



FIRST THINGS FIRST

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PUBLIC NOTICE OF MEETING OF THE

Arizona Early Childhood Development & Health Board

Pursuant to A.R.S. §8-1194(A) and A.R.S. §38-431.02, notice is hereby given to the members of the First Things First Arizona Early Childhood Development & Health Board, and to the general public that the Board will hold a **Regular Meeting open to the public on Tuesday, October 1, 2013 beginning at 8:30 a.m. The meeting will be held at First Things First, 4000 North Central Avenue, Suite 800, Phoenix, Arizona 85012.** Some members of the Board may elect to attend telephonically.

Pursuant to A.R.S. § 38-431.03 (A) (1), A.R.S. § 38-431.03(A) (2) and A.R.S. § 38-431.03 (A) (3), the Board may vote to go into Executive Session, which will not be open to the general public, to discuss personnel items, records exempt from public inspection and/or to obtain legal advice on any item on this agenda.

The Board may hear items on the agenda out of order. The Board may discuss, consider, or take action regarding any item on the agenda. The Board may elect to solicit public comment on any of the agenda items.

The meeting agenda is as follows:

1. Call to Order

Steve Lynn, Chair

2. Conflict of Interest

Steve Lynn, Chair

Board Members will Address Potential Conflicts of Interest Regarding Items on this Agenda.

3. Call to the Public

This is the time for the public to comment. Members of the Board may not discuss or take legal action regarding matters that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. §38-431.01(H), action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism, or scheduling the matter for further consideration and decision at a later date.

4. Consent Agenda

Steve Lynn, Chair

All items on the agenda that are in *italics, underlined*, and marked with an asterisk (*) are consent matters and will be considered by a single motion with no discussion. All other items will be considered individually. Any matter on the consent agenda will be removed from the consent agenda and discussed upon the request of any Board member.

Pursuant to A.R.S. § 38-431.03 (A) (1), A.R.S. § 38-431.03(A) (2) and A.R.S. § 38-431.03 (A) (3), the Board may vote to go into Executive Session, which will not be open to the general public, to discuss personnel items, records exempt from public inspection and/or to obtain legal advice on any item on this Consent Agenda.

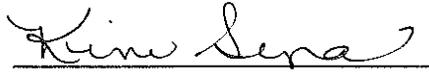
- A. * Board Meeting Minutes August 27, 2013 (Attachment #1)
- B. * Statewide and Regional Partnership Council New and Revised Strategies, Grants and Contract Agreement Amendments and Inter-Governmental Agreements (Attachment #2a Statewide and Multi-Regional Agreements and Amendments) (Attachment #2b New and Revised Strategies)
- D. * Statewide Strategies Report (Attachment #3)
- E. * External Affairs Report (Attachment #4)
- F. * Tribal Affairs Report (Attachment #5)
- G. * Technical Changes to Strategies and Allotments (Attachment #6)
- H. * Quality First Update (Attachment #7)
- I. * Subordination of Lien in Support of Refinancing (Attachment #8)

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| 5. | Board Member Report/Update | Board Members |
| 6. | CEO Report/Update | Sam Leyvas, Interim CEO |
| 7. | Financial Update (Attachment #9)
(Discussion and Possible Vote)
A. FY13 Year End Close
B. FY14 Budget Update
C. FY15 Budget and Regional Allocations | Josh Allen, COO/CFO |
| 8. | Tribal Consultation Report (Attachment #10)
(Presentation and Possible Discussion) | Beverly Russell, Sr. Director for
Tribal Affairs |
| 9. | Regional Council Survey
(Presentation and Possible Discussion) (Attachment #11) | Michelle Katona, CRO |
| 10. | Intervening Early Opportunity Assessment
(Presentation and Possible Discussion) (Attachment #12) | Dr. Karen Peifer, Sr. Director for
Children's Health
Kim Van Pelt, Director of Arizona Health
Futures, St. Luke's Health Initiative |
| 11. | Public Private Partnership Report
(Presentation, Discussion and Possible Vote) (Attachment #13) | Sam Leyvas, Interim CEO |
| 12. | Discussion and Possible Appointment of Regional Partnership
Council Applicants (Possible Executive Session)
<i>Pursuant to A.R.S. § 38-431.03(A) (1) and A.R.S. § 38-431.03(A) (3), the Board may vote to go into Executive Session, which will not be open to the general public, to discuss personnel items and or to obtain legal advice regarding Regional Council applicants.</i> | Michelle Katona, CRO |
| 13. | Discussion and Possible Approval of
RFGA Recommendations (Possible Executive Session)
<i>Pursuant to A.R.S. § 38-431.03(A) (2), the Board may vote to go into Executive Session, which will not be open to the general public, to discuss records exempt from public inspection. Pursuant to A.R.S. §41-2702(E), all information in the grant application is confidential during the process of evaluation.</i> | Michelle Katona, CRO
Josh Allen, COO/CFO |
| 14. | Discussion and Possible Action Regarding
The Employment of a New CEO (Possible Executive Session)
<i>Pursuant to A.R.S. § 38-431.03(A) (1) and A.R.S. § 38-431.03(A) (3), the Board may vote to go into Executive Session, which will not be open to the general public, to discuss personnel items and or to obtain legal advice regarding the employment of a new CEO.</i> | Board Members
Leslie Cooper, Legal Counsel |
| 15. | General Discussion
<i>The Board may engage in general discussion regarding items of possible interest as new business, regarding the agency's mission, goals, initiatives and priorities and strategies. The Board's discussion may include First Things First staff members. No official action will be taken at this time; any matters deemed appropriate for future action will be placed on a future agenda for deliberation and a possible vote.</i> | Board Members |
| 16. | Next Meeting – December 9-10, 2013 – Tucson, Arizona | Steve Lynn, Chair |
| 17. | Adjourn | |

A person with a disability may request a reasonable accommodation such as a sign language interpreter by contacting Kim Syra, Board Administrator, Arizona Early Childhood Development and Health Board, 4000 North Central Avenue, Suite 800, Phoenix, Arizona 85012, telephone (602) 771-5026. Requests should be made as early as possible to allow time to arrange the accommodation.

Dated this 23RD day September 2013

ARIZONA EARLY CHILDHOOD DEVELOPMENT & HEALTH BOARD

A handwritten signature in black ink that reads "Kim Syra". The signature is written in a cursive style with a large, sweeping initial "K".

Kim M. Syra, Board Administrator



Arizona Early Childhood Development & Health Board

Draft Meeting Minutes

Call to Order

The Regular Meeting of the First Things First – Arizona Early Childhood Development and Health Board was held on Tuesday, August 27, 2013 beginning at 2:00 p.m. The meeting was held at the Phoenix Convention Center, 100 North 3rd Street, North Building, Room 224, Phoenix, Arizona 85004

Chair Lynn called the meeting to order at approximately 2:05 p.m.

Members Present:

Steve Lynn, Dr. Pamela Powell, Nadine Mathis Basha, Vivian Saunders, Gayle Burns, Janice Decker and Ruth Solomon

Members Present: (via phone)

Cecil Patterson

Ex-Officio Members Present:

John Huppenthal, Mary Ellen Cunningham and Brad Willis

Conflict of Interest

Chairman Lynn asked the Board members if there were conflicts of interest regarding items on this agenda. There were no conflicts at this time.

Call to the Public

No call to the public at this time.

Consent Agenda

A motion was made by Member Saunders to approve the Consent, seconded by Member Solomon. Motion carried.

CEO Report

Sam Leyvas, Interim CEO, presented updates to the Board. The CEO report highlights are listed below:

2013 Early Childhood Summit had record attendance this year of 1200 +. This is an overall growth of 33% with paid attendance up 60%.

Tribal Consultation was held on August 15, 2013 with a record 21 Tribal leaders/representatives attending. A full report will be presented at the next Board meeting.

Regional Boundary Discussions – Steve Lynn and Michelle Katona have completed the initial round of conversations. The Councils are committed to continuity and the best transition possible.

Discussion and Possible Appointment of Regional Partnership Council Applicants

A motion was made by Member Burns that the Board approve the appointment of Regional Council applicants as presented, seconded by Member Decker. Motion carried.

Discussion and Possible Approval of Statewide and Multi Regional RFGA Recommendations

A motion was made by Member Patterson to approve the RFGA recommendations as presented, seconded by Member Decker. Motion carried.

Guidance on Allocation Methodology

Josh Allen, COO/CFO, reviewed with the Board the FY2015 budget and allocation methodology and requested guidance on a number of policy considerations that would impact both the budget and allocations.

A motion was made by Member Burns to approve a \$4,542,000 draw-down, seconded by Member Decker. Motion carried.

A motion was made by Member Burns to approve that population counts and regional boundaries/edges be made using the now available census block and track data as opposed to the historic zip code methodology, seconded by Member Decker. Motion carried.

A motion was made by Vice Chair Powell that allocation counts be based on zero (0) through age five (5) figures, seconded by Member Burns. Motion carried.

A motion was made by Member Decker to wait until the FY16 allocation process to use the updated data-sets. This will require the use of current data-sets in the FY15 allocation process, seconded by Member Saunders. Motion carried.

Quality First Web Site Launch Update

Liz Barker Alvarez, Sr. Director of Communications, updated the Board on the Quality First Web Site Launch that was held on August 20, 2013. This web site was designed to increase awareness among parents and providers regarding the importance of quality in early learning. It was also mentioned that the web site includes tools to help families make decisions about quality childcare and preschool that meets their needs, and information for providers on things they can do to enhance the quality of their learning programs.

General Discussion

Chairman Lynn wanted to welcome Leslie Cooper as the interim Attorney and announced that the Attorney General's office is in the process of filling this position.

Next Meeting

The next Regular Meeting will be held on September 30 – October 1, 2013 in Phoenix, Arizona

Adjourn

There being no further discussion the meeting was adjourned at approximately 3:10 p.m.



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AGENDA ITEM: Statewide and Multi-Regional Agreements and Amendments

BACKGROUND: The attached document provides information on amendments for funding increases related to statewide program strategies for Home Visitation (Healthy Families accreditation) and FTF Professional REWARD\$.

RECOMMENDATION: The interim CEO recommends approval of the proposed amendments and funding levels.



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Program Strategies					
Funding Plan	Strategy Summary	Agreement Type	Prior Award	Amended Award	Difference
Statewide	<p>Home Visitation (Healthy Families Accreditation)</p> <p>Amendment to agreement to carry out all functions and responsibilities for the purpose of accreditation, evaluation, quality assurance, training, technical assistance and other core services as specified by the National Healthy Families America for Healthy Families programs in Arizona to carry out the model according to national standards.</p>	<p>Agreement Type: Interagency Service Agreement with the Arizona Department of Economic Security</p> <p>Contract Effective Date: July 1, 2013 – June 30, 2014</p>	\$217,260.76	\$221,872.76	\$4,612.00
Statewide	<p>FTF Professional REWARD\$</p> <p>Amendment to agreement so that early care and education practitioners receive inventive awards for continuing their education and continuing to work for the same employer, which contributes to continuity of care for children and retains qualified individuals in the early childhood workforce.</p> <ul style="list-style-type: none"> Graham/Greenlee = New Strategy \$27,000 White Mountain Apache Tribe = New Strategy \$39,150 	<p>Agreement Type: Grant Agreement with Valley of the Sun United Way</p> <p>Contract Effective Date: July 1, 2013 – June 30, 2014</p>	\$1,803,800.00	\$1,869,950.00	\$66,150.00



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AGENDA ITEM: Regional Council New and Revised Strategies and Government Agreements

BACKGROUND: The following Regional Councils are requesting changes to their SFY14 funding Plans.

Phoenix Regional Area: North Phoenix

Maricopa Regional Area: Northeast Maricopa

In addition, the Southwest Maricopa Regional Partnership Council is requesting approval of a government agreement for SFY14.

Letters from the Regional Council Chairs are included for your review and provide information on the request(s). A funding plan financial summary is provided to illustrate the changes to the overall funding plan.

RECOMMENDATION: The Interim CEO recommends approval of all the proposed strategies and funding levels and the government agreement presented.



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Chair

Cindy Hallman

Vice Chair

Connie Robinson

Member

Lyn Bailey, Ph.D.

Carol Proch

Billy Thrall

Bradley Smith

Barbara Nicol

Gwen Parker

Willette Watts

September 11, 2013

Steven W. Lynn, Chairman

First Things First

4000 N. Central Avenue, Suite 800

Phoenix, AZ 85012

RE: North Phoenix Regional Partnership Council Funding for Service Coordination Strategy

Dear Chairman Lynn:

The North Phoenix Regional Partnership Council requests your approval to make the following changes to the SFY14 Funding Plan. The Regional Partnership Council approved this proposal at their September 10, 2013 meeting.

The Regional Council is requesting the addition of a Service Coordination strategy in the amount of \$37,030 in order to support activities associated with the cross-regional Phoenix/Maricopa Family Resource Collaborative Project described below.

Phoenix/Maricopa Family Resource Collaborative Project

The North Phoenix Regional Partnership Council is excited to participate in the new county-wide collaboration for Family Resource Centers and Family Support Coordination. This effort began last year and includes seven Maricopa County based regional councils and their grant partners. With such a substantial organizational investment and commitment, over six million dollars and 26 contracts across the regions, the Family Resource Center/Family Support Coordination Project rose to the top as an appropriate collaboration opportunity.

The Family Resource Collaborative group of staff and grant partners has met together throughout the year and has established a working structure which includes a leadership committee and a professional development subcommittee. Through the work of an outside consultant, a strategic plan was completed and approved by the Collaborative.

To support continued progress and fund the SFY14 activities, the North Phoenix Regional Partnership Council is requesting the approval of the following changes to the North Phoenix Regional Partnership Council's SFY14 Funding Plan:

- **Addition of a Service Coordination strategy with allotment of \$37,030.**
- **Funding for this strategy to be made available through two additional changes: decrease the Parent Education Community Based Training strategy by \$32,618 (these are un-awarded funds); and a decrease to Needs and Assets strategy of \$4,412 (these are un-awarded funds).**

North Phoenix Regional Partnership Council

The funding will be used to support the implementation of a set of collaborative activities across the FTF funded family resource centers and family support providers in Maricopa County. Below is an outline of the goals and implementation recommendations:

- **Raise awareness of family resource centers and family support coordination that provide information about, and referrals to, supports and services available to families with young children.**
Implementation Recommendations: Work with family resource center and family support coordination providers to develop a county wide universal message and print materials to inform the community of the locations of the family resource centers and the family support specialists. Provide a gateway to other services that are available in the community through the development of a website and database of resources and services.
- **Improve the quality of services delivered by family resource centers and family support specialists.**
Implementation Recommendations: Research best practices for the delivery of quality services (e.g. intake, assessment, referral and case management). Provide training and technical assistance to enable staff to implement best practice models. Offer professional development opportunities for staff.
- **Support a learning community of resource center providers and family support specialists.**
Implementation Recommendation: Create a forum for family resource center providers to meet and discuss topics such as: strategic planning, coordination of resources, and professional development.

We look forward to the Board's continued support as we serve the children in the North Phoenix Region.

Thank you for your consideration.
Respectfully,



Cindy Hallman, Chairperson
North Phoenix Regional Partnership Council



Proposed Funding Plan Summary

FY 2014 - North Phoenix

Total Allocation:		\$14,251,785					
Strategy	Original Allotment	Current Allotment	Proposed New Allotment	Awarded Amount	Proposed Amendment Amount	Proposed New Awarded Amount	Recalculated Unawarded
Child Care Health Consultation	\$230,790	\$230,790	-	\$230,333			\$457
Community Awareness	\$19,700	\$19,700	-	\$19,700			-
Community Based Professional Development Early Care	\$179,795	\$179,795	-	\$179,795			-
Community Outreach	\$77,000	\$77,000	-	\$77,000			-
Court Teams	\$50,000	\$50,000	-	\$50,000			-
Developmental and Sensory Screening	\$167,598	\$167,598	-	\$167,420			\$178
Family Resource Centers	\$740,000	\$740,000	-	\$739,235			\$765
Family, Friends & Neighbors	\$250,000	\$250,000	-	\$250,000			-
FTF Professional REWARD\$	\$74,250	\$74,250	-	\$74,250			-
Health Insurance Enrollment	\$300,000	\$300,000	-	\$299,420			\$580
Home Visitation	\$978,717	\$978,717	-	\$978,717			-
Media	\$50,000	\$50,000	-	\$50,000			-
Mental Health Consultation	\$369,000	\$369,000	-	\$369,000			-
Needs and Assets	\$8,000	\$8,000	\$3,588				\$3,588
Parent Education Community-Based Training	\$477,532	\$477,532	\$444,914	\$444,914			-
Parent Outreach and Awareness	\$375,000	\$375,000	-	\$375,000			-
Quality First	\$1,506,210	\$1,506,210	-	\$1,490,749			\$15,461
Quality First Child Care Scholarships	\$5,881,832	\$6,021,003	-	\$6,021,003			-
Reach Out and Read	\$19,000	\$19,000	-	\$17,269			\$1,731
Scholarships TEACH	-	-	-	-			-
Service Coordination	-	-	\$37,030				\$37,030
Statewide Evaluation	\$547,358	\$547,358	-	\$547,358			-
Total Allotment:	\$12,301,782	\$12,440,953	\$485,532	\$12,381,163			\$59,790
Total Unallotted:		\$1,810,832					



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Chair

Patricia VanMaanen

Vice Chair

Marie Raymond

Members

Joanne Meehan

Dr. Bill Myhr

Mary Permoda

Jenny Stahl

Stu Turgel

Dana Vela

Vacant

Vacant

Vacant

1839 South Alma School Road, Suite 100

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September 30, 2013

Steven W. Lynn, Chairman
First Things First Board
4000 North Central Avenue, Suite 800
Phoenix, Arizona 85012

Dear Chairman Lynn,

The Northeast Maricopa Regional Partnership Council is seeking your approval to make a revision to the Community Outreach strategy for SFY14.

Revised Strategy

The proposed change to the Regional Partnership Council's SFY14 Funding Plan is an increase in funding to the **Community Outreach** strategy in the amount of \$4,926 for a total of \$81,926. The allotment increase was approved based on actual costs for the strategy, due to an increase in personnel costs.

This change was voted on at the August 13, 2013 Regional Partnership Council meeting. The attached *Funding Plan Summary* reflects how the proposed changes will impact the regional carry forward dollars.

The Northeast Maricopa Regional Partnership Council respectfully requests that the Arizona Early Childhood Development and Health Board approve the Regional Council's request to make the changes outlined above. The Regional Partnership Council is confident that the proposed changes are in the best interest of children and families in the Northeast Maricopa Region and support the Board approved priorities, aligning with the Early Childhood System that First Things First is working to build.

Thank you for your consideration.

Sincerely,

Patricia VanMaanen, Chair
Northeast Maricopa Regional Partnership Council

Regional Partnership Council Plan Funding Summary - Items for Board Approval

Regional Partnership Council: Northeast
Maricopa
Year: FY12

Strategies	Original Amount	Current Total	Proposed	Awarded	New/Amended Awards (Marginal Amount)	Recalculated Unawarded
		\$4,092,431				
Child Care Health Consultation	\$40,000	\$44,000	\$44,000	\$40,000		\$4,000.00
Community Awareness	\$10,000	\$10,000	\$10,000	\$10,000		\$0.00
Community Outreach	\$50,000	\$87,500	\$62,000	\$50,000		\$12,000.00
Crisis Intervention	\$297,000	\$297,000	\$297,000	\$296,836		\$164.00
Food Security	\$6,500	\$6,500	-			\$0.00
Home Visitation	\$212,500	\$212,500	\$215,500	\$212,090		\$3,410.09
Media	-	\$150,000	\$150,000	150,000		\$0.00
Mental Health Consultation	\$375,000	\$375,000	\$375,000	\$375,000		\$0.00
Needs and Assets	\$7,000	\$7,000	\$7,000			\$7,000.00
Oral Health	\$200,000	\$200,000	\$193,906	\$193,906		\$0.00
Parent Education Community-Based Training	\$250,000	\$250,000	\$250,000	\$250,000		\$0.00
Pre-Kindergarten Scholarships	\$478,000	\$478,000	\$478,000	\$478,000		\$0.00
Quality First	\$225,000	\$247,500	\$247,500	\$239,267		\$8,233.33
Quality First Child Care Scholarships	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000		\$0.00
Scholarships TEACH	\$33,000	\$36,300	\$69,300	\$36,300		\$33,000.00
Statewide Evaluation	\$342,346	\$108,662	\$108,662	\$108,662		\$0.00
To Be Determined						\$0.00
Total	3,626,346.00	3,609,962.00	\$3,607,868.00	\$3,540,060.58	\$0.00	\$67,807.42
Total Unallotted		\$482,468.61	\$484,562.61			

SFY 2012

Strategy Name: *Scholarships TEACH*

Strategy Description:

As research has shown that well-educated and highly skilled early childhood teachers are strongly linked with high quality and optimal child outcomes at entry into kindergarten, First Things First will lead the effort to develop a comprehensive and well-articulated professional development system within Arizona. This system will ensure that more early care and education professionals have access to education and training to achieve degrees, credentials and specialized skills to promote children's cognitive, social, emotional and physical development. As a result of higher

educational attainment and specialized in-service training, professional compensation will increase and more staff will remain in the field of early care and education.

Goal Area: Professional Development

Goals

- First Things First will build a skilled and well prepared early childhood development workforce
- First Things First will increase retention of the early care and education workforce
- First Things First will enhance specialized skills of the early childhood development and health workforce to promote the healthy social-emotional development of young children.

Key Measure/s:

1. Total number and percentage of professionals working in early childhood care and education settings **with** a credential, certificate or degree in early childhood development.
2. Total number and percentage of professionals working in early childhood care and education who **are pursuing** a credential, certificate, or degree.
3. Retention rates of early childhood and health professionals.

Target Population:

Providers and caregivers, directors who are identified, willing and needing additional professional development in the form of college credit. All areas of the Northeast Maricopa region would be eligible for participation. Twenty scholarship slots would target scholars in non-Quality First Centers.

Regional Council	units	SFY 2012	SFY 2013	SFY 2014
Target Service Numbers	20 participating scholars	20 participating scholars	20 participating scholars	20 participating scholars

Performance Measures:

- Total number of participating scholars/proposed service number
- Total number of scholars completing a CDA/proposed service number
- Total number of scholars completing AA/proposed service number

SFY 2012 Expenditure Plan for Proposed Strategy

TOTAL ALLOTTMENT for proposed strategy \$ 33,000

Budget Justification/Estimates of Costs:

The Northeast Maricopa Regional Partnership Council determined that based on FTF recommendation, the funding per T.E.A.C.H. scholar is \$3,300 per scholar per year. The proposed \$33,000 will cover the scholarship for 20 scholars beginning in Spring semester through the remaining months of SFY 2012.



Proposed Funding Plan Summary FY 2014 - Northeast Maricopa

Total Allocation:		\$3,652,736					
Strategy	Original Allotment	Current Allotment	Proposed New Allotment	Awarded Amount	Proposed Amendment Amount	New Proposed Awarded Amount	Recalculated Unawarded
Child Care Health Consultation	\$50,400	\$50,400	-	\$50,300			\$100
Community Awareness	\$15,000	\$15,000	-	\$15,000			-
Community Outreach	\$77,000	\$77,000	\$81,926	\$77,000			\$4,926
Family Support – Children with Special Needs	\$200,000	\$200,000	-	\$199,352			\$648
Home Visitation	\$165,809	\$165,809	-	\$165,809			-
Media	\$10,000	\$10,000	-	\$10,000			-
Mental Health Consultation	\$307,500	\$307,500	-	\$307,500			-
Oral Health	\$151,484	\$151,484	-	\$151,484			-
Parent Education Community-Based Training	\$265,000	\$265,000	-	\$165,000			\$100,000
Quality First	\$341,213	\$341,213	-	\$337,711			\$3,502
Quality First Pre-K Scholarships	\$517,203	\$517,203	-	\$517,203			-
Quality First Scholarships	\$1,138,811	\$1,138,811	-	\$1,138,811			-
Scholarships TEACH	\$64,000	\$64,000	-	\$64,000			-
Statewide Evaluation	\$135,544	\$135,544	-	\$135,544			-
Total Allotment:	\$3,438,964	\$3,438,964	\$81,926	\$3,334,714			\$109,176
Total Unallotted:		\$213,772					



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Vice Chair

Kimberly R. Flack

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Marithe D. Sandoval
David Schwake

September 30, 2013

Steven W. Lynn, Chairman
First Things First Board
4000 North Central Avenue, Suite 800
Phoenix, Arizona 85012

RE: Southwest Maricopa Regional Partnership Council Recommended Agreement for Family Resource Centers

Dear Chairman Lynn:

The Southwest Maricopa Regional Partnership Council is seeking your approval to enter into an agreement with the Buckeye Elementary School District in the amount of \$288,411 for a Family Resource Center strategy. This agreement recommendation is in response to the Family Resource Center strategy approved by the Board as part of our SFY14 Regional Funding Plan.

At the September 10, 2013 meeting of the Southwest Maricopa Regional Partnership Council, the Regional Council voted to approve the grant agreement with Buckeye Elementary School District in the amount of \$288,411. Under this agreement, the Buckeye Family Resource Center will provide a family-centered, comprehensive, collaborative and high quality program that supports the development, health, and education of all families in the Buckeye Elementary School District and the surrounding community with a focus on families with children birth to age five.

The target population for this strategy is families with children birth to age five. Buckeye Elementary School District will provide resource and referral assistance to 750 families and Health Insurance Enrollment Assistance to 250 families.

This proposed center, combined with Avondale and Gila Bend's Family Resource Centers and similar agreements with Saddle Mountain Unified School District and Pendergast Elementary School District, will create a comprehensive system of family resource centers in the region.

The total amount of funding to be awarded under this Agreement for SFY14 is \$288,411. This funding includes an operating budget of \$175,000 and \$113,411 to improve the facility in which the center will be housed. The school district is providing a 50% funding match as required per FTF policy. FTF's Chief Financial Officer has reviewed the agreement and confirms that all requirements have been met as outlined in FTF's construction and capital policy.

The initial funding period for the proposed Agreement is October 1, 2013 through June 30, 2014 with potential renewal of the Agreement based on performance and continuation of the strategy by the Regional Council. The potential renewal periods are as follows:

- 1st renewal period: July 1, 2014– June 30, 2015
- 2nd renewal period: July 1, 2015– June 30, 2016

The Southwest Maricopa Regional Partnership Council respectfully requests that the Arizona Early Childhood Development and Health Board approve the Council's request. The Regional Council is confident that the proposed Agreement is in the best interest of children and families in the Southwest Maricopa Region and supports the Board approved priorities.

Thank you for your consideration.

Respectfully,

A handwritten signature in cursive script, appearing to read "Carlian W. Dawson".

Dr. Carlian W. Dawson, Council Chair
Southwest Maricopa Regional Partnership Council |



Proposed Funding Plan Summary

FY 2014 - Southwest Maricopa

Total Allocation:		\$6,279,140					
Strategy	Original Allotment	Current Allotment	Proposed New Allotment	Awarded Amount	Proposed Amendment Amount	New Proposed Awarded Amount	Recalculated Unawarded
Care Coordination/Medical Home	-	\$200,000	-				\$200,000
Child Care Health Consultation	\$60,432	\$60,432	-	\$60,312			\$120
Community Awareness	\$15,000	\$15,000	-	\$15,000			-
Community Outreach	\$77,000	\$77,000	-	\$77,000			-
Family Resource Centers	\$900,000	\$900,000	-	\$503,000		\$288,411	\$108,589
Family Support – Children with Special Needs	-	\$200,000	-				\$200,000
Family, Friends & Neighbors	\$250,000	\$250,000	-	\$250,000			-
Food Security	\$50,000	\$50,000	-	\$50,000			-
Home Visitation	\$300,000	\$300,000	-	\$300,000			-
Media	\$10,000	\$10,000	-	\$10,000			-
Needs and Assets	-	-	-				-
Nutrition/Obesity/Physical Activity	\$200,000	\$200,000	-	\$200,000			-
Oral Health	\$175,000	\$175,000	-	\$175,000			-
Parent Education Community-Based Training	\$375,000	\$375,000	-	\$374,998			\$2
Quality First	\$392,422	\$392,422	-	\$388,394			\$4,028
Quality First Pre-K Scholarships	-	-	-				-
Quality First Scholarships	\$1,360,784	\$1,360,784	-	\$1,360,784			-
Scholarships non-TEACH	\$76,500	\$76,500	-	\$76,500			-
Scholarships TEACH	\$97,600	\$97,600	-	\$97,600			-
Service Coordination	\$50,000	\$50,000	-				\$50,000
Statewide Evaluation	\$287,713	\$287,713	-	\$287,713			-
Total Allotment:	\$4,677,451	\$5,077,451	-	\$4,226,301		\$288,411	\$562,739
Total Unallotted:		\$1,201,689					



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AGENDA ITEM: Statewide and Signature Strategies Report

BACKGROUND: The Statewide and Signature Strategies Report provides updated financial information on FY 2013 close-out expenditures as of September 16, 2013, and program performance information through FY 2013 Quarter 4 for strategies funded through statewide program funds, and other strategies and programs developed or substantially supported by First Things First.

RECOMMENDATION: The Interim CEO recommends approval of this report.

Statewide and Multi-Regional Strategies

September 2013

Strategy	Funding Source	FY 2013 Allotted Amount	FY 2013 Awarded Amount	FY 2013 Expended Amount	FY 2013 Contracted Service #	FY 2013 Actual Service #	Comments
Quality First Pre-K Scholarships	FTF Regions	\$13,690,366	\$13,381,564	\$12,198,929			<p>Pre-Kindergarten Scholarships help low-income families access high-quality center and classroom-based programs for their children during the two years prior to kindergarten entry. These scholarships are available to public school and community-based early care and education providers and this strategy includes mentoring to facilitate systemic partnerships between public schools and community-based providers. The grantee receives a deliverable-based payment for this strategy.</p> <p><i>The contracted number of sites is not determined since the number of sites is determined only after an application and selection process. Regional Councils contract only for the number of scholarships funded. Actual number of pre-K students is higher due to part-time status of some students.</i></p>
						private/public community partner pre-K sites: 57	
						public school-district pre-K sites: 52	
				Total FTF-funded pre-K students: 2,383	Total FTF-funded pre-K students: 5,038		
Quality First	FTF State	\$5,477,700	\$5,310,707	\$4,736,572			<p>Quality First is a comprehensive initiative that provides support, funding and education to qualified centers and homes to improve the quality of early care and education for children younger than five years. The Quality First model includes assessment, coaching, T.E.A.C.H., Child Care Health Consultation and financial incentives for quality improvement. The rating component of Quality First is being implemented in FY12.</p> <p><i>Approximately 40 programs are enrolled every 5 weeks. Vacancies account for the difference between contracted and actual service numbers. Coaching grantees continue efforts to recruit early care and education providers in the following regions where slots are funded, but there is no wait list: North Phoenix homes, South Phoenix centers and homes, Northwest Maricopa homes, Central Phoenix homes, Coconino homes, La Paz Mohave homes, Navajo Nation centers and homes, Pinal homes, South Pima centers and homes, Tohono O'odham centers and homes, White Mountain Apache homes, Cochise homes, Pascua Yaqui homes, Gila River centers, and Yuma centers.</i></p>
	FTF Regions	\$16,214,132	\$15,340,892	\$13,246,270			
					Centers: 715	Centers: 619	
					Homes: 248	Homes: 177	
	Total	\$21,691,832	\$20,651,599	\$17,982,842			
				Regional: 963	Regional: 796		
Scholarships TEACH	FTF State	\$3,506,300	\$3,506,300	\$1,181,017			<p>T.E.A.C.H. ARIZONA is a comprehensive scholarship program that provides early care and education professionals with access to college coursework leading to a degree or certificate in early childhood education. T.E.A.C.H. provides financial support for books, tuition, travel stipends and time off from work to attend class and complete assignments, and a financial bonus upon completion of college coursework.</p> <p><i>State level funding and contracted service numbers reflect budgeting 1 scholarship per center-based provider and a 0.5 scholarship per home provider. This report reflects active scholars. Based on active scholars, 50% of the contracted service numbers for which funding is awarded has been reached. Based on FY 2013 data, FTF adjusted the state level funding award for FY14 to more closely reflect the grantee's revised contracted service numbers. Regional funding and contracted service numbers will continue to be monitored.</i></p>
					participating scholars: 845	participating scholars: 514	
	FTF Regions	\$1,454,577	\$1,454,577	\$517,597			
					participating scholars: 438	participating scholars: 176	
Total	\$4,960,877	\$4,960,877	\$1,698,614				
				participating scholars: 1,283	participating scholars: 646		

Statewide and Multi-Regional Strategies September 2013

FTF Professional REWARD\$	FTF Regions	\$1,807,425	\$1,802,925	\$1,562,003	incentive awards distributed: 1,336	incentive awards distributed: 1,692	FTF Professional REWARD\$ helps retain good teachers to promote continuity of teachers and caregivers working with young children. REWARD\$ offers financial awards to early childhood teachers based on educational achievement, wages earned and hours worked per week and requires a commitment from participants to remain in their current employment. There are eight tier levels with corresponding awards that range from \$200 to \$2000 dollars. <i>The number of awards (actual service number) will fluctuate depending on the tier level of applicants.</i>
Quality First Scholarships	FTF Regions	\$34,838,124	\$34,484,502	\$29,512,330	scholarship slots for children 0-5 years: 5,425	scholarship slots for children 0-5 years: 5,259	Quality First Scholarships help low-income families who are working, looking for work or improving their work skills through training or education afford high quality learning programs for their young children. These scholarships are available to early care and education providers enrolled in Quality First (or on the waiting list) and support providers in maintaining a quality program. The grantee receives a deliverable-based payment for this strategy. <i>The contracted service number is based on the star rating and program size. The program size and star rating for open slots is estimated and may not be reflective of the actual star rating and program size upon enrollment. Therefore, the differential between contracted and actual service numbers may be partially due to programs achieving a higher/lower star rating than estimated or if program size is larger or smaller than estimated. Funding returned at the end of FY 2013 is partially due to vacancies in Quality First.</i>
Parent Kits - statewide	FTF State	\$1,600,000	\$1,950,000	\$1,256,124	kits distributed: 65,000	kits distributed: 73,833	Arizona Parent Kits are given statewide to all families with newborns as they leave the birthing hospital or center. The kits include an 80-page Arizona Parents Guide, six DVDs on early childhood development and health topics and a new book for parents to read with their baby. <i>The actual service units exceeded contracted service units for several reasons: the switch from a box to a bag to hold the contents has resulted in more storage capacity at birthing hospitals and centers and staff are able to keep more supply on hand; an additional hospital is now distributing the Kits (Banner Ironwood); and, our grantee has ramped up outreach efforts to participating hospitals and centers with a resultant increase in distribution.</i>
Birth to Five Helpline	FTF State	\$100,000	\$100,000	\$100,000	calls received: 5,000	calls received: 1,495	The Birth to Five Helpline free service using a toll-free number (1-877-705-KIDS) with experts to answer any family's questions or address concerns on early childhood development for infants, toddlers and preschoolers. Questions can also be submitted online at www.swhd.org/get-help/birth-to-five-helpline . <i>Contracted service units were proposed significantly higher than in past years, with actual service units reported at only 30%. Contracted units are realistically adjusted for FY 2014.</i>

Statewide and Multi-Regional Strategies September 2013

Reach Out and Read	FTF Regions	\$355,510	\$351,027	\$349,263			<p>Reach Out and Read is delivered through medical practices, by training doctors and nurses to advise parents about the importance of reading aloud. It also provides books to children at pediatric check-ups from six months to five years of age, with a special focus on children growing up in poverty. The books are used to promote age-appropriate literacy skills and as a tool to discuss developmental issues with parents and families during the medical visit.</p> <p><i>Actual service units are lower than contracted due to deactivated or dis-enrolled sites. The RORAZ state coalition is in the process of collecting data and will conduct a follow-up survey with the providers from those sites to identify the exact causes of the deactivation. Once the causes have been identified, strategies will be developed to ensure the retention of existing ROR sites and enhance the recruitment of new ROR sites.</i></p>
					participating practices: 39	participating practices: 22	
Child Care Health Consultation	FTF Regions	\$2,788,118	\$2,725,145	\$2,467,283			<p>Child Care Health Consultants are nurses and child health experts who work with early care and education settings to provide teachers and staff with information and guidance to assure the health and safety of children in the program. This strategy provides onsite, email and phone consultation, staff training and referrals to community health resources. This strategy is delivered in a tier model: tier 1 is telephone technical assistance; tier 2 is on-site expert mode; and tier 3 is on-site comprehensive services.</p> <p><i>Actual service numbers of QF sites reflect the number of centers currently enrolled in CCHC tier 2 and 3 levels, which is why numbers are lower than contracted. FTF is currently developing a system to show Tier 1 data.</i></p>
					Centers: 712		
					Homes: 313		
						Non-QF Centers: 57	
						Non-QF Home: 66	
						Regional Centers: 336	
						Regional Home: 112	
	Total				Centers: 712	Centers: 393	
					Homes: 313	Homes: 178	
Mental Health Consultation	FTF Regions	\$4,537,250	\$4,520,250	\$4,188,388			<p>Early childhood mental health consultation (ECMHC) is an evidence-based strategy proven to support the social and emotional development of all children in early care and education settings. MHC support providers to respond to children with behavioral challenges in the classroom. MHC is a service provided to the child care providers and it is designed to enhance all of the relationships in a child care program.</p> <p><i>The MHC grantee conducts regular focus groups with owners of licensed homes to enlist them into the program. They report improved collaboration with CCHCs, QF coaches and other TA programs to enlist homes into the program. They report some success but continue to enroll less than expected. Owners of licensed homes have smaller numbers of children and are not receptive to having a mental health professional come into their home. The grantee continues to serve higher than expected child care centers.</i></p>
					Centers: 200	Centers: 352	
					Homes: 58	Homes: 16	

Statewide and Multi-Regional Strategies September 2013

Physician Education & Outreach	FTF State	\$235,000	\$235,000	\$235,000			Physician Education and Outreach improves the quality of health care for young children by providing technical assistance and support to medical practices and clinics, including using a medical home model, best practices, developmental screening, referral to early intervention services and identifying community resources that support child development. <i>Actual service numbers reflect continuing and newly participating practices.</i>
					participating practices: 30	participating practices: 48	
	FTF Regions	\$259,000	\$258,861	\$230,841			
					participating practices: 17	participating practices: 27	
Total		\$494,000	\$493,861	\$465,841			
					participating practices: 47	participating practices: 75	
Workforce Capacity – Therapist Scholarships	FTF State	\$275,000	\$275,000	\$247,500			Therapist Scholarships are used to increase the number of speech language therapists with specialized knowledge and skills to work with young children. Scholars are provided tuition to complete a Master’s level program with specialized coursework, and upon graduation, must commit to two years of service with birth to five populations in Arizona. <i>The actual service unit of 7 students reflects those students in the final year of their 2-yr. master’s degree program. This strategy is not continuing in FY 2014.</i>
					students receiving financial support: 12	students receiving financial support: 7	
Capacity Building	FTF State	\$200,000	\$100,000	\$99,971			The Capacity Building strategy has two phases: Phase 1 consists of developing a capacity building approach and a capacity-building plan. Phase 2 begins implementation of the planned capacity building strategies. The planning phase includes an environmental scan; developing a comprehensive approach to capacity building for multiple agencies with various competencies; and producing a final report and plan for implementation in Phase 2. <i>This strategy currently has no Contracted or Actual Service Numbers as progress is determined by deliverables outlined in the contract. The grantee, Alliance of Arizona Nonprofits, completed Phase 1 of this strategy and submitted their plan and budget for implementation in Phase 2, which began July 1, 2013.</i>
	FTF Regions		\$3,200	\$3,200			



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AGENDA ITEM: External Affairs Update

BACKGROUND: The attached report provides information and updates on progress related to external affairs.. The report is segmented into several focus areas, including:

- Community Outreach
- Government Affairs
- Communications
- Tribal Affairs (see report under separate cover)

RECOMMENDATION: For informational purposes only.

Community Outreach

As we work to build a stronger voice on behalf of young children, the power of using consistent messages about early childhood is clear. We need all stakeholders to communicate about the importance of early childhood using compelling and impactful messages that are more likely to resonate with the public.

The Community Outreach team conducts trainings throughout the state to ensure that supporters know the research-based core messages about early childhood and First Things First and have the tools to most effectively share those messages in their communities.

These two-part trainings – entitled “Early Childhood Every Day” and “The Write Way” – focus on teaching core messages used by early childhood supporters across Arizona; practicing tactics for sharing the importance of early childhood through every day conversations; and writing high-impact stories that show the results of early childhood programs and services.

Over the past 3 years of work, the Community Outreach team has steadily increased the number of trainings delivered across the state. Currently, Community Outreach Coordinators are re-connecting with FTF grantees to ensure that they are trained in the newest core messages which were implemented with the new 3-year strategic communications plan.

Fiscal Year	# Trainings	# Attendees
2011	26	278
2012	34	435
2013	52	801
*2014	*22	*565

*FY2014 totals are “to date.”

Just a few of the recent successful outcomes of these trainings include:

- About 150 early childhood supporters attended trainings held at the FTF Early Childhood Summit. These people will now have the tools they need to spread the word about early childhood in their own communities.
- Several Community Outreach Coordinators have partnered with local libraries to offer the training to library staff members. To date, library staff in Scottsdale, Mesa, Chandler and Phoenix have attended and are now sharing the early childhood message and FTF information with parents and community members who visit their libraries.
- About 60 family, friend and neighbor providers were trained this summer to be able to share the early childhood messages and information about First Things First in diverse communities.

Communications

Earned Media

The launch of QualityFirstAZ.com saw earned media taking priority in our communications efforts. In fact, of the **82 articles** featuring FTF and/or its grantees placed in earned media statewide since the beginning of the fiscal year, **nearly half** of those placements highlighted the website launch. Below are highlights from the launch, as well as other notable accomplishments in our earned media efforts.

- **QualityFirstAZ.com** – efforts by our Communications and Community Outreach staff surrounding the website launch resulted in the placement of **38 stories** in outlets statewide. These included traditional (television, print, online, etc.), social (Facebook), and emerging media (user generated sites) outlets. These stories reached communities including metropolitan Phoenix, Tucson, Sierra Vista, Kingman, Casa Grande, Globe, Maricopa, Safford, Winslow, Sedona, Nogales and the Navajo and Hopi nations. Continued outreach to media outlets and upcoming site tours at Quality First-participating providers should result in additional coverage. A few of the stories had statewide impact, such as articles in the online versions of Raising Arizona Kids and Parenting Arizona. Since the launch, the Quality First website has been visited 5,031 times by 3,649 unique visitors. They viewed a combined total of 28,954 pages (an average of about six pages per visit).
- **ASBA Journal** – In late August, the ASBA Journal devoted nine pages of its quarterly publication to the importance of early childhood in students' academic success. The package of stories included an opinion piece by Dr. Timothy Ogle, ASBA Executive Director; a story about how schools are partnering with other stakeholders to enhance early learning opportunities (including interviews with First Things First Chief Program Officer Karen Woodhouse and several FTF stakeholders); a success story authored by La Paz/Mohave Community Outreach Coordinator Erin Taylor featuring the preschool expansion in Topock, Arizona, made possible through funding from FTF; a Q&A on the return on investment of early childhood with economist Ron Grunewald; and, an article on Arizona's Move on When Reading efforts. The package was informed, in part, by conversations between First Things First and ASBA regarding the role of early childhood/FTF in school readiness for all children.
- **Expanded Hits in Television/Radio** – This quarter, FTF staff presented early childhood information in a few extended television and radio formats. Those interviews included: FTF Pima Community Outreach Coordinator Lisette DeMars and Kim Metz, from FTF grantee Parent Connect, presented an 8-minute segment on KGUN-9's Morning Blend (<http://www.tucsonmorningblend.com/videos/216834791.html>); and, FTF Southeast Maricopa Regional Director Terri Duhart presented a 4-minute segment on KNXV-15's Sonoran Living morning show (http://www.abc15.com/dpp/lifestyle/sonoran_living/simple-tools-to-help-a-young-childs-healthy-development). Both segments featured the importance of early childhood and tips for parents to support their child's learning. In addition, Central Phoenix Community Outreach Coordinator Susana Ibarra Johnson participated in two segments on 1190-AM's Mujeres Unicas show. The shows – aimed primarily at women – were one hour each and dealt with tips for preparing kids for kindergarten and the importance of play, respectively.

In addition, there were six columns submitted by Interim CEO Sam Leyvas to the *Arizona Republic* that likely ran in 5-8 Community sections each on topics including: helping young kids stay cool and active in the summer months; depression in young children; easing kindergarteners' first-day jitters; the importance of play; the launch of QualityFirstAZ.com; and, preventing obesity in children 5 and younger.

Social Media

Public engagement through our social media channels has grown exponentially. FTF now has almost 21,484 friends on Facebook, up by 210 since our last report, and 928 followers on Twitter, up by 40 since our last report.

Government Affairs

Race to the Top – Early Learning Challenge

The U.S. Department of Education and U.S. Department of Health and Human Services announced they will invest the majority of the 2013 Race to the Top funds for a second Race to the Top-Early Learning Challenge competition. About \$370 million will be available this year for states to develop new approaches to increase high-quality early learning opportunities and close the school readiness gap.

Timeline

Deadline for transmitting applications: October 16, 2013

Awards announced by December 31, 2013

Proposed Budget Requirements

As in the FY 2011 competition, the Departments developed the following categories by ranking every State according to its share of the national population of children ages birth through five years old from Low-Income families and identifying the natural breaks in the rank order. Then, based on population, budget caps were developed for each category. The Secretaries proposed the following budget requirements for States receiving funds under this competition.

