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Arizona Early Childhood Development & Health Board
Draft Meeting Minutes

Call to order

A Special Meeting of the First Things First Arizona Early Childhood Development & Health Board was held on Friday, October 3, 2014 at 12:00 p.m. The meeting was held at the First Things First offices, 8th floor conference room, located at 4000 N. Central Avenue, Phoenix, Arizona 85012

Chair Decker called the meeting to order at approximately 12:10 p.m. at which time Melody Bozza, Board Administrator, conducted the roll call and confirmed quorum to hold the meeting. Due to the lack of a majority of voting members at the start of the meeting, the Board elected to hear items out of order until a voting quorum could be established. Member Patterson joined the meeting at 12:22 p.m., thereby establishing a voting quorum.

Members Present:
Janice Decker

Via Teleconference:
Ruth Solomon
Mary Ellen Cunningham
Vivian Juan Saunders
Brad Willis
Pamela Powell
Gayle Burns
Cecil Patterson

Members Absent:
Steve Lynn
Nadine Mathis Basha
Amy Corriveau

Financial Updates

Josh Allen, COO, presented financial updates pertaining to the FY2014 year end, as well as FY2015 and the budget setting for FY2106. First Things First officially closed Fiscal Year 2014 on September 12, 2014. The financial data presented is based upon 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.

At the time of material preparation, FTF had closed two months in the current fiscal year (FY15). The major update to the FY15 budget relates to reporting FY14 carry forward balances. In evaluating these balances, it is important to consider it was projected that these balances would exist, and these balances are important in both FY15 and FY16 budgeting.

At its August 2014 meeting, the Board directed staff to build the FY16 budget and set Regional and Statewide funding plan allocations according to guidelines the Board previously established. This results in a total FY16 allocation of $75.3 million in revenue (to both the Admin and Program budgets), and a net add to Organizational Carry Forward of $32.1 million (a result of not having to allocate a projected $52.9 million in previous years revenue to support the Program Account less the $20.8 million of Administrative Carry Forward needed to support projected spending with the one-time shift of some program costs). The net effect of which is Regional carry forward is all but exhausted and the total Organizational Carry Forward only drops about $15 million.

Chair Decker opened the floor for discussion of these agenda items. Member Solomon made the motion to accept the SFY15 Budget Update and the SFY16 Budget, including the Regional Allocations and Statewide Funding Plan as presented, with a second from Member Patterson. Motion Carried.

Conflict of Interest

There were none at this time.

Consent Agenda
Chair Decker advised that all items on the Consent Agenda will be considered by a single motion with no discussion unless an individual item listed on the Consent Agenda is removed from the Consent Agenda and discussed and voted on as a regular agenda item upon the request of any Board member.

After reading the items on the Consent Agenda, Chair Decker asked if members of the Board wished to remove any item for discussion. There being no request to do so, Member Powell moved to approve the consent agenda, with a second from Member Solomon. Motion carried.

Discussion and Possible Approval of Regional Council Applicants
Chair Decker asked if any Board member wished to call for an executive session to consider the applicants for Regional Council appointment. With there being no request to convene an executive session, Member Burns made the motion to approve the appointment of regional council applicants as presented, with a second from Member Patterson. Motion carried.

Regional Needs & Assets Reports
Roopa Iyer, Sr. Director of Research and Evaluation presented the Executive Summaries of those regional councils that have completed their 2014 Regional Needs and Asset Reports. The purpose of the Regional Needs and Assets Reports is to identify assets, coordination opportunities, and unmet needs in early childhood development and health programs in each region. The needs and assets report is intended as the primary vehicle for the collection and analysis of all data available at the regional level and informs the strategic planning of each regional partnership council.

Chair Decker opened the floor for discussion of this agenda item. Member Burns moved to approve the Regional Needs and Assets Reports as presented, with a second by Member Solomon. Motion Carried.

CEO Performance Management Process
The Executive Committee proposed that they be assigned the task of reviewing the CEO performance management criteria and process and recommending revisions to the Board, with the Board itself being responsible for evaluating the CEO's performance.

Chair Decker opened the floor for discussion of this agenda item. Member Solomon requested an opportunity to discuss, as well as possibly participate in the process. Member Burns moved that the Executive Committee be assigned the task of reviewing the CEO performance management criteria and process for the purpose of making a recommendation to the Board on the criteria and process. Member Patterson seconded the motion. Motion Carried.

Future Agenda Item Requests
There were no requests at this time.

Next Meeting
The next meeting of the First Things First Arizona Early Childhood Development & Health Board will be held on December 8 – 9, 2014, at the First Things First offices, Board Room, located at 4000 N. Central Avenue, Phoenix, AZ 85012

Adjourn
There being no further business Chair Decker adjourned the meeting at approximately 1:03 p.m.

Telephone Procedures: The Board Room telephone was used for members participating by telephone. Speakers physically present at the meeting spoke into microphones to ensure that members on the telephone could hear. Members on the telephone were identified when they spoke for the benefit of those physically present at the meeting.

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AGENDA ITEM:
Regional Council New and Revised Strategies, Agreements and Amendments

BACKGROUND:
The White Mountain Apache Tribe Regional Council requests an amendment to their SFY15 funding plan.

RECOMMENDATION:
The CEO recommends approval of the funding plan amendment as presented.

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Laurel Endfield

Vice Chair
Dawnafe Whitesinger

Members
Aletha "Shine" Burnette
Jandi Craig
Michael Gaffney
Paula Hoyt
Nikina Whitaker
Kathleen Wynn
Vacant
Vacant
Vacant

December 8, 2014

Janice Decker, Board Chair
First Things First
4000 N. Central Avenue, Suite 800
Phoenix, AZ 85012

RE: White Mountain Apache Tribe Regional Partnership Council Amendment to SFY15 Funding Plan for Expansion: Increase Slots and/or Capital Expense

Dear Chair Decker,

On behalf of the White Mountain Apache Tribe Regional Partnership Council, I am pleased to present our request to amend the SFY15 funding plan to increase the allotment to the Expansion: Increase slots and/or Capital Expense strategy.

On November 3, 2014 the White Mountain Apache Tribe Regional Partnership Council met to consider and approve the following recommendation:

- **A change to the region's approved funding plan to increase the allotment to the Expansion: Increase Slots and/or Capital Expense Strategy by $25,000 from carry forward to provide start-up support for one center in zip code area 85911.**

The Regional Partnership Council through their SFY16-18 strategic planning process identified an opportunity to provide additional support to increase access to affordable high quality child care and education for children from birth to age 5. The Regional Council is recommending an increase in the allotment of $25,000 to the Expansion: Increase Slots and/or Capital Expense Strategy by partnering with the Cibecue School District to open a pre-school classroom. Currently, there are no preschools or child care centers in this area of the region. This initial funding will support the purchase of materials, furniture and supplies for the classroom.

The intent of the Regional Council is to support the school district in preparing the classroom in FY15 so student services can begin in August 2015 (school year 2015-2016). It is anticipated that the Regional Council will allot funds to the expansion strategy through SFY16, which will allow Cibecue to enroll in Quality First and complete the assessment to receive their rating. In FY16 funding will support 20 full-time slots.

The White Mountain Apache Tribe Regional Partnership Council believes this action will enhance greater access to affordable high quality early care and education across the region.
Thank you for your consideration.

Sincerely,

Laurel Endfield,
Chair
White Mountain Apache Tribe Regional Partnership Council

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Proposed Funding Plan Summary
FY 2015 - White Mountain Apache Tribe

		Total Allocation:	$2,075,194				
Strategy	**Original Allotment**	**Current Allotment**	**Proposed New Allotment**	**Awarded Amount**	**Proposed Amendment Amount**	**New Proposed Awarded Amount**	**Recalculated Unawarded**
Child Care Health Consultation	$17,820	$33,822	-	$17,727			$16,095
Community Awareness	$30,000	$30,000	-	$30,000			-
Community Outreach	-	-	-				-
Expansion: Increase slots and/or capital expense	-	$40,000	$65,000	$40,000			$25,000
Family Support – Children with Special Needs	$220,000	$220,000	-	$220,000			-
FTF Professional REWARD$	$40,000	$40,000	-	$39,150			$850
Native Language Preservation	$100,000	$100,000	-				$100,000
Oral Health	$130,000	$127,431	-	$127,431			-
Parent Outreach and Awareness	$100,000	$100,000	-	$100,000			-
Quality First Academy	$5,640	$5,640	-	$5,640			-
Quality First Child Care Health Consultation Warmline	$282	$282	-	$203			$79
Quality First Coaching & Incentives	$118,578	$118,578	-	$113,577			$5,001
Quality First Inclusion Warmline	$1,260	$1,260	-	$1,112			$148
Quality First Mental Health Consultation Warmline	$1,296	$1,296	-	$1,296			-
Quality First Scholarships	$262,259	$222,259	-	$222,259			-
Quality First Warmline Triage	$456	$456	-	$456			-
Reach Out and Read	$112,056	$112,056	-	$112,056			-
Scholarships non-TEACH	$20,000	$20,000	-	$20,000			-
Scholarships TEACH	$15,545	$15,545	-	$15,545			-
Service Coordination	-	-	-				-
Statewide Evaluation	$53,787	$53,787	-	$53,787			-
Total Allotment:	**$1,228,980**	**$1,242,413**	**$1,267,413**	**$1,120,239**			**$147,174**
		Total Unallotted:	**$832,781**	**$807,781**			

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AGENDA ITEM:
Communications and Public Affairs Update

BACKGROUND:
The attached report provides information and updates related to Communications and Public Affairs. The report is segmented into several focus areas including:

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

RECOMMENDATION:
For informational purposes only.

