



DEPARTMENT OF ECONOMIC SECURITY

Your Partner For A Stronger Arizona

Child Care Administration Overview

April 10, 2019

Child Care Administration

The DES Child Care Administration (CCA) assists eligible families with child care costs, enabling parents to participate in employment and specific education and training activities related to employment.

Families may choose from a variety of child care providers including:

- Department of Health Services(DHS) licensed child care centers
- DHS-certified child care group homes
- DES-certified small family child care homes
- Non-certified relatives (excluding those referred by DCS -A.R.S. §46-806)

CCA engages with partner entities in efforts to increase the quality of child care services across Arizona.



Child Care Service Categories

Temporary Assistance for Needy Families (TANF)

- Federally mandated; includes families with an open TANF Cash Assistance case and parents participating in the DES JOBS program.

Transitional Child Care (TCC)

- Federally mandated; Serves families transitioning off of TANF Cash Assistance for parents with incomes at 165% Federal Poverty Level (FPL) or below (currently \$36,996 annual income for a family of 3).
- Limit of 24 months after Cash Assistance ends.

Low Income Working (LIW)

- Non-mandatory population includes parents with incomes at or below 165% of the FPL.
- Must be engaged in work-search activities.

Department of Child Safety (DCS)

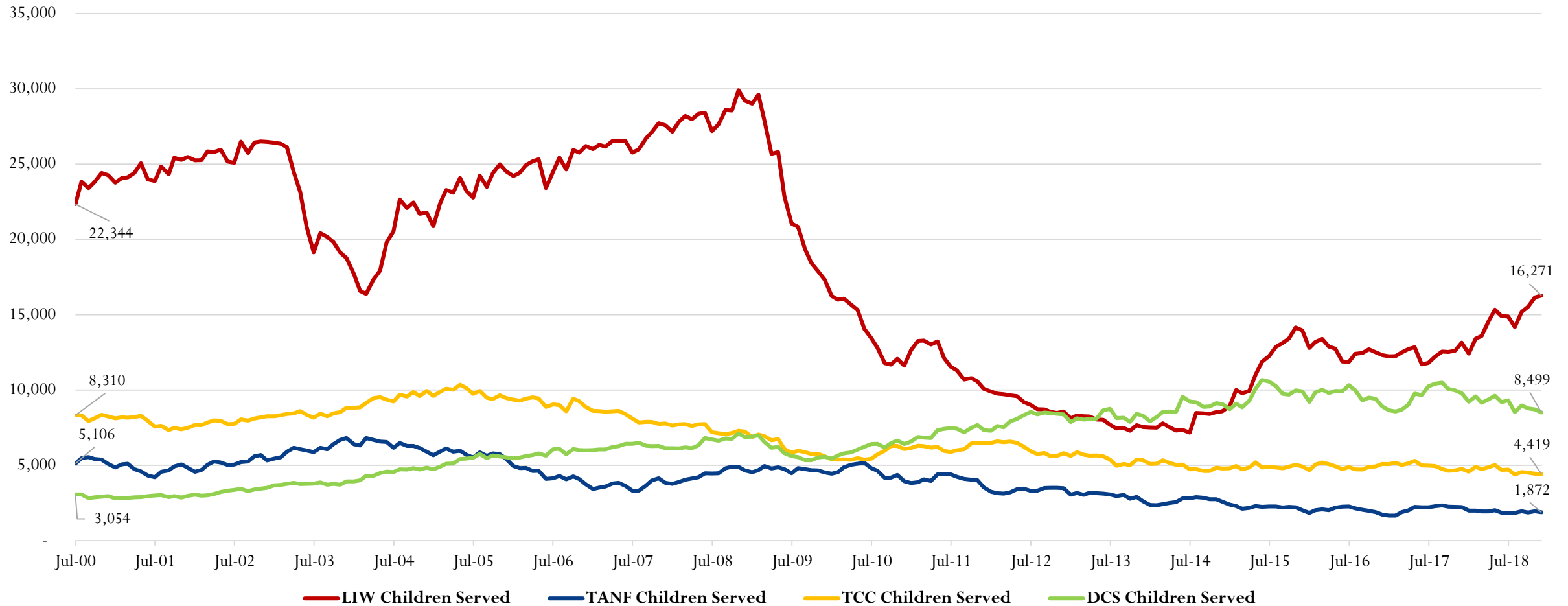
- Children with DCS involvement and includes in-home and out-of-home placements.