Category 1—Up to \$75 million— Florida, New York, Texas.

Category 2—Up to \$52.5 million—Arizona, Georgia, Michigan, Pennsylvania.

Category 3—Up to \$45 million—Alabama, Indiana, Kentucky, Louisiana, Missouri, New Jersey, Oklahoma, Puerto Rico, South Carolina, Tennessee, Virginia.

Category 4—Up to \$37.5 million—Alaska, Arkansas, Connecticut, District of Columbia, Hawaii, Idaho, Iowa, Kansas, Maine, Mississippi, Montana, Nebraska, New Hampshire.

Arizona's 2011 Application

Arizona's application scored 28th among the 37 applications in 2011 for the Race to the Top Early Learning Challenge grant, with 186.8 out of a possible 300 points. While ranked 28th among states, Arizona was in the middle among states not receiving a competitive grant and its score was not far from being among the next top six states. To secure a grant in the 2013 application, however, Arizona has an opportunity to improve its scoring on a number of the different categories.

First Things First has met with the Governor's Office on preliminary discussions about potentially submitting a 2013 application for the Early Learning Challenge.

Tribal Affairs

See full report under separate cover.

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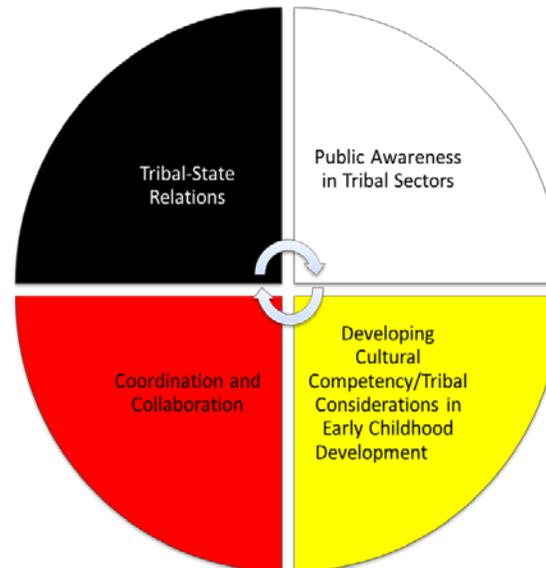
AGENDA ITEM: Tribal Affairs Update

BACKGROUND: The attached table provides information on the activities related to tribal affairs for the months of August through early September 2013. The first column lists four categories that indicate the overall content areas that summarize tribal affairs for this reporting period. These areas include:

- Tribal-State Relations
- Public Awareness Efforts in Tribal Sectors
- Developing Cultural Competency/Tribal Considerations in Early Childhood Development
- Coordination and Collaboration

The second column provides a brief summary of the activities and accomplishments.

RECOMMENDATION: For informational purposes only.



TRIBAL AFFAIRS STATUS REPORT
August-September 2013

Project Type	Description
Tribal-State Relations	<p>FTF has initiated an approval process with the ten tribal regions to collect and analyze data to measure the FTF School Readiness Indicators. As a part of this process, Tribal Affairs dialogued with the White Mountain Apache Tribe during this reporting period. Additionally, the San Carlos Apache Tribe and the Cocopah Tribe passed resolutions supporting data acquisition for regional benchmarking purposes during the month of August. Thus far, three tribes have approved data agreements with FTF related to this effort.</p> <p>On September 1, the Annual Tribal Consultation Report was prepared and submitted by First Things First to the Governor’s office pursuant to Arizona Executive Order 2006-14-Consultation and Cooperation with Arizona Tribes. This report provides a summary of the opportunities for coordination and consultation that occurred between the First Things First and Arizona Tribes and Indian Nations.</p>
Public Awareness Efforts in Tribal Sectors	<p>Tribal Affairs recently offered a session at the FTF summit inviting tribal stakeholders to lend their insight and expertise to inform successful early childhood public awareness and engagement efforts on tribal lands. The primary objective of this effort was to gather insight into the attitudes and opinions regarding FTF core messaging and communication and outreach tactics/activities implemented on tribal lands. FTF will use this information in program, communications, and outreach work planning.</p> <p>First Things First was recently invited by the American Indian College Fund Sacred Little Ones Project, to join a United States delegation at the 2014 World Indigenous People’s Conference on Education to highlight early childhood efforts in Indigenous communities of the United States. The Senior Director of Tribal Affairs will continue to explore this opportunity with the American Indian College Fund.</p>
Tribal Considerations in Early Childhood	<p>In early September, the Senior Director of Tribal Affairs represented First Things First at a tribal consultation on Indian Education hosted by the U.S. Department of Education, Office of Indian Education (OIE) and the White House Initiative on American Indian, and Alaska Native Education (WHIAIANE). Arizona tribes presented the following comments/considerations related to the topic of early learning:</p> <ul style="list-style-type: none"> • High need for quality teachers in early learning: Several tribes mentioned the importance of having PhD level pre-school educators in tribal settings. • Federal Sequestration: Tribes asked the federal government to consider refraining from further sequestration cuts for tribes and nations as a means of upholding education treaty obligations to tribes. This request was made with consideration to the negative impact of these cuts to Tribal Head Start programs. • First Things First was referred to as a big “boost” to early childhood efforts for Arizona tribes.
Coordination and Collaboration	<p>This reporting period, the National Native American Fatherhood and Families Association (NNAFFA) engaged FTF in a dialogue to discuss how NNAFFA can collaboratively with FTF to prioritize early childhood development in their programming. NNAFFA is specifically interested in providing information related to the importance of early childhood education targeted at Native American fathers. As a result of this meeting, FTF will offer an informational session on this topic at their national conference in November.</p>



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AGENDA ITEM: Technical Adjustments to FY14 Statewide and Regional Funding Plans

BACKGROUND: According to the Guidance adopted by the Board of First Things First in its September 2010 meeting, staff has completed technical adjustments to funding plans for clerical errors and nomenclature adjustments to allotments and contract amounts approved by the CFO/COO.

CEO RECOMMENDATION(S):

Interim CEO recommends the approval of technical adjustments to the FY14 Regional Funding Plans and awards as presented.

DETAIL:

Clerical Error Adjustments -

- None to report at this time.

Nomenclature Adjustments –

- None to report at this time.

Award/Allotment Adjustments –

Adjustments have been made to the following awards/allotments:

- **Multi-Regional - Recruitment- Stipends/Loan Forgiveness Strategy**
GRA-MULTI-13-0518-01-Y2 – Arizona Department of Health Services
An amendment to the multi-regional contract with the Arizona Department of Health Services, specifically the Navajo Nation Regional Partnership Council's portion, to reduce the hours required for a therapist to be qualified for the Recruitment-Stipend/Loan Forgiveness strategy for FY14 due to the difficulty in recruiting therapists in the region. The hours for this region will now be 20 hours per week. This reduction will also allow the funds for a signed therapist stipend portion to be used by the therapist towards travel within the region in order to meet with the children in the therapy.
- **LaPaz/Mohave – Family Support Children with Special Needs Strategy**
FTF-RC006-13-0354-02-Y2 – Child and Family Resources
An amendment will be made to the LaPaz/Mohave regional contract with Child and Family Resources, Inc., to reduce the service units from 60 to 50 families for FY14. The renewal recommendation from the council wanted to reduce the contracted units for FY14 but they wanted to review Quarter 3 and Quarter 4 data before doing so.
- **Central Phoenix – Family Support Coordination Strategy**
The collaborative comprised of the seven grantees under the Central Phoenix Family Support Coordination strategy recommended revisions to four of the seven grantee's contracted service units. Each was contracted to serve 114 families for a total of 798 families in the region, however, they are not equally staffed so have varying levels of capacity to reach the 114 families. The adjustments were approved by the Central Phoenix Regional Partnership Council - for a total of 799 families in the region.
FTF-RC013-12-0343-08-Y3 - United Cerebral Palsy of Central Arizona (114 families to 140)
FTF-RC013-12-0343-12-Y3 - Crisis Nursery, Inc. (114 families to 130)
FTF-RC013-12-0343-10-Y3 - International Rescue Committee (114 families to 102)
FTF-RC013-12-0343-04-Y3 - Phoenix Children's Hospital (114 families to 85)
- **South Phoenix - Family Resource Center Strategy Allotment**
The South Phoenix region is participating in a cross-regional coordination project for Family Resource Centers and Family Support Coordination programs. In FY13, funding was approved under the Family Resource Center strategy to support the region's portion of a consultant to facilitate the project. In FY14, the project will continue but \$37,030 will be moved out of the Family Resource Center strategy and into the Service Coordination strategy to keep it consistent with the other regions contributing.



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AGENDA ITEM: Quality First Update on Estimated Ratings for Enrolled Providers, Providers on the Wait List, and Age Ranges of Enrolled Children

BACKGROUND: The attached documents provide an updated report of Quality First enrollment data and estimated quality ratings on currently enrolled providers.

All Quality First Ratings are based on three measures: (1) ERS- Environmental Rating Scales (ECERS, ITERS, and FCCERS); (2) Classroom Assessment Scoring System – CLASS (Domains: Emotional Support, Instructional Support, and Classroom Organization); and (3) QF Point Scale that measures Staff Qualifications, Administrative Practices, and Curriculum and Child Assessment. This report includes providers whose ratings are now public, as well as providers who are in the process of completing one or more of the three assessments. Ratings for providers with an incomplete assessment process are considered as *preliminary Quality First Ratings*.

Current data from the Quality First data system shows 29% of providers at 3 – 5 Stars.

August 2013	September 2013	% Change
Providers: 855	Providers: 864	+1.1%
Children: 46,398	Children: 45,547	-1.8%
Waitlist: 302	Waitlist: 308	+2%
Ratings:	Ratings*:	
1 Star: 34	1 Star: 22	- 35%
2 Star: 584	2 Star: 587	+0.5%
3 Star: 160	3 Star: 173	+ 8.1%
4 Star: 58	4 Star: 63	+ 8.6%
5 Star: 18	5 Star: 18	+ 0%

*1 provider has a pending rating and is not included in the star level breakdown

RECOMMENDATION: The CEO presents this update for information only.

Quality First Eligible Applicant and Enrolled Participant Data Report

Regional Partnership Council	Wait List	Full Participation	Rating Only	Infants*	Toddlers*	2 Yr Olds*	3Yr Olds*	4 Yr Olds*	5 Yr Olds*	Total Enrollment 0 - 5*
Central Maricopa	42	38	10	302	484	650	855	1302	225	3818
Center	42	35	10	301	474	641	846	1295	223	3780
Home		3		1	10	9	9	7	2	38
Central Phoenix	10	62		267	474	512	806	967	200	3226
Center	10	60		263	473	507	802	967	200	3212
Home		2		4	1	5	4			14
Central Pima	58	76	7	245	452	665	777	962	289	3390
Center	44	54	7	224	428	633	750	934	281	3250
Home	14	22		21	24	32	27	28	8	140
Cochise		37		52	85	122	246	271	66	842
Center		21		45	64	91	222	256	61	739
Home		16		7	21	31	24	15	5	103
Coconino	9	18		43	87	97	137	124	32	520
Center	9	14		38	77	88	129	121	29	482
Home		4		5	10	9	8	3	3	38
Cocopah Tribe			1				4	9	7	20
Center			1				4	9	7	20
Home										
Colorado River Indian Tribes		2		5	5	5	56	133		204
Center		2		5	5	5	56	133		204
Home										
East Maricopa										
Center										
Home										
Gila		8		15	17	15	65	122	42	276
Center		5		12	16	10	61	118	40	257
Home		3		3	1	5	4	4	2	19
Gila River Indian Community		2		10	10	19	39	32		110
Center		2		10	10	19	39	32		110
Home										
Graham/Greenlee		7		7	23	23	86	125		264
Center		5		3	21	20	85	124		253
Home		2		4	2	3	1	1		11
Hualapai Tribe										
Center										

Quality First Eligible Applicant and Enrolled Participant Data Report

Home										
La Paz/Mohave	6	17		27	52	95	250	309	126	859
Center	6	17		27	52	95	250	309	126	859
Home										
Navajo Nation	15	4		6	10	6	91	71	40	224
Center	15	4		6	10	6	91	71	40	224
Home										
Navajo/Apache	5	3		1	4	10	27	28	6	76
Center	4	2			2	8	26	25	5	66
Home	1	1		1	2	2	1	3	1	10
North Phoenix	5	84		481	761	1165	1339	1768	604	6118
Center	5	77		474	755	1154	1326	1760	601	6070
Home		7		7	6	11	13	8	3	48
North Pima	7	31		174	257	414	493	672	152	2162
Center	2	27		169	252	409	491	668	152	2141
Home	5	4		5	5	5	2	4		21
Northeast Maricopa	18	18	3	145	238	358	413	463	82	1699
Center	18	18	3	145	238	358	413	463	82	1699
Home										
Northwest Maricopa	24	64	15	360	575	842	1218	1752	537	5284
Center	24	57	15	355	564	838	1207	1748	536	5248
Home		7		5	11	4	11	4	1	36
Pascua Yaqui Tribe		2		1	2		2	2		7
Center										
Home		2		1	2		2	2		7
Phoenix North										
Center										
Home										
Phoenix South										
Center										
Home										
Pima North										
Center										
Home										
Pinal		33		69	151	180	379	626	227	1632
Center		28		67	142	172	368	617	223	1589
Home		5		2	9	8	11	9	4	43

Quality First Eligible Applicant and Enrolled Participant Data Report

Salt River Pima Maricopa Indian Community										
Center										
Home										
San Carlos Apache		7		12	28	16	77	178	2	313
Center		6		9	27	15	77	177		305
Home		1		3	1	1		1	2	8
Santa Cruz	12	5		1	2	3	21	41	1	69
Center	4	1					13	33		46
Home	8	4		1	2	3	8	8	1	23
South Phoenix		79		231	353	484	869	1551	280	3768
Center		56		210	306	445	838	1525	272	3596
Home		23		21	47	39	31	26	8	172
South Pima		72		109	247	384	736	1076	223	2775
Center		33		89	193	338	689	1044	207	2560
Home		39		20	54	46	47	32	16	215
Southeast Maricopa	69	52	9	305	500	631	882	1286	210	3814
Center	67	43	9	297	488	616	851	1231	206	3689
Home	2	9		8	12	15	31	55	4	125
Southwest Maricopa	12	24		97	208	289	352	585	156	1687
Center	7	20		95	202	285	351	581	153	1667
Home	5	4		2	6	4	1	4	3	20
Tohono O'odham Nation		4		3	11	17	12	23	2	68
Center		4		3	11	17	12	23	2	68
Home										
White Mountain Apache Tribe		1		13	23	15	18	12		81
Center		1		13	23	15	18	12		81
Home										
Yavapai	7	29		64	118	169	304	375	98	1128
Center	5	25		61	106	158	297	366	97	1085
Home	2	4		3	12	11	7	9	1	43
Yuma	9	36	4	46	109	104	239	498	117	1113
Center		16	4	34	86	80	220	484	113	1017
Home	9	20		12	23	24	19	14	4	96
Statewide Total	308	815	49	3091	5286	7290	10793	15363	3724	45547

*Enrollment data is self reported by Child Care provider.

Quality First Preliminary Star Level for Enrolled Providers by Regional Partnership Council

Regional Partnership Council	1 Star	2 Star	3 Star	4 Star	5 Star	Unknown	Total
Central Maricopa		30	10	7	1		48
Central Phoenix	3	51	6	1	1		62
Central Pima	2	55	17	7	2		83
Cochise	4	23	5	4	1		37
Coconino	1	11	4	2			18
Cocopah Tribe							
Colorado River Indian Tribes							
Gila		6	2				8
Gila River Indian Community							
Graham/Greenlee		6	1				7
La Paz/Mohave		12	4	1			17
Navajo Nation							
Navajo/Apache							
North Phoenix	2	60	18	2	2		84
North Pima		19	5	4	3		31
Northeast Maricopa		16	4	1			21
Northwest Maricopa	2	43	20	9	5		79
Pascua Yaqui Tribe							
Pinal	1	24	8				33
San Carlos Apache		7					7
Santa Cruz		3	2				5
South Phoenix	4	57	10	6	2		79
South Pima	1	45	19	6	1		72
Southeast Maricopa		47	9	5			61
Southwest Maricopa	1	16	6			1	24
Tohono O'odham Nation							
White Mountain Apache Tribe							
Yavapai		21	6	2			29
Yuma	1	21	13	5			40
Total	22	587	173	63	18	1	864

Note: Regional partner councils' provider ratings are suppressed for confidentiality reasons, as the total providers enrolled within this regional area is less than 5.



FIRST THINGS FIRST

Ready for School. Set for Life.

AGENDA ITEM: Maintain a position in lien in support subordination request (sale)

DETAIL:

In FY2010, Central Pima issued an RFGA under the “Expansion: Increase Slots and/or Capital Expense” strategy. The successful applicant to the RFGA was the United Way of Tucson and Southern Arizona in partnership with the City of Tucson and Micro-Business Advancement Center of Tucson. Under this grant, child care providers, supported by the grantee(s) in the region were provided opportunities for capital improvements (including new construction and renovation). Ultimately 10 providers participated. Under the terms of the RFGA and FTF Board policy, the Board established a legal and financial interest in the property in consideration of the funds provided by FTF.

One provider in this program is Old Spanish Trail Preschool. The sale of the property will allow for financial obligations to be met due to ballooning notes that will occur in November 2014. The sale of the property and proceeds from the sale will be used to pay the existing liens on the property and the costs and obligations created by the sale. The final results of this action will be as follows:

- Maintains the property being used in the same manner as what FTF funded the capital improvements for originally.
- Maintains the deed of a secondary position.
- Supports the provider in advancing/securing its business model, thereby furthering the early childhood purposes originally funded by FTF.

CEO RECOMMENDATION:

- Interim CEO recommends the sale of property and maintain a secondary position on the property that will continue to be used as a child care center. This also authorizes the CEO or CFO to execute contracts accordingly.



FIRST THINGS FIRST

Ready for School. Set for Life.

AGENDA ITEM:

FY13 Fiscal Year End

FY14 Budget Update

FY 15 Budget Setting, Regional Allocations, and Statewide Funding Plan

RECOMMENDATION(S):

The Interim CEO recommends acceptance of the FY14 budget update. The Interim CEO also recommends approval of the FY15 budget including FY15 Regional Allocations, Statewide Funding Plan, and proposed Statewide and Regional allotments for evaluation as presented in this report.

DETAIL:

FY13 Fiscal Year End

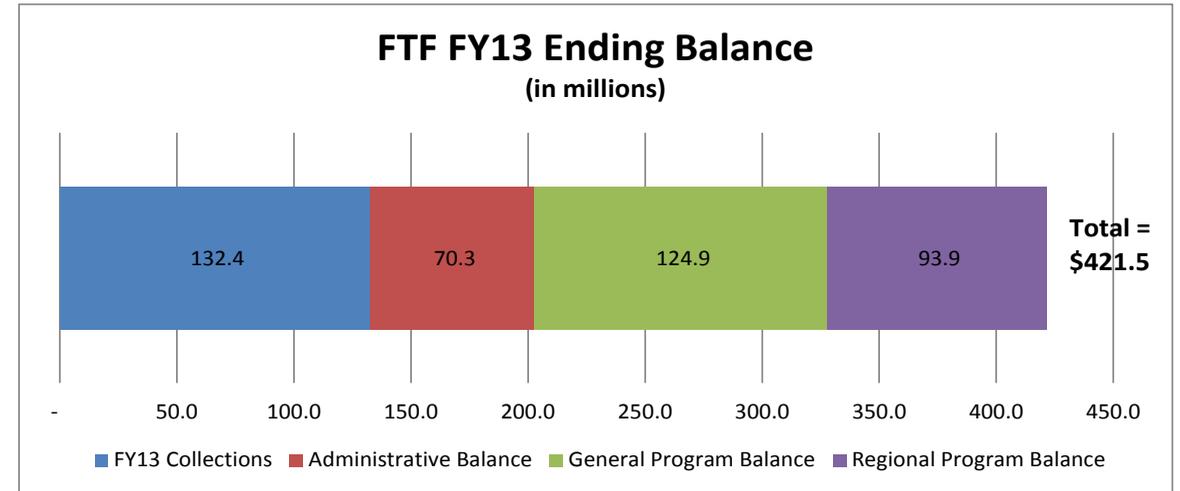
First Things First officially closed Fiscal Year 2013 on September 20, 2012. FTF presents its financial data on a modified accrued accounting basis to ensure revenues and expenditures aligned with the State’s fiscal year as well as ensuring service data figures correlate appropriately with expenditures. This final reconciliation of the fiscal year has to occur in September due to grantees being given 45 days after the end of the State’s fiscal year (June 30th) to submit their final reimbursement.

While FTF ended FY13 in a positive position in relation to the final approved budget, FY13 marks the second year in which total agency fund balance reduced some \$12.9 million.

Despite the overall drop in Fund Balance, the decline was not nearly as significant as what would have occurred had 100% of allotted budgets been successfully spent (particularly in the Program area). The actual reduction in Fund Balance was \$23.7 million less than budgeted.

Thus, FTF ended the fiscal year with \$421.5 million. Of this amount, \$132.4 million are current year collections which serve as the base for FY15’s expenditure budget. This leaves a marginal Fund Balance of \$289.1 million of which \$70.3 million is in the Administrative Account, \$124.9 million is in the general Program Account, and \$93.9 million is held within regional Fund Balances.

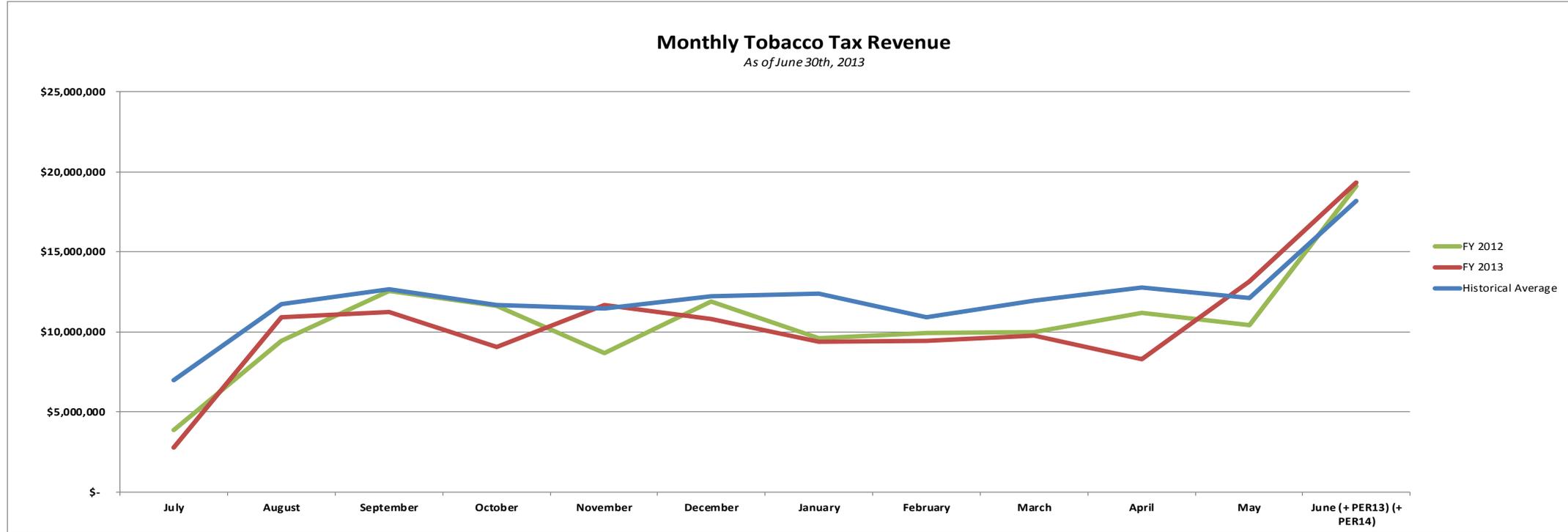
For the first time in FTF’s history, regional Fund Balance declined in FY13. Although the absolute decline was small, the rate-of-change this decline represents when compared to prior years is significant.



Regional Carry Forward Growth		
	Marginal	Total
FY09 Carry Forward	-	-
FY10 Carry Forward	50,331,415	50,331,415
FY11 Carry Forward	38,621,957	88,953,372
FY12 Carry Forward	5,106,812	94,060,184
FY13 Carry Forward	(125,558)	93,934,626

As previously reported to the Board, FTF’s FY13 collections were below projections, but still well within the boundaries of modeling done for FTF by ASU’s College of Business. The following two charts provide monthly detail of these revenues. Final tobacco collections were about \$3.6 million higher than that predicted in the “lower” band in the ASU revenue study, but that was still \$8.1 million below the budget (or “expected” band).

FIRST THINGS FIRST - FY13



Tobacco Tax Revenue Collection	Historical Average								
	Historical Average	FY10 Forward	FY 2013	FY 2012	FY 2011	FY 2010	FY 2009	FY 2008	FY2007
July	\$ 6,958,531	\$ 3,175,411	\$ 2,800,664	\$ 3,851,571	\$ 3,073,465	\$ 2,601,198	\$ 13,072,609	\$ 12,193,815	
August	\$ 11,711,040	\$ 10,414,780	\$ 10,889,277	\$ 9,447,538	\$ 10,783,204	\$ 11,013,597	\$ 13,259,701	\$ 14,051,158	
September	\$ 12,637,916	\$ 11,147,310	\$ 11,222,789	\$ 12,563,346	\$ 10,929,997	\$ 9,948,588	\$ 13,692,552	\$ 16,055,097	
October	\$ 11,666,461	\$ 11,249,847	\$ 9,086,012	\$ 11,636,232	\$ 10,424,940	\$ 11,688,368	\$ 12,153,319	\$ 12,429,446	
November	\$ 11,488,230	\$ 10,259,854	\$ 11,696,889	\$ 8,677,824	\$ 10,687,793	\$ 11,413,943	\$ 13,071,452	\$ 13,590,137	
December	\$ 12,212,732	\$ 11,035,340	\$ 10,783,652	\$ 11,903,091	\$ 10,365,779	\$ 10,837,151	\$ 13,559,444	\$ 14,398,196	
January	\$ 12,372,738	\$ 11,003,062	\$ 9,370,625	\$ 9,609,307	\$ 12,480,361	\$ 10,919,518	\$ 14,579,373	\$ 14,275,133	
February	\$ 10,894,376	\$ 9,475,701	\$ 9,416,091	\$ 9,918,526	\$ 8,567,799	\$ 9,940,779	\$ 8,474,104	\$ 11,643,437	\$ 16,821,613
March	\$ 11,951,215	\$ 10,665,512	\$ 9,746,264	\$ 9,977,560	\$ 11,398,336	\$ 10,620,639	\$ 13,132,772	\$ 13,900,273	\$ 12,677,711
April	\$ 12,757,500	\$ 11,692,974	\$ 8,294,556	\$ 11,187,846	\$ 11,860,199	\$ 12,030,877	\$ 12,334,970	\$ 13,923,595	\$ 15,207,513
May	\$ 12,117,043	\$ 11,006,412	\$ 13,131,721	\$ 10,412,306	\$ 10,963,454	\$ 11,643,476	\$ 10,951,777	\$ 14,917,645	\$ 13,813,602
June (+ PER13) (+ PER14)	\$ 18,158,417	\$ 19,302,152	\$ 19,329,501	\$ 19,129,447	\$ 19,166,117	\$ 19,610,894	\$ 21,692,058	\$ 13,427,181	\$ 15,924,807
	\$ 144,926,201	\$ 130,428,355	\$ 125,768,040	\$ 128,314,593	\$ 130,701,444	\$ 132,269,028	\$ 159,974,131	\$ 164,805,113	\$ 74,445,246

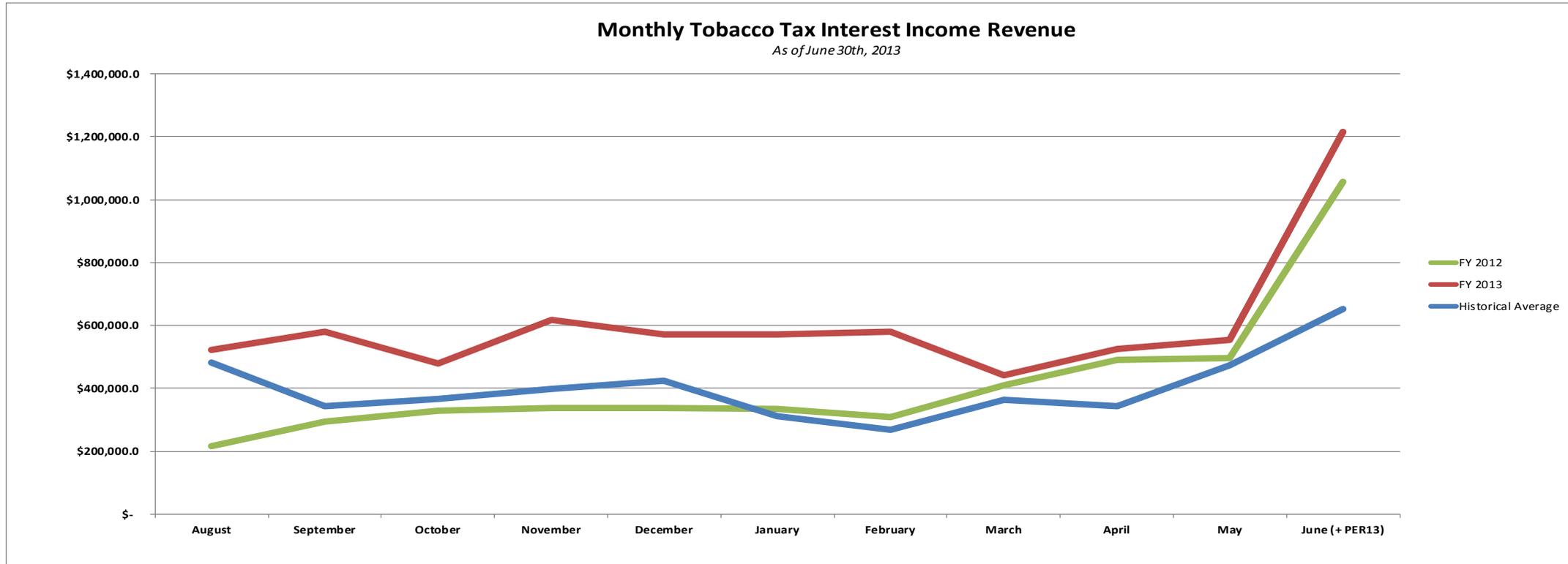
Note: Total FY07 and FY08 Tobacco Tax Revenue collected shown is according to the dates funds cleared the state's accounting system. FY09 revenue in accordance to the state's accounting system was \$151,363,814 Accrual basis accounting was started in FY10. Starting in FY09 period 13, revenues were adjusted to reflect Arizona Department of Revenue numbers.

Tobacco Tax Revenue Collection	FY 2013
Annual Collection Budget	\$ 133,849,000
YTD Collections	\$ 125,768,040
YTD Full Month as % of Budget	
FY-2012 Same % Compare	
FY-2011 Same % Compare	
FY-2010 Same % Compare	
FY-2009 Same % Compare	
FY10 Forward Avg of % Compare	
Collections Projection	
Difference From Budget	\$ (8,080,960)

FIRST THINGS FIRST - FY13

Monthly Tobacco Tax Interest Income Revenue

As of June 30th, 2013



Tobacco Interest Revenue Collection	Historical Average									
	Historical Average	FY10 Forward	FY 2013	FY 2012	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007	
July	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
August	\$ 483,231.2	\$ 570,294.9	\$ 523,159.0	\$ 215,461.5	\$ 271,832.6	\$ 1,223,590.7	\$ 502,912.0	\$ 202,359.5		
September	\$ 343,906.2	\$ 278,123.5	\$ 580,997.3	\$ 294,106.3	\$ 282,970.0	\$ 257,294.3	\$ 644,892.0	\$ 240,268.4		
October	\$ 367,627.0	\$ 274,007.5	\$ 479,332.2	\$ 328,827.0	\$ 259,133.0	\$ 234,062.4	\$ 626,736.0	\$ 389,376.7		
November	\$ 396,890.1	\$ 323,372.6	\$ 618,082.1	\$ 339,092.3	\$ 287,512.0	\$ 343,513.3	\$ 592,399.0	\$ 421,934.0		
December	\$ 423,069.6	\$ 293,530.9	\$ 572,923.8	\$ 338,579.6	\$ 239,389.1	\$ 302,623.9	\$ 636,611.0	\$ 598,144.5		
January	\$ 310,575.1	\$ 284,174.6	\$ 571,915.7	\$ 334,904.0	\$ 264,671.0	\$ 252,948.8	\$ 193,421.5	\$ 506,930.0		
February	\$ 268,490.8	\$ 260,487.6	\$ 580,520.6	\$ 308,587.0	\$ 224,468.5	\$ 248,407.4	\$ 144,280.0	\$ 416,711.0		
March	\$ 362,381.2	\$ 290,686.5	\$ 442,550.7	\$ 409,882.8	\$ 228,525.4	\$ 233,651.2	\$ 550,854.0	\$ 670,193.0	\$ 81,181.0	
April	\$ 342,203.8	\$ 348,197.9	\$ 526,434.1	\$ 489,935.8	\$ 270,845.9	\$ 283,812.0	\$ 321,359.0	\$ 644,756.0	\$ 42,514.0	
May	\$ 473,796.9	\$ 342,904.1	\$ 553,898.6	\$ 496,631.2	\$ 230,519.1	\$ 301,561.9	\$ 851,027.2	\$ 889,538.0	\$ 73,504.0	
June (+ PER13)	\$ 652,075.8	\$ 730,750.4	\$ 1,214,262.4	\$ 1,058,029.9	\$ 491,969.8	\$ 642,251.5	\$ 270,412.8	\$ 1,162,859.0	\$ 286,932.0	
Total	\$ 4,424,247.8	\$ 3,996,530.3	\$ 6,664,076.5	\$ 4,614,037.4	\$ 3,051,836.3	\$ 4,323,717.3	\$ 5,334,904.5	\$ 6,143,070.1	\$ 484,131.0	

Tobacco Interest Revenue Collection	FY 2013
Annual Collection Budget	\$ 6,082,892
YTD Collections	\$ 6,664,077
YTD Full Month as % of Budget	
FY-2012 Same % Compare	
FY-2011 Same % Compare	
FY-2010 Same % Compare	
FY-2009 Same % Compare	
FY10 Forward Avg of % Compare	
Collections Projection	
Difference From Budget	\$ 581,185

Note: August '09 FY10 Interest Income spike is related to an accounting adjustment associated with FY09 and made by the Treasurer's office. Total FY10 Tobacco Tax Interest collected shown is according to the dates funds cleared the state's accounting system. Total FY10 Tobacco Tax Interest collected on an accrual basis comes to \$4,238,717.

As previously noted regional carry forward did decline slightly. The following table provides detail as to Region's FY13 ending balances and how these balances changed from FY12.

These amounts will be added to the FY14 Board allocated amounts to provide each region their total means of financing for FY14. This total is detailed as part of the FY14 budget update.

Additional agency and regional detail are found in the following tables.

FY13 Regional Fund Balance				
	FY12 Ending Balance	FY13 Ending Balance	FY13 Marginal Increase / (Decrease)	Percent Change
Central Maricopa	6,996,086	\$6,237,290	(758,797)	-10.85%
Central Phoenix	8,504,489	\$9,654,739	1,150,250	13.53%
Central Pima	4,168,092	\$3,096,349	(1,071,743)	-25.71%
Cochise	2,187,916	\$2,310,653	122,737	5.61%
Coconino	1,513,544	\$1,671,736	158,192	10.45%
Cocopah Tribe	41,110	\$81,334	40,224	97.84%
Colorado River Indian Tribes	150,745	\$184,550	33,805	22.43%
Gila	553,258	\$609,371	56,114	10.14%
Gila River Indian Community	576,232	\$732,420	156,189	27.11%
Graham/Greenlee	554,224	\$640,426	86,202	15.55%
Hualapai Tribe	50,368	\$52,679	2,311	4.59%
La Paz/Mohave	2,344,073	\$2,764,476	420,403	17.93%
Navajo Nation	8,274,662	\$9,337,761	1,063,099	12.85%
Navajo/Apache	1,256,395	\$1,273,526	17,132	1.36%
North Phoenix	8,265,946	\$7,568,225	(697,721)	-8.44%
North Pima	1,233,243	\$519,903	(713,340)	-57.84%
Northeast Maricopa	1,295,161	\$1,413,699	118,538	9.15%
Northwest Maricopa	6,375,868	\$5,953,881	(421,987)	-6.62%
Pascua Yaqui Tribe	257,096	\$275,043	17,946	6.98%
Pinal	5,611,466	\$5,440,945	(170,522)	-3.04%
Salt River Pima Maricopa Indian Community	359,624	\$404,649	45,025	12.52%
San Carlos Apache	1,021,517	\$1,120,234	98,717	9.66%
Santa Cruz	578,670	\$653,383	74,713	12.91%
South Phoenix	11,793,727	\$11,506,812	(286,915)	-2.43%
South Pima	4,069,807	\$3,604,344	(465,463)	-11.44%
Southeast Maricopa	5,500,174	\$5,526,304	26,130	0.48%
Southwest Maricopa	2,474,958	\$2,564,340	89,382	3.61%
Tohono O'odham Nation	1,211,987	\$1,382,671	170,683	14.08%
White Mountain Apache Tribe	752,896	\$1,013,967	261,071	34.68%
Yavapai	1,894,535	\$2,175,251	280,716	14.82%
Yuma	4,192,313	\$4,163,661	(28,652)	-0.68%
	94,060,184	93,934,626	(125,558)	-0.13%

FIRST THINGS FIRST
FY13 Tobacco Tax All Funds Report
As of June 30th, 2013

UNAUDITED

	Agency			Administrative			Programs			Statewide			Regional		
	FY13 Budget			FY13 Budget			FY13 Budget			FY13 Budget			FY13 Budget		
	(rv2)	Actuals	Difference	(rv2)	Actuals	Difference	(rv2)	Actuals	Difference	(rv2)	Actuals	Difference	(rv2)	Actuals	Difference
Revenue															
Balance Forward															
Organizational Fund Balance	\$ 189,516,255	\$ 189,516,255	\$ -	\$ 69,044,950	\$ 69,044,950	\$ -	\$ 120,471,305	\$ 120,471,305	\$ -						
Fund Balance Allocated	\$ 17,924,784	\$ 17,924,784	\$ -	\$ 1,034,784	\$ 1,034,784	\$ -	\$ 16,890,000	\$ 16,890,000	\$ -	\$ 1,689,000	\$ 1,689,000	\$ -	\$ 15,201,000	\$ 15,201,000	\$ -
Regional Programs Carry Forward	\$ 94,060,184	\$ 94,060,184	\$ -				\$ 94,060,184	\$ 94,060,184	\$ -				\$ 94,060,184	\$ 94,060,184	
Previous Year's Revenue (FY12)															
Allocated	\$ 132,800,000	\$ 132,800,000	\$ -	\$ 13,280,000	\$ 13,280,000	\$ -	\$ 119,520,000	\$ 119,520,000	\$ -	\$ 11,952,000	\$ 11,952,000	\$ -	\$ 107,568,000	\$ 107,568,000	\$ -
Unallocated	\$ 128,330	\$ 128,330	\$ -	\$ 12,833	\$ 12,833	\$ -	\$ 115,497	\$ 115,497	\$ -			\$ -			
Total Means of Financing	\$ 434,429,553	\$ 434,429,553	\$ -	\$ 83,372,567	\$ 83,372,567	\$ -	\$ 351,056,986	\$ 351,056,986	\$ -	\$ 13,641,000	\$ 13,641,000	\$ -	\$ 216,829,184	\$ 216,829,184	\$ -
Annual Expenditures															
Personal Services	\$9,766,555	\$8,678,175	\$1,088,380	\$8,104,356	\$7,063,083	\$1,041,273	\$1,662,199	\$1,615,092	\$47,107	\$908,417	\$814,011	\$94,406	\$753,782	\$801,081	(\$47,299)
ERE	\$3,678,920	\$3,139,460	\$539,460	\$3,052,905	\$2,518,006	\$534,899	\$626,015	\$621,454	\$4,561	\$308,013	\$307,997	\$16	\$318,002	\$313,457	\$4,545
Travel In-State	\$560,055	\$371,516	\$188,539	\$330,842	\$319,936	\$10,906	\$229,213	\$51,581	\$177,632	\$10,255	\$13,005	(\$2,750)	\$218,958	\$38,575	\$180,383
Travel Out-of-State	\$84,348	\$74,432	\$9,916	\$73,443	\$64,682	\$8,761	\$10,905	\$9,750	\$1,155	\$10,905	\$6,294	\$4,611	\$0	\$3,456	(\$3,456)
Professional & Outside Services	\$4,783,285	\$2,790,050	\$1,993,235	\$676,909	\$1,015,063	(\$338,154)	\$4,106,376	\$1,774,987	\$2,331,389	\$1,801,490	\$442,120	\$1,359,370	\$2,304,886	\$1,332,868	\$972,018
Other Operating Expenditures	\$2,204,456	\$5,078,761	(\$2,874,305)	\$1,609,979	\$1,525,048	\$84,931	\$594,477	\$3,553,712	(\$2,959,235)	\$151,020	\$1,479,156	(\$1,328,136)	\$443,457	\$2,074,556	(\$1,631,099)
External Printing	\$62,215	\$82,020	(\$19,805)	\$62,215	\$71,069	(\$8,854)	\$0	\$10,951	(\$10,951)	\$0	\$1,006	(\$1,006)	\$0	\$9,944	(\$9,944)
Internal Printing	\$89,300	\$84,938	\$4,362	\$89,300	\$8,438	\$80,862	\$0	\$76,500	(\$76,500)	\$0	\$928	(\$928)	\$0	\$75,571	(\$75,571)
Aid to Organizations	\$154,902,210	\$124,478,242	\$30,423,968	\$0	\$16,013	(\$16,013)	\$154,902,210	\$124,462,229	\$30,439,981	\$10,350,400	\$6,291,447	\$4,058,953	\$144,551,810	\$118,170,782	\$26,381,028
Equipment	\$193,631	\$406,012	(\$212,382)	\$182,241	\$326,453	(\$144,213)	\$11,390	\$79,559	(\$68,169)	\$500	\$5,297	(\$4,797)	\$10,890	\$74,262	(\$63,372)
Transfer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sub-Total	\$176,324,975	\$145,183,606	\$31,141,368	\$14,182,190	\$12,927,792	\$1,254,398	\$162,142,785	\$132,255,814	\$29,886,971	\$13,541,000	\$9,361,261	\$4,179,739	\$148,601,785	\$122,894,554	\$25,707,231
One-Time Exps	\$132,594	\$109,233	\$23,361	\$132,594	\$109,233	\$23,361	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$176,457,569	\$145,292,839	\$31,164,729	\$14,314,784	\$13,037,025	\$1,277,759	\$162,142,785	\$132,255,814	\$29,886,971	\$13,541,000	\$9,361,261	\$4,179,739	\$148,601,785	\$122,894,554	\$25,707,231
Ending Balance	\$257,971,984	\$289,136,713		\$69,057,783	\$70,335,542		\$188,914,201	\$218,801,171		\$100,000	\$4,279,739		\$68,227,399	\$93,934,630	
Revenue (Tobacco + Interest) <small>(and \$733.29 of Misc Rev in Admn)</small>	\$139,931,892	\$132,432,850		\$13,993,189	\$13,243,945		\$125,938,703	\$119,188,905							
True Ending Fund Balance	\$397,903,876	\$421,569,563		\$83,050,972	\$83,579,487		\$314,852,904	\$337,990,076							