Community Outreach

October marked the launch of our re-designed electronic newsletter. The new design is intentionally focused on engaging our Friends, Supporters and Champions, who make up about 88% of the almost 19,300 subscribers to our newsletter. And, the new title – 5 Things from First Things First – reflects our commitment to providing more user-friendly content that readers will feel compelled to share with others, including success stories, caregiver tips, fast facts about early childhood, and insight in to why audiences outside of early childhood – such as business professionals – are joining the movement to build public awareness of the importance of investing in young kids.

The fall also marked an intentional focus in our outreach efforts with the K-12 community. Because research shows that K-12 educators are among the most credible messengers when it comes to building awareness of the importance of early childhood, education professionals are crucial to our efforts to build awareness of early learning as a fundamental part of the education continuum.

K-12 outreach efforts connected our outreach team to teachers, school board members, administrators, support staff, parent liaisons, volunteers, school resource officers and other professionals. FTF staff, Supporters and Champions also were able to connect with families – children's first and most important teachers – through a variety of events including parent organization meetings, curriculum nights, and coffee talks.

Since July 1, FTF staff, Supporters and Champions have led approximately 125 outreach activities directly related to the K-12 audience. These efforts took place in communities throughout Arizona, from Page in the north to Altar Valley in the south. Activities included about 20 formal presentations, site tours of early learning sites connected to schools, and sharing First Things First information at about 40 school-based events.

Examples of recent K-12 outreach across the state include:

- In Phoenix, the outreach team shared information with more than 300 educators at an Educator Resource Expo organized by the Children's Museum of Phoenix.
- In Yuma, the principal of a local school, Deb Weigel, who is an FTF Supporter, shared First Things First information – including tips for getting kids ready for kindergarten, the family resource guide of funded programs and a parent education item – at a kindergarten open house for about 100 families.
- In a collaboration between Coconino and Navajo Nation regions, about 300 families received First Things First information at the Page Back to School Fair.
- Community outreach coordinators from Phoenix and Pinal partnered to present to about 50 teachers at the annual teacher in-service training in the Gila River Indian Community.
- In Pima County, Jennifer Atteberry-Pierpont, an FTF Champion, presented at the annual statewide Association for Career Technical Education of Arizona conference, shared First Things First information, and invited the outreach coordinator to share a brief presentation to about 40 high school educators who lead early childhood career programs.
- In Southeast Maricopa, school leaders were among attendees at a site tour of an FTF-funded parent education program that partners with a Mesa school for expectant and parenting teens.
- Community outreach coordinators from East Maricopa and Phoenix shared information with about 200 school nurses at a conference held by the Arizona School Nurse Consortium.

These connections continue to lead to further outreach opportunities, including referrals to present at parent meetings and workshops as well as invitations to train staff members in our *Early Childhood, Every Day* training.

Earned Media

Earned media continues to be an area of focus for First Things First, with more than 100 stories regarding early childhood, First Things First and our grantees appearing in media statewide since our last report. Some highlights of those efforts included:

- Raising Arizona Kids ran a **story about the 2014 Early Childhood Summit in its online edition, reaching 5,000 subscribers**. The article featured remarks by keynote speaker Sharon Lynn Kagan regarding inequities in access to early learning. It culminated with the following: *(Kagan) stressed that "in Arizona, with First Things First, you really do have a wonderful structure. I want to congratulate you. Arizona is a state that is doing a wonderful job coordinating and prioritizing resources" for early childhood education.*
- Community Outreach Coordinator Susana Ibarra Johnson leveraged a relationship with the founders of a new Spanish-language online news site – Mixed Voces – to secure the placement of a monthly column regarding the importance of early childhood. Her second submission to the site earned FTF its first international media hit – an online news site in Madrid, Spain.
- In areas that do not have community outreach staff, the regional director works to build and leverage relationships with local media, supported by the Phoenix community outreach leadership team. In the White Mountain Apache Tribe Region, Director Krista Beazley has developed relationships with **both a local radio station and newspaper to feature monthly stories on the importance of early childhood**.

In addition to these successes, Chief Executive Officer Sam Leyvas submitted six columns to *The Arizona Republic* that likely ran in 5-8 Community sections each. The topics of those columns included support for grandparents as teachers of young children; tips for preventing obesity in early childhood; daily reading's impact on early literacy; tips for teaching kids about gratitude; gift ideas for kids 5 and younger; and, how holiday traditions build character skills in young children.

Paid Advertising/Social Media

Ads featuring our latest creative concept – which combines the most credible messengers with the most impactful messages – are currently running. The goals of the campaign are to continue to raise awareness of the importance of early childhood and position FTF as a recognized and trusted voice for early childhood information. The media mix consists primarily of broadcast and cable television, theater, radio, outdoor and online ad placements. The campaign paused in late September and resumed in early November, following the elections, to run through the end of the calendar year in most regions.

The online advertising – combined with FTF's commitment to providing regular compelling and sharable content – has contributed to the amazing growth in our online engagement. Since our last board report, **FTF's Facebook followers have increased by about 10,000 individuals** – from 54,793 (August 1, 2014) to 65,245 (November 20, 2014). Our **Twitter followers have also increased by more than 100.**

Government Affairs

In October, **FTF welcomed our new Senior Director for Government Affairs, Ben Alteneder.** Over the past several weeks, we have been focused on tracking movement of key pieces of legislation at the

federal level, as well as changes in leadership as a result of the recent statewide elections. Some notable highlights include:

Governor's Office

On November 17, Governor-elect Doug Ducey named a budget study committee. The seven-person committee includes three past or present members of Gov. Jan Brewer's administration, including the architect of nearly every budget she's crafted. The committee includes John Arnold, Brewer's budget director since 2009; Michael Hunter, her director of policy and advisor on tax issues; and Tom Manos, who briefly served as the governor's deputy chief of staff for finance and budgets. Also serving on Ducey's budget committee are Jennifer Stielow, vice president of the Arizona Tax Research Association; D.J. Cole, the CEO of the community association management firm CCMC, and the former chief financial officer of Cold Stone Creamery, a post he held during Ducey's tenure as CEO of the ice cream chain; economist Alan Maguire, president of The Maguire Company; and Norman Stout, an investment consultant.

On November 20, Ducey announced his Education Transition Team consisting of Lisa Graham Keegan, Mathew Ladner and Erik Twist. Additional information on each of these appointees is below. In addition, former Sen. Jon Kyl, former state House Speaker Kirk Adams and current Board of Regents President Eileen Klein chair the Governor-elect's transition team.

- Lisa Graham Keegan served as Arizona's Superintendent of Public Instruction from 1995 to 2001. Prior to her appointment as the state's education chief, she was elected to Arizona's House of Representatives, where she chaired the Education Committee.
- Dr. Matthew Ladner is the Senior Advisor of Policy and Research for the Foundation for Excellence in Education. He previously served as Vice President of Research and Goldwater Institute. Prior to joining Goldwater, Ladner was director of state projects at the Alliance for School Choice. Ladner is a Senior Fellow with the Foundation for Educational Choice and the Goldwater Institute.
- Erik Twist is a Vice President at Great Hearts Academies overseeing all of their K-5 academies across the Valley. Prior to this he worked for BASIS Schools as the Assistant Principal of BASIS Scottsdale, taught 7th, 8th, and 9th grade at Veritas Preparatory Academy, and most recently was the founding headmaster of Archway Veritas, an elementary school in central Phoenix.

