Attachment 1

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COLORADO RIVER INDIAN TRIBES REGIONAL PARTNERSHIP COUNCIL
Arizona Western College, Room 111, 1109 Geronimo Avenue, Parker, Arizona 85344
April 30, 2013
Meeting Minutes

Draft

Call to Order
The meeting of the First Things First – Colorado River Indian Tribes Regional Partnership Council was held on April 20, 2013 at 10:00 a.m.

The meeting was called to order by Member Wolfe at 10:10 a.m.

Members Present
James "Dan" Wolfe, Jackie Flores, Monica Corcino, Patricia Fritz, Dru Waggoner, Rachel Garcia, Arlinda Setoyant *(telephonically)*

Members Absent
Elizabeth "Heather" Wilson, Gloria Flores-Lopez, Veronica Homer

Staff Present
Ashley Pascual- Regional Director, Bylli Esquerra- Administrative Assistant II, Erin Taylor - La Paz/Mohave Community Outreach Coordinator, Gary Arnold- Senior Regional Director

Election of FY2014 Regional Council Chair and Vice Chair
Member Wolfe nominated Chair Homer. No further nominations were made.

Motion made by Member Wolfe to elect Chair Homer as Chair for Fiscal Year 2014 of the Colorado River Indian Tribes Regional Partnership Council. Motion seconded by Member Corcino. Motion passed unanimously by members present.

Member Wolfe opened up nominations for Vice-Chair. Member Fritz nominated Member Wolfe. No further nominations were made.

Motion made by Member Fritz to elect Member Wolfe as Vice-Chair for Fiscal Year 2014 of the Colorado River Indian Tribes Regional Partnership Council. Motion seconded by Member Waggoner. Motion passed unanimously by members present

Approval of Minutes from April 30, 2013
Motion made by Member Corcino to approve the April 30, 2013, meeting minutes. Motion was seconded by Member Flores. Motion passed unanimously by Members present.

2014 Regional Needs and Assets Assessment Initial Discussion
Violeta Dominguez and Dr. Michele Walsh, with the University of Arizona Norton School of Family and Consumer Sciences, presented the 2014 First Things First Needs and Assets Report Project Overview and Data Plan to the Regional Council.

Draft FY2015 Funding Plan Development Timeline
Regional Director Pascual provided the Regional Council with a presentation on strategic planning and the timeline for the development of the Fiscal Year 2015 Funding Plan. There was consensus among the Regional Council that the Funding Plan Sub-committee will schedule a work session for the funding plan development, and any of the Regional Council members are welcome to participate.

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Parent Awareness and Community Outreach Update

Community Outreach Coordinator Taylor provided a presentation to the Regional Council on the activities that she has been involved in over the last month. Ms. Taylor also informed the Regional Council of media outreach that the Regional Councils have been receiving. Coordinator Taylor discussed the new Quality First website. www.qualityfirstaz.com

Regional Director's Report

a. **Early Childhood System Discussion –**Regional Director Pascual presented an update and facilitated a discussion with the Regional Council regarding their priorities for a better coordinated system for children in the region. The Regional Council held discussion on what could be done beyond the Regional Council's funding plan. Three main areas of focus were identified: Early Head Start, Best for Babies Team including Native American Foster Family Recruitment, and Community Education on Infant and Child Mental Health
b. **Regional and Board Updates -** Regional Director Pascual provided a financial expenditures update to the Regional Council, and discussed the timeline for final Fiscal Year 2013 expenditures. Regional Director Pascual also discussed the progress with Tribal approval for data collection for measuring the School Readiness Indicators and for the 2014 Needs and Assets Assessment. The Regional Council was also reminded about upcoming events, including the Early Childhood Summit and Tribal Gathering, August 25th – 27th. Regional Director Pascual introduced Roselia Ramirez, the new Regional Director for the Cocopah Tribe Regional Partnership Council.

Regional Partnership Council Member Announcements

Vice-Chair Wolfe announced that an Open House was being held at Le Pera Elementary School on August 22nd at 6:00 pm.

Next Meeting and Adjournment

The next meeting is scheduled for September 24th at 10:00 am at Arizona Western College.

Member Corcino motioned to Adjourn at 11:45a.m. The motion was seconded by Member Fritz. Motion passed unanimously by members present.

_____ _____

Dan Wolfe, Vice-Chair
Colorado River Indian Tribes Regional Partnership Council

Bylli Esquerra, Administrative Assistant II

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FY2015 Budget and Allocation Methodology Guidance

BACKGROUND:

The Board will set the budget for FY15 at their September 30, 2013 meeting. As part of this process, the Board will set the allocation to be used in creating FY15 Funding Plans. These plans will be presented at the Board's January 2014 meeting.

There are a number of policy considerations which impact the both the budget and allocations. By discussing these issues prior to the September meeting, the Board is able to provide staff with guidance on how the FY15 budget and allocations should be presented at the September 30th.

DETAIL:

At the June 2013 meeting the Board approved a revised estimate for FY14 tobacco collections of $122.2 million. This was a decrease from the sustainability model projections of $11.6 million. Since these revenues form the basis for the FY15 budget, and considering FY15 is the last year in the three-year funding plan cycle, the Board also directed that this decrease in revenue be accounted for through a draw on the Program Fund Balance.

In addition, the Board previously directed (in its discussion of the sustainability plan) that $898,700 in Administrative Fund Balance be drawn down and used in support of that budget.

This $134.7 million, in conjunction with estimated interest earnings, serves as the starting point for creating the FY15 budget and allocations.

Considerations:

1) As part of the FY14 budget, the Board decided to draw down $3.6 million of the Program Fund Balance to support the increased costs associated with the evaluation efforts outlined in the report of the National Panel. FY15 represents the high-point in terms of anticipated costs associated with the work outlined in the National Panel report. As such, the draw in FY15 would need to be $4,542,000 to cover this cost.

   By drawing down these dollars, the Board would be continuing its practice of keeping revenues in relation to budgeted expenditures as stable as possible during the three-year funding plan cycle.

   - **Interim CEO recommends approving a $4,542,000 draw-down.**

2) Population counts used for the distributing the regional Program budget between regions will be based on the regions (and regional boundaries) approved by the Board at their June and July 2013 meetings. The only potential change to this will be if a tribal nation, with tribal lands in Arizona, chooses to opt-in or out of a region that has been established by the Board for FY15.

   In determining the populations (as well as the literal boundary/edge), FTF has historically relied on a method that overlaid zip code information with both census data as well as geography. This has historically been the best option available to FTF in drawing boundary lines as well as for deriving counts of children in the various regions. While this was the best available option, it has a number of inherent challenges which centered on the reality that zip codes are fluid markers designed and intended for use by the US postal service in the delivery of mail.

   As such, FTF has been working to move to a system that is "geo-based" and is more in line with how partner (and feeder) organizations collect and report data. For FY15 and beyond, regional boundaries and population counts now can be defined by census blocks and tracks. These are actual geo-coded spaces that relate to specific points on a map at the longitude and latitude level. Census and American Community Survey data is reported and tied specifically to these geo-coded spaces. This new methodology allows for a much more exact accounting of populations and boundaries.

   - **Interim CEO recommends populations counts and regional boundaries/edges be made using the now available census block and track data as opposed to the historic zip code methodology.**

3) A limitation of using zip codes to define regions and ultimately calculate populations within regions, was that age data was only available/relatable for zero (0) through age four (4). Under the block and track method, child counts can now be made using zero (0) through age five (5). Counts could still be done based on the 0-4 figures, however 0-5 allocation counts are aligned with figures presented in most other reports FTF produces including Needs and Assets.

   - **Interim CEO recommends allocation counts be based on zero (0) through age five (5) figures.**

4) 2010 Census data is now three years old. FTF derives its core population figures from this source. Historically the Board has "aged" the population figures it uses in making allocations, as the Census releases updates. These updates represent a mathematical aging of the original data based on sampling that is done in an attempt to provide more relevant/current figures than those in the original census file.

   The first significant update is not due out until December 2013. With an end of September meeting, the new figures will not be available in time to use in the Board's budget setting process.

   - **Interim CEO recommends waiting until the FY16 allocation process to use the updated data-sets. This would require the use of current data-sets in the FY15 allocation process.**

5) As part of the Funding Plan process, regions have already presented FY15 estimates/plans. These plans include both revenue and expenditure projections. Expenditure plans largely represent a simple continuation of that which was originally set for FY13 and continued into FY14. In some instances, based on previous revenue (and therefore allocation) projections there were some deficits projected by FY15 year end.

As FY15 proposed allocations are put in place, funding plans can be updated to account for new revenues (based on the above direction as well as actual FY13 ending balances). These updated plans will provide new insight as to whether any regions remain in a deficit position prior to beginning their FY15 Funding Plan work.

For FY14, when this situation occurred the Board directed staff to draw down the funds necessary to bring to zero those regions which displayed a deficit. This was done because these projected deficits were primarily a function of:

- allocation methodology changes,
- program cost changes (particularly QF and QF Scholarship costs) and,
- the Board no longer drawing down approximately $15 million in Program Fund Balance in an effort to first see Regional fund balances drop.

