



ARIZONA DEPARTMENT OF ECONOMIC SECURITY

1717 W. Jefferson • P.O. Box 6123 • Phoenix, AZ 85005

Janet Napolitano
Governor

Tracy L. Wareing
Director

OCT 2 2006

The Honorable Robert Burns
Chairman
Joint Legislative Budget Committee
Arizona State Senate
1700 West Washington
Phoenix, Arizona 85007

Dear Senator Burns:

The Department is submitting the Child Care Report as required by A.R.S. § 46-810.

If you have any questions, please contact Connie Shorr, Program Administrator for the Child Care Administration, at (602) 542-1958 or me at (602) 542-5678.

Sincerely,

A handwritten signature in black ink that reads "Tracy L. Wareing".

Tracy L. Wareing
Director

Enclosure

cc: Gary Yaquinto, Director, Office of Strategic Planning & Budgeting
Richard Stavneak, Director, Joint Legislative Budget Committee



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The Honorable Tom Boone
Vice Chairman
Joint Legislative Budget Committee
Arizona House of Representatives
1700 West Washington
Phoenix, Arizona 85007

Dear Representative Boone:

The Department is submitting the Child Care Report as required by A.R.S. § 46-810.

If you have any questions, please contact Connie Shorr, Program Administrator for the Child Care Administration, at (602) 542-1958 or me at (602) 542-5678.

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**ANNUAL JLBC CHILD CARE REPORT
SFY 2006
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ANNUAL JLBC CHILD CARE REPORT

Pursuant to A.R.S. § 46-810, the annual report for members of the Joint Legislative Budget Committee is provided. The information reflects statewide data for state fiscal year 2006, and provides comparative information from state fiscal year (FY) 2005.

1. **The number of families served and total number of children served by each of the child care programs administered by the Department of Economic Security.**

In state fiscal year 2006, the total number of children served on an average monthly basis was 44,538 and the total number of families served in all programs on an average monthly basis was 24,165 (see Table 1). This is a 3.3% increase in terms of children and a 3.6% increase in terms of families over FY 2005.

Note: The average number “served” (paid for) was approximately 86.4% of the number authorized for service in FY 2006.

2. **The total number of dollars spent on child care for each of the child care programs administered by the Department of Economic Security.**

In FY 2006, the estimated¹ total number of subsidy dollars spent for the Department’s child care programs was \$165,339,198 (see Table 1). This is a 5.4% increase over FY 2005 spending, which was \$156,927,016. These figures do not include operating expenditures and quality expenditures.

3. **The number of recipients eligible for Transitional Medical and Child Care benefits.**

All Transitional Medical Assistance eligible recipients are enrolled in AHCCCS. As of June 2006 there were a total of 43,831 children eligible and receiving Transitional Medical benefits.

As of July 10, 2006, there were 10,737 children eligible for Transitional Child Care. Based on FY 2006 data, on average 87.2% of the authorized Transitional Child Care children actually utilized child care assistance at any given point each month.

4. **The number of recipients who accept Transitional Medical and Child Care benefits specifying how many recipients have received these services for less than twelve months and those who have received these services for more than twelve months.**

In June 2006 the number of recipients of Transitional Medical Assistance eligible in months 1-12 was 43,831, a 1.7% increase compared to June 2005 figures (see Table 2). In October 2002 a federal waiver expired and as a result Transitional Medical Assistance in months 13-24 is no longer paid for that group.

¹ Based on information from the Arizona Child Care Automated Tracking System report, a cash basis report intended for use as a management tool report only and is not intended for use as a financial report.

As of June 2006 there were 8,880 children, 5,315 for months 1-12, and 3,565 for months 13-24, receiving Transitional Child Care (TCC). This is a 12.3% decrease from FY 2005. Table 2 shows the number utilizing service throughout the year. The average monthly number of children receiving TCC in FY 2006 decreased by approximately 3.7% compared to FY 2005. The decreases were largely the result of Department efforts to help families receiving Cash Assistance secure employment in an expeditious manner, which not only helped to reduce the TANF Cash Assistance child care caseload but also served to reduce the TCC caseloads.

5. **The number of applicants waiting for services under the state child care subsidy and federal child care programs for working families.**

A waiting list was not necessary in FY 2006.

6. **Co-payment levels for each of the child care programs administered by the Department of Economic Security.**

Child care assistance is a key component in helping families achieve and maintain self-sufficiency. It not only supports families in their transition off of Cash Assistance but also is a vital service to those who, without childcare, would potentially need to apply for Cash Assistance. Child care must be affordable to meet a family's needs.

Both federal Child Care Development Fund (CCDF) regulations and Arizona statute require Arizona to develop a sliding fee scale, which will maintain child care cost sharing between the state and families.

Laws 2005, Chapter 328 required that co-payments be imposed for all children (in non-mandatory categories including low income working, teen parent in high school and special circumstances, but not CPS referred families) receiving child care assistance.

The child care co-payment required of DES eligible parents must be reasonable and affordable, and enable poor and moderate income families access to good-quality child care. For families at lower income levels the percentage of family income available for child care is smaller for each incrementally lower income level, since they must spend an increasingly high percentage of family income on necessities such as rent, utilities, food and clothing.

