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TO: Arizona Early Childhood Development and Health Board Attachment #3a
FROM: Yavapai Regional Partnership Council
DATE: April 16, 2009
RE: Revised Funding Plan: Capital Expenditure – Chino Valley Head Start

Attached for your review and consideration is a revised Funding Plan strategy that was approved by the Yavapai Regional Partnership Council at the March meeting. This strategy includes the purchase of a building to address access to early care and education services in Chino Valley, a fast-growing community with a sizeable low income population. This memo and supporting documents provide the detail and justification for this capital purchase. Upon completion of the various steps required to enter into this type of agreement, the Yavapai Regional Partnership Council will bring back a finalized strategy for the Board's approval at a later date.

In its original funding plan, the Regional Partnership Council identified that there is not enough quality child care available throughout the region. In addition to other strategies addressing access and quality of early care and education, the Regional Partnership Council identified a strategy to expand Head Start in the region.

NACOG – Head Start provides Head Start programs throughout Yavapai, Coconino, Apache and Navajo counties. The Regional Partnership Council had been informed that maintaining and expanding services in Chino Valley was among the priorities facing NACOG – Head Start for their entire region. While this strategy was identified in the original funding plan, there was not sufficient regional funding available, resulting in the strategy being labeled "unfunded" with the intent of requesting discretionary funding at a later time.

The Yavapai Regional Partnership Council was recently allocated a Frontier Adjustment of $708,717 by the FTF Board. At their March 13, 2009 meeting the Regional Partnership Council discussed the best use of the additional funding given the needs and assets of the region. They reviewed the "unfunded" strategies that were included in the original funding plan. An update about Head Start services was provided, at which time they learned that the Chino Valley Head Start program, which has occupied leased space for the past eleven years, was required to vacate their building by May 31, 2009.

Since the fall of 2008, Head Start has researched and viewed countless buildings and negotiated potential space with over 20 landlords. The few spaces that were found that might be able to house their program without major renovation were only able to do so for a limited amount of time. Failing to identify a new facility, Head Start considered relocating all or some of Chino Valley's enrollment slots to other communities. Head Start's 78 enrollment slots represent 29 percent of the total child care capacity in Chino Valley.

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The optimum solution for Head Start services in Chino Valley, one that provides long-term stability, is the purchase of a permanent facility that has the capacity for future expansion. The Regional Council learned that Head Start had identified a building that was available for purchase at an approximate cost of $500,000. The building, a former charter school facility, is approximately 3,400 square feet and is on 2.9 acres of property. Only minor renovations are needed in order for Head Start to meet licensure requirements. Head Start requested assistance from First Things First for 50 percent of the purchase price.

NACOG - Head Start has budgeted $125,000 in their current budget toward the Chino Valley building purchase. They have submitted an application to Region IX Head Start, requesting an additional $125,000 in federal Head Start funding for the purchase. A Letter of Intent from First Things First was provided to NACOG – Head Start for inclusion in their funding request to Region IX Head Start, indicating tentative support for partnering in the purchase. The letter was created and delivered– in consultation with Director Hibbs – to accommodate the short timeframe for resolving the space issue that NACOG is facing, and NACOG's need to demonstrate potential support for funding to federal Head Start. (A copy of the Letter of Intent is included in the Board Packet.)

In the event NACOG – Head Start does not receive federal Head Start funding, they are prepared to seek financing for the remaining $125,000. NACOG – Head Start will be responsible for all costs associated with ensuring the building meets licensure requirements, as well as all ongoing maintenance expenses.

Purchase of this facility ensures the ongoing provision of Head Start services in Chino Valley. The current budget for NACOG – Head Start includes funding to support program delivery for 78 children in Chino Valley. The current Head Start funding is stable and will cover all of the program's operational expenses. The building, with its property, also provides the opportunity for Head Start to plan for future expansion. As the opportunity arises, NACOG - Head Start can participate in competitive grant opportunities through District IX Head Start that will allow them to serve more children in Chino Valley and its surrounding communities. All future costs of building expansion and program operations will be the responsibility of Head Start.

It is proposed that NACOG – Head Start will own the property. If, at some future date, the property is no longer used as a Head Start facility, it will be sold, with an agreed upon percentage of the proceeds being returned to First Things First.

The Yavapai Regional Partnership feels that maintaining and stabilizing Head Start services in Chino Valley is an important investment in the early childhood system in our region. They unanimously approved using up to $250,000 of their Frontier Allocation to help Head Start with the purchase of a permanent facility in Chino Valley.

Marcia Jacobson, Coordinator for the Yavapai Regional Partnership Council, will be present at the April Board meeting to present further information on this strategy and answer any questions from Board members.