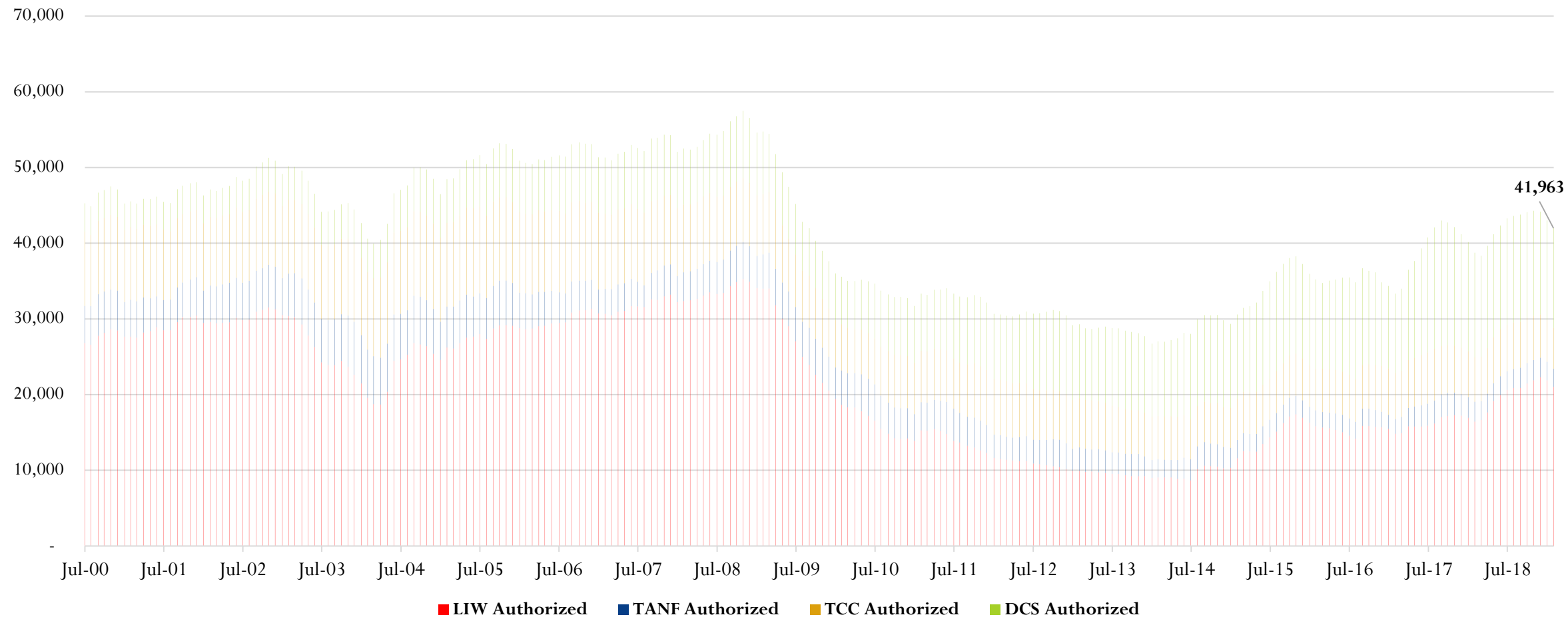
Child Care Administration Data



Child Care Caseload by Eligibility Category

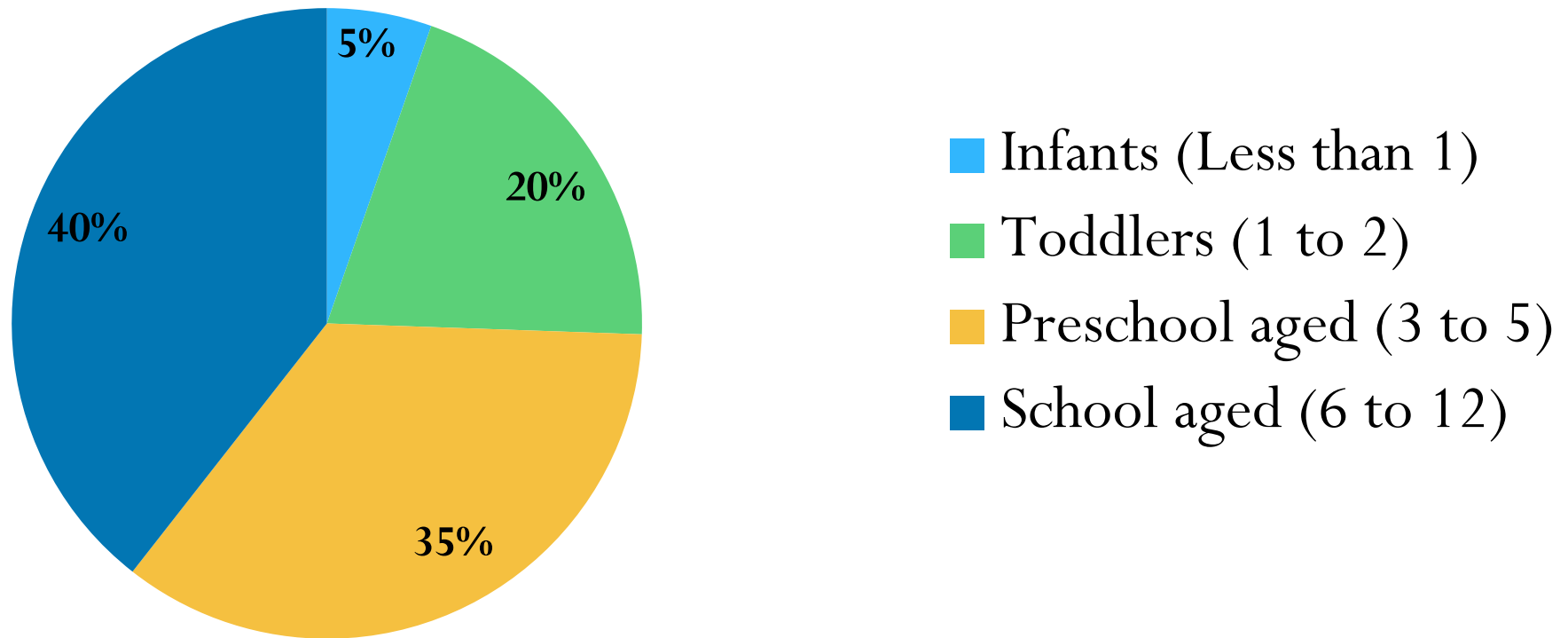


Child Care Authorizations



Ages of Children

Child Care Subsidy Authorizations



Child Care Deserts

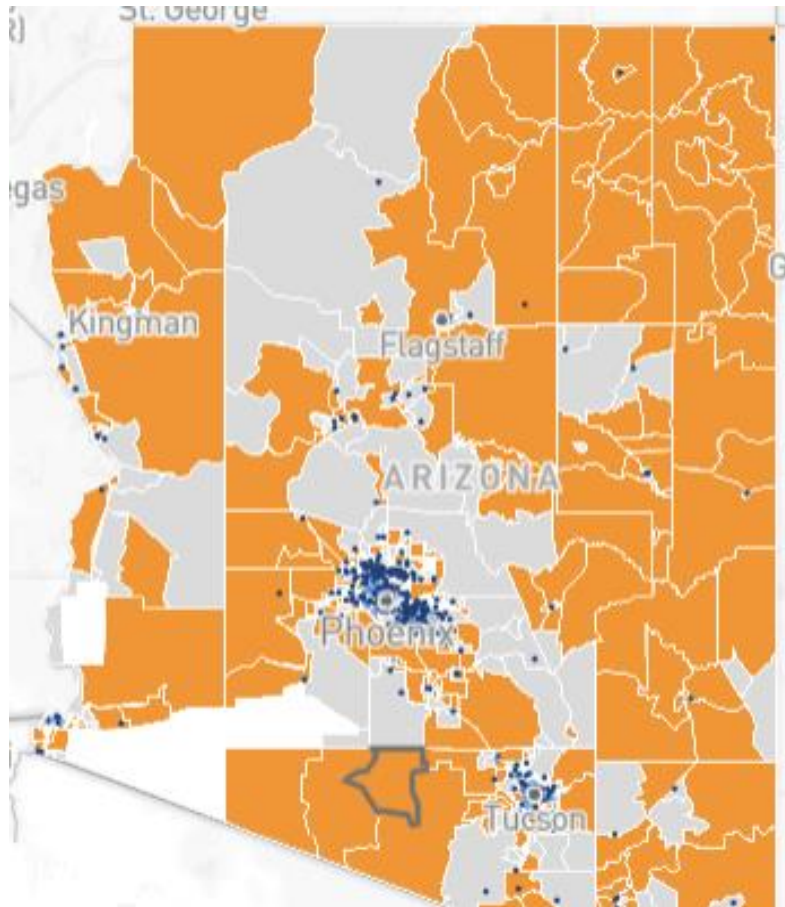


FIGURE 1

A working definition for child care deserts



Note: Child Care Aware defines child care deserts as "areas or communities with limited or no access to quality child care."

Source: Dionne Dobbins and others, "Child Care Deserts: Developing Solutions to Child Care Supply and Demand" (Arlington, VA: Child Care Aware of America, 2016), available at <http://usa.childcareaware.org/wp-content/uploads/2016/09/Child-Care-Deserts-report-FINAL2.pdf>.



Child care desert Not a child care desert Child care center Family child care provider



FY2020 Executive Recommendation

Request: The Executive Budget includes an increase in funding for the DES child care subsidy program to increase the child care subsidy rate and to serve children on the waitlist.

