Arizona's Child Care Infrastructure Plan

CCDF COVID-19 Relief Funding Implementation (FY 2022-2024)

Supporting the well-being and economic independence of Arizona's families by providing quality child care assistance and services.



Arizona Child Care Recovery Plan

In response to the \$1.3 billion in relief funding, the Division of Child Care partnered with Arizona's early childhood care and education community to launch the **Arizona Child Care Recovery Plan** – more than 30 initiatives across 4 strategic areas through September 2024:

- Expand Access to Care
- Invest in Quality Systems
- Accelerate Educational Support and Early Childhood Literacy
- Stabilize the Child Care Network





Arizona Child Care Recovery Plan

\$338.0 Million	Expand Access to Care	Ensure access to quality child care for low-income working families by providing financial stabilization to support and maintain Arizona's child care network while supporting growth and sustainability.
\$150.6 Million	Invest in Quality Systems	In order to adequately address the current instability of the child care industry and ensure Arizona's families have access to quality child care settings that will best support them and their children, providers must have supports that ensure continued operation and simultaneously address other inequities in the system.
\$90.7 Million	Accelerate Educational Support and Early Childhood Literacy	Support parents in need of child care who are seeking to increase skills to move toward greater self-sufficiency and higher income jobs; and increase the knowledge of early childhood educators and families to strengthen and sustain effective teaching and early childhood literacy practices in communities.
\$726.6 Million	Stabilize the Child Care Network	Focus on stability and ensuring widespread access to quality child care through supports for providers across the state, including: help with operating costs of providers to prevent closures, retaining the early childhood education and child care workforce, and ensuring that Arizona families continue to have access to quality options when choosing child care.



Arizona Enrichment Centers (AEC) Scholarships & Supplies

Completed (3/24/20 - 8/31/20): \$17.1 million; 3.490 families & 5.954 children served, 640 supply requests completed Contracted Partner: None

- Child care scholarships for families with a household income of \$65K or less annually.
- A monthly payment to qualifying AEC child care providers of between \$460 and \$1,155 per child, depending on the age of the child, care type, & the geographic location.
- Ordering and distributing critical, hard-to-obtain supplies to child care providers.



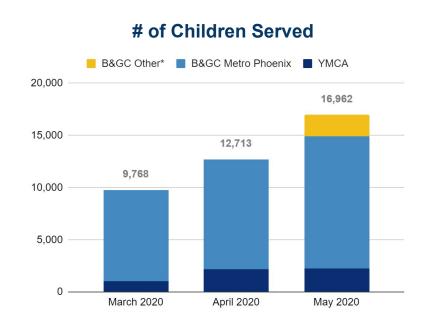
Your Parener For A Stronger Arizona

YMCA/Boys & Girls Club Contracts

Completed (3/16/20 - 5/31/20): \$3.5 million; 13,148 average number of children served per month

Contracted Partner: Arizona Department of Health Services (ADHS), YMCA, Boys & Girls Club

→ ADHS partnered with YMCA and Boys & Girls Club to provide child care services throughout Arizona during school closures at the onset of the COVID-19 pandemic.



*Other includes Tucson, Prescott, Casa Grande, and Flagstaff



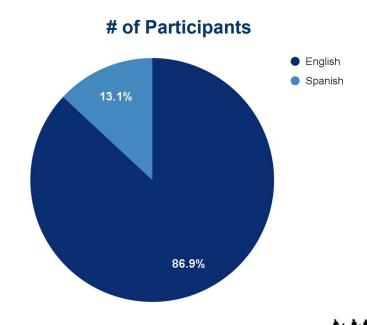
COVID-19 Provider Training

Completed (6/30/20 - 6/30/21): \$44,750;

2,823 participants trained

Contracted Partner: Candelen (formerly Association for Supportive Child Care/ASCC)

- → Provided virtual training, available in English or Spanish, to child care providers to help minimize the risk of COVID-19 in preschools, child care centers, and home-based settings.
- → The training included basic information about COVID-19 guidance when caring for children during the pandemic, and how to help prevent the spread of viruses.