In an effort to again ensure service delivery (spending) plans are not disrupted mid planning cycle, the Board may wish to direct staff to draw down the funds necessary to ensure no region begins the FY15 Funding Plan process in a negative ending position. In FY14 this required a $1.75 million draw. Unfortunately, no estimate of what this figure would be for FY15 is available at this time.

- **Interim CEO recommends that the Board plan for a telephonic meeting before its regularly scheduled September/October meeting to review and consider draw-down estimates. Drawing down funds would help ensure no region starts the FY15 Funding Plan process with a projected year end deficit.**

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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.

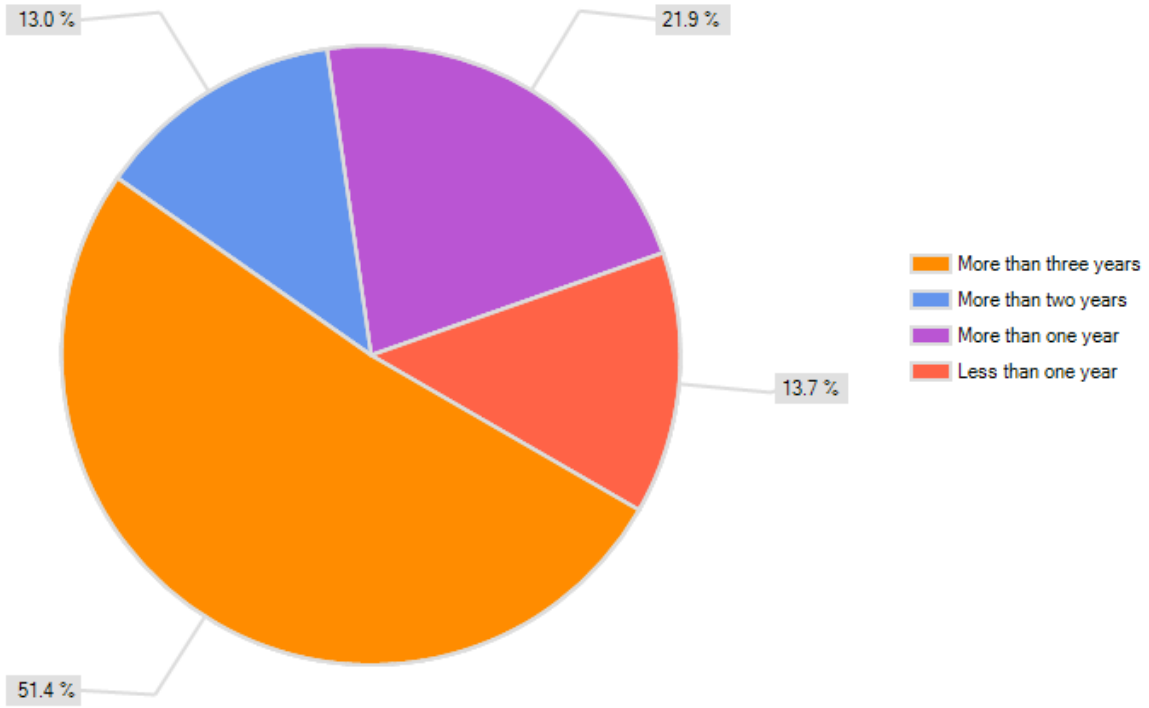
- Regional council functions and operations (managing time and meeting logistics, decision making, structure of meetings, and professional development)
- Board and regional council relations (opportunities for face-to-face interaction in the regions through state board meetings and regional area forums)

- 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)

