

Policy Statement Re: Use of First Things First Funds

Background

The continuing economic crisis across America and Arizona has placed many families in crisis due to lost jobs or decreased earnings. Exacerbating the plight of many families is that state tax revenues have been decimated. As a result, state funding for critical safety net services to families with young children has been reduced, or in some cases eliminated. Among the many services affected are child care subsidies to help low-income working families, early intervention services for children with developmental delays and child abuse prevention. Job loss and reduced earnings coupled with a minimal safety net places young children at significant risk and increases the number of children who are placed in harmful environments and situations that impede their development and success.

As young children and their families feel the impact of state budget cuts, some service providers, advocates and policymakers are looking to First Things First to replace the state funding lost to safety net programs that benefit young children.

Policy Position

Arizona has until now failed to adequately invest in a high quality, coordinated system to ensure that all children have equal opportunity to arrive at school healthy and ready to succeed. As a result, the state is annually investing millions of dollars in taxpayer funds for: limited safety net services for some children and families; remedial education or job training for those struggling at school or in the work place; and extensive juvenile and adult jails. Continuing on this path wastes human potential, incurs ever growing public expenditures for often ineffectual remediation and incarceration and places a lingering drain on our future economy instead of a boost.

Research has shown that:

1. Early learning experiences directly impact a child's long term educational success;
2. Health, dental, and vision screenings that afford earlier detection and treatment enables children to grow and thrive;
3. Children receiving high quality developmental experiences in the home or in other settings of their parent's choice more often succeed academically and throughout life; and,
4. All Arizonans benefit when children succeed in school and as adults since the child is less likely to impose additional financial burdens on taxpayers.

By approving First Things First, Arizona's voters decided to invest in coordinated, research-proven strategies to improve outcomes for all children. In order to ensure that expanding early

childhood development and health services did not take away state revenues for safety net and educational services, the voters approved a dedicated funding source for additional investments in early childhood.

The size of the annual investment FTF is able to make from its revenues is insufficient to replace the safety net responsibilities of the state. Turning to the tobacco tax revenue approved by Arizona Voters in 2006 for early childhood is simply a short term fix and will not prevent the further decline of the safety net services and supports that are the responsibility of the state to provide. Regional and statewide program funding each year totals about \$136 million, which is only equal to about \$209 per child five and under.

The laws that govern FTF's work make it clear that the appropriate use of FTF funds support the following:

- First Things First funds are intended to supplement (not replace) the existing federal, state, local and private funds available for early childhood services so that more children can be served in ways that promote success in school and life; and,
- The Legislature may provide additional resources to FTF, but FTF funds cannot be given to the Legislature to replace state revenues for early childhood services.

In addition, it should be a concern that if FTF funds are used to replace state funds for safety net services, there is no incentive for the state elected officials to replace those reduced appropriations as tax receipts begin to increase.

Conclusion

Arizona's economic engine is its children and therefore our focus must be on giving every child an equal chance at better education, health, economic and social outcomes that will benefit everyone. Continuing on the path of quick fixes and fragmentation wastes human potential, incurs ever growing public expenditures for often ineffectual remediation and incarceration and places a lingering drain on our future economy instead of a boost.

Arizona voters intend FTF funds to be used to ensure that early childhood development and health services are coordinated and that all children have access to those services so that they can start school healthy and ready to succeed. When they succeed, Arizona succeeds.