The DES sliding fee scale (see Table 3) effective July 1, 2005 consists of six fee levels, wherein parents are required to pay between \$1 and \$10 per day for the first child, and a lesser DES required daily co-payment for additional children in the family for the first through the third child in child care. There was no minimum required co-pay for the 4th (or more) child in care.

Effective October 1, 2005 A.R.S. § 46-803 (see Table 4) required the Child Care Administration to assign co-payments to the fourth through the sixth child per family in the non-mandatory categories. Families eligible for child care in the mandatory categories including TANF Cash Assistance employed, Jobs referrals, Transitional Child Care, and CPS child care; are not be affected.

In addition, families must pay any difference in cost between the maximum that the Department pays and the amount the child care provider actually charges.

7. **The amount of co-payment money collected for each of the child care programs administered by the Department of Economic Security.**

In FY 2006, the total amount of DES required co-payment collected for all programs was \$14.3 million. In FY 2005, the total required co-payment collected was \$13.1 million (see Table 1). This represents an increase of 9.2%. The increase is attributable to the overall increase in the number of children served, and a shift toward children from mandated service eligibility categories that do not require co-payments. As noted in the previous section, in addition to the required co-payments, families must pay any difference in cost between the maximum that the Department pays and the amount the child care provider actually charges.

8. **The total number of payments to relatives for child care and the number of children served.**

In FY 2006, 9,535 children received child care assistance for care received from relatives, which is a 4.8% decrease in the number of children from FY 2005. The total dollars reimbursed for relative care in FY 2006 was \$9,562,960. This amount represents an 8.8% decrease from FY 2005.

9. **Any changes in payment rate schedules and maximum provider rates from the previous fiscal year and the reason for those changes.**

Eligibility for child care services continues to be set at 165% of the federal poverty level (FPL) as specified in A.R.S. § 46-803. No changes were made to the rate schedule in FY 2006 other than an adjustment to reflect the new FPL guidelines (see Table 3).

Maximum payment rates for child care providers through FY 2006 continue to be based on the 75th percentile of the 1998 market rate survey (see Table 5).

10. **The number of families providing child care as a work activity in order to meet the Federal Work Participation Rates established pursuant to Public Law 104-93.**

Public Law 104-193 identifies twelve activities as allowable “work activities” in reference to individuals receiving Temporary Assistance to Needy Families (TANF) Cash Assistance, including number 12, “the provision of child care services to an individual who is participating in a community service program.” This activity is distinguished from *unsubsidized employment* as an allowable work activity in the law, and refers to the provision of child care services by Cash Assistance recipients to other Cash Assistance recipients as an unpaid work activity, solely for the purpose of meeting the work participation rate. A.R.S. § 46-101.24 does *not* include this as a countable work activity, and, therefore the Department does not promote or track the provision of unpaid child care services by Cash Assistance recipients for the children of other Cash Assistance recipients for the purpose of meeting the work participation rate.

The rationale for not using this unpaid child care activity is described below:

- 1) Encouraging the use of untrained and uncompensated Cash Assistance recipients as child care providers could place the safety of children in jeopardy, and the Department in a position of liability for any resultant harm or injury.
- 2) Arizona operates a parental choice model with respect to the child care assistance program (in accordance with Child Care & Development Fund regulations). Requiring Cash Assistance recipients to utilize other Cash Assistance recipients in the provision of child care services would be inconsistent with the parental choice requirement which requires that the parent be allowed to select between different provider types.
- 3) Cash Assistance recipients who are not trained or compensated for the provision of child care services are not increasing their potential to become gainfully employed. Further, Cash Assistance recipients who express the interest and aptitude to pursue employment in the child care field should be encouraged to pursue short term child care training through the “Child Care Professional Training Program” (CCPT). The Department contracts with community-based agencies and community colleges throughout Arizona to deliver the 60-hour child care orientation and training curriculum. Upon completion of the CCPT course, the Cash Assistance recipient will be better prepared to pursue employment with child care facilities, Head Start programs, or become self-employed as a DES certified family child care provider. Cash Assistance recipients who are trained and compensated for the provision of child care services would be represented in the “unsubsidized employment” category.
- 4) Developing and managing a process to track the hours of unpaid child care activities would be administratively burdensome at best; it is doubtful whether the benefits of this proposition would outweigh the costs since the activity would not lead to gainful employment and would not assist the Cash Assistance recipient in becoming self sufficient.