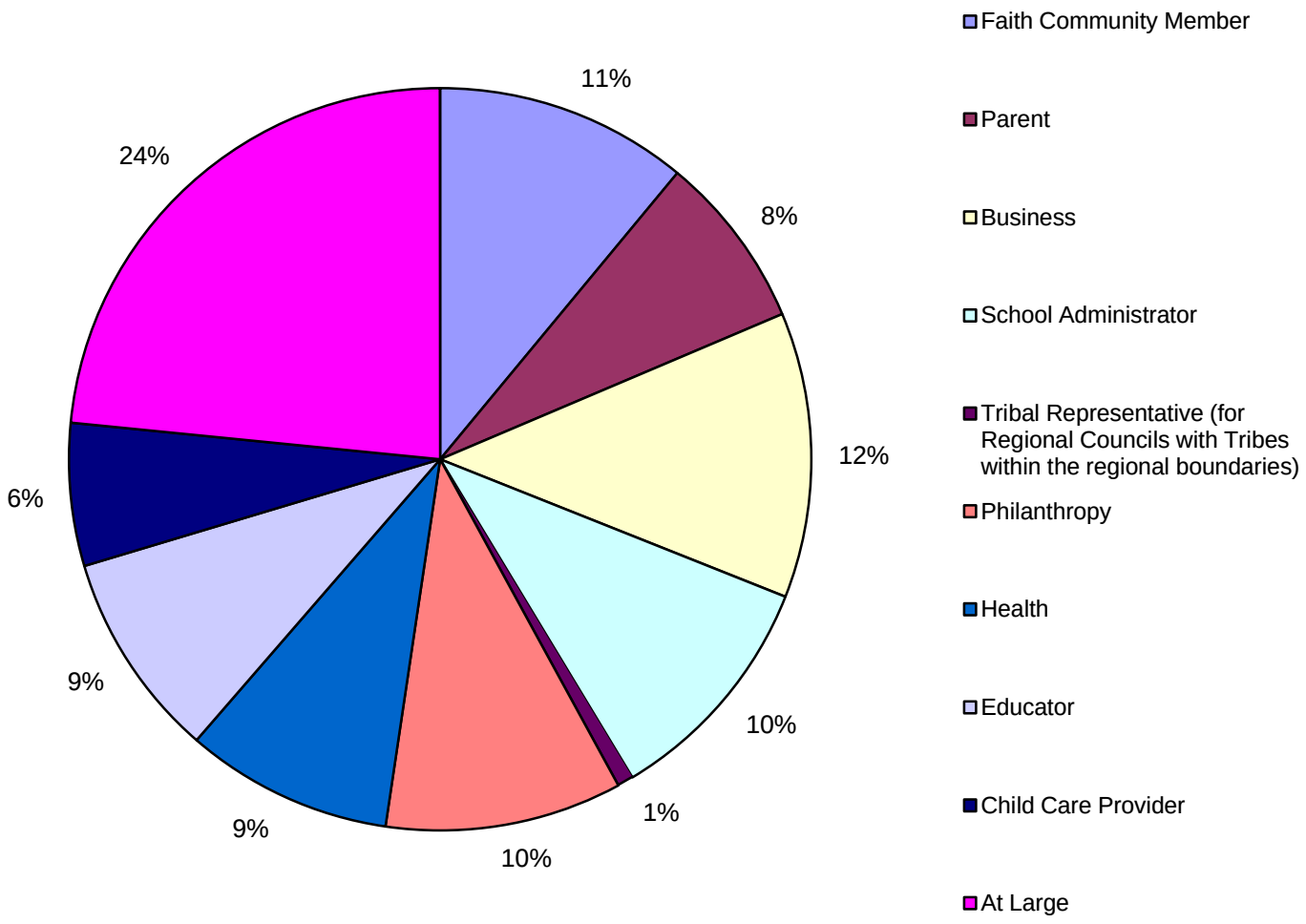
RESPONDANTS

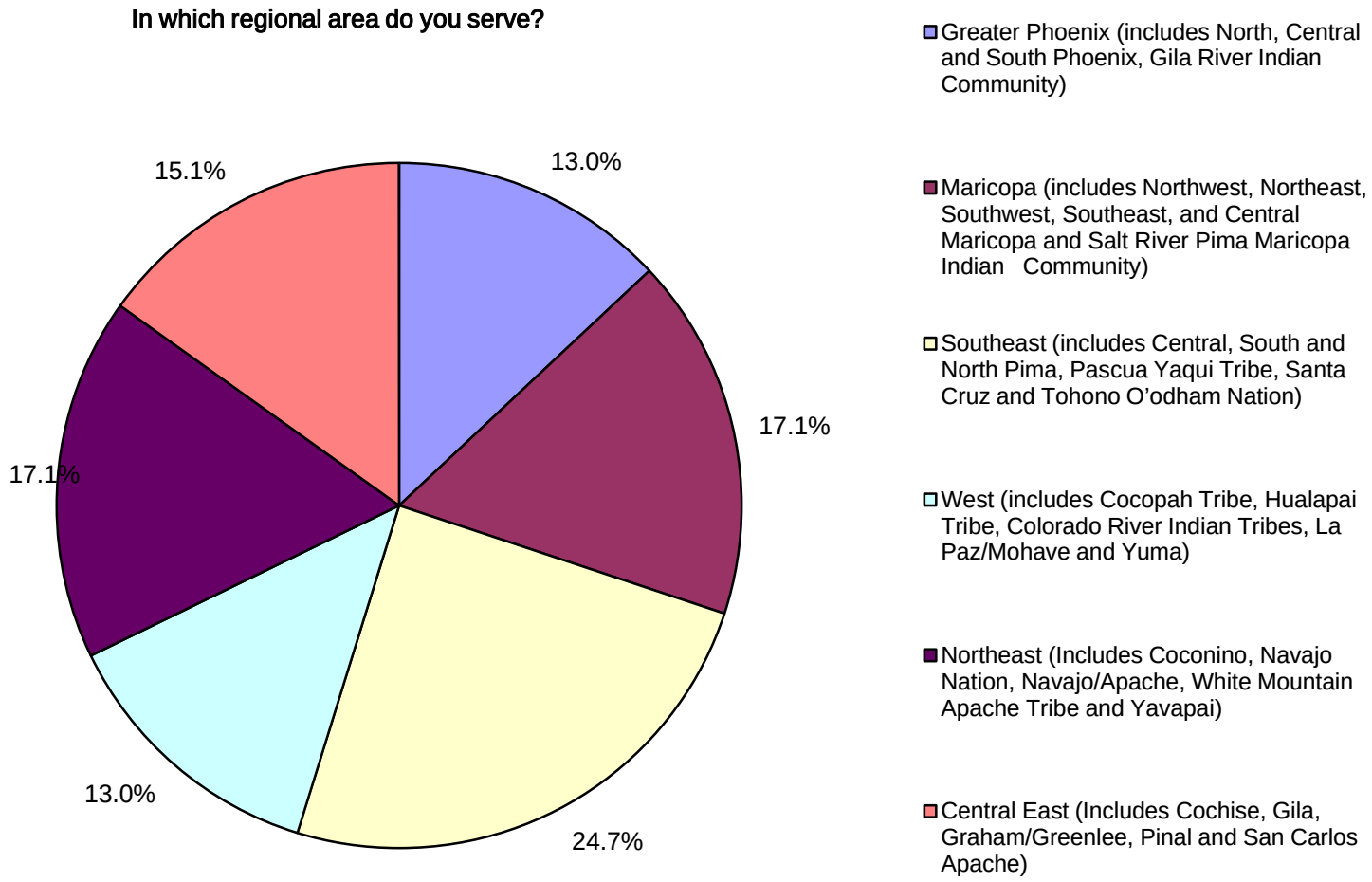
There were 147 respondents representing 49% of the regional council positions filled. Of the respondents, the majority, 51.4%, represented regional council members who have served more than three years. The respondents were an equal representation of the various roles for the regional councils, with 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?





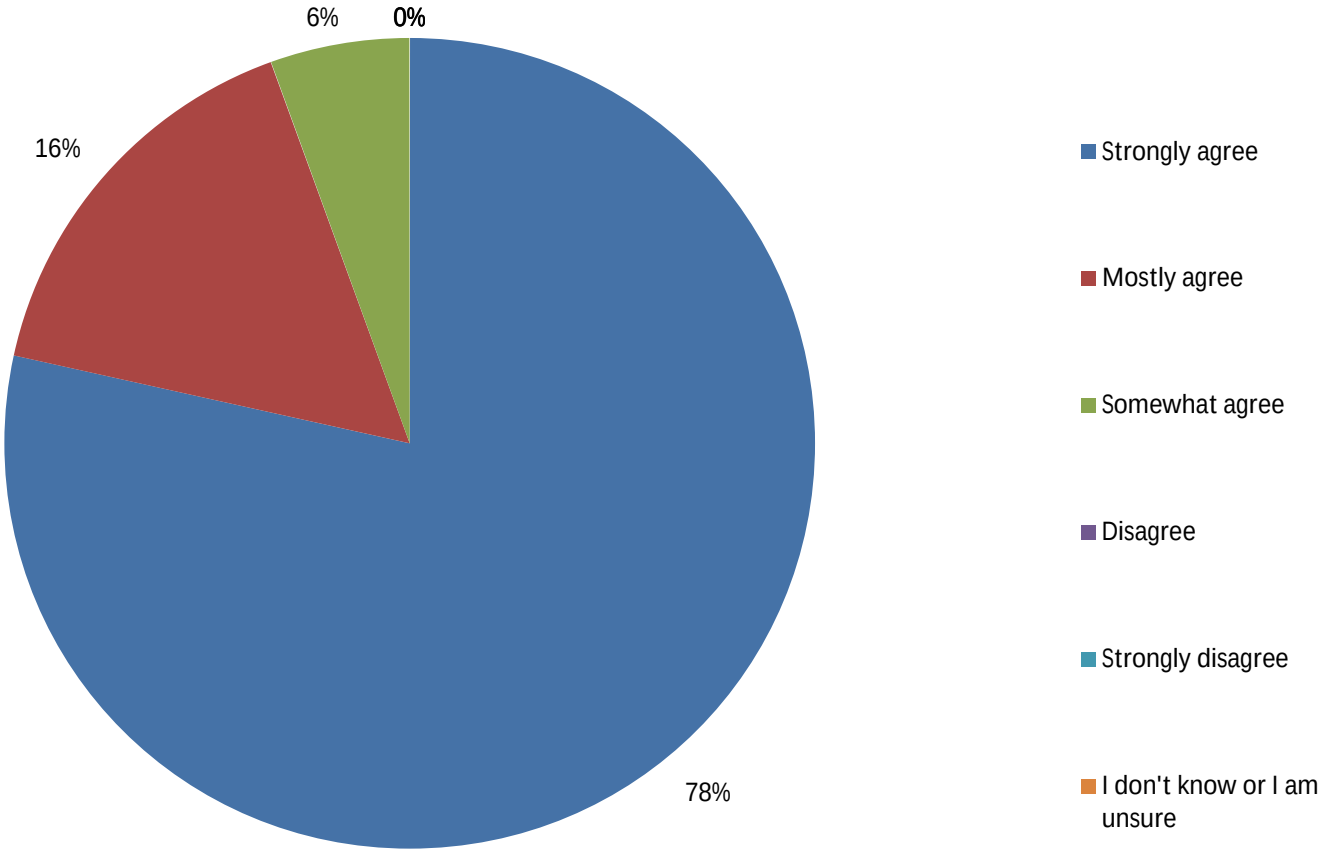
FTF STAFF PERFORMANCE

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.

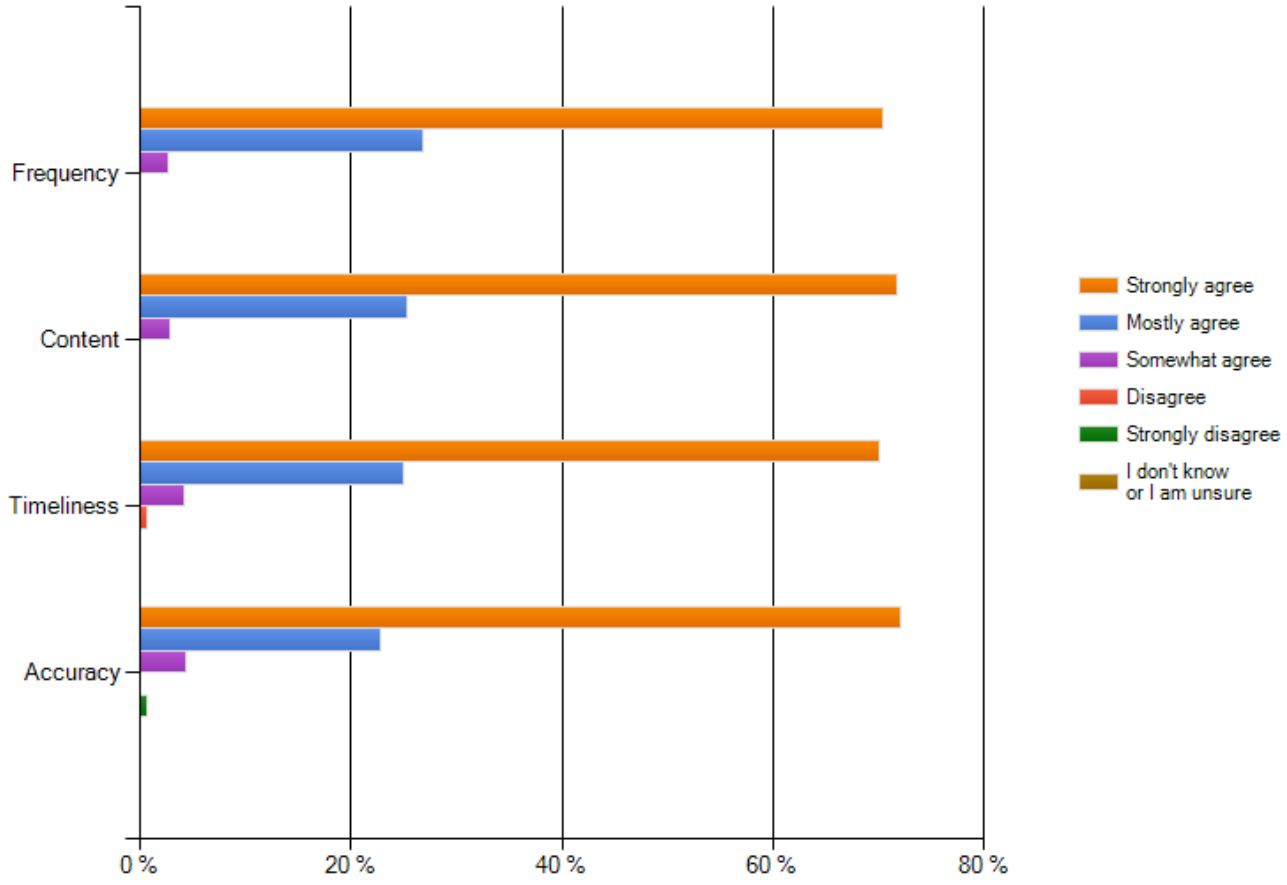
FTF Staff is…… Responsive to my questions and requests for information



