



Arizona's Response to COVID-19: Child Care Actions

Fact Sheet | January 2021

On March 27, 2020, the CARES Act was signed into law, including \$3.5 billion in supplemental appropriations for the Child Care and Development Block Grant to prevent, prepare for, and respond to the coronavirus. This funding represents a 60% increase in total discretionary appropriations for fiscal year 2020, which amounts to \$9.326 billion. States were given broad flexibility for how to use this funding and have therefore taken a variety of approaches to help address needs of working families and providers through COVID-19. However, as the funds ran out during the ongoing crisis, many states began pulling from other sources to continue supporting parents and providers alike. This fact sheet explains the actions Arizona took to support the child care industry and working parents through 2020.

Arizona received \$88 million in supplemental CCDBG funds through the CARES Act.

The state used funds to offer fully funded child care to frontline workers at Arizona Enrichment Centers. On May 14, eligibility was expanded for children of grocery store and bank workers for the Enrichment Center Program which would run through the end of July 2020.

Licensed child care providers who wished to stay open were required to register as enrichment centers and were then reimbursed for the full cost of care for children served. Furthermore, providers were not permitted to charge beyond what the state provided through reimbursement.

Priority for space was based on parental location and for health care workers, the location of their workspace. Providers participating in the program could request supplies such as baby wipes, sanitizer, cleaning and paper products, along with water and snacks on a weekly basis.

In order to provide continued support for child care providers, Arizona announced the launch of the Child Care COVID-19 Grant in August. This grant awarded \$47 million of the state's supplemental CCDBG funds for child care providers. It provided a base award of

\$300 per each enrolled child who attended at least one day of care in January 2020. Furthermore, facilities in rural counties would receive an additional incentive of \$1,000.

In addition, providers that elected to become certified received an additional \$50 per child. In terms of regulation, each grant recipient was expected to submit monthly reports to the Department of Economic Security regarding capacity and enrollment.

Grant awards were distributed in 3 installments with 50% on September 15, 25% on October 15, and the remaining 25% on November 16. Funds must have been spent by December 16.

\$10 million were also set aside in a "Childcare Reserve" to address the child care subsidy waitlist that developed in the fall due to the economic uncertainties caused by the pandemic.

Arizona has not yet announced additional funding to continue to support the child care industry into the winter or meet demand for school-age child care during the 2020-2021 school year. It also did not announce whether it would reimburse subsidies based on attendance or enrollment through the fall and winter.