State Legislature

- Following the outcome of the general elections, House and Senate Republicans named new leaders for the 52nd Legislature and unveiled each chamber's respective standing committee structure.
    - Senate: Andy Biggs, R-Gilbert, retains the Senate Presidency; Steve Yarbrough, R-Chandler, will serve as Majority Leader; and, Gail Griffin, R-Hereford, will serve as Majority Whip. Democrats have selected Katie Hobbs, D-Phoenix, as their Minority Leader and Steve Farley, D-Tucson, as the Assistant Minority Leader.
    - House: David Gowan, R-Sierra Vista, was elected Speaker; Steve Montenegro, R-Avondale, will serve as Majority Leader; and, David Livingston, R-Peoria, will serve as Majority Whip. House Democrats elected Eric Meyer, D-Paradise Valley, as Minority Leader; Bruce Wheeler, D-Tucson, as Assistant Minority Leader; and, Rebecca Rios, D-Phoenix, as Minority Whip.

- The State Senate announced committee chairs. Appointments that could prove significant to early childhood interests include Don Shooter, R-Yuma (Appropriations); Kelli Ward, R-Lake Havasu City (Education); Nancy Barto, R-Fountain Hills (Health & Human Services).
- The State House announced committee that could prove significant to early childhood interests include Justin Olson, R-Mesa (Appropriations); John Allen, R-Scottsdale (Children & Family Affairs - new committee); Paul Boyer, R-Phoenix (Education); and, Heather Carter, R-Cave Creek (Health).

- The state budget continues to be the main focus of the next legislative session. The Joint Legislative Budget Committee (JLBC) now estimates the following deficits (these do not take into consideration the $490M Rainy Day Fund and/or any policy changes that may impact future fiscal years):
  - $520M deficit for FY15
  - $1B deficit for FY16
  - $928M deficit for FY17
  - $787M deficit for FY18

The FTF Government Affairs unit is currently in the process of establishing objectives and goals for policymaker outreach during the upcoming legislative session, and in creating the infrastructure, tools and support to engage interested regional council members in our outreach efforts.

Congress

- President Obama signed S. 1086 *Childcare Development Block Grants Act* into law on November 19. The measure was approved and sent to the President on an 88-1 vote in the Senate. Both Senators McCain and Flake voted for the measure, which reauthorizes child care subsidies through 2020 and provides block grants to states to help low-income, working parents obtain child care for more than 1.5 million children under age 13. New provisions in the legislation allow states more autonomy in distributing these grants.

- Congress is expected to pass a continuing resolution (CR) that will fund the federal government through the rest of the calendar year and into the first few months of 2015 where the new Republican majority has announced that they will usher a budget through "regular order." Regular order refers to a committee process where bills are marked up and amended. It is expected that any CR would simply maintain the current spending authority of federal agencies and programs.

Tribal Affairs

See report under separate cover.

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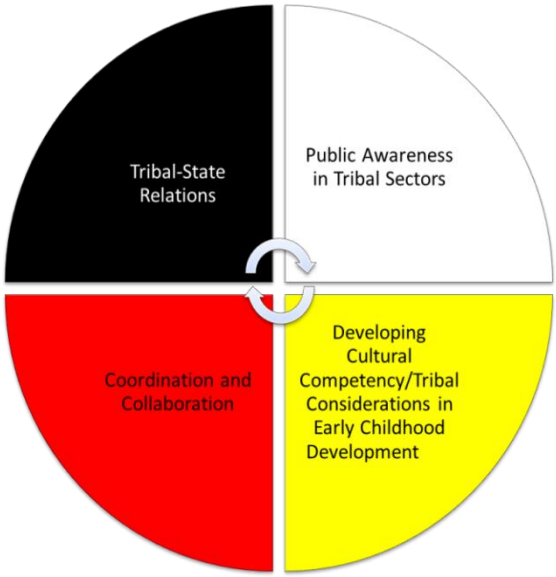
AGENDA ITEM:
Tribal Affairs Update

BACKGROUND:
The attached table provides information on the activities related to Tribal Affairs for the months of August through November 2014. The first column lists four categories that indicate the overall content areas that summarize tribal affairs for this reporting period. These areas include:

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

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

RECOMMENDATION:
For informational purposes only.



TRIBAL AFFAIRS STATUS REPORT
August through November 2014

Project Type	Description
Tribal-State Relations	On July 16, the Chief Executive Officer traveled to the Pascua Yaqui Tribe to present information on the School Readiness Indicators to the Education Oversight Committee. On August 25, the Tribal Gathering was held at the First Things First Summit. There was a 49% increase in attendance at the Tribal Gathering from last year. In addition, post-Summit surveys indicate the majority of the participants found the content of the Tribal Gathering engaging, informative and useful. On September 8, Candida Hunter joined the FTF team as the Senior Director of Tribal Affairs. On September 22, the CEO, Senior Director of Tribal Affairs, Chief Regional Officer, and Tohono O'odham Regional Director met with Tohono O'odham Chairman Ned Norris and Education Director Victoria Hobbs regarding the Quality First Child Care Scholarships and Expansion agreement and the School Readiness Indicators. At the meeting, Chairman Norris requested a summit/meeting to learn more about First Things First. On September 23, the Chief Regional Officer presented a Resolution Authorizing the Collection and Dissemination of Non-Identifying Data for the FTF Gila River Indian Community Regional School Readiness Indicators for approval to the Gila River Indian Community Health and Social Standing Committee (HSSC). The Senior Director of Tribal Affairs and Senior Director of the Phoenix Regional Area were also present. The HSSC approved the resolution with amendments. On September 24, Gila River Regional Director and Chief Regional Officer presented the resolution approved by the HSSC to the Gila River Indian Community Education Committee. Senior Director of Tribal Affairs and Senior Director of the Phoenix/GRIC Regional Area were also present. The committee approved the resolution. On October 1, the Gila River Community Council approved the Resolution Authorizing the Collection and Dissemination of Non-Identifying Data for the FTF Gila River Indian Community Regional School Readiness Indicators. The CEO, Chief Regional Officer, Senior Director of Tribal Affairs, Phoenix/GRIC Regional Senior Director, and Gila River Regional Director were present. The Cocopah Regional Director was meeting with the Cocopah Tribal Council on a regular basis and providing information about FTF in their region. The Cocopah Tribal Council requested the Cocopah Regional Director attend their tribal council meeting. As a result, the Cocopah Regional Director has been invited to attend the Cocopah Tribal Council meetings on a regular basis and provide updates on FTF work in the region. The 2015 Tribal Consultation was held on October 7, 2014. There were eight tribes in attendance, including the Ak-Chin Indian Community, Colorado River Indian Tribes, Fort McDowell Yavapai Nation, Fort Mojave Indian Tribe, Havasupai Tribe, Hualapai Tribe, Tohono O'odham Nation, and Yavapai-Apache Nation. A summary of the Tribal Consultation has been provided to the Board as a separate agenda item.

	On October 24, the Senior Director of Tribal Affairs attended the Inter-Tribal Association of Arizona meeting to introduce herself. She thanked tribal leaders for attending the FTF Tribal Consultation and for their input on early childhood systems building and the FTF Public Private Partnership Plan. She also shared that she will be requesting to meet with tribal leadership to introduce herself and share FTF information specific to their tribal or geographical regions.
Public Awareness Efforts in Tribal Sectors	On October 6, Tribal Affairs attended the Arizona Coalition on Indian Health Care (ACOIHC) meeting. Kim Russell, recently hired Executive Director of the ACOIHC, introduced the Senior Director of Tribal Affairs at the meeting. The ACOIHC discussed amendments to the ACOIHC Statute and their desire to include FTF as a partner of the coalition. On October 15-18, FTF Board Member Vivian Saunders and Tribal Affairs staff attended the National Indian Education Association Conference. The conference had an early childhood track that included presentations on Native language preservation, home visitation, common core and early childhood systems building in the state of Alaska. The CEO, Chief Regional Officer and Senior Director of Tribal Affairs traveled to Peach Springs, AZ on November, 12, 2014. The Hualapai Regional Director and Parent Awareness and Community Outreach Coordinator also scheduled a tour of the Hualapai Child Day Care facility, as well as a meeting with the Maternal Child Health program staff and a parent receiving services from the MCH program. They also attended the Hualapai Tribe Regional Partnership Council meeting. The CEO presented certificates to regional council members celebrating their first year with the council, provided an update on Tribal Affairs, and shared the outlook for FTF in the near future.
Tribal Considerations in Early Childhood Development	Jon Tester, Chair of the U.S. Senate Committee on Indian Affairs, announced at the NIEA Conference he will propose an Indian Education Bill. The bill will allow tribes to apply for a demonstration block grant to meet the needs of their communities. It will include opportunities to recruit and maintain teachers in tribal communities.
Coordination and Collaboration	On September 26, Gereline Tsosie, Native American Community Coordinator for the Department of Health Services, provided an update and requested feedback on the Maternal, Infant and Early Childhood Home Visitation (MIECHV) Program. On October 28-30, the Senior Director of Tribal Affairs attended the BUILD National meeting with the Chief Program Officer and other early childhood stakeholders from Arizona. The Senior Director for Tribal Affairs was able to share with attendees from Washington, Oregon, and North Carolina how First Things First honors the government-to-government relationship with tribes and works with the tribes to enhance services for children birth to 5 years old and their families. She also shared information about FTF's tribal data agreements.