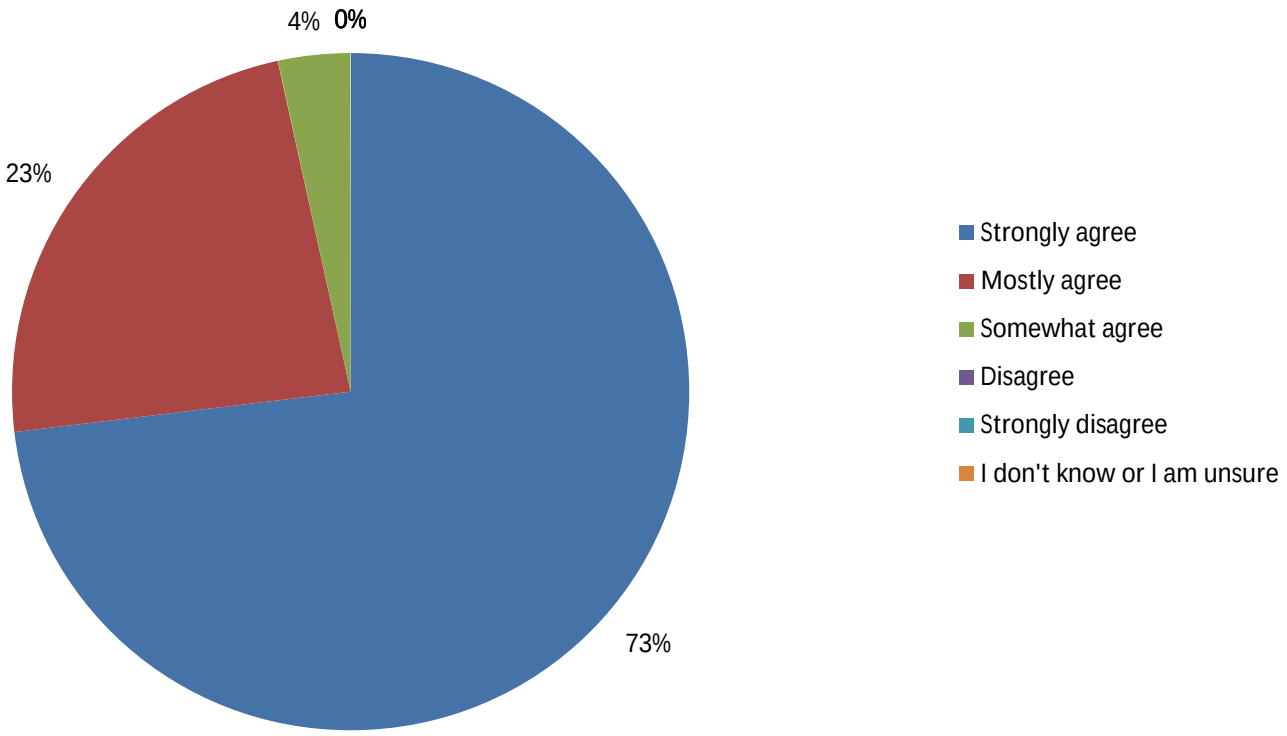
EXPERIENCES WITH MEETINGS AND COMMUNICATIONS

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:

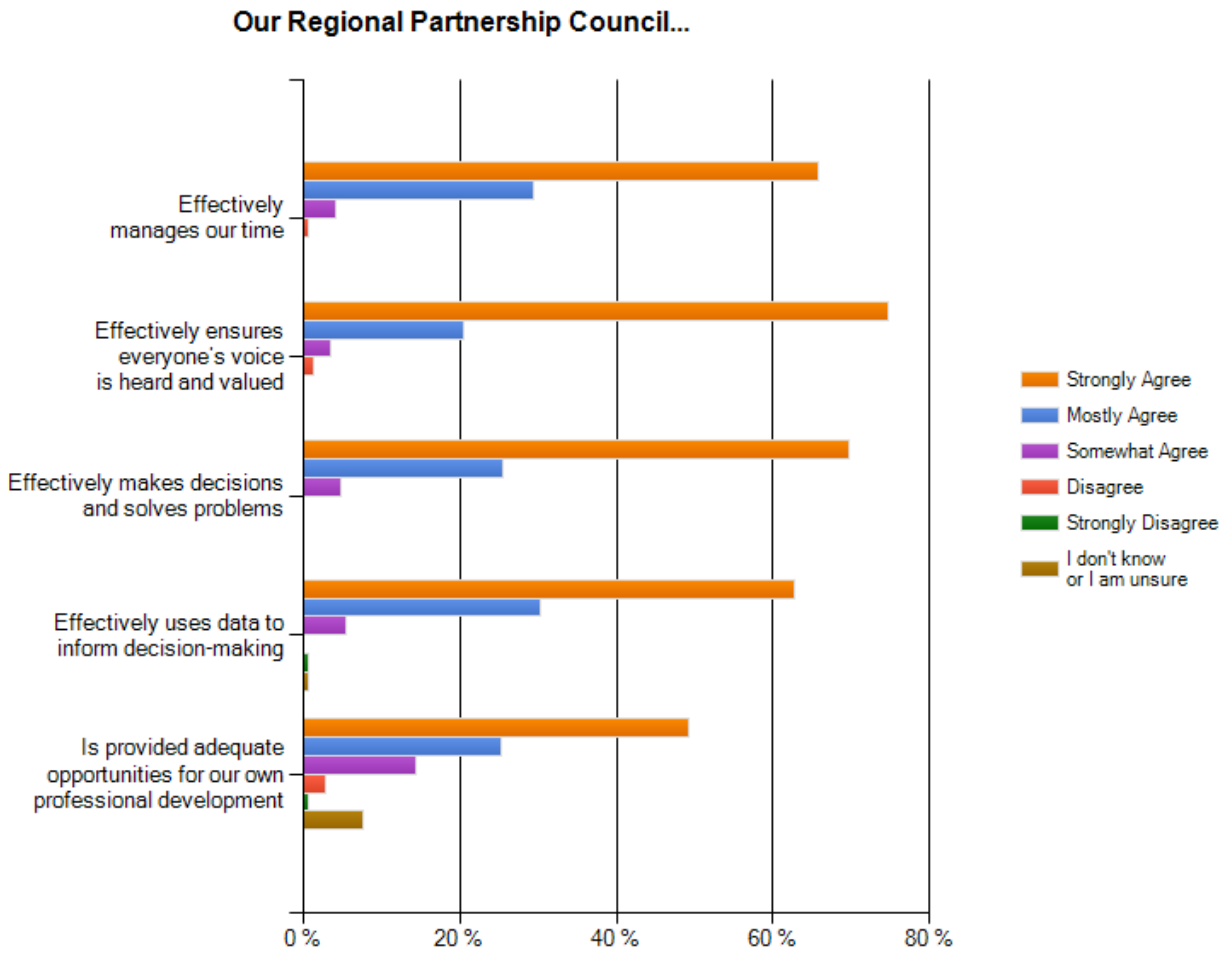


Regional Council meetings and agendas are well planned and productive…



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.