TABLE 1

FAMILIES AND CHILDREN SERVED AND TOTAL PAYMENTS BY CHILD CARE PROGRAM
(State Fiscal Year 2006)

Child Care Program	Families Served ⁽¹⁾	Children Served ⁽¹⁾	Expenditures ⁽²⁾	Copayment Collected ⁽²⁾
<i>TANF Cash Assistance Related</i>				
<i>Employed Child Care</i>	947	1,874	\$ 7,061,024	\$ -
<i>JOBS Child Care</i>	1,754	3,280	\$ 11,656,894	\$ -
<i>Transitional Child Care</i>	2,883	5,630	\$ 20,912,970	\$ 1,931,492
<i>Transitional Child Care Extension</i>	1,894	3,834	\$ 14,122,959	\$ 1,560,569
<i>Low Income Working</i>	12,898	23,431	\$ 83,641,273	\$ 10,672,495
<i>Special Circumstances</i>				
<i>Child Protective Services</i>	3,205	5,598	\$ 24,693,844	\$ -
<i>Others</i>	584	891	\$ 3,250,234	\$ 180,467
Totals	24,165	44,538	\$ 165,339,198	\$ 14,345,023

Notes:

(1) Monthly Average

(2) Annual Total

TABLE 2

**TRANSITIONAL MEDICAL ASSISTANCE (TMA) & TRANSITIONAL CHILD CARE (TCC)
State Fiscal Year 2006**

FY 2006 Month	TMA 01 - 12 Months ⁽¹⁾	TMA 13 - 24 Months ^(1,3)	TCC 1 - 12 Months ⁽²⁾	TCC 13 - 24 Months ⁽²⁾
July	42,421	-	5,752	3,987
August	43,965	-	5,882	4,051
September	44,844	-	5,632	3,849
October	46,471	-	5,619	3,783
November	47,955	-	5,746	3,899
December	47,217	-	5,630	3,830
January	48,424	-	5,582	3,780
February	48,249	-	5,428	3,861
March	48,090	-	5,608	3,812
April	46,083	-	5,686	3,823
May	45,004	-	5,678	3,765
June	43,831	-	5,315	3,565

Notes:

(1) TMA eligibility recipients are all enrolled in AHCCCS

(2) TCC is the number of children served (utilization estimated at 87.4% of the number eligible)

(3) In October 2002 a DHHS waiver that had been granted to Arizona expired. As a result of the expiration of this waiver, TMA was no longer available to families beyond 12 months after Cash Assistance case closure.

TABLE 3

**ARIZONA DEPARTMENT OF ECONOMIC SECURITY
CHILD CARE ASSISTANCE GROSS MONTHLY INCOME ELIGIBILITY CHART AND FEE SCHEDULE
EFFECTIVE JULY 1, 2005**

Family Size ↓	Priority Group 1		Priority Group 2			
	FEE LEVEL 1 (L1) INCOME MAXIMUM EQUAL TO OR LESS THAN 85% FPL*	FEE LEVEL 2 (L2) INCOME MAXIMUM EQUAL TO OR LESS THAN 100% FPL*	FEE LEVEL 3 (L3) INCOME MAXIMUM EQUAL TO OR LESS THAN 135% FPL*	FEE LEVEL 4 (L4) INCOME MAXIMUM EQUAL TO OR LESS THAN 145% FPL*	FEE LEVEL 5 (L5) INCOME MAXIMUM EQUAL TO OR LESS THAN 155% FPL*	FEE LEVEL 6 (L6) INCOME MAXIMUM EQUAL TO OR LESS THAN 165% FPL*
1	0 – 679	680 – 798	799 – 1,078	1,079 – 1,158	1,159 – 1,237	1,238 – 1,317
2	0 – 910	911 – 1,070	1,071 – 1,445	1,446 – 1,552	1,553 – 1,659	1,660 – 1,766
3	0 – 1,140	1,141 – 1,341	1,342 – 1,811	1,812 – 1,945	1,946 – 2,079	2,080 – 2,213
4	0 – 1,372	1,373 – 1,613	1,614 – 2,178	2,179 – 2,339	2,340 – 2,501	2,502 – 2,662
5	0 – 1,603	1,604 – 1,885	1,886 – 2,545	2,546 – 2,734	2,735 – 2,922	2,923 – 3,111
6	0 – 1,833	1,834 – 2,156	2,157 – 2,911	2,912 – 3,127	3,128 – 3,342	3,343 – 3,558
7	0 – 2,064	2,065 – 2,428	2,429 – 3,278	3,279 – 3,521	3,522 – 3,764	3,765 – 4,007
8	0 – 2,295	2,296 – 2,700	2,701 – 3,645	3,646 – 3,915	3,916 – 4,185	4,186 – 4,455
9	0 – 2,526	2,527 – 2,971	2,972 – 4,011	4,012 – 4,308	4,309 – 4,606	4,607 – 4,903
10	0 – 2,757	2,758 – 3,243	3,244 – 4,379	4,380 – 4,703	4,704 – 5,027	5,028 – 5,351
11	0 – 2,988	2,989 – 3,515	3,516 – 4,746	4,747 – 5,097	5,098 – 5,449	5,450 – 5,800
12	0 – 3,219	3,220 – 3,786	3,787 – 5,112	5,113 – 5,490	5,491 – 5,869	5,870 – 6,186**

MINIMUM REQUIRED CO-PAYMENTS

1st child in care	full day = \$1.00 part day = \$.50	full day = \$2.00 part day = \$1.00	full day = \$3.00 part day = \$1.50	full day = \$5.00 part day = \$2.50	full day = \$7.00 part day = \$3.50	full day = \$10.00 part day = \$ 5.00
2nd child in care	full day = \$.50 part day = \$.25	full day = \$1.00 part day = \$.50	full day = \$1.50 part day = \$.75	full day = \$2.50 part day = \$1.25	full day = \$3.50 part day = \$1.75	full day = \$ 5.00 part day = \$ 2.50
3rd child in care	full day = \$.50 part day = \$.25	full day = \$1.00 part day = \$.50	full day = \$1.50 part day = \$.75	full day = \$2.50 part day = \$1.25	full day = \$3.50 part day = \$1.75	full day = \$ 5.00 part day = \$ 2.50

No minimum required co-pay for 4th (or more) child in care. Full day = six or more hours; part day = less than six hours.