FY13 Program Expenditures

Region	Base Allocation	FY12 Carry Forward	Total Allocation	Allotted	Unallotted Amount	% of Allocation Allotted	Awarded	Unawarded	Expended	Unexpended	Unawarded and Unexpended	% of Allotment Unawarded and Unexpended	FY13 Regional Ending Balance
State	\$13,641,000		\$13,641,000	\$13,541,000	\$100,000	99.3%	\$12,951,401	\$589,599	\$9,361,261	\$3,590,140	\$4,179,739	30.9%	
Central Maricopa	\$7,130,935	\$6,996,086	\$14,127,021	\$8,553,086	\$5,573,935	60.5%	\$8,512,619	\$40,467	\$7,889,731	\$622,888	\$663,355	7.8%	\$6,237,290
Central Phoenix	\$15,722,759	\$8,504,489	\$24,227,248	\$15,872,926	\$8,354,322	65.5%	\$15,822,957	\$49,969	\$14,572,509	\$1,250,447	\$1,300,417	8.2%	\$9,654,739
Central Pima	\$9,045,843	\$4,167,003	\$13,212,846	\$11,513,097	\$1,699,748	87.1%	\$11,339,244	\$173,853	\$10,116,496	\$1,222,748	\$1,396,601	12.1%	\$3,096,349
Cochise	\$2,572,050	\$2,179,185	\$4,751,235	\$3,425,156	\$1,326,079	72.1%	\$3,366,493	\$58,664	\$2,440,582	\$925,911	\$984,574	28.7%	\$2,310,653
Coconino	\$1,937,735	\$1,510,056	\$3,447,791	\$2,298,951	\$1,148,840	66.7%	\$2,238,837	\$60,114	\$1,776,055	\$462,782	\$522,896	22.7%	\$1,671,736
Cocopah Tribe	\$81,766	\$41,110	\$122,876	\$97,188	\$25,688	79.1%	\$97,188	\$0	\$41,542	\$55,646	\$55,647	57.3%	\$81,334
Colorado River Indian Tribes	\$227,338	\$151,082	\$378,420	\$257,485	\$120,935	68.0%	\$254,612	\$2,873	\$193,870	\$60,742	\$63,615	24.7%	\$184,550
Gila	\$611,099	\$553,258	\$1,164,357	\$823,392	\$340,965	70.7%	\$823,344	\$49	\$554,986	\$268,358	\$268,406	32.6%	\$609,371
Gila River Indian Community	\$964,265	\$576,232	\$1,540,497	\$914,514	\$625,983	59.4%	\$888,990	\$25,524	\$808,077	\$80,913	\$106,437	11.6%	\$732,420
Graham/Greenlee	\$764,389	\$549,970	\$1,314,359	\$1,028,657	\$285,702	78.3%	\$982,028	\$46,629	\$673,933	\$308,095	\$354,724	34.5%	\$640,426
Hualapai Tribe	\$114,391	\$50,365	\$164,756	\$156,518	\$8,238	95.0%	\$126,224	\$30,294	\$112,077	\$14,148	\$44,441	28.4%	\$52,679
La Paz/Mohave	\$3,897,043	\$2,340,171	\$6,237,214	\$4,616,793	\$1,620,421	74.0%	\$4,319,350	\$297,443	\$3,472,738	\$846,612	\$1,144,055	24.8%	\$2,764,476
Navajo Nation	\$4,224,298	\$8,274,661	\$12,498,959	\$5,200,495	\$7,298,464	41.6%	\$5,023,169	\$177,326	\$3,161,198	\$1,861,970	\$2,039,297	39.2%	\$9,337,761
Navajo/Apache	\$1,260,632	\$1,256,394	\$2,517,026	\$1,509,675	\$1,007,351	60.0%	\$1,504,557	\$5,118	\$1,243,500	\$261,057	\$266,175	17.6%	\$1,273,526
North Phoenix	\$8,859,186	\$8,265,947	\$17,125,133	\$11,212,957	\$5,912,176	65.5%	\$11,193,837	\$19,120	\$9,556,908	\$1,636,929	\$1,656,049	14.8%	\$7,568,225
North Pima	\$1,874,165	\$1,241,940	\$3,116,105	\$3,006,107	\$109,998	96.5%	\$2,964,713	\$41,394	\$2,596,202	\$368,511	\$409,905	13.6%	\$519,903
Northeast Maricopa	\$2,928,291	\$1,295,161	\$4,223,452	\$3,231,680	\$991,772	76.5%	\$3,193,229	\$38,451	\$2,809,753	\$383,476	\$421,927	13.1%	\$1,413,699
Northwest Maricopa	\$9,345,254	\$6,392,568	\$15,737,822	\$11,420,607	\$4,317,215	72.6%	\$10,907,288	\$513,319	\$9,783,941	\$1,123,348	\$1,636,666	14.3%	\$5,953,881
Pascua Yaqui Tribe	\$233,439	\$257,097	\$490,536	\$317,750	\$172,786	64.8%	\$310,146	\$7,604	\$215,493	\$94,652	\$102,257	32.2%	\$275,043
Pinal	\$5,075,389	\$5,611,466	\$10,686,855	\$6,244,649	\$4,442,206	58.4%	\$5,995,749	\$248,900	\$5,245,910	\$749,839	\$998,738	16.0%	\$5,440,945
SalT River Pima Maricopa Indian Community	\$319,265	\$359,624	\$678,889	\$361,168	\$317,721	53.2%	\$343,926	\$17,242	\$274,240	\$69,685	\$86,928	24.1%	\$404,649
San Carlos Apache	\$538,369	\$1,021,517	\$1,559,886	\$761,883	\$798,003	48.8%	\$634,027	\$127,856	\$439,652	\$194,376	\$322,231	42.3%	\$1,120,234
Santa Cruz	\$1,305,231	\$597,050	\$1,902,281	\$1,416,138	\$486,143	74.4%	\$1,408,727	\$7,411	\$1,248,898	\$159,829	\$167,240	11.8%	\$653,383
South Phoenix	\$14,111,127	\$11,780,976	\$25,892,103	\$18,139,005	\$7,753,098	70.1%	\$16,388,695	\$1,750,310	\$14,385,290	\$2,003,404	\$3,753,715	20.7%	\$11,506,812
South Pima	\$5,389,171	\$4,069,808	\$9,458,979	\$6,723,247	\$2,735,732	71.1%	\$6,719,791	\$3,456	\$5,854,634	\$865,157	\$868,613	12.9%	\$3,604,344
Southeast Maricopa	\$10,508,183	\$5,500,174	\$16,008,357	\$11,509,892	\$4,498,465	71.9%	\$11,451,829	\$58,063	\$10,482,052	\$969,777	\$1,027,840	8.9%	\$5,526,304
Southwest Maricopa	\$3,256,250	\$2,474,958	\$5,731,208	\$3,877,056	\$1,854,152	67.6%	\$3,659,034	\$218,022	\$3,166,867	\$492,167	\$710,189	18.3%	\$2,564,340
Tohono O'odham Nation	\$613,647	\$1,211,987	\$1,825,634	\$936,474	\$889,160	51.3%	\$570,163	\$366,311	\$442,964	\$127,199	\$493,510	52.7%	\$1,382,671
White Mountain Apache Tribe	\$698,834	\$752,896	\$1,451,730	\$775,055	\$676,675	53.4%	\$543,273	\$231,782	\$437,763	\$105,510	\$337,292	43.5%	\$1,013,967
Yavapai	\$3,897,571	\$1,894,536	\$5,792,107	\$4,410,952	\$1,381,155	76.2%	\$4,292,213	\$118,739	\$3,616,855	\$675,357	\$794,097	18.0%	\$2,175,251
Yuma	\$5,261,084	\$4,182,413	\$9,443,497	\$6,417,236	\$3,026,261	68.0%	\$6,068,559	\$348,677	\$5,279,836	\$788,723	\$1,137,400	17.7%	\$4,163,661
Regional Sub-Total:	\$122,768,999	\$94,060,181	\$216,829,180	\$147,029,790	\$69,799,390	67.8%	\$141,944,809	\$5,084,981	\$122,894,554	\$19,050,255	\$24,135,236	16.4%	\$93,934,626
FTF Total:	\$136,409,999	\$94,060,181	\$230,470,180	\$160,570,790	\$69,899,390	69.7%	\$154,896,210	\$5,674,580	\$132,255,814	\$22,640,396	\$28,314,976	17.6%	

Highlights from these tables include:

- Administrative expenditures coming in \$1.2 million below budget and on par with estimates provided to the Board at its June 2012 meeting.
- Program expenditures averaged over 83% of allotments to strategies, or said another way, over 17% of allotted funds went unspent.
- A majority of regional fund balance is a result of planned carry forward. Unallotted funds totaled \$69.8 million (74%) of the \$93.9 million carry forward.
- Predictability within individual “line-items” in the Program budgets continues to be a challenge as “historical” spending trend/patterns have not formed considering the continued evolving nature of programming, partners, and the method of grantee engagement. This is seen primarily in the Professional and Outside Services line item.

FY14 Budget Update

At the time of material preparation, FTF had closed two months in the current fiscal year (FY14). The major update to the FY14 budget relates to revenues; accounting for the draw on organizational Fund Balance to make up for lower than anticipated FY13 collections, as well as the overall FY13 carry forward balances.

The following two charts provide current budget detail. The first provides an agency summary. The second provides detail on how FY13 carry forward funds are added at a regional level to base allocations previously made by the Board, and where each region then stands in relation to this total means of financing for strategy allotments and awards.

In considering these balances, these dollars represent additions to the planning and budgeting work previously done by the regions and approved by the Board. Prior to this point, regions could only budget in FY14 those funds from FY13 which were unallotted (seen in table above).

As such, this adjustment makes approximately \$24.1 million new dollars available. However, the use of these in FY14 is subject to FY15 considerations discussed in the next section regarding the FY15 Budget.

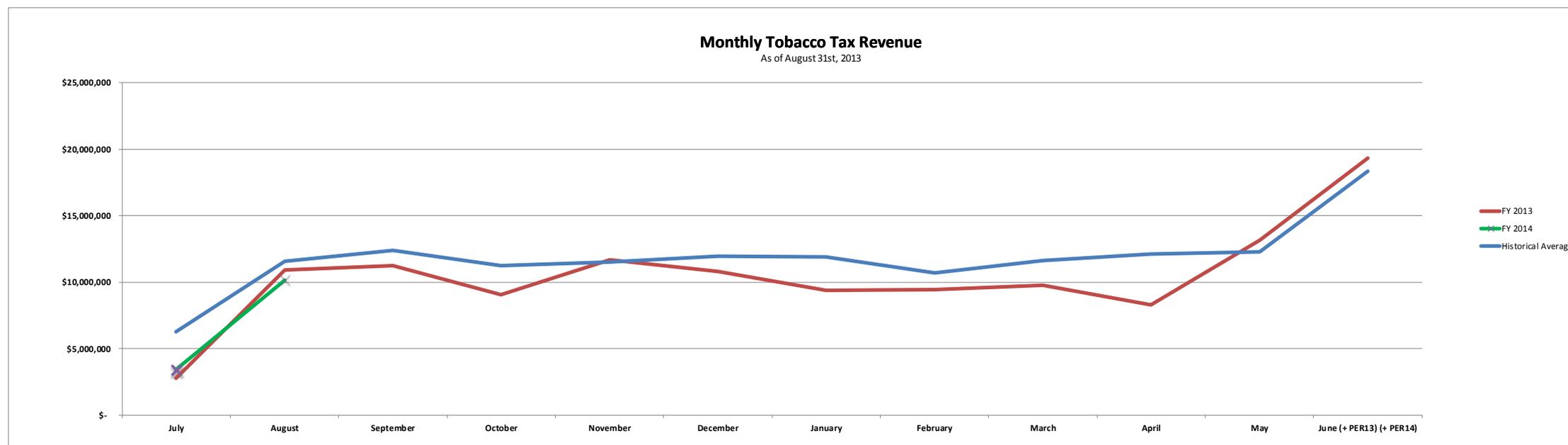
FY14 Program Funding Plan Data

Region	Base Allocation	FY13 Carry Forward	Total Allocation	Allotted	Unallotted Amount	% of Allocation Allotted	FYI on Current Statewide Eval Allotment	Awarded	Unawarded	% of Allotted Unawarded
State	\$13,129,990		\$13,129,990	\$13,129,990	-	100.0%	798,220	\$13,129,990	-	0.0%
Central Maricopa	\$6,100,533	\$6,237,290	\$12,337,823	\$9,265,167	\$3,072,656	75.1%	409,025	\$9,098,306	\$166,861	1.8%
Central Phoenix	\$10,175,357	\$9,654,739	\$19,830,096	\$15,336,687	\$4,493,409	77.3%	626,575	\$15,265,355	\$71,332	0.5%
Central Pima	\$9,147,280	\$3,096,349	\$12,243,629	\$10,674,101	\$1,569,528	87.2%	565,467	\$10,598,577	\$75,524	0.7%
Cochise	\$2,585,673	\$2,310,653	\$4,896,326	\$3,407,427	\$1,488,899	69.6%	136,996	\$3,401,053	\$6,374	0.2%
Coconino	\$2,374,725	\$1,671,736	\$4,046,461	\$2,789,325	\$1,257,136	68.9%	125,759	\$2,701,825	\$87,500	3.1%
Cocopah Tribe	\$67,959	\$81,334	\$149,293	\$91,229	\$58,064	61.1%	1,065	\$91,229	(\$0)	0.0%
Colorado River Indian Tribes	\$255,159	\$184,550	\$439,709	\$303,873	\$135,836	69.1%	13,648	\$303,395	\$478	0.2%
Gila	\$650,944	\$609,371	\$1,260,315	\$914,795	\$345,521	72.6%	34,439	\$838,117	\$76,678	8.4%
Gila River Indian Community	\$542,022	\$732,420	\$1,274,442	\$810,814	\$463,628	63.6%	32,805	\$810,130	\$684	0.1%
Graham/Greenlee	\$894,086	\$640,426	\$1,534,512	\$964,106	\$570,406	62.8%	47,196	\$929,773	\$34,333	3.6%
Hualapai Tribe	\$111,686	\$52,679	\$164,365	\$150,218	\$14,147	91.4%	2,633	\$150,218	-	0.0%
La Paz/Mohave	\$3,651,533	\$2,764,476	\$6,416,009	\$5,066,913	\$1,349,096	79.0%	193,948	\$4,802,305	\$264,609	5.2%
Navajo Nation	\$3,781,417	\$9,337,761	\$13,119,178	\$5,881,609	\$7,237,569	44.8%	202,332	\$4,513,038	\$1,368,571	23.3%
Navajo/Apache	\$1,481,891	\$1,273,526	\$2,755,417	\$1,775,184	\$980,233	64.4%	78,362	\$1,725,717	\$49,467	2.8%
North Phoenix	\$8,320,489	\$7,568,225	\$15,888,714	\$12,440,953	\$3,447,761	78.3%	547,358	\$12,381,163	\$59,790	0.5%
North Pima	\$2,886,734	\$519,903	\$3,406,637	\$3,112,541	\$294,096	91.4%	150,826	\$2,960,737	\$151,804	4.9%
Northeast Maricopa	\$2,622,513	\$1,413,699	\$4,036,212	\$3,438,964	\$597,248	85.2%	135,544	\$3,334,714	\$104,250	3.0%
Northwest Maricopa	\$10,288,818	\$5,953,881	\$16,242,699	\$12,014,457	\$4,228,242	74.0%	673,913	\$11,481,969	\$532,488	4.4%
Pascua Yaqui Tribe	\$213,476	\$275,043	\$488,519	\$356,750	\$131,769	73.0%	11,481	\$355,555	\$1,195	0.3%
Pinal	\$5,458,355	\$5,440,945	\$10,899,300	\$7,700,003	\$3,199,297	70.6%	369,785	\$7,675,394	\$24,609	0.3%
Salt River Pima Maricopa Indian Community	\$131,893	\$404,649	\$536,542	\$355,521	\$181,021	66.3%	8,456	\$187,369	\$168,152	47.3%
San Carlos Apache	\$690,165	\$1,120,234	\$1,810,399	\$891,777	\$918,622	49.3%	37,177	\$763,618	\$128,159	14.4%
Santa Cruz	\$1,221,849	\$653,383	\$1,875,232	\$1,469,880	\$405,352	78.4%	64,943	\$1,467,639	\$2,241	0.2%
South Phoenix	\$15,028,067	\$11,506,812	\$26,534,879	\$18,624,918	\$7,909,961	70.2%	929,920	\$17,873,105	\$751,813	4.0%
South Pima	\$5,149,138	\$3,604,344	\$8,753,482	\$7,293,847	\$1,459,635	83.3%	271,547	\$7,278,804	\$15,043	0.2%
Southeast Maricopa	\$10,377,396	\$5,526,304	\$15,903,700	\$12,911,396	\$2,992,304	81.2%	705,962	\$12,822,073	\$89,323	0.7%
Southwest Maricopa	\$4,206,967	\$2,564,340	\$6,771,307	\$5,077,451	\$1,693,856	75.0%	287,713	\$4,514,712	\$562,739	11.1%
Tohono O'odham Nation	\$558,804	\$1,382,671	\$1,941,475	\$1,438,765	\$502,710	74.1%	30,096	\$706,575	\$732,190	50.9%
White Mountain Apache Tribe	\$835,199	\$1,013,967	\$1,849,166	\$1,135,874	\$713,292	61.4%	44,857	\$503,853	\$632,021	55.6%
Yavapai	\$3,333,984	\$2,175,251	\$5,509,235	\$4,190,247	\$1,318,988	76.1%	176,917	\$4,104,309	\$85,938	2.1%
Yuma	\$5,025,798	\$4,163,661	\$9,189,459	\$6,441,844	\$2,747,615	70.1%	267,233	\$6,037,201	\$404,643	6.3%
Regional Sub-Total:	\$118,169,910	\$93,934,626	\$212,104,536	\$156,326,636	\$55,777,900	73.7%	\$7,183,980	\$149,677,832	\$6,648,804	4.3%
FTF Total:	\$131,299,900	\$93,934,626	\$225,234,526	\$169,456,626	\$55,777,900	75.2%	\$7,982,200	\$162,807,822	\$6,648,804	3.9%

The other important item related to the FY14 budget is relatively less aggressive tobacco collections being projected for the current year. These projections are still in line with the tax modeling work done by ASU’s School of Business, but instead of being based on the “expected” figures they are based on the “lower” band. Based on these figures (\$125.8 million FY13 actuals and \$122.2 million FY14 budget), FTF is projecting a decrease (\$3.6 million) in collections next fiscal year, however it represents only a very moderate decrease over FY13’s collection totals. While these estimates are always closely monitored, staff will be paying particular attention to monthly collections.

Due to accrued bookings only one month of interest revenues are in at this point (so no chart is provided), but the adjusted investment plan entered into with the Treasurer’s Office continues to yield a much higher rate-of-return (as planned/anticipated). In this first month FTF received over a half-million dollars in interest earnings, and if yields continue at this rate, the annual earnings will be well within the projected \$6 million.

FIRST THINGS FIRST - FY14



Tobacco Tax Revenue Collection	Historical Average	Historical Average FY10 Forward	FY 2014	FY 2013	FY 2012	FY 2011	FY 2010	FY 2009	FY 2008	FY2007
July	\$ 6,265,554	\$ 3,081,724	\$ 3,431,905	\$ 2,800,664	\$ 3,851,571	\$ 3,073,465	\$ 2,601,198	\$ 13,072,609	\$ 12,193,815	
August	\$ 11,574,079	\$ 10,533,404	\$ 10,154,734	\$ 10,889,277	\$ 9,447,538	\$ 10,783,204	\$ 11,013,597	\$ 13,259,701	\$ 14,051,158	
September	\$ 12,402,062	\$ 11,166,180	\$ 11,222,789	\$ 12,563,346	\$ 10,929,997	\$ 9,948,588	\$ 13,692,552	\$ 16,055,097		
October	\$ 11,236,386	\$ 10,708,888	\$ 9,086,012	\$ 11,636,232	\$ 10,424,940	\$ 11,688,368	\$ 12,153,319	\$ 12,429,446		
November	\$ 11,523,006	\$ 10,619,112	\$ 11,696,889	\$ 8,677,824	\$ 10,687,793	\$ 11,413,943	\$ 13,071,452	\$ 13,590,137		
December	\$ 11,974,552	\$ 10,972,418	\$ 10,783,652	\$ 11,903,091	\$ 10,365,779	\$ 10,837,151	\$ 13,559,444	\$ 14,398,196		
January	\$ 11,872,386	\$ 10,594,953	\$ 9,370,625	\$ 9,609,307	\$ 12,480,361	\$ 10,919,518	\$ 14,579,373	\$ 14,275,133		
February	\$ 10,683,193	\$ 9,460,799	\$ 9,416,091	\$ 9,918,526	\$ 8,567,799	\$ 9,940,779	\$ 8,474,104	\$ 11,643,437	\$ 16,821,613	
March	\$ 11,636,222	\$ 10,435,700	\$ 9,746,264	\$ 9,977,560	\$ 11,398,336	\$ 10,620,639	\$ 13,132,772	\$ 13,900,273	\$ 12,677,711	
April	\$ 12,119,937	\$ 10,843,369	\$ 8,294,556	\$ 11,187,846	\$ 11,860,199	\$ 12,030,877	\$ 12,334,970	\$ 13,923,595	\$ 15,207,513	
May	\$ 12,261,997	\$ 11,537,739	\$ 13,131,721	\$ 10,412,306	\$ 10,963,454	\$ 11,643,476	\$ 10,951,777	\$ 14,917,645	\$ 13,813,602	
June (+ PER13) (+ PER14)	\$ 18,325,715	\$ 19,308,989	\$ 19,329,501	\$ 19,129,447	\$ 19,166,117	\$ 19,610,894	\$ 21,692,058	\$ 13,427,181	\$ 15,924,807	
	\$ 141,875,089	\$ 129,263,276	\$ 13,586,639	\$ 125,768,040	\$ 128,314,593	\$ 130,701,444	\$ 132,269,028	\$ 159,974,131	\$ 164,805,113	\$ 74,445,246

Note: Total FY07 and FY08 Tobacco Tax Revenue collected shown is according to the dates funds cleared the state's accounting system. FY09 revenue in accordance to the state's accounting system was \$151,363,814 Accrual basis accounting was started in FY10. Starting in FY09 period 13, revenues were adjusted to reflect Arizona Department of Revenue numbers.

Tobacco Tax Revenue Collection	FY 2014
Annual Collection Budget	\$ 122,200,000
YTD Collections	\$ 13,586,639
YTD Full Month as % of Budget	11.1%
FY-2013 Same % Compare	10.9%
FY-2012 Same % Compare	10.4%
FY-2011 Same % Compare	10.6%
FY-2010 Same % Compare	10.3%
4 Yr Avg of % Compare	10.5%
Collections Projection	\$ 128,992,789
Difference From Budget	\$ 6,792,789

FY15 Budget Setting

At its August 2013 meeting, the Board directed staff to build the FY15 budget and set Regional and Statewide funding plan allocations according to the following guidelines:

1. Reduce FY14 tobacco collection projections (to be spent in FY15) from the amount reflected in the sustainability model to the lower range of the ASU tobacco tax model.
2. Offset reduced tobacco tax collections projections with organizational Fund Balances. Between the Program and Administrative funds this resulted in approximately \$12.5 million (\$11.6 and \$0.9 million respectively) in Fund Balance being used to support the FY15 base budget.
3. Add projected interest earnings in FY14.
4. Cover the budgeted increase of \$4.54 million in evaluation efforts with Fund Balance dollars, but adjust funding plan allotments so that the entire FY15 budget for Statewide Evaluation (as detailed in the National Panel Report) is funded.
5. Allocate the total sum of items 1 through 4 per the statutory funding waterfall.
6. Then for regional allocations distribute to the newly defined/approved regions according to child population that is zero through 5; based on the previously used 2010 census (and ACS) figures according to a regional mapping that relies on block and tract definitions used by census (as opposed to the zip code methodology previously used).

This results in a total FY15 allocation of \$145,269,700 in revenue (to the Admin and Program budgets). This total represents a \$600,000 less than the comparable figure for FY14. Of this total, \$14.9 million is directed towards the Administrative Account budget, and \$130.4 million to the Program Account budget.

FIRST THINGS FIRST
FY15 Tobacco Tax All Funds Report
 As of September 24, 2012

UNAUDITED

	Agency			Admin			Programs			Statewide Programs			Regional Programs		
	FY14 Budget		FY15 Original	FY14 Budget		FY15 Original	FY14 Budget		FY15 Original	FY14 Budget		FY15 Original	FY14 Budget		FY15 Original
	(rv1 w/ 13 rev act)	Adj	Budget	(rv1 w/ 13 rev act)	Adj	Budget	(rv1 w/ 13 rev act)	Adj	Budget	(rv1 w/ 13 rev act)	Adj	Budget	(rv1 w/ 13 rev act)	Adj	Budget
Revenue															
Balance Forward															
Organizational Fund Balance	\$ 181,762,585	\$ (17,069,700)	\$ 164,692,885	\$ 69,007,037	\$ (2,061,600)	\$ 66,945,437	\$ 112,755,548	\$ (15,008,100)	\$ 97,747,448						
Fund Balance Allocated	\$ 13,440,236	\$ 3,629,464	\$ 17,069,700	\$ 1,329,238	\$ 732,362	\$ 2,061,600	\$ 12,110,998	\$ 2,897,102	\$ 15,008,100	\$ 1,211,100	\$ 289,710	\$ 1,500,810	\$ 10,899,898	\$ 2,607,392	\$ 13,507,290
Regional Programs Carry Forward	\$ 93,934,626	\$ (38,156,724)	\$ 55,777,902				\$ 93,934,626	\$ (38,156,724)	\$ 55,777,902				\$ 93,934,626	\$ (38,156,724)	\$ 55,777,902
Previous Year's Revenue															
Allocated	\$ 132,432,118	\$ (4,232,118)	\$ 128,200,000	\$ 13,243,212	\$ (423,212)	\$ 12,820,000	\$ 119,188,906	\$ (3,808,906)	\$ 115,380,000	\$ 11,918,891	\$ (380,891)	\$ 11,538,000	\$ 107,270,015	\$ (3,428,015)	\$ 103,842,000
Unallocated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
Total Means of Financing	\$ 421,569,565	\$ (55,829,078)	\$ 365,740,487	\$ 83,579,487	\$ (1,752,450)	\$ 81,827,037	\$ 337,990,078	\$ (54,076,628)	\$ 283,913,450	\$ 13,129,991	\$ (91,181)	\$ 13,038,810	\$ 212,104,539	\$ (38,977,347)	\$ 173,127,192
Annual Expenditures															
Base	\$ 184,029,076	\$ (3,054,566)	\$ 180,974,510	\$ 14,572,450	\$ 309,150	\$ 14,881,600	\$ 169,456,626	\$ (3,363,716)	\$ 166,092,910	\$ 13,129,990	\$ (91,180)	\$ 13,038,810	\$ 156,326,636	\$ (3,272,536)	\$ 153,054,100
One-Time Exps	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 184,029,076	\$ (3,054,566)	\$ 180,974,510	\$ 14,572,450	\$ 309,150	\$ 14,881,600	\$ 169,456,626	\$ (3,363,716)	\$ 166,092,910	\$ 13,129,990	\$ (91,180)	\$ 13,038,810	\$ 156,326,636	\$ (3,272,536)	\$ 153,054,100
Ending Balance	\$237,540,489	(\$52,774,512)	\$184,765,977	\$69,007,037	(\$2,061,600)	\$66,945,437	\$168,533,452	(\$50,712,912)	\$117,820,540						
Projected Rev (Tobacco + Interest)	\$128,200,000	\$0	\$128,200,000	\$12,820,000	\$0	\$12,820,000	\$115,380,000	\$0	\$115,380,000						
True Ending Fund Balance	\$ 365,740,489	(\$52,774,512)	\$ 312,965,977	\$ 81,827,037	(\$2,061,600)	\$ 79,765,437	\$ 283,913,452	(\$50,712,912)	\$ 233,200,540						

The regional allocations totaling the \$130.4 million are presented in the table below. Also reflected in this table are the allotments to support the FTF’s budget evaluation efforts in FY15.

Upon completion of the analysis the Board directed staff to assess, considering these givens, how many regions would potentially be in deficit by FY15 year’s end, considering previously submitted FY15 funding plan projections. This analysis revealed that six (6) regions would potentially be in this position with a total projected deficit just under \$3.9 million.

Considering the Board’s goal to reduce regional carry forward balances, in concert the FY13 actuals, the recommendation to the Board is to not make an additional draw on Fund Balance to cover these potential deficits. The rationale for this recommendation is as follows:

1. The projected FY15 ending deficit is predicated on an assumption of perfect spending of all funds allotted in FY14 and FY15. Experience shows that it is unlikely that perfect spending will be achieved. In fact, no region has ever achieved 100% spending of the funds its allotment in any year. As seen in FY13 YE data above only three (3) regions were even within 10% of perfect spending.
2. Assuming that regions will not spend 10% of their currently allotted FY14 funds (a fairly conservative assumption given the data), and FY15 carry forward balances are increased accordingly, the number of regions with a projected deficit falls to two (2); with their combined projected deficit now totaling around \$185,000.
3. The remaining \$185,000 potential problem only becomes a real problem if perfect spending is then achieved in FY15. Given the historical data, this is unlikely to happen. Meaning by FY15 year-end, all regions would end in a positive position.

FY15 ALLOCATION

	Allocation of FY14 Projected Collections		Allocation of Draw on Organization Fund Balance	FY15 Base Allocation	FY15 Statewide Evaluation Allotments
	Pop	Disc	Other		
Cochise	1,463,546	837,003	253,828	2,554,377	174,591
Coconino	1,357,649	778,912	235,462	2,372,024	162,127
Cocopah	14,189	55,723	2,461	72,373	4,947
Colorado River Indian Tribes	161,664	87,973	28,038	277,675	18,979
East Maricopa	6,129,386	1,223,630	1,063,043	8,416,059	575,236
Gila	410,678	232,915	71,225	714,818	48,858
Gila River Indian Community	359,915	126,762	62,421	549,098	37,531
Graham/Greenlee	498,047	289,951	86,378	874,377	59,763
Hualapai Tribe	28,590	78,295	4,959	111,844	7,644
La Paz/Mohave	2,149,225	1,212,000	372,748	3,733,973	255,216
Navajo Nation	2,205,320	1,209,527	382,477	3,797,324	259,546
Navajo/Apache	862,404	495,178	149,570	1,507,152	103,013
Northwest Maricopa	7,398,344	1,834,349	1,283,123	10,515,817	718,754
Pascua Yaqui Tribe	124,971	66,827	21,674	213,473	14,591
Phoenix North	10,329,119	2,905,729	1,791,419	15,026,267	1,027,042
Phoenix South	11,940,642	3,739,906	2,070,912	17,751,460	1,213,309
Pima North	6,975,310	1,855,625	1,209,755	10,040,690	686,279
Pima South	3,595,310	2,058,143	623,548	6,277,001	429,032
Pinal	4,088,080	865,072	709,011	5,662,164	387,008
Salt River Pima Maricopa	84,879	21,237	14,721	120,837	8,259
San Carlos Apache	377,202	201,897	65,420	644,519	44,053
Santa Cruz	744,046	416,700	129,043	1,289,789	88,157
Southeast Maricopa	7,692,317	1,541,461	1,334,108	10,567,887	722,313
Southwest Maricopa	3,379,445	726,605	586,110	4,692,160	320,708
Tohono O'odham	295,858	158,526	51,312	505,695	34,564
White Mountain Apache	458,801	248,570	79,572	786,942	53,787
Yavapai	1,839,564	1,050,526	319,043	3,209,133	219,344
Yuma	2,917,001	1,641,457	505,907	5,064,366	346,148
Regional Total	77,881,500	25,960,500	13,507,290	117,349,290	8,020,800
Statewide Total	-	11,538,000	1,500,810	13,038,810	891,200
FTF Total	77,881,500	37,498,500	15,008,100	130,388,100	8,912,000

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- If the spending assumptions outlined here prove to be high, there will be ample time and opportunity for the Board to draw-down Fund Balance should it become necessary.

This analysis reveals that the Regional Fund Balance will decline over the next two years, but by FY15, the total Regional carry forward will likely still be over \$50 million. Drawing down additional dollars to cover a planned deficit that is predicated on perfect spending will result in an FY15 Regional Fund Balance that is exactly that much higher than it would be otherwise.

Embedded within this recommendation is a general policy issue for the Board. To date, Regions have planned/budgeted using the unallotted amount from the previous year as the carry forward amount until actual expenditures are known. This method of budgeting ensures regions do not become over committed – a relatively conservative budgeting approach. The recommendation to the Board is a change to this policy in order for regions to make progress in spending down their carry forward balances which includes anticipating some amount of expenditure savings in their out-year planning. As such, it is recommended carry forward calculations/projections be updated to assume 10% of the current year’s allotment will be available (along with the unallotted amount) in the next year’s budget. Assuming this methodology, total means of financing for Regions in FY15 would be as follows (with FY14 allotment data as of 9/17/13).

FY15 Regional Total Means of Financing

(9/17/13 Anticipated)

	FY15 Base Allocation	FY14 Unallotted Carry Forward	FY14 Supplemental Carry Forward (10% of Allotted)	FY15 Anticipated Total Means of Financing
Cochise	2,554,377	1,488,899	340,743	4,384,019
Coconino	2,372,024	1,257,136	278,933	3,908,092
Cocopah	72,373	58,064	9,123	139,560
Colorado River Indian Tribes	277,675	135,836	30,387	443,898
East Maricopa	8,416,059	3,669,904	1,270,413	13,356,376
Gila	714,818	345,521	91,479	1,151,818
Gila River Indian Community	549,098	463,628	81,081	1,093,808
Graham/Greenlee	874,377	570,406	96,411	1,541,193
Hualapai Tribe	111,844	14,147	15,022	141,013
La Paz/Mohave	3,733,973	1,349,096	506,691	5,589,761
Navajo Nation	3,797,324	7,237,569	588,161	11,623,054
Navajo/Apache	1,507,152	980,233	177,518	2,664,903
Northwest Maricopa	10,515,817	4,228,242	1,201,446	15,945,505
Pascua Yaqui Tribe	213,473	131,769	35,675	380,916
Phoenix North	15,026,267	6,278,608	2,210,307	23,515,181
Phoenix South	17,751,460	9,572,522	2,429,949	29,753,932
Pima North	10,040,690	1,612,500	1,207,879	12,861,068
Pima South	6,277,001	1,710,760	900,170	8,887,931
Pinal	5,662,164	3,199,297	770,000	9,631,461
Salt River Pima Maricopa	120,837	181,021	35,552	337,410
San Carlos Apache	644,519	918,622	89,178	1,652,319
Santa Cruz	1,289,789	405,352	146,988	1,842,129
Southeast Maricopa	10,567,887	2,992,304	1,291,140	14,851,330
Southwest Maricopa	4,692,160	1,693,856	507,745	6,893,761
Tohono O'odham	505,695	502,710	143,877	1,152,281
White Mountain Apache	786,942	713,292	113,587	1,613,822
Yavapai	3,209,133	1,318,988	419,025	4,947,146
Yuma	5,064,366	2,747,615	644,184	8,456,165
Regional Total	117,349,290	55,777,899	15,632,664	188,759,853

Finally, in addition to approving the overall allocation for the statewide funding plan, the Board is also being asked to approve the strategy allotments for the statewide funding plan. The table below provides a view of the proposed FY15 Allotments as well as FY14's current Funding Plan for comparison purposes.

The proposed funded strategies remain fairly stable across years. The major exceptions to this are;

- \$100,000 reduction in the Capacity Building strategy. The current year allotment represents the final year of the original scope of work issued for this effort. However, the contract did allow for the possibility of a renewal in FY15. The results of the current efforts of the grantee, in combination with considerations about resources needs within the Statewide funding plan, will ultimately determine if offering a renewal option for the contract is appropriate. FTF Program staff will be central in this review.
- \$75,000 reduction in the Oral Health strategy. FY14 investment levels included development costs for creating and launching a web registry. The FY15 allotments represent a maintenance level budget for this effort, as FTF considers options regarding long-term placement of the web registry as well as continues to work with partners in refining the tool and its use by intended audiences.

In addition it is important to note the Quality First and TEACH strategies are currently showing no adjustment over FY14. It is anticipated that this will be brought back to the Board with an update to the overall Statewide funding plan once Regional funding plans are finalized and approved by the Board in January. The service levels included in these FY15 regional funding plans will drive the final allotment requirements for these strategies.

FIRST THINGS FIRST STATEWIDE FUNDING PLAN

Strategy	Fiscal Year 14		Fiscal Year 15
	Current Allotment	Award	Proposed Allotment
Total Allocation:	\$13,129,990		\$13,038,810
Capacity Building	\$300,000	\$300,000	\$200,000
Communities of Practice	\$122,927	\$122,927	\$100,000
Community Awareness	\$208,919	\$208,919	\$187,480
Community Outreach	\$139,081	\$139,081	\$160,520
Media	\$352,000	\$352,000	\$352,000
Statewide Evaluation	\$798,220	\$798,220	\$891,200
Birth to Five Helpline	\$100,000	\$100,000	\$100,000
Oral Health	\$150,000	\$150,000	\$75,000
Parent Kits - statewide	\$1,600,000	\$1,600,000	\$1,600,000
Quality First	6,384,063	6,384,063	6,384,760
Assesment	\$4,993,045	\$4,993,045	\$4,993,045
FTF Program Administration	\$536,963	\$536,963	\$537,660
Licensing (DHS)	\$854,055	\$854,055	\$854,055
QF Reserve	-	-	\$13,070
Scholarships TEACH	\$2,974,780	\$2,974,780	\$2,974,780
Total Allotment:	\$13,129,990	\$13,129,990	\$13,038,810
Total Unallotted:	\$0		-



FIRST THINGS FIRST

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AGENDA ITEM: 2013 Tribal Consultation Summary Report

BACKGROUND: First Things First convened a formal tribal consultation session on Thursday, August 15, 2013, for the purpose of better meeting the needs of Native American children and families, taking into consideration the First Things First Research and Evaluation Plan and the Quality First Program. The attached report summarizes the comments and questions raised by Arizona's Tribal Leaders and their representatives/designees at this event.

RECOMMENDATION: For informational purposes only.

**TRIBAL CONSULTATION ON THE FTF RESEARCH AND
EVALUATION PLAN AND THE QUALITY FIRST PROGRAM**

Thursday, August 15, 2013



2013 Tribal Consultation Report

Pursuant to the First Things First (FTF) Tribal Consultation Policy and AZ Executive Order (EO) 2006-14, Consultation and Cooperation with Arizona Tribes, FTF convened a formal consultation session on Thursday, August 15, 2013, for the purpose of better meeting the needs of Native American children and families, taking into consideration FTF evaluation and data activities, and other issues affecting the delivery of early childhood strategies in their geographic locations.

First Things First is committed to meaningful consultation with tribes through which elected officials and other authorized representatives of the tribal governments have the opportunity to provide meaningful and timely input regarding the development of policies or procedures that affect Arizona's tribes and Native American children and families.

The following summary reflects comments and questions raised by Arizona's Tribal Leaders and representatives/designees.

Participants

Tribal Leaders and Tribal Representatives:

Gregory Mendoza, Governor, Gila River Indian Community
Terry Rambler, Chairman, San Carlos Apache Tribe
Herman G. Honanie, Vice Chairman, Hopi Tribe
Philbert Watahomigie Sr., Vice-Chairman, Hualapai Tribe
Wavalene Romero, Vice-Chairwoman, Tohono O'odham Nation
Robert Jackson, Sr., Vice-Chairman, Yavapai Apache Nation
Amelia Flores, Tribal Council Member, Colorado River Indian Tribes
Dale Enos, Tribal Council Member, Gila River Indian Community
Theresa Larzelere, Tribal Council Member, White Mountain Apache Tribe
Rosie Soto Alvarez, Tribal Council Member, Pascua Yaqui Tribe
Dr. William Myhr, Director of Education Department, Fort McDowell Yavapai Nation
Betsy Lewis, Director of Fort Mojave Childcare, Fort Mojave Indian Tribe
Noreen Sakiestewa, Director for Education, Hopi Tribe
Nicole Honanie, Chief of Staff, Tribal Chairman, Hopi Tribe
Victoria Hobbs, Executive Director, Education Department, Tohono O'odham

First Thing First:

Steven Lynn, Chairman of the FTF Board; Vivian Saunders, Member of the FTF Board; Sam Leyvas, Interim Chief Executive Officer; Karen Woodhouse, Chief Program Officer; Beverly Russell, Senior Director of Tribal Affairs

In addition to First Things First representatives and tribal leaders and their representatives, representatives from the Inter-Tribal Council of Arizona, Arizona Department of Health Services, Department of Economic Security, and the Arizona American Indian Oral Health Coalition were in attendance.

Summary

Although all of the tribal leaders spoke to the consultation topics with regard to their specific communities, the discussion presented some common themes around the First Things First Research and Evaluation plan. During this session, several tribal leaders referenced historical misuses of tribal data by other entities. It was recommended that First Things First continue to be mindful of this history as the organization develops data partnership with Arizona tribes and nations.

Tribal leaders also emphasized the sensitivity of the data that is collected from tribal members on tribal lands. Attendees acknowledged that this information tells a piece of their story and must be treated with great care and understanding. Attending leaders also underscored the importance of tribal data ownership noting that all tribal data should continue to be presented to tribes by First Things First for approval unless otherwise directed by the tribe.

Finally, a collective sentiment from tribal leaders came in the form of a request for First Things First to continue to stay in regular dialogue with tribes including the submission of reports to tribes to share progress related to data partnerships.

The following are some specific notes emphasized through dialogue with participating Arizona tribes.

Comments/Questions/Concerns/Recommendations on FTF Research and Evaluation Plan

- Several tribal leaders recommended that FTF consider entering into Memorandums of Agreement or Memorandums of Understanding to address data sharing agreements. Other recommendations related to data sharing agreements included the use of open-ended agreements or renewal models that are currently utilized by federal agencies such as the Bureau of Indian Affairs.
- Hopi Vice Chairman Herman Honanie commented about the geography and data. He noted that location is a big factor to consider for tribes as it relates to data acquisition and analysis. He reminded First Things First that data statistics will not be the same for every tribe therefore a tribal number or an aggregate tribal number may not be accurate. The Vice Chairman also asked FTF to be mindful that small tribes may need technical assistance around data efforts and he also stressed the importance of clarifying the difference between research and evaluation when working on these efforts with tribes.
- Several tribal leaders expressed the need for data to make connections to issues that are co-occurring in tribal communities. One example presented mentioned how data related to an increase use of illegal drugs can also be connected to a decrease in health and wellness of children in the tribal communities.
- Chairman Terry Rambler of the San Carlos Apache Tribe noted that the data collected by FTF could be helpful to the tribe by painting a picture of the state of health and family and parental support for the tribe.
- The Hopi Tribe raised questions about how the plan will address tribes within a region and how data efforts impact non-tribal/state schools on tribal lands.

Comments/Question/Concerns/Recommendations on Quality First Programs

- Comments addressed the need for funding for the Quality First programs and scholarships for children in rural areas.
- The Colorado River Indian Tribes inquired about the Quality First programs addressing the common core testing for older children in preparation for Kindergarten. Further, CRIT noted that the participation in Quality First is expensive and for smaller tribal regions it may be difficult to fund a slot for their region.
- The Hopi Tribe recommended that Quality First Program keep in mind that that majority of tribal early learning programs are not state regulated and may never be regulated by the state. Further, Hopi discussed the importance of cultural competency in the Quality First Program.
- The majority of tribal leaders expressed concern about the star ratings in the Quality First programs in their tribal communities. Some tribal leaders expressed concern that the ratings are difficult to achieve in some aspects of the assessment evaluation.
- Tribal leaders expressed the need to align the quality and rating system standards with the regulations of other tribal program standards such as tribal Head Start and the Child Care Development Fund.
- Several comments also addressed the need for early childhood teachers in their communities to achieve the highest educational degree possible.
- The Gila River Indian Community expressed their view that Quality First gives them a great opportunity to measure their work. It was noted that measurement is historically not an effort that has been infused in the child care setting.
- GRIC also acknowledged the alignment of Quality First and pre-k has not necessarily been a great fit for Gila River.

A full transcript of this event will be available on the tribal consultation page of the FTF website in the upcoming weeks.



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AGENDA ITEM: 2013 Regional Council Member Survey

BACKGROUND: The attached document is a summary of responses received from the annual Regional Council Member survey. Regional Council members were asked to answer a combination of topic specific and open ended questions.

RECOMMENDATION: The interim CEO presents this for information only



FIRST THINGS FIRST

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Regional Partnership Council Member

Survey Results

August 2013

This is the fourth annual survey completed by Regional Council members. Overall, the results of the survey were very positive.

The survey included the same questions from the previous year with the addition of a set of questions focused on leadership and learning priorities of regional council members. This information will be used to initiate a more robust leadership and learning plan for our regional council members over the next year.

Consistent with the previous surveys, the regional directors received high praise from regional council members. Nearly 80% of the survey respondents strongly agreed that the regional director is effectively working with regional council members. According to responses, meetings and agendas are well planned, communication is good, information is accurate, staff is responsive to questions and requests for information, and the regional councils' experience with funding plans is very positive.

Regional councils continue to support a variety of activities to advance early childhood development and health in their regions. From networking outside First Things First meetings to participating in other community partnerships and having the community in attendance at regional council meetings – regional council members are actively engaged and working in their regions.

In the past the RFGA process has had a level of dissatisfaction by regional council members and opportunities for improvement were needed. 2012 and 2013 survey results show significant progress in this area. Over eighty percent of regional council members were satisfied with the development and quality of the RFGAs released as compared to 70% in 2010.

Based on the results from the survey the following areas have been identified as opportunities for advancing the work of the regional councils, supporting members in their role and strengthening partnerships with the Board, grant partners and the community overall.