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	80%	.7%

early childhood system

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

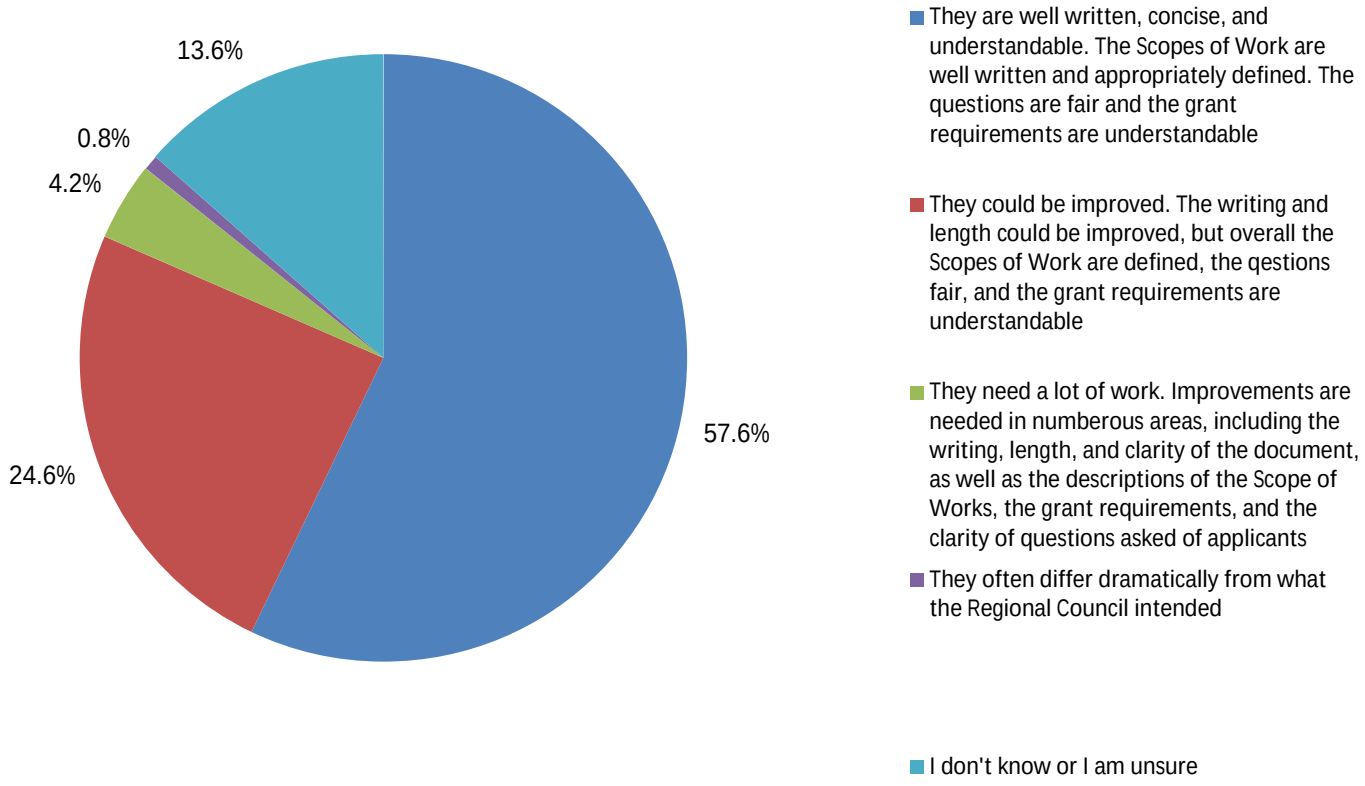
The following questions focused on regional council members' satisfaction with the funding plan, RFGA, and grant renewal process. Approximately eighty-seven percent of respondents favorably viewed developing their SFY14 funding plan, an increase from 82% in 2012. While members responses' were favorable 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

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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.

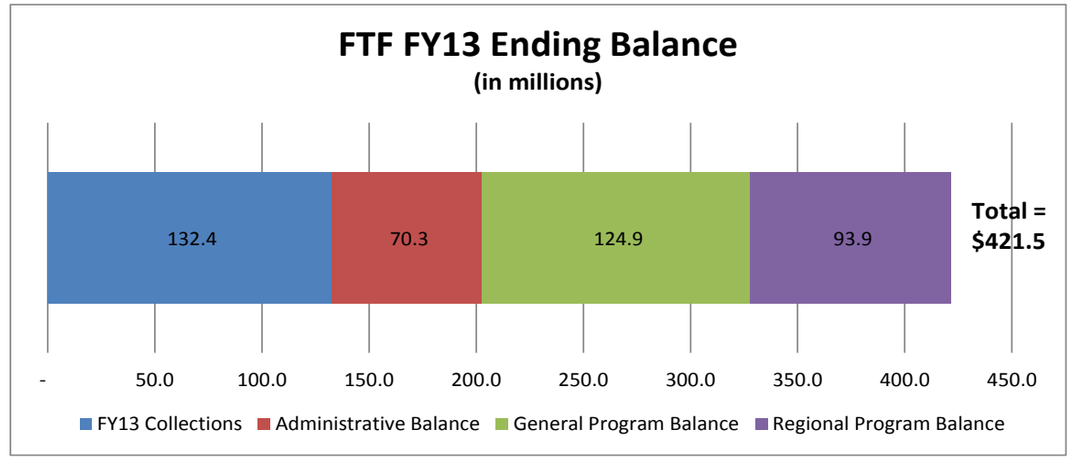
DETAIL:

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 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.

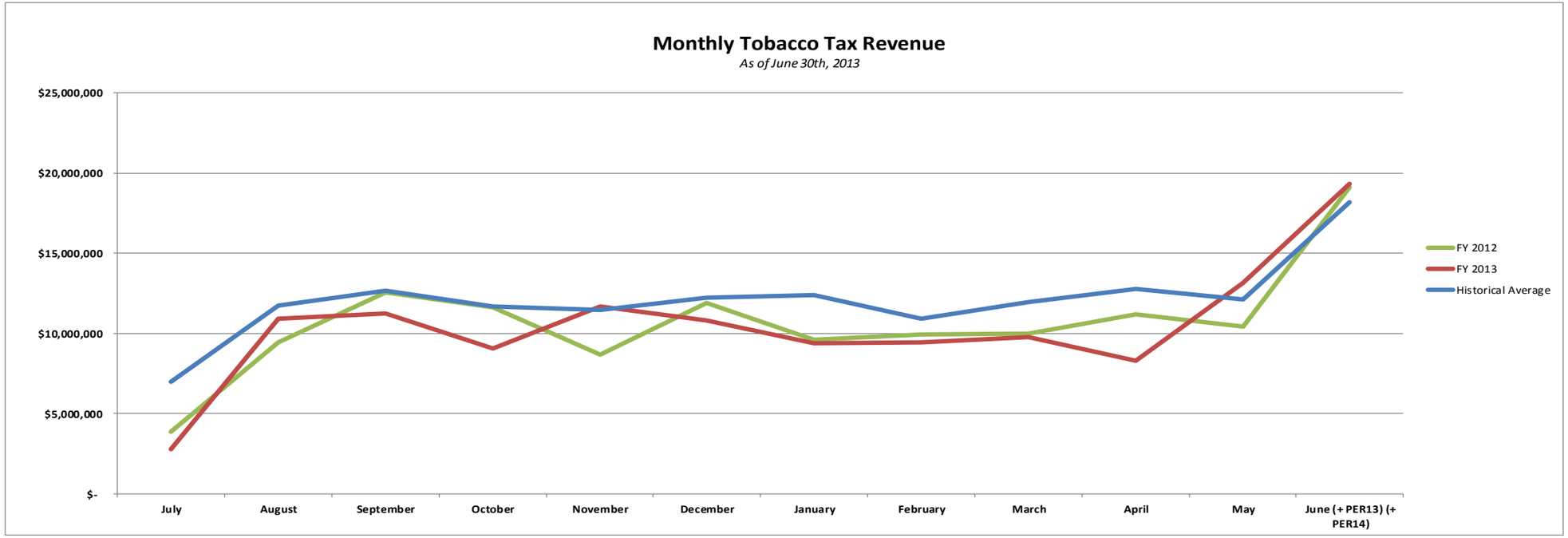
For the first time in FTF's history, regional Fund Balance declined in FY13. Although the absolute decline was small, the rate-of-change this decline represents when compared to prior years is significant.