Families receiving Child Care Assistance based upon involvement with Child Protective Services/Foster Care, the Jobs Program, the Arizona Works Program or those who are receiving Cash Assistance (CA) and who are employed, may not have an assigned fee level and may not have a minimum required co-payment. However, all families may be responsible for charges above the minimum required co-payments if a provider's rates exceed allowable state reimbursement maximums and/or the provider has other additional charges.

* Federal Poverty Level (FPL) =US DHHS 2005 poverty guidelines.

** This amount is equal to the Federal Child Care & Development Fund statutory limit (for eligibility for child care assistance) of 85% of the state median income.

TABLE 4

ARIZONA DEPARTMENT OF ECONOMIC SECURITY
CHILD CARE ASSISTANCE GROSS MONTHLY INCOME ELIGIBILITY CHART AND FEE SCHEDULE
 EFFECTIVE OCTOBER 1, 2005

Family Size ↓	FEE LEVEL 1 (L1) INCOME MAXIMUM EQUAL TO OR LESS THAN 85% FPL*	FEE LEVEL 2 (L2) INCOME MAXIMUM EQUAL TO OR LESS THAN 100% FPL*	FEE LEVEL 3 (L3) INCOME MAXIMUM EQUAL TO OR LESS THAN 135% FPL*	FEE LEVEL 4 (L4) INCOME MAXIMUM EQUAL TO OR LESS THAN 145% FPL*	FEE LEVEL 5 (L5) INCOME MAXIMUM EQUAL TO OR LESS THAN 155% FPL*	FEE LEVEL 6 (L6) INCOME MAXIMUM EQUAL TO OR LESS THAN 165% FPL*
<u>1</u>	<u>0 – 679</u>	<u>680 – 798</u>	<u>799 – 1,078</u>	<u>1,079 – 1,158</u>	<u>1,159 – 1,237</u>	<u>1,238 – 1,317</u>
<u>2</u>	<u>0 – 910</u>	<u>911 – 1,070</u>	<u>1,071 – 1,445</u>	<u>1,446 – 1,552</u>	<u>1,553 – 1,659</u>	<u>1,660 – 1,766</u>
<u>3</u>	<u>0 – 1,140</u>	<u>1,141 – 1,341</u>	<u>1,342 – 1,811</u>	<u>1,812 – 1,945</u>	<u>1,946 – 2,079</u>	<u>2,080 – 2,213</u>
<u>4</u>	<u>0 – 1,372</u>	<u>1,373 – 1,613</u>	<u>1,614 – 2,178</u>	<u>2,179 – 2,339</u>	<u>2,340 – 2,501</u>	<u>2,502 – 2,662</u>
<u>5</u>	<u>0 – 1,603</u>	<u>1,604 – 1,885</u>	<u>1,886 – 2,545</u>	<u>2,546 – 2,734</u>	<u>2,735 – 2,922</u>	<u>2,923 – 3,111</u>
<u>6</u>	<u>0 – 1,833</u>	<u>1,834 – 2,156</u>	<u>2,157 – 2,911</u>	<u>2,912 – 3,127</u>	<u>3,128 – 3,342</u>	<u>3,343 – 3,558</u>
<u>7</u>	<u>0 – 2,064</u>	<u>2,065 – 2,428</u>	<u>2,429 – 3,278</u>	<u>3,279 – 3,521</u>	<u>3,522 – 3,764</u>	<u>3,765 – 4,007</u>
<u>8</u>	<u>0 – 2,295</u>	<u>2,296 – 2,700</u>	<u>2,701 – 3,645</u>	<u>3,646 – 3,915</u>	<u>3,916 – 4,185</u>	<u>4,186 – 4,455</u>
<u>9</u>	<u>0 – 2,526</u>	<u>2,527 – 2,971</u>	<u>2,972 – 4,011</u>	<u>4,012 – 4,308</u>	<u>4,309 – 4,606</u>	<u>4,607 – 4,903</u>
<u>10</u>	<u>0 – 2,757</u>	<u>2,758 – 3,243</u>	<u>3,244 – 4,379</u>	<u>4,380 – 4,703</u>	<u>4,704 – 5,027</u>	<u>5,028 – 5,351</u>
<u>11</u>	<u>0 – 2,988</u>	<u>2,989 – 3,515</u>	<u>3,516 – 4,746</u>	<u>4,747 – 5,097</u>	<u>5,098 – 5,449</u>	<u>5,450 – 5,800</u>
<u>12</u>	<u>0 – 3,219</u>	<u>3,220 – 3,786</u>	<u>3,787 – 5,112</u>	<u>5,113 – 5,490</u>	<u>5,491 – 5,869</u>	<u>5,870 – 6,186**</u>

