

**MEMORANDUM OF AGREEMENT**

**BETWEEN**

**THE GOVERNOR OF MARYLAND**

**AND**

**THE MARYLAND STATE DEPARTMENT OF EDUCATION**

**AND**

**SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 500, CTW**

**Pursuant to Governor's Executive Order No. 01.012007.14 titled**

**Collective Negotiation by Family Child Care Providers**

**July 1, 2009 – June 30, 2011**

## MEMORANDUM OF AGREEMENT

This Memorandum of Agreement (hereinafter referred to as “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.”) This Agreement was reached pursuant to the Governor’s Executive Order No. 01.012007.14.

As directed by the executive order, the State and the Union have met and conferred on matters of concern to the parties pertaining to family child care providers covered by the above referenced executive order. 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 made by 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 to for their years in education and beyond.

### TERMS OF AGREEMENT

#### **Section 1 : Recognition:**

The State recognizes the Union as the exclusive collective bargaining representative consistent with the terms of the Executive Order, for all registered and registration exempt family child care providers who participate in the State’s Child Care Subsidy Program, currently known as the “Purchase of Care Program (POC),” with respect to all matters subject to collective negotiation as set forth in the above referenced executive order.

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

- A. The State agrees to deduct union dues from POC payments received by providers who have elected to join the union.
- B. The State further agrees to deduct voluntary contributions authorized by members of the union to the Union’s Committee on Political Education (COPE).

- C. The amounts to be deducted under paragraphs A above shall be certified to the State by the Union, and the aggregate amounts shall be deducted no less frequently than once per month, and may be deducted from each biweekly payment. The State will provide to the union a listing of all providers for whom deductions are being made, including updated home address, unique identifying number, as well as other information and other information permissible under the law.
- D. The State shall provide to the Union, thirteen (13) times a year, a listing of providers whose POC 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 POC payments for the first time.
- E. All deductions along with the information to be provided shall be remitted to the union (electronically if possible) no later than ten (10) calendar days following the deduction.
- F. The Union will provide to the state written verification that such deductions have been authorized by the provider. 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 POC program operates, including their roles and responsibilities as providers, The State will send by regular mail orientation packets to any provider whose first POC invoice has been issued. The Local Department of Social Services (DSS) office will continue to hold regularly scheduled orientation sessions for providers.
- B. The orientation packets will include, but not be limited to information on POC rates, hours, billing policies and procedures, other policies and procedures required by the state, co pays, tax information resources, the *State POC 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 available to the providers.
- C. The Local DSS offices will provide the Union with an updated schedule of orientation sessions, on an ongoing basis. Further, the State will include union information concerning representation and coverage under this agreement, information on how to join the union, and union contact information in the orientation packet, and will be provided with an opportunity to make a presentation and to distribute and collect union membership applications and payroll deduction forms.

- D. The State will provide bulletin boards for the Union's exclusive use in accessible locations within each local Department of Social Services and each Child Care Resource and Referral Center in the state, and shall permit representatives of the Union to post notices pertaining to Union interest on the bulletin boards.
- E. The State will provide parents entering the POC program with information explaining POC policies and procedures.

#### **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 ongoing training opportunities in accessible locations within their 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 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 MSDE's *Preschool for All* business plan.
- D. The State will continue its effort to establish an online training calendar reflecting the dates, times, location, costs, 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, and a print version issued twice per year and mailed to all providers. A website link to the union website shall be established.
- E. MSDE 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 childcare providers.
- F. 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: POC Rates**

- A. Effective October 1, 2009, the subsidy rates for providers will be set forth in Appendix A of this agreement and by this reference, made a part thereof.
  
- B. Parental co payments will not be increased as a result of this agreement.

### **Section 6: Child Care Credential Incentives**

- A. The State will maintain the amounts of the achievement bonuses at their current level.
  
- 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 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.

### **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 POC payments no later than ten (10) calendar days from the time of invoice approval to payment. In order to assure 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 POC 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 Advances. 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.
- D. Accuracy of Payments. The State will continue its practice to maintain policies and procedures that provide for the issuance of POC payments in accurate amounts. The State will include information in the orientation packets directing them on accurately filling out POC invoice forms. The State agrees to review its processes and implement procedural changes necessary to minimize errors.
- E. 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 POC 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.
- F. 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 POC subsidies. However, the State agrees to hold a provider harmless from any obligation to reimburse the state for POC 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 POC program. This provision shall not apply in instances of proven collusion by a provider in an act of parental fraud.
- G. Parent Eligibility for POC. The State will keep providers informed as to the voucher eligibility status of the parents of children in their care, to the extent permissible under law, and will be promptly notified of changes in status. 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.

**A. Section 8: Market Rate Survey**

- B. 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 POC rates, and to encourage Family Child Care Providers to complete the annual survey.

- C. The State will place educational materials about the importance of the Market Rate Survey in the provider orientation packets, and will make these materials available at Resource and Referral Centers.
- D. 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.
- E. 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. MSDE will provide an overview and methodology of market rate 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**

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

### **Section 10: Rollover of Training Funds and Bonuses**

- A. Any and all funds budgeted by the State for training or bonuses provided in this agreement that are unused at the end of the fiscal year will be set aside for the following fiscal year in addition to annual training funds and bonuses, in accordance with federal fund restrictions.
- B. The additional funds may accrue without restriction, and may be used to fund workforce development efforts in this or future agreements.