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

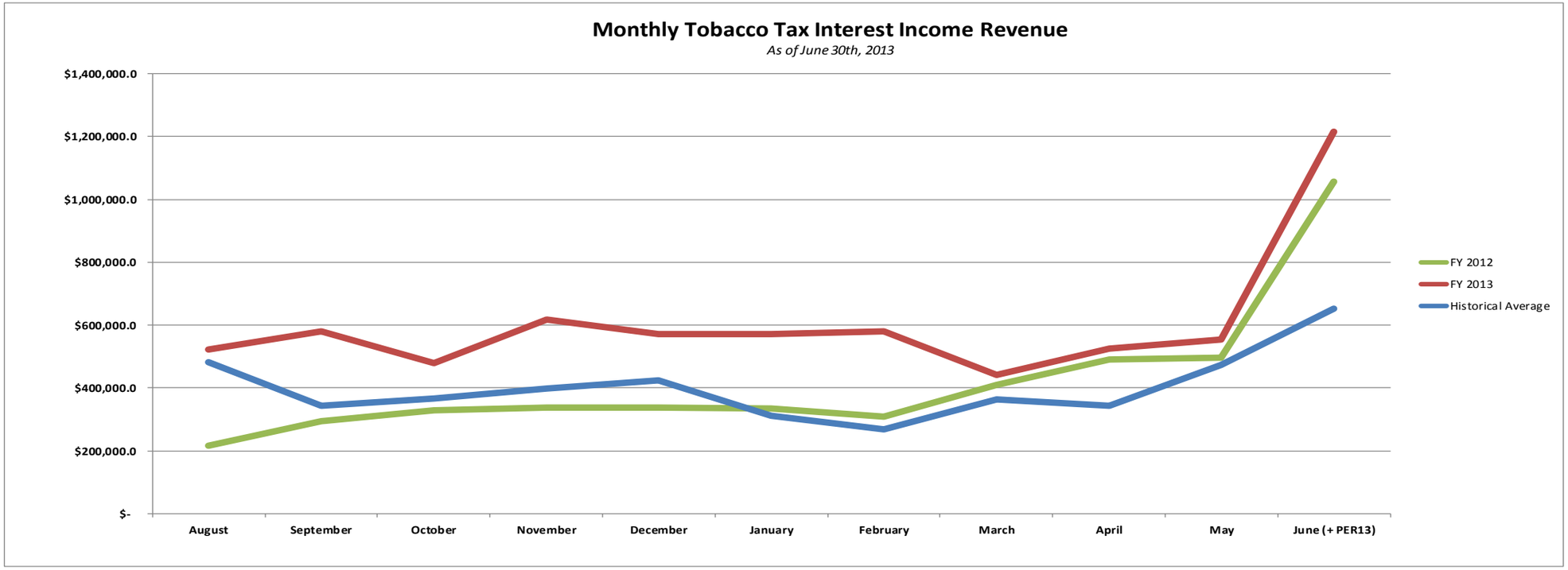


Tobacco Tax Revenue Collection	Historical Average	Historical Average FY10 Forward	FY 2013	FY 2012	FY 2011	FY 2010	FY 2009	FY 2008	FY2007
July	$ 6,958,531	$ 3,175,411	$ 2,800,664	$ 3,851,571	$ 3,073,465	$ 2,601,198	$ 13,072,609	$ 12,193,815	
August	$ 11,711,040	$ 10,414,780	$ 10,889,277	$ 9,447,538	$ 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



Tobacco Interest Revenue Collection	Historical Average	Historical Average FY10 Forward	FY 2013	FY 2012	FY 2011	FY 2010	FY 2009	FY 2008	FY2007
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
	$ 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**

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.

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

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 (rv2)	Actuals	Difference	FY13 Budget (rv2)	Actuals	Difference	FY13 Budget (rv2)	Actuals	Difference	FY13 Budget (rv2)	Actuals	Difference	FY13 Budget (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
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) (and $733.29 of Misc Rev in Admn)	**$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. Unalloted 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 evloving 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.

FIRST THINGS FIRST

FY14 -Tobacco All Funds Report

(YTD as of August 31st, 2013)

	Agency					Admin					Programs				
	FY14 Budget (Orginal)	Adj	FY14 Budget (rv1 w/ 13 rev act)	YTD	Difference	FY14 Budget (Orginal)	Adj	FY14 Budget (rv1 w/ 13 rev act)	YTD	Difference	FY14 Budget (Orginal)	Adj	FY14 Budget (rv1 w/ 13 rev act)	YTD	Difference
Revenue															
Balance Forward															
Organizational Fund Balance	$ 183,804,125	$ (2,041,541)	$ 181,762,584	$ 181,762,584		$ 68,478,522	$ 528,515	$ 69,007,037	$ 69,007,037		$ 115,325,603	$ (2,570,056)	$ 112,755,548	$ 112,755,548	
Fund Balance Allocated	$ 5,940,461	$ 7,499,775	$ 13,440,236	$ 13,440,236		$ 579,261	$ 749,977	$ 1,329,238	$ 1,329,238		$ 5,361,200	$ 6,749,798	$ 12,110,998	$ 12,110,998	
Regional Programs Carry Forward	$ 68,227,399	$ 25,707,227	$ 93,934,626	$ 93,934,626		$ -	$ -	$ -	$ -		$ 68,227,399	$ 25,707,227	$ 93,934,626	$ 93,934,626	
												$ -			
Previous Year's Revenue (FY13)												$ -			
Allocated	$ 139,931,892	$ (7,499,775)	$ 132,432,117	$ 132,432,117		$ 13,993,189	$ (749,977)	$ 13,243,212	$ 13,243,212		$ 125,938,703	$ (6,749,798)	$ 119,188,905	$ 119,188,905	
Unallocated	$ -	$ -	$ -	$ -		$ -	$ -	$ -	$ -		$ -	$ -	$ -	$ -	
Total Means of Financing	***$ 397,903,877***	***$ 23,665,686***	***$ 421,569,563***	***$ 421,569,563***		***$ 83,050,972***	***$ 528,515***	***$ 83,579,487***	***$ 83,579,487***		***$ 314,852,905***	***$ 23,137,171***	***$ 337,990,076***	***$ 337,990,076***	
Annual Expenditures															
Personal Services	$ 179,367,744	$ (169,619,822)	$ 9,747,923	$ 1,076,429	$ 8,671,494	$ 14,572,450	$ (6,586,824)	$ 7,985,627	$ 942,315	$ 7,043,312	$ 164,795,294	$ (163,032,998)	$ 1,762,296	$ 134,114	$ 1,628,182
ERE		$ 3,710,249	$ 3,710,249	$ 413,374	$ 3,296,875			$ 3,034,538	$ 357,372	$ 2,677,166			$ 675,711	$ 56,002	$ 619,710
Travel In-State	$ -	$ 375,930	$ 375,930	$ 30,821	$ 345,109		$ 368,680	$ 368,680	$ 27,203	$ 341,477	$ -	$ 7,250	$ 7,250	$ 3,618	$ 3,632
Travel Out-of-State	$ -	$ 74,641	$ 74,641	$ 83	$ 74,558		$ 70,641	$ 70,641	$ 83	$ 70,558	$ -	$ 4,000	$ 4,000	$ -	$ 4,000
Professional & Outside Services	$ -	$ 4,913,015	$ 4,913,015	$ 8,402,297	$ (3,489,282)		$ 1,062,406	$ 1,062,406	$ 223,262	$ 839,144	$ -	$ 3,850,609	$ 3,850,609	$ 8,179,035	$ (4,328,426)
Other Operating Expenditures	$ -	$ 1,935,644	$ 1,935,644	$ 547,610	$ 1,388,034		$ 1,721,304	$ 1,721,304	$ 239,091	$ 1,482,212	$ -	$ 214,340	$ 214,340	$ 308,518	$ (94,178)
External Printing	$ -	$ 58,465	$ 58,465	$ 65	$ 58,400		$ 58,465	$ 58,465		$ 58,465	$ -	$ -	$ -	$ 65	$ (65)
Internal Printing	$ -	$ 89,300	$ 89,300	$ 2,976	$ 86,324		$ 89,300	$ 89,300	$ 2,976	$ 86,324	$ -	$ -	$ -	$ -	$ -
Aid to Organizations	$ -	$ 162,148,420	$ 162,148,420	$ 19,970,383	$ 142,178,037		$ -		$ -	$ -	$ -	$ 162,148,420	$ 162,148,420	$ 19,970,383	$ 142,178,037
Equipment	$ -	$ 975,491	$ 975,491	$ 25,690	$ 949,801		$ 181,491	$ 181,491	$ 25,690	$ 155,801	$ -	$ 794,000	$ 794,000	$ -	$ 794,000
Total Expenditures	***$ 179,367,744***	***$ 4,661,332***	***$ 184,029,076***	***$ 30,469,727***	***$ 153,559,349***	***$ 14,572,450***	***$ (3,034,538)***	***$ 14,572,450***	***$ 1,817,992***	***$ 12,754,458***	***$ 164,795,294***	***$ 3,985,621***	***$ 169,456,626***	***$ 28,651,735***	***$ 140,804,891***
Ending Balance	***$ 218,536,133***	***$ 19,004,354***	***$ 237,540,487***	***$ 391,099,836***		***$ 68,478,522***	***$ 3,563,053***	***$ 69,007,037***	***$ 81,761,495***		***$ 150,057,611***	***$ 19,151,550***	***$ 168,533,450***	***$ 309,338,340***	
Revenue (Tobacco + Interest)	**$ 139,360,519**	$ (11,160,519)	**$ 128,200,000**	**$ 14,106,886**		**$ 13,936,052**	$ (1,116,052)	**$ 12,820,000**	**$ 1,410,408**		**$ 125,424,467**	$ (10,044,467)	**$ 115,380,000**	**$ 12,696,478**	
True Ending Fund Balance	**$ 357,896,652**	$ 7,843,835	**$ 365,740,487**	**$ 405,206,721**		**$ 82,414,574**	$ (587,537)	**$ 81,827,037**	**$ 83,171,903**		**$ 275,482,078**	$ 8,431,372	**$ 283,913,450**	**$ 322,034,818**	