MINIMUM REQUIRED CO-PAYMENTS

<u>1st child in care</u>	<u>full day =\$1.00</u> <u>part day =\$0.50</u>	<u>full day =\$2.00</u> <u>part day =\$1.00</u>	<u>full day =\$3.00</u> <u>part day =\$1.50</u>	<u>full day =\$5.00</u> <u>part day =\$2.50</u>	<u>full day =\$7.00</u> <u>part day =\$3.50</u>	<u>full day =\$10.00</u> <u>part day =\$5.00</u>
<u>2nd child in care</u>	<u>full day =\$0.50</u> <u>part day =\$0.25</u>	<u>full day =\$1.00</u> <u>part day =\$0.50</u>	<u>full day =\$1.50</u> <u>part day =\$0.75</u>	<u>full day =\$2.50</u> <u>part day =\$1.25</u>	<u>full day =\$3.50</u> <u>part day =\$1.75</u>	<u>full day =\$5.00</u> <u>part day =\$2.50</u>
<u>3rd child in care</u>	<u>full day =\$0.50</u> <u>part day =\$0.25</u>	<u>full day =\$1.00</u> <u>part day =\$0.50</u>	<u>full day =\$1.50</u> <u>part day =\$0.75</u>	<u>full day =\$2.50</u> <u>part day =\$1.25</u>	<u>full day =\$3.50</u> <u>part day =\$1.75</u>	<u>full day =\$5.00</u> <u>part day =\$2.50</u>

For families receiving Transitional Child Care (TCC) there is no co-pay assigned beyond the 3rd child in the family.

<u>4th child in care</u>	<u>full day =\$0.25</u> <u>part day =\$0.10</u>	<u>full day =\$0.50</u> <u>part day =\$0.25</u>	<u>full day =\$0.75</u> <u>part day =\$0.35</u>	<u>full day =\$1.25</u> <u>part day =\$0.60</u>	<u>full day =\$1.75</u> <u>part day =\$0.85</u>	<u>full day =\$2.50</u> <u>part day =\$1.25</u>
<u>5th child in care</u>	<u>full day =\$0.25</u> <u>part day =\$0.10</u>	<u>full day =\$0.50</u> <u>part day =\$0.25</u>	<u>full day =\$0.75</u> <u>part day =\$0.35</u>	<u>full day =\$1.25</u> <u>part day =\$0.60</u>	<u>full day =\$1.75</u> <u>part day =\$0.85</u>	<u>full day =\$2.50</u> <u>part day =\$1.25</u>
<u>6th child in care</u>	<u>full day =\$0.25</u> <u>part day =\$0.10</u>	<u>full day =\$0.50</u> <u>part day =\$0.25</u>	<u>full day =\$0.75</u> <u>part day =\$0.35</u>	<u>full day =\$1.25</u> <u>part day =\$0.60</u>	<u>full day =\$1.75</u> <u>part day =\$0.85</u>	<u>full day =\$2.50</u> <u>part day =\$1.25</u>

Full day = six or more hours; part day = less than six hours.

Families receiving Child Care Assistance based upon involvement with Child Protective Services/Foster Care, the Jobs Program, the Arizona Works Program or those who are receiving Cash Assistance (CA) and who are employed, may not have an assigned fee level and may not have a minimum required co-payment. However, all families may be responsible for charges above the minimum required co-payments if a provider's rates exceed allowable state reimbursement maximums and/or the provider has other additional charges.

* Federal Poverty Level (FPL) =US DHHS 2005 poverty guidelines.

** This amount is equal to the Federal Child Care & Development Fund statutory limit (for eligibility for child care assistance) of 85% of the state median income.

TABLE 5

**ARIZONA DEPARTMENT OF ECONOMIC SECURITY
DIVISION OF EMPLOYMENT & REHABILITATION SERVICES
CHILD CARE ADMINISTRATION**

**MAXIMUM REIMBURSEMENT RATES FOR CHILD CARE
(based on 75th percentile of 1998 Child Care Market Rate Survey)**

CENTERS

Age Group	District I	District II	District III	District IV	District V	District VI
Birth < 1 yr:						
Full day	29.00	27.00	22.40	21.00	25.00	32.00
Part day	22.00	19.00	16.00	19.00	25.00	25.00
1 yr < 3 yrs:						
Full day	25.58	24.00	20.00	18.25	25.00	20.80
Part day	19.00	18.16	15.00	16.00	15.00	17.60
3 yrs < 6 yrs:						
Full day	23.20	22.00	18.00	17.00	20.00	17.60
Part day	16.00	16.00	13.02	15.50	12.40	12.20
6 yrs < 13 yrs:						
Full day	22.00	22.00	16.80	17.00	20.00	19.00
Part day	15.00	15.00	12.00	15.00	13.33	13.00