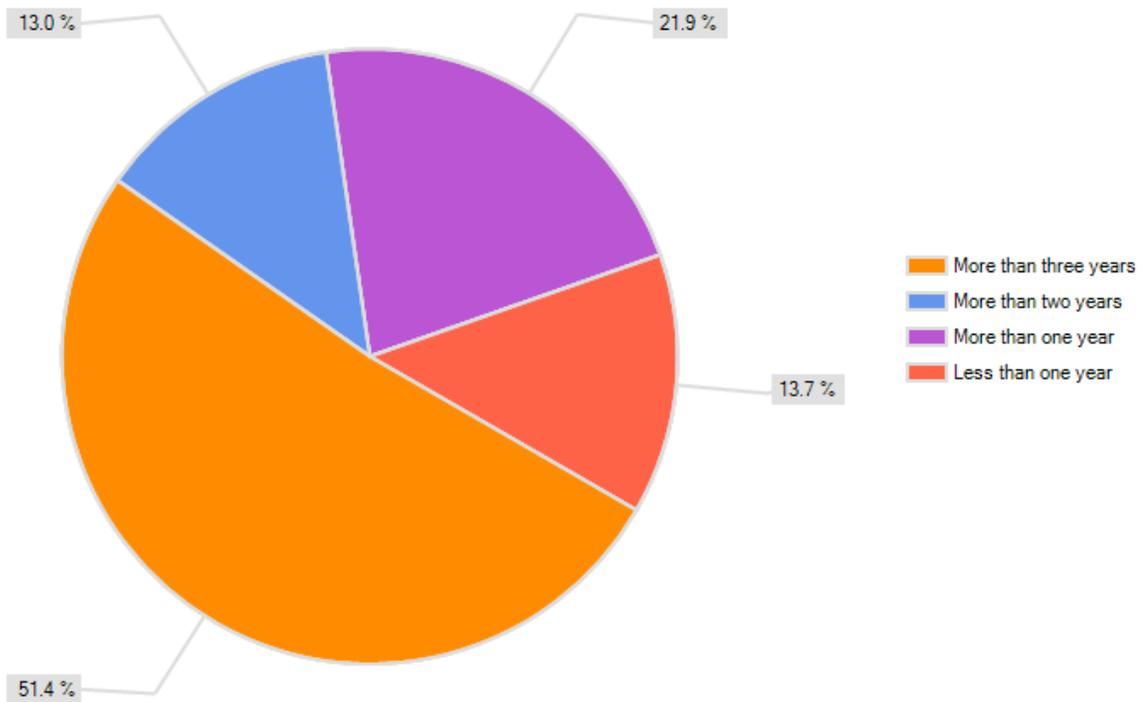
- Regional council functions and operations (managing time and meeting logistics, decision making, structure of meetings, and professional development)
- Board and regional council relations (opportunities for face-to-face interaction in the regions through state board meetings and regional area forums)

- Utilization of data (FTF financial, data, and needs and assets reports; community/partner data and reports)
- Continuation of system building efforts (advancing efforts within the region and across regions)
- Regional council and grant partner relations (engagement of grant partners during regional council and partner meetings; identification of challenges and barriers and problem solving)
- Community outreach and awareness (review and assess efforts and determine areas of priority to advance the community support)

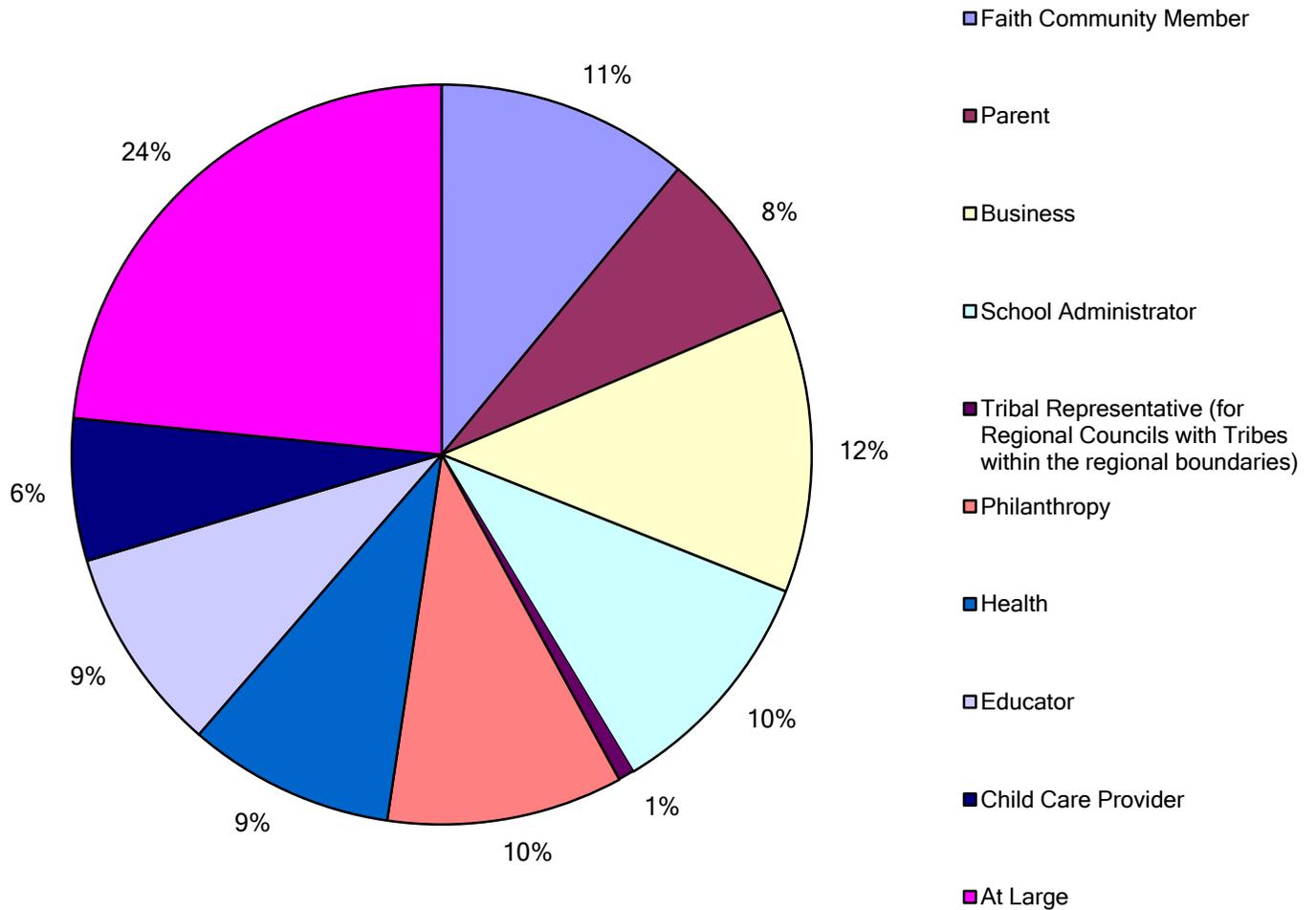
RESPONDANTS

There were 147 respondents representing 49% of the regional council positions filled. Of the respondents, the majority, 51.4%, represented regional council members who have served more than three years. The respondents were an equal representation of the various roles for the regional councils, with some variance across the six regional areas. As would be expected the at-large positions that make up 3 of the 11 positions had the largest number of respondents or 23.4%. The remainder of respondent categories were relatively even except for the Tribal Representative seat, which was significantly lower at less than one percent. This was expected because there are only Tribal Representatives for those regional councils in which a tribe participates.

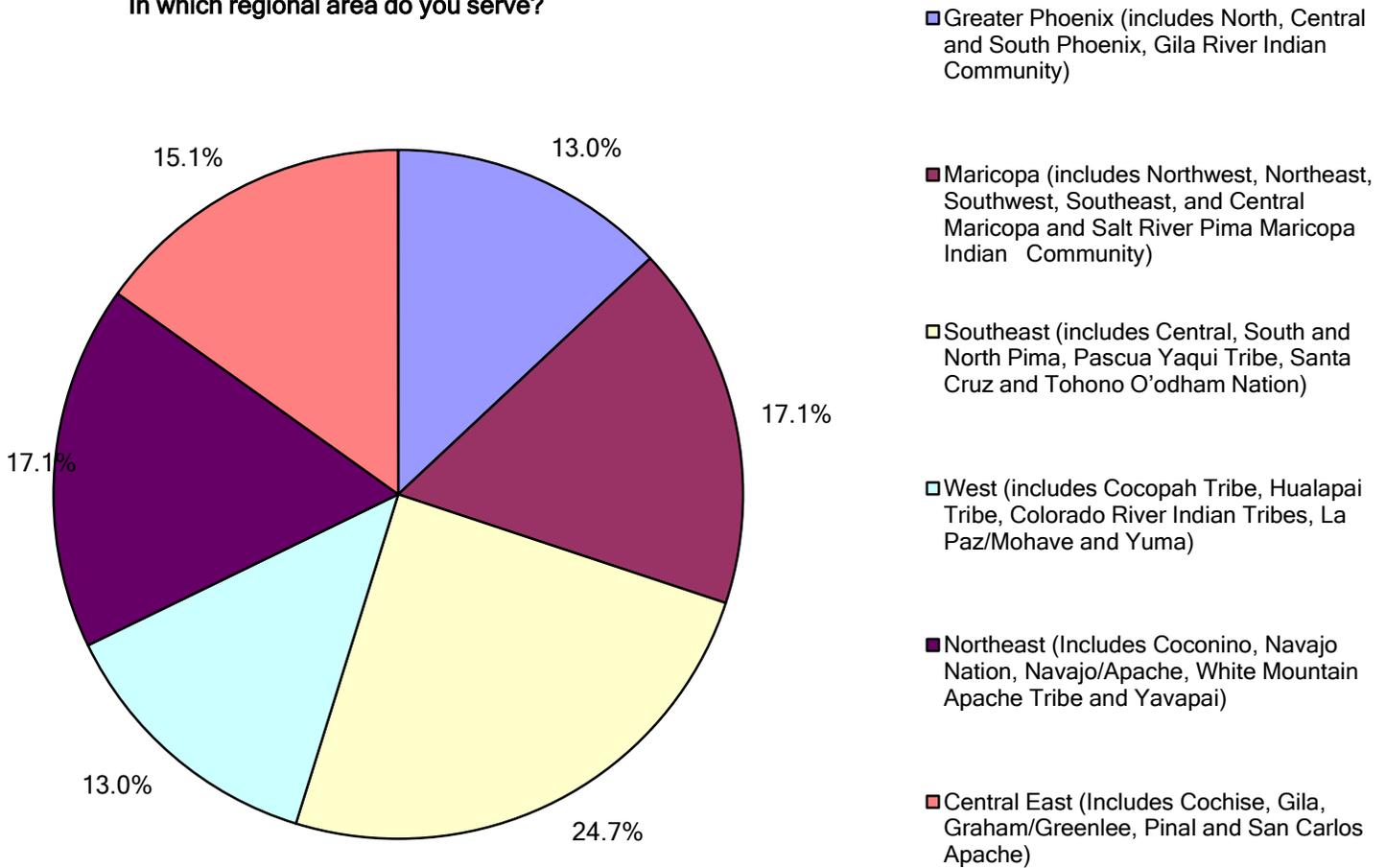
How long have you served as a FTF Regional Council member?



What position do you hold on your Regional Partnership Council?



In which regional area do you serve?



FTF STAFF PERFORMANCE

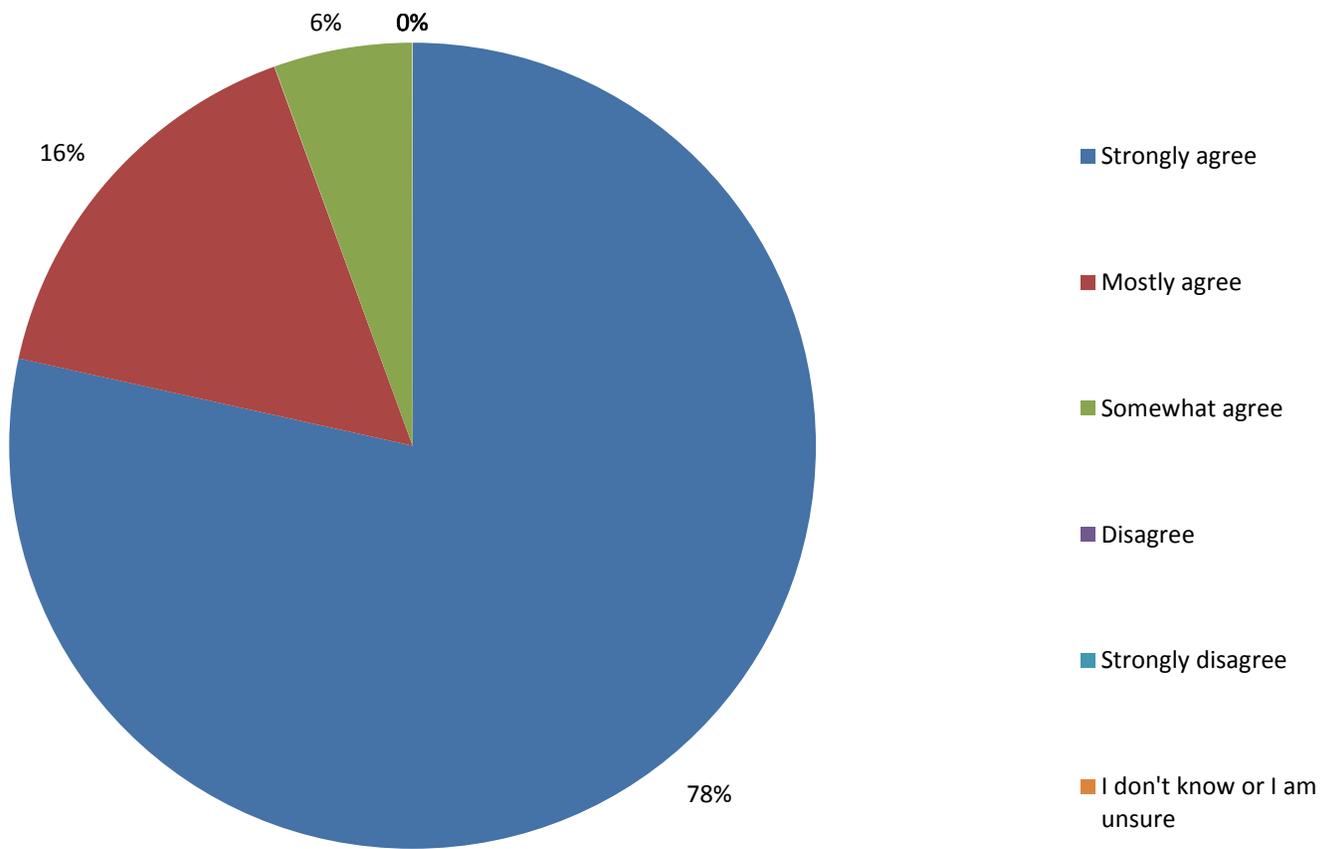
Questions 4 through 6 of the survey evaluated the effectiveness of the FTF Staff.

Overwhelming, the regional council members believe that their regional director is effective in carrying out the various roles and responsibilities of their position which include consulting and advising the regional council, assisting with funding plan development, communicating and partnering with regional council members, coordinating and collaborating with regional and community partners, and facilitating the regional council’s strategic planning and implementation processes. All responses were above 95% for “strongly and mostly agree”.

Working with other staff faired positive across the teams of Finance, Community Outreach, and Program Teams, with 75% of respondents indicating they had positive experiences working with teams other than the regional team. The regional team, as expected, is the primary staff working with the regional councils with the other team members serving in a supportive role to assist with the regional councils as needed.

Regional council members reported overall that staff is responsive to their questions and requests for information with 94% strongly and mostly agreeing.

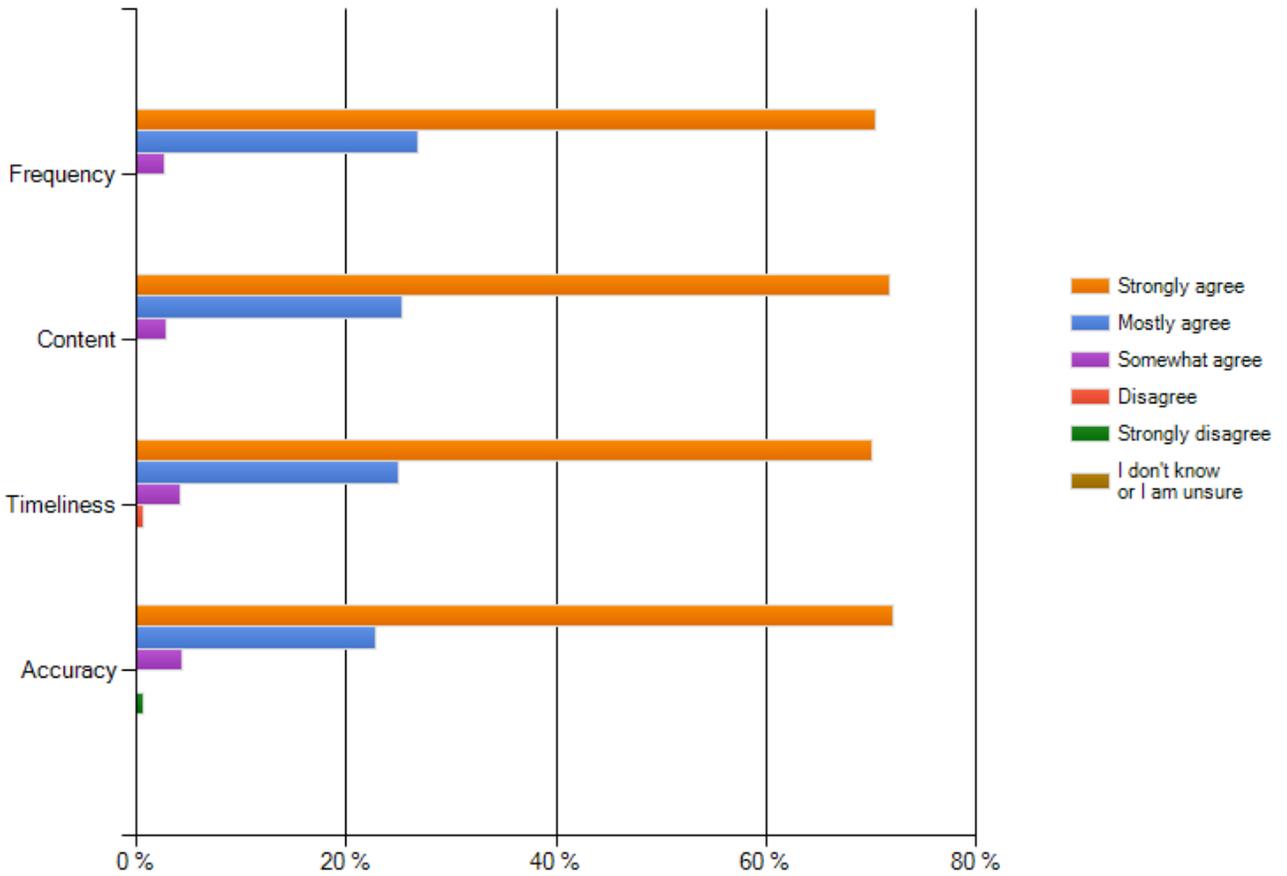
FTF Staff is..... Responsive to my questions and requests for information



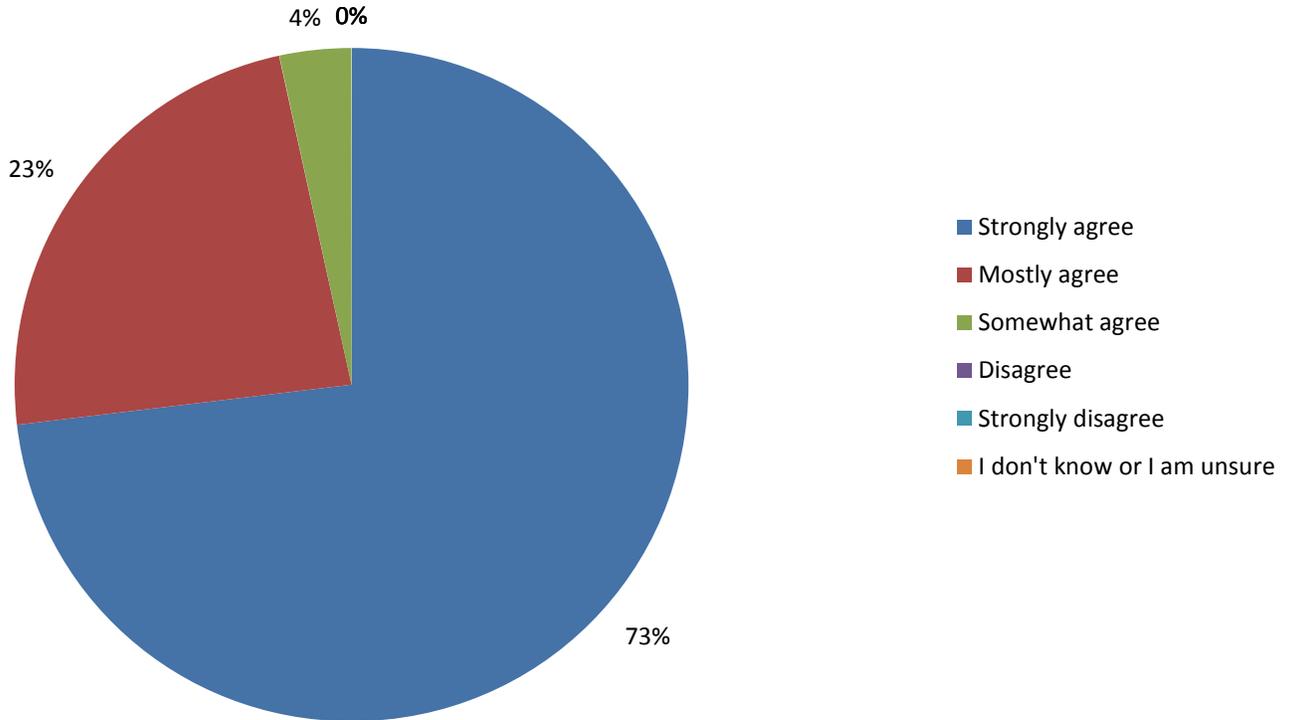
EXPERIENCES WITH MEETINGS AND COMMUNICATIONS

Question 7 and 8 of the survey evaluated the meetings and communication with regional councils. Respondents felt that meetings and agendas were well planned and productive with over 95% “strongly agreeing or mostly agreeing”. Additionally, they felt that communication with staff as it relates to frequency, content, timeliness and accuracy is very positive.

To support my role as a Regional Council member, communication with FTF staff is appropriate in:



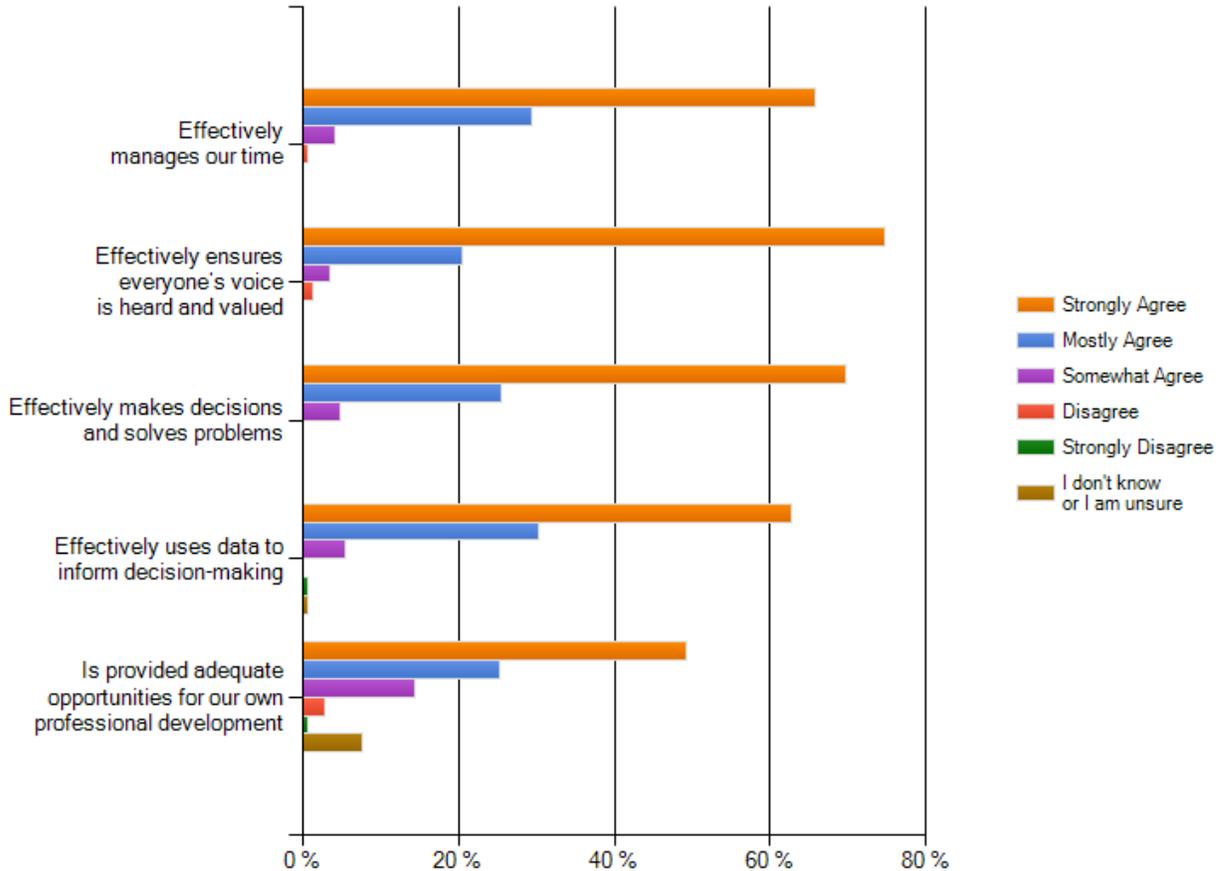
Regional Council meetings and agendas are well planned and productive...



HOW THE REGIONAL COUNCIL CARRIES OUT ITS WORK

Question 9 assesses the functioning and operations of the regional council as it relates to managing time, reaching consensus, decision making, utilization of data and opportunities for professional development. Overall responses for these functions were favorable with nearly seventy percent of the respondents reporting they strongly agreed. The regional council members put in a significant amount of volunteer hours. Looking to improve the functioning and operations of the regional councils will be a primary focus for the regional team, beginning with a dialogue with the regional council leadership at their leadership forums.

Our Regional Partnership Council...



Questions 10 and 11 addressed the regional council member’s satisfaction with the strategic communication efforts in their region and how the regional council has developed relationships in the community to advance early childhood development and health. Close to 80% of respondents are satisfied with how the region and FTF is advancing the public’s awareness of the importance of early childhood. While outreach through various mechanisms maintains steady, we have seen a slight decrease in activity from the previous year. This provides an opportunity for discussion by regional councils to review and assess their efforts and determine areas of priority that will continue to advance the community support.

	Strongly and Mostly Agree	Disagree and Strongly Disagree
I am satisfied with the strategic communications efforts in our region and the result on increasing public awareness of the importance of early childhood and the role of FTF?	85%	3.5%

How has your Regional Council been involved in developing relationships within the community to advance early childhood development and health for children birth through five?

	2010	2012	2013
Community Attendance at Meetings	73.3%	81%	70.1%
Community Forums	55.9%	76.1%	66.7%
Networking outside of First Things First Meetings	72.1%	83.4%	77.1%
Community Partnerships	66.7%	74.2%	69.4%
Meetings with Government Officials	48.6%	57.1%	50.7%
Presentations	57.7%	74.2%	69.4%
Tours of Programs and Services	43.2%	61.3%	63.2%

SYSTEM BUILDING

Questions 13 and 14 assesses FTF’s role in advancing the early childhood system and system building at the local level. The responses strongly indicate that members believe FTF is effective in serving as a leader and partner in advancing the early childhood system. Members report that the regional councils have been effective in establishing and strengthening partnerships but also report that there is much more to do. There is also recognition that the strategic plans set by the regional councils must go beyond the tobacco tax dollars in order to advance the system in their communities. This was particularly referenced by members of rural and tribal communities.

	Strongly Agree or Mostly Agree	Disagree or Strongly Disagree
FTF is effectively leading the development of the early childhood system in Arizona	90%	0%
FTF is an effective partner in advancing the early childhood system	93%	0%
My regional council has been effective in developing and strengthening partnerships to advance the early childhood system in my region	85%	0%
The strategic plan in place for SFY13-SFY15 will position our regional council to be a catalyst for brining community partners together to advance the early childhood system	80%	.7%

BOARD FUNCTIONING

This question addressed the perceptions of the regional council members regarding the functioning of the Board. Eighty-nine percent, as compared to 84% in 2012 reported that they are satisfied with how the Board is setting the strategic direction. Over 80% of respondents, compared to 73.3% in 2012, are satisfied with the formulation and communication of policy decisions. Almost 77% of members reported that they believe the Board respects local needs and decision making as compared to 73.3% last year. Seventy-five percent reported they were satisfied with the level of information they received from the statewide committees. The majority of the comments from members were focused primarily on the regional area forums that were held in February and March of this year with Board members. Members would like to see this continue and believe the Board’s participation and presence in the regions is critical to the regional council and board relationship.

I am satisfied with the following aspects of the First Things First Board.	Strongly or Mostly Agree	Disagree or Strongly Disagree
Setting the strategic direction of First Things First	89%	1.4%
Formulating and communicating policy decisions at a state level	81%	1.4%
Respecting local needs and decision making	77%	7%
The level of information received about the program committee and statewide advisory committees	75%	5%

FUNDING PLANS

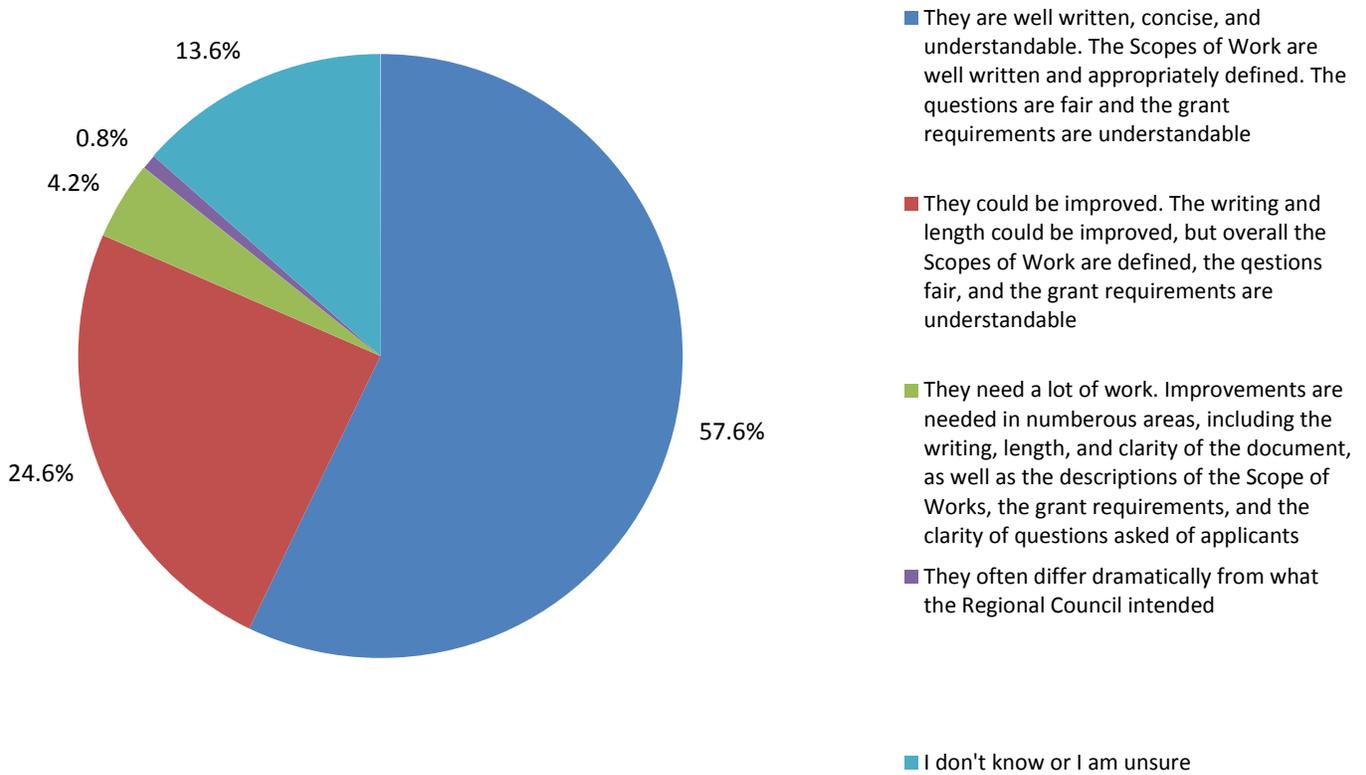
The following questions focused on regional council members’ satisfaction with the funding plan, RFGA, and grant renewal process. Approximately eighty-seven percent of respondents favorably viewed developing their SFY14 funding plan, an increase from 82% in 2012. While members responses’ were favorable in regards to satisfaction with availability of data, needs and assets, community input, and information about FTF indicators and strategies, comments from members indicate that this continues to be an area on which to focus.

	Strongly Agree or Mostly Agree	Disagree or Strongly Disagree
My experience in developing our Region's State Fiscal Year Funding Plan was positive.	87%	1%
The SFY14 funding plan aligns with the SFY13 through SFY15 strategic direction established by the Regional Council.	92%	.7%
The appropriate level of information was available (i.e. Need & Assets, background information and data from previous plans, community input and FTF Strategies).	84%	2%
The methods used for council preparation and decision making were well facilitated and encouraged participation.	90%	2%
The SFY14 funding plan is well-developed, appropriate, and will achieve outcomes for my region.	90%	2.1%

FUNDING PROCESS (RFGA, AGREEMENTS AND GRANT RENEWALS)

With past surveys, the subject with the most negative responses was the RFGA process. With the 2012 survey significant improvement was made and this was maintained in 2013. Nearly 84% of respondents reported that their regional council released RFGAs in SFY13 for SFY14 awards. Eighty-three percent of regional council members were satisfied with the development and quality of the RFGAs released as compared to 70% in 2010. In addition, 83% of the respondents were satisfied with the process for reviewing and recommending grant applications for funding for their regional councils. Respondent's dissatisfaction with the review process and award recommendations decreased from 13% in 2010 to 5% in 2013. The regional council members' positive impression of the quality of RFGAs increased by 20% from 2010 to 2013. Almost 90% of the respondents, compared to 67.9% in 2010, reported that the grants were well written or could be improved. Less than 5% stated that they needed a lot of work and/or differed dramatically from the Regional Council's intentions.

Describe your impression of the quality of RFGAs Released..



Regional council members also viewed favorable the development of agreements with governmental entities and tribal governments and the grant renewal process. Seventy-four percent of the respondents reported that they awarded other agreements with government entities or the Tribes to carry out their funding plan.

	Strongly Agree or Mostly Agree	Disagree or Strongly Disagree
I was satisfied with the development of the agreements and they met the intent of the regional council	69%	0%
For SFY 2013 I was satisfied with the grant renewal process for my Regional Council.	85%	3%
I had the necessary information to make a decision to continue or discontinue the grant.	84%	4%

Leadership and Learning

With the 2013 survey, two open ended questions on leadership and learning were added to gather feedback, from a regional council perspective, on professional development topics First Things First could provide to better support regional council members in their roles. Topics with the highest responses included early childhood development and health, system building and the FTF strategic direction and funded strategies. Other topics identified were evaluation, data and reporting, roles and responsibilities including open meeting law, learning from other regional councils and states, tribal relations, advocacy, and public speaking. The information from the survey will be used to initiate discussions with regional councils, starting with the chairs and vice chairs, to develop and implement a leadership and learning plan for over FTF's 300 regional council members.

OPEN ENDED QUESTIONS—Summary of responses

How has your Regional Council functioned: What has worked best?

- Good, open, and honest communication and collaboration
- Respect for each other
- Subcommittees, study sessions, and workgroups
- Experience and expertise of Regional Council members
- Effective staff and Regional Director
- Attendance at meetings
- Commitment to engage the whole community
- Strong leadership from chair and vice chair
- Scheduling meetings at program and community locations and moving meetings throughout the region
- Community input and involvement
- Cross regional meetings and sharing resources

How has your Regional Council functioned: What has been the biggest challenge?

- Maintaining a quorum; attendance at meetings
- Current data on our region to make informed decisions
- Timely and accurate data about the grant awards
- Significant information to digest and time commitment necessary to fully understand and become knowledgeable to make informed decisions
- Getting funding to diverse groups and organizations
- Understanding the intent and direction of the Board
- Determining priorities and where to allocate funding; recognition that “we can’t do it all”
- Effective communication and participation by all members
- Long travel distances in large rural regions

How do you view your Regional Council's connection with the community and the success or challenge in efforts to develop relationships, to increase awareness about early childhood, and to increase coordination among programs and services?

- Responses varied, in regions where progress is observed the responses included the following:
 - Regional directors and outreach coordinators are networking in the regions, developing relationships, and attending events
 - Networking by regional council members who have various connections and relationships in the community
 - Beginning to make a real impact in the community through outreach; starting to have a major presence in the community; brand is becoming known
 - Connections are growing in the communities at the same time need to get to all areas of the region
 - Recognition that this takes time
- In regions where progress was not observed responses included the following:
 - Often working with same segments of the community; need to diversify who we are reaching out to
 - Participation/involvement from a variety of organizations rather than the same limited group
 - Making this a priority

What have you learned through your participation in the Regional Council that would help other Regional Councils as they move forward with their work?

- Attendance
- It takes a lot of dedication, hard work, teamwork, collaboration and communication
- Engage the community in meetings and discussions; need to be present in the community
- Respect for all and everyone's opinion
- Stay mission-driven
- Focus on solutions; recognition that you can't do it all

What changes are needed, if any, to improve the process for awarding grants through RFGAs, other agreements, or renewing grants?

- Tighten up the RFGA; scope of work is complex and sometimes confusing
- Streamline the process and the paperwork needed
- Publicize the RFGAs in a way that draws a larger pool of applicants
- Assistance and methods to support smaller organizations and agencies to write and apply for grants and to be competitive
- Ongoing education on the process

Do you have recommendations for the FTF Board about how to best partner with Tribal governments to advance the early childhood system?

- Keeping tribal councils informed on work of the regional council
- Continue developing the relationships by learning about the culture and traditions
- Starting earlier to fulfill requirements such as needs and assets reports and agreements
- Continue to hold state board meetings on tribal lands

What would further strengthen the relationships between the FTF Board and regional councils?

- Communicate more on decisions and status of work
- Continue to visit the regions and attend regional council meetings
- Understand that regions are different, they have different needs.
- Community awareness for FTF throughout the state
- Engage regional councils as the board considers policy changes



FIRST THINGS FIRST

Ready for School. Set for Life.

AGENDA ITEM: Intervening Early Opportunity Assessment

BACKGROUND: First Things First and St. Luke's Health Initiatives joined together to contract for an opportunity assessment of Arizona's system to support the developmental, behavioral and social needs of children birth to age five. The assessment was completed by Dr. Charles Bruner, Director of the Child and Family Policy Center in Iowa. Information from the report, the main "take-away" messages, and next steps in the context of Arizona's early childhood system will be presented.

RECOMMENDATION: Presented for information purposes.



Intervening early in Arizona: A system of services for children

Prepared by Dr. Karen Peifer and
Kim VanPelt St. Luke's Health Initiatives

Context, History & Process

- FTF School Readiness Indicator # 5-% of children with newly identified developmental delays during the kindergarten year
- Dr. Charlie Bruner's "Intervening Early Opportunity Assessment" – completed Aug. 2013
- Early Childhood Comprehensive System grant 2013-2017
- FTF Fellowship

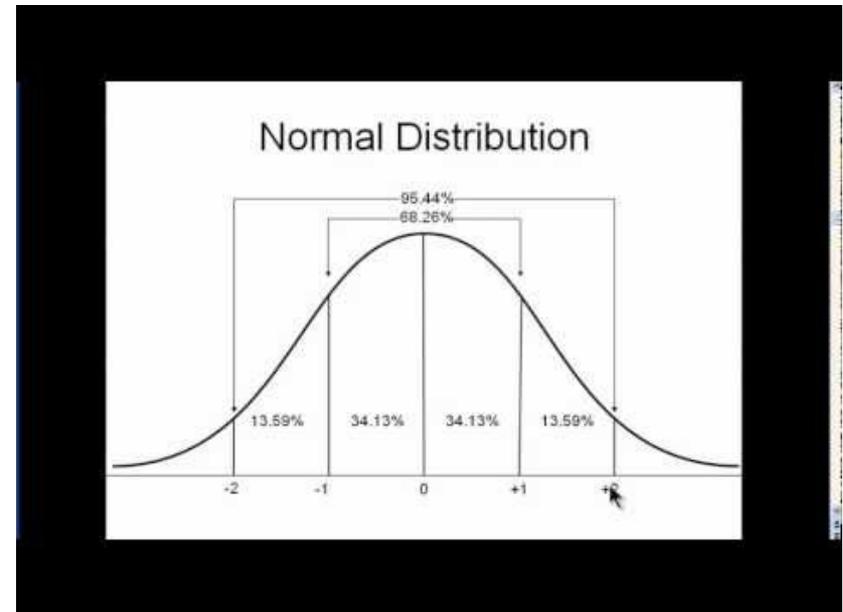
Challenges in defining and measuring SRI #5

- Newly developed delays
- Children not previously identified, not previously treated, showing up at kindergarten
- How to measure it with existing data sources at state and regional levels

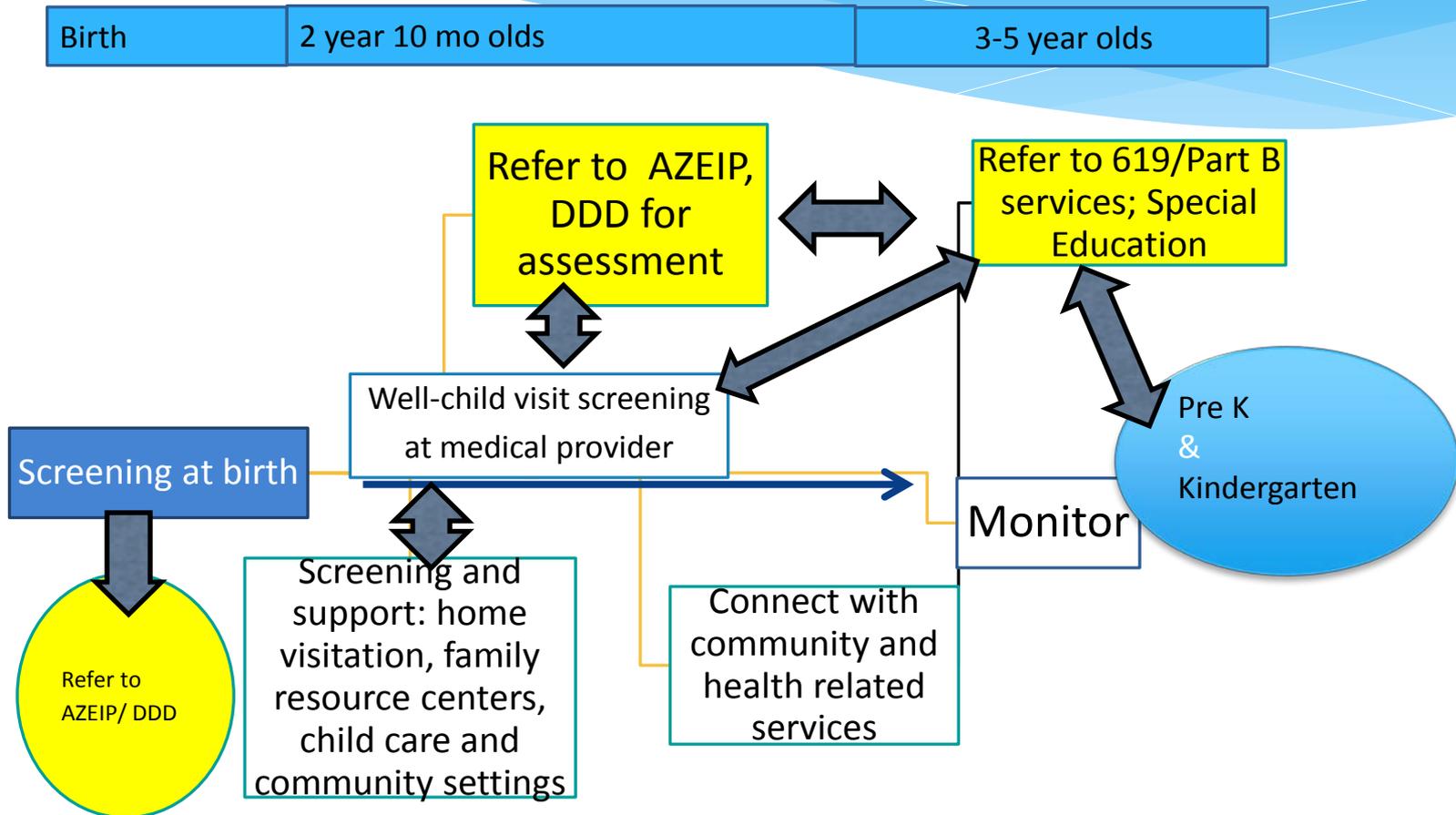
Criteria for eligibility for federally funded early intervention services?