### **Section 11: Protection of Existing Conditions**

- A. 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**

- A. 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.

## **Section 13: Termination Notifications**

- A. 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 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, MSDE and the Union will collaborate to support informal providers becoming registered.

## **Section16: Participation in Existing Programs**

- A. 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 as the following
  - The Maryland Child Care Credential Program
  - Tiered Reimbursement
  - Judy Centers and Early Child Care and Education Enhancement Grants
  - Child Care Career and Professional Development Fund
  - The Family Day Care Provider Grant Program
  - The Infants and Toddlers Program
  - The Child Care Quality Incentive Grant Program.
  - The USDA Food Program
  - Weatherization assistance for low income families in Maryland
  - Energy Assistance for low income families in Maryland

- Earned Income Tax Credit

### **Section 17: 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 statewide 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 POC program during the two previous biweekly 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, local school district.

### **Section 18: Joint Collaboration Committees**

- A. . The parties agree to provide the Union with a seat on the OCC Advisory Council.
- B. In addition, 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 executive order. Co chairs will be designated by the parties as well.
- C. The committee will meet quarterly, at a time and place agreed to between 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.
- E. The parties agree to form a joint training sub-committee made up of up to four (4) representatives designated by and representing the Union and up to four (4) representatives designated by and representing the State. The committee will be charged with: seeking expanded opportunities for provider training within available resources; increasing qualifications for family child care providers to

enable them to deliver Pre-Kindergarten services; exploring varied delivery models for training; seeking additional training resources which may be available from school systems, local government agencies, and other organizations and foundations with grant money available for such purposes; and to provide input to the State for establishing accountability standards for training funded by the state through outside organizations.

### **Section 19: Joint Committee to Study Access to Health Insurance for Providers**

- A. The State and the Union Agree to form a joint committee for the purpose of evaluating ways to ensure that providers covered under this agreement have access to affordable, quality health insurance.
- B. The committee will be made up of four (4) representatives of each party, and shall meet on a monthly basis, to explore options and develop recommendations.
- C. The committee shall forward its findings and recommendations to the Governor and to the State Superintendent of Schools, no later than September 30, 2010.
- D. The findings of the committee shall be the subject of negotiations between the parties for a successor agreement to this memorandum of understanding.

### **Section 20: 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 sections any affected portion(s) of this agreement.

### **Section 21: Dispute Resolution**

Should a dispute arise over the application or interpretation of this Memorandum of Understanding that can not be resolved informally, shall be addressed 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 being 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 can not be reached, the party receiving the grievance shall issue a written response to the other party no later than seven (7) calendar days, following conclusion of the meeting or conference call.
- C. If a dispute is not resolved through paragraph B above, the matter shall be referred to the Attorney's General's office for non-binding mediation and mutual agreement. Said mediation shall commence within 7 days of written notice.
- D. If a dispute is not resolved through paragraph C above within 14 calendar days following commencement of mediation, 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 22: Neutral Environment and Non Discrimination**

- A. The State shall remain neutral on the subject of union membership. 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 anti-union information. The State will prohibit any vendor receiving state funding to make 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 23: 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 24: Limited Reopener for Economics and Expanded Collective Negotiation Rights**

- A. The Parties recognize the unprecedented fiscal crisis faced by the State of Maryland and its impact on all state services, including the Child Care Subsidy Program (Purchase of Care). The parties remain committed to ensuring that providers receive fair compensation for the services they provide and that the Child Care Subsidy Program (POC) program remain accessible to all Marylanders who are qualified and in need of such services.
- B. The parties agree to reopen on economic matters at the request of either party, should the state receive new and significant funding for the Child Care Subsidy Program, including, but not limited to, federal reauthorization for the *Child Care and Development Block Grant* or federal fiscal 2010 appropriations, or should there be a material change to the State's fiscal outlook.
- C. Should the Maryland General Assembly pass and the Governor sign into law legislation that further expands the rights of providers to engage in collective negotiation beyond the present scope of the Governor's Executive Order, the Union may include additional proposals, which are consistent with the expanded rights, but not previously subject to negotiations between the parties.

### **Section 25: Term of Agreement**

Except as modified by mutual agreement of the parties, this Agreement shall be in full force and effect, effective July 1, 2009, through and including June 30, 2011. The parties will meet and confer over terms and conditions for a successor agreement, beginning no later than ninety (90) days prior to the expiration of this agreement.

For the Governor of Maryland

/s/ \_\_\_\_\_

For SEIU Local 500 Kids First

/s/ \_\_\_\_\_

For the Maryland State Department of  
Education

/s/ \_\_\_\_\_

Appendix A

Licensed Provider Weekly Subsidy Rates  
Effective October 1, 2009

<b>Rate Region</b>	<b>Regular Rate</b>	<b>Infant rate</b>
U	\$91.35	\$120.00
V	81.08	97.89
W	113.14	152.89
X	143.83	180.00
Y	113.09	145.00
Z	83.38	95.00
B	103.76	137.64

Rate Region 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