Child Care COVID-19 Grant Program

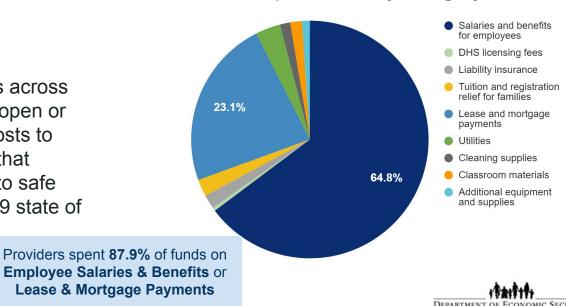
Completed (9/1/20 - 12/31/20): \$35.6

million; 1,809 providers served

Contracted Partner: None

Supported child care providers across the state of Arizona to remain open or reopen, subsidize operating costs to prevent closures, and ensure that Arizona families have access to safe child care during the COVID-19 state of emergency.

Grant Expenditures by Category

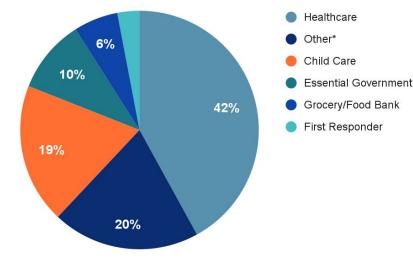


Essential Workers Child Care Relief Scholarship Program

Completed (12/16/20 - 9/30/21): \$35.3 million¹; 7,370 families served, 11,134 children received child care
Contracted Partner: None

- Prioritized support for Arizona's essential workers and child care providers.
- → Child Care scholarships supported essential workers with a household income of \$65K or less annually.

Applications by Job Classification



*Other include jobs in education, the service industry, retail, etc.



Child Care Workforce Retention and Recruitment Grant

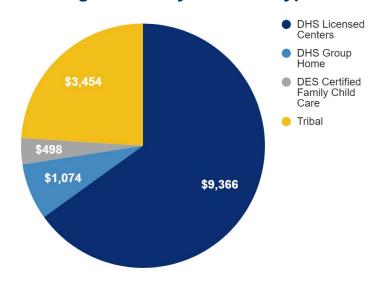
Completed (5/7/21 - 9/30/21): \$8.9 million;

1,194 providers served

Contracted Partner: None

- Provided immediate support to child care providers for hiring qualified staff and retaining existing staff.
- → # of Awards by Provider Type
 - DHS Licensed Centers 921
 - ◆ DHS Group Homes 139
 - DES Certified Family Child Care 129
 - ◆ Tribal 5

Average Award by Provider Type





Arizona Child Care Recovery Plan

Priority: Expand Access to Child Care

Ensure access to quality child care for low-income working families by providing financial stabilization to support and maintain Arizona's child care network while supporting growth and sustainability.



Increase Reimbursement Rates & Maintain Suspension of Waitlist

Planned (7/1/21 - 6/30/24): \$214.2 million¹

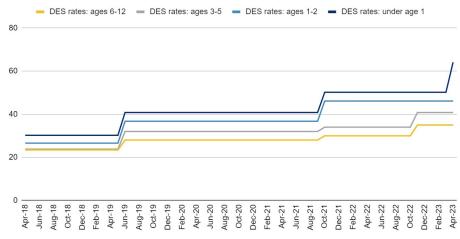
Current (7/31/23): \$125.4 million

Contracted Partner: None

- → Increase child care subsidy reimbursement rates to child care providers and maintain suspension of child care waitlist.
- → Provides financial support to cover a larger portion of the cost of child care, securing access to child care assistance for low income-eligible working families & children in DCS care.

Child Care Reimbursement Rates

Licensed Centers, Full Day



Increased DES infant rates by 112% since April 2018, from \$30.20 to \$64.15 in April 2023

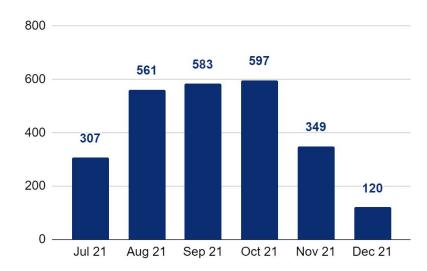


Child Care for Returning Workers

Completed (6/1/21 - 12/31/21): \$1.4 million; 742 families & 1,219 children served Contracted Partner: None

→ Provided three months of child care assistance to parents transitioning from unemployment benefits to a new job with a yearly salary of \$52,000 or less