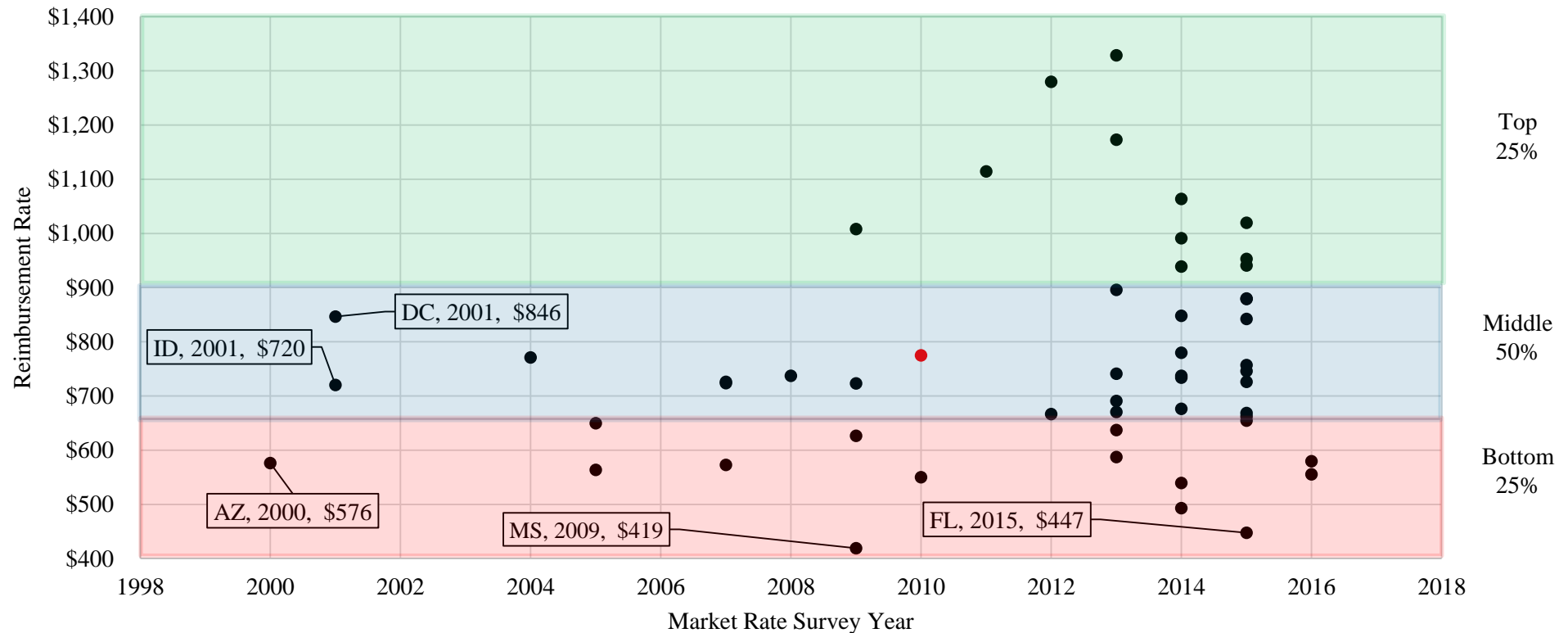
- The additional funding will:
 - Serve approximately 400 DES children per month from the waitlist and increase the average child care subsidy rate from \$365 per month to \$438 per month.
 - Increase the average DCS child care subsidy rate by 16%, from \$406 per month to \$470 per month, for approximately 10,000 children in foster care.
- \$2,000,000 to satisfy the tiered reimbursement requirement of A.R.S. 86-405 for new funds

Initiative	Children Served	Projected Monthly Cost	Increase from Current Rate		Total Annual Cost
			Dollars	Percentage	
Addl. Authorizations from Waitlist	5,268	\$428	\$73	20%	\$27,100,000
Increase to DES Provider Rate	23,744	\$438	\$73	20%	\$19,300,000
Increase to DCS Provider Rate	9,761	\$470	\$64	16%	\$7,400,000
Tiered Reimbursement	-	-	-	-	\$2,000,000