GROUP HOMES

Age Group	District I	District II	District III	District IV	District V	District VI
Birth < 1 yr:						
Full day	20.00	20.00	23.00	18.00	18.00	18.00
Part day	14.00	14.00	23.00	12.00	12.00	14.00
1 yr < 3 yrs:						
Full day	20.00	20.00	22.00	17.50	18.00	18.00
Part day	14.00	15.00	13.00	12.00	11.00	14.00
3 yrs < 6 yrs:						
Full day	20.00	20.00	22.00	16.00	18.00	16.00
Part day	13.00	15.00	13.95	12.00	10.00	14.00
6 yrs < 13 yrs:						
Full day	17.00	20.00	16.00	16.00	18.00	16.00
Part day	12.00	13.00	13.95	11.00	10.00	14.00

CERTIFIED FAMILY HOMES & CERTIFIED IN-HOME PROVIDERS

Age Group	District I	District II	District III	District IV	District V	District VI
Birth < 1 yr:						
Full day	20.00	17.00	17.00	16.00	17.00	16.00
Part day	12.00	10.00	10.00	8.50	10.00	8.00
1 yr < 3 yrs:						
Full day	18.00	17.00	16.00	15.00	16.00	16.00
Part day	12.00	10.00	10.00	8.00	10.00	8.00
3 yrs < 6 yrs:						
Full day	17.00	16.00	16.00	15.00	16.00	15.00
Part day	12.00	10.00	10.00	8.00	9.00	8.00
6 yrs < 13 yrs:						
Full day	16.00	16.00	16.00	15.00	15.00	15.00
Part day	10.00	10.00	9.00	8.00	9.00	8.00

The actual reimbursement amount is equal to the reimbursement rate minus any DES designated co-payment. However, in no event shall the amount reimbursed exceed the lesser of the provider's actual charges or the maximum reimbursement rate minus any DES designated co-payment.

Payment Rates for Non-Certified Relative Providers (NCRPs) will be \$10.50 for Full day and \$6.00 for Part day, minus any DES designated co-payment. This rate will be paid to NCRPs statewide for care provided to children of all ages.

The maximum reimbursement rates may be increased by up to ten percent, for child care providers who are nationally accredited.

Full day = six or more hours per day. Part day = less than six hours per day

46-810. [Department of economic security; child care; report](#)

The department of economic security shall provide the following data by October 1 of each year to the members of the joint legislative budget committee:

1. The number of families served and total number of children served by each of the child care programs administered by the department of economic security.
2. The total number of dollars spent on child care for each of the child care programs administered by the department of economic security.
3. The number of recipients eligible for transitional medical and child care benefits.
4. The number of recipients who accept transitional medical and child care benefits specifying how many recipients have received these services for less than twelve months and those who have received these services for more than twelve months.
5. The number of applicants waiting for services under the state child care subsidy and federal child care programs for working families.
6. Copayment levels for each of the child care programs administered by the department of economic security.
7. The amount of copayment money collected for each of the child care programs administered by the department of economic security.
8. The total number of payments made to relatives for child care and the number of children served.
9. Any changes in the payment rate schedules and maximum provider rates from the previous fiscal year and the reason for those changes.
10. The number of families providing child care as a work activity in order to meet the federal work participation rates established pursuant to Public Law 104-193.



ARIZONA DEPARTMENT OF ECONOMIC SECURITY

1717 W. Jefferson • P.O. Box 6123 • Phoenix, AZ 85005

Janet Napolitano
Governor

Tracy L. Wareing
Director

OCT 2 2006

The Honorable Russell Pearce
Joint Legislative Budget Committee
Arizona House of Representatives
1700 West Washington
Phoenix, Arizona 85007

Dear Representative Pearce:

The Department is submitting the Child Care Report as required by A.R.S. § 46-810.

If you have any questions, please contact Connie Shorr, Program Administrator for the Child Care Administration, at (602) 542-1958 or me at (602) 542-5678.

Sincerely,

Tracy L. Wareing
Director

Enclosure

cc: Gary Yaquinto, Director, Office of Strategic Planning & Budgeting
Richard Stavneak, Director, Joint Legislative Budget Committee



ARIZONA DEPARTMENT OF ECONOMIC SECURITY

1717 W. Jefferson • P.O. Box 6123 • Phoenix, AZ 85005

Janet Napolitano
Governor

Tracy L. Wareing
Director

OCT 2 2006

The Honorable Andy Biggs
Joint Legislative Budget Committee
Arizona House of Representatives
1700 West Washington
Phoenix, Arizona 85007

Dear Representative Biggs:

The Department is submitting the Child Care Report as required by A.R.S. § 46-810.

If you have any questions, please contact Connie Shorr, Program Administrator for the Child Care Administration, at (602) 542-1958 or me at (602) 542-5678.

Sincerely,

Tracy L. Wareing
Director

Enclosure

cc: Gary Yaquinto, Director, Office of Strategic Planning & Budgeting
Richard Stavneak, Director, Joint Legislative Budget Committee



ARIZONA DEPARTMENT OF ECONOMIC SECURITY

1717 W. Jefferson • P.O. Box 6123 • Phoenix, AZ 85005

Janet Napolitano
Governor

Tracy L. Wareing
Director

OCT 2 2006

The Honorable Meg Burton-Cahill
Joint Legislative Budget Committee
Arizona House of Representatives
1700 West Washington
Phoenix, Arizona 85007

Dear Representative Burton-Cahill:

The Department is submitting the Child Care Report as required by A.R.S. § 46-810.