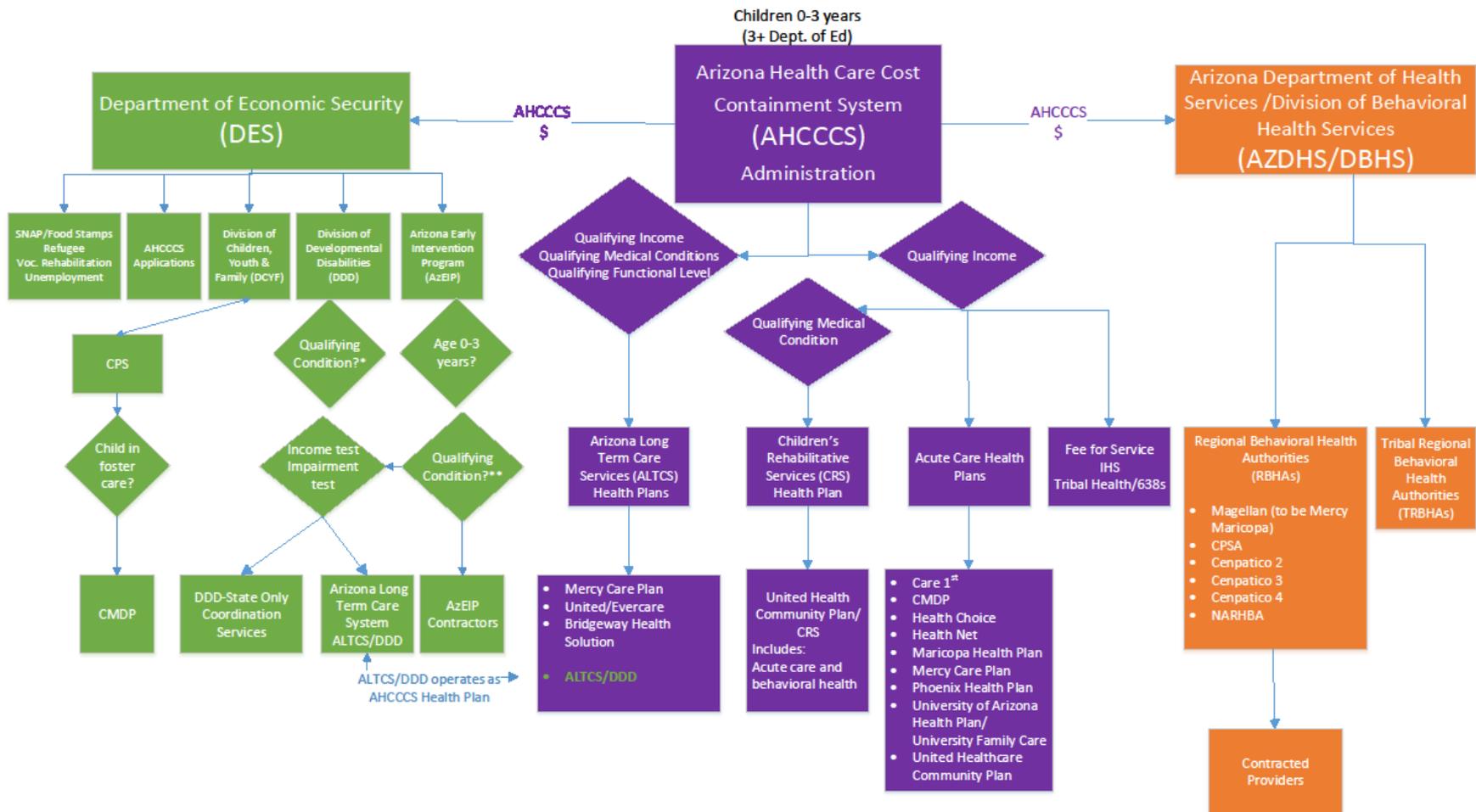
The mean represents children with normal growth and development

- 1 standard deviation on either side of the mean is also considered within normal range
- Some states have 1.5 - 2 standard deviations from the mean to represent eligibility for early intervention services. (~25-33% delay)
- Inclusion of children considered ‘at-risk’ as a trigger for eligibility
- Arizona’s criteria for eligibility is 50% of delay in one of 2 domains from what is expected for the age which is more restrictive and does not include at-risk criteria



What is the Early Intervention System?





* DDD Qualifying Conditions are: Autism, Cerebral Palsy, Epilepsy, Intellectual Disability
 ** AzEIP Qualifying Conditions are: 50% or greater delay in one developmental domain OR 25% or greater delay in 2 or more developmental domains (physical, cognitive, language/communication, social/emotional, adaptive self help)

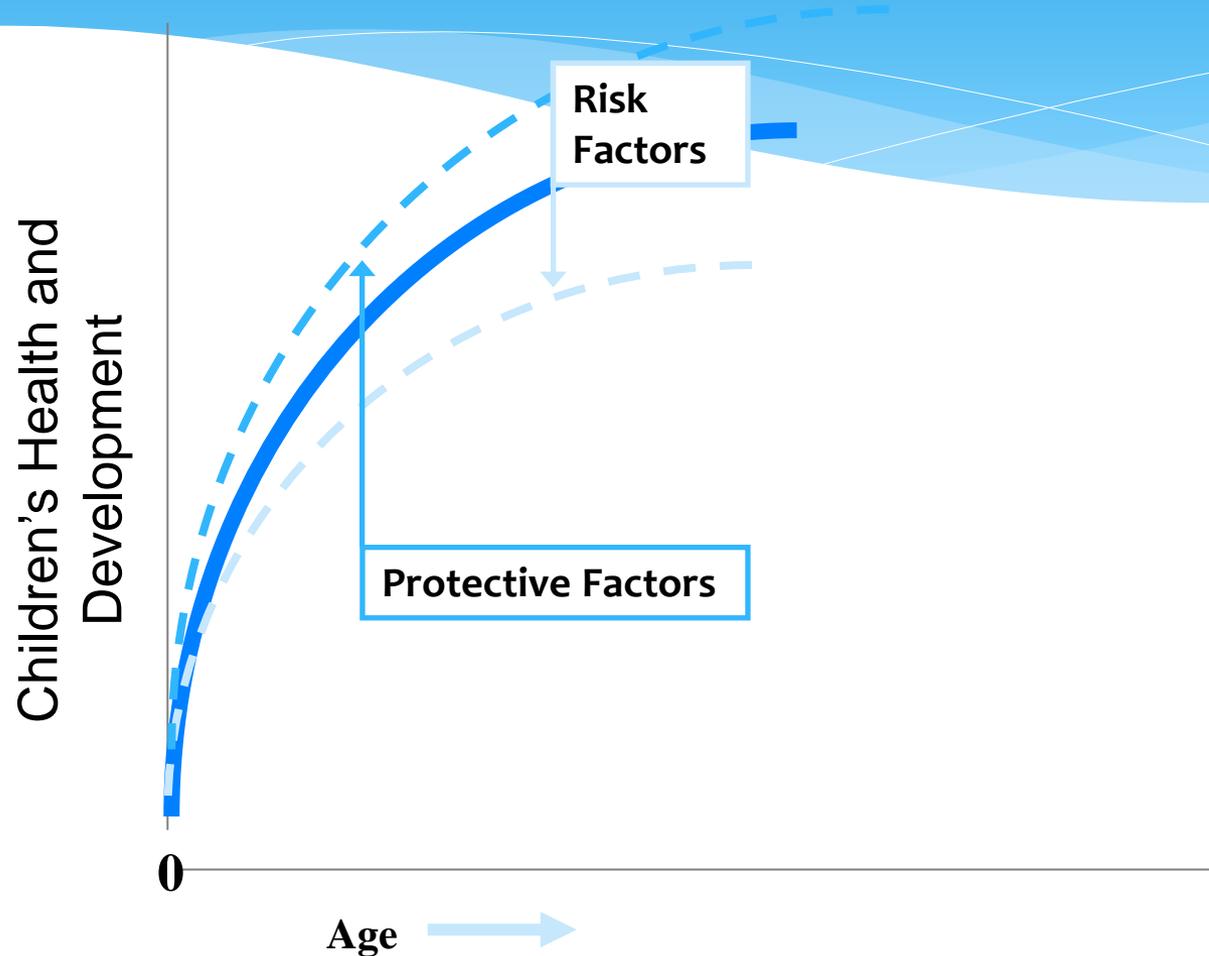
“Intervening Early: an Opportunity Assessment”

- A joint project between FTF and St. Luke's Health Initiatives
- Contracted with Dr. Bruner to assess the system in order to support leaders and advocates in improving young children’s developmental outcomes.
- Strengths, weaknesses, opportunities and threats analysis

Opportunity Assessment Study Parameters

- Population – young children (0-6) and their families
- Federal and State programs and services – primary health care, IDEA Part C and B
- First Things First programs: care coordination, Family Support for Children with Special Needs, home visiting and developmental screening strategies, Inclusion Strategy, Mental Health Consultation
- Non FTF funded community based programs
- Methods – secondary analysis of existing administrative, survey, and census data **AND** interviews, discussions, and focus groups with Arizona early childhood leaders

Intervening Early: Why It's Important



Adapted from slide developed by Dr. Edward Schor, Lucille Packard Foundation.

Protective and risk factors

*PROTECTIVE FACTORS: Stable and nurturing families; safe and supportive communities; adequate resources to meet basic needs; developmental opportunities to explore the world; consistent supervision throughout the day; attention to health needs

*RISK FACTORS: Adverse childhood experiences without adequate response leading to toxic stress; Parental depression/stress/immaturity/, lack of knowledge of child development leading to inattentiveness to child needs; environmental toxins; absence of quality learning environments and responses to special needs and limited access to health care

Current range of need for early intervention

3-6% Severe, Life-course disabilities

12-20% Diagnosable Behavioral/ Developmental Disabilities/Delays

30-50% Compromised Behavioral/Developmental/ Cognitive Development

50-70% Good Enough Development

5%-15% Enriched/Optimal Development

DEMOGRAPHICS

Why Arizona Needs to Pay Attention to Young Children and Their Development in the First Five Years

	Arizona	U.S.
Child population (0-17) growth rate 1990-2010 (census)	66.0%	16.6%
% young children (0-5) in population (census)	8.6%	7.9%
Young child (0-5) diversity (census)		
% white, non-Hispanic	39.7%	51.0%
% Hispanic	44.9%	25.2%
% Native American	6.2%	1.2%
% African American	4.6%	14.3%
% Asian	2.6%	4.5%
Higher percentage young (0-5) low-income children (census)		
Under 100%	27.5%	24.8%
Under 200%	55.7%	48.0%

Place Matters: High Poverty Tracts

Age and Race Demographics of Arizona's High-Poverty Census Tracts Compared with Arizona Overall Population, 2010 Data

	High-Poverty Tracts	Total Arizona Pop.
<i>Total Population</i>	723,575	6,392,017
0-5 pop	84,697	546,609
% total population	11.7%	8.6%
White, Non-Hispanic Children as % of All Children	8.0%	41.6%
Hispanic Children as % of All Children	66.1%	43.2%
<i>Age 25 & Older</i>		
Less than High School Diploma	37.1%	15.0%
Post Graduate Degree	3.1%	9.6%
<i>Households</i>		
Earnings from Employment	73.8%	75.0%
Earnings from Interest, Dividends or Rent	7.1%	22.6%
<i>Families with Children</i>		
Single-Parent Families	50.8%	34.8%
Below Poverty	44.0%	17.2%

Comparison of Health Coverage

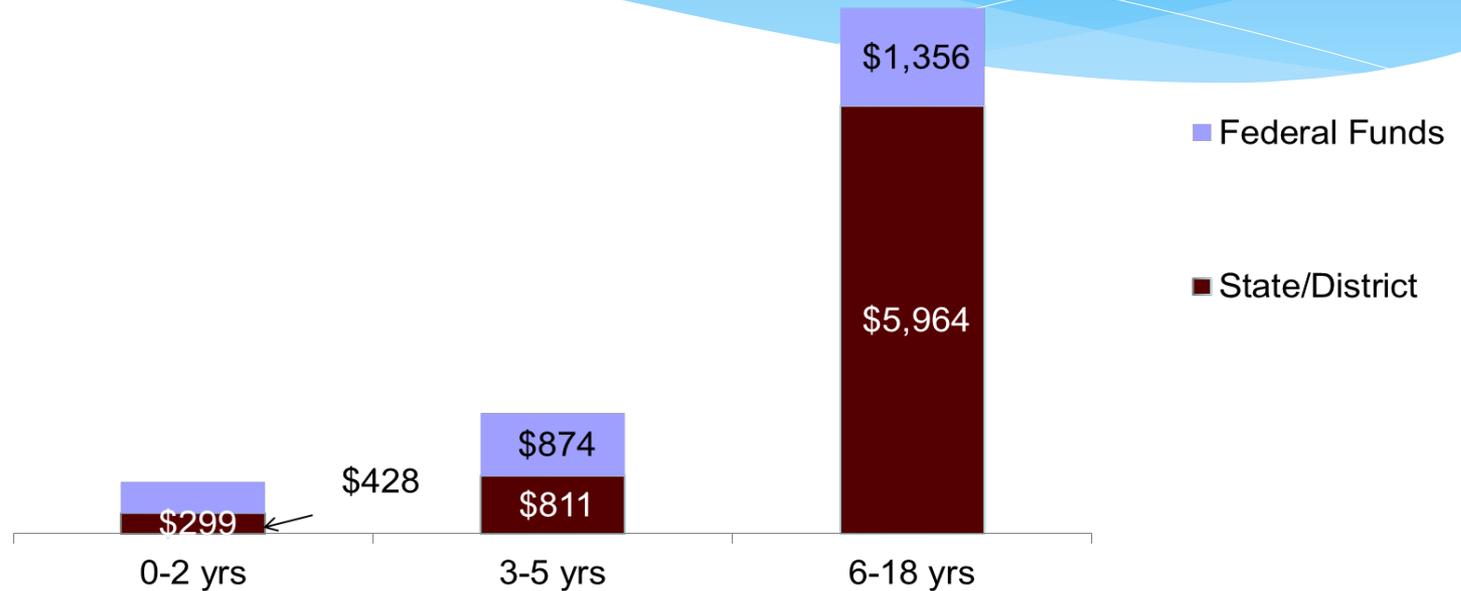
Service	Age Group	Percentage of the Age Group Served	
		Arizona	U.S.
Un-insurance Rates	0-17	12.7%	7.5%
Un-insurance Rates (200% poverty)	0-17	17.4%	10.7%
Un-insurance Rates	0-5	8.1%	4.6%
Medicaid/EPSDT Enroll	0-2	56.4%	56.0%
Medicaid/EPSDT Enroll	3-5	53.1%	51.5%

Developmental screening services

1. Overall investments by Child Age: Arizona & U.S.
2. Investment in home visitation and family support as part of the intervening early system
3. Comparing Arizona with other states on providing specific early intervention services to improve healthy development

Investments in early education and development

Annual Investments 2010-12 Investment Data



	0-2 year olds	3-5 year olds	6-18 yr olds
Arizona	\$717	\$1,685	\$7,320
U.S.	\$720	\$2,689	\$10,780

Source: Earliest Learning Left Out (2013). The Build Initiatives

Investments in Home Visiting and Family Support

Arizona Home Visiting and Select Family Support Programs

	# Families	\$ (millions)
First Things First Home Visiting	6194*	\$16.1
Non FTF Healthy Families	1,973	\$6.0
Healthy Start	2,358	\$1.4
MIECHV	N/A	\$12.1
Early Head Start	2,786	\$17.2 (est)
Total Home Visiting	~53,000	\$52.7
FTF Family Support and Parenting Education	N/A	\$11.8
FACE	N/A	\$5.0 (est)

Sources: Various. FTF, Healthy Families, and Health Start data is from the 2010 Children's Budget Report.

MIECHV, Early Head Start, and FACE are from federal data sites for the most recent year available.

The estimates of the overall reach of home visiting are from the Home Visitation study First Things First reports.

* Number based on 2013-14 data

Early intervention services

Early intervention services can be formal or less formal services that support parents in caring for their child

- Intervening early is based on routine periodic screening, identifying a developmental delay, making **appropriate** referrals and follow up (AAP standards 9-18-24 months)
- Screening is done in medical offices- care coordinators, developmental specialists, home visitation programs, some family resource centers, specialized family support programs (FTF and non FTF)
- Formal assessments/evaluations are done in medical offices (diagnosis) and through the Arizona Early Intervention Programs (Part C &B)

Early intervention services

- IDEA Part C – designed to identify and respond to development risks/delays in very young children (0-2 years 10 months)
- Established by Congress in 1986, designed to meet “an urgent and substantial need” to:
 - Enhance the development of infants and toddlers with disabilities
 - Reduce educational costs by minimizing the need for special education through early intervention
 - Minimize the likelihood of institutionalization and maximize independent living
 - Enhance the capacity of families to meet their child’s needs

Early intervention services: Part C

- Services include vision, hearing, speech and language services, nutritional services, social work services, occupational therapy, and physical therapy. Services are primarily provided in the family's home and involve guidance to parents as well as direct services to the child
- Each state defines what constitutes a developmental disability or delay. "Medical necessity standards"
- States also can choose to provide Part C services to children "at-risk" of experiencing a developmental delay- only 4 states include this (not AZ)
- Federal funding is based upon a funding formula, but federal law requires that any child who meets the state definition of eligibility for Part C must be served

Arizona Early intervention services: Part C

- Arizona Eligibility is 50% disability: Alaska, the District of Columbia, and Missouri also have 50% set as criteria for services
- In Arizona, families with incomes greater than 200% of FPL are required to pay a percentage of the cost of services. Contributions range from 15% for families with incomes at 200% FPL to 100% for families with incomes greater than, or equal to 676% FPL

Early intervention services: Part B

- IDEA Part B: Special Education services (3-5 year olds)
- Associated with public schools
- Criteria include: hearing and visual impairments, autism, speech language delays, social/emotional disturbances, orthopedic impairments, traumatic brain injury, other impairments and other learning disabilities
- Services provided at the home and in child care centers
- No share of cost is expected from parents

Exemplary Practices and Centers of Excellence in Arizona

Reach Out
and Read

First Things First

FACE

St. Luke's
Health Initiatives

Project
LAUNCH

Home Visiting
(including MIECHV)

BUILD AZ

Smooth
Way

Raising
Special
Kids

Healthy
Steps

Home
FTF Parent
Kits

FFN Care Work

Takeaway Messages

1. **AZEIP** has been a source of considerable discussion in Arizona – and Part C deserves attention and improvement – but Part C is neither a silver bullet nor a black ball in early intervention system. It is one part of the system.
2. In the earliest (0-3), child health practitioners play a key role in early identification and response to children’s developmental, behavioral, and social as well as physical concerns. **Developmental surveillance and screening** is an essential first step in responding to young children, but it cannot stop with screening and requires follow-up actions.

Takeaway Messages (cont.)

- 3. Home visiting/family support** has grown and developed substantially in Arizona, and Arizona now has opportunities to use home visiting as an important, and even a lynchpin strategy to realize its potential in supporting parents as their child's first teacher, nurse, and safety officer.
- 4. There are exemplary programs/efforts** to be built upon that could be expanded in visibility and examined for diffusion and broader adaptation
- 5. Place matters** and focused attention to blending individual strategies with community-building ones is especially important to AZ.

Takeaway Messages (cont.)

6. The Affordable Care Act (ACA) and existing federal support under Medicaid offers additional opportunities and the “triple aim” deserves exploration from a long-term as well as short-term perspective

7. From a policy perspective, there are champions and experts in Arizona to move forward a comprehensive agenda to improve young children’s healthy development and to respond early to developmental needs and concerns – but there is greater likelihood of success if there is more alignment and a collective voice to policy makers from this leadership



Early childhood Comprehensive System (ECCS) 2013-16

2014 grant application specific to building early intervention systems

- Coordination of the expansion of developmental screening activities in early care and education settings statewide by connecting pediatric and other child health leaders with child care health consultants to link training and referrals among medical homes, early intervention services, child care programs and families.”

Dr. Karen Peifer -FTF & Dr. Peggy Stemmler, pediatrician lead

FTF Policy Fellowship

Dr. Peggy Stemmler appointed FY2014

1. Improve administrative systems that communities of care and coordination of early intervention services to help families navigate needs for their children
2. Develop a communication system for screening, referrals- closing the loop





Closing the Loops

- As an outcome goal for ECCS- closing the loop of communication between health providers, home visitation programs, family support programs and AzEIP
- Coordinate the efforts being conducted at the regional level with building a comprehensive statewide system
- Revise SRI # 5- conceptual meaning versus available data
- Closing the gaps within the system of services that families receive and building a more cohesive system for children and their families

Questions





An Arizona Opportunity Assessment on Ensuring Young Children's Developmental Success

by Charles Bruner, Ph.D., with Mary Nelle Trefz
Submitted July 2013

For First Things First and St. Luke's Health Initiatives

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INTRODUCTION

In 2012, First Things First¹ and St. Luke's Health Initiatives² joined together to contract for an opportunity assessment of Arizona's current array of public and community supports to meet the needs of young children birth to age five with developmental, behavioral or social concerns. Charles Bruner, Director of the Child and Family Policy Center,³ led this work involving secondary and some original analysis of existing Arizona data on young children and their families and the public services they currently receive to respond to the child's developmental issues and concerns. As importantly, Charles Bruner met with a broad range of Arizona leaders in the fields of early-childhood research, program practice, administration and policy advocacy to conduct in-depth interviews and focus groups.

From the outset, this project was designed to be more than a needs assessment describing the current status of Arizona programs and the degree to which they meet their own goals and respond to children's developmental, behavioral and social concerns. Simply documenting needs can lead to a sense that there is too much to do and there are too many gaps to address. As an opportunity assessment, this project describes the array of programs and services currently in place in Arizona, but does not refer to them as a system to address young children's developmental, behavioral, and social needs. In fact, the development of a systematic public-sector response to these needs is relatively recent, as are many of the changing demographics and needs within society. Although no state has yet developed a systemic response to young children and their developmental needs, this is becoming a commonplace direction. Arizona has the opportunity to build such a system and to do so through drawing upon many exemplary practices that already exist.

Moreover, in this work Arizona has the opportunity to take advantage of many advances in research and understanding of the critical developmental years from birth to age five. Research on brain development, resiliency, bonding and attachment, early intervention, toxic stress, and protective factors that strengthen families all point to the value of an ecological approach to young child development. Research on autism, epi-genetics, AD/HD, and the impacts of parental depression on child development all point to more powerful ways to identify and respond early to young children and their needs.

¹ **First Things First**, the state level Arizona Early Childhood Development and Health Board, was created by Arizona voters in 2006 through passage of Proposition 203. With 31 regional councils throughout Arizona, First Things First's vision is that all Arizona's children are ready to succeed in school and in life. The mission of First Things First is to be one of the critical partners in creating a family-centered, comprehensive, collaborative and high-quality early childhood system that supports the development, health and early education of all Arizona's children birth through age five. For more information: www.azftf.gov

² **St. Luke's Health Initiatives** is a Phoenix-based public foundation focused on Arizona health policy, community development and capacity building. The foundation's mission is to inform, connect and support efforts to improve the health of individuals and communities in Arizona and focus areas are health policy, community development and capacity building. For more information: <http://slhi.org>

³ **The Child and Family Policy Center** located in Des Moines, Iowa was founded in 1989 by former state senator Dr. Charles Bruner to conduct research, facilitate forums, and provide reliable information and technical assistance to policymakers. In addition to substantial work in the state of Iowa, the Child and Family Policy Center also conducts national evaluations specific to early-childhood system building, as well as policy development on comprehensive, asset-based approaches to supporting children and families. For more information: www.cfpciowa.org

Program and practice evaluation – in developmental screening and surveillance, anticipatory guidance, family engagement, home visiting, and peer support – all provide pathways for putting research knowledge into evidence based program practice.

This opportunity assessment also points to the need to dramatically increase Arizona’s investments in young children and their families through effective policy and systems changes. There is sufficient knowledge, skill and ability within the current environment to make needed gains for young children and their families. The organization of this opportunity assessment is as follows:

Section 1 describes Arizona demographics specific to young children and their families that help illustrate why it is particularly crucial for Arizona to take on challenges and opportunities related to young children’s developmental, behavioral, and social needs. Arizona is at the epicenter of changes in the American population and, in particular, the young child population that represents the future.

Section 2 describes how these demographic changes and the need for action to promote young child development are happening throughout the state, but are particularly pronounced within specific neighborhoods and communities. Focused attention, to include community-building and population-based as well as individual approaches, is needed to address young child development in these specific geographies.

Section 3 describes the current reach and scope of basic child-health services in Arizona and the major role public-health insurance coverage currently plays, and needs to play, in identifying and responding to young children and their developmental needs. While Arizona has higher rates of young children without health insurance, which requires attention, the content and quality of care and its linkage to other community services also needs focus as a key starting point in responding to children’s developmental, behavioral, and social needs.

Section 4 describes the array of other Arizona programs and services available to young children that have a particular focus on identifying and responding to developmental, behavioral and social conditions. While showing substantial gaps in the current reach of these services, the section also recognizes that these represent a base that includes areas of excellence on which to build. Based upon the interviews, focus groups, and meetings with Arizona leaders, Section 4 describes the opportunities for Arizona to build upon its current work.

Section 5 synthesizes both the information provided in the other sections of this report and, in particular, the results from meetings, in-depth interviews and focus groups with Arizona leaders. Key messages point to areas for further focus and collective action on the part of these leaders.

The authors aim is for this report to be a resource for developing a collective strategy for taking the next important steps for Arizona to build a system that ensures children’s optimal developmental, behavioral and social development.

WHY IT’S IMPORTANT

What We Know About Effective Responses to Young Children and their Development

The first five years of life (not the last five) have the most important impacts on a person’s health and well-being (but that is not where investments currently are being made).

For the first time in Arizona’s history, without changes in response, young children face the prospect of growing up less healthy and less equipped to compete and lead in a world economy.

Critical to changing these responses is to better identify and respond early to young children’s developmental, behavioral and social concerns – in the context of family and community.

There exists a growing and powerful research base on the causes of these concerns and ways to address them, but these have not yet been incorporated into mainstream practice.

While children are not current drivers of health care, social welfare and corrections costs, addressing young children’s needs is key to containing future costs in these areas and has the potential to produce the greatest overall returns on investment – both to the children themselves and to society as a whole.

Section 1 **ARIZONA'S YOUNG CHILDREN**

Challenges and Opportunities in Responding to Their and Their Families' Diversity

Over the last decade, the United States has become more racially and ethnically diverse and older. These are substantial changes that have major implications for society's growth and development. In both these respects, Arizona has been at the epicenter of change with much more dramatic growth overall and greater growth in the diversity of the population. In this, young children are leading the way. For example, the total number of Arizona children age birth to five years grew from 350,798 in 1990 to 546,609 in 2010 (a 55.8% increase) and the number of Hispanic children in this age group grew from 97,484 in 1990 to 245,188 in 2010 (a 151.5% increase).

The demographic trends have created new challenges and opportunities for Arizona, including how to respond to young children and their developmental needs. Moreover, it is not just issues of race, ethnicity and language that distinguish the young-child population. Other demographic factors—income, parental educational background, family structure and age—require attention. A locus for retirement, Arizona has a wealthier population of seniors than the United States as a whole, but a poorer population of young children.

Arizona's growing ethnic diversity from substantial Hispanic immigration over the last two decades, as well as a historically large Native American population, is associated with cultural and economic characteristics that must be considered in engaging and supporting parents and young children in early-childhood activities and identifying and responding to developmental concerns. Arizona's immigrant population of parents, in particular, is much more likely to have very limited educational attainment themselves and to lack familiarity with the United States (U.S.) education system. A positive development is that the first generation of young children whose parents had limited educational attainment largely has completed high school, but this is only one step toward being positioned for the 21st century economy. If all children are to develop to their potential, there must be further educational, health and social gains and a closing of disparities across socio-economic and racial and ethnic populations.

Finally, a larger share of young children in Arizona reside in communities that have high rates of poverty and fewer resources available at the community level to promote safe and healthy development. In these communities, ensuring healthy development of young children is likely to involve individual services and supports to these children and their families, as well as community-building activities focused on improving the safety of and resources for young children in the community as a whole.

In summary of data that are relevant to this section, Table 1.1 provides highlights that are presented in detail in the appendix of this report. Chart 1.1 provides a graphic representation of the diversity of the population by age groupings, for both Arizona and the United States. Clearly, children in general and young children in particular, are the most racially and ethnically diverse in Arizona and the U.S., but the differences across age groups are even more pronounced in Arizona. This has implications for how the

needs of both children and seniors will be addressed and how the workforce providing services to them can meet their racial, cultural and language needs.

The tables in the appendix of this report provide considerable detail on these demographics, in particular examining changes in the Arizona and U.S. populations by age (0-5, 6-17, 18-64, and 65+) and ethnic and racial groups.

Table 1.1

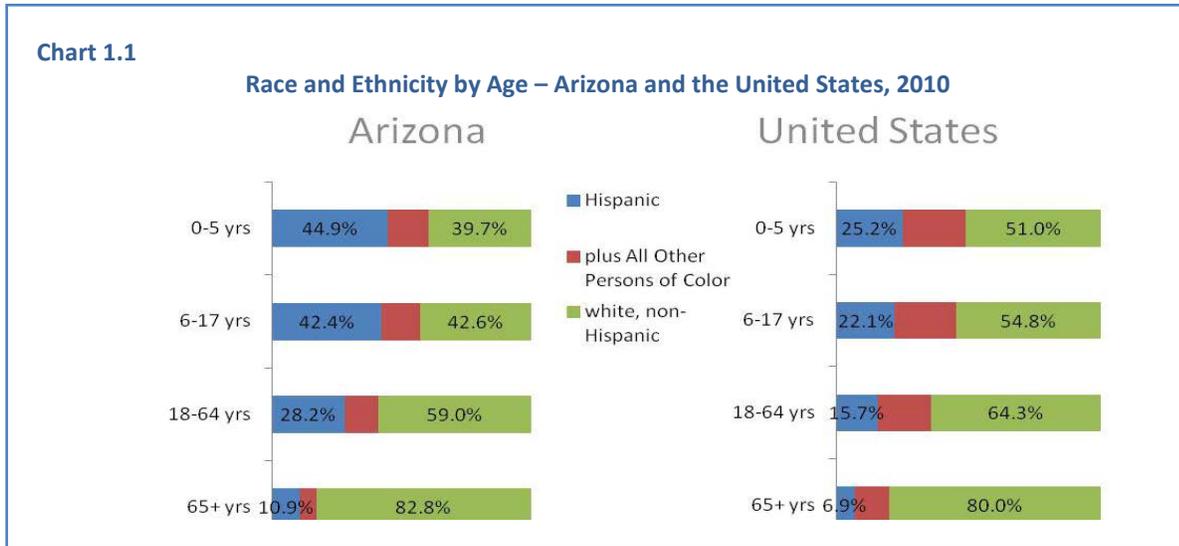
**Selective Information About Arizona Young Children:
Why Arizona Needs to Pay Attention to Young Children and Their Development in the First Five Years**

	Arizona	U.S.	
Faster rate of growth for children (0-17), 1990-2010 (U.S. Census)	66.0%	24.1%	
Faster rate of growth for young children (0-5), 1990-2010 (U.S. Census)	55.8%	10.0%	
Higher percentage of young children (0-5), (2010 U.S. Census)	8.6%	7.9%	
Higher percentage of young children (0-5) who are Hispanic or Native American (2010 U.S. Census)			
White, non-Hispanic	39.7%	51.0%	
Hispanic	44.9%	25.2%	
Native American	6.2%	1.2%	
African American	4.6%	14.3%	
Asian	2.6%	4.5%	
Higher percentage young children(0-5) who live in low income households (census)			
Under 100% of federal poverty	27.5%	24.8%	
Under 200% of federal poverty	55.7%	48.0%	
Lower educational attainment among mothers of young children (0-5) (census)			
Less than high school	18.5%	13.9%	
Bachelor’s degree or above	23.5%	31.2%	
More young children (0-5) with multiple risks identified (NCCP)			
1-2 risks	46%	41%	
3 or more	23%	21%	
None	31%	38%	
More children (0-17) living in high poverty neighborhoods (KC)	16%	11%	
Differential birth patterns by Arizona mother’s age and race/ethnicity*	Under 20	20-24	Over 25
Asian/Pacific Islander	6.2%	18.4%	75.4%
White, non-Hispanic	12.9%	29.3%	57.7%
Black/African American	27.7%	36.9%	35.3%
Hispanic/Latino	36.8%	35.7%	27.5%
American Indian/Native American	39.3%	40.1%	20.6%

Sources: Demographic data are US Census Bureau, Decennial Census and 2010 American Community Survey. Information on multiple risk factors at birth is from the National Center for Children in Poverty (NCCP). Information on high poverty census tracts is from Kids Count (KC). Information on parenting by maternal age and race/ethnicity is from Arizona Department of Public Health Vital Records. The NCCP data is 2010 data; the Kids Count data includes 2000 and 2006-2010 data, and the Arizona birth record data is 2011 data.

*Adds to 100% for each race/ethnicity across age groups

For chart 1.1 below, add the N for the total Arizona population to provide context for the percentages. Capitalize White and change 'plus all other persons of color' to Non-white, non-Hispanic



Section 2

PLACE MATTERS

Analysis of Arizona’s High-Poverty Census Tracts and Arizona’s Young Child Population

ABOUT SECTION 2: In this section, Arizona’s statewide demographic characteristics described in Section 1 are disaggregated to capture the great variations across Arizona, as the challenges and opportunities for addressing the needs of young children are particularly pronounced in certain neighborhoods and communities. Arizona’s highest poverty neighborhoods are examined in detail, with a particular emphasis on the important role that neighborhoods and communities play in the healthy development of young children. This provides an important foundation for examining specific service systems and programs because for young children and their families, in particular, neighborhoods matter.

Introduction and Prior Arizona Neighborhood-Level Analyses

Parents are their children’s first and most important teachers, but, particularly when children are very young, much of the child’s life and experience is confined to the immediate neighborhood in which the child lives. Safe and supportive communities also contribute to children’s healthy growth and development, particularly in the earliest years of life. The Arizona Department of Health Services Bureau of Public Health Statistics has established Community Health Analysis Areas (CHAAs) for surveillance of various diseases. Averaging approximately 21,500 residents each, the 126 CHAAs show significant differences in a variety of health and health-related outcomes by community.⁴ Of note, these areas are generally geographically and population-size larger than how young families define their immediate neighborhoods.

In 2012, the Annie E. Casey Foundation’s Kids Count Project released a *Data Snapshot* on “high-poverty communities” that examined the more than 70,000 census tracts in the United States and identified those where the overall poverty rate was above 30 percent.⁵ The report showed increases since 2000 in the proportion of children (0-17) living in those census tracts and the pronounced differences in children living in those tracts by race and ethnicity. The report also provided state-by state and national information and Table 2.1 shows data for Arizona and the country as a whole. While some of these increases in high-poverty neighborhoods are the result of short-term economic impacts from the recession, the trend information provided in the Kids Count report is sobering, and it is clear that Arizona is a state with one of the highest proportions of high-poverty communities in the country.

Earlier census-tract analyses by the Child and Family Policy Center have shown that the characteristics of these high-poverty census tracts and their supports to young children and their families are very different from other census tracts from ten measures related to income, wealth, education, and social structure (see table 2.3).⁶ They also are census tracts with higher proportions of young children; they may be economically poor overall, but they are “rich in young children.”

⁴ Early Childhood Home Visiting Task Force (2010). *The vision for early childhood home visiting services in Arizona: A plan of action 2010-2015*. See pages 11-16 ff.

⁵ Kids Count (2012). *Data snapshot on high-poverty communities*. Annie E. Casey Foundation: Baltimore, MD.

⁶ Bruner, C., et.al. (2007). *Village building and school readiness: Closing opportunity gaps in a multi-ethnic society*. State Early Childhood Policy Technical Assistance Network: Des Moines, IA.

Table 2.1

**Children (0-17) Living in High-Poverty Communities:
2000 US Census and 2006-2010 American Community Survey (ACS)**

	2000 Census Number	2000 Census % of All	2006-10 ACS Number	2006-10 ACS % of All	Total Increase	% Increase
United States	6,301,000	9%	7,879,000	11%	1,578,000	25%
Arizona	195,000	14%	253,000	16%	58,000	30%
AZ Rank Among States		45th (tie)		46th		

Note: In 2000, Arizona was tied with Rhode Island and ahead of Louisiana, Mississippi, New Mexico, and New York. In 2006-2010, Arizona was ahead of Louisiana, Mississippi, New Mexico, and Texas.

Source: Kids Count 2012. Examines children in census tracts with poverty rates (below 100% of federal poverty) above 30 percent.

Arizona Census-Tract Data from the 2010 U.S. Census

This analysis examines Arizona’s census tracts and compares those where more than 30 percent of the population lives below 100% of the federal poverty level with the state as a whole on select relevant measures available from the 2010 U.S. Census.⁷ Table 2.2 provides information related to the age, race and ethnicity of these high-poverty census tracts compared with Arizona as a whole.

Table 2.2

**Age, Race and Ethnicity of Arizona’s High-Poverty Census Tracts
Compared with Arizona Overall Population, 2010 U.S. Census**

	High-Poverty Tracts (H-PT)	% of H-PT Total	Arizona Population	% of AZ Total
<i>Total</i>	723,575		6,392,017	
<i>Age (Years)</i>				
0-5	84,697	11.7%	546,609	8.6%
6-17	149,684	20.7%	1,082,405	16.9%
18-64	433,406	59.9%	3,881,172	60.7%
65 and over	55,788	7.8%	881,831	13.8%
<i>Child (0-17) Race/Ethnicity</i>				
White, Non-Hispanic	18,792	8.0%	677,752	41.6%
African American	11,197	4.8%	76,298	4.7%
American Indian	49,527	21.1%	98,555	6.0%
Asian	2,194	0.9%	40,542	2.5%
Hispanic	154,844	66.1%	703,946	43.2%

⁷ Unlike the Kids Count analysis, this analysis excludes those census tracts with poverty rates greater than 30 percent which are largely populated by college students (where 30 percent or more of the population is between the ages of 18 and 24). While these might be considered “student ghettos,” they have very few children under the age of five and different characteristics on all measures except poverty. This slightly lowers the proportion of children residing in these high-poverty census tracts – from 16 percent to 14 percent, although the proportion of very young children remains almost unchanged.

As Table 2.2 shows, these high-poverty census tracts are very different in composition from Arizona as a whole with respect to population age and to racial and ethnic make-up and they are disproportionately home to Arizona's children and future adults. While much of Arizona's wealth and income resides in its senior population and retirement communities, these high-poverty census tracts are home to a very large share of Arizona's young children and youth, and therefore require significantly more schools, youth programs, and early-childhood services than most other parts of the state. Seniors constitute 13.8 percent of Arizona's overall population, but they constitute only a little more than half that, 7.7 percent, in the high-poverty tracts. Meanwhile, the proportion of very young children, and the commensurate demands for early childhood services, is 39.6 percent higher in the state.

Further, the degree of racial and ethnic segregation is particularly pronounced in these high poverty census tracts. Overall, while 41.6 percent of Arizona's children are white, non-Hispanic, only 8.0 percent of children are white, non-Hispanic in these high-poverty census tracts. Native American (22.1 percent) and Hispanic children (66.1 percent) make up by far the largest share of the population in these tracts. Also, not shown but calculated from the data in the graph, only 2.8 percent of white, non-Hispanic children in Arizona live in these census tracts, compared with 22.0 percent of Hispanic children, 14.7 percent of African American children, 5.4 percent of Asian and Pacific Islander children, and 50.3 percent of Native American children. Therefore, closing disparities in child outcomes by race and ethnicity cannot be achieved without particular attention to and effective action within these census tracts.

These high poverty census tracts also require particular attention of state and local governments. While, through Social Security and Medicare, the federal government is the major funder of senior programs and services (which have dramatically reduced poverty among seniors), state government plays the major role in the education and development of children and their future prosperity. **As Arizona builds an early-childhood system, Arizona policy makers will need to give particular attention to place and to creating early-childhood programs and services in areas where the young-child population is greatest. They also must do so in the context of the ethnicity, culture, and language of those populations.**

Table 2.3 provides indicators available through the U.S. Census related to wealth, income, employment, and social structure; that is the economic, social, human, and physical capital available within high-poverty census tracts compared with other tracts. The selection of these indicators is described more fully in *Village Building and School Readiness*,⁸ but collectively the indicators are designed to represent the different features of communities that contribute to providing safe and supportive environments for young children and their families.

As Table 2.3 shows, there is a very small difference in actual employment (as represented by percentage of households with earnings from employment) in these high-poverty census tracts, but profound differences in virtually all other indicators. Earnings from employment are not sufficient to raise many of the families out of poverty in these high poverty census tracts, and families also are much less likely to have any savings or wealth (earnings from interest, dividends, or rent or home ownership) to make

⁸ *Op. cit.* Pages 13-14.

economic investments in their children’s future. They are also much less likely to be surrounded by others who have such resources or who have educational attainment that prepares them for professional careers and to serve as economic role models. On the one measure collected by the U.S. Census specifically addressing young children, children who live in high poverty census tracts also are less likely to have access to and participate in a preschool experience.

Table 2.3
Arizona High-Poverty Census Tracts: Percentage of Population

	High-Poverty Tracts	State of AZ
<i>Age 25 and Older</i>		
Less than High School Diploma	37.1%	15.0%
Post Graduate Degree	3.1%	9.6%
<i>Age 16-19</i>		
Not Employed/In School	21.3%	10.7%
<i>Households</i>		
Earnings from Employment	73.8%	75.0%
Earnings from Interest, Dividends, or Rent	7.1%	22.6%
Receiving cash Public Assistance	5.7%	2.2%
<i>Families with Children</i>		
Single-Parent families	50.8%	34.8%
Below Poverty	44.0%	17.2%
<i>Population Age 3-5</i>		
Enrolled in Preschool	21.7%	29.7%
<i>Housing Units</i>		
Owner-Occupied	47.3%	67.4%

Source: United States Census Bureau, 2010 American Community Survey

There are other features of these census tracts that are not reported in the U.S. Census data but that have been the subject of other studies of high-poverty neighborhoods. High-poverty neighborhoods generally have much poorer and older housing stock, with greater environmental contaminants (dust, mold, lead, asbestos) that contribute to air quality and young children’s pulmonary development; “food deserts” where access to affordable, healthy food is much more limited; and, far fewer play and recreation areas where parents can safely take their children and fewer play groups and other activities when they do. These young children and their families often do not have the same time, space, and opportunity to get together where the children are exposed to a rich array of experiences and language. Each of these factors can be addressed, but not through discrete and individual services to specific children and families.

Clearly, for these census tracts to be safe and supportive for young children, community building activities, in addition to individual services for young children, are needed.

Geographically, these high-poverty census tracts are found throughout Arizona, but are not evenly distributed. Table 2.4 provides further information on the location of these census tracts, broken down by county.

Table 2.4

County Child Population in High-Poverty Census Tracts (H-P CTs)

	0-17 Pop. Total	0-17 Pop. In H-P CTs	% of 0-17 In H-P CTs	Share of All Arizona Children from H-P CTs*
State of Arizona	1,596,749	230,025	14.4%	100%
Apache County	22,438	15,126	67.4%	6.6%
Cochise County	29,810	1,916	6.4%	0.8%
Coconino County	31,281	3,067	9.8%	1.3%
Gila County	11,409	2,618	22.9%	1.1%
Graham County	10,222	2,910	28.5%	1.3%
Greenlee County	2,411	0	0.0%	0.0%
La Paz County	3,612	1,527	42.3%	0.7%
Maricopa County	993,248	120,244	12.1%	52.3%
Mohave County	41,228	3,141	7.6%	1.4%
Navajo County	31,799	12,998	40.9%	5.7%
Pima County	220,411	40,310	18.3%	17.5%
Pinal County	90,846	6,945	7.6%	3.0%
Santa Cruz County	14,298	5,593	39.1%	2.4%
Yavapai County	39,748	0	0.0%	0.0%
Yuma County	53,988	13,630	25.2%	5.9%

Source: Child and Family Policy Center.

*The percentage in this column is the proportion of Arizona’s children in H-P CTs that reside in each county; e.g., 52.3% of all Arizona children who reside in H-P CTs reside in Maricopa County

While overall, 14.4 percent of Arizona’s children reside in the state’s highest-poverty census tracts, 33.4 percent of all low income children do. While focusing upon these neighborhoods will not reach all low income children, it will reach a very significant share As Table 2.4 shows, Arizona’s counties have very different percentages of children living in these high-poverty census tracts, which is also reflective of the counties overall child-poverty rate. The high is Apache County where 67.4 percent of children reside in high-poverty census tracts, and the lows are Greenlee and Yavapai counties where no children live in high-poverty census tracts. While poverty has one of the strongest statistical associations with child health and development and deserves attention wherever it occurs, it requires different responses in places where overall poverty rates are high.⁹

⁹ Studies consistently have shown that, as a statistical “predictor” of future success, maternal education is an even stronger indicator than income level. It is not “poverty,” per se, but the predictability of resources and sense of inclusion or marginalization that makes “poverty” detrimental to child development. A graduate student couple with a young child may be living below the poverty level, but that couple also is likely to have parents who can provide them support and their own economic situation is likely to be seen as temporary (and they may be in married student housing and receive other benefits, as well). Their situation is quite different from a single mother with only a high school diploma who works at a fast-food restaurant 40 hours per week and struggles to find any form of child care for her two preschool children, let alone have the energy at the end of the day to spend a great

While 12.1 percent of children in Maricopa County reside in high poverty census tracts, slightly below the state average, as the largest county in the state, Maricopa County has the largest percentage of all children residing in high-poverty census tracts, 52.3 percent of the state's entire population. Moreover (not shown in Table 2.4 but available as part of the overall analysis), Maricopa County itself has the only census tracts in the state where the poverty rate is above 60 percent, neighborhoods in most extreme poverty. These extremely high-poverty census tracts show much greater disparities on virtually all the measures than the high poverty census tracts as a whole, and almost certainly involve more concerted placed-based and community building responses that build social, economic, and physical as well as human capital.

Discussion

There are many reasons to focus attention at the neighborhood and community levels as well as the individual child level in developing early-childhood policies and practices:

- A high proportion of young children live within low income neighborhoods and need supports at that most immediate level;
- Much of what young children need can best be provided through volunteer activities and positive community environments, which are best identified, developed, and delivered at the local level;
- Different neighborhoods have different capacities and supports available to them that should be factored in when developing state policies and practices; and
- Neighborhood level strategies can play a particular role in ensuring participation and inclusion of all racial, ethnic, language, and cultural groups in raising the next generation of Arizonians.

Clearly, such a neighborhood and community focus also requires particular attention to the challenges that high-poverty neighborhoods face in providing safe and supportive environments for their young children and families. This is not because parents in these neighborhoods care less about the future of their children nor have fewer desires for them to succeed. In fact, families often go to heroic efforts to support their children's development, taking actions to provide supports to their children that families in more affluent communities may simply take for granted. A key to strengthening families and their capacity to support their children's development is also to strengthen the support systems from which they can draw and to which they can contribute. Again, this is best done at the local level, and done through working with (and not in spite of) the families that live in those communities.

