



STABILIZING CHILDCARE PROVIDERS *AND* INCREASING ACCESS TO CHILDCARE

AUGUST 13, 2020



Returning to a thriving, robust economy requires a stable childcare network available for parents in order to return to the workforce confidently, knowing that their children are being cared for safely. Childcare is an essential component of our workforce infrastructure and without reliable and affordable childcare options, parents will not be able to return to work when the pandemic subsides.

Today's plan will assist in maintaining the Arizona childcare network, with the goal of all 2,800 licensed and certified childcare providers being able to safely reopen their doors to serve Arizona's families. Additional federal funds are available for this purpose.

In July 2020, only 45% of the 2,770 Department of Health Services (DHS)-licensed providers and Department of Economic Security (DES)-Certified Family ChildCare providers were able to remain open, mostly serving the children of first responders, healthcare providers, and other essential personnel. Recovery from the Coronavirus pandemic in Arizona requires that high quality childcare is available for every family who needs it. That is why the State is making additional investments in our childcare infrastructure:

Programs Funded

- Childcare COVID-19 Grant Program (\$47M)
- Arizona Enrichment Centers Program (\$24M)
- Increase Paid Absences (\$7M)
- Childcare Reserve (\$10M)

Childcare COVID-19 Grant Program (\$47M)

The Childcare COVID-19 Grant Program supports the reopening of childcare providers across the state, focusing on program stability and widespread access to high quality childcare. The funds from this grant program may cover salaries and benefits for employees, DHS licensing fees, liability insurance, tuition and registration relief for families, lease or mortgage payments, utilities, cleaning supplies, classroom materials and supplies, and additional needs required by CDC and DHS guidelines.

Providers would receive a base award of \$300 per child enrolled in at least one day of care in January 2020. Using a pre-pandemic census grants certainty for childcare providers to budget and staff up for safely reopening.

Further, providers could qualify for \$1,000 incentive payments if they are located outside of Maricopa and Pima Counties and also qualify for \$1,000 if they participate in the Quality First Program or a DES-recognized accreditation program. An additional \$50 incentive payment per child is available if a provider agrees to become contracted with DES (which is required to serve children involved in the DCS system).



Arizona Enrichment Centers Program (AECP) (\$24M)

The Governor has partnered with 546 providers across the state to provide priority childcare services and scholarships for first responders, healthcare workers, and other essential personnel during the COVID-19 public health emergency.

Qualifying households must have a combined income of \$65,000 or less. DES pays the scholarships directly to the child care provider and is, on average, \$925 per child per month. Additionally, DES has reimbursed DHS for costs related to partnerships with the Boys and Girls Club and YMCA for services



Increase Paid Absences (\$7M)

For working and foster families receiving a childcare subsidy, DES currently pays childcare providers based on daily care for children at both the full-day and half-day rates. DES also pays for a child to have two absences a month. Because of the risks of the Coronavirus and the need for parents to keep home their children if they show signs of illness, this plan increases the allowance by three days, totaling five absences a month per child. This policy change will help prevent the potential spread of COVID-19.



Childcare Reserve (\$10M)

To maintain flexibility in the face of economic uncertainty, this plan reserves \$10M to address any childcare subsidy waitlist that might develop in the fall due to the current economic climate and address other unforeseen childcare providers' needs that might arise.





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