If you have any questions, please contact Connie Shorr, Program Administrator for the Child Care Administration, at (602) 542-1958 or me at (602) 542-5678.

Sincerely,

Tracy L. Wareing
Director

Enclosure

cc: Gary Yaquinto, Director, Office of Strategic Planning & Budgeting
Richard Stavneak, Director, Joint Legislative Budget Committee



ARIZONA DEPARTMENT OF ECONOMIC SECURITY

1717 W. Jefferson • P.O. Box 6123 • Phoenix, AZ 85005

Janet Napolitano
Governor

Tracy L. Wareing
Director

OCT 2 2006

The Honorable Pamela Gorman
Joint Legislative Budget Committee
Arizona House of Representatives
1700 West Washington
Phoenix, Arizona 85007

Dear Representative Gorman:

The Department is submitting the Child Care Report as required by A.R.S. § 46-810.

If you have any questions, please contact Connie Shorr, Program Administrator for the Child Care Administration, at (602) 542-1958 or me at (602) 542-5678.

Sincerely,

A handwritten signature in cursive script that reads "Tracy L. Wareing".

Tracy L. Wareing
Director

Enclosure

cc: Gary Yaquinto, Director, Office of Strategic Planning & Budgeting
Richard Stavneak, Director, Joint Legislative Budget Committee



ARIZONA DEPARTMENT OF ECONOMIC SECURITY

1717 W. Jefferson • P.O. Box 6123 • Phoenix, AZ 85005

Janet Napolitano
Governor

Tracy L. Wareing
Director

OCT 2 2006

The Honorable Steve Huffman
Joint Legislative Budget Committee
Arizona House of Representatives
1700 West Washington
Phoenix, Arizona 85007

Dear Representative Huffman:

The Department is submitting the Child Care Report as required by A.R.S. § 46-810.

If you have any questions, please contact Connie Shorr, Program Administrator for the Child Care Administration, at (602) 542-1958 or me at (602) 542-5678.

Sincerely,

A handwritten signature in black ink that reads "Tracy L. Wareing".

Tracy L. Wareing
Director

Enclosure

cc: Gary Yaquinto, Director, Office of Strategic Planning & Budgeting
Richard Stavneak, Director, Joint Legislative Budget Committee



ARIZONA DEPARTMENT OF ECONOMIC SECURITY

1717 W. Jefferson • P.O. Box 6123 • Phoenix, AZ 85005

Janet Napolitano
Governor

Tracy L. Wareing
Director

OCT 2 2005

The Honorable Linda Lopez
Joint Legislative Budget Committee
Arizona House of Representatives
1700 West Washington
Phoenix, Arizona 85007

Dear Representative Lopez:

The Department is submitting the Child Care Report as required by A.R.S. § 46-810.

If you have any questions, please contact Connie Shorr, Program Administrator for the Child Care Administration, at (602) 542-1958 or me at (602) 542-5678.

Sincerely,

Tracy L. Wareing
Director

Enclosure

cc: Gary Yaquinto, Director, Office of Strategic Planning & Budgeting
Richard Stavneak, Director, Joint Legislative Budget Committee



ARIZONA DEPARTMENT OF ECONOMIC SECURITY

1717 W. Jefferson • P.O. Box 6123 • Phoenix, AZ 85005

Janet Napolitano
Governor

Tracy L. Wareing
Director

OCT 2 2006

The Honorable Stephen Tully
Joint Legislative Budget Committee
Arizona House of Representatives
1700 West Washington
Phoenix, Arizona 85007

Dear Representative Tully:

The Department is submitting the Child Care Report as required by A.R.S. § 46-810.

If you have any questions, please contact Connie Shorr, Program Administrator for the Child Care Administration, at (602) 542-1958 or me at (602) 542-5678.

Sincerely,

A handwritten signature in black ink that reads "Tracy L. Wareing".

Tracy L. Wareing
Director

Enclosure

cc: Gary Yaquinto, Director, Office of Strategic Planning & Budgeting
Richard Stavneak, Director, Joint Legislative Budget Committee



ARIZONA DEPARTMENT OF ECONOMIC SECURITY

1717 W. Jefferson • P.O. Box 6123 • Phoenix, AZ 85005

Janet Napolitano
Governor

Tracy L. Wareing
Director

OCT 2 2006

The Honorable Marsha Arzberger
Joint Legislative Budget Committee
Arizona State Senate
1700 West Washington
Phoenix, Arizona 85007

Dear Senator Arzberger:

The Department is submitting the Child Care Report as required by A.R.S. § 46-810.

If you have any questions, please contact Connie Shorr, Program Administrator for the Child Care Administration, at (602) 542-1958 or me at (602) 542-5678.

Sincerely,

A handwritten signature in black ink that reads "Tracy L. Wareing".