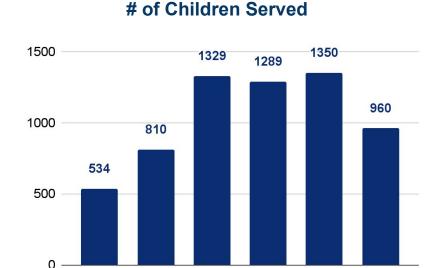


YMCA Child Care + Academic Support Programs

Completed (7/23/21 - 12/31/21): \$3.5 million; 1,045 average number of children ages 0-12 that received program fee assistance per month

Contracted Partner: YMCA

→ Provide child care services that provide enrichment activities that address both the academic needs and critical social and emotional challenges brought about by COVID-19 pandemic.



Sep 21

Oct 21

Nov 21

Jul 21

Aug 21



Dec 21

Expand Quality First (QF) Scholarships

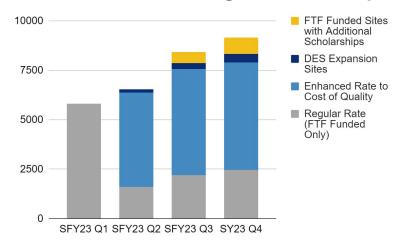
Planned (9/28/22 - 6/30/24): \$55.5 million

Current: (7/31/23) \$11.8 million

Contracted Partner: First Things First

- → Expand QF scholarships to DES-contracted and certified providers
 - ◆ 6/30/23: 1,261 children served (434 at DES-expansion sites, 827 at FTF-funded sites)
- → Reimburse QF scholarships at the cost of quality for DES-contracted and certified providers enrolled as 3-5 star QF providers
 - ◆ 6/30/23: 5,426 children served

of Children Receiving QF Scholarships



As of March 31, 2023:

- Relief funding served **6,242 children**
- 873 more children received scholarships



Arizona Child Care Recovery Plan

Priority: Invest in Quality Systems

In order to adequately address the current instability of the child care industry and ensure Arizona's families have access to quality child care settings that will best support them and their children, providers must have supports that ensure continued operation and simultaneously address other inequities in the system.



Arizona Education Workforce Scholarship Program

Planned (4/1/23 - 3/31/24): \$7.5 million;

2,300 scholarships

Current: (7/31/23) \$3.6 million; (6/30/23)

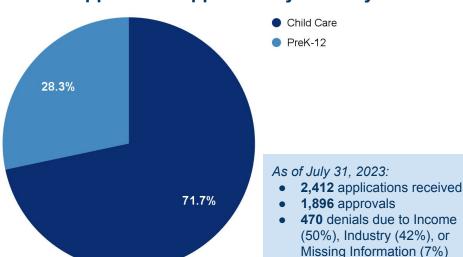
1,714 children served, 2,683 children

authorized

Contracted Partner: None

- → Scholarship program for parents working in the fields of child care and publicly-funded Pre-K through 12th grade schools and publicly-funded charter schools.
- → Alleviate challenges in recruiting and retaining teachers and support staff.

Application Approvals by Industry





Expand Quality First (QF) Program

Planned (7/1/21 - 6/30/24): \$33.8 million¹;

450 programs

Current: (7/31/23) \$14.3 million¹; (6/30/23)

384 programs participated to date

Contracted Partner: First Things First

- → Quality First (QF) is Arizona's Quality Improvement & Rating System for children birth to age 5 and works with child care and preschool providers to improve the quality of early learning.
- → Expansion eliminates waitlist & recruits providers serving populations with critical gaps in access to quality care.





Expand Early Childhood Mental Health Consultation (ECMHC)

Planned (7/1/21 - 6/30/24): \$33.8 million¹;

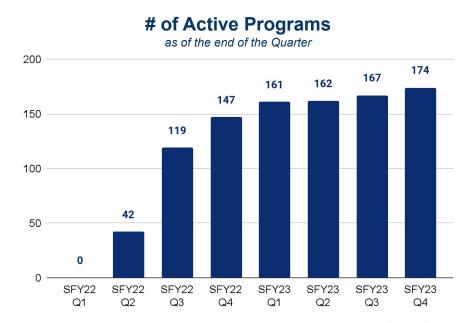
400 programs

Current: (7/31/23) \$14.3 million¹; (6/30/23)

238 programs participated to date

Contracted Partner: First Things First

- → ECMHC promotes early childhood social emotional competence and development.
- → Expansion provides services to providers that do not have ECMHC, prioritizing providers that serve children in the care of Dept of Child Safety.





