



DEPARTMENT OF ECONOMIC SECURITY
Your Partner For A Stronger Arizona

Katie Hobbs
Governor

Angie Rodgers
Director

September 14, 2023

The Honorable Warren Petersen
President, Arizona Senate
1700 West Washington Street
Phoenix, Arizona 85007

The Honorable Ben Toma
Speaker, Arizona House of Representatives
1700 West Washington Street
Phoenix, Arizona 85007

Dear President Petersen and Speaker Toma:

The Arizona Department of Economic Security (ADES/Department) is reporting the status of the Child Care and Development Block Grant (CCDBG) monies provided by (a) the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), (b) the Consolidated Appropriations Act, 2021, and (c) the American Rescue Plan Act of 2021 (ARPA), as required by Laws 2023, Chapter 133, Section 29.

As required by law, this report includes the following components:

- A. Specified CCDBG expenditures to present day, organized by expenditure category.
- B. Specified CCDBG expenditures to present day, organized by originating federal legislation.
- C. The number of children served on average each month using CCDBG monies appropriated by the specified federal legislation.
- D. The Department's average monthly child care reimbursement rates for the entire program.
- E. The number of child care settings with a quality rating.

Background

The CCDBG and the Child Care and Development Fund (CCDF)

Per the [U.S. Department of Health & Human Services' Administration for Children & Families](#), the CCDBG was first established under the CCDBG Act of 1990. In this document, CCDBG will be used in reference to the authorizing statute while CCDF will be used to describe the funds themselves.

A & B. Specified CCDF expenditures to present day, organized by expenditure category and originating federal legislation.

CARES Act Programs and Initiatives	Year to Date (YTD)*	Planned*
Arizona Enrichment Centers Scholarships	\$17.1	\$17.1

Arizona Enrichment Centers Supplies	\$0.02	\$0.02
YMCA/Boys & Girls Club Contracts	\$3.5	\$3.5
COVID-19 Provider Training	\$0.04	\$0.04
Child Care COVID-19 Grant Program	\$35.6	\$35.6
Essential Workers Child Care Relief Scholarship Program	\$22.9	\$22.9
Child Care Workforce Retention and Recruitment Grant	\$8.9	\$8.9
Total	\$88.0	\$88.0

**Dollars in millions.*

Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA)/ARPA Discretionary Programs and Initiatives¹	YTD*	Planned*
Expanding Access to Child Care		
ADES Rate Increase to Hybrid 75th Percentile of the 2018/2022 Market Rate Survey, Implement Daily Rate, and Maintain Waitlist Suspension (November 2022 - June 2024)	\$125.5	\$210.9
ADCS Rate Increase to Hybrid 75th Percentile of the 2018/2022 Market Rate Survey and Implement Daily Rate (November 2022 - June 2024)	\$0.0	\$0.0
ADCS Family and Caregiver Child Care Registration Fee Payment (June 2023 - July 2023)	\$3.3	\$3.3
Expand Quality First (QF) Scholarships (September 2022 - June 2024)	\$11.8	\$55.5
NEW Arizona Education Workforce Scholarship Program (April 2023-June 2024)	\$3.6	\$7.5
Completed YMCA Summer Programming (July 2021 - December 2021)	\$3.5	\$3.5
Completed Child Care for Returning Workers (June 2021 - December 2021)	\$1.4	\$1.4
Completed Essential Workers Child Care Relief Program ² (December 2020 - September 2021)	\$12.3	\$12.3
Investments in Quality Systems		
Early Childhood Educator Apprenticeship Program (January 2023-June 2024)	\$1.4	\$6.6
Professional Development Strategies (January 2023-June 2024)	\$0.0	\$4.3

Enhanced QF Provider Incentives (Jan 2023-September 2023)	\$26.1	\$28.0
Child Care Health Consultation Pilot (January 2023-June 2024)	\$0.0	\$0.3
Completed Market Rate Survey (MRS) Incentive Payment (April 2022)	\$0.8	\$0.8
Connecting Data to State Systems (January 2022-June 2024)	\$2.1	\$2.5
Increased Enhanced Quality Reimbursement Rate (October 2021-June 2024)	\$40.7	\$48.3
Establish Quality for School-Age Programs (August 2021-June 2024)	\$0.1	\$0.4
Early Childhood Education (ECE) Data & Financing Strategic Planning and Fiscal Mapping (August 2021-June 2024)	\$1.2	\$1.3
Arizona Child Care Infrastructure Plan Evaluation (September 2021-September 2024)	\$0.1	\$0.7
Expand First Things First (FTF) QF Program & Early Childhood Mental Health Consultation (July 2021-June 2024)	\$14.3	\$33.8
Administration Infrastructure (July 2021-June 2024)	\$2.0	\$10.7
Reduce Department of Health Services (DHS) Provider Licensing Fees (July 2021-June 2024)	\$6.9	\$12.0
Completed DHS Licensing Modernization (July 2021-July 2022)	\$1.0	\$1.0
Child Care Network Stabilization		
Child Care Stabilization Grant Program Continued ³ (August 2021-June 2023)	\$6.1	\$5.3
FTF Expanded Child Care Infrastructure Grant (January 2023-September 2023)	\$0.0	\$35.0
*NEW*Arizona Child Care Assistance Provider Grant (October 2023-June 2024)	\$0.0	\$45.5
Educational Supports		
Arizona Department of Education (ADE) High Quality Early Learning (HQEL) Grants (May 2022-June 2024)	\$38.7	\$66.9