The following projects are currently in progress by Tribal Affairs:

- The Senior Director of Tribal Affairs will be working with FTF Regional Directors to request meeting times with tribal leaders in the regions to introduce herself and provide pertinent information about FTF statewide and in the region.

- Research & Evaluations and Tribal Affairs will work with regional staff to prepare for the 2016 Needs and Assets reports.
- Tribal Affairs and Community Outreach will be presenting at the Native American Scholarship Grant Association on December 13, 2014.
- Tribal Affairs will develop two cultural awareness sessions for Quality First coaching staff as a result of feedback received during the 2013 Tribal Consultation.

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AGENDA ITEM:
Quality First Update

BACKGROUND:
The attached documents provide an updated report of Quality First enrollment data and estimated quality ratings on currently enrolled providers. Results of in-depth analysis of Quality First Rating data shows that from the previous to current assessment point, QF providers on average are making significant movement in their quality ratings in the right direction. Nearly 49,000 children birth to 5 years are enrolled in Quality First programs and current data shows 43% of providers at 3 – 5 Stars.

Since September, the wait list has decreased. There were 14 programs from the wait list offered vacant Quality First slots in October, leaving 3 programs that voluntarily withdrew from the waitlist due to various reasons (business closure, personal reasons, not yet ready to participate). Also note, the Quality First Preliminary Star Report indicates there are 911 programs with star ratings; this number differs from the Quality First Participant Report [909 Full Participation (actual filled) Slots; and 56 Rating Only (actual filled) Slots] because 54 programs are currently pending assessments and assigned star ratings.

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

September 2014	November 2014	% Change
Providers: 901	Providers: 965	+7.1%
Children: 48,708	Children: 48,712	0.0%
Waitlist: 340	Waitlist: 323	-5.0%
Ratings (901 Providers):	Ratings (911 Providers):	
1 Star: 11	1 Star: 12	+9.1%
2 Star: 511	2 Star: 507	-0.8%
3 Star: 250	3 Star: 259	+3.6%
4 Star: 105	4 Star: 107	+1.9%
5 Star: 24	5 Star: 26	+8.3%

RECOMMENDATION:
Presented for information purposes only.

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Quality First Eligible Applicant and Enrolled Participant Data Report

Regional Partnership Council	Wait List	Full Participation Allocated (funded) Slots	Rating Only Allocated (funded) Slots	Full Participation Actual (filled) Slots	Rating Only Actual (filled) Slots	Infants*	Toddlers*	2 Yr Olds*	3Yr Olds*	4 Yr Olds*	5 Yr Olds*	Total Enrollment 0 - 5*
Cochise	**1**	**39**	**0**	**36**		**62**	**103**	**148**	**272**	**352**	**83**	**1020**
Center	1	24		23		55	86	124	254	338	78	935
Home		15		13		7	17	24	18	14	5	85
Coconino	**6**	**24**	**2**	**21**	**1**	**41**	**56**	**83**	**108**	**147**	**34**	**469**
Center	6	19		18	1	40	53	79	102	146	34	454
Home		5		3		1	3	4	6	1		15
Cocopah Tribe		**0**			**1**				**4**	**9**	**7**	**20**
Center					1				4	9	7	20
Home												
Colorado River Indian Tribes		**2**	**0**	**2**		**3**	**6**	**6**	**103**	**93**	**4**	**215**
Center		2		2		3	6	6	103	93	4	215
Home		0										
East Maricopa	**67**	**61**	**14**	**61**	**13**	**433**	**719**	**1001**	**1232**	**1665**	**398**	**5448**
Center	65	56		56	13	432	707	988	1222	1658	396	5403
Home	2	5		5		1	12	13	10	7	2	45
Gila		**9**	**6**	**8**		**7**	**20**	**18**	**71**	**113**	**16**	**245**
Center		6		5		4	20	11	67	110	13	225
Home		3		3		3		7	4	3	3	20
Gila River Indian Community		**2**	**0**	**3**		**10**	**10**	**20**	**42**	**37**	**6**	**125**
Center		2		3		10	10	20	42	37	6	125
Home		0										
Graham/Greenlee		**10**	**0**	**8**		**10**	**12**	**29**	**93**	**145**	**5**	**294**
Center		7		5		8	8	27	88	142	4	277
Home		3		3		2	4	2	5	3	1	17
Hualapai Tribe		**0**	**1**									
Center		0										
Home		0										
La Paz/Mohave	**10**	**21**	**0**	**20**		**14**	**62**	**88**	**245**	**368**	**107**	**884**
Center	10	20		19		14	58	85	242	368	105	872
Home		1		1			4	3	3		2	12
Navajo Nation		**25**	**0**	**17**		**5**	**9**	**8**	**123**	**211**	**26**	**382**
Center		25		17		5	9	8	123	211	26	382
Home		0										
Navajo/Apache	**6**	**4**	**0**	**4**		**1**	**18**	**33**	**33**	**32**	**7**	**124**

Data as of : Nov 13 2014 8:49AM

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Quality First Eligible Applicant and Enrolled Participant Data Report

Center	4	3		3			16	31	32	29	6	114
Home	2	1		1		1	2	2	1	3	1	10
Northwest Maricopa	**28**	**67**	**25**	**67**	**18**	**381**	**624**	**909**	**1267**	**1923**	**668**	**5772**
Center	28	60		60	18	374	615	901	1256	1916	666	5728
Home		7		7		7	9	8	11	7	2	44
Pascua Yaqui Tribe		**2**	**0**	**1**					**2**	**2**		**4**
Center		0										
Home		2		1					2	2		4
Phoenix North	**10**	**141**	**0**	**137**		**688**	**1080**	**1580**	**1838**	**2484**	**892**	**8562**
Center	10	127		127		679	1072	1564	1823	2469	885	8492
Home		14		10		9	8	16	15	15	7	70
Phoenix South	**3**	**125**	**0**	**123**		**324**	**543**	**857**	**1423**	**2695**	**630**	**6472**
Center	1	95		95		302	488	815	1382	2670	618	6275
Home	2	30		28		22	55	42	41	25	12	197
Pima North	**62**	**113**	**7**	**113**	**7**	**478**	**767**	**1055**	**1297**	**1531**	**517**	**5645**
Center	49	88		88	7	457	736	1028	1273	1511	509	5514
Home	13	25		25		21	31	27	24	20	8	131
Pima South	**4**	**86**	**0**	**78**		**83**	**146**	**256**	**533**	**662**	**224**	**1904**
Center	3	36		36		52	97	199	482	626	212	1668
Home	1	50		42		31	49	57	51	36	12	236
Pinal		**47**	**0**	**35**		**92**	**154**	**199**	**380**	**542**	**186**	**1553**
Center		36		31		89	148	192	374	538	183	1524
Home		11		4		3	6	7	6	4	3	29
Salt River Pima-Maricopa Indian Community		**0**										
Center												
Home												
San Carlos Apache		**8**	**0**	**7**		**11**	**11**	**9**	**75**	**206**		**312**
Center		7		6		9	11	9	75	205		309
Home		1		1		2				1		3
Santa Cruz	**14**	**7**	**0**	**7**			**3**	**5**	**38**	**76**	**32**	**154**
Center	4	3		3				3	29	71	30	133
Home	10	4		4			3	2	9	5	2	21
Southeast Maricopa	**73**	**57**	**9**	**57**	**9**	**305**	**505**	**703**	**1011**	**1389**	**320**	**4233**
Center	71	47		47	9	295	495	677	976	1345	298	4086
Home	2	10		10		10	10	26	35	44	22	147
Southwest Maricopa	**22**	**24**	**0**	**24**		**105**	**203**	**329**	**397**	**666**	**262**	**1962**
Center	17	20		20		102	196	324	390	662	258	1932