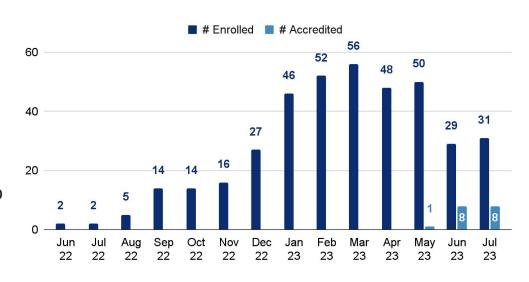
Embed Quality for School-Age Programs

Planned (8/12/21 - 6/30/24): \$387,098; 200 enrolled and accredited programs

Current (7/31/23): \$55,000; 31 enrolled; 8 accredited programs

Contracted Partner: Arizona Center for Afterschool Excellence (AZCASE)

Implement an accreditation program to enhance and recognize quality in school-age providers in Arizona.



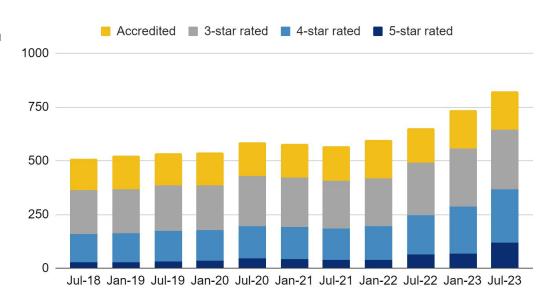


Increase Enhanced Quality Reimbursement Rates

Planned (7/1/21 - 6/30/24): \$48.3 million¹ Current (7/31/23): \$40.7 million

Contracted Partner: None

- → Increase the quality reimbursement rate to 50% for DES-contracted providers with Quality First 3-star, 4-star, 5-star rating, or that are nationally accredited.
- → Increase to 35% for Family Child Care providers with a Child Development Associate (CDA) credential.



The # of DES-contracted providers achieving quality Increased by 44% since July 2018 from 511 in July 2018 to 736 in January 2023





48% of DES Child Care Providers Are Achieving High Quality

High quality is defined as providers who have a 3, 4, or 5 star First Things First Quality First rating or who are nationally accredited



DHS Licensing Modernization

Completed (7/1/21 - 10/31/22): \$1 million Contracted Partner: Arizona Department of Health Services (ADHS)

- → Provide funding for ADHS' Licensing Management System (LMS) to facilitate improved streamlined data entry, increased data quality, consistent information and more effective communication relating to shared data and reports.
- → Goal to modernize manual processes, improve collaboration, and provide better constituent support.

Licensing Management System
Child Care Project Newsletter

New Licensing Management System Coming to Child Care

October 15, 2021



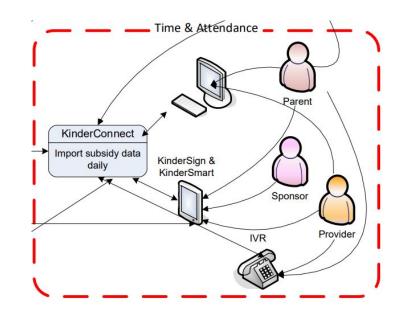
Read the <u>announcement</u> here!



Connecting Data to State Systems

Planned (1/3/22 - 6/30/24): \$2.5 million Current (7/31/23): \$2.1 million; 96% tasks completed for attendance tracking project Contracted Partner: KinderSystems

- → Provides a Child Care Electronic System (CCES) system for DES contracted providers to track finances, enrollment, attendance, and reporting
- → Automates payment and allows sharing of documents electronically
- → CCES project:
 - ◆ Phase 1 → attendance tracking
 - ◆ Phase 2 → eligibility & payments





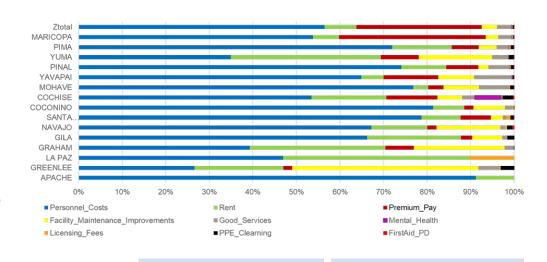
Arizona Child Care Infrastructure Plan Evaluation

Planned (9/1/21 - 9/30/24): \$655,773

Current (7/31/23): \$136,413

Contracted Partner: Children's Equity Project (CEP) at Arizona State University

→ Evaluating the impact of the investments in Arizona's Child Care Infrastructure Plan on the Child Care System in Arizona.