Higher Education Child Care Project (September 2021-June 2024)	\$1.8	\$9.1
Accelerate Early Childhood Literacy, Administrative Supports (August 2021-September 2024)	\$6.8	\$11.9
Expand Imagination Library (August 2021-September 2024)	\$1.4	\$2.7
Funding To Be Reallocated		
	\$0.0	\$0.0
Total	\$312.9	\$621.5

**Dollars in millions; YTD figures include expenses through July 31st, 2023.*

- 1. The initiatives outlined in this table will be supported with both CRRSA and ARPA Discretionary funds; due to the different obligation and liquidation time frames, these initiatives will first be charged to CRRSA to fully expend that fund source before utilizing ARPA Discretionary funds.*
- 2. The Essential Workers Child Care Relief Program was funded by both CARES and CRRSA funds.*
- 3. The Child Care Stabilization Grant Program was funded by ARPA Discretionary, CRRSA, and ARPA Stabilization; the oddity of the YTD figure being larger than the Total figure is due to the CRRSA and ARPA Stabilization grants still being in their liquidation periods and the Department continuing to move expenditures around to maximize fund usage/minimize fund reversion.*

ARPA Stabilization Programs and Initiatives	YTD*	Planned*
Child Care Network Stabilization		
Child Care Stabilization Grant Program (August 2021-June 2023)	\$565.6	\$566.4
Arizona Child Care Infrastructure Grants (September 2022-September 2023)	\$9.4	\$30.0
Total	\$575.0	\$596.4

**Dollars in millions; YTD figures include expenses through July 31st, 2023.*

C., D. & E. Number of children supported by these monies, the average monthly child care reimbursement rates, and the number of child care settings with a quality rating.

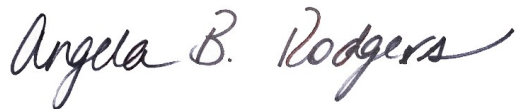
The table below outlines the average number of children served monthly as well as the average monthly reimbursement rate for the applicable initiatives. These numbers reflect figures outlined in either the most recently available cash report or the cash report for the associated timeframe of programs and initiatives that have concluded. As of June 30, 2023, there are currently 813 child care settings achieving high quality, defined as child care settings that have a 3, 4, or 5 star First Things First Quality First rating or who are nationally accredited.

Programs and Initiatives	Average Monthly Children Served	Average Monthly Rate¹
Arizona Enrichment Centers Scholarships (ended August 2020)	3,989	\$856.91
Essential Workers Child Care Relief Scholarship Program (ended September 2021)	5,805	\$676.32
Child Care for Returning Workers (ended December 2021)	420	\$562.76
Arizona Education Workforce Scholarship Program (April 2023 through June 2024) ²	1,256	\$1,033.68
Continued Waitlist Suspension	18,159 ³	\$1,065.56 ⁴
Entire Program ⁵	26,450	\$1,060.72

1. *These average monthly rates include the Enhanced Quality Reimbursement Rate.*
2. *The Arizona Education Workforce Scholarship Program figures include the average children served for service months April 2023 through June 2023.*
3. *This includes data from service months March 2023 through June 2023 for the low-income working eligibility group exclusively.*
4. *These average monthly rates only include data from service months April 2023 through June 2023 to reflect only months where the April 2023 rate increase was fully in effect.*
5. *The entire program figures include standard ADES children and ADCS children served for service months March 2023 through June 2023.*

If you have any questions, please contact Kathy Ber, Public Affairs Director at (602) 542-4669 or Kber@azdes.gov.

Sincerely,



Angie Rodgers
Director

cc: The Honorable David Livingston, Chair, House Appropriations Committee
The Honorable John Kavanagh, Chair, Senate Appropriations Committee
Members of the Joint Legislative Budget Committee
Richard Stavneak, Director, Joint Legislative Budget Committee
Sarah Brown, Director, Office of Strategic Planning and Budgeting
Holly Henley, Director, Arizona State Library, Archives, and Public Records