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Quality First Eligible Applicant and Enrolled Participant Data Report

Home	5	4		4		3	7	5	7	4	4	30
Tohono O'odham Nation		**9**	**0**	**6**		**4**	**16**	**12**	**103**	**95**	**9**	**239**
Center		8		6		4	16	12	103	95	9	239
Home		1										
White Mountain Apache Tribe		**6**	**0**	**5**		**13**	**23**	**15**	**18**	**166**	**39**	**274**
Center		6		5		13	23	15	18	166	39	274
Home		0										
Yavapai	**6**	**37**	**1**	**36**		**56**	**142**	**207**	**284**	**418**	**134**	**1241**
Center	4	33		32		54	133	198	270	407	133	1195
Home	2	4		4		2	9	9	14	11	1	46
Yuma	**11**	**34**	**7**	**33**	**7**	**48**	**94**	**131**	**256**	**466**	**164**	**1159**
Center	2	14		14	7	30	75	107	230	455	160	1057
Home	9	20		19		18	19	24	26	11	4	102
Statewide Total	**323**	**960**	**72**	**909**	**56**	**3174**	**5326**	**7701**	**11248**	**16493**	**4770**	**48712**

***Enrollment data is self reported by Child Care provider.**

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

Regional Partnership Council	1 Star	2 Star	3 Star	4 Star	5 Star	Total
Cochise		23	7	5		35
Coconino		10	8	1		19
Cocopah Tribe						
Colorado River Indian Tribes						
East Maricopa		33	22	13	3	71
Gila		3	4		1	8
Gila River Indian Community						
Graham/Greenlee	1	5	1	1		8
Hualapai Tribe						
La Paz/Mohave		7	7	3	1	18
Navajo Nation		15	1	1		17
Navajo/Apache						
Northwest Maricopa	1	32	29	12	6	80
Pascua Yaqui Tribe						
Phoenix North	1	82	37	8	2	130
Phoenix South	7	68	24	12	4	115
Pima North		63	25	15	7	110
Pima South	1	37	25	7	1	71
Pinal		24	11			35
Salt River Pima-Maricopa Indian Community						
San Carlos Apache		6		1		7
Santa Cruz		4	3			7
Southeast Maricopa		36	19	9		64
Southwest Maricopa		13	8	2		23
Tohono O'odham Nation		4	2			6
White Mountain Apache Tribe						
Yavapai	1	23	8	4		36
Yuma		10	16	11	1	38
Total	**12**	**507**	**259**	**107**	**26**	**911**

Note: Some Regional Partnership Council's provider ratings are suppressed for confidentiality reasons, as the total of providers enrolled within these regional areas is less than 5.

Last Processed: Nov 13 2014 8:49AM

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AGENDA ITEM:
Regional Needs and Assets Reports

BACKGROUND:
The purpose of the Regional Needs and Assets Reports is to identify assets, coordination opportunities, and unmet needs in early childhood development and health programs in each region. The needs and assets report is intended as the primary vehicle for the collection and analysis of all data available at the regional level, and informs the strategic planning of each regional partnership council.

The following Regional Partnership Councils have completed their 2014 Regional Needs and Assets reports following an extension from the Board that was granted in October. Executive summaries of the reports are provided in the attached document (regional partnership councils are listed by regional area in the attached document):

- Coconino
- White Mountain Apache Tribe

Additionally, the attached document includes a request for an extension from the San Carlos Apache Regional Partnership Council.

RECOMMENDATION:
The CEO recommends approval of the Regional Needs and Assets Reports and approval of the request for extension as presented.

2014

Regional Needs and Assets Reports Executive Summaries

FIRST THINGS FIRST

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Executive Summaries

Coconino
White Mountain Apache Tribe

Executive Summary

The Coconino Region Geography

The First Things First Coconino Regional Partnership Council supports the needs of young children and their families in the Coconino Region. The region includes most of Coconino County, minus the Navajo Nation and the Hualapai Reservation, plus Winslow, the Hopi Reservation, and the Kaibab Paiute Reservation. The Havasupai Reservation is also part of the region. According to the 2010 US Census, the population of the region was 124,163, of whom 9,723 were children under the age of six.

Because the region is so large, the council has identified six sub-regions, or hubs. The largest hub is the *Southern Hub*, which includes Flagstaff, Williams, Parks, Valle, Munds Park, and a few smaller places. The next largest is the *Winslow Hub*, which includes the city of Winslow. Most of the Winslow Hub lies in Navajo County, but is included in the Coconino Region because its residents come to Flagstaff for many services. The part of the region which lies north of the Grand Canyon is the *Northern Hub*. This hub includes Page, Fredonia, and the Kaibab Paiute Reservation. The *Hopi Hub* is the Hopi Reservation, which lies partly in Coconino County and partly in Navajo County. The *Grand Canyon Hub* includes Tusayan and Grand Canyon Village, on the south rim of the canyon. The sixth hub is the *Havasupai Hub*, whose residents live on the Havasupai Reservation in Havasu Canyon, adjacent to the Grand Canyon.

Population

The number of children under six living in the Coconino Region increased by about 11 percent from 2000 to 2010. Population projections suggest that the number of young children will grow only a little over the next few years.

Although the majority of the region's young children live in or near Flagstaff, many children live in towns or rural areas farther away. About 80 percent of the children live with their parent or parents; almost all of the rest live with other relatives, such as grandparents, aunts, or uncles. About two-thirds of the children live in a household headed by a married couple, and the other third live in a household headed by an unmarried woman or an unmarried man.

More than a quarter (27%) of the young children in the Coconino Region are Hispanic, although only 14 percent of the adult population are Hispanic. This difference is even greater in the Northern Hub, where 38 percent of children, but only 6 percent of adults, are Hispanic. While an estimated 11 percent of the households in the region speak Spanish at home, most of these households have at least one member who is proficient in English.

Social and Economic Circumstances

About 30 percent of the children under six in the region are estimated to be living in poverty, which is slightly higher than the estimate for the state of Arizona as a whole (27%). The median income for all families in Coconino County is estimated to be about $59,000 per year, which means that about half of all families in the county have incomes less than $59,000 and the other half have incomes above that amount. (Data for the Coconino Region are not available.) Incomes tend to be higher in and around Flagstaff.

The unemployment rate in both Coconino County and Arizona was just under 8 percent in 2013. Because the rate in Flagstaff was about 5.5 percent, we can infer that unemployment is higher in the more rural parts of the region (except for the Grand Canyon Hub, which had low unemployment).

As of January 2012, there were nearly 4,000 children under six who were receiving Supplemental Nutrition Assistance Program (SNAP) benefits. This is about 40 percent of the region's children. Participation rates were somewhat higher in the Winslow, Northern, and Havasupai hubs. In contrast, relatively few of the region's children participate in the Temporary Assistance to Needy Families (TANF) program. In January 2012, only 155 children under six were receiving TANF benefits. The nutrition program for Women, Infants, and Children (WIC) had 1,738 children under five enrolled in January 2012, which is about 20 percent of the county's children. In the state as a whole, about 30 percent of all children under five participate in WIC. A school-aged child in a family of four whose annual income is less than about $44,000 would be eligible for reduced-price or free lunch. Eligibility rates vary from 44 percent of students (of all ages) in the Flagstaff school district to 70 percent in the Grand Canyon school district.

Educational Indicators

Over the past few years (2009 to 2012), the educational attainment of mothers giving birth has been steadily increasing. The percent of new mothers who had less than a high school education decreased from 18 percent in 2009 to 13 percent in 2012. Similarly, the percent who had at least some education beyond high school increased from 50 to 53 percent, from 2009 to 2012.

Third-grade children in Arizona take Arizona's Instrument to Measure Standards (AIMS) tests in math and in reading. In both fields, the percentage of children who receive passing scores is slightly lower for Coconino County schools (64% in math and 69% in reading) than for the state as a whole (68% math and 75% reading). Within the county, the Grand Canyon and Page districts have lower passing rates in both fields, compared to the other districts. The Maine district has a relatively low passing rate for the math AIMS (38%) but is about average for the reading AIMS (69%).

According to the Child care Resource and Referral Guide, there are 47 child care centers, 15 registered family home care providers, and one registered individual provider of child care in the Coconino Region. In addition, an unknown number of unregistered family homes also provide child care, as do informal arrangements known as *kith and kin*. The median cost of child care in Coconino County is estimated to be $30 per day for an infant and $22 per day for an older preschool child (ages 3 to 5). Per year, these median costs are about $7,500 for infants and $5,500 for the 3 to 5 year olds.

