and registered exempt providers participating in the CCS program during the two previous bi-weekly pay periods. The list will include the operator name, facility number, referrals, registration restrictions, months/days/hours of operation, capacity, region number, provider type, application milestones, telephone, street address, mailing address, and local school district.
- D. The Union will provide the State with copies of any information sent to child care providers.

Section 19: Joint Collaboration Committees

- A. The State agrees to provide the Union with a seat on the OCC Advisory Council. This forum is available to address any concerns the Union may have including but not limited to the CCS program, training opportunities for providers, provider satisfaction, and the OCC Licensing function.
- B. The parties agree to form a joint collaboration committee made up of four (4) representatives designated by the Union and four (4) representatives designated by the State. The purpose of the committee will be to work collaboratively on systemic issues impacting providers in accordance with the scope of the Collective

Negotiations for Child Care Providers' Law. Co-chairs will be designated by the parties as well.

- C. The committee will meet quarterly, at a time and place agreed to by the parties. The agenda for the meetings will be developed by the co-chairs and distributed to the committee members at least two weeks prior to the meeting.
- D. The Union and the State will meet and confer over the feasibility for adoption of recommendations made by the committee. An SEIU Local 500 provider shall be part of the Coalition for Family Engagement (chaired by Maryland Family Network and Maryland Head Start Association).
- E. The State and the Union will form a committee to jointly develop strategies to more effectively communicate to providers the requirements of regulations including compliance assessment, review of findings, and appeal rights.

Section 20: Provider's Health Insurance, The Affordable Care Act and Retirement Benefits

- A. MSDE shall participate in the state's promotional campaign, in collaboration with SEIU Local 500, to educate all providers as to their rights and responsibilities under the Affordable Care Act, effective January 1, 2014, including but not limited to potential eligibility for coverage under the State's expanded Medicaid laws, as well as the rights to purchase health insurance through the newly created exchanges.
- B. MSDE will provide materials to providers that can be shared with parents, informing them of their rights and responsibilities under the Affordable Care Act.
- C. MSDE will provide a link on its website on the ACA. MSDE will work with the Department of Health to include information on the providers' health care options.
- D. MSDE and the Union will jointly explore options to assist providers in saving for a secure retirement, including but not limited to tax-free savings accounts, participation in state run programs and models currently used in other states.

Section 21: Child Care Licensing

- A. The State shall be responsible for ensuring that Child Care Licensing Specialists are trained to perform licensing inspection functions professionally and respectfully.
- B. Providers are able to request a review of any non-compliance cited with the OCC Licensing Supervisor, Regional Manager, or the Child Care Licensing Branch Chief. The provider will receive a written response.

- C. Providers and/or their representatives are able to file a complaint regarding the conduct of a Licensing Specialist. The complaint may be lodged with the OCC Licensing Supervisor, Regional Manager, or the Child Care Licensing Branch Chief. The provider will receive a written response.
- D. Except in the case of initial inspections and upon making an application for a continuing registration, all inspections are unannounced pursuant to COMAR 13A.15.13.01A.
- E. Providers found to be in violation of any regulation shall be given an opportunity to correct the violation. Any violation cited and corrected during the inspection will be noted at the time of the inspection. Any subsequent corrections will be noted upon verification of compliance and reflected on the Plan of Improvement posted on the public web-site. The State shall make clear the nature of the violation, in plain, specific language on the website that distinguishes among infractions.
- F. The State and the Union shall form a joint committee made up of providers and specialists, plus an additional representative of the State and of the Union. The purpose of the joint committee is to address concerns providers and specialists may have regarding their on-going relationship. The committee will also develop a short survey to measure provider satisfaction with their interaction with specialists during inspections. The committee is expected to complete its work within the first twelve (12) months, following implementation of this Agreement. Extension of the committee's work beyond twelve (12) months shall be by mutual agreement of the parties.

Section 22: Legislative Action

- A. All provisions of this Agreement not requiring legislative funding or statutory changes shall be implemented on the effective date of this Agreement or as otherwise specified herein.
- B. Any provisions requiring legislative funding or statutory approval shall be subject to the legislative process, and shall become effective upon enactment.
- C. If the Maryland General Assembly fails to adopt the submitted legislative package, the State shall meet with the Union within 30 calendar days to confer on failed legislative package and meet and confer regarding affected portion(s) of this Agreement.

Section 23: Dispute Resolution

Should a dispute arise over the application or interpretation of this Agreement that cannot be resolved informally, it shall be address through the following procedure:

- A. Either party can provide written notification to the other party regarding an alleged violation of this Agreement within thirty (30) calendar days of either the Union or the State having knowledge of the alleged violation. The notification shall include (a) a description of the alleged violation and relevant facts, (b) the specific provision(s) of this Agreement alleged to have been violated, and (c) the resolution sought.
- B. The State Superintendent of Schools (or designee) or President of the Union (or designee) shall, within fifteen (15) calendar days, attempt to resolve the matter to the satisfaction of the parties. A meeting or conference call involving the grievant and representatives of the parties shall be scheduled in order to address the matters. If a resolution cannot be reached, the party receiving the grievance shall issue a written response to the other party no later than seven (7) calendar days, following the conclusion of the meeting or conference call.
- C. If a dispute is not resolved through paragraph B of this section, the matter shall be referred to the Office of Administrative Hearings for non-binding mediation and mutual agreement. Said mediation shall commence within seven (7) calendar days of written notice.
- D. If a dispute is not resolved through paragraph C of this section within fourteen (14) calendar days following commencement of medication, the matter will be referred to the Office of Administrative Hearings. The Administrative Law Judge shall submit a written recommendation to the State Board of Education for final binding decision.
- E. The Union will be afforded an opportunity to present an argument directly to the Board prior to action on the recommendation, upon notification to the President of the Board of its desire to do so.

