

In Arizona, federal and state early learning opportunities serve more than 55,157 children and families,¹ or 11% of children ages 5 and under.²

High quality child care and early learning programs support child development and offer parents peace of mind while they work or attend school.

Unfortunately, the demand for quality care far outweighs the supply, so many families struggle to access and afford the care options they want or need. While there are several federally funded programs that provide working families with access to quality child care opportunities, limited funding leaves many eligible children unserved. The impacts of these challenges extend beyond families and carry over to the workplace. As a direct result, the national economy loses **\$122 billion annually** in the form of lost earnings, productivity, and revenue.³

Below is a list of existing child care and early learning programs which together form a mix delivery system that supports parental choice and aims to meet children's individual needs. These programs have unique eligibility requirements and service delivery models. However, at current funding levels, each only reaches a fraction of eligible families.

STATE OF CHILD CARE IN ARIZONA
486,018

 Children 5 & Under⁴
61%

 Children 5 & Under with All Available Parents in the Workforce⁵
2,171

 Licensed Child Care Centers in 2023 (+83 compared to 2022)⁶
493

 Licensed Family Child Care Homes in 2023 (-24 compared to 2022)⁷
25%

 Gap in the Supply of Child Care vs. the Potential Need⁸
\$2.2B

 Estimated Economic Impact of Infant-Toddler Child Care Challenges Each Year⁹
\$14,040

 Annual Price of Center-Based Infant Care (\$1,170 per month)¹⁰
\$8,840

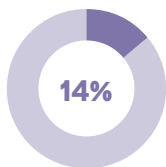
 Annual Price of Home-Based Infant Care (\$737 per month)¹¹
\$109,352

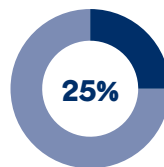
 Median Income of Married-Couple Family¹²
12.8%

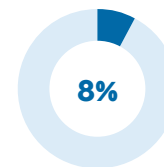
 Portion of Income Spent by a Married-Couple Family on Center-Based Infant Care¹³
\$38,757

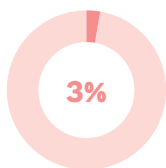
 Median Income of Single-Parent Family¹⁴
36.2%

 Portion of Income Spent by a Single-Parent Family on Center-Based Infant Care¹⁵
CHILD CARE & DEVELOPMENT BLOCK GRANT (CCDBG)

 134,892 CHILDREN 5 & UNDER ELIGIBLE¹⁶
 18,961 CHILDREN 5 & UNDER SERVED¹⁷

 ELIGIBLE CHILDREN 5 & UNDER SERVED¹⁸
HEAD START

 45,493 CHILDREN ELIGIBLE¹⁹
 11,218 CHILDREN ENROLLED²⁰

 ELIGIBLE CHILDREN SERVED²¹
EARLY HEAD START

 45,493 CHILDREN ELIGIBLE²²
 3,776 CHILDREN ENROLLED²³

 ELIGIBLE CHILDREN SERVED²⁴
STATE-FUNDED PRE-K

 5,289 CHILDREN ENROLLED²⁵

 3-AND 4-YEAR-OLDS SERVED²⁶
MIGRANT AND SEASONAL HEAD START

 1,291 CHILDREN ENROLLED²⁷
MATERNAL, INFANT, AND EARLY CHILDHOOD HOME VISITING (MIECHV)

 1,615 FAMILIES SERVED²⁸
IDEA PART C

 (EARLY INTERVENTION)
 5,474 CHILDREN SERVED²⁹
IDEA PART B, SEC. 619

 (PRESCHOOL SPECIAL EDUCATION)
 8,824 CHILDREN SERVED³⁰

ARIZONA: FEDERAL AND STATE CHILD CARE AND EARLY LEARNING FUNDING



\$268.4M	CCDBG and Mandatory Funds ³¹
\$216.1M	Head Start and Early Head Start ³² (includes AIAN HS/EHS when applicable)
\$14M	PDG B-5 ³³
\$12.6M	MIECHV ³⁴
\$10.7M	IDEA Part C ³⁵
\$6M	IDEA Part B, Sec. 619 ³⁶
\$0	TANF Early Care and Education ³⁷
\$0	TANF Transferred to CCDBG ³⁸

STATE INVESTMENT

\$32.2M	State-Funded Pre-K ³⁹
\$23.3M	CCDBG State Match ⁴⁰
\$4.2M	PDG B-5 State Match ⁴¹

ELEMENTS OF PROGRAM QUALITY

Program quality varies substantially within and across states.

Quality child care and early learning programs rely on a strong workforce, but low pay makes it difficult to recruit and retain educators. **In Arizona, child care workers earn \$17.15 per hour (\$35,680 annually).**⁴²

Teacher-child ratios are crucial for ensuring safety, quality, and individual attention. Licensed center-based care providers participating in CCDBG are required to have the following ratios:⁴³

- **Infant** 1:5
- **Toddler** 1:6 for age 1, 1:8 for age 2
- **Preschool** 1:13 for age 3, 1:15 for age 4, 1:20 for age 5

The state's pre-K program met **3/10 of NIEER's Quality Standards Benchmarks**, which represent minimum standards to support quality preschool programs.⁴⁴

Preschool Development Grant Birth Through Five (PDG B-5) is a competitive federal grant designed to improve states' early childhood systems. **Arizona's PDG B-5 plans include:**⁴⁵

- Grow regionally based early literacy hubs, which will expand the resources available to families and community members and target the needs of specific communities.
- Expand access to infant/toddler programs in high-needs communities by awarding subgrants to child care programs for start-up costs.

CHILD AND DEPENDENT CARE TAX CREDIT (CDCTC)

The Child and Dependent Care Tax Credit (CDCTC) directly helps working parents offset the cost of child care.

In its current form, the credit only reaches a small percentage of families and has been swiftly outpaced by the escalating cost of child care as it lacks any adjustment for inflation.

Last permanently updated in 2001, the current credit averages \$500-\$600 a year.⁴⁶

CDCTC IN ARIZONA BY TAX YEAR

2020	<ul style="list-style-type: none"> • 87,630: Number of taxpayers claiming the CDCTC⁴⁷ • \$532: Average credit
2021	<p><i>The CDCTC was temporarily expanded and made refundable for one year in response to the pandemic.</i></p> <ul style="list-style-type: none"> • 110,080: Number of taxpayers claiming the CDCTC⁴⁸ (an additional 22,450 from 2020) • \$2,019: Average Credit (an additional \$1,487 from 2020, on average)
TODAY	<p><i>The temporary expansion expired; the CDCTC reverted back to 2001 levels.</i></p> <ul style="list-style-type: none"> • \$500-600: Average credit

NOTE: Major provisions of the Tax Cuts and Jobs Act of 2017 (TCJA) expire at the end of 2025⁴⁹, giving Congress the opportunity to modernize the CDCTC and other tax provisions to better help working families offset the cost of quality child care.⁵⁰



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