

REFERENCE TITLE: child care; waiting list; appropriation

State of Arizona  
Senate  
Fifty-sixth Legislature  
First Regular Session  
2023

## **SB 1554**

Introduced by  
Senators Alston: Burch, Diaz, Epstein, Gabaldón, Gonzales, Miranda, Terán;  
Representatives Gutierrez, Pawlik, Terech

AN ACT

AMENDING SECTION 46-803, ARIZONA REVISED STATUTES; APPROPRIATING MONIES;  
RELATING TO CHILD CARE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 46-803, Arizona Revised Statutes, is amended to  
3 read:

4 46-803. Eligibility for child care assistance

5 A. The department shall provide child care assistance to eligible  
6 families who are attempting to achieve independence from the cash  
7 assistance program and who need child care assistance in support of and as  
8 specified in their personal responsibility agreement pursuant to chapters  
9 1 and 2 of this title.

10 B. The department shall provide child care assistance to eligible  
11 families who are transitioning off cash assistance due to increased  
12 earnings or child support income in order to accept or maintain  
13 employment. Eligible families must request this assistance within six  
14 months after the cash assistance case closure. Child care assistance may  
15 be provided for up to twenty-four months after the case closure and shall  
16 cease after a time period specified in rule by the department once the  
17 family income exceeds one hundred sixty-five percent of the federal  
18 poverty level but remains below eighty-five percent of the state median  
19 income. If the family income exceeds eighty-five percent of the state  
20 median income, child care assistance shall cease on notification by the  
21 department.

22 C. The department shall provide child care assistance to eligible  
23 families who are diverted from cash assistance pursuant to section 46-298  
24 in order to obtain or maintain employment. Child care assistance may be  
25 provided for up to twenty-four months after the case closure and shall  
26 cease after a time period specified in rule by the department once the  
27 family income exceeds one hundred sixty-five percent of the federal  
28 poverty level but remains below eighty-five percent of the state median  
29 income. If the family income exceeds eighty-five percent of the state  
30 median income, child care assistance shall cease on notification by the  
31 department.

32 D. The department may provide child care assistance to support  
33 eligible families with incomes of one hundred sixty-five percent or less  
34 of the federal poverty level at the time of application to accept or  
35 maintain employment. Child care assistance shall cease after a time  
36 period specified in rule by the department once the family income exceeds  
37 one hundred sixty-five percent of the federal poverty level but remains  
38 below eighty-five percent of the state median income. If the family  
39 income exceeds eighty-five percent of the state median income, child care  
40 assistance shall cease on notification by the department. Priority for  
41 this child care assistance shall be given to families with incomes of one  
42 hundred percent or less of the federal poverty level.

43 E. The department may provide child care assistance to families  
44 referred by the department of child safety and to children in foster care  
45 pursuant to title 8, chapter 4 to support child protection.

1 F. The department may provide child care assistance to special  
2 circumstance families whose incomes are one hundred sixty-five percent or  
3 less of the federal poverty level at the time of application and who are  
4 unable to provide child care for a portion of a twenty-four-hour day due  
5 to a crisis situation of domestic violence or homelessness, or a physical,  
6 mental, emotional or medical condition, participation in a drug treatment  
7 or drug rehabilitation program or court-ordered community restitution.  
8 Child care assistance shall cease after a time period specified in rule by  
9 the department once the family income exceeds one hundred sixty-five  
10 percent of the federal poverty level but remains below eighty-five percent  
11 of the state median income. If the family income exceeds eighty-five  
12 percent of the state median income, child care assistance shall cease on  
13 notification by the department. Priority for this child care assistance  
14 shall be given to families with incomes of one hundred percent or less of  
15 the federal poverty level.

16 G. Notwithstanding any other provision of this section, the  
17 department may reduce maximum income eligibility levels for child care  
18 assistance in order to manage within appropriated and available monies.  
19 The department shall notify the joint legislative budget committee of any  
20 change in maximum income eligibility levels for child care assistance  
21 within fifteen days after implementing the change.

22 H. In lieu of the employment activity required in subsection B, C  
23 or D of this section, the department may allow eligible families with  
24 teenaged custodial parents under twenty years of age to complete a high  
25 school diploma or its equivalent or engage in remedial education  
26 activities reasonably related to employment goals.

