Bright Futures AZ
Proposed Working Families Child Care Program

Providing families access to child care not only improves children's development and well-being, but is foundational to a thriving economy. When families have access to affordable and available child care, they are able to work and businesses have a more reliable workforce. However, many families in Arizona struggle with finding available care that they can afford.

Governor Hobbs has proposed this as part of the Bright Futures AZ initiative in January 2025 and may change based on legislative action.

Creating a Public-Private Partnership to Decrease the Cost of Child Care

The Working Families Child Care Program will create a public-private partnership that will reduce child care costs by as much as two-thirds for Arizona working families. It is a part of the **Bright Futures AZ** initiative that provides a robust set of strategies to increase access and affordability of child care.

A public-private partnership will allow the state, businesses, and families to share in the cost of child care for working class families. Inspired by similar efforts in five other states, this partnership will propose to partner with interested businesses who will contribute a set amount for childcare that the state will match, up to $400 per child per month. The family will pay the remaining amount. This model could reduce the cost of child care by two-thirds for participating families. In other states,

similar programs have demonstrated higher levels of employee retention. A $3M ongoing investment from the General Fund is requested to support this program.

Frequently Asked Questions

What are the goals of the program?

- To share the costs of child care among the State of Arizona, employers and employees for children ages birth-five.

- To increase access to and affordability of quality early childhood development programs.
- To enable employers to attract and retain a talented workforce.

Who will manage the program? First Things First who may partner with an external entity to manage the program.

What ages of children are eligible to be served? Birth - age 5.

What child care programs are eligible? Child care programs must be licensed or certified and have earned a distinction of quality from Quality First or a national accreditation.

What happens if there is no availability in child care programs that have a quality distinction? If there are no open child care slots with child care providers who have achieved a quality status, a child care provider may still participate with approval from First Things First and would have two years to achieve national accreditation or a quality designation.

Who are the families that can participate? Families who are employed by an employer who participates in the program, has a household income of $150,000 or less, and who are not otherwise receiving a state or federal child care subsidy or scholarship (e.g. from DES or First Things First).

Who are the employers that can participate? For-profit, non-profit or other entities exempt from federal taxes who have at least one employee in Arizona and provide a child care benefit to employees.

How can employers be involved? Employers who are interested in participating in this program should contact First Things First.

How will the child care match work? Through the public-private partnership, the state will match employer contributions for child care up to $400 per month per child. As an example, if an employer contributes $400 and the state contributes $400 per month per child, it would provide a family with $800 towards their child care expense. The family would contribute the remaining amount for their child care tuition. First Things First will work with interested employers to determine the best way to manage the payments from an operational perspective.

How much funding is needed for the program? $3M is requested ongoing from the General Fund to start and implement this program starting in FY26.

For more information, visit https://osi.az.gov/priorities/child-care