Tracy L. Wareing
Director

Enclosure

cc: Gary Yaquinto, Director, Office of Strategic Planning & Budgeting
Richard Stavneak, Director, Joint Legislative Budget Committee



ARIZONA DEPARTMENT OF ECONOMIC SECURITY

1717 W. Jefferson • P.O. Box 6123 • Phoenix, AZ 85005

Janet Napolitano
Governor

Tracy L. Wareing
Director

OCT 2 2006

The Honorable Timothy Bee
Joint Legislative Budget Committee
Arizona State Senate
1700 West Washington
Phoenix, Arizona 85007

Dear Senator Bee:

The Department is submitting the Child Care Report as required by A.R.S. § 46-810.

If you have any questions, please contact Connie Shorr, Program Administrator for the Child Care Administration, at (602) 542-1958 or me at (602) 542-5678.

Sincerely,

Tracy L. Wareing
Director

Enclosure

cc: Gary Yaquinto, Director, Office of Strategic Planning & Budgeting
Richard Stavneak, Director, Joint Legislative Budget Committee



ARIZONA DEPARTMENT OF ECONOMIC SECURITY

1717 W. Jefferson • P.O. Box 6123 • Phoenix, AZ 85005

Janet Napolitano
Governor

Tracy L. Wareing
Director

001 2 2003

The Honorable Robert Cannell, M.D.
Joint Legislative Budget Committee
Arizona State Senate
1700 West Washington
Phoenix, Arizona 85007

Dear Senator Cannell:

The Department is submitting the Child Care Report as required by A.R.S. § 46-810.

If you have any questions, please contact Connie Shorr, Program Administrator for the Child Care Administration, at (602) 542-1958 or me at (602) 542-5678.

Sincerely,

Tracy L. Wareing
Director

Enclosure

cc: Gary Yaquinto, Director, Office of Strategic Planning & Budgeting
Richard Stavneak, Director, Joint Legislative Budget Committee



ARIZONA DEPARTMENT OF ECONOMIC SECURITY

1717 W. Jefferson • P.O. Box 6123 • Phoenix, AZ 85005

Janet Napolitano
Governor

Tracy L. Wareing
Director

OCT 2 2006

The Honorable Jorge Luis Garcia
Joint Legislative Budget Committee
Arizona State Senate
1700 West Washington
Phoenix, Arizona 85007

Dear Senator Garcia:

The Department is submitting the Child Care Report as required by A.R.S. § 46-810.

If you have any questions, please contact Connie Shorr, Program Administrator for the Child Care Administration, at (602) 542-1958 or me at (602) 542-5678.

Sincerely,

Tracy L. Wareing
Director

Enclosure

cc: Gary Yaquinto, Director, Office of Strategic Planning & Budgeting
Richard Stavneak, Director, Joint Legislative Budget Committee



ARIZONA DEPARTMENT OF ECONOMIC SECURITY

1717 W. Jefferson • P.O. Box 6123 • Phoenix, AZ 85005

Janet Napolitano
Governor

Tracy L. Wareing
Director

OCT 2 2006

The Honorable Dean Martin
Joint Legislative Budget Committee
Arizona State Senate
1700 West Washington
Phoenix, Arizona 85007

Dear Senator Martin:

The Department is submitting the Child Care Report as required by A.R.S. § 46-810.

If you have any questions, please contact Connie Shorr, Program Administrator for the Child Care Administration, at (602) 542-1958 or me at (602) 542-5678.

Sincerely,

A handwritten signature in black ink that reads "Tracy L. Wareing".

Tracy L. Wareing
Director

Enclosure

cc: Gary Yaquinto, Director, Office of Strategic Planning & Budgeting
Richard Stavneak, Director, Joint Legislative Budget Committee



ARIZONA DEPARTMENT OF ECONOMIC SECURITY

1717 W. Jefferson • P.O. Box 6123 • Phoenix, AZ 85005

Janet Napolitano
Governor

Tracy L. Wareing
Director

OCT 2 2006

The Honorable Jack Harper
Joint Legislative Budget Committee
Arizona State Senate
1700 West Washington
Phoenix, Arizona 85007

Dear Senator Harper:

The Department is submitting the Child Care Report as required by A.R.S. § 46-810.

If you have any questions, please contact Connie Shorr, Program Administrator for the Child Care Administration, at (602) 542-1958 or me at (602) 542-5678.

Sincerely,

A handwritten signature in black ink that reads "Tracy L. Wareing".

Tracy L. Wareing
Director

Enclosure

cc: Gary Yaquinto, Director, Office of Strategic Planning & Budgeting
Richard Stavneak, Director, Joint Legislative Budget Committee



ARIZONA DEPARTMENT OF ECONOMIC SECURITY

1717 W. Jefferson • P.O. Box 6123 • Phoenix, AZ 85005

Janet Napolitano
Governor

Tracy L. Wareing
Director

OCT 2 2008

The Honorable Jim Waring
Joint Legislative Budget Committee
Arizona State Senate
1700 West Washington
Phoenix, Arizona 85007

Dear Senator Waring:

The Department is submitting the Child Care Report as required by A.R.S. § 46-810.

If you have any questions, please contact Connie Shorr, Program Administrator for the Child Care Administration, at (602) 542-1958 or me at (602) 542-5678.

Sincerely,

Tracy L. Wareing
Director

Enclosure

cc: Gary Yaquinto, Director, Office of Strategic Planning & Budgeting
Richard Stavneak, Director, Joint Legislative Budget Committee