December 2022 Mid-Term Report At-A-Glance 85% of Child Care Stabilization Grant (CCSG) spending was on Employee Costs CCSG spending on
Employee Retirement
was associated with
losing fewer staff

Early Childhood Education Data & Financing Strategic Planning and Fiscal Mapping

Planned (8/1/21 - 9/30/24): \$1.3 million

Current (7/31/23): \$1.2 million

Contracted Partner: Arizona Department of

Education (ADE)

→ Partnership with ADE and Read On Arizona to convene early childhood system partners and state agencies to support public-facing data sharing and fiscal mapping.



For updates and more information, visit:

http://geo.azmag.gov/maps/readonaz/



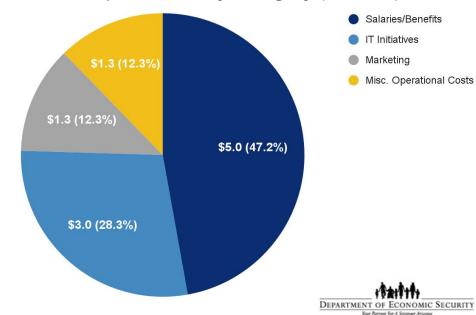
Administration Infrastructure

Planned (7/1/21 - 6/30/24): \$10.7 million

Current (7/31/23): \$2.0 million Contracted Partner: None

→ The building of the new division to support eligibility determinations, provider support, quality and systems building, IT improvements, contracting, project management, data collection, results evaluation, and other administrative functions.

Planned Expenditures by Category (Millions)



Little Moments, Big Impact Media Campaign

Completed (5/10/22 - 2/28/23): \$695,568¹; 1,734 inquiries

Contracted Partner: LaneTerralever

- → Goal of Little Moments, Big Impact was to 1) increase awareness around the importance of early childhood development, and 2) generate leads for new child care providers in Arizona.
- → Received 1,734 inquiries:
 - ◆ 51% of Certified Provider inquiries resulted in applications (114/225)
 - ♦ 60% of inquiries were for DES Child Care Assistance or across more than one category (1044/1734)



8.9 million
impressions online
29.9 million
impressions in
billboards, print, radio



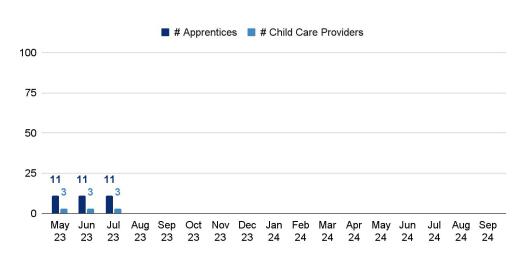


Early Childhood Educator Apprenticeship Program

Planned (1/1/23 - 9/30/24): \$6.6 million; 100 apprentices

Current (7/31/23): \$1.4 million; 11 apprentices, 3 child care providers **Contracted Partner**: Central Arizona College (CAC)

- → Launch Apprenticeship pathway as part of existing PCPP in collaboration with Arizona's community college network and professional development partners
- Increase the supply of early childhood apprentices & support provider capacity to develop apprentices.
 For more info



For more information, visit:

https://centralaz.edu/divisions-programs/azeceapprenticeship/

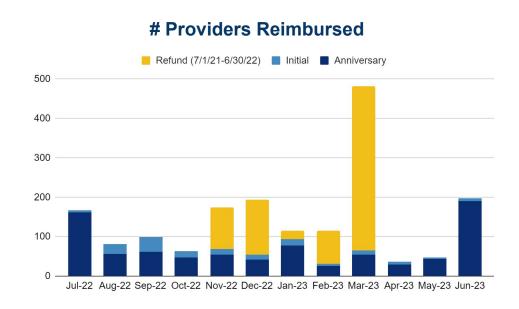


Reducing Costs of Licensing Fees

Planned (7/1/21 - 6/30/24): \$12 million; Reduce fees for 100% of providers **Current** (7/31/23): \$6.9 millon; 1,912 providers

Contracted Partner: Arizona Department of Health Services (ADHS)

- → Reduce Provider DHS Licensing Fees to \$1.00.
- → Increase supply of child care providers in Arizona by reducing barriers to becoming licensed.