First Things First, with its regional councils and local flexibility, provides Arizona with an advantage over most states in developing an early-childhood system that is contoured to the needs of neighborhoods and communities as well as individual families. Both through its own funding and its planning, convening, and educational functions, First Things First is in the position to foster effective actions to respond to the needs of high-poverty census tracts and the young children and families which live in them.

deal of quality time with them while getting their meals and doing their laundry. Both are considered to be living in poverty, but their ability to meet basic needs and plan for the future are very different.

The census tract data analysis clearly shows that, to achieve its goals for young children and their families, Arizona needs to develop strategies and investments with the different issues and opportunities of different neighborhoods in mind and recognition of their different strengths and needs.

Section 3

CHILD HEALTH INSURANCE COVERAGE AND CONTENT

Arizona's Medicaid/CHIP Young Child Health System

ABOUT SECTION 3: Section 3 transitions from Section 2 and its neighborhood-level focus to a review of one of the major systems serving young children and addressing their special health needs. Section 3 examines the structure and scope of services for children in Arizona's Medicaid and CHIP programs. This section provides estimates on the degree to which Arizona's children are insured and the level of health services that they receive. Finally, Section 3 identifies several model programs that the state could develop and/or expand to improve the provision of comprehensive developmental child health services.

Over the last decade, policy makers have focused on expanding health insurance coverage for children. In 1999, with bipartisan support, Congress established the Child Health Insurance Program (CHIP) to provide states with additional federal matching funds to cover more children, either by expanding Medicaid or by developing a private health insurance program for the population. In 2009, Congress enacted the Child Health Insurance Reauthorization Act (CHIPRA) to extend CHIP and has provided additional options to states to improve coverage both under CHIP and Medicaid.

These actions took place in a period of major cost increases in employer-sponsored health insurance plans, and decreasing shares of the population covered by such plans, both individuals and families. These rising costs in the private health insurance market have made it particularly difficult for either employers or employees to incur cost increases for the more expensive family policies. The expansions to Medicaid and CHIP over this period have offset declines in employer-sponsored coverage and actually reduced the proportion of U.S. children who are uninsured. Nationally, about 90 percent of children covered under the two programs are covered by Medicaid, and the share is even higher for young children.

Coverage expansions under Medicaid and CHIP have been voluntary for states, and states have varied significantly in how they have chosen to respond; for example, income eligibility levels, how they have supported access to the programs, and whether they have chosen to cover legally residing immigrants without imposing a five-year waiting period. All these contribute to the degree to which the children potentially eligible for Medicaid and CHIP actually enroll and are served. In Arizona, SCHIP is named KidsCare, with two components (KidsCare I and KidsCare II) depending on income eligibility.

In addition, through the Affordable Care Act, the federal government has established health insurance exchanges (marketplaces) to cover those individuals (potentially including children not covered under Medicaid/CHIP) with incomes over 138 percent of poverty, with federal cost-sharing to ensure the affordability of those coverage plans. Arizona is unique among states in its approach to CHIP coverage upon implementation of the Affordable Care Act. The state will end its expanded CHIP program, KidsCare II, and except for a small number of children currently enrolled in KidsCare I, children over 138 percent of poverty will be covered under the federal health insurance exchange.

There is no single information source on either the degree to which children are insured within a state or the level of health services they receive, but various sources together provide good overall estimates of the degree of coverage and can be employed for cross-state comparison. Further, there is information regarding the structure of Medicaid and CHIP programs across states that provides insight into the degree to which state programs are used to ensure coverage and effective services.

This Section of the report provides Arizona-specific information from these various sources, in most instances with comparisons to U.S. information.

American Community Survey Child Health Insurance Rates

The U.S. Census Bureau’s American Community Survey annually gathers information on the health insurance status of a sample of children, adults and seniors that provide estimates for the general population. The most recent year for which estimates are available is 2011. Table 3.1 shows data for all children for whom poverty status is known and for low-income children, defined as those below 200 percent of poverty.

	Children	% Employer	% Individual	% Medicaid/CHIP	% Uninsured
<i>All Children 0-17</i>					
Arizona	1,597,696	45.9%	8.1%	37.0%	12.7%
United States	72,802,718	51.9%	7.2%	36.5%	7.5%
AZ Ranking					48th (NV,TX)
<i>Low-Income Children 0-17</i>					
Arizona	838,987	21.8%	4.4%	60.3%	17.4%
United States	32,730,419	22.1%	4.6%	66.2%	10.7%
AZ Ranking					48th (NV,MT)

Source: Georgetown University Health Policy Institute, Center for Children and Families, 2012 Fact Sheets based on the 2011 American Community Survey.

Notes: Figures total more than 100% because some children have more than one source of coverage. Medicare is not included in this table, but generally covers less than 1% of children. These figures only include children for whom poverty status is known, so there is a slight variation between these figures and examinations of all children (Arizona’s overall child uninsurance rate is 12.9%, while the overall U.S. rate stays at 7.5%). Overall uninsurance rates in the U.S. declined from 8.6% to 7.5% between 2009 and 2011, while Arizona’s rate increased from 12.0% to 12.9%. Arizona was one of only six states experiencing an increase in child uninsurance during this period. Alker, J., Mancini, T. & Heberlein, M (2012). Uninsured Children 2009-2011: Charting the Nation’s Progress. Georgetown University Health Policy Institute Center for Children and Families, Washington, DC.

The data show that Arizona’s rate of child uninsurance is much higher than that of the country as a whole. Arizona actually covers a substantially smaller share of low-income children under its Medicaid program (60.3% versus 66.2% for the U.S.). Still, Medicaid and CHIP are the dominant form of child health insurance for Arizona’s low-income population. (Data here refer to all children 0-17. Other information sources are available specific to younger children.)

National Survey of Child Health

The National Survey of Child Health is conducted every few years by the Maternal and child Health Bureau and reported by the Data Resource Center for Child and Adolescent Health and constitutes a representative sample of responses from parents of children in each state. The most recent survey is for 2011-12 and provides for breakdowns by child age, race/ethnicity and income. Overall, the responses regarding health insurance coverage from the 2011-12 survey are very similar, although not identical, to those from the American Community Survey.

On the question “what type of health insurance coverage did [focal child name] have at the time of the survey,” the survey showed that 5.6 percent of the U.S. child population and 11.8 percent of the Arizona child population is uninsured (compared with 7.5 percent and 12.7 percent from the American Community Survey). Table 3.2 shows the figures related to child uninsurance for Arizona and the nation by age and race/ethnicity.

Table 3.2
Uninsurance Rates and Public Insurance Rates Among Children
by Age and Race/Ethnicity: 2011/12

	0-5	6-11	12-17	Hispanic	white, non- Hispanic	black, non- Hispanic	Other, non- Hispanic
<i>Un-insurance Rates</i>							
Arizona	8.1%	11.7%	15.2%	15.0%	9.0%	9.8%	9.6%
U.S.	4.6%	5.9%	6.0%	9.7%	3.9%	4.9%	4.5%
State Rank	48th	48th	49th	42nd	50th	49th	45th tie
<i>Public Insurance Rates</i>							
Arizona	43.3%	33.0%	28.9%	48.4%	17.7%	42.0%	40.5%
U.S.	43.7%	37.2%	30.6%	56.9%	23.5%	57.6%	33.4%

Source: National Child Health Survey 2011-2012

Table 3.2 shows that young children are more likely to have health insurance coverage than older children; and white, non-Hispanic children are more likely than those from other racial and ethnic groups to have coverage (with income being a mediating factor). While Arizona has a much higher rate of uninsurance for all three child age groups, the coverage level is substantially higher for the youngest children: more than nine in ten are covered at any given time. Hispanic children are least likely to be covered both in Arizona and the U.S. as a whole, which may in part be due to eligibility status related to immigration status or language barriers, but also may be due to experience with health systems and providers.

The National Survey on Children’s Health also provides information on sources of medical care. Table 3.3 provides this information for Arizona and the U.S.

Table 3.3
Primary and Preventive Health Services for Children
by Age and Race/Ethnicity: 2011/12

	0-5	6-11	12-17	Hispani c	white, non- Hispani c	black, non- Hispani c	Other non- Hispanic
<i>Child reported as having preventive, well-child visit in past 12 months</i>							
Arizona	88.5%	80.2%	75.8%	78.9%	82.0%	89.9%	84.6%
U.S.	89.7%	82.0%	81.7%	80.7%	86.4%	84.2%	84.7%
<i>Child reported as having coordinated, ongoing comprehensive care within a medical home</i>							
Arizona	50.3%	47.6%	41.4%	37.7%	59.5%	30.7%	40.3%
U.S.	58.2%	53.4%	51.4%	37.2%	65.7%	44.7%	50.5%
<i>Child reported as having been screened for being at risk of developmental, behavioral, and social delays, using a parent-reported screening tool during a health care visit (age 10 months to 5 years only)</i>							
Arizona	21.7%	--	--	13.6%	29.9%	4.7%	29.5%
U.S.	30.8%	--	--	33.4%	29.9%	31.2%	31.2%

Source: National Child Health Survey 2011-2012

Table 3.3 data indicate that when children are youngest, they are most likely to be seen by a child-health practitioner and also most likely to have a regular source of care meeting a definition of a medical home. Nine in ten Arizona and U.S. children are seen annually by a child health practitioner for a well-child visit. Child-health practitioners are as close to a universal source of contact with a professional that children have in the years before they enter the education system. While Arizona lags behind the nation in providing comprehensive medical homes, half of all children zero to five meet the survey’s definition of receiving care at a provider setting that contains the elements of a medical home. The prevalence of developmental screening at these sites, however, is well below that rate. Only about one in five parents report their child has been screened using any parent-reported screening tool. This is not because children are not seeing child health practitioners, but because current practices (both in Arizona and nationally) generally do not include developmental screening tools as part of routine well-child visits.

In terms of race and ethnicity, there are small differences regarding preventive visits, but the likelihood of being in a medical home is much lower for Hispanic, black, and other (which includes Native-American) children. The likelihood that Hispanic and black young children received developmental screens is also much lower in Arizona than the nation as a whole.

Medicaid and Early, Periodic, Screening, Diagnosis and Treatment Information

Every state is required by the federal government to report equivalent information to the Center for Medicare and Medicaid services on Early, Periodic, Screening, Diagnosis and Treatment (EPSDT) of Medicaid enrolled children. Medicaid’s EPSDT program is designed to ensure that children are screened, diagnosed, and treated on a regular basis, with all needed services that are “medically necessary” to respond to any diagnoses. EPSDT represents a truly preventive and developmental health service benefit and is more extensive in its scope than that provided under most private health insurance plans.

EPSDT information, reported on the CMS-416 form, includes a detailed breakdown by child age on Medicaid eligibility and enrollment and on participation in screening activities. Table 3.4 provides information for Arizona and the U.S from the 2011 CMS-416 reports, the most recent available. It includes the numbers of children covered by child age and the documented EPSDT screens they received, which is generally the well-child visit. The numbers are compared with 2011 American Community Survey data on the number of children in each age group to provide an overall estimate of the proportion of children eligible for and receiving screening through Medicaid’s EPSDT program.

Table 3.4

**EPSDT Eligibility and Screens by Child Age:
2011 416 Forms**

	EPSDT Eligible by Age			Percent of Children in State EPSDT Eligible			Average Screens per Eligible Child		
	0-2	3-5	6-18	0-2	3-5	6-18	0-2	3-5	6-18
Arizona	270K	183K	837K	56.4%	53.1%	37.8%	2.51	0.67	0.44
Nationwide	12.0M	12.2M	54.4M	56.0%	51.5%	35.6%	2.12	0.71	0.42

Source: 2011 416 EPSDT Forms and 2010 American Community Survey (for total child population)

The 416 forms report a higher rate of Medicaid eligibility than either the American Community Survey or the National Survey on Children’s Health. The figures are consistent, however, in showing substantially higher rates of participation by younger (0-5) as compared with older (6-18) children. All show that at least four in 10 young Arizona children are enrolled in Medicaid, and the 416 forms show that more than half of very young (0-5) children are. As importantly, the EPSDT forms indicate that children on Medicaid average multiple visits to their child health practitioner in the first two years of life, but many fewer visits thereafter. This is in keeping with the recommended periodicity for well-child visits established in *Bright Futures* and is evidence of the important role child health practitioners play in the first years of life.

Medicaid Child Health Policies under the Arizona Health Care Cost Containment System (AHCCSS)

While the federal government establishes overall parameters for state Medicaid systems and provides a majority share of the financing, within those federal parameters, states are responsible for determining income eligibility levels, services to be covered, reimbursements for those services, and definitions of “medical necessity” within EPSDT. As a result, there are very substantial variations across states in eligibility, coverage, payment and recognized practitioners eligible for providing services. Arizona’s

Medicaid program is operated under a long-standing federal waiver through the Arizona Health Care Cost Containment System (AHCCSS).

As prior tables show, Arizona covers a smaller percentage of low-income children under Medicaid than the country as a whole, but, because Arizona has a greater proportion of low-income children, AHCCSS covers an equivalent percentage. In fact, AHCCSS is the largest single insurer of young children and, when the higher rates of special health and other needs within the Medicaid-eligible population of young children are considered, insures the majority of children facing the greatest challenges to healthy growth and development.

At the same time, Arizona also has one of the highest rates of uninsurance among children. While this is most pronounced for older children, it is also true among the young-child population. In addition, Arizona did not take advantage of the federal option to cover children under Medicaid and KidsCare who are legal residents but have been in the country for less than five years. This has particular implications for Arizona's young children, given the high proportions of immigrant children in the state. This decision excludes young children born outside the country from being eligible for Medicaid or KidsCare in the important birth-to-five period.

There also are Medicaid provisions that can facilitate increased likelihood of developmental screening during well-child visits. Twenty-six states provide a separate payment for such screenings, and 14 states require standardized developmental screenings as part of well-child care. Nationwide, 32 states do at least one; however, according to the Commonwealth Fund, currently Arizona does neither. Clearly, the more direction, recognition and reimbursement that is provided for conducting developmental screenings, the more likely it is they will occur.

One of the features of the Affordable Care Act that also could assist in this area is the provision that increases the fees under Medicaid in all states for primary-care services to Medicare rates for 2013 and 2014. For 2013 and 2014 (but not beyond), the federal government is assuming the entire cost for the difference in Medicaid fees in place in states that chose expansion. The increase covers 150 primary care services delivered by family physicians, internists, pediatricians, nurse practitioners and physician assistants.

The Urban Institute conducted a 50-state survey of Medicaid physician fees in 2012 and found that, on average, current primary care fees under Medicaid are 58 percent of Medicare fees, which means these fees are increasing by 73 percent. While designed to ensure that practitioners participate in Medicaid and, in particular, are available for the expanded population of adults, the fees also should make it more reasonable to expect that primary-care visits are comprehensive in their scope. While Arizona had current reimbursements for primary-care services higher than the national average (75 percent of Medicare fees), this still means a 22 percent increase in the amount practitioners receive under Medicaid for delivering those services.

Arizona and the Child Health Insurance Program (KidsCare) and the Federal Exchange

When the Affordable Care Act was enacted, it required that states continue their “maintenance of effort” with respect to their Child Health Insurance Program, which is KidsCare in Arizona. Arizona was the only state in the nation with a program in operation that had suspended new enrollments in the program during the recession. Therefore, Arizona’s “maintenance of effort” responsibility to those covered under CHIP is only to those specific children who were enrolled in KidsCare at the time. Arizona did subsequently expand CHIP under a new KidsCare II program, but continuance of this program is not required under the ACA’s maintenance of effort. Arizona has made the decision not to continue KidsCare II beyond December 31, 2013, but instead have children receive coverage through the health insurance exchange, likely with their parents. This will be the public funding source for child health coverage for children above 133 percent of poverty (effectively 138 percent of poverty when the income disregard is considered).

Arizona also has elected to have the federal government manage and operate the health insurance exchange (marketplace), and Arizona will be a real “test state” in using the federal health insurance exchange to cover children. While the federal government initially will be responsible for all aspects of the exchange, at any time Arizona lawmakers could decide to administer and manage the health insurance exchange or develop a partnership model with the federal government in doing so. While the “individual mandate” in the Affordable Care Act regarding securing affordable coverage applies to adults, it does not apply to children, so it will be important to examine how well the exchange serves to cover children above Medicaid eligibility but with needs for publicly-supported health coverage. KidsCare I must continue exist to provide coverage to those already being served (estimated to be about 7,000 children), but this number will change over time.

Discussion and Options

Compared with other states, Arizona faces more challenges in providing primary and developmental health services for its young children. Arizona is behind other states in covering young children, particularly low-income young children. Changes to AHCCS eligibility standards are needed to close this gap and ensure that more children have access to health services, and Arizona needs to examine closely the impact of covering children above 133 percent of poverty in the health insurance exchange.

At the same time, most Arizona young children are covered and AHCCS provides the majority share of that coverage, particularly for the state’s poorest children and those with the greatest health risks and needs.

Even without changes in eligibility, there is a lot which can be accomplished within AHCCS to strengthen the provision of comprehensive and developmental child health services. Particularly for very young children (0-2), the child health practitioner is often the one source of contact who can conduct developmental surveillance and screenings to identify and respond early to children’s developmental, as well as bio-medical, health concerns. Programs like the national Help Me Grow program, the Commonwealth Fund’s Assuring Better Child Health and Development (ABCD) Initiative, and Arizona’s

own replication of Healthy Steps all show ways to better respond to children and their families in the most formative early years.

While the federal government through the health insurance exchange will now have the responsibility for providing public coverage options for most children above 133 percent of poverty within the health insurance exchange, many community programs serving those children and their families will need to be aware of these provisions and there will need to be good communication across the AHCCS and the health exchange when specific program eligibility changes. There will be the need for communication, education, and likely training and technical assistance to enable those serving young children (and older children) and their families regarding the coverage provisions under Arizona's health exchange. While Arizona itself will not immediately be involved in administering the exchange, the success of the exchange in covering children will be important to other Arizona programs and services and to community planning efforts, as well.

Section 4

ARIZONA'S PUBLIC SERVICES FOR YOUNG CHILDREN

Investment Opportunity Analysis

ABOUT SECTION 4: The first part of Section 4 examines Arizona's broad array of programs that focus on identifying and responding to developmental, behavioral, and social needs of young children. It also assesses these programs in the context of the needs of the underlying child population. With Section 3 related to health services, it provides an overall "needs assessment" related to providing services to young children around their healthy development. The second part of Section 4 then moves from a "needs assessment" to an "opportunity assessment" by summarizing the findings from the interviews, focus groups, and meetings with Arizona early childhood leaders and pointing to both exemplary programs and strengths in Arizona's services for young children and identifying strategic opportunities for further action.

Background and Context

Unlike the school years, there is no primary public institution outside the home to support a child's development before they enter school. There is an array of different public programs and services to address specific needs of and concerns about children from birth to school entry, but these generally are not regarded as a "system," in the context of being consistently available to those eligible for them or being connected with one another to ensure children will obtain what they need.

Historically, these early years have been seen as the responsibility of the family, with very limited public involvement except for the protection of the child safety or to address very specialized needs. As family life has changed, however, and particularly as both parents or the only parent now works outside the home and as the costs of health care have risen, state and federal governments have expanded their roles in providing health coverage and child care subsidies. In addition, as knowledge about the importance of children's early development has increased and science has advanced to detect and respond earlier to children's developmental concerns, public investments have grown in both preschool and early-intervention and special-education programs.

The result is growth in the number of public programs and services offered to support young children across disciplines. This includes services to address young children's economic, health, behavioral, educational and social concerns. Unlike public education, however, which is universally available, most of these services are provided through state and federal funding that is capped by a set appropriation. Use is often managed by establishing eligibility criteria that restrict services to only children most in need and do not serve all that could benefit. Some are funded largely on a demonstration basis and are available only in some parts of a state or community.

As a result, most states have many different appropriation line items directed to the various aspects of young children and their development, across diverse agencies and departments related to health,

human services, education, and economic security. Some, particularly around specific child disabilities, have strong parent constituencies arguing on their behalf, and there often are multiple voices advocating for different programs to address the needs of young children. This has given rise to lawmakers viewing early childhood services as fragmented and uncoordinated, and to question whether there are duplications or inefficiencies of service which need to be addressed.

While there may be duplications and inefficiencies, however, there also may be significant gaps in reach of existing services to those children who need them. In Arizona and in the U.S., work to develop a more systemic response to young children and their developmental needs is fairly recent. While states and the federal government long have provided support for young children with severe or profound physical or mental disabilities or whose parents cannot provide for their basic shelter and safety, greater involvement of the public sector in young children's development is new.

Head Start began in 1965 as part of the War on Poverty and has remained one of the largest overall investments in young children's development in the country, but it still serves fewer than half of those eligible under its guidelines, and it always was designed to serve only those most in need. At the federal level, the Early Intervention program for infants and toddlers (now Part C of the Individuals with Disabilities Education Act) was established in 1986, the Child Care Development Block grant in 1990, the family preservation and support program within child protection in 1993, the Child Health Insurance Program in 1997, and the Maternal and Child Health Home Visiting program in 2009.

The federal Personal Responsibility and Work Opportunity Act of 1996 shifted the focus of America's public welfare system from providing economic support to families with children to meet basic needs to focusing on temporary assistance while moving those families—disproportionately single parents with young children—into the workforce. The result of that legislation has been a 60 percent reduction in welfare caseloads and a transfer of much of the prior funding supporting parents who stay at home with their children to providing child care subsidies. At the same time, the federal earned income tax credit was expanded significantly to support those same working, low-income families with children. Welfare reform has shifted both the financial support offered to families with young children and the expectations for their role as breadwinners as well as caregivers in the early years – which also has resulted in new demands for child care and development services.

States themselves have been partners with the federal government in managing and administering these programs, and often have put in additional resources of their own. In addition, states have developed programs of their own for young children, particularly in developing state preschool funding initiatives. Arizona, along with Iowa, California, North Carolina, and several other states, has established broader funding commitments to address young children's development that are designed to strengthen families as well as provide for specific services to children, with design and development of programs often established at a regional, county, or local level.

This section of the report examines Arizona's overall investments in young children and their development, with a particular emphasis on children who are at risk of or experiencing developmental,

mental, or behavioral difficulties that will make their readiness for and success in school problematic. Where possible, it contrasts Arizona's investments with those nationally and in the context of children for whom the investments are designed to serve and who are most likely to benefit. It seeks to examine current investments in relation to demand, or need.

This analysis clearly shows that Arizona, in many but not all instances- and even more so than the rest of the country-is far from developing an early-childhood system that ensures young children's needs are addressed so they will start school equipped for success.

The figures in the tables in this section may produce some "sticker shock" when the current investments are examined in the context of the young child population and its needs. At the same time, the historical perspective provided above shows that "early childhood systems building" is still relatively recent in Arizona and the United States. Significant advances have been made that can and should be built upon. Neither the country's elementary and secondary education system nor the country's higher education system was developed in a few years, and both continue to evolve.

The "sticker shock" of the magnitude of the needed investment also can be placed in the context of the need for that investment. Increasingly, children in Arizona and the United States must be educated and prepared to compete and lead in a world economy – where other nations have dramatically increased their investments in the education of their children, often with a very concerted emphasis upon the early learning years.

Comparative Investments in Young Children's Development and Learning by Child Age

Every state has a range of individual programs serving young children and addressing their developmental and learning needs, but the foundation for most of these investments are in federal programs and block grants, which states often build upon and supplement. While there is no single source of information on such spending – at either the federal or state level – there are sources that can be compiled to offer an overall approximation for the investments being made across the country and in each state. The 2010 report, *Early Learning Left Out: Building an Early Learning Childhood System to Secure America's Future*, provided a 50-state picture of investments in children broken down by three age groups, 0-2, 3-5, and 6-18, to correspond with the infant and toddler, preschool and school-aged years. This report covered investments in child care, Head Start, state preschool programs, special education (Part C and Part B of IDEA) programs, child care tax credits, Even Start and federal Title I programs directed to young children, public primary and secondary education spending, and state programs directed to young children's development (particularly around parenting education and family support services). That report largely used data available from the 2006 through 2008 fiscal years. The Child and Family Policy Center subsequently updated that report to make use of data from the 2010 through 2012 fiscal years, and also included both regular and competitive grant funds received under the Maternal Infant and Early Childhood Home Visiting (MIECHV) block grant.

For comparative purposes, the overall investment figures were then divided by the number of children of that age to create a “per child investment” figure for each of the three years. The figures from both the 2010 report and the most recent analysis are provided in Table 4.1.

Table 4.1

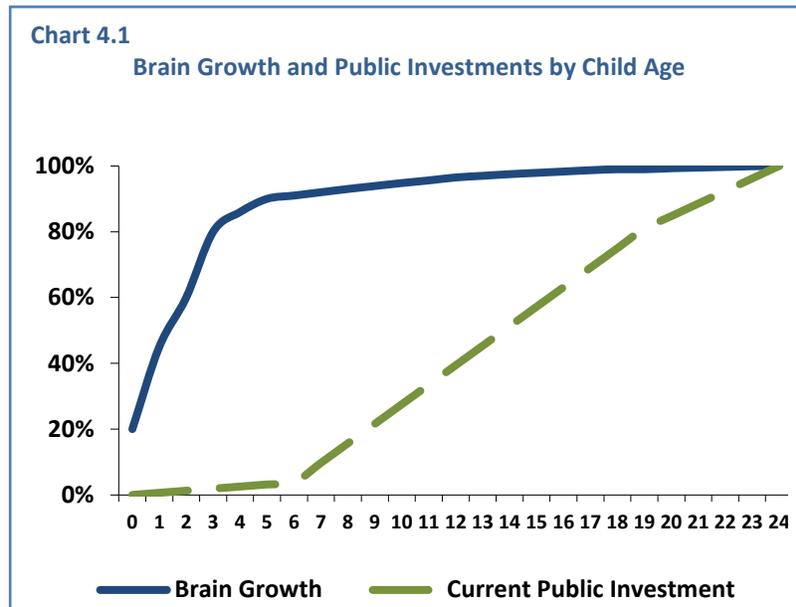
**Per Child Public Investments in Development and Learning
2007-08 and 2010-12 Data**

	Annual Investments 2007-08 Investment Data			Annual Investments 2010-12 Investment Data		
	0-2	3-5	6-18	0-2	3-5	6-18
	Arizona – Total Funds	\$426	\$1,496	\$7,591	\$717	\$1,685
State/District Funds				\$299	\$811	\$5,964
Federal Funds		N/A		\$428	\$874	\$1,356
United States – Total	\$609	\$2,409	\$9,531	\$720	\$2,689	\$10,780
State/District Fund				\$161	\$1,505	\$9,379
Federal Funds		N/A		\$559	\$1,184	\$1,401
Arizona as % of 6-18	5.6c	19.7c		9.8c	23.0c	

Source: Earliest Learning Left Out (2013). The Build Initiative.

This information, of course, does not indicate what the level of investment “should be” for any age group, but it does show the very small relative current public investments being made in young children when compared with school-aged children. As Table 4.1 shows, while Arizona’s per capita investments are well below U.S. per capita investments overall, and particularly have declined in the school-aged years (where Arizona currently ranks 49th among states), the level of investment has increased very significantly in the 0-2 years, which largely is the result of the establishment of First Things First and its dedicated funding for early childhood investments. A significant share of First Things First funding has been directed into the earliest learning years. Since 2000, the major growth in early-childhood funding in most states has been in the 3-5 years and voluntary preschool programs. Although many of these state investments were made earlier in the decade, the national data show the relatively greater growth in states investments in the 3-5, rather than 0-2, years.

According to the National Institute for Early Education Research (from which data on state investments in preschool was used in the analysis), Arizona has a very small state-funded preschool program, ranking it in the bottom third of states on its reach. This information on Arizona’s relative investments in the early years compared with later years can also be viewed graphically in relationship to brain development in Chart 4.1.



Arizona’s Young Children and Their Needs for Public Services and Supports

The largest overall investment made in young children in Arizona, and the area where the largest proportion of young children are served, is in health care. Low income children receive health insurance through the federal Child Health Insurance programs (CHIP- Kids Care I and II in Arizona) and the Arizona Health Care Cost Containment System (AHCCCS). General health insurance coverage for children and the provision of primary, preventive and acute care services in Arizona through AHCCCS and Healthy Kids II are described and discussed in Section 3.

This section describes other Arizona public investments in young children, providing both information on the amount of funding and the number of children served and drawing comparative information to national numbers, where possible. Fortunately, through the *Children’s Budget Report*¹⁰, there is much more extensive information on such program spending on young children for Arizona than for most states, and that report is drawn upon for most of the Arizona data in this section of the report.

In conducting a “gap or opportunity analysis,” however, it also is necessary to estimate how many children could or should be served by different programs in order to meet their overall objectives. While public data can provide the numerator for a gap analysis, but there also needs to be a denominator – the number of children who could or should be served.

¹⁰ Burns & Associates (2011). *Children’s budget report: Program spending and caseloads, fiscal years 2005 – 2010*. First Things First, Phoenix, AZ.

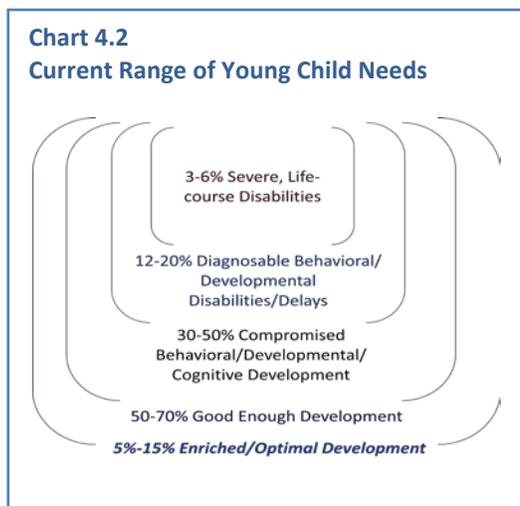
Different children have very different needs for services and supports and for the intensity and duration of those services. There is no single source which can be accessed to determine what this underlying need is, but there are national studies and reports which offer at least some reasonable estimates of different developmental conditions young children experience as a whole. Given the demographics of Arizona's young child population and its generally greater poverty status and lower parental education status, as well as survey data available through the National Survey on Children's Health on parental reports on children's developmental status, national estimates of the prevalence of different child conditions are likely, if anything, to be below what exists among young children in Arizona.

Research shows that a very small percentage of young children (3-5 percent) have profound health issues and concerns that are likely to require ongoing care and attention throughout their lives. Some of these are congenital and others may be the result of severe illnesses or injuries. Some require institutionalization or constant in-home care and management, and may be subject to repeated hospitalizations for complications from their conditions. While a small share of the young child population, on a per child basis the costs of care are extensive. The public sector has assumed major responsibilities in providing for the care of these young children (which continues through life into adulthood), recognizing that this is a community responsibility and too large a financial burden to expect parents to be able cover more than a fraction of the costs.

Research also shows that a much larger number of young children (12 to 20 percent of the overall population) have developmental or mental health conditions or needs which require attention. In terms of developmental delays and disabilities, research indicates that about one in eight very young children (12 percent of children six months to three years of age) could be assessed with a developmental delay or disability which would qualify them under most state Part C programs (the early intervention program for infants and toddlers within the federal Individuals with Disabilities Education Act/IDEA) as in need of and benefiting from early intervention services. Research on two to five year olds indicates that one in six (18%) could be diagnosed with a mental health disorder under the current DSM-IV classification scheme, which includes AD/HD, depression, and a variety of other mental disorders. Conservatively, at least between 12 and 20 percent of young children already have developmental or behavioral issues which require attention.

An even larger proportion of the young child population, while not necessarily manifesting a specific condition or having a specific diagnosis, is a source for concern. While the child may not have specific diagnoses or physical conditions requiring professional attention on its own merits, the child's home environments place them vulnerable to developmental concerns that, not addressed in the early years, are likely to affect their future development and health, social, educational, and mental development and success. Even by age three, there are profound differences in vocabulary acquisition among children from professional families and those from poor families – from less the 550 words for a sample of families on public assistance to more than 1100 words for a sample of professional families in one often-cited study. This, however, is only on the cognitive side of development. Children also are growing emotionally, physically, and socially – and all these contribute to healthy growth and development. At least three in ten children fit this category and, depending upon the level of concern, this could rise to as

many as five in ten children (30 percent to 50 percent). These figures also are consistent with national estimates of children starting school behind normative expectations and therefore likely to require remediation to catch up. They are consistent with national studies regarding where children stand at the end of fourth grade in reading and math mastery of basic skills, let alone meeting a definition of proficiency. When seeking to develop more preventive approaches which can strengthen families to better respond to their children’s early development, these figures can be kept in mind, and must recognize that prevention programs cannot precisely target only those children who otherwise would experience difficulties.¹¹ These categories are shown in Chart 4.2. While some Arizona programs serve children across these ranges, many of the programs can be fit into this categorization and therefore assessed in terms of their collective reach in meeting the underlying needs of the state’s young child population. These will be used in the next section to begin to assess the gaps that exist in providing needed services and the opportunities to address those gaps.



¹¹ The nature of prevention programs is that they take action before a problem has emerged, based upon identifying those individuals most likely to develop that problem. Even with the best targeting and estimates, prevention programs always are subject to both over-identification and under-identification. These two factors are closely connected. The more a program tries to avoid over-identification, the more it is likely to under-identify individuals, and vice versa.

Public Programs in Arizona Addressing the Developmental Needs of Young Children

In any state, there are a small number of children with very exceptional needs, well beyond the ability of virtually any family to provide for without substantial professional help and financial support. Many require institutional care or at least around-the-clock skilled nursing care. In addition, among the most vulnerable of children for future harm are those who come to the attention of the child protective service system and require placement into foster care or specialized adoption services. These children may not have major presenting conditions themselves, but finding a placement or permanency for them in the care of others constitutes a significant state responsibility and expense. It often is difficult to capture the full costs for these children, as they are those who are most likely to be involved in multiple different systems. For instance, federal law requires that states give special attention to assessing children for Part C services who have confirmed cases of child abuse and, in particular, are placed into foster care.

Table 4.2 shows Arizona spending and investments, the number of young children served, and the overall proportion of the Arizona young child population requiring these most intensive services. Clearly, these children and the expenditures upon them fall into the category of the very small percentage of children (3-5%) with very special needs and high cost treatment or placement requirements.

Preliminary Analysis – Scope and Reach of Existing Developmental Services in Arizona: Complex-High End			
Service/Funding	# Served (0-6 yr olds)	% of population	\$ (millions)
DDD Long-Term Care	3,574	0.56%	\$102.8
Behavioral Health Services/XIX	1,432	0.22%	\$28.7
Child Welfare: Placement and Services to Families			
Special Needs Adoption Payments	2,906	0.46%	\$28.2
Foster Care Payments	4,147	0.65%	\$20.4
Child Welfare Services to Young Children & Families	8,835	1.40%	\$71.0

Source: Children's Budget Report

As Table 4.2 shows, these children represent very few Arizona children in comparison with the overall Arizona young child population, somewhat smaller than but consistent with the national estimates of 3 to 5 percent, but the overall investments and spending currently devoted to meeting their needs is substantial, approximately \$260 million in 2010. While many of those placed into the child welfare system do not have presenting diagnoses, many do and many experienced some level of “toxic stress” prior to placement that places them at strong risk for future substantial behavioral and developmental concerns.

Primarily, this \$260 million is used to provide alternate placements for these children in settings that can better address their ongoing needs. Clearly, this does not capture all the public spending on these children, as there are many smaller Arizona programs designed to address other specific needs and

presenting diagnoses, and there may be substantial acute care expenses under Medicaid which meet other health needs of this population. At the same time, Table 4.2 gives a good indication on much of the current Arizona spending on children with the greatest developmental and behavior needs, generally those at the very top of the prevention, early intervention, treatment pyramid.

A second set of programs and services which Arizona has developed are designed to address developmental and behavioral concerns through early identification and response – where a diagnosis and treatment plan can be established for the child. These are shown in Table 4.3.

Table 4.3
**Preliminary Analysis – Scope and Reach of Existing
 Developmental Services in Arizona: Early Intervention and Treatment**

Service/Funding	# Served	% of population	\$ (millions)
AZEIP – Part C	4,850 - 9,960 0-2 yr olds	1.8% - 3.7%	\$9.9
Preschool – Part B	14,063 3-5 yr olds	5.1%	\$7.2
DDD State-Only Services	4,959 0-6 yr olds	0.7%	\$14.2
Title XIX Rehabilitation Services	23,244 0-6 yr olds	3.6%	\$38.2

Note: The 4,850 Part C data is shown both as a point in time (4,850) and total number served throughout the year (9,960).

The Arizona Early Intervention Program (AZEIP) is primarily funded by Part C of the Americans with Disabilities Education Act (IDEA), and is designed to serve infants and toddlers (0-2) with developmental disabilities or delays. While structured as an entitlement to service, the federal government provides fixed grants to states for to administer Part C, while giving states the responsibility to define eligibility for Part C services. Arizona is one of three states (and the District of Columbia) with the narrowest definition of eligibility, requiring infants and toddlers to exhibit a delay of 50% or more in a developmental category in order to be eligible for services. Two-thirds of states employ a delay of 33 percent or 1.5 standard deviations or less, and many also require a lesser level of delay when it applies to two or more conditions. Several states also include “environmental risk” as well as developmental delay to trigger service eligibility.

Arizona’s AZEIP program also is distinguished from the majority of other states by requiring family cost sharing, on a sliding fee schedule. Arizona’s cost sharing begins at 200 percent of the federal poverty level. Only fifteen states impose some family cost sharing, but eleven do so through monthly premiums, while only four, including Arizona, do so for each service provided. Since Part C services often are provided multiple times per month, some Arizona families can incur major expenses, even when they are only required to pay a share of the costs. The Addendum following the appendices provides comparative information on Arizona’s eligibility criteria for Part C and on its family cost sharing.

Both the eligibility criteria and the family cost sharing can have an impact upon the proportion of children who participate and the degree to which they are provided the level of services they need. While no state comes close to serving the 12 percent figure cited earlier as the potential number of children who could be identified as needing service, Arizona ranks 45th among the fifty states in the percentage of birth through two year-olds it serves at a point in time – at 1.8 percent just about two-thirds the national average of 2.7 percent. Twelve states have participation rates more than twice that of Arizona, with Massachusetts at the top with a participation rate of 6.7 percent. Obviously, if one calculates the number of children served over the course of a year (information is not available for all states), these numbers are greater.

There has been much attention directed to AZEIP over the last several years, particularly when stakeholders view it as primarily responsible for responding to the needs of young children with disabilities. Currently, AZEIP is developing a team-based approach to providing Part C services, which is designed to provide more comprehensive and integrated services. This will not necessarily impact the number of children served, but it could address some of the other concerns which have been raised.

While the Part C program is designed to provide “early intervention” services, it is not the only source of services to meet young children’s developmental and behavioral needs. DDD state-only services and Medicaid rehabilitation services constitute other services provided by Arizona to meet the needs of young children with developmental disabilities, mental retardation, and mental health concerns. There may be some duplication in numbers across these different services and funding streams, but, as shown in Table 4.3, even if the populations they served are added together with Part C, they suggest that these Arizona programs designed to provide professional early intervention services for young children to address developmental or behavioral delays serve somewhere between 5 percent and 8 percent of Arizona children, well below the 12 to 20 percent (depending upon severity) of children estimated to have detectable and treatable delays.

As discussed earlier, ensuring healthy development and preventing or responding early and effectively to developmental, behavioral, or mental health concerns also requires working with families and strengthening their own capacity to respond effectively to their child’s development. Any family with a child with a physical, developmental, or behavioral concern or impairment may require outside help, and often professional guidance and support, to respond to that condition and managing the stress that it can place upon the whole family. Some families, however, particularly if they are stressed or have limited experiences themselves with effective parenting and difficulty managing their own lives, without additional help and support will fall short of being their child’s first teacher. In addition, the stronger and more stable the home environment, the more effective will any early intervention services are.

Particularly because of First Things First, Arizona has developed a number of programs and services designed to strengthen parenting through home visiting, family support programming, and prevention and promotion activities. Some strategies, like parenting toolkits, are universally available, but others are targeted to families most likely to be in need, discussed here as the parents of the 30 to 50 percent of young children at risk of compromised behavioral, physical, or cognitive development that, without

response, will result in future problems as they grow older and go into school. This is where more preventive and family-focused (as opposed to child-focused) programs have been developed.

In particular, Arizona has multiple models for home visiting – including those supported under First Things First, those supported through Healthy Families and Health Start, and those supported under the new Maternal Infant and Early Childhood Home Visiting (MIECHV) grant program and under the Early Head Start program. First Things First also supports other family support and parenting education programs, and the Family and Child Education (FACE) program similarly provides substantial family-centered supports in tribal communities.

Table 4.4 provides estimates of both the funding available through these home visiting programs and estimates of the number of children served. It also includes additional information on select other family support program funding.

Table 4.4
Arizona Home Visiting and Select Family Support Programs

	# Families	\$ (millions)
First Things First Home Visiting	6,194	\$16.1
Healthy Families	1,973	\$6.0
Health Start	2,358	\$1.4
MIECHV	N/A	\$12.1
Early Head Start	2,786	\$17.2 (est.)
Total Home Visiting (children served)	53,000**	\$52.7
FTF Family Support and Parenting Education	N/A	\$11.8
FACE	N/A	\$5.0 (est.)

*Sources: Various. FTF, Healthy Families, and Health Start data is from the 2010 Children’s Budget Report. MIECHV, Early Head Start, and FACE are from federal data sites for the most recent year available. ** The estimates of the overall reach of home visiting to children are from The Vision for Home Visiting Services in Arizona 2010-2015, page 14, where figures reported by family assume 2.2 children in the family.*

Except for the total home visiting estimate, the figures for numbers served in this table refer to families, and not children. Some families have more than one child below the age of six, so the estimates of the reach of home visiting programs for all young children is larger than the estimates provided here for the individual programs.

Many of the home visiting programs supported by Arizona also have a focus upon first-time parents and, while they may serve families beyond the time their child is three years of age, have a heavy emphasis on supporting parenting in the child’s first two years of life. In 2010 in Arizona, there were 64,000 births to first-time mothers, with about half of those to mothers over the age of twenty-five, a majority of whom were married and a good share with post-secondary degrees. Meanwhile, 15,000 were to women under twenty (with major differences by race and ethnicity), where outreach and engagement generally is particularly targeted for home visiting programs.

If 30 to 50 percent of first-time parents are considered to benefit from and be willing to participate in home visiting programs designed to strengthen their parenting capacities that would mean approximately 20,000 to 30,000 families per year. With an average duration of participation in home visiting of two years, the number of first-time parents to be served would be 40,000 to 60,000. Obviously, if not confined to the first two years and first-time parents, the numbers would be substantially larger.

These figures, of course, do not speak to the intensity and duration of that home visiting or its quality and likely impact upon families, nor do these figures speak to the degree to which the families served are first-time parents or those who can most benefit from such services and supports. They do show that, at least at this level of analysis, there are potentials within home visiting, particularly when coupled with other family support activities, to reach a very significant share of Arizona families (and families of newborns and infants, in particular) in these years of critical development where families play such a key role.

Comparing Arizona Investments in Young Child Development with Responses in Other States

Particularly when the underlying demographics of Arizona’s young child population are considered (refer to Sections One and Two), Arizona’s current program capacity to reach young children with presenting developmental and behavioral conditions is well below the prevalence of those conditions among Arizona’s young children. While the AZEIP is described as an “early intervention” program and the federal goals for Part C are to be more “preventive” in approach, it is clear that Arizona does not have the resources or funding or current service reach to reach all young children with developmental delays (particularly if the eligibility definition were broadened). There are improvements which can be made to the structure of the AZEIP program, including the current development of a team approach, but without greater funding support AZEIP is not equipped to provide professional developmental services to more than a portion of the children in Arizona with developmental disabilities and delays. The same holds with providing basic health coverage to children; Arizona lags in providing Medicaid and CHIP coverage to lower-income children and, as a result, Arizona has a very high rate of uninsurance among children, although it does a better job of covering younger than older children.

While the previous section outlined current Arizona investments in general terms of need, Arizona also can be compared, particularly with respect to programs serving young children supported in all states, with other states. While this does not speak to addressing overall “gaps” in service provision, it does offer a comparative perspective on Arizona’s progress in investing in young children’s development with other states.

Table 4.5 below provides comparisons for some major programs related to young children, including Parts C and B of IDEA.

Table 4.5

**Arizona and U.S.
Comparisons of Child Care and Welfare Participation**

Service	Age Group	Percentage of the Age Group Served	
		Arizona	U.S.
Child Care Subsidies	0-5	3.7%	4.6%
Part C Services (fall)	0-2	1.8%	2.7%
Part B Preschool Services	3-5	5.5%	6.1%
Early Head Start	0-2	1.03%	1.09%
Head Start	3-4	10.2%	11.1%
Public Preschool (NIEER)	4	20%	40%
Foster Care	0-5	0.83%	0.60%
TANF	0-17	1.7%	4.3%

Source:

As Table 4.5 shows, Arizona generally serves a smaller percentage of its child population under programs which involve federal funding (and federal reporting) than is true for the country as a whole. For Part C, on a per child basis Arizona serves about two-thirds as many children as is true for the rest of the United States, with Arizona ranking near the bottom among states on the percentage of children served. Although a very rare event among young children, placement rates into foster care, by way of contrast, are substantially higher in Arizona than for the country as a whole. The proportion of families with children (of all ages) who receive monthly cash benefits under the Temporary Assistance to Needy Families program is also far below the national average, again with great variations across the states. While the impact of “welfare reform” has been to dramatically reduce rolls across the United States, given the share of the child population in poverty in Arizona, these figures are particularly dramatic. While the vast majority of parents now work outside the home, even when their children are very young, the economic support through TANF welfare benefits for those who remain at home has become much smaller as a safety net of economic support.