One of the signature programs of First Things First is Quality First, which aims to increase the availability of high-quality child care for children under the age of six around the state. Currently, the Coconino Region has 23 Quality First sites, with at least one in each of the six hubs.

Each school district in the region has at least one preschool funded by Title I. These preschool programs aim to help children be ready to succeed in school.

There are four tribal Head Start centers in the Coconino Region, and nine non-tribal centers. In addition, there are four Early Head Start centers in the region. During the 2012-13 school year, 882 children were enrolled in the Head Start program and 65 were enrolled in Early Head Start.

To improve the quality of early education for the region's children, First Things First funds educational scholarships for child care professionals. Currently 12 professionals are getting advanced training, leading to Child Development Associate (CDA) or Associate of Arts (AA) degrees.

Health

In Coconino County, there is an average of one primary provider of health care for every 619 residents, which is somewhat lower than the statewide ratio of one provider per 785 residents. Over the past four years, the annual number of births in the Coconino FTF Region has declined from 1,755 in 2009 to 1,533 in 2012. It is unknown whether the decline will continue, or reverse itself as the statewide birthrate has done.

Most of the expectant mothers in the region begin their prenatal care in the first trimester, as recommended, although the rates are higher in the Flagstaff area (84% to 88%) than in the outlying areas (71% to 80%). Most mothers (about 95%) have five or more prenatal visits during pregnancy. Nine percent of the babies born in the Coconino Region in 2012 weighed less than 5½ pounds, which exceeds the Healthy People 2020 target of 7.8 percent. Low birth weight is somewhat more common in the Flagstaff and Williams areas than in the rest of the region.

Ten percent of the births in the region in 2012 were to teen-aged mothers, which is a smaller percentage than in 2009 (13%). In 2012, preterm births, under 37 weeks, accounted for about 10 percent of all births in the region. Just under 3 percent of the mothers who gave birth in 2012 reported smoking while pregnant. The regional smoking rate is lower than the statewide rate (4.2%), but higher than the Healthy People target of 1.4 percent. Over the past few years, about 17 percent of the children under six in the Coconino Region were estimated to be uninsured, although this rate may decline because of Medicaid expansion and the Affordable Care Act.

Childhood obesity and overweight appear to be less prevalent in Coconino County than in the rest of the state, according to data from the WIC program. Among participating children (ages 2 to 5), 17 percent of Coconino County children are overweight or obese, compared to 31 percent statewide. Rates of breastfeeding, however, are slightly lower in the county (63%) than in the state (67%).

Family Support

According to data from Child Protective Services (CPS), there were 819 child-welfare reports in Coconino County in the 12 months from April 2012 to March 2013. Approximately a quarter of these reports were judged to be “high risk.” There were 35 children in the county removed from their homes during 2012, and 31 during 2013. Although accurate local data are difficult to obtain, some children in the Coconino Region face challenges from mental health disorders, parents who abuse alcohol or other substances, parents who are incarcerated, domestic violence, food insecurity, and homelessness.

Executive Summary

The White Mountain Apache Tribe Geography

The Fort Apache Reservation occupies 1.6 million acres on the ancestral homeland of the White Mountain Apache Tribe in the East Central region of Arizona, spread across Apache, Gila, and Navajo Counties. The reservation serves as the boundaries for the First Things First White Mountain Apache Region.

Population

In 2010 there were about 13,400 people residing in the region, over 2,000 of whom are children under the age of six. There are many multi-generational households in the region and over one-third of the households in the region have one or more young children, which is twice the rate seen across the state as a whole. About half the children live with one or more parents, and most of the others live with their grandparents and other relatives.

Social and Economic Circumstances

About 62 percent of children under six live in poverty. The vast majority of the adults (94%) and young children (97%) in the White Mountain Apache Tribe Region are American Indian. About half of the households in the region speak an Indian language (primarily Apache) at home.

Educational Indicators

Families with young children in the region face challenges of high unemployment and low-levels of educational attainment. Almost 40 percent of the women giving birth in the region have less than a high-school education. However, a number of programs such as FACE, support parents and children, providing educational opportunities for both. Head Start is a strong resource in the community; nearly 80 percent of the region's four-year-olds are enrolled at one of the three locations, Whiteriver, Cibecue and McNary. The Reach Out and Read (ROR) program encourages families to read to their young children, to promote kindergarten readiness.

Students at Alchesay High School can work toward a Child Development Associate credential, preparing them to become the next generation of educators for the region's young children. To help them continue their education, local professional development opportunities are available for early childhood education professionals at Northland Pioneer College.

Health

Most of the primary health care in the region is provided through the Indian Health Service, which has a hospital in Whiteriver and a clinic in Cibecue. Specialized care may require a trip to Phoenix. One strong community asset is that labor and delivery services can be provided to mothers in the region at the Whiteriver Indian Hospital. The hospital was recently designated "Baby Friendly" in acknowledgement of their strong support for breastfeeding.

The teenage birthrate is high in the region, and teen pregnancies have been linked with low birthweight and preterm deliveries, both of which are an issue in the region.

The White Mountain Apache Tribe Child Find provides door to door developmental screenings for children. Support for young children and school-aged children with special needs is available from several sources, but these services may be underutilized. Providers in the region are working together to better to understand the barriers which prevent or delay children from receiving the medical, educational, and other services they need.

Family Support

Family support is a strength of the White Mountain community. Many parents report having strong family ties, a good connection with their Apache culture, and opportunities for outdoor family outings.

Conclusion

By leveraging the assets of this close-knit, supportive community, community members, service providers and tribal leaders in the White Mountain Apache Tribe Region can continue to support the health, welfare and development of the young children who live where “there's family everywhere, someone to always help you.”

FIRST THINGS FIRST

Regional Partnership Councils Regional Needs and Assets Requests for Extension

San Carlos Apache Tribe

FIRST THINGS FIRST

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Chair
Vernon Poncho

Vice Chair
Flora Talas

Members
Michelle Antonio
Mary Bendle
Teri Gallenstein
Louis Lorenzo
Nolita April Noline
Delphine Rodriguez
Elliott Talgo, Sr.
Sabrina Tuttle

November 25, 2014

Janice Decker, Chairwoman
First Things First Board
4000 North Central Avenue, Suite 800
Phoenix, Arizona 85012

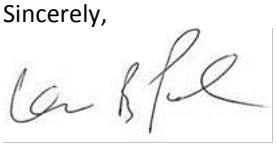
Dear Chairwoman Decker,

I am writing to request a deadline extension for the submission of the San Carlos Apache Regional Needs and Assets Report to the First Things First Board.

The Regional Council needs additional time for the completion of the final report and to allow the San Carlos Apache Tribal Council time to review and approve the report for publication and dissemination. The Tribal approval process is as follows: First Things First submits the final draft report and Tribal Resolution and then goes before the Tribe's Education Committee and Attorney General. Upon approval from this Committee, First Things First will go before the full Tribal Council for approval of the final draft report and Tribal Resolution. Given the remaining steps, the Regional Council anticipates a board submission deadline of January 30, 2015.

The Regional Council remains very excited about the data collection, reporting and drafting process and its ultimate benefit to the children and families of the San Carlos Apache Region. We appreciate in advance your consideration of the unique circumstances surrounding the request for an extension and look forward to your response. Thank you for your consideration.

Sincerely,



Vernon Poncho, Chair
San Carlos Apache Regional Partnership Council

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AGENDA ITEM:
Technical Adjustment to FY15 Allotments/Awards

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

Clerical Error Adjustments -

- None to report at this time.

Nomenclature Adjustments –

- None to report at this time.

Award/Allotment Adjustments –

Rollovers/No-Cost Extensions

Background: The following FY14 award was provided a three month no-cost extension into FY15 to utilize unspent funds to complete the remainder of the scope of work under a new "extended" contract period based on the recommendation of the Regional Council and approval of the Executive Director. The allotment in the FY15 regional funding plan was adjusted accordingly and an amendment was approved for the FY15 contract for the unspent amount of the FY14 contract. The no-cost extension has been increased to six months as there was a delay in the receipt of program materials/equipment.

Navajo Nation Regional Partnership Council:

FY15 Allotment for the Expansion, Start-Up, and/or Capital Expense Strategy: $70,000

FY15 Award: ISA-RC001-14-0685-01-Y2, Arizona Department of Education $70,000

Amendment end date extended from September 30, 2014 to December 31, 2014.

RECOMMENDATION:
The CEO recommends approval of technical adjustments to the FY15 allotments/awards as presented.