Professional Development Strategies

Planned (1/1/23 - 6/30/24): \$4.3 million

Current: (7/31/23) \$0; (6/28/23) 50 CDA and

42 bachelor's scholars approved

Contracted Partner: First Things First (FTF)

Implement a set of professional development strategies to support child care educators including: Online Child Development Associate (CDA) pathway; supporting Bachelor degree coursework; improving the Arizona Early Childhood Network and Registry; and a campaign focused on ECE workforce recruitment and retention.



Arizona PBS and First Things First are expanding ...

Quality First



Enhanced Quality First (QF) Provider Incentives

Planned (1/1/23 - 9/30/24): \$28 million **Current:** (7/31/23) \$26.1 million; 1,420

programs participated

Contracted Partner: First Things First (FTF)

- → Support current and newly enrolled child care providers in Quality First (QF) with classroom incentives to spend on equipment, materials, and supplies at Lakeshore Learning.
- → Top Categories (% of funds spent):
 - ♦ 30% on classroom furniture
 - ◆ 12% on Infant & Toddler materials
 - 12% on outdoor furniture





Child Care Health Consultation (CCHC) Pilot

Planned (10/1/23 - 6/30/24): \$285,000 Current (7/31/23): To Launch October 2023 Contracted Partner: First Things First (FTF)

- → Develop and implement a Child Care Health Consultation (CCHC) pilot to extend CCHC to DES contracted and certified child care providers that are not currently enrolled in QF.
- → To help programs ensure health and safety in early learning environments.





Market Rate Survey (MRS) Incentive Payment

Completed (4/1/22 - 4/30/22): \$797,675; 1,300 providers (73%) completed the survey in time to receive the incentive Contracted Partner: Health Management Associates (HMA)

→ Provided a one-time incentive payment to child care providers for their response to the 2022 Market Rate Survey. Figure 3: 2022 Child Care Market Rate Survey Participation Rate

Provider Type	Original Count	No Longer a Provider	Revised Count	Completed Survey	Response Rate
Child Care Centers	1,589	19	1,570	1,135	72.3%
Public Schools	675	5	670	279	41.6%
Small Group Homes	253	16	237	175	73.8%
Certified Family Homes	220	10	210	186	88.6%
Total	2,737	50	2,687	1,775	66.0%

"The financial incentives offered by DES were particularly helpful in this regard as **more than 72 percent of surveys** were completed online within the initial two weeks of the survey administration period."

-2022 Market Rate Survey

To read the 2022 Market Rate Survey, visit: 2022 Market Rate Survey



Arizona Child Care Recovery Plan

Priority: Accelerate Educational Supports and Early Childhood Literacy

Support parents in need of child care who are seeking to increase skills to move toward greater self-sufficiency and higher income jobs; and

Increase the knowledge of early childhood educators and families to strengthen and sustain effective teaching and early childhood literacy practices in communities.



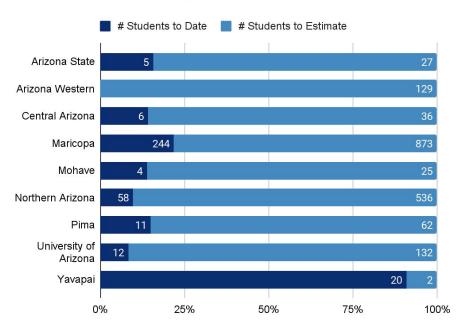
Higher Education Child Care Project

Planned (9/17/21 - 6/30/24): \$9.1 million, 2,182 students

Current (7/31/23): \$1.8 million; 360 students as Spring 2023

Contracted Partner: Arizona State University; Arizona Western Community College; Central Arizona Community College; Maricopa Community College District; Mohave Community College; Northern Arizona University; Pima Community College; University of Arizona; Yavapai Community College

- → Initial Pilot: Students in Early Childhood Education, K-12 Education, and Nursing.
- → Expanded Pilot includes additional degree pathways to serve more student parents.