27 I. The department may provide child care assistance for  
28 department-approved education and training activities if the eligible  
29 parent, legal guardian or caretaker relative is working at least a monthly  
30 average of twenty hours per week and the education and training are  
31 reasonably related to employment goals. The eligible parent, legal  
32 guardian or caretaker relative must demonstrate satisfactory progress in  
33 the education or training activity.

34 J. The department may waive a portion of or the entire work  
35 requirement prescribed in subsection I of this section to continue to  
36 provide child care assistance to a person who is receiving full-time child  
37 care assistance and who is enrolled full time in an accredited educational  
38 institution, remedial education activity or employment training program  
39 that will lead to a vocational, technical or trade certification or an  
40 associate degree or bachelor's degree and the education or training  
41 program is reasonably related to employment goals. The person shall  
42 confirm the person's intent to obtain education or training that will lead  
43 to employment in an occupation that has starting wages that are sufficient  
44 to eliminate the need for public assistance for the person once employed.  
45 The department shall review the education or training program that is

1 being pursued by the person receiving child care assistance to verify that  
2 the education or training program is related to employment goals. The  
3 person must demonstrate satisfactory progress to the department in the  
4 education or training activity.

~~5 K. The department shall establish waiting lists for child care  
6 assistance and prioritize child care assistance for different eligibility  
7 categories in order to manage within appropriated and available monies.  
8 Priority of children on the waiting list shall start with those families  
9 at one hundred percent of the federal poverty level and continue with each  
10 successive ten percent increase in the federal poverty level until the  
11 maximum allowable federal poverty level of one hundred sixty-five percent.  
12 Priority shall be given regardless of time spent on the waiting list.~~

~~13~~ K. The department shall establish criteria for denying,  
14 reducing or terminating child care assistance that include:

- 15 1. Whether there is a parent, legal guardian or caretaker relative  
16 available to care for the child.
- 17 2. Financial or programmatic eligibility changes or ineligibility.
- 18 3. Failure to cooperate with the requirements of the department to  
19 determine or redetermine eligibility.
- 20 4. Hours of child care need that fall within the child's compulsory  
21 academic school hours.
- 22 5. Reasonably accessible and available publicly funded early  
23 childhood education programs.
- 24 6. Whether an otherwise eligible family has been sanctioned and  
25 cash assistance has been terminated pursuant to chapter 2 of this title.
- 26 7. Other circumstances of a similar nature.
- 27 8. Whether sufficient monies exist for the assistance.

~~28~~ L. Families receiving child care assistance under subsection D  
29 or F of this section are also subject to the following requirements for  
30 that child care assistance:

- 31 1. Each child is limited to not more than sixty cumulative months  
32 of child care assistance. The department may provide an extension if the  
33 family can prove that the family is making efforts to improve skills and  
34 move towards self-sufficiency.
- 35 2. Families are limited to not more than six children receiving  
36 child care assistance.
- 37 3. Copayments shall be imposed for all children receiving child  
38 care assistance. Copayments for each child may be higher for the first  
39 child in child care than for additional children in child care.

~~40~~ M. The department shall review each case not more than once a  
41 year to evaluate eligibility for child care assistance.

~~42~~ N. The department shall report on December 31 and June 30 of  
43 each year to the joint legislative budget committee the total number of  
44 families who applied for child care assistance and the total number of  
45 families who were denied assistance under this section because the

1 parents, legal guardians or caretaker relatives who applied for assistance  
2 were not citizens or legal residents of the United States or were not  
3 otherwise lawfully present in the United States.

4 ~~P.~~ O. This section shall be enforced without regard to race,  
5 religion, gender, ethnicity or national origin.

6 ~~O.~~ P. The department shall refer all child care subsidy recipients  
7 to child support enforcement and to local workforce services and provide  
8 information on the earned income tax credit.

9 Sec. 2. Appropriation; child care assistance costs

10 The sum of \$\_\_\_\_ is appropriated from the state general fund in  
11 fiscal year 2023-2024 to the department of economic security for child  
12 care assistance costs pursuant to section 46-803, Arizona Revised  
13 Statutes, as amended by this act, to eliminate the current waiting list  
14 and to provide child care assistance to eligible families with family  
15 incomes up to one hundred sixty-five percent of the federal poverty level.