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AGENDA ITEM:
FY15 Budget Update

BACKGROUND:
Attached is an update on collections of tobacco revenues and interest earnings. Also attached is a revised FY15 budget for FTF's tobacco fund.

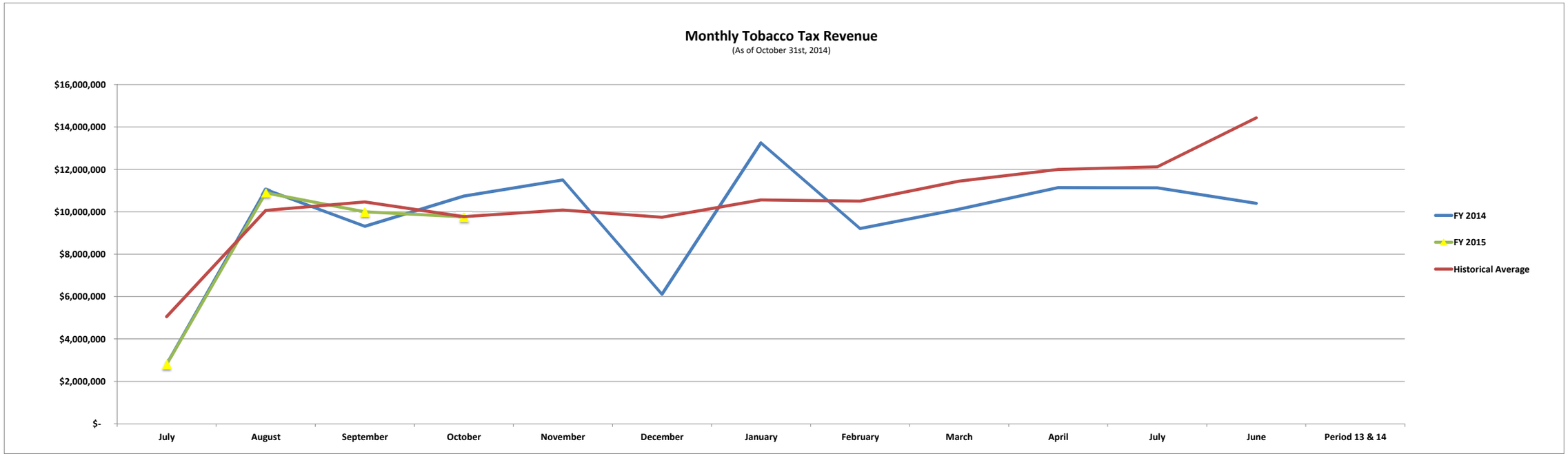
Revenues:
Tobacco and interest revenues are trending towards projections. At time of publication, state bookings were through October, one-third of the way throught the current fiscal year. Calendar year-end (and the months around it), has historically shown the greatest volatility in actuals, and in turn becoming a primary indicator for realization of projections. Staff will continue to monitor collections.

Budget:
The bottom line budget for the organization remains unchanged. What is reflected in the attached are the line item adjustments associated with the input and reporting error noted during the budget presentation at the Board's October meeting. The bulk of the updates are located within the Regional Account budget, and specifically associated with about $2.8 million in salary and ERE being originally mis-coded as "aid to other organizations". The other large line-item update in the account area was a shift between "operations" and "professional and outside services".

Finally, the budget report was updated to include the line-item "transfers-out" so that Administrative Account transfers to fellow state agencies could be budgeted (and presented to the Board) in the line-item that is used under the state accounting rules to track such "expenditures". "Transfers out" related to expenditures related that FTF pays another agency for an administrative function. As opposed to "aid to other organizations" which represents expenditures related directly to FTF providing reimbursement to another entity (government or otherwise) for grant work they have performed. Per previous Board action, FTF budgets $150k annually to support DOR's tobacco enforcement efforts. The reflected update simply aligns the budget with the line-item that will ultimately hold the expenditure in the state's accounting system.

RECOMMENDATION:
The CEO recommends approval of the FY15 budget update as presented.

FIRST THINGS FIRST - FY15

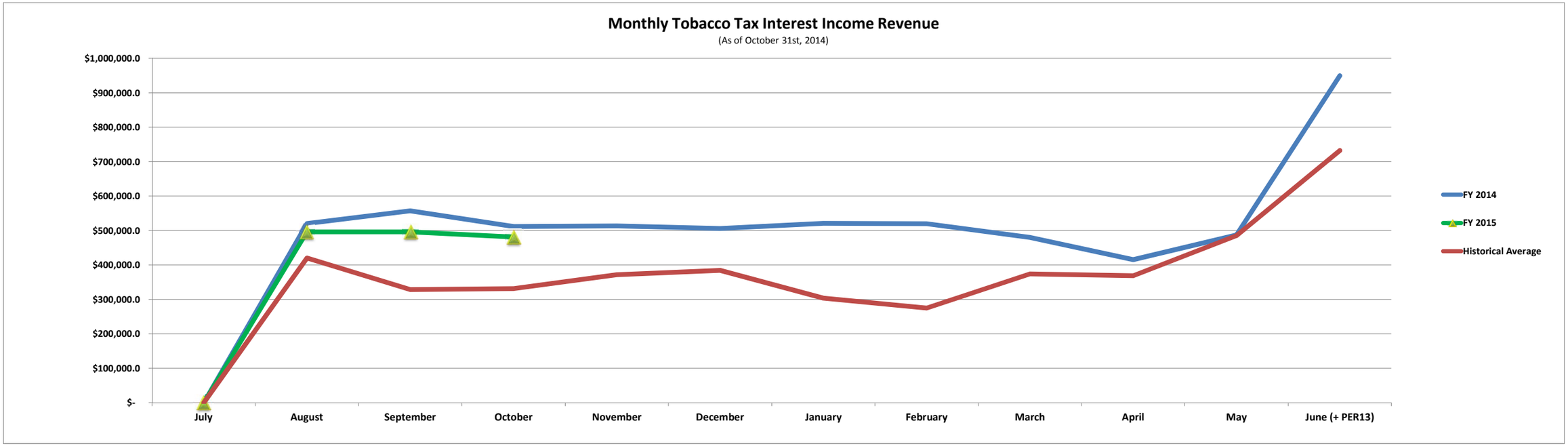


Tobacco Tax Revenue Collection	Historical Average	Historical Average FY10 Forward	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011	FY 2010	FY 2009	FY 2008	FY2007
July	$ 5,050,178	$ 3,027,000	$ 2,789,010	$ 2,808,105	$ 2,800,664	$ 3,851,571	$ 3,073,465	$ 2,601,198	$ 13,072,609	$ 12,193,815	$ -
August	$ 10,061,003	$ 10,635,433	$ 10,893,259	$ 11,043,547	$ 10,889,277	$ 9,447,538	$ 10,783,204	$ 11,013,597	$ 13,259,701	$ 14,051,158	$ -
September	$ 10,465,738	$ 10,795,651	$ 9,998,971	$ 9,313,534	$ 11,222,789	$ 12,563,346	$ 10,929,997	$ 9,948,588	$ 13,692,552	$ 16,055,097	$ -
October	$ 9,769,158	$ 10,714,100	**$ 9,757,873**	$ 10,734,946	$ 9,086,012	$ 11,636,232	$ 10,424,940	$ 11,688,368	$ 12,153,319	$ 12,429,446	$ -
November	$ 10,079,497	$ 10,794,877		$ 11,497,936	$ 11,696,889	$ 8,677,824	$ 10,687,793	$ 11,413,943	$ 13,071,452	$ 13,590,137	$ -
December	$ 9,743,820	$ 9,998,585		$ 6,103,251	$ 10,783,652	$ 11,903,091	$ 10,365,779	$ 10,837,151	$ 13,559,444	$ 14,398,196	$ -
January	$ 10,560,118	$ 11,125,288		$ 13,246,628	$ 9,370,625	$ 9,609,307	$ 12,480,361	$ 10,919,518	$ 14,579,373	$ 14,275,133	$ -
February	$ 10,499,289	$ 9,411,032		$ 9,211,966	$ 9,416,091	$ 9,918,526	$ 8,567,799	$ 9,940,779	$ 8,474,104	$ 11,643,437	$ 16,821,613
March	$ 11,446,939	$ 10,372,951		$ 10,121,955	$ 9,746,264	$ 9,977,560	$ 11,398,336	$ 10,620,639	$ 13,132,772	$ 13,900,273	$ 12,677,711
April	$ 11,997,607	$ 10,902,956		$ 11,141,304	$ 8,294,556	$ 11,187,846	$ 11,860,199	$ 12,030,877	$ 12,334,970	$ 13,923,595	$ 15,207,513
July	$ 12,120,450	$ 11,456,115		$ 11,129,621	$ 13,131,721	$ 10,412,306	$ 10,963,454	$ 11,643,476	$ 10,951,777	$ 14,917,645	$ 13,813,602
June	$ 14,427,879	$ 12,875,797		$ 10,398,410	$ 11,826,802	$ 11,770,074	$ 10,772,806	$ 19,610,894	$ 21,692,058	$ 13,427,181	$ 15,924,807
Period 13 & 14	$ 3,890,702	$ 6,225,123		$ 7,870,531	$ 7,502,698	$ 7,359,073	$ 8,393,311	$ -	$ -	$ -	$ -
	$ 130,112,379	**$ 128,334,908**	**$ 33,439,112**	**$ 124,621,734**	**$ 125,768,040**	**$ 128,314,293**	**$ 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 2015
Annual Collection Budget	$ 122,200,000
YTD Collections	$ 33,439,112
YTD Full Month as % of Budget	27.4%
FY-2014 Same % Compare	27.2%
FY-2013 Same % Compare	27.0%
FY-2012 Same % Compare	29.2%
FY-2011 Same % Compare	26.9%
4 Yr Avg of % Compare	27.2%
Collections Projection	$ 122,963,440
Difference From Budget	**$ 763,440**