Overall, while Arizona’s young child population is more diverse, poorer, and more likely to meet other “at risk” definitions than for the country as a whole, the overall reach of Arizona’s programs and services to young children are below average and will need to be expanded, over time, if all children who can benefit are to be served.

Interview Discussion and Points of Opportunity

The information provided to this point largely has represented a “needs assessment” rather than an “opportunity assessment.” The information about young children, their families, and the services that Arizona currently provides to meet their developmental needs shows that Arizona has an even greater urgency to develop an effective early childhood system than most other states. If Arizona is going to be equipped to prosper and meet all its residents’ needs in the future, Arizona’s young children must be healthy and prepared for success when they enter kindergarten – and this requires much more

attention to addressing their healthy development and responding to developmental, behavioral, family, social, and economic concerns that affect their developmental trajectories.

In addition to information on the current status of children and services provided to them, CFPC also conducted a series of key informant interviews with Arizona early childhood leaders and stakeholders. These interviews – including state and community leaders, experts on specific areas of child health and development, practice champions in developing effective programs and services, and family and community advocates – contributed to the information regarding the current status of children and services that has been incorporated into the preceding sections.

In addition, however, the interviews also explored opportunities in Arizona to strengthen the early childhood system, including current practices and innovations that represent avenues for expansion and diffusion.

Since the opportunity assessment and the interviews focused upon addressing young children’s developmental and behavioral issues and concerns, most of those interviewed started by providing their views about the Arizona Early Intervention Program (AZEIP). Many started with their goals for the AZEIP program to serve as a much more preventive program that would intervene at the first signs of developmental disability or delay. In this context, they saw the AZEIP program as being much too restrictive in its definition of eligibility (a fifty percent delay) and imposing too many barriers on its use. A number cited the family cost sharing, particularly for children who required regular and frequent, ongoing services, as imposing significant hardships on families and barriers to providing comprehensive services. The criticisms of the AZEIP program largely were around the narrowness and cost of AZEIP to families, however, both of which relate directly to funding and regulation. Those interviewed were generally positive to the movement toward team-based care within AZEIP, although some again questioned whether the current financing and regulation enabled AZEIP to meet its goals. While there was considerable belief that AZEIP could play a greater role in meeting the developmental needs of more children, those interviewed also generally agreed that this was not an issue that could be addressed administratively, but required changes in policy, statute, and funding.

Moreover, those interviewed recognized that even an expanded AZEIP program could not be expected to meet all children’s developmental needs, and that AZEIP was only a part of what needed to be an early identification and response system for young children and their families. While one place to start and, AZEIP was not the sole or necessarily even the primary way to respond to the developmental, behavioral, and environmental concerns of young children from a prevention and early intervention perspective.

On these larger issues, most interviewed cited the importance of developing community-based responses that built upon local strengths and often pointed to local innovations which showed promising results and had enlisted or developed local champions. First Things First was viewed as a key asset both in providing funding at the community level and in serving as a locus for networking and sharing best practices across localities, as well as helping to define standards of practice. Many interviewees noted, however, that First Things First was established at the same time that there were

severe budget shortfalls and cutbacks across a number of early childhood programs and services. Some of First Things First's resources resultantly were used to address gaps resulting from such budget cuts and not to realizing FTF's goals of developing a more comprehensive early childhood system.

In addition to AZEIP, those interviewed also saw the need to expand or strengthen other services serving young children. In particular, this included covering more children under Medicaid, using Medicaid's EPSDT provision as well as other provisions under Medicaid to provide more comprehensive developmental screening and services for children.

At the same time, those interviewed also pointed to many exemplary practices and promising demonstration efforts in the field – at both the state and community levels. Arizona and its tribal communities have been leaders in developing and implementing the federal Family and Child Education Program (FACE) program, and First Things First has developed stronger connections across early childhood leaders in tribal communities and the state. Although FACE could be strongly impacted by sequestration, it offers a model that has developed strong community ownership and culturally responsive services, and several of those interviewed emphasized the importance of learning from and building upon it.

Arizona also has engaged in innovative efforts across multiple early childhood systems to better address children's behavioral and developmental needs, with recognized and strong leadership in the health field. Arizona is one of several states which are leading in the replication of the evidenced-based Healthy Steps for Young Children program, and Arizona has a strong Reach Out and Read program, with a very active state chapter of the American Academy of Pediatrics. In part through funding from First Things First to its Councils, physician outreach and training has been initiated to promote use of (and financing for) developmental screening as part of well-child visits and stronger referrals and linkages to AZEIP and other services, when developmental issues are detected. The Smooth Way Home demonstration shows promise of having immediate cost-benefits as well as more consistency and continuity of support for high risk newborns which could serve as a model for other programs in the state and could produce "shared savings" that might be reinvested in other efforts with longer-term cost impacts. The federal MIECHV funding for home visiting has enabled Arizona to expand existing home visiting efforts already in place and to begin to develop a systemic approach to home visiting. Arizona is a lead start in terms of developing Healthy Steps for Young Children programs. Arizona has a number of strong voices for parents, including Raising Special Kids, which not only advocate for services but also provide supports to families in their special roles in supporting their children. And Arizona has taken steps to respond to the "epidemic of child obesity by advancing healthy nutrition and exercise practices in the formative infant, toddler, and preschooler years, even before children enter kindergarten – and the BUILD Initiative has furthered collaborative efforts in this area.

Through First Things First and its parent kits and investments in Family, Friend, and Neighbor (FFN) care, Arizona also has developed supports that extend beyond professional services and help to create more supportive families and communities on a population level. Since FFN care is the preferred source of care by many families for infants and toddlers and is often the only care available and affordable when

parents have non-traditional work schedules or their children are very young, Arizona’s focus on FFN care offers the potential for providing additional first responders to young children’s developmental and behavioral needs.

These different programs, services, supports, and community-based approaches were cited by those interviewed as both important innovations to achieve their specific goals but also as important opportunities for moving systems development along.

Each of these innovations has its own leaders and champions, and they all were seen as potentially complementary efforts, and certainly “pieces to the early childhood puzzle” that should be built upon. The challenge those interviewed expressed, however, was often around making these efforts become more than the sum of their individual parts, and producing enough momentum around each to move beyond a small-scale exemplary practice to become diffused and more routine and available across the state. One of the strengths those interviewed saw of First Things First – providing for local initiative, innovation, and ownership – was also seen as a potential weakness. Several of those interviewed indicated that creating multiple different actions through different Councils can result in a fragmented and uneven approach to meeting children’s developmental needs wherever they live in the state – as well as posing a challenge to effectively assessing what investments truly are achieving their goals and what investments need to be redirected to do so.

Many of those interviewed expressed the need to be able to better communicate with and educate policy makers both on the importance of addressing young children’s developmental needs and on the need to strengthen Arizona’s current systems designed to achieve that end. They also indicated the value of the business and community leaders taking on leadership roles in this education and advocacy, but the need for intentionality and persistence in doing so.

Most importantly, the interviews confirmed the presence of many very committed individuals and organizations seeking to improve Arizona’s early childhood system, with a particularly focus upon ensuring that the developmental, social, health, and environmental needs of all young children are addressed. The level of experience and expertise and proven leadership in promoting reforms and developing and implementing exemplary policies is apparent in Arizona, which ultimately is key to producing change. The challenge is in sufficiently organizing and orchestrating current work to make it coherent to policy makers and the public while demonstrating the need to scale up activities to fully meet Arizona’s goals for its young children.

DESCRIPTIONS OF SELECT ARIZONA PROGRAMS AND INITIATIVES SERVING YOUNG CHILDREN

Early Head Start (EHS) is a federally-funded community-based program for low-income families with infants and toddlers and pregnant women. Early Head Start is designed to promote healthy prenatal outcomes for pregnant women, enhance development of very young children, and promote healthy family functioning. According to the 2012 Annual Report, the Arizona EHS program served over 3,000 children from birth to 3-years and over 200 pregnant women. <http://www.ehsnrc.org/>

Family and Child Education (FACE) Program was created to develop an integrated model for an American Indian early childhood and parental involvement program. The FACE program was designed to serve birth to age 5 children and children in kindergarten through third grade. The FACE program provides early childhood and adult education (including academic and parenting services) to children from birth to age five and their parents. FACE programs are predominantly located on reservations in Arizona and New Mexico, which account for 70% of the FACE sites (32 programs). The remaining 30% of programs (14 programs) are located in North and South Dakota, Kansas, Michigan, Minnesota, Mississippi, Washington, and Wisconsin. <http://faceresources.org/>

Family, Friend, and Neighbor (FFN) Care Initiative The goal of the FFN Care Initiative is to provide access to resources, training, networking, and professional development opportunities for home child care providers. Many children, especially very young (0-2 years) children receive care from an extended family member, friend, neighbor, or other unrelated adult while parents need to be away, go to work, or go to school. Participants in the FFN Care Initiative receive information on safety, health, and child development. Participants receive incentives such as books and door prizes for participating in the community trainings. Arizona is one of handful of states (Minnesota and Washington among them) who have taken a lead on providing resources, information and support directed to family, friend, and neighbor providers, who usually are providing care without pay and because of a close personal relationship with the families. Most states only support child care providers who are part of the formal, registered or licensed child care community. <http://www.azftf.gov/Pages/default.aspx>

Head Start provides comprehensive education, health, nutrition, and parent involvement services to low-income children and their families. The program's services and resources are designed to foster stable family relationships, enhance children's physical and emotional well-being, and establish an environment to develop strong cognitive skills. According to the 2012 Annual Report, the Arizona Head Start program has nearly 800 preschool classes, serving over 18,000 preschool children from 3-5 years-old. <http://www.nhsa.org/>

Healthy Families Arizona (HFAz) is a credentialed, home-based, voluntary program that serves at-risk families during pregnancy and after the birth of the baby. HFAz aims to enhance parent-child relationships, optimize child health and development, build on family strengths, and prevent child abuse and neglect. Health Families Arizona links families with resources (childcare, healthcare, education opportunities, etc.) and provides parents with education and support to promote and enhance parent-child interactions and relationships. A total of 3,135 families were reached by Healthy Families programs between 7/1/10 and 6/30/11. <https://www.azdes.gov/intranet.aspx?menu=146&id=6458>

Healthy Start utilizes community health workers to provide education, support, and advocacy services to pregnant/postpartum women and their families in targeted communities across Arizona. Families receive home visits and case management with oversight by nurses and social workers, through the enrolled child's second year of life. Pregnant women are connected to prenatal care providers and receive on-going education about fetal development and health behaviors that can impact birth outcomes. The community health workers also screen each child on a periodic basis using the Ages and Stages Questionnaire to identify potential developmental delays and refer the family to the appropriate provider. During FY2011, 43 community health workers enrolled nearly 4,000 prenatal and postpartum women. They completed nearly 12,500 visits and classes, averaging 3.3 encounters per client. <http://www.azdhs.gov/phs/owch/women/healthstart.htm>

Healthy Steps for Young Children monitors child health and development, promotes good health practices, and responds to parents' concerns regarding their developing infants and toddlers. Healthy Steps currently operates in ten states (Arizona, California, Colorado, Florida, Illinois, Indiana, Kansas, Massachusetts, Mississippi, New York, North Carolina, Pennsylvania, South Carolina, and Texas). Arizona currently hosts more Healthy Steps sites (10) than any other state. The Healthy Steps program includes: (1) enhanced well-child care, (2) informational telephone line, (3) home visits, (4) informational materials that emphasize prevention, (5) child development and family health checkups, (6) parent groups, and (7) links to community services. <http://www.healthysteps.org>

Maternal, Infant, and Early Childhood Home Visiting (MIECHV) facilitates collaboration and partnership at the federal, state, and community levels to improve health and development outcomes for at-risk children through evidence-based home visiting programs. Funding through the MIECHV has supported the expansion of two evidence-based models in Arizona (the Health Families program and the Nurse Family Partnership program). Expansion efforts have reached 15 communities so far. <http://mchb.hrsa.gov/programs/homevisiting/>

Raising Special Kids provides information, training, resources, and support to families in identifying and locating appropriate resources. Parent-to-parent support has always been the heart of Raising Special Kids. This program connects new parents with veteran, mentor parents to help new parents navigate their way. The Raising Special Kids program has assisted over 7,600 families in Arizona, has established over 330 parent-to-parent connections, trained over 2,200 parents, and established nearly 200 community partners. <http://raisingspecialkids.org>

Reach out and Read partners with doctors to promote early literacy and school readiness in young children and their families. Reach out and Read trains medical providers to speak with parents about the importance of reading aloud to their children. Providers are encouraged to have these discussions with parents and caregivers during each of the child's regular well-child visits from 6 months to 5 years. During each of these visits, children are also provided with a new book to take home and parents are encouraged to become more engaged and read with their children more often. Reach out and Read volunteers are present in the waiting rooms of pediatrician offices. These volunteers are available to read to children and model reading aloud strategies to parents and caregivers. There are over 180 Reach out and Read programs in Arizona, serving over 100,000 children annually and distributing nearly 190,000 books each year. <http://www.reachoutandread.org>

Smooth Way Home (SWH) improves the social, developmental, and medical outcomes of very fragile infants by enhancing the coordination of care and the quality of services provided to them as they transition from the newborn intensive care unit back to their home and community. The Smooth Way Home pilot program has established teams at four hospitals, with several other hospitals expressing interest in starting SWH programs. <http://www.swhd.org/programs/disabilities-services/smooth-way-home>

Section 5 SECURING ARIZONA'S FUTURE

Take-Away Messages and Areas of Opportunity for Next Steps to Promote the Healthy Development and Growth of Young Children

ABOUT SECTION 5: The first four sections of the opportunity assessment report provide information on the status of young children, their families, and the programs and services currently available to support their healthy development and respond to physical and behavioral delays and disabilities. Section 5 draws upon this information and identifies seven “take-away” messages that point to areas for further focus and collective action to develop a comprehensive system that ensures children’s optimal development.

The preceding sections have provided information on the current status of young children and their families and the public services that currently exist to support their development and respond to developmental and behavioral, as well as physical, disabilities and delays. While Arizona’s young child population is more diverse and faces more economic challenges than most states, Arizona currently is “behind the curve” when compared with other states on developing services to support young children’s development. The previous sections point to many areas for improvement in Arizona’s array of services for young children and their families, and gaps in the availability, comprehensiveness and scope of services – from basic health care to early intervention when developmental disabilities are identified.

While data gathered and analyzed regarding Arizona’s young child population and the current array of programs and services designed to address their developmental needs and concerns represents the foundation and undergirding for taking action, Arizonans are needed to advocate for, initiate, and take those actions. The interviews and the enumeration of many promising activities in the state point to the presence of those Arizonans to take such action. The following are take-away messages that can be the basis for developing action steps in Arizona. They are based upon meetings, interviews, and focus group discussions with Arizona leaders, experts, and advocates on young children and their developmental needs. Margaret Meade’s famous quote is applicable here – “never doubt that a few committed individuals can change the world. Indeed, that is the only thing that ever has.”

Arizona has many more than a few committed individuals and champions and experts to build a much stronger system for young children in Arizona and, in particular, to ensure that children with developmental and behavioral and environmental concerns have opportunities to grow and develop their talents and skills.

- 1. AZEIP has been a source of discussion in Arizona – and Part C deserves attention and improvement, but Part C is neither a silver bullet nor a black ball in terms of developing an early intervention system.**

There are structural features of AZEIP that need review in relation to the goals for the program – the restrictive eligibility definition regarding developmental delays, the family cost participation

structure (particularly for children with frequent, ongoing service needs), and the limited funding in relation to need. Even compared with other states, AZEIP serves a smaller number of children (less than 2% of all infants and toddlers at any point in time), well below the underlying prevalence of developmental disabilities and delays among this population. None of these factors, however, can be changed simply within the program itself – they require statutory and regulatory changes and commensurate investments in staffing and support.

The AZEIP program itself has restructured to a team model, in keeping with best practices in the field. This also provides an opportunity for greater collaborations with the field. Whether or not additional investments are made in AZEIP to respond to recognized structural issues (eligibility limitations, co-payments, and staffing capacity), AZEIP can be a partner in addressing young children’s developmental needs, but other systems cannot assume AZEIP has more capacity than it does.

2. In the earliest years (birth to three), child health practitioners play a key role in early identification and response to children’s developmental, behavioral, and social as well as physical concerns. Developmental surveillance and screening is an essential first step in responding to young children, but it cannot stop with screening and requires follow-up actions.

During the first three years of life, almost all Arizona children see a primary care practitioner regularly (more than annually) for well-child care. Far fewer children (less than one in five) are in formal child care arrangement or other settings where their developmental needs can be assessed. Further, parents seek information and are receptive to support from their child’s health practitioner on physical health issues, but also developmental ones. Arizona has exemplary programs, including Reach Out and Read and Healthy Steps, where practitioners are taking lead roles in responding to children’s development, but these remain more exemplary than mainstream practices. Further, there is currently limited overall comprehensive developmental screening of young children. Through the federal Maternal and Child Health Bureau’s Early Childhood Comprehensive Systems (ECCS) grant, First Things First and the Arizona Chapter of the American Academy of Pediatrics, are leading efforts to develop a more comprehensive approach to developmental screening for young children. Arizona has an opportunity, in particular, both to expand developmental screening in pediatric practices AND to develop additional responses that provide guidance to families and links to other needed community services.

3. Home visiting/family support has grown and developed substantially in Arizona, and Arizona now has opportunities to use home visiting as an important, and even lynchpin, strategy to realize its potential in supporting parents as their child’s first teacher, nurse, and safety officer.

Collectively, Arizona’s range of home visiting programs by one estimate now serves 53,000 children, with at least two-thirds of likely to be parents of children 0-2 and often first-time parents who often are most receptive to and in need of such support in taking on their parenting roles. Different home visiting programs supported in Arizona have different structures and degrees of “dosage” and duration, but collectively they touch the lives of a greater number of families than other services designed to support young child development, particularly in the critical 0-2 years. Compared with other states and in large measure due to First Things First,

Arizona has a greater relative investment in and commitment to home visiting. Outside physician well-child visits and WIC participation (both of which are generally limited to providing screening and some point in time anticipatory guidance), home visiting represents the source of public program contact with very young children devoted to equipping those parents with skills and reaches a significant share of those children whose families can benefit from family strengthening strategies. While home visiting also is not a silver bullet (and parents require connections to broader community sources of support than the home visitor), it can represent a key starting point for engaging families and identifying and responding to young children and their needs. Strengthening this system requires attention to developing culturally and linguistically responsive programs and supporting local ownership and continuous quality improvement while developing overall state minimum standards and expectations. It also requires attention to ensuring that all five protective factors are strengthened through home visiting and referrals and supports provided in other community settings.

4. There are exemplary efforts to be built upon that could be expanded in visibility and examined for diffusion and broader adaptation.

While Arizona's overall investments in young children lag those in many other states, Arizona has a wealth of exemplary programs and practices upon which to build. These programs are diverse in their direction and goals, but are consistent in working to improve both the quality of services provided to young children and their families and to demonstrating an impact upon children's development -- in most instances with the potential for showing long-term benefits to both the child and to society. As such, they show promise in meeting the "triple aim" established for the health system (improving quality, improving outcomes, and reducing overall costs) but capable of broader application.

Further, these programs have their own highly respected champions who can serve as leaders in effective expansion and diffusion of these practices – and as further innovators and developers of additional responses to meet identified needs. Doing so not only creates more effective services for children and programmatic impacts on child well-being, it also demonstrates the ability of public responses to achieve goals and objectives. Moving from exemplary to mainstream practice requires investments in developing those exemplary practices and then using those practices to inform and influence others in adopting them.

There is a need for both a systemic and a programmatic focus – systems cannot operate without effective program elements, but discrete exemplary programs do not themselves result in a system that supports all young children and their families.

Some of Arizona's programs worthy of further review as centers of excellence and innovation (and supported in their own development and expansion) include: Smooth Way Home, Project LAUNCH, Raising Special Kids, Family and Child Education (FACE), First things First physician education and outreach funding (including Phoenix Children's Residencies in Early Intervention), Healthy Steps, other specific home visiting programs with clear evidence of success (some affiliated with national models and some indigenously-developed), and FTF's investments in population-health oriented activities (including parent toolkits and family, friend, and neighbor FFN care support). Not only are diffusion of specific programs warranted, but the ways these programs operate to engage and support families and young children (the attributes which

account for their efficacy) require diffusion, whether in the same or different program structures.

5. Place matters and focused attention to blending individual strategies with community-building ones is especially important to AZ.

Arizona is at the epicenter of this country's changing demographics, and young children are leading the way. Hispanic children represent the largest single share of Arizona's young children population, and Arizona continues to have one of the largest Native American populations of young children in the country. Moreover, both of these populations are highly concentrated in certain geographic areas, areas characterized by fewer resources and supports. The MIECHV needs assessment and the census tract analysis conducted for this opportunity assessment show that these areas are rich in young children, with higher proportions than in the general population, but containing fewer supports for them. These geographic areas require community-level as well as individually-focused strategies to addressing young children's developmental needs. Again, Arizona has some exemplary community-based programs that blend individual strategies with community-building ones, and building capacity and response to young children and their needs within these communities requires a focus of its own.

6. The Affordable Care Act (ACA) and existing federal support under Medicaid offers additional opportunities and the "triple aim" deserves exploration in from a long-term as well as short-term perspective.

While most of the public attention on the Affordable Care Act has been around the health insurance mandate (and now Medicaid expansion), there are many provisions within the ACA directed to better meet the "triple aim" of improved health care quality, improved health outcomes on a population basis, and reduced per capita health care expenditures. While, in most instances, children have not been singled out for attention, there are many opportunities to direct attention to young children's healthy development within the ACA – in patient-centered medical homes, in child health outcomes development as part of health information technology, in community transformation grants, and in pediatric medical homes and accountable care organizations (ACO). ACA also was the source for the MIECHV funding and select obesity-prevention programs and other special programs targeted to children, as well as the Center for Medicare and Medicaid Innovation, which has provided some federal grant opportunities in child health as well as adult health.

As states expand coverage for adults through both Medicaid and Health Insurance Exchanges, many of those adults will be parents of young children and addressing their health needs also can contribute to their children's health and well-being (particularly when stress, parental depression, and other health factors impact family stability and nurturing).

In addition, Medicaid now covers over half of all births in Arizona and over two in five young children (birth to five) receive Early, Periodic, Screening, Diagnosis, and Treatment (EPSDT) services designed to address developmental as well as physical health care needs. While Arizona's Medicaid system has more restrictive eligibility criteria for children that contribute to a higher rate of child health uninsurance than for the country as a whole, Medicaid still provides care for a very large share of Arizona's most vulnerable children. The Center for Medicare and Medicaid Services (CMS) has increased its efforts to support states in making effective use of

EPSDT and broadening the focus to ensure healthy development. Particularly for very young children (0-2), the health system plays the role of first responder to children’s developmental needs. Opportunities exist within Medicaid and EPSDT for covering developmental screening, care coordination, patient-centered medical homes, and referrals to community services to address social as well as bio-medical determinants of health – particularly when there is a focus upon meeting the “triple aim.” Again, there are practice champions and programs within Arizona which can serve as models for broader expansion, and there are leaders in the pediatric field championing such efforts, but scaling up such diffusion requires intentionality and support.

Currently, there is not a “nexus” for promoting innovation and excellence in child health or fostering community-based strategies to improve child health, but Arizona is well-positioned to develop one. Ultimately, children are not the current drivers of health care costs, but improving their health is key to containing health costs in the future and the greatest long-term returns from a health cost perspective are likely to come from actions which start with pediatric care but also address social determinants of health.

- 7. From a policy perspective, there are champions and experts in Arizona to move forward a comprehensive agenda to improve young children’s healthy development and to respond early to developmental needs and concerns – but there is greater likelihood of success if there is more alignment and a collective voice to policy makers from this leadership.**

Developing an effective system for intervening early will be an iterative process that requires successive steps and actions from a continuous learning perspective. It also requires holders of the overall vision who can continually advocate for that continuous improvement – and who can put the vision in the context of Arizona’s future prosperity. Private sector leadership is important in raising issues and emphasizing continuous improvement and accountability and identifying returns-on-investment (often for further reinvestment) and stressing the community role and responsibility to young children. On-the-ground program developers and champions are important in demonstrating “what works” and spreading effective programs and practices to their colleagues. Child advocates are important in conveying the information to policy makers and the public in ways that give confidence to the ability to positively impact children’s development. State and community policy administrators are important in establishing structures that provide for continuous improvement and quality development and accountability. Community and foundation leaders are important for ensuring that the comprehensive vision is maintained even as individual programmatic steps are taken.

All these leaders, working individually in their own areas of expertise and joining forces to address child concerns that require collaboration are needed to achieve success. There is no one way to sequence or organize such work. In the end, however, because of the leadership, Arizona has multiple opportunities to step forward and lead.

Appendices

DATA DETAILS

Tables One and Two show the growth in the population from 1990 to 2010 for Arizona and the United States by both age and ethnicity.

Tables Three and Four show income by poverty levels by age for Arizona and the United States in 2010.

Table Five shows additional data on high poverty census tracts in Arizona in comparison with Arizona as a whole and with the rest of Arizona.

Table Six shows first time births in Arizona by age and ethnicity of the mother.

Table One: Arizona Population By Age -- 1990 to 2010

	1990		2000		2010		1990 to 2010
	<u>Total</u>	<u>Percent</u>	<u>Total</u>	<u>Percent</u>	<u>Total</u>	<u>Percent</u>	<u>Increase</u>
Population Age 0-5							
Total	350,798		459,141		546,609		55.8%
White, Non-Hispanic	221,756	63.2%	212,979	46.4%	216,787	39.7%	-2.2%
African American	14,166	4.0%	16,393	3.6%	24,893	4.6%	75.7%
American Indian/Alaska Native	32,262	9.2%	30,426	6.6%	33,717	6.2%	4.5%
Asian	5,571	1.6%	7,403	1.6%	14,079	2.6%	152.7%
Some Other Race	48,687	13.9%	82,891	18.1%	95,336	17.4%	95.8%
Hispanic	97,484	27.8%	182,718	39.8%	245,188	44.9%	151.5%
Population Age 6-17							
	<u>Total</u>	<u>Percent</u>	<u>Total</u>	<u>Percent</u>	<u>Total</u>	<u>Percent</u>	<u>Change</u>
Total	630,321		907,806		1,082,405		71.7%
White, Non-Hispanic	408,478	64.8%	465,695	51.3%	460,965	42.6%	12.8%
African American	23,783	3.8%	34,554	3.8%	51,405	4.7%	116.1%
American Indian/Alaska Native	53,236	8.4%	70,170	7.7%	64,838	6.0%	21.8%
Asian	9,910	1.6%	13,689	1.5%	26,463	2.4%	167.0%
Some Other Race	82,497	13.1%	142,710	15.7%	183,040	16.9%	121.9%
Hispanic	167,890	26.6%	310,425	34.2%	458,758	42.4%	173.2%
Population Age 18-64							
	<u>Total</u>	<u>Percent</u>	<u>Total</u>	<u>Percent</u>	<u>Total</u>	<u>Percent</u>	<u>Change</u>
Total	2,205,335		3,095,846		3,881,172		76.0%
White, Non-Hispanic	1,599,776	72.5%	2,016,322	65.1%	2,288,050	59.0%	43.0%
African American	65,723	3.0%	98,205	3.2%	165,388	4.3%	151.6%
American Indian/Alaska Native	107,865	4.9%	141,399	4.6%	177,962	4.6%	65.0%
Asian	37,304	1.7%	65,181	2.1%	122,160	3.1%	227.5%
Some Other Race	189,278	8.6%	354,288	11.4%	456,548	11.8%	141.2%
Hispanic	387,688	17.6%	746,970	24.1%	1,094,782	28.2%	182.4%

Arizona Data, Continued

	1990		2000		2010		Change
	<u>Total</u>	<u>Percent</u>	<u>Total</u>	<u>Percent</u>	<u>Total</u>	<u>Percent</u>	
Population Age 65+							
Total	478,774		667,839		881,831		84.2%
White, Non-Hispanic	396,175	82.7%	579,262	86.7%	729,845	82.8%	84.2%
African American	6,852	1.4%	9,721	1.5%	17,322	2.0%	152.8%
American Indian/Alaska Native	10,164	2.1%	13,884	2.1%	20,012	2.3%	96.9%
Asian	2,421	0.5%	5,963	0.9%	13,993	1.6%	478.0%
Some Other Race	12,323	2.6%	16,885	2.5%	26,792	3.0%	117.4%
Hispanic	35,276	7.4%	55,504	8.3%	96,421	10.9%	173.3%
Total Population All Ages	3,665,228		5,130,632		6,392,017		74.4%
Households	<u>Total</u>		<u>Total</u>		<u>Total</u>		<u>Change</u>
Total Households	1,368,843		1,901,327		2,380,990		73.9%
Families With Children Age 0-5	<u>Total</u>	<u>Percent</u>	<u>Total</u>	<u>Percent</u>	<u>Total</u>	<u>Percent</u>	<u>Change</u>
Total	264,822		321,835		378,956		43.1%
Married Couple	204,514	77.2%	230,534	71.6%	248,939	65.7%	21.7%
Single Parent	60,308	22.8%	91,301	28.4%	130,017	34.3%	115.6%
Poverty Children Age 0-5	<u>Total</u>	<u>Percent</u>	<u>Total</u>	<u>Percent</u>	<u>Total</u>	<u>Percent</u>	<u>Change</u>
Total	342,685		448,446		539,917		57.6%
Less Than 100%	84,810	24.7%	94,187	21.0%	148,456	27.5%	75.0%
Less Than 200%	NA		214,241	47.8%	300,981	55.7%	

Source: United States Census Bureau, 1990 Census, 2000 Census, 2010 Census and 2010 American Community Survey

Table Two: United States Population by Age 1990 -- 2010

	1990		2000		2010		<u>Change</u>
	<u>Total</u>	<u>Percent</u>	<u>Total</u>	<u>Percent</u>	<u>Total</u>	<u>Percent</u>	
Population Age 0-5							
Total	22,043,976		23,140,901		24,258,220		10.0%
White, Non-Hispanic	15,031,962	68.2%	13,538,953	58.5%	12,374,681	51.0%	-17.7%
African American	3,331,457	15.1%	3,407,385	14.7%	3,470,811	14.3%	4.2%
American Indian/Alaska Native	242,607	1.1%	257,331	1.1%	294,048	1.2%	21.2%
Asian	711,633	3.2%	806,509	3.5%	1,087,177	4.5%	52.8%
Some Other Race	1,340,577	6.1%	1,973,746	8.5%	2,285,097	9.4%	70.5%
Hispanic	2,844,613	12.9%	4,450,487	19.2%	6,101,445	25.2%	114.5%
Population Age 6-17							
Total	41,560,456		49,152,911		49,923,247		20.1%
White, Non-Hispanic	28,775,349	69.2%	30,488,134	62.0%	27,341,881	54.8%	-5.0%
African American	6,252,958	15.0%	7,478,311	15.2%	7,370,505	14.8%	17.9%
American Indian/Alaska Native	454,360	1.1%	582,981	1.2%	594,324	1.2%	30.8%
Asian	1,371,754	3.3%	1,658,490	3.4%	2,164,459	4.3%	57.8%
Some Other Race	2,270,857	5.5%	3,546,705	7.2%	4,170,697	8.4%	83.7%
Hispanic	4,912,887	11.8%	7,891,772	16.1%	11,029,446	22.1%	124.5%
Population Age 18-64							
Total	153,863,610		174,136,341		194,296,087		26.3%
White, Non-Hispanic	117,270,166	76.2%	121,280,827	69.6%	124,891,559	64.3%	6.5%
African American	17,893,094	11.6%	20,949,544	12.0%	24,649,606	12.7%	37.8%
American Indian/Alaska Native	1,147,814	0.7%	1,497,205	0.9%	1,836,816	0.9%	60.0%
Asian	4,735,817	3.1%	6,977,204	4.0%	10,035,990	5.2%	111.9%
Some Other Race	5,881,017	3.8%	9,379,618	5.4%	11,985,580	6.2%	103.8%
Hispanic	13,435,276	8.7%	21,229,968	12.2%	30,565,079	15.7%	127.5%

United States Data, Continued

	1990		2000		2010		Change
	<u>Total</u>	<u>Percent</u>	<u>Total</u>	<u>Percent</u>	<u>Total</u>	<u>Percent</u>	
Population Age 65+							
Total	31,241,831		34,991,753		40,267,984		28.9%
White, Non-Hispanic	27,050,819	86.6%	29,244,860	83.6%	32,209,431	80.0%	19.1%
African American	2,508,551	8.0%	2,822,950	8.1%	3,438,397	8.5%	37.1%
American Indian/Alaska Native	114,453	0.4%	138,439	0.4%	207,060	0.5%	80.9%
Asian	454,458	1.5%	800,795	2.3%	1,386,626	3.4%	205.1%
Some Other Race	312,396	1.0%	459,004	1.3%	665,994	1.7%	113.2%
Hispanic	1,161,283	3.7%	1,733,591	5.0%	2,781,624	6.9%	139.5%
Total Population	248,709,873		281,421,906		308,745,538		24.1%
Households	<u>Total</u>		<u>Total</u>		<u>Total</u>		<u>Change</u>
Total Households	91,947,410		105,480,101		116,716,292		26.9%
Families With Children Age 0-5	<u>Total</u>	<u>Percent</u>	<u>Total</u>	<u>Percent</u>	<u>Total</u>	<u>Percent</u>	<u>Change</u>
Total	14,288,277		16,791,175		17,368,661		21.6%
Married Couple	11,367,512	79.6%	12,143,938	72.3%	11,677,830	67.2%	2.7%
Single Parent	2,920,765	20.4%	4,647,237	27.7%	5,690,831	32.8%	94.8%
Poverty Children Age 0-5	<u>Total</u>	<u>Percent</u>	<u>Total</u>	<u>Percent</u>	<u>Total</u>	<u>Percent</u>	<u>Change</u>
Total	21,604,123		22,636,650		23,847,592		10.4%
Less Than 100%	4,331,825	20.1%	4,101,689	18.1%	5,908,929	24.8%	36.4%
Less Than 200%	NA		9,227,599	40.8%	11,447,740	48.0%	

Source: United States Census Bureau, 1990 Census, 2000 Census, 2010 Census and 2010 American Community Survey

Table Three: Arizona Poverty Rates by Age

	2010				
	<u>Age 0-5</u>	<u>Age 6-17</u>	<u>Age 18-64</u>	<u>Age 65+</u>	<u>Total</u>
Less Than 100% Poverty	148,456	243,773	634,411	67,609	1,094,249
%	27.5%	22.9%	16.7%	7.7%	17.4%
100-199% Poverty	152,525	282,893	727,740	181,221	1,344,379
%	28.2%	26.5%	19.2%	20.7%	21.4%
200-299% Poverty	89,448	197,249	640,687	175,256	1,102,640
%	16.6%	18.5%	16.9%	20.0%	17.6%
300-399% Poverty	59,619	122,182	502,824	136,539	821,164
%	11.0%	11.5%	13.3%	15.6%	13.1%
400+% Poverty	89,869	220,094	1,285,356	314,935	1,910,254
%	16.6%	20.6%	33.9%	36.0%	30.5%
Total	539,917	1,066,191	3,791,018	875,560	6,272,686

Source: United States Census Bureau, 2010 American Community Survey

Table Four: United States Poverty Rates by Age

	2010				
	<u>Age 0-5</u>	<u>Age 6-17</u>	<u>Age 18-64</u>	<u>Age 65+</u>	<u>Total</u>
Less Than 100% Poverty	5,908,929	9,840,200	26,929,254	3,537,573	46,215,956
%	24.8%	20.0%	14.2%	9.0%	15.3%
100-199% Poverty	5,538,811	10,878,337	32,263,413	8,829,193	57,509,754
%	23.2%	22.1%	17.0%	22.6%	19.1%
200-299% Poverty	3,943,004	8,627,351	30,406,370	7,666,623	50,643,348
%	16.5%	17.5%	16.1%	19.6%	16.8%
300-399% Poverty	2,809,166	6,414,160	26,221,187	5,668,745	41,113,258
%	11.8%	13.0%	13.8%	14.5%	13.6%
400+% Poverty	5,647,682	13,416,937	73,558,579	13,429,507	106,052,705
%	23.7%	27.3%	38.8%	34.3%	35.2%
Total	23,847,592	49,176,985	189,378,803	39,131,641	301,535,021

Source: United States Census Bureau, 2010 American Community Survey

Table Five: Arizona High-Poverty Census Tracts and Rest of Arizona

	<u>High-Poverty Census Tracts</u>	<u>State of Arizona</u>	<u>Rest of Arizona</u>
Population Age 25 and Over Less Than High School Diploma Percent	393,715 146,009 37.1%	4,017,638 604,363 15.0%	3,623,923 458,354 12.6%
Post-Graduate Degrees Percent	12,253 3.1%	385,058 9.6%	372,805 12.4%
Population Age 16-19 Not Employed/In School Percent	50,547 10,750 21.3%	362,973 38,930 10.7%	312,426 28,180 9.0%
Households Earnings From Employment Percent	223,723 165,217 73.8%	2,326,468 1,744,697 75.0%	2,102,745 1,579,480 75.1%
Earnings From Interest, Dividends or Rent Percent	15,882 7.1%	526,441 22.6%	510,559 24.3%
Receiving Public Assistance Percent	12,852 5.7%	51,253 2.2%	38,401 1.8%
Families With Children Single Parent Families Percent	97,510 49,544 50.8%	770,288 268,143 34.8%	672,778 218,599 32.5%
Below Poverty Percent	42,869 44.0%	132,852 17.2%	89,983 13.4%
Population Age 3-5 Enrolled in Preschool Percent	43,058 9,329 21.7%	276,559 82,069 29.7%	233,501 72,740 31.2%
Housing Units Owner Occupied Percent	223,723 105,762 47.3%	2,326,468 1,568,513 67.4%	2,102,745 1,462,751 69.6%

Source: United States Census Bureau, 2010 American Community Survey

Table Six: Arizona First Time Births by Mother's Age and Race/Ethnicity -- 2010

	Mother's Age				Total	% All Births	% Under 20	% Over 25
	Under 20	20-24	25-30	Over 30				
All Births	7515	10317	7713	6640	32185	100.0%	23.3%	44.6%
White, Non-Hispanic	2025	4593	4710	4333	15661	48.7%	12.9%	57.7%
Hispanic/Latino	4181	4056	1913	1213	11363	35.3%	36.8%	27.5%
Black/African American	446	594	322	246	1608	5.0%	27.7%	35.3%
American Indian/Native Al	748	762	237	154	1901	5.9%	39.3%	20.6%
Asian/Pacific Islander	91	269	495	611	1466	4.6%	6.2%	75.4%

ADDENDUM
Eligibility and Cost-Sharing under Arizona’s Early Intervention Program
(AzEIP):
A Comparison with other States on Select Features

Under Part C of the Individuals with Disabilities Education Act (IDEA), all states receive federal funding to provide early intervention services for infants and toddlers (0 to 2) to address developmental issues and concerns.

Established by Congress in 1986, Part C (then Part H) was designed to meet “an urgent and substantial need” to:

- Enhance the development of infants and toddlers with disabilities;
- Reduce educational costs by minimizing the need for special education through early intervention;
- Minimize the likelihood of institutionalization, and maximize independent living; and
- Enhance the capacity of families to meet their child’s needs.

States are charged with defining what constitutes a developmental disability or delay. States also can choose to provide Part C services to children “at risk” of experiencing a developmental delay, thereby broadening the eligibility for receiving services. Federal funding is based upon a funding formula, but federal law requires that any child who meets the state definition of eligibility for Part C must be served, e.g. states must develop their Part C programs as entitlements. There also is a Child Find component of Part C designed to identify children who are eligible for the program, and there are additional requirements for states regarding children in state child protective services systems (with a confirmed case of child abuse or in foster care).

While Part C is a system designed to serve developmental delays and not mental health conditions, substantial co-occurrence means that Part C programs often serve children with mental health conditions, including children with autism spectral disorders who meet the state standards for developmental delays. As understanding of autism spectral disorder and its prevalence in society has increased and the ability now exists to screen and diagnose a disorder as early as eighteen to twenty-four months of age, the role of Part C in addressing children with autism spectral disorder has taken on increased attention.

Federal law and regulations specify the minimum components of a comprehensive statewide early intervention system but provide states discretion in setting the criteria for child eligibility and determining the degree to which families pay a share of the cost of Part C services. Services most often provided under Part C programs include vision, hearing, speech and language services, nutritional services, social work services, occupational therapy, and physical therapy. Services are primarily provided in the family’s home and involve guidance to parents as well as direct services to the child.

While federal funding under Part C can be used to provide an array of services as well as initial evaluation and assessment of children, Part C is not the only source of state, federal, or private sector funding which can be employed to serve children who meet the eligibility criteria for Part C. Other state programs often exist to serve children, often in institutional settings, with profound mental disabilities or with major visual and hearing impairments. Medicaid and private insurance often are sources for covering the costs of both assessments and treatment regimens for children with disabilities. Children meeting a state definition of Part C eligibility may be served under home visiting programs and other services which support parents in meeting their child's developmental needs, without referral to Part C. While Part C represents an entitlement to services, parents or legal guardians make the determination of whether or not their children participate.

In effect, there are fifty state Part C programs, each of which has developed since 1986 and adopted different provisions and strategies.

In particular, states have varied significantly in their Part C programs in:

- Defining what constitutes a developmental disability or delay which will qualify for Part C;
- Determining any level of parent fees that will be assessed for services that are provided; and
- Drawing down both public (especially Medicaid) and private (especially employer-sponsored health coverage) funding to pay for care.

This report examines Arizona's Part C program in comparison with other states on its definition of developmental disability, its assessment of parent fees, and its overall Part C participation rate.

Definition of Developmental Disability

Different states use different measures for eligibility for Part C services. Most states use a percentage delay (developmental age divided by age in months) as a qualification for Part C services, and some of these states provide a different percentage when two or more areas of delay are detected (e.g. a 40 percent delay on one area or a 25 percent delay on two or more areas). Some states use a developmental index based upon standard deviations from the norm (e.g. 1.5 standard deviation from the norm), and some states use both. While the two are not equivalent measures, a 2.0 standard deviation often represents a 30 percent developmental delay. Children scoring 2 standard deviations below the mean represent about two percent of all children, while children scoring 1 standard deviation below the mean represent about 16 percent of all children.

Hawaii, Illinois, Massachusetts, New Hampshire, New Mexico, and West Virginia are the only states which include an "at risk" designation for eligibility for Part C.

Arizona currently requires a 50 percent delay in at least one area to qualify for Part C services and does not have a lower level for children with more than one delay. Alaska, the District of Columbia, and Missouri are the only other states with a 50 percent delay in one area as their qualifications (Alaska has an additional provision for atypical development determined by a multi-disciplinary team). Montana, Nevada, North Dakota, and Oklahoma require a 50 percent delay in one area but also include children

with a 25 percent delay in two or more areas (and Oklahoma also uses standard deviations of 2 and 1.5, respectively, as qualifications). The majority of states (31, and 32 if California is included related to children birth to two) have eligibility that is either a 33 percent delay or a 1.5 standard deviation or less for eligibility in one area, and many of these have a lower level for two or more areas.

In terms of its definition for eligibility, Arizona’s 50 percent delay requirement places Arizona as one of the three states (and the District of Columbia) with the most restrictive standards. (See table in appendix for individual state eligibilities).

Parent Fee Participation

While other special education services (Part B preschool and special education services in the K-12 system) must be provided without charge to parents, as part of a “free public education,” Part C does allow states to charge fees for some Part C services, although not for evaluations and assessments. Many Part C programs also pursue private insurance to pay for services provided through Part C, as well as securing Medicaid financing.

The Early Childhood Technical Assistance Center (ECTAC) maintains a listing of states that require parent fee participation. Currently, there are fourteen states on the list, however the list is not up-to-date, as Massachusetts is included on this list (they dropped their family participation fee in March of 2013) and Arizona is absent from the list. A survey conducted by the Institute of Education Sciences (IES) identified 17 states that reported requiring a parent fee, but this 2009 IES report is also out-of-date. In an attempt to create a more current list, this report identified 15 states with family cost participation policies. States that charge parent fees generally use the federal poverty level as the basis, with some charging monthly fees and others providing fees on the basis of services used.

Arizona’s family cost participation schedule is based upon parents paying a percentage of the costs for Part C services used, based upon family size and income level. The cost participation schedule starts with parents paying 5 percent of the service costs when their income goes above 200 percent of the federal poverty level and, on a sliding fee basis, reaching 100 percent of the costs before the family’s income reaches 700 percent of poverty. Based upon 2012 poverty level data, the parent contribution to the costs of services for Arizona is shown below:

ARIZONA FAMILY COST PARTICIPATION SCHEDULE 2012					
	Poverty Level for Family				
	200%	300%	400%	600%	700%
Annual Income	\$46100	\$69150	\$92200	\$138400	\$161350
Monthly Income	\$3,842	\$5,763	\$7683	\$11,533	\$13,466
Percent of Service Costs	0 %	30 %	50 %	85 %	100 %

Children participating in Part C services often have multiple visits per month at costs generally ranging from \$25 to \$80 per hourly visit. If a child has weekly hourly visits, this can translate to \$100 to \$320 per month. With a 30 percent co-payment, the family will incur \$30 to \$80 in monthly costs, and some families will have even greater costs, particularly if they have more frequent visits for therapy or they have two children receiving services at the same time (sometimes the case with twins).