Rates Comparison

Maximum Child Care Reimbursement Rates by State ¹

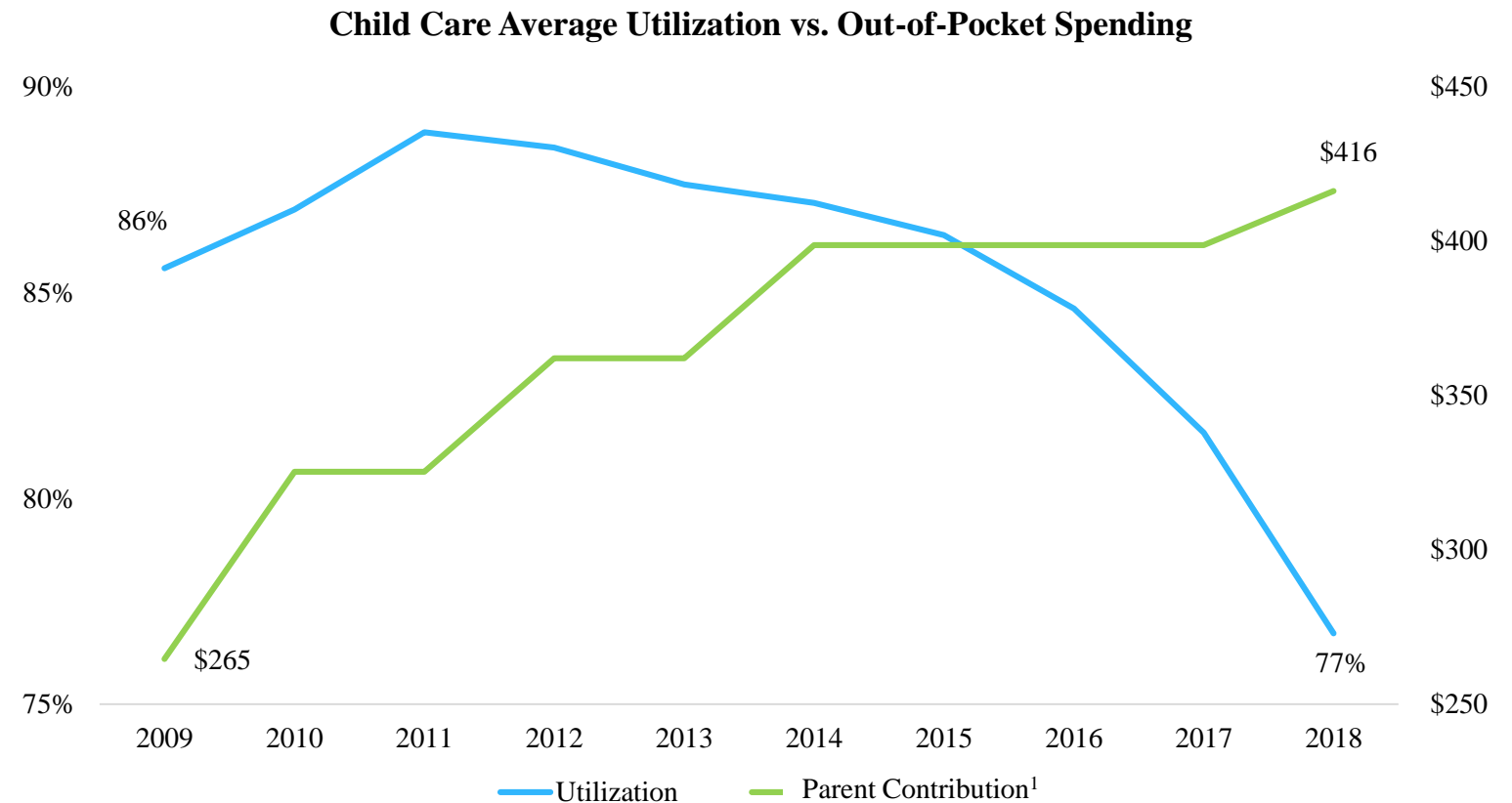


¹ For Arizona, the Maximum Child Care Reimbursement Rate is for an infant in Maricopa County served for a full day. Adjusted for cost of living



Child Care Subsidy Utilization

- The percentage of authorized children that are receiving child care services
- While authorizations have increased, utilization has been steadily declining since 2014 among all populations.
- Factors for decreased utilization:
 - Rates: clients pay the difference
 - Proximity to providers and transportation accessibility
 - Provider capacity



1. Parent Contribution based on rates for an infant enrolled in full-time care in Maricopa County



Reimbursement Rate

- Reimbursement Rates are intended to ensure affordable access to care
 - Rates are based on the Market Rate Survey (MRS) which is conducted every two years
 - Current DES rates are based on the MRS conducted in 2000
- Factors that impact the reimbursement rates include the age of the child, provider type, geographic region, and use of childcare (full or half day)

Licsened Center Daily Rate		
Age Group	75th percentile of 2000 MRS	Median of 2010 MRS
0-1yr	\$ 30.20	\$ 40.80
1yr < 3yrs	\$ 26.60	\$ 36.74
3yr < 6yrs	\$ 23.80	\$ 32.00
6yrs < 13yrs	\$ 23.40	\$ 28.00

Group Home Daily Rate		
Age Group	75th percentile of 2000 MRS	Median of 2010 MRS
0-1yr	\$ 24.00	\$ 28.00
1yr < 3yrs	\$ 22.00	\$ 26.00
3yr < 6yrs	\$ 20.00	\$ 25.00
6yrs < 13yrs	\$ 18.00	\$ 22.00

*Maximum daily reimbursement rates for full day infant care in Maricopa County



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