	Statewide Programs					*Regional Programs*				
	FY14 Budget (Orginal)	Adj	FY14 Budget (rv1 w/ 13 rev act)	YTD	Difference	FY14 Budget (Orginal)	Adj	FY14 Budget (rv1 w/ 13 rev act)	YTD	Difference
Revenue										
Balance Forward										
Organizational Fund Balance										
Fund Balance Allocated	$ 536,120	$ 674,980	$ 1,211,100	$ 536,120		$ 4,825,080	$ 6,074,818	$ 10,899,898	$ 10,899,898	
Regional Programs Carry Forward						$ 68,227,399	$ 25,707,227	$ 93,934,626	$ 93,934,626	
Previous Year's Revenue (FY12)										
Allocated	$ 12,593,870	$ (674,980)	$ 11,918,891	$ 11,918,891		$ 113,344,833	$ (6,074,819)	$ 107,270,015	$ 107,270,015	
Unallocated										
Total Means of Financing	***$ 13,129,990***	***$ -***	***$ 13,129,990***	***$ 12,455,011***	***$ -***	***$ 186,397,312***	***$ 25,707,226***	***$ 212,104,538***	***$ 212,104,538***	***$ -***
Annual Expenditures										
Personal Services	$ 13,129,990	$ (12,588,994)	$ 540,996	$ 30,904	$ 510,092	$ 151,665,304	$ (150,444,004)	$ 1,221,300	$ 103,210	$ 1,118,090
ERE			$ 235,719	$ 13,321				$ 439,992	$ 42,680	
Travel In-State		$ 6,500	$ 6,500	$ 55	$ 6,445		$ 750	$ 750	$ 3,563	$ (2,813)
Travel Out-of-State		$ 3,000	$ 3,000	$ -	$ 3,000		$ 1,000	$ 1,000	$ -	$ 1,000
Professional & Outside Services		$ 546,689	$ 546,689	$ 798,220	$ (251,531)		$ 3,303,920	$ 3,303,920	$ 7,380,815	$ (4,076,895)
Other Operating Expenditures		$ 107,170	$ 107,170	$ 293,075	$ (185,905)		$ 107,170	$ 107,170	$ 15,443	$ 91,727
External Printing		$ -		$ -	$ -		$ -		$ 65	$ (65)
Internal Printing		$ -		$ -	$ -		$ -		$ -	$ -
Aid to Organizations		$ 11,609,416	$ 11,609,416	$ 16,499	$ 11,592,917		$ 150,539,004	$ 150,539,004	$ 19,953,885	$ 130,585,119
Equipment		$ 80,500	$ 80,500	$ -	$ 80,500	$ -	$ 713,500	$ 713,500	$ -	$ 713,500
Sub-Total	***$ 13,129,990***	***$ (235,719)***	***$ 13,129,990***	***$ 1,152,074***	***$ 11,755,518***	***$ 151,665,304***	***$ 4,221,340***	***$ 156,326,636***	***$ 27,499,661***	***$ 128,429,663***
Ending Balance	***$ -***		***$ -***	***$ 11,302,936***		***$ 34,732,008***		***$ 55,777,902***	***$ 184,604,877***	

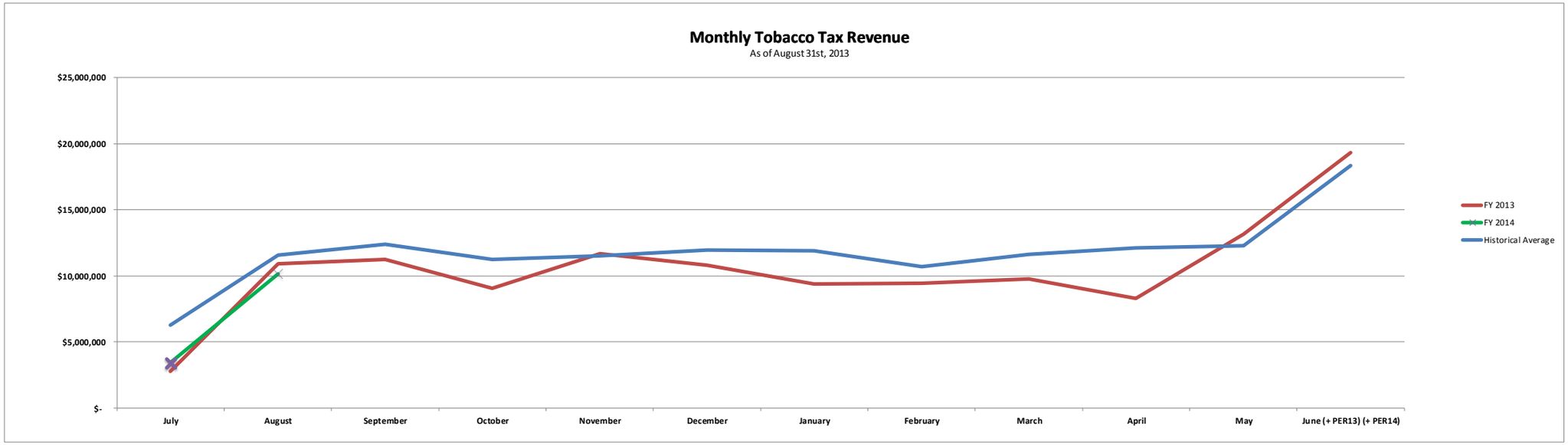
FY14 Program Funding Plan Data

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	$ 128,392,789
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 track 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 (rv1 w/ 13 rev act)	Adj	FY15 Original Budget	FY14 Budget (rv1 w/ 13 rev act)	Adj	FY15 Original Budget	FY14 Budget (rv1 w/ 13 rev act)	Adj	FY15 Original Budget	FY14 Budget (rv1 w/ 13 rev act)	Adj	FY15 Original Budget	FY14 Budget (rv1 w/ 13 rev act)	Adj	FY15 Original 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 allottment 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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4. 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

	Fiscal Year 14		Fiscal Year 15
Total Allocation:	**$13,129,990**		**$13,038,810**
Strategy	**Current Allotment**	**Award**	**Proposed Allotment**
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
Licencing (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**		**-**

Attachment 3b
Colorado River Indian Tribes Regional Partnership Council
October 29, 2013

FIRST THINGS FIRST
Ready for School. Set for Life.

ACTION ITEM: State Fiscal Year 2015 Regional Funding Plan Recommendation

BACKGROUND: A 3-year strategic plan was approved for State Fiscal Years 2013-2015. In January of each year, a Regional Funding Plan is presented to the Board for approval to implement beginning in July of that year.

The Colorado River Indian Tribes Regional Partnership Council direction was that a Funding Plan Workgroup would make decisions and prepare a recommendation for the Regional Council. The Funding Plan Workgroup met on October 23, 2013, and agreed on the following recommendations for the SFY2015 Funding Plan.

RECOMMENDATIONS:

1. Eliminate the unfilled Quality First slot for a home-based child care provider. Currently, there are no licensed home providers in the region.
2. Based on scholarship utilization rates, reduce the number of additional Quality First Scholarships by 1 (from 13 to 12 scholarship slots).
3. Add additional funds to the Nutrition/Obesity/Physical Activity strategy to allow for more coordination and opportunities, enhancing the success of the strategy.
4. Eliminate the Scholarships non-TEACH strategy due to no utilization.
5. Slightly increase the funding allotted to the Parent Outreach and Awareness strategy, specifically for the Early Literacy focus.

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FY 2013 - 2015

Colorado River Indian Tribes Regional Partnership Council

Funding Plan Summary

Allocations and Funding Sources	2013	2014	2015
FY Allocation	$227,338	$255,159	$277,675
Population Based Allocation	$129,021	$147,650	$161,664
Discretionary Allocation	$74,172	$81,701	$87,973
Other (FTF Fund balance addition)	$24,145	$25,808	$28,038
Carry Forward From Previous Year	$151,082	$184,550	$166,223
Total Regional Council Funds Available	**$378,420**	**$439,709**	**$443,898**

Strategies	Allotted	Awarded	Expended	Allotted	Awarded	Expended	Proposed Allotment
Quality First	$36,112	$33,251	$29,686	*$54,043*			*$50,944*
Quality First Academy				$2,819	$2,342	$220	$1,880
Quality First Coaching & Incentives				$42,141	$42,141	$10,567	$43,026
Quality First Child Care Health Consultation Warmline				$142	$142		$94
Quality First Inclusion Warmline				$627	$627	$74	$420
Quality First Mental Health Consultation Warmline				$645	$645	$109	$432
Quality First Warmline Triage				$251	$251	$43	$152
Child Care Health Consultation	$5,040	$5,028	$4,802	$7,418	$7,418	$1,405	$4,940
Quality First Scholarships	$121,441	$121,441	$87,421	$102,580	$102,580	$51,425	$163,160
Nutrition/Obesity/Physical Activity	$27,102	$27,102	$22,824	$27,102	$27,102	$6,776	$49,054
Parent Outreach and Awareness	$60,000	$60,000	$49,184	$105,000	$105,000	$26,250	$106,500
Scholarships non-TEACH	$1,500	$1,500		$1,500	$1,500		$0
Recruitment – Stipends/Loan			($1,294)				
Statewide Evaluation	$6,290	$6,290	$1,246	$13,648	$13,648	$13,648	$18,979
Total	**$257,485**	**$254,612**	**$193,870**	**$303,873**	**$303,395**	**$110,517**	**$388,637**
Total Unallotted	**$120,935**	**$2,873**	**$60,742**	**$135,836**	**$478**	**$192,879**	**$55,261**

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Ina Perez

Tribal Data Partnership Coordinator

Typical Duties and Responsibilities:

The Tribal Data Partnership Coordinator has primary responsibility for conducting research to locate and obtain existing data for tribal communities related to the FTF School Readiness Indicators and regional needs and assets reports.

This staff member will also provide technical assistance to establish partnerships with external agencies, governments, and tribal communities to address data coordination, especially related to FTF School Readiness Indicators and regional needs and assets reports in tribal communities.