Highlight: Higher Education Child Care Pilot

"I am now employed as an RN at a pediatrician's office! The funding I got through the program helped me so much. I was able to spend way less time working and that allowed me to focus on my studies!"

- Yavapai College student

"With this subsidy, my son was able to attend the Pre-K program at the same school as his siblings. This subsidy really helped take the majority of the financial stress of his tuition and I am incredibly thankful." - Arizona State University student



Accelerate Early Childhood Literacy & Administrative Support

Planned (8/1/21 - 9/30/24): \$11.9 million

Current (7/31/23): \$6.8 million

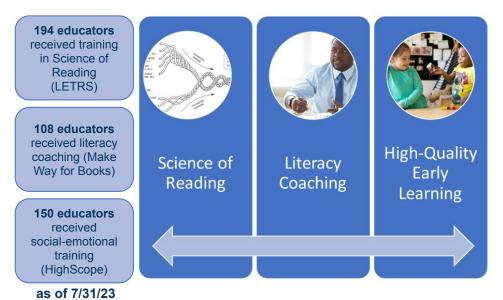
Contracted Partner: Arizona Department of

Education (ADE)

- → Build educator capacity.
- → Provide intensive literacy coaching.
- → Expand high quality early childhood programming, focusing on literacy support for children PreK to 3rd grade.

For updates and more information, visit:

https://www.azed.gov/ece/hqel



DEPARTMENT OF ECONOMIC SECURITY
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High Quality Early Learning (HQEL) Grant

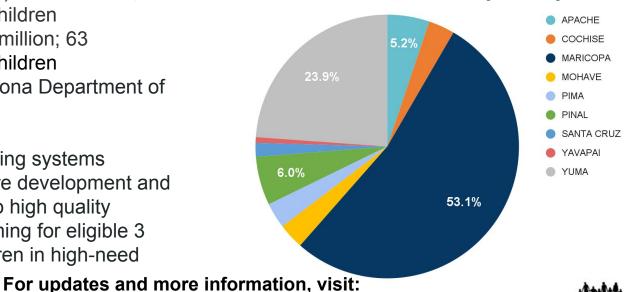
Planned (4/1/22 - 6/30/24): \$66.9 million, 68 providers serving 1,669 children

Current (7/31/23): \$38.7 million; 63 providers serving 1,519 children

Contracted Partner: Arizona Department of Education (ADE)

→ Enhance early learning systems through infrastructure development and expanding access to high quality preschool programming for eligible 3 and 4 year old children in high-need communities.
For undates and me

Total Funds Issued by County



https://www.azed.gov/ece/hqel

Expand Imagination Library Program

Planned (8/1/21 - 9/30/24): \$2.7 million; 12,293 children served

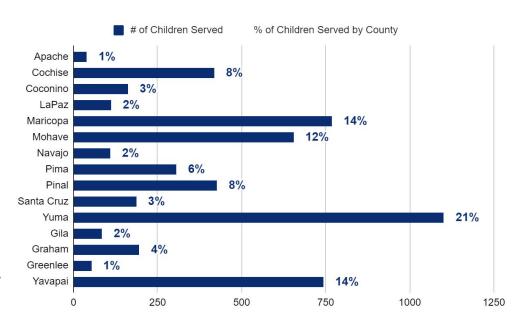
Current (7/31/23): \$1.4 million; (7/3/23)

5,353 children served

Contracted Partner: Arizona Department of

Education (ADE)

→ Collaborating with Read on Arizona (ROA) to strategically expand the Dolly Parton Imagination Library and create and distribute community-based literacy resources, including in Spanish.



For updates and more information, visit:

https://www.azed.gov/ece/dpil



Arizona Child Care Recovery Plan

Priority: Stabilize the Child Care Network

Focus on stability and ensuring widespread access to quality child care through supports for providers across the state, including: help with operating costs of providers to prevent closures, retaining the early childhood education and child care workforce, and ensuring that Arizona families continue to have access to quality options when choosing child care.