Section 24: Neutral Environment and Non-Discrimination

- A. The State shall remain neutral on the subject of union membership. To the extent permitted by law, regulations, rules or orders, third parties contracting with the State shall also remain neutral on the subject of Union membership. The State may not use State funds to conduct anti-union campaigning or distribute by any means an-union information. To the extent permitted by law, regulations, rules, or orders, the State will prohibit any vendor receiving State funding from making anti-union statements or distribute anti-union literature or information.

B. The State agrees that providers covered by this Agreement shall, at all times, be given the same consideration and treatment as all other providers and will not be discriminated against due to race, color, national origin, religion, sexual orientation, political affiliation, disability, marital status, age, or union affiliation.

Section 25: Separation

Should any provision of this Agreement be declared invalid by any court of competent jurisdiction, then only such portion or portions shall be declared null and void, and the balance of the Agreement shall remain in full force and effect. The State and the Union agree to meet within thirty (30) days to negotiate a substitute provision to those provisions of the Agreement affected by the court’s ruling.

Section 26: Term of Agreement

Except as modified by mutual agreement, this Agreement shall be in full force and effect, effective July 1, 2018 through and including June 30, 2021. The parties will meet and confer over terms and conditions for a successor agreement beginning no later than nine (9) months prior to the expiration of this Agreement.

For the Governor of Maryland

For SEIU Local 500, CtW

_____Date_____
Larry Hogan, Governor of Maryland

_____Date_____
Merle Cuttitta, President,
SEIU Local 500

For the Maryland State Department of Education

_____Date_____
Karen B. Salmon, Ph.D. State Superintendent of Schools

Approved as to form and legal sufficiency
This ____ day of _____,2018

Assistant Attorney General

~~Appendix~~

~~Effective July 1, 2017~~

~~Weekly rates after the rate increase of 2%~~

	Regular Rate	
	Family	Center
U	\$ 95.51	\$ 110.40
V	\$ 84.77	\$ 93.07
W	\$ 118.29	\$ 128.52
X	\$ 150.38	\$ 170.28
Y	\$ 118.23	\$ 130.75
Z	\$ 87.17	\$ 89.55
B	\$ 108.48	\$ 114.40

~~Rate Regions by Counties:~~

~~**Region U** Cecil, Talbot, St. Mary's, Washington, Queen Anne's~~

~~**Region V** Caroline, Kent, Dorchester, Somerset, Wicomico~~

~~**Region W** Anne Arundel, Calvert, Carroll, Charles, Prince George's~~

~~**Region X** Howard, Montgomery~~

~~**Region Y** Baltimore, Frederick, Harford~~

~~**Region Z** Allegany, Garrett, Worcester~~

~~**Region B** Baltimore City~~

Complete Proposed Agreement

	Infant Rate	
Region	Family	Center
U	\$ 125.46	\$ 175.86
V	\$ 102.34	\$ 149.73
W	\$ 159.85	\$ 203.87
X	\$ 188.19	\$ 266.60
Y	\$ 151.60	\$ 212.46
Z	\$ 99.32	\$ 115.01
B	\$ 143.90	\$ 191.55

Informal Rates		
	Infant Rate	Regular Rate
Allegany	\$ 64.19	\$ 54.83
Anne Arundel	\$ 73.28	\$ 57.95
Baltimore Co	\$ 73.28	\$ 61.59
Calvert	\$ 73.28	\$ 57.95
Caroline	\$ 47.81	\$ 42.36
Carroll	\$ 74.58	\$ 57.95
Cecil	\$ 56.39	\$ 54.83
Charles	\$ 73.28	\$ 57.95
Dorchester	\$ 47.81	\$ 42.36
Frederick	\$ 73.28	\$ 61.59
Garrett	\$ 64.19	\$ 55.09
Harford	\$ 73.28	\$ 61.59
Howard	\$ 92.77	\$ 77.44
Kent	\$ 47.81	\$ 42.36
Montgomery	\$ 92.77	\$ 77.44
PG	\$ 73.28	\$ 57.95
Queen Anne's	\$ 56.39	\$ 47.81
St. Mary's	\$ 64.19	\$ 54.83
Somerset	\$ 47.81	\$ 42.36
Talbot	\$ 56.39	\$ 47.81
Washington	\$ 56.39	\$ 55.09
Wicomico	\$ 47.81	\$ 42.36
Worcester	\$ 47.81	\$ 44.96
Baltimore City	\$ 70.42	\$ 55.87