The Tribal Data Partnership Coordinator is also primarily responsible for coordination with tribal authorities, external partners, and regional staff and council members to request and obtain data permissions including obtaining tribal resolutions, Memoranda of Agreement/Understanding, tribal IRB approval, etc. for data usage and collaboration in tribal communities.

This position will also be responsible for oversight of the proper completion of all security, reporting, and communication requirements as agreed in data permissions, tribal IRB approvals or other authorizing processes for data usage and collaboration with tribal governments.

This position serves as a resource for FTF staff and other stakeholders on the use and interpretation of tribal data; works with the Sr. Director of Tribal Affairs and regional FTF staff to update regional councils and tribal authorities regularly on the status of data; and participates in regular conference calls and other meetings with the FTF Tribal Technical Advisory Group (TTAG) or any other meetings as needed.

FIRST THINGS FIRST

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Colorado River Indian Tribes Regional Partnership Council
Regional Director's Report
October 2013

Updates

§ **2014 Meeting Schedule:** Regional Council Members' participation is valuable and crucial to the work of First Things First in the region. A draft meeting schedule is attached for review and discussion. **(See Attachment 5b)**

§ **Regional System Focus Areas:** Discussion held at the August meeting resulted in a focus in three major areas to build the system and *complete the circle* for infants, young children, and their families. **(See Attachment 5c)**

§ **2014 Needs and Assets Assessment:** To proceed in requesting approval for tribal data collection, an informational packet was delivered to the CRIT Ethics Review Board on August 27, 2013. In order to include Tribal-specific data in the 2014 Assessment, approval must be received by October 20, 2013.

§ **Tribal Consultation:** First Things First's consultation with tribal governments occurred on August 15. Topics included data collection, evaluation, and Quality First. CRIT Tribal Council Secretary Amelia Flores participated.

§ **Fiscal Year 2014 Implementation:** First Quarter reports were due October 20th. A training on Financial Reimbursement and Reporting was held September 25th for the Tribal Grant Agreements; participants were representatives from CRIT DHHS, CRIT Library, CRIT Accounting, and La Paz Career Center. The current financial expenditures are attached for review and discussion. **(See Attachment 5d)**

Upcoming Events

November 12th: La Paz/Mohave Grantee Coordination Meeting, Fort Mohave, 9:00am - 1:00pm

§ FTF Grantees in La Paz and Mohave Counties will come together to further coordination across the strategies and regions at the Grantee Coordination Meeting taking place at the Colorado River Union High School District at 5744 Hwy 95, Suite 109, in Fort Mohave. Regional Council Members are encouraged to attend.

November 20th: Lanna's Library Dedication, CRIT Head Start, 6:15pm

§ Each of the ten classrooms at the CRIT Head Start will receive one book cart, donated by FTF in memory of Lanna Flood. A collection of books will be placed on each cart; book donations are being accepted.

December 2nd: Colorado River Indian Tribes Regional Partnership Council Meeting, AWC, 10:00am

§ The important action items on the agenda will include the final State Fiscal Year 2015 Regional Funding Plan.

Attachment 5b

FIRST THINGS FIRST

Ready for School. Set for Life.

COLORADO RIVER INDIAN TRIBES REGIONAL PARTNERSHIP COUNCIL

2014 MEETING DATES

(Last Tuesday of the month, 1st Tuesday in August and December, no meetings in May, June or November)

January 21-22, 2014 – FTF Staff presents FY2015 Funding Plan to Board

JANUARY 28, 2014

FEBRUARY 25, 2014

MARCH 25, 2014

APRIL 29, 2014

MAY - NO MEETING

JUNE 24, 2014

JULY - NO MEETING

AUGUST 5, 2014

August, TBD – AZ Early Childhood Summit

SEPTEMBER 30, 2014

OCTOBER 28, 2014

NOVEMBER - NO MEETING

DECEMBER 02, 2014

Approved _____

Colorado River Indian Tribes Regional Partnership Council – System Focus Areas

FOCUS	PARTNERS	SCHOOL READINESS INDICATORS	IMPACTS ON SYSTEM
Early Head Start or other comprehensive home-based early care and family support model ▪ Must be collaborative effort for the Grant Application and Implementation ▪ Quality infant child care is a high need	CRIT Tribal Council Head Start Indian Health Service School Districts CRIT Regional Partnership Council DHS/ Strong Families	#/% children demonstrating school readiness at kindergarten entry in the development domains of social-emotional, language and literacy, cognitive, and motor and physical #/% of families who report they are competent and confident about their ability to support their child's safety, health and well being	▪ Education and support leading to decreased rate of substance use/abuse, especially prenatally ▪ Community understanding (especially among the young and teenaged women) regarding infant development and the importance of prenatal health and the early years ▪ Recognition of the effects of poverty, depression and isolation = community plans for confronting the issues and supporting parents of young children ▪ Overall better infant-child health and mental health ▪ One, comprehensive and supportive community circle that is connected, knowledgeable, and highly functioning
Best for Babies - Court Team Approach ▪ Child-focused team for the most appropriate, expedient, permanent decisions ▪ Coordination with Mohave County Superior Court Infant and Toddler Mental Health Team ▪ Addressing the need for recruitment of Native American foster families (sited one infant being raised in the residential group home)	CRIT Tribal Council Tribal Court System CRIT Police Department La Paz County Courts CRIT DHSS CRIT Regional Partnership Council		
Infant/Child Mental Health: comprehensive web of support and services ▪ Link preventative services for supporting young children and families ▪ Promote preventive practices in the community ▪ High need for community education regarding Infant/Child Mental Health ▪ All areas of health, including Oral Health and Prenatal Health ▪ Understanding of Child Developmental Stages and appropriate expectations	Indian Health Service CRIT DHSS CRIT Police Department Head Start CRIT Regional Partnership Council AzEIP (A to Z Therapy)		

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Colorado River Indian Tribes Regional Partnership Council - FY2014

	Grantee Name	Contract Period	Total Allotment	Awarded	Year to Date Expense	Expense Variance	% of Award Expended
Evaluation	Statewide Evaluation Strategy	Strategy Subtotal:	$13,648	$13,648	$13,648	-	100.0%
	First Things First (FTF-Directed)	07/01/2013-06/30/2014		$13,648	$13,648	-	100.0%
		Goal Area Subtotal:	**$13,648**	**$13,648**	**$13,648**	**-**	**100.0%**
Family Support	Parent Outreach and Awareness Strategy	Strategy Subtotal:	$105,000	$105,000	$26,250	$78,750	25.0%
	Colorado River Indian Tribes- DHHS	07/01/2013-06/30/2014		$60,000	$15,000	$45,000	25.0%
	Colorado River Indian Tribes- Library	07/01/2013-06/30/2014		$45,000	$11,250	$33,750	25.0%
		Goal Area Subtotal:	**$105,000**	**$105,000**	**$26,250**	**$78,750**	**25.0%**
Health	Child Care Health Consultation Strategy	Strategy Subtotal:	$7,418	$7,418	$1,405	$6,012	18.9%
	Nutrition/Obesity/Physical Activity	Strategy Subtotal:	$27,102	$27,102	$6,776	$20,327	
	Colorado River Indian Tribes	07/01/2013-06/30/2014		$27,102	$6,776	$20,327	25.0%
		Goal Area Subtotal:	**$34,520**	**$34,520**	**$8,181**	**$26,339**	**23.7%**
Professional Development	Scholarships non-TEACH Strategy	Strategy Subtotal:	$1,500	$1,500	-	$1,500	0.0%
	Central Arizona College	07/01/2013-06/30/2014		$1,500	-	$1,500	0.0%
		Goal Area Subtotal:	**$1,500**	**$1,500**	**-**	**$1,500**	**0.0%**
Quality and Access	Quality First Academy Strategy	Strategy Subtotal:	$2,819	$2,342	$220	$2,123	9.4%
	Southwest Human Development	07/01/2013-06/30/2014		$2,342	$220	$2,123	9.4%
	Quality First Child Care Health	Strategy Subtotal:	$142	$142	-	$142	0.0%
	U of A Cooperative Extension	07/01/2013-06/30/2014		$142	-	$142	0.0%
	Quality First Coaching & Incentives	Strategy Subtotal:	$42,141	$42,141	$10,567	$31,574	25.1%
	Valley of the Sun United Way	07/01/2013-06/30/2014		$42,141	$10,567	$31,574	25.1%
	Quality First Warmline Strategy (all)	Strategy Subtotal:	$1,523	$1,523	$226	$553	14.8%
	Southwest Human Development	07/01/2013-06/30/2014		$1,523	$226	$553	14.8%
	Quality First Scholarships Strategy	Strategy Subtotal:	$102,580	$102,580	$51,425	$51,155	50.1%
	Valley of the Sun United Way	07/01/2013-06/30/2014		$102,580	$51,425	$51,155	50.1%
		Goal Area Subtotal:	**$149,205**	**$148,728**	**$62,438**	**$86,290**	**42.0%**
		Overall Total:	**$303,873**	**$303,395**	**$110,517**	**$192,879**	**36.4%**

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