Child Care Stabilization Grant (CCSG)

Planned (8/1/21 - 9/30/23): \$571.7 million¹;

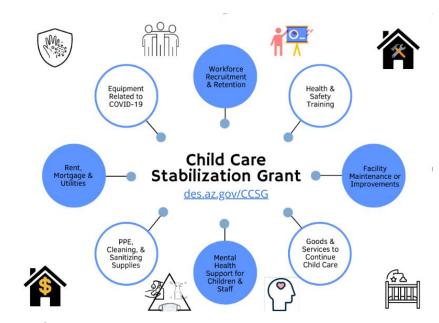
3,468 providers

Current (7/31/23): \$571.7 million; 2,951

providers

Contracted Partner: None

→ Sustains Arizona's child care network by giving a consistent, reliable funding source directly to child care providers to cover increased cost and challenges due to COVID-19.



For updates and more information, visit:

https://des.az.gov/ccsg



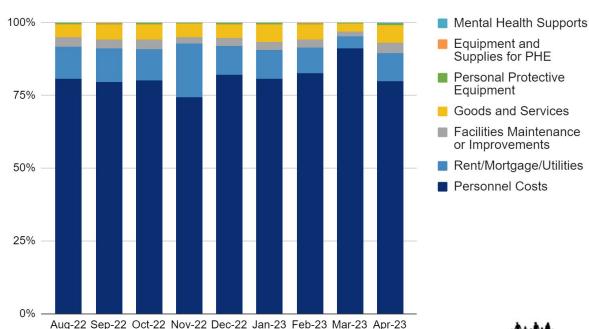
CCSG Award Amounts

Provider Type	Original CCSG Amount Aug 2021- Sept 2022	New CCSG Amount Effective October 2022	Opt In Additional Workforce Amount Started July 2022	Total CCSG Award with Workforce Effective October 2022
DES Non-Certified Relative	\$500	\$900	\$250*	\$900
DES Certified Family Child Care (1-4 children)	\$1,000	\$1,800	\$500*	\$1,800
DHS Certified Group Home (5-10 children)	\$2,000	\$2,600	\$1,000	\$3,600
DHS Licensed (11-59 capacity)	\$5,000	\$7,000	\$6,500	\$13,500
DHS Licensed (60-100 capacity)	\$7,500	\$10,900	\$11,500	\$22,400
DHS Licensed (101 +)	\$10,000	\$14,600	\$15,500	\$30,100



CCSG Spending

Over **90%** of CCSG spending, as reported by Providers monthly, is on **Personnel Costs** and **Rent, Mortgage, Utilities**





Child Care Infrastructure Building Grant

Planned (9/1/22 - 9/30/23): \$65 million¹; 489 projects completed (210 DES, 279 FTF)

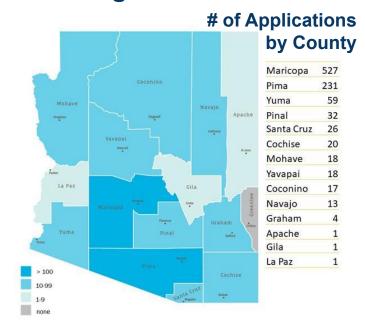
Current: (7/31/23) \$9.4 million; (8/4/23) 480 projects approved (196 DES, 284 FTF)

Contracted Partner: Local Initiatives

Support Corporation (LISC), First Things

First (FTF)

Increase capacity and quality of existing child care providers and will increase access to child care by supporting new providers to enter the child care ecosystem.



For updates and more information, visit:

lisc.org/phoenix/what-we-do/child-care-early-learning/des-grant/



Arizona Child Care Assistance Provider (AZCAP) Grant

Planned (7/1/23 - 6/30/24): \$45.5 million

Current: Application launched August 2023

Contracted Partner: None

- → AZCAP will be available for DES contracted or DES certified family child care providers.
- Award amounts will be based on availability of funds and the number of applicants.

Child Care Provider Responses to Question: What's the number one thing on your mind?



For updates and more information, visit:

DEPARTMENT OF ECONOMIC SECURITY
New Partner for A Stronger Assesses

Arizona Child Care Recovery Plan (FY22-24)

The Arizona DES Division of Child Care will work in partnership with state agencies and community organizations to implement the recovery plan, including the Child Care Stabilization Grants that go directly to eligible child care providers.