The majority of other states with family co-payments do so by providing for a monthly payment, based upon family income. Like Arizona, most start their sliding fee schedules at around 200 percent of poverty (Texas starts at 100 percent of poverty and California starts at 400 percent of poverty). There is a wide variety in the payment schedules across states, but monthly payments do provide for lower contribution liabilities for families whose children require regular, at least weekly, services.

Participation Rates

States report information to the federal government on 619 forms about the number of children participating in Part C by child age, gender, locus of service, and other factors – with all states reporting on the number of children served in October (Fall) each year. Most states also report on the number of children served throughout the year, which is generally a higher figure.

When compared with other states on October participation levels, Arizona ranks toward the bottom among states in participation rates (at 1.84 percent, Arizona ranks 47th among the 52 rankings, 50 states plus the District of Columbia and Puerto Rico). Overall, 8 states have participation rates below 2 percent of all children; 14 states have participation rates between 2 and 2.5 percent; 8 states have participation rates between 2.5 and 3 percent; 13 states have participation rates between 3 and 4 percent; and 9 states have participation rates above 4 percent, with Massachusetts by far the highest at 6.70 percent. The 50 state, D.C. and Puerto Rico average is 2.79 percent, 51.5 percent higher than Arizona. Twelve states have participation rates more than twice that of Arizona.

While both eligibility definitions and family cost participation requirements may affect the actual levels of participation, they certainly do not account for all the differences in state participation. Six of the seven states which require a developmental delay of 50 percent fall among the bottom 18 states in levels of participation, but North Dakota ranks 16th among states. Further, four of the bottom 18 states require only a 25 percent delay. While there is a correlation between eligibility criteria and participation levels, eligibility likely does not explain most of the variation in participation across states.

States that include family cost participation occur across the range of participation levels, with 9 states that have family participation costs below the national average and 5 states above the national average. Again, family cost participation alone likely contributes only a small amount to the variance in the participation levels across states.

Discussion

Overall, compared with other states, Arizona's AZEIP program has among the most restrictive definitions of service eligibility, particularly high family cost participation requirements for children who receive

frequent (weekly or more services), and low overall participation rates. At the same time, Arizona's young child population is likely to have higher needs for Part C services, as needs generally are greater for children in families with lower incomes and socio-economic status.

Clearly, the eligibility definitions and family cost participation requirements are not the sole reasons for the low participation rates, but each can serve as a barrier to securing needed services.

With respect to eligibility, Arizona could give consideration to lowering the developmental delay on any one area and creating a lower threshold for consideration of two or more areas of developmental delay. Going to 40 percent and 25 percent (or to 2.0 and 1.5 standard deviations) would be one way to bring Arizona closer into alignment with other states.

With respect to family cost participation, Arizona could give consideration to setting a maximum amount per month (based upon income) that families at different poverty levels were required to contribute, or switch to a monthly payment system instead of a service-by-service payment system. In either case, not imposing co-payments or premiums for families under 200 percent of poverty makes sense, and Arizona's phase-out schedule also appears appropriate, if there is to be family cost participation.

Special Emphasis within Part C Upon Children in the Child Protective Service System

In 2003, Congress's reauthorized the Child Abuse Prevention and Treatment Act (CAPTA) within the Keeping Children and Families Safe Act (P.L. 108-36). One of the provisions within CAPTA required states to develop "provisions and procedures for referral of a child under age 3 who is involved in a substantiated case of child abuse or neglect to early intervention services funded under Part C of IDEA. The 2004 reauthorization of the IDEA contains language parallel to CAPTA.

The 2004 reauthorization of IDEA also detailed specific requirements for State Part C early intervention programs. Among these Part C application requirements are the following:

- Each lead agency must implement a comprehensive child find system to identify, locate, and evaluate children needing early intervention services—*particularly young children in foster care*.
- When a child is identified as being potentially eligible for Part C, a formal referral must be made to Part C within 2 working days of identification.
- EIPs must ensure timely, comprehensive, multidisciplinary evaluations to determine initial and continuing eligibility.
- For those children determined eligible, an Individual Family Services Plan (IFSP) must be developed within 45 days of referral.
- EIPs must ensure that "appropriate early intervention services are available to all infants and toddlers with disabilities in the State and their families, including: infants and toddlers who are wards of the state" (§ 634).

The 2004 IDEA also requires the establishment of a State Interagency Coordinating Council that includes representatives from the State child welfare agency responsible for foster care.

In Arizona, a little less than 1 percent of all children from birth to six are placed into foster care, but this population is among the most likely to require Part C services.

State Definitions of/Criteria for IDEA Part C Eligibility				
State	% of Developmental Delay		Standard Deviation	
	1 or More Areas of Development	2 or More Areas of Development	1 or More Areas of Development	2 or More Areas of Development
Alabama	25%			
Alaska¹²	50%			
Arizona	50%			
Arkansas	25%			
California	<24 mo = 33%, >24 mo = 50%	33%		
Colorado¹³	25%		1.5 SD	
Connecticut			2.0 SD	1.5 SD
Delaware¹⁴	25%		1.75 SD	
District of Columbia	50%			
Florida			2.0 SD	1.5 SD
Georgia			2.0 SD	1.5 SD
Hawaii¹⁵				
Idaho¹⁶	30%			
Illinois	30%			
Indiana	25%	20%	2.0 SD	1.5 SD
Iowa	25%			
Kansas	25%	20%	1.5 SD	1.0 SD
Kentucky			2.0 SD	1.5 SD
Louisiana				1.5 SD
Maine			2.0 SD	1.5 SD
Maryland¹⁷	25%			
Massachusetts	30%		1.5 SD	
Michigan¹⁸	20% (ages 2-36 mo)		1.0 SD (ages 2-36 mo)	

¹² Or atypical development determined by the multi-disciplinary team likely to result in a severe developmental delay

¹³ Or 1.5 standard deviations or more below the mean in one or more areas of development

¹⁴ For communication delays only, children with expressive language delays only, or children with 25-30% delay in both receptive and expressive language are not eligible, except based on clinical judgment by the multidisciplinary team which utilizes qualitative and quantitative information by a process that is clearly documented in the multidisciplinary team report

¹⁵ "The rigorous definition of eligibility is based on the philosophical belief that neither a percentage of delay, nor level of standard deviation should be an absolute or sole requirement to establish eligibility. It is the belief of the council that a multidisciplinary team consisting of qualified professionals and the family can determine whether the development of any referred infant or toddler is outside the range of "normal" or "typical" for a same-aged peer, adversely affects the child's development, and can benefit from early intervention services."

¹⁶ Or 6 months behind other children the same age in one area

¹⁷ Or atypical development or behavior in one or more developmental areas that interferes with current development and is likely to result in subsequent delay (even when diagnostic instruments do not document a 25% delay)

¹⁸ Infants under two months of age are eligible with any delay. MI adjusts age for prematurity through chronological age of 24 months.

Minnesota			1.5 SD	
Mississippi	25%		1.5 SD	
Missouri ¹⁹	50%			
Montana	50%	25%		
Nebraska			2.0 SD	1.3 SD
Nevada	50%	25%		
New Hampshire ²⁰	33%			
New Jersey ²¹	33%	25%	2.0 SD	1.5 SD
New Mexico ²²	25%			
New York ²³	33%	25%	2.0 SD	1.5 SD
North Carolina	30%	25%	2.0 SD	1.5 SD
North Dakota	50%	25%		
Ohio ²⁴			1.5 SD	
Oklahoma	50%	25%	2.0 SD	1.5 SD
Oregon			2.0 SD	1.5 SD
Pennsylvania	25%		1.5 SD	
Rhode Island ²⁵	33%	25%	2.0 SD	1.5 SD
South Carolina	40%	25%		
South Dakota ²⁶			1.5 SD	
Tennessee	40%	25%		
Texas	25%			
Utah ²⁷			1.5 SD	
Vermont ²⁸				
Virginia ²⁹	25%			
Washington ³⁰	25%		1.5 SD	

¹⁹ In the case of infants born prematurely, the adjusted chronological age (which is calculated by deducting one-half of the prematurity from the child’s chronological age) should be assigned for a period of up to 12 months, or longer if recommended by the child’s physician

²⁰ Or atypical behavior as documented by the family and qualified personnel

²¹ An adjustment for age of prematurity must be applied as follows: (1) no adjustment for infants born at or after 38 weeks gestation, (b) adjustments prior to 38 weeks gestation are based on 40 weeks term, and (c) adjustments end at 24 months of age. **Proposed:** 1.5 SD in each of 2 developmental areas or 2.0 SD below in one developmental area

²² NM adjusts for prematurity in calculating a child’s chronological age. The following is currently (6/12) out for public comment: The adjusted age for children born prematurely (i.e. born less than 37 weeks gestation is calculated by subtracting the number of weeks the child was born before 40 weeks of gestation from their chronological age. Adjusted Age (Corrected Age) should be used until the child is 24 months of age.

²³ Or 12 month delay in one or more functional areas

²⁴ An annual re-determination of eligibility requirement may be added

<http://www.ohiohelpmegrow.org/~media/HelpMeGrow/ASSETS/Files/news%20on%20landing/HMG%20Rules%20Filed%205-3-2012.ashx>

²⁵ 1.5 SD below the mean in 2 “sub-domains” (e.g. gross motor and fine motor or receptive language and expressive language), and evaluation/assessment team uses informed clinical opinion to determine that the delays are significantly impacting the child’s functioning or Multiple established conditions (MEC)—as a guideline, 1 child characteristic and 3 additional characteristics would qualify a child for services. In the developmental assessment of premature babies, the child’s corrected age should be used until the child reaches a chronological age of 30 months.

²⁶ Or child born at 28 weeks gestation or less

²⁷ Or at/or below the 7th percentile in one developmental area

²⁸ “A developmental delay is clearly observable and measurable delay in one or more of the developmental areas, and the delayed development shall be at the level that the child’s future success in home, school, or community cannot be assured without the provision of early intervention services.”

²⁹ Or atypical development. VA adjusts for prematurity (gestation <37 weeks) to determine developmental status. Chronological age is used once the child is 18 months old.

West Virginia ³¹	40%	25%		
Wisconsin ³²	25%		1.3 SD	
Wyoming	25%		1.5 SD	

Family Cost Participation Structures by State

Different Family Cost Participation Structures under Part C – 15 States

- This report provides information on family cost participation structures for 15 states with family cost participation.
- All states have a schedule based upon income, with states starting to require participation from as low as 100% of poverty to as high as 400% of poverty.
- 11 states assess monthly contributions, and 4 states assess contributions based upon a percentage of service costs.
- There is wide variation in the actual family cost participation by state, as shown in the differences in those costs for families at 300% of poverty.

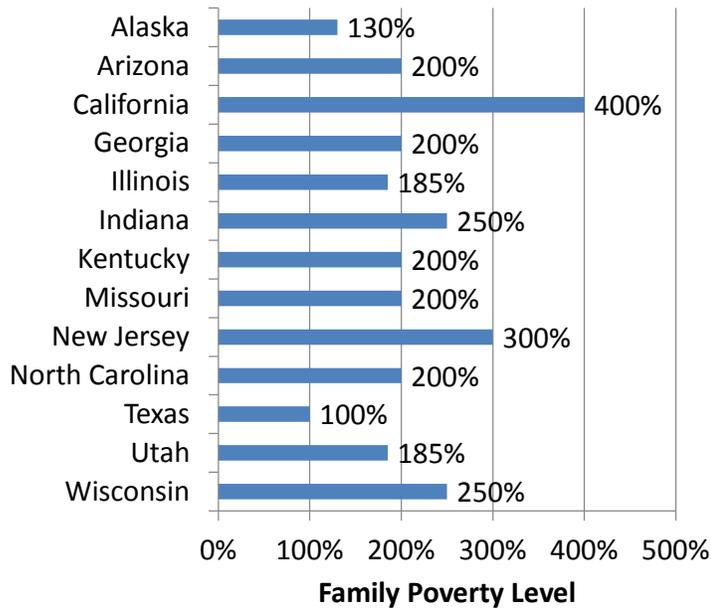
Ringwalt, S. (Comp.). (2012, June). Summary table of states' and territories' definitions of/criteria for IDEA Part C eligibility.

³⁰ In the case of hearing and vision, the criteria listed within hearing impairment and vision impairment applies

³¹ Or substantially atypical development in two or more developmental areas, even when evaluation does not document a 25% delay. Or five or more risk categories, that when present in combination, are likely to result in substantial developmental delay if early intervention services are not provided, as defined in policy. WV adjusts for prematurity up to age 24 months.

³² Or atypical development

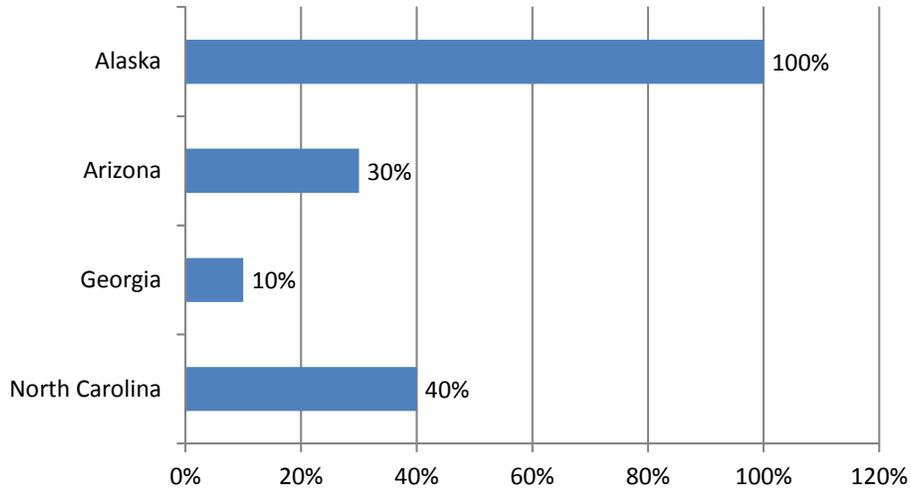
Income Level Trigger for Family Cost Participation (FCP)



•**Connecticut** requires families with incomes over \$45,000 to make monthly Family Cost Participation payments.

•In **Virginia**, families with incomes over \$55,000 are required to make monthly Family Cost Participation payments.

Expected Percent of Service Contribution for Family of Three
with Income at 300% FPL (\$57,270)



Expected Monthly Contribution for Family of Three with Income
at 300% FPL (\$57,270)



Note: These eleven states require a monthly family contribution, based upon family income. Four states require a percentage of service cost family contributions, also based upon family income. These four states are shown on the next page.

*With consent to bill health insurance or child has no health insurance (without consent to bill health insurance, expected monthly contribution is \$64)

State	Family Cost Participation (FCP) Policy Description	FCP Begins at a Family Income of...	A family of 3, with a household income of 300% FPL would be expected to contribute...
AK	Families with incomes greater than 130% of FPL are required to pay a certain percentage of the cost of services. Contributions range from 10% for families with incomes at 130% FPL to 100% for families with incomes greater than, or equal to 250% FPL	130% FPL	100% of fees
AZ	Families with incomes greater than 200% of FPL are required to pay a certain percentage of the cost of services. Contributions range from 15% for families with incomes at 200% FPL to 100% for families with incomes greater than, or equal to 676% FPL	200% FPL	30% of fees
CA	Families with incomes greater than 400% of FPL are required to pay a certain percentage of the cost of services. Contributions range from 10% for families with incomes at 400% FPL to 100% for families with incomes greater than, or equal to 1000% FPL	400% FPL	\$0.00
CT	Families with incomes greater than \$45,000 that are uninsured or have insurance and agree to have their insurance billed for services, are required to pay a monthly fee. Monthly fees (for a family of 2-3) range from \$24, for families with incomes from \$45-55,000 to \$272 for families with incomes greater than \$175,001. Fees for families with incomes greater than \$45,000 that have insurance but do not agree to have their insurance billed, are charged rates two times higher than families who are uninsured/agree to bill their insurance (e.g. monthly rates for a family of 2-3 range from \$48-544).	> \$45,000	\$32.00* per month

* An insured family of three, with a household income of 300% FPL, who did NOT agree to have their insurance billed would be expected to pay a monthly contribution of \$64.00

State	Family Cost Participation (FCP) Policy Description	FCP Begins at a Family Income of...	A family of 3, with a household income of 300% FPL would be expected to contribute...
GA	Families with incomes greater than 200% of FPL are required to pay a certain percentage of the cost of services. Contributions range from 5% for families with incomes at 200% FPL to 100% for families with incomes greater than 1200% FPL	200% FPL	10% of fees
IL	Families with incomes greater than 185% FPL are required to pay a monthly fee. Monthly fees range from \$10, for families with incomes between 185-250% FPL to \$200 for families with incomes greater than 600% FPL.	185% FPL	\$30.00 per month
IN	Families with incomes greater than 250% FPL are required to pay a monthly fee. Maximum monthly fees range from \$48, for families with incomes between 251-350% FPL to \$1600 for families with incomes greater than 851% FPL	250% FPL	\$48.00 per month
KY	Families with incomes greater than 200% FPL are required to pay a monthly fee. Monthly fees range from \$20, for families with incomes between 200-299% FPL to \$100 for families with incomes greater than 600% FPL.	200% FPL	\$30.00 per month
MO	Families with incomes greater than 200% FPL are required to pay a monthly fee. Monthly fees range from \$5, for families with incomes between 200-237% FPL to \$100 for families with incomes greater than 800% FPL.	200% FPL	\$13.32 per month
NJ	Families with incomes greater than 300% FPL are required to pay a monthly fee. Maximum monthly fees range from \$152, for families with incomes at 300% FPL, to \$546 for families with incomes at 1000% FPL.	300% FPL	\$0.00

State	Family Cost Participation (FCP) Policy Description	FCP Begins at a Family Income of...	A family of 3, with a household income of 300% FPL would be expected to contribute...
NC	Families with incomes greater than 200% of FPL are required to pay a certain percentage of the cost of services. Contributions range from 20% for families with incomes between 201-250% FPL to 100% for families with incomes greater than 400% FPL	200% FPL	40% of fees
TX	Families with incomes greater than 100% FPL are required to pay a monthly fee. Monthly fees range from \$3, for families with incomes between 100-150% FPL to \$175 for families with incomes greater than 750% FPL.	100% FPL	\$20.00 per month
UT	Families with incomes greater than 185% FPL are required to pay a monthly fee. Monthly fees range from \$10, for families with incomes between 185-199% FPL to \$100 for families with incomes greater than 700% FPL.	185% FPL	\$40.00 per month
VA	Families with incomes greater than \$55,000 are required to pay a monthly fee. Monthly fees (for a family of 3 or fewer) range from \$66 for families with incomes from \$55-65,000 to \$2,430 for families with incomes greater than \$365,001.	> \$55,000	\$66.00 per month
WI	Families with incomes greater than 250% FPL are required to pay a monthly fee. Monthly fees range from \$25, for families with incomes between 250-300% FPL to \$150 for families with incomes greater than 700% FPL.	250% FPL	\$25.00 per month

SIDEBAR WITHIN DISCUSSION: ILLUSTRATION OF POTENTIAL FAMILY COST SHARING UNDER

ARIZONA AZEIP PROGRAM

NOTE: This is a hypothetical case of a family receiving AZEIP services. It shows that, while the family cost-sharing portion of costs for individual services may be only a fraction of the actual costs of providing them, these costs can add up quickly over the course of a month.

John and JoAnn Taylor have a two-year old son, Ian, who has hearing difficulties and has been slow to develop his speech. He also has additional learning disabilities due to AD/HD that require counseling and treatment. John and JoAnn have enrolled Ian in AZEIP and he currently participates in twice a week speech therapy sessions and once a week parent-child counseling sessions for his learning disabilities. John and JoAnn both work and have a household income of \$58,000, annually. At a little over 300 percent of the poverty level, their requirement for family cost participation under AZEIP is 30 percent of the costs for these services. At an average cost of \$70 per session, the total monthly costs for AZEIP are \$840 for the twelve sessions Ian has in most months, which means the Taylor's share is \$250 per month. John and JoAnn have health insurance coverage through their employers, but that coverage does not pay for any of these services. The Taylors already pay \$350 per month for their family coverage (their employers cover the rest), as well as some co-payments and deductibles. Together, the AZEIP and health insurance coverage costs represent over 12 percent of the Taylor's overall income. In addition, of course, John and JoAnn have child care expenses for Taylor while they work, and they do not qualify for any other public services, such as food stamps, health insurance, or child care assistance.

State	Program Name	Family Cost Participation Policy
Alaska	Infant Learning Program	http://ectacenter.org/topics/finance/familyfees.asp
Arizona	Early Intervention Program	https://www.azdes.gov/AzEIP/Family-Cost-Participation/
California	Early Start	http://www.dds.ca.gov/FCPP/Index.cfm
Connecticut	Birth to Three	http://www.birth23.org/families/fcp/
Georgia	Babies Can't Wait	http://health.state.ga.us/programs/bcw/index.asp
Illinois	Early Intervention	http://www.eiclearinghouse.org/documents/cfc-forms/addl-docs/Family-Participation-Factsheet.pdf
Indiana	First Steps	http://www.in.gov/fssa/files/FS_CP_Sliding_Fee_Schedule.pdf
Kentucky	First Steps	http://chfs.ky.gov/dph/firstSteps/Family+Share+and+Information+for+Families.htm
Missouri	First Steps	http://dese.mo.gov/se/fs/FCPmainpg.htm
New Jersey	Early Intervention System	http://nj.gov/health/fhs/eis/cost_participation.shtml
North Carolina	Infant-Toddler Program	http://www.beeearly.nc.gov/index.php/
Texas	ECI	http://www.dars.state.tx.us/ecis/FCSFeeScale.pdf
Utah	Baby Watch	http://www.utahbabywatch.org/docs/foreiproviders/forms/slidingfee_expanded.pdf
Virginia	Infant and Toddler Connection	http://www.infantva.org/documents/forms/3143eEI.pdf
Wisconsin	Birth to Three	http://www.dhs.wisconsin.gov/children/birthto3/family/payment.htm



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FIRST THINGS FIRST

Ready for School. Set for Life.

AGENDA ITEM: Public-Private Partnerships Plan

BACKGROUND: In October 2012, the FTF Board created the Public-Private Partnership sub-committee of the Board's Executive Committee, with the Board delegating to the Board Chair the authority to seat a committee comprised of Board and regional council members, and private sector partners to provide input and take appropriate action on:

1. A conceptual framework for establishing public-private partnerships;
2. Target goals, strategies, and tactics;
3. Standard(s) of practice for partnership development;
4. Exploration and possible development of a First Things First endowment.

In total, the sub-committee reviewed and discussed six approaches and agreed that five of the six provided an appropriate and potentially effective framework for the Plan.

RECOMMENDATION: The Interim CEO recommends the approval of the Plan – with the inclusion of an amendment to Goal 1 (A) on page 3:

“This goal will be satisfactorily achieved when over five (5) years ~~\$100~~ **\$25** million in Federal Grants is secured for the early childhood system.”



FIRST THINGS FIRST

Ready for School. Set for Life.

PUBLIC-PRIVATE PARTNERSHIPS PLAN

All Arizona's children are ready to succeed in school and in life.

I. INTRODUCTION AND BACKGROUND

A strategic approach to public-private partnerships and seeking and leveraging various types of funds is essential to building a sustainable high-impact early childhood system. From the development and passage of the First Things First initiative in 2006, there was recognition that tobacco tax revenues alone are insufficient to realize the vision that all Arizona's children are ready to succeed in school and in life. What is required to achieve this vision is the involvement and investment of public and private partners that collectively engage in building and investing in a quality early childhood system.

As First Things First develops in communities across Arizona and as a statewide organization, the timing is right to explore how First Things First can strategically leverage local, state, and national resources – public and private – to advance Arizona's early childhood system. As business leaders, nonprofit executives, public sector representatives, educators, health and other practitioners grow increasingly aware of the benefits of investments in early childhood, First Things First is well-positioned to expand these systems-building efforts.

In October 2012, the FTF Board addressed the need for a more intentional approach by accepting the “Report on Public Private Partnerships”¹ that FTF's Strategic Initiatives staff developed. The report outlined the rationale and readiness for moving forward with a plan to build public-private partnerships. Recommended actions in this report included:

- A. Convene a Public-Private Partnership Committee (Committee) of the Board's Executive Committee, with the Board delegating to the Board Chair the authority to seat a committee comprised of Board and regional council members, and private sector partners to provide input and take appropriate action on:
 - 1. A conceptual framework for establishing public-private partnerships;
 - 2. Target goals, strategies, and tactics;
 - 3. Standard(s) of practice for partnership development;
 - 4. Exploration and possible development of a First Things First endowment.

- B. Develop Public-Private Partnership FY2014-2016 Plan (Plan) to include:
 - 1. Finalized conceptual framework;
 - 2. Mechanism to track inventory of ongoing efforts.
 - 3. Target goals and objectives (for example, number of grants written and secured, number of foundation relationships developed, number of regional projects advanced);
 - 4. Methods to evaluate effectiveness;

¹ Report on Building Public Private Partnerships, <http://www.azftf.gov/PublicNoticeAttachmentCenter/10-01-2012%20BOARD%20Meeting-Attachment%2014-Public%20Private%20Partnership%20Report.pdf>

5. A description of the infrastructure needed, and plan to develop and implement needed infrastructure;
 6. A description of the technical assistance needed to develop statewide and regional capacity to build public-private partnerships, and to secure and manage external funding;
 7. Standard(s) of Practice
- C. Develop a regular update report for the Board on the cross-sector early learning opportunities and activities with private sector philanthropies in Arizona.
- D. Develop and disseminate interim guidance to regions to apply for and manage grants and partnerships.

The Board's Executive Committee, under the leadership of the Board Chair, provided oversight of the development of the public-private partnerships plan. Two of FTF's Strategic Priorities are assigned to the Board and relate to this topic: Building Public Awareness and Support and Early Childhood System Funding. (See Attachment 2, Conceptual Framework.) A subcommittee to provide consultation and plan development convened for the first time on January 4, 2013. The subcommittee included representatives from Arizona philanthropies, regional partnership council members, tribes and community members with expertise in partnership development (see attachment 1). The subcommittee was chaired by FTF Board member Nadine Mathis Basha.

As the subcommittee began its work, members first considered the rationale and need for First Things First to seek partnerships and investments in addition to tobacco-tax revenue. They considered federal, state and private revenue sources needed to achieve First Things First's nine strategic priorities and six early childhood outcomes. A proposed conceptual framework was created that identified possible approaches that, when implemented, increase and enhance current investments from public and private sources, leverage current FTF funds, advance FTF strategic priorities. A basic concept prevailed – how to leverage additional partnerships and funds using resources currently generated by FTF. (Attachment 2 depicts this conceptual framework).

The subcommittee provided excellent ideas, feedback, and counsel to the Plan's development and agreed on recommendations to advance to the Board. In total, Committee members reviewed and discussed the following six approaches and agreed that five of the six provided an appropriate and potentially effective framework. The subcommittee hopes this plan will strategically guide the expansion of new opportunities and resources for building Arizona's early childhood system.

II. FROM CONCEPTUAL FRAMEWORK TO GOALS, RESULTS AND STRATEGIES

The Public Private Partnerships subcommittee recommends the following plan and priorities for expanding public-private partnerships and generating various types of support. This section includes target goals, desired results, and strategies.

Federal Grant Funds

Goal 1: Leverage FTF resources to secure federal grants to build and sustain the early childhood system.

- A. *Desired Result:* This goal will be satisfactorily achieved when over five (5) years \$100 million in Federal Grants is secured for the early childhood system.

Strategies:

1. Identify, consider, and prioritize opportunities that are available through list serves, partner organizations, websites such as grants.gov, and/or third party professional services/vendors to identify opportunities.
2. Create an internal response system that can react and respond quickly to grant opportunities.
3. Devise an internal mechanism by which FTF may apply for a grant exclusively, apply in collaboration with other organizations, decide not to apply, or forward the information to another entity in the ECE system.
4. Devise a clearinghouse-type mechanism by which FTF can determine if staff, regional council members, or partners have a relationship with a prospective grantor.

- B. *Desired Result:* This goal will be satisfactorily achieved when five (5) sustainable partnerships with federal agencies are developed over five years.

Strategies:

1. Raise the profile of FTF with Federal agencies by attending federal program meetings, corresponding with grants managers and agency leadership, responding to calls for comment and feedback.
2. Partner with Arizona and other state's universities, community colleges, and state agencies for research and program grants.
3. Seek national grant opportunities that are outside of traditional early childhood sources (unlikely places), such as the National Endowment of the Arts.
4. Build relationships with the Department of Defense in support of early childhood, especially for family support programs.

Resources Needed for **Goal 1:**

- Assessment of skills and resources needed within FTF to prepare and successfully receive federal grants.
- Clear, articulate case for support for FTF relative to federal grants.
- Models from universities and university foundations to inform operational approaches.
- Templates for the most common elements of grant applications.

National Foundation Funding

Goal 2: Develop partnerships with national foundations to build and sustain the early childhood system.

- A. *Desired Result:* This goal will be satisfactorily met when 5 grants are secured over five (5) years from national foundations for Arizona's early childhood system.

Strategies:

1. Prepare a case statement to garner interest, create awareness, agree internally on the approach, and explain the rationale of FTF's mission and priorities. Clearly articulate how a foundation's resources will make a difference in ways FTF is not currently engaged and the impact FTF could achieve.
2. Prioritize opportunities and seek those that will be most impactful to the School Readiness Indicators.
3. Have a plan and be prepared to explain how FTF will sustain the foundation's financial investment.

- B. *Desired Result:* This goal will be satisfactorily achieved when ten (10) sustainable partnerships with national foundations are developed over five (5) years.

Strategies:

1. Raise the profile of FTF with national philanthropies by attending national meetings and conferences and engaging in formal and informal networking and conversations.
2. Advance and market the FTF brand to a national audience through FTF's research and policy briefs.
3. Utilize affinity networks (such as Grant Makers for Women and Children) of the Council on Foundations to make connections.
4. Present at national meetings and conferences to raise FTF's profile across the United States.
5. Offer assets developed by FTF that are or could be useful and valuable to foundations.
6. Partner with Arizona and other state's universities, community colleges, and state agencies for research and program grants.
7. Do prospect research to determine on which foundations to focus.

Resources Needed for **Goal 2:**

- Prospect researchers to identify current foundation priorities.
- Assessment of skill sets and resources needed within FTF to partner with or apply to grant-making foundations
- Contacts at Council of Foundations as a source of connections and potential partners.
- Protocols for who in the organization approaches national funders.
- Clear, articulate case for support for FTF relative to national philanthropies.

Tribes and Tribal Corporations

Goal 3: Strengthen relationships and foster long-term partnerships between tribes/tribal corporations and regional partnership councils to advance the early childhood system.

- A. *Desired Result:* This goal will be satisfactorily achieved when we create and agree upon a written set of culturally appropriate best-practice models for public-private partnerships with tribes and FTF that leverage a variety of partners.

Strategies:

1. Include public-private partnerships as a focus area for a future tribal consultation.

2. Convene an ongoing tribal public-private partnership discussion comprised of tribal leaders, Indian organizations and other experts in the field to explore partnerships and expand early childhood initiatives in tribal communities.
 3. Conduct research and explore other public-private partnership initiatives and plans that are tribal specific and/or include tribal initiatives to inform the public-private partnership tribal model discussion.
 4. Help tribes leverage their relationship with FTF to enhance partnerships with other entities, such as with state government departments and statewide education partners.
- B. *Desired Result:* This goal will be satisfactorily achieved by 2017 when 3 of the 22 federally recognized Tribes include early childhood strategies, program, and services in their tribal funding priorities.

Strategies:

1. Include public-private partnerships as a focus area for a future tribal consultation.
 2. FTF will work with state partners to develop quarterly policy/knowledge/white papers targeted at tribal leaders on early childhood development and health topics.
 3. Connect at least 3 Tribes/nations annually with technical assistance and capacity building efforts that will help expand early childhood systems into the tribal
- C. *Desired Result:* This goal will be satisfactorily achieved when tribal-specific federal, private, and/or philanthropic funding is leveraged to expand and improve tribal/FTF's success with tribal initiatives.

Strategies:

1. Seek out and monitor federal grant opportunities focused on tribal-specific early childhood initiatives.
 2. Seek out funding opportunities that are outside of traditional early childhood sources (unlikely places), such as the Arizona Indian gaming operations, National Indian Education Association, and the National Indian Health Board.
 3. Search out grant opportunities with foundations or other entities that may have an interest in exploring Indian education endeavors.
- D. *Desired Result:* This goal will be satisfactorily achieved when (5) sustainable partnerships with tribal partners such as tribal-specific federal agencies, local, state-wide and national tribal organizations are developed over five (5) years.

Strategies:

1. Raise the profile of FTF with Tribes and Indian education partners by attending meetings and conferences and engaging in formal and informal networking and conversations.
2. Partner with tribal colleges for research and program grants.
3. Offer semi-annual early childhood briefing sessions to external partners such as the Indian Health Service and Tribal Education systems the via the Inter-Tribal Council of Arizona Early Childhoods Working Group.

Resources Needed for **Goal 3:**

- Representatives from tribal specific federal agencies, state tribal liaisons, tribal enterprises and private tribal philanthropy to assist with identification of resources and mechanisms to implement best practices in tribal public/private partnership models.
- Tribal internship and/or other staffing resource to regularly research tribal specific funding opportunities and public/private partnership ventures.
- Clear protocols for who in the organization may approach tribal funders.
- Tribal support organizations, such as the Inter-Tribal Council of Arizona and/or the First Nations Institute for technical assistance.

Arizona Businesses, Individuals, and Private Sector Philanthropy

Goal 4: Develop relationships with Arizona businesses, individuals, and private sector foundations to secure philanthropic investments and partnerships to enhance and sustain the early childhood system.

- A. *Desired Result:* This goal will be satisfactorily achieved when 10 Arizona businesses, four (4) Arizona foundations, and 25 individuals bring \$1 million to the early childhood system.

Strategies:

1. Build relationships with key prospects by inviting them to participate in FTF advisory committees, by participating in their events, and inviting their attendance at the FTF Summit.
2. Match FTF's mission, vision, and indicators with the priorities of select foundations.
3. Prepare a case statement that explains FTF's mission and priorities for private sector grants and partnership projects.
4. Use the "Needs and Assets" process to identify local funders and partner opportunities.
5. Position FTF as the Early Childhood Development and Health System expert.
6. Promote the School Readiness Indicators within a collective impact model that aligns with the partnership approach of various philanthropies.
7. Leverage the BUILD process to secure funds from businesses, private corporations, and business-related foundations to support early childhood system building.
8. Organize former and current council and board members to assist in building partnerships, relationships, and fund development.
9. Set up the appropriate mechanisms for seeking, booking, acknowledging and tracking unrestricted funds.
10. Set up the appropriate mechanisms for seeking, booking, acknowledging and tracking restricted gifts.

Resources Needed for **Goal 4:**

- Foundation annual reports and publications for information on their priorities
- Participation in Arizona Grantmakers Forum
- Gift and relationship management tracking system for contacts, solicitation approach, cultivation progress, etc. with individuals and private and corporate foundations.

Early Childhood Endowment

Goal 5: Establish an endowment for FTF to permanently ensure that all Arizona’s children succeed in school and in life.

- A. *Desired Result:* This goal will be satisfactorily achieved when a fund is established at a 501(c)3 or community foundation.

Strategies:

1. Determine best structure for an endowment: separate 501(c)3 that supports FTF goals, FTF operated fund or some other model.
2. Review options for a home for the fund at existing partner organizations.

- B. *Desired Result:* This goal will be satisfactorily achieved when internal capacity at FTF is established that engages strong volunteer and professional leadership (including professional advisors), to undertake planned giving in partnership with fund management.

Strategies:

1. Join philanthropy affinity groups that support education, children and youth, health.
2. Consider naming the endowment for a highly-respected and high profile supporter of early childhood health and education.
3. Establish a legal and financial advisors committee.

- C. *Desired Result:* This goal will be satisfactorily achieved when a defined and adopted financial goal and the % increase expected in each of the subsequent five (5) years are set (includes current gifts and future commitments).

Strategies:

1. Create a plan for development of an endowment for FTF, including:
 - a. An endowment strategy that will capitalize on the desire of individuals to give.
 - b. An endowment campaign led by a high profile spokesperson or chair.
 - c. A compelling message that identifies the priorities and gaps to be filled through an endowment and explains the justification for giving even though FTF’s business model requires carrying a significant fund balance.
2. Do an organizational assessment of FTF’s capacity to implement an endowment strategy.
3. Create a clear, compelling case of support for endowment giving to FTF.
4. Garner endowment support through external affairs strategies that “tell the story”.

Resources Needed for Goal 5:

- Representatives from private philanthropy and regional council members who represent philanthropy to assist with identification of resources and mechanisms to implement an endowment strategy.
- Private sector firms and organizations that specialize in endowment strategies.

- Feasibility study for an endowment/legacy giving campaign to support the FTF School Readiness Indicators.
- Foundation and philanthropy support organizations, such as the Council on Foundations for technical assistance.

Earned Income

Goal 6: *The Committee does not consider an earned income goal to be a viable approach in the near term. However, an earned income approach may merit future consideration.*

III. FTF INTERNAL STRUCTURES, CAPACITY AND IMPLEMENTATION OF PLAN

All of the First Things First strategic priorities require convening and collaborating with partners, providing leadership, and investing FTF resources and other resources in these processes. In order to successfully seek and win public and private grants and foster national, state and tribal partnerships – internal policies, protocols, and a commitment of staff resources are required. The Strategic Initiatives unit of the External Affairs Division will be responsible for leading, coordinating, and updating the plan.

Internal Tools, Structures and Capacity

There are certain elements an organization must have as it transitions into more focused partnerships and fund development approaches for long-term sustainability. The following internal supports are needed by FTF to achieve the goals and successful implementation of this Plan:

Regional Partnership Councils

- Regions have the guidance, resources, training, and systems they need to seek, apply for, and manage the external grants process.
- Regional council members have the capacity, interest and readiness to assist in building partnerships at the local, regional and tribal levels and acquiring funds from sources targeted in this plan.
- The description of duties for regional council members is modified to include community partnership building and fund development activities and support.
- The role of regional council members encompasses identification, cultivation and participation in engaging community leaders, potential and current partners, and other allies in implementing this partnership plan.
- Designated philanthropy members on regional councils work together across the state to identify viable strategies and roles they will play to implement the public-private partnership plan.

Internal Documents and Systems

- Availability of a regional tool kit structure populated with resources by March 2014.
- Design and implementation of an “External Grants Approval Log” to coordinate the state and regional grants application and approval process by March 2014.
- FTF has an electronic donor and partnership management (contact) system by December 2014.
- Written finance and accounting policies and protocols for accepting and reporting external grant funds and gifts are created by January 2014.

- Written fund development policies, including existing state government gift acceptance and other policies are identified or created by January 2014.
- Written policies and procedures exist that protect unrestricted gifts/funds by March 2014.
- A Standard(s) of Practice document to clearly identify and define levels of partnership development involvement for FTF regional council members, regional and statewide leadership, and FTF Board members is approved by March 2014.

Personnel Capacity and Readiness

- The capacity and readiness of regional and statewide staff to successfully apply for public and private grant opportunities and develop public-private partnerships is evaluated and confirmed.
- A professional development plan to build the competency and capacity of FTF regional and statewide staff for identifying opportunities for public-private partnerships, developing relationships that result in partnerships, and sustaining the early childhood system with additional funds and resources is implemented.
- A staffing plan within the External Affairs Division to carry out the Public Private Partnerships Plan.
- Talented, experienced staff and volunteers are needed to follow-up, manage contacts, and establish and sustain relationships with individuals, businesses/corporations, and private philanthropies.

Critical Success Factors

At the final meeting of the sub-committee, the members were asked to step back from the detailed planning that occupied most of the committees' attention and look at the public private partnership initiative as a whole. They were asked, "What is essential for FTF to do to be successful in this initiative?" The seasoned committee offered these nuggets of wisdom:

- Do not assume you have the internal mechanisms and capacity to do this big agenda – the human resources capacity as well as the emotional, financial, psychological, spiritual and physical readiness, fortitude and investment. Plan for them carefully.
- Public-private partnerships must be a fundamental element of who FTF is and instilled into the FTF culture. Make partnerships and building relationships a way of life at FTF, and as much a part of FTF as any other component.
- A viable, thoughtful communication plan – content, rollout and timing.
- Successful engagement of the regional partnership councils – how they are approached, trained and engaged over time will be important. (You can't mandate culture.)
- Think about and plan for who might oppose this initiative.
- Tout and articulate FTF's achievement of benchmarks and positive results for children and families. Explain what FTF has accomplished. -This gives credibility.
- Think beyond the obvious. Look in unusual places for friends, funds and partners.
- Roll out this initiative across the State with the approach, "we are giving Arizonans the opportunity to help, to feel good, to invest in something very important."
- Ensure various constituencies have input into and are included into this work.
- Arizona needs a positive story – let's give it to them!

IV. STANDARD(S) OF PRACTICE

Standard(s) of Practice are developed for every First Things First strategy and provide the guiding principles to ensure universal understanding of strategies and to support consistency in implementation. A standard of practice for Public Private-Partnerships will be developed to guide all levels of FTF staff and volunteers with responsibilities for partnerships development.

V. EVALUATION PLAN

The evaluation of First Things First's implementation of public-private partnerships will be the achievement of the desired results as identified by the public-private partnerships subcommittee. Ultimately, the number of relationships established, grants received, and partnerships established that support, strengthen and sustain the early childhood system are the measures of success.

A plan for evaluation of public-private partnerships also includes periodic assessments (through surveys and interviews) of Tribes and tribal corporations, individual donors, business and corporate funders, and national and state private philanthropies to stay connected and informed about important external partners.

VI. CONCLUSION

The National Governor's Association produced a publication in 2008, *Partnering with the Private and Philanthropic Sectors: A Governor's Guide to Investing in Early Childhood*.² That report concluded with what the leadership of FTF and partners in Arizona know about the need to leverage all resources to build a stronger early childhood system.

"Supporting the readiness of young children at risk for school failure is critical to the nation's future. Although private resources are not intended to supplant public investment in the healthy development and school readiness of young children, they can be used to spur action and seed innovation across the state. Partnerships can support a cohesive early childhood system at the state and local levels, improve the quality and availability of programs and services, and cultivate a new cadre of champions to support early childhood initiatives... Public-private partnerships are not a silver bullet, but they are an important strategy for building a strong foundation of services and supports for young children to help ensure their healthy development and school readiness".

This plan presents a pathway for systemic change through the articulated five goals, desired results and consideration what strategies and resources are needed. Not a silver bullet – rather the plan outlines a plan for success by acknowledging that it takes relationship building, assessment and infrastructure support. FTF's plan embraces the need for collective action in Arizona to create long lasting and sustainable change through partnership.

² <http://www.nga.org/cms/home/nga-center-for-best-practices/center-publications/page-edu-publications/col2-content/main-content-list/partnering-with-the-private-and.html>



FIRST THINGS FIRST

Ready for School. Set for Life.

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Proposed Public Private Partnership Conceptual Framework

Early Childhood System Outcomes

- All children have access to high quality, culturally responsive early care and education that promotes their optimal development.
- All children have access to high quality preventive and continuous health care, including physical, mental, oral, and nutritional health.
- All families have the information, services, and support they need to help their children achieve their fullest potential.
- All early childhood education and health professionals are well prepared, highly skilled, and compensated commensurate with their education and experience.
- The early childhood system is high quality, child and family centered, coordinated, integrated, and comprehensive
- All Arizonans understand the importance of the early years and the impact of early childhood development, health, and education on Arizona’s economy and quality of life and, as a result, substantially support early childhood development, health, and education both politically and financially.

First Things First Strategic Priorities

1. Early Care and Education System Development and Implementation—Convene partners and provide leadership in the development and implementation of a comprehensive early care and education system that is aligned both across the spectrum of settings and with the full continuum of the education system.
2. Quality Early Care and Education Standards, Curriculum, and Assessment - Convene partners, provide leadership, and provide funding for the development and implementation of quality standards for early childhood care and education programs and related curricula and assessments.
3. Quality, Access, and Affordability of Regulated Early Care and Education Settings - Convene partners, provide leadership, and provide funding for increased availability of and access to high quality, regulated, culturally responsive, and affordable early care and education programs.
4. Access to Quality Health Care Coverage and Services - Collaborate with partners to increase access to high quality health care services (including oral health and mental health) and affordable health care coverage for young children and their families.
5. Nutrition and Physical Activity-Collaborate with partners to support improved nutrition and increased age/developmentally appropriate physical activity levels among young children.
6. Supports and Services for Families—Convene partners, provide leadership, provide funding, and advocate for development, enhancement, and sustainability of a variety of high quality, culturally responsive, and affordable services, supports, and community resources for young children and their families.
7. Professional Development System - Convene partners, provide leadership, and provide funding for the development and enhancement of an early childhood professional development system that addresses availability, accessibility, affordability, quality, and articulation.
- 8. Building Public Awareness and Support - Convene partners, provide leadership, and provide funding for efforts to increase public awareness of and support for early childhood development, health, and early education among partners, public officials, policy makers, and the public.**
- 9. Early Childhood System Funding – Secure, coordinate, and advocate for resources required to develop and sustain the early childhood system**

Public Private Partnerships

Identify and leverage additional federal resources.	Build Relationships with Tribes , tribal corporations nationally and statewide.	Research and determine approaches for earned income.
Partner with Arizona private sector philanthropies in cross-sector systems approaches to early	Build relationships with national philanthropies to identify opportunities for collaborative initiatives	Explore Early Childhood Endowment



Tobacco Tax Revenues
State and Federal Funding Supporting Early childhood System Child Care Block Grant, IDEA part B, Maternal and Infant Early Childhood Home visiting Program, Title 1
Private Philanthropy, Corporate and Business Community Grants

