

November 26, 2025

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

EXECUTIVE SUMMARY

CHILD CARE BULLETIN (CCB) NO. 25-30

The purpose of this Child Care Bulletin (CCB) is to provide an overview of the newly ratified Memorandum of Understanding (MOU) between California Department of Social Services (CDSS) and Child Care Providers United (CCPU).



JENNIFER TROIA
DIRECTOR

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DEPARTMENT OF SOCIAL SERVICES
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CHILD CARE BULLETIN (CCB) NO. 25-30

GUIDANCE TYPE: INFORMATIVE

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY CHILD CARE COORDINATORS
ALL CHILD CARE AND DEVELOPMENT CONTRACTORS

SUBJECT: MEMORANDUM OF UNDERSTANDING (MOU) OVERVIEW

APPLICABLE PROGRAMS: CALIFORNIA ALTERNATIVE PAYMENT PROGRAMS (CAPP)
MIGRANT ALTERNATIVE PAYMENT PROGRAMS (CMAP)
CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS (CALWORKS) STAGES ONE, TWO (C2AP), AND THREE (C3AP)
THE EMERGENCY CHILD CARE BRIDGE PROGRAM FOR FOSTER CHILDREN (BRIDGE PROGRAM)
GENERAL CHILD CARE AND DEVELOPMENT PROGRAMS (CCTR)
FAMILY CHILD CARE HOME EDUCATION NETWORKS (CFCC)
MIGRANT CHILD CARE AND DEVELOPMENT PROGRAMS (CMIG)
CHILD CARE AND DEVELOPMENT PROGRAMS FOR CHILDREN WITH SPECIAL NEEDS (CHAN)

REFERENCE: [AGREEMENT BETWEEN THE STATE OF CA AND CCPU;](#)
[WELFARE AND INSTITUTIONS CODE SECTION 10420;](#)
[LEGISLATIVE SUMMARY OF TENTATIVE AGREEMENT WITH CCPU; SENATE BILL 151 \(CHAPTER 108, STATUTES OF 2025\);](#)
[REIMBURSEMENT BASED ON ENROLLMENT AND MAXIMUM AUTHORIZED NEED \(CCB 25-24\);](#)
[TECHNOLOGY AND SYSTEMS IMPROVEMENTS NOTICING AND PROVIDER INFORMATION PACKET DISTRIBUTION \(CCB 25-32\)](#)

Purpose

The purpose of this Child Care Bulletin (CCB) is to provide an overview to counties and child care and development contractors of provisions that may affect program operations, contractor responsibilities, and provider communications in the Agreement between the State of California and Child Care Providers United (CCPU) that was ratified on September 22, 2025.

Background

On August 7, 2025, the State and CCPU reached a Tentative Agreement and on September 22, 2025, the Tentative Agreement was ratified, resulting in a new Memorandum of Understanding (MOU) between the State and CCPU. The new MOU is in effect from the date of ratification until July 1, 2028.

Guidance

Contractors are responsible for reviewing the new provisions and ensuring compliance with any requirements that impact their operations. Furthermore, contractors and counties should be prepared to adjust their operations and communications with providers as needed.

Key updates in the agreement are as follows:

- **Rates and Incentives**

Rates

The current rates based on the Standard Reimbursement Rate (SRR) or the Regional Market Rate (RMR) ceilings set at the 75th percentile of the 2018 RMR survey as established effective January 1, 2022, or the RMR ceilings that existed in that region on December 31, 2021, whichever is greater, shall continue as set forth in the previous agreement.

Cost of Care Plus Rate

Family child care providers will continue to receive a Cost of Care Plus monthly rate per child enrolled in subsidized care. Effective January 1, 2026, increased per-child Cost of Care Plus monthly rate amounts will apply for different regions, both for licensed family child care and license-exempt providers. In addition, providers who were paid based on April 2025 enrollments will receive a one-time payment.

