



DEPARTMENT OF ECONOMIC SECURITY

Your Partner For A Stronger Arizona

Douglas A. Ducey  
Governor

Michael Wisehart  
Director

February 25, 2021

Director  
Office of Child Care  
Administration for Children and Families  
U.S. Department of Health and Human Services  
330 C Street, SW  
Washington D.C. 20201

Dear OCC Director:

Arizona is pleased to submit this letter reporting the State's planned use of Child Care and Development Fund (CCDF) Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA) funds. The areas outlined below support growth and sustainability of Arizona's quality child care system, ensuring widespread access to quality child care across the state, providing support to low-income working families.

**Direct Child Care Services (Subsidies)**

- ***Continued suspension of the child care waitlist through June 2023*** - Secures access to child care assistance for income-eligible working families.
- ***Increase reimbursement rates statewide*** - Increase reimbursement rates to the 50th percentile of the 2018 Market Rate Survey and increase rates for relative care providers. This will provide financial support to parents and providers by covering a larger portion of the cost of care for children served through the Department of Economic Security (DES or Department).
- ***Reduce parent co-pays*** - Reduces the required co-payments to \$1 per child per day of care (reduces to .50 cents for co-pays that are currently at \$1), allowing parents the capacity to return to work and providing temporary relief from the cost of child care for low income working parents.
- ***Allow reimbursement for hours when a child is participating in Department of Child Safety (DCS) services during child care hours*** - Provide full-day reimbursement rates for children served through the DCS to eliminate the cost burden on foster parents and providers for times when DCS children are taken out of child care for DCS required services and supervised visitation.
- ***Child Care for Students Grant*** - Through a competitive application/grant process, funds will be awarded to public universities and community colleges to provide child care scholarships for currently enrolled or new students pursuing a degree in nursing, early childhood education or K-12 education.

**Implementation of Virus Mitigation Policies and Practices**

- ***Child Care Stabilization Grant Program*** - (see Grants section, below)

**Grants or Assistance (Other than Subsidies) to Stabilize Child Care Providers**

- ***Child Care Stabilization Grant Program*** - Providing additional financial assistance for child care providers through a grant program available to all Department of Health Services (DHS) licensed centers & group homes, DES family child care providers, DES relative providers, tribal child care providers, and military child care providers is a direct investment in the child care workforce, in addition to assisting with the financial relief necessary for operational costs to safely remain open and preserve access to child care for Arizona’s families. Eligible expenses of the grant funds will include salaries and benefits for employees, DHS licensing fees, liability insurance, tuition and registration relief for families, lease and mortgage payments, utilities, cleaning supplies, classroom materials and supplies, and additional supplies required to support implementation of health and safety as prescribed by the Centers for Disease Control and Prevention and DHS guidelines.
- ***Expand and increase tiered reimbursements*** - By continuing tiered reimbursement in conjunction with expanding Quality First, as well as increasing the reimbursement percentages, the quality child care system will continue to grow and expand access to quality care for children served through DES and DCS.

**Assistance to Providers Not Participating in the Subsidy System Prior to the Pandemic**

- ***Child Care Stabilization Grant Program*** - (see Grants section, above)
- ***Expand the Quality First (QF) Program and Early Childhood Mental Health Consultation (ECMHC)*** - Expansion of QF will initially focus on addressing critical gaps in access to care, including those DES contracted providers who are currently on the QF waiting list, along with an intentional focus on recruiting providers who serve: (1) children in the child welfare system; (2) Spanish speaking providers; (3) providers on tribal lands; and (4) providers who will specifically expand the supply of infant and toddler care. The QF expansion will provide ECMHC services to all QF programs serving children in DCS care, including all programs entering QF through CCDF funding that serve children in DCS care, as well as existing QF programs that serve children in DCS care that do not currently have access to ECMHC services.

**Other**

- ***DHS Child Care Licensing Modernization*** - Capitalizing on reusable frameworks and project momentum to develop licensing functionality for Child Care services presents the opportunity to provide better access to data and services for agency and public users, modernize manual processes, improve collaboration, and provide better constituent support with fewer agency resources.
- ***Interoperability through Connecting Child Care Provider Data to State Systems*** - Provides a Child Care Management Software (CCMS) system for DES contracted providers that interfaces with the Department’s subsystem. The CCMS helps providers track finances, enrollment, attendance, and reporting. Funding will also support the rollout which will include training and technical assistance to enhance and strengthen the business skills of DES contracted child care providers using the CCMS as a core component to sustain their businesses during and after the grant award period, and preserve access to child care for Arizona’s working families.

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The DES/CCA will amend our CCDF plan as a result of activities implemented under CRRSA funding not currently described in the plan, within 60 days of implementation.

Sincerely,

/s/

Lela Wendell

Child Care Program Administrator

Arizona Department of Economic Security, Division of Employment and Rehabilitation Services

cc: Paul Noski, Regional Program Manager, Office of Child Care, Region 9

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