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ARTICLE 11 SUBSIDY RATES

11.1 Subsidy Rate Increases

A. Effective July 1, 2021, subsidy base rates for licensed providers shall be at the 85th percentile of the market rate. (See Appendix A.)

Effective July 1, 2022, subsidy base rates for licensed providers shall be at the same rate that was in effect on July 1, 2021.

~~The parties agree to reopen this Agreement solely for the purpose of bargaining subsidy rates for licensed providers for fiscal year 2023. The parties will begin negotiations no later than April 1, 2021. If the resultant subsidy rates require additional funding, the parties recognize that the agreement must be approved and funded in accordance with RCW 41.56.028 before implementation.~~

Effective July 1, 2021, subsidy rates for FFN providers shall remain at the rates in effect on June 30, 2021. Effective July 1, 2022, subsidy rates for FFN providers shall be three dollars and no cents (\$3.00).

B. Partial-Day Rate

Effective July 1, 2021 the partial-day rate for licensed child care providers in all regions and for all ages is seventy-five percent (75%) of the full-day rate, if the licensed child care provider provides child care services to the same child during a morning session and an afternoon session and the child care provider is not entitled to payment at the full-day rate. Unless otherwise agreed by the parties, a morning session shall begin at any time of the day and end at 12:00 noon. An afternoon session shall begin one (1)

1 second past 12:00 noon. In no event shall a child care provider be entitled
2 to two (2) half-day rates totaling one hundred fifty percent (150%) of the
3 daily rate.

4 The partial-day rate is intended to be used primarily for school age children
5 who leave the child care facility to attend school and then return to the
6 children care facility after school ends. It may also be used for a non-school
7 age child to attend pre-school that requires the child to leave and return to
8 the child care facility during the day. It does not apply when a child is
9 merely absent from the child care facility during a regularly scheduled
10 time.

11 For child care services provided to a school-aged child whose parents have
12 one hundred ten (110) hours or more of approved activity and need less
13 than five (5) hours of care daily, the State will pay the partial-day rate to
14 the provider when the provider claims a partial-day monthly unit for all
15 care provided in the month. Monthly unit authorizations will only be
16 authorized when the child is served by one (1) provider and will be prorated
17 for authorizations that begin or end in mid-month based upon available
18 week days.

19 For all other children eligible for a partial-day rate, the State will pay
20 partial-day rate when the provider claims one (1) half-day unit plus one (1)
21 quarter day contingency unit for all care provided. If care is five (5) or
22 more hours each day then the State will authorize one (1) full-day unit or
23 two (2) half-day units.

24 C. All providers shall ensure that the base rate they charge the State is no greater
25 than their usual private pay rates. If a provider charges the State a higher amount
26 than their usual private pay consumer rate, the provider agrees that an

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE STATE OF WASHINGTON
AND
THE SERVICE EMPLOYEES INTERNATIONAL UNION (SEIU) LOCAL 925**

Cost of Care Rate Enhancement

The parties to this Memorandum of Understanding (MOU), the Service Employees International Union (SEIU) 925, the Union; the State of Washington, Office of Financial Management, Labor Relations Section (OFM/LRS), and the Department of Children, Youth and Families (DCYF), agree on the following:

For one year (FY23), each licensed family home provider will receive a cost of care rate enhancement not tied to age or region:

1. In fiscal year 2023 DCYF will issue a monthly cost of care rate enhancement payment of two thousand dollars (\$2,000.00) to each licensed family home provider as a cost of care rate enhancement for care of at least one child receiving subsidy in the prior month, or in two of the last three months, or in four in the last six months. The maximum payment to each provider is twenty-four thousand dollars (\$24,000) over the fiscal year.
2. Licensed family home providers must submit claims pursuant to Article 9.1, and have an active, open license, in good standing to receive the cost of care rate enhancement.

No later than February 2022 and after reviewing the health care data, the parties will meet, discuss how the health care look back process is going, and make agreed upon adjustments, if necessary, to the look back process used to apply the cost of care rate enhancement.

In the event of an unanticipated delay DCYF will pay the cost of care rate enhancement on the next available payment date.

The SEIU 925 and family home providers agree to engage in a cost of care study by disclosing business records, operational costs, other elements determined by DCYF and participating in focus groups.

1. Timeline: The cost of care focus groups will begin in calendar year 2022 and data collection completed by June 1, 2022. Analysis of family home cost of child care will be completed by July 1, 2022.
2. Participation Incentive: licensed family home providers who contribute to data collection and participate in assigned focus groups will receive a one-time one

hundred-dollar (\$100.00) participation incentive. Participants will be selected by the union from each of the seven subsidy regions and assigned to a focus group. The parties will agree upon a minimum number of participants to participate in the focus groups. There will be seven focus groups made up of ten (10) providers each.

3. The following is a list of minimum cost driver data to be collected from licensed family home providers. This list is not exhaustive:
 - a. Direct (Out of Pocket) Expenses: (per month or annually)
 - Food (food and food-related supplies, paper goods, etc.)
 - Personnel Costs (wages of Assistants and Substitutes, overtime, sick time, holidays, health insurance and/or retirement benefits, unemployment insurance and workers compensation)
 - Household Supplies (cleaning/sanitizing)
 - Child Supplies (arts and crafts, toys, books, games, consumable materials for children, extra back-up clothing, extra diapers, etc.)
 - Child Curriculum, Assessment Materials
 - Field Trip/Enhancement Costs (bringing in teachers or going out)
 - Telephone/Internet/hotspots/modems
 - Maintenance, Repairs, Cleaning
 - Office type Supplies: Copying, Postage, Advertising/Marketing/Web pages/Registries
 - Transportation/Mileage
 - Equipment (computers, monitors, tablets, beds, cribs, blankets, mats, other - needing to be replaced somewhat regularly related to child care)
 - Rent/Mortgage proportioned to the licensed space square footage (inside and outside)
 - Utilities proportioned to the licensed space square footage (inside and outside)
 - Insurance (Liability and Home proportioned to square footage)
 - Legal and professional fees (accountant, payroll service, tax prep, credit card processing, professional associations, audits)
 - Training/Professional Development
 - License and permits
 - Translation Services and translated materials
 - b. Number of kids by age groups if on subsidy and those children who are private pay.
 - c. Revenue and business expense information related to taxes associated with the child care business.

This MOU will expire on June 29, 2023.

Dated: July 7, 2021

For the Employer

/s/

Gina L. Comeau,
OFM/SHR Labor Negotiator

For the Union

/s/

Karen Hart,
President, SEIU Local 925