One-Time Stabilization Payments

Family child care providers who were paid based on April 2025 enrollments will receive a one-time, per-child stabilization payment. Providers shall receive this payment no later than January 1, 2026.

Single Rate Structure and Alternative Methodology

The MOU formalizes steps towards a unified single rate structure. The State and CCPU will convene a Joint Labor Management Committee (JLMC), which will

convene no less than once per month to strive to develop joint recommendations for a single reimbursement rate structure ("Single Rate Structure"). No later than November 30, 2025, the JLMC will submit its joint recommendations to the Director of the Department of Social Services for consideration in collaboration with the Department of Education. If the JLMC is unable to arrive at joint recommendations by November 30, 2025, the recommendations of each respective party will be submitted to the Director in lieu of the aforementioned joint recommendations.

The Single Rate Structure will vary based on geography, child age, type of care setting, regulatory requirements applicable to each type of care setting, and time categories, such as full or part-time, in accordance with subdivision (l) of section 10227.6 of the Welfare and Institutions Code.

Reimbursement Based on Certified Need

Providers participating in the California Alternative Payment (CAPP) or the Migrant Alternative Payment Programs (CMAP), in the Emergency Child Care Bridge Program for Foster Children, in the CalWORKs child care stages (CalWORKs Stage One, C2AP, C3AP), including license-exempt providers, or those in a family child care home education network, will continue to be reimbursed based on the families' certified need (authorized hours) rather than attendance through June 30, 2026. For further information please reference [CCB 25-24](#).

Economic Reopener

The parties agreed to reopen Article 7 (Rates & Incentives) and other economic related provisions of the agreement if the Legislature makes increased appropriations for child care subsidy reimbursement rates. This provision ensures that the State and CCPU may re-negotiate rates and related funding if additional legislative funding becomes available during the term agreement.

- **Other Economics Provisions**

Retirement Benefit Trust

The agreement continues support for the CCPU Retirement Benefit Trust, including ensuring licensed providers, who become and remain licensed, have service time recognized. The CCPU must provide the State an annual report detailing how funds are being distributed. There is also a mechanism to restore the balance to \$80 million if certain criteria are met.

Health Benefit Trust

The Health Benefits Trust remains in place, providing premium and out-of-pocket healthcare assistance to providers enrolled through various health insurance mechanisms (Covered CA, Medi-Cal, etc.). The CCPU must provide the State with an annual report. The State will contribute up to \$100 million per year with the amount adjusted based on participation levels.

Training

The agreement prioritizes access to professional training and development opportunities to strengthen the child care workforce. Beginning July 1, 2025, the

State will make contributions to the CCPU Training Fund to restore its balance to \$15 million each year (if below that level). This contribution will be contingent on the details of the annual report from CCPU.

- **Miscellaneous**

CCPU Information Packets

Contractors and subcontractors must provide written materials as supplied by CCPU to all current and new family child care providers. Contractors, subcontractors, or any political subdivisions of the state, shall not incur any costs in providing the written materials, and this shall not create change to normal business operations. For further information please reference [CCB 25-32](#).

Technology and System Improvements

When the State determines it has the ability to implement technology and system improvements to existing processes, including utilization of new technology, automation, or new mandatory uniform policies and practices concerning payment and payment reporting procedures for state-funded early care and education programs that directly impact providers, the State will provide written notice to CCPU and an opportunity to meet and confer over the impacts prior to implementing the improvements (for instance, in payment reporting or automation changes). For further information please refer to [CCB 25-32](#).

- Terms of the Agreement

The duration of the agreement is from September 22, 2025, which was the date of full ratification, until July 1, 2028.

Contractors are encouraged to share this information with family child care providers, review and update internal policies where necessary, and maintain accurate records to demonstrate compliance. Additional guidance will be provided.

If you have any questions or need additional guidance regarding the information in this letter, contact the Child Care Development Division at CCPB@dss.ca.gov

Sincerely,

Original Document Signed By

LUPE JAIME-MILEHAM, EdD
Deputy Director
Child Care and Development Division