FIRST THINGS FIRST - FY15



Tobacco Interest Revenue Collection	Historical Average	Historical Average FY10 Forward	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011	FY 2010	FY 2009	FY 2008	FY2007
July	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
August	$ 419,902	$ 558,511	$ 495,965	$ 520,247	$ 523,159	$ 215,461	$ 271,833	$ 1,223,591	$ 502,912	$ 202,360	$ -
September	$ 328,647	$ 353,842	$ 496,077	$ 557,146	$ 580,997	$ 294,106	$ 282,970	$ 257,294	$ 644,892	$ 240,268	$ -
October	$ 331,067	$ 325,339	**$ 480,808**	$ 511,671	$ 479,332	$ 328,827	$ 259,133	$ 234,062	$ 626,736	$ 389,377	$ -
November	$ 371,790	$ 397,050		$ 513,071	$ 618,082	$ 339,092	$ 287,512	$ 343,513	$ 592,399	$ 421,934	$ -
December	$ 384,039	$ 363,379		$ 505,810	$ 572,924	$ 338,580	$ 239,389	$ 302,624	$ 636,611	$ 598,144	$ -
January	$ 303,542	$ 356,110		$ 521,047	$ 571,916	$ 334,904	$ 264,671	$ 252,949	$ 193,422	$ 506,930	$ -
February	$ 274,711	$ 340,496		$ 519,813	$ 580,521	$ 308,587	$ 224,468	$ 248,407	$ 144,280	$ 416,711	$ -
March	$ 373,834	$ 328,653		$ 479,801	$ 442,551	$ 409,883	$ 228,525	$ 233,651	$ 550,854	$ 670,193	$ 81,181
April	$ 368,522	$ 392,757		$ 415,124	$ 526,434	$ 489,936	$ 270,846	$ 283,812	$ 321,359	$ 644,756	$ 42,514
May	$ 485,240	$ 395,653		$ 486,809	$ 553,899	$ 496,631	$ 230,519	$ 301,562	$ 851,027	$ 889,538	$ 73,504
June (+ PER13)	$ 732,388	$ 851,628		$ 949,349	$ 1,214,262	$ 1,058,030	$ 491,970	$ 642,251	$ 270,413	$ 1,162,859	$ 286,932
	$ 4,373,681.9	**$ 4,663,416.9**	**$ 1,472,849.3**	**$ 5,979,888.0**	**$ 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 2015
Annual Interest Budget	$ 6,000,000
YTD Interest	$ 1,472,849
YTD Full Month as % of Budget	24.5%
FY-2014 Same % Compare	26.6%
FY-2013 Same % Compare	23.8%
FY-2012 Same % Compare	18.2%
FY-2011 Same % Compare	26.7%
4 Yr Avg of % Compare	23.8%
Interest Projection	$ 6,199,804
Difference From Budget	$ 199,804

FIRST THINGS FIRST

FY15 -Tobacco All Funds Report

(YTD as of October 31st, 2014)

	Agency					Admin					Programs				
	FY15 Budget (rv1 w/ 14 rev act)	Adj	FY15 Budget (rv2)	YTD	Difference	FY15 Budget (rv1 w/ 14 rev act)	Adj	FY15 Budget (rv2)	YTD	Difference	FY15 Budget (rv1 w/ 14 rev act)	Adj	FY15 Budget (rv2)	YTD	Difference
Revenue															
Balance Forward															
Organizational Fund Balance	$ 170,188,563	$ -	$ 170,188,563	$ 170,188,563		$ 68,067,568	$ -	$ 68,067,568	$ 68,067,568		$ 102,120,995	$ -	$ 102,120,995	$ 102,120,995	
Fund Balance Allocated	17,069,700	-	17,069,700	17,069,700		2,061,600	-	2,061,600	2,061,600		15,008,100	-	15,008,100	15,008,100	
Regional Programs Carry Forward	78,953,495	-	78,953,495	78,953,495		-	-	-	-		78,953,495	-	78,953,495	78,953,495	
Previous Year's Revenue (FY14)															
Allocated	128,200,000	-	128,200,000	128,200,000		12,820,000	-	12,820,000	12,820,000		115,380,000	-	115,380,000	115,380,000	
Unallocated	2,401,622	-	2,401,622	2,401,622		226,382	-	226,382	226,382		2,175,240	-	2,175,240	2,175,240	
Total Means of Financing	***396,813,379***	***-***	***396,813,379***	***396,813,379***		***83,175,550***	***-***	***83,175,550***	***83,175,550***		***313,637,829***	***-***	***313,637,829***	***313,637,829***	
Annual Expenditures															
Personal Services	13,225,001	(2,034,626)	11,190,375	2,845,992	8,344,383	8,307,784	-	8,307,784	2,322,434.78	5,985,349	4,917,217	(2,034,626)	2,882,591	523,557	2,359,034
ERE	4,981,011	(717,511)	4,263,500	1,117,287	3,146,213	3,112,468	-	3,112,468	913,475.18	2,198,993	1,868,543	(717,511)	1,151,032	203,812	947,220
Travel In-State	477,253	9,725	486,978	106,617	380,361	385,157	8,975	394,132	95,706.33	298,426	92,096	750	92,846	10,911	81,935
Travel Out-of-State	102,526	(21,369)	81,157	8,486	72,671	92,026	(22,119)	69,907	5,355.00	64,552	10,500	750	11,250	3,131	8,119
Professional & Outside Services	3,130,893	100,600	3,231,493	9,728,548	(6,497,055)	822,588	-	822,588	288,430.83	534,157	2,308,305	100,600	2,408,905	9,440,117	(7,031,212)
Other Operating Expenditures	5,364,598	(154,826)	5,209,772	1,431,220	3,778,552	1,691,422	(4,966)	1,686,456	477,784.45	1,208,672	3,673,176	(149,860)	3,523,316	953,436	2,569,881
Internal Printing	147,613	434	148,047	23,902	124,144	85,449	3,110	88,559	21,087.08	67,472	62,164	(2,676)	59,488	2,815	56,673
External Printing	158,039	4,400	162,439	28,937	133,502	53,215	-	53,215	11,815.80	41,399	104,824	4,400	109,224	17,121	92,103
Aid to Organizations	137,762,404	2,655,673	140,418,077	35,446,059	104,972,018	150,000	(150,000)	-		-	137,612,404	2,805,673	140,418,077	35,446,059	104,972,018
Equipment	265,991	7,500	273,491	68,308	205,183	181,491	15,000	196,491	64,430.73	132,060	84,500	(7,500)	77,000	3,877	73,123
Transfers	-	150,000	150,000	75,000	75,000	-	150,000	150,000	75,000.00	75,000	-	-	-	-	-
Total Expenditures	***165,615,329***	***0***	***165,615,329***	***50,880,355***	***114,734,974***	***14,881,600***	***-***	***14,881,600***	***4,275,520***	***10,606,080***	***150,733,729***	***0***	***150,733,729***	***46,604,835***	***104,128,894***
Ending Balance	***231,198,050***	***(0)***	***231,198,050***	***345,933,024***		***68,293,950***	***-***	***68,293,950***	***78,900,030***		***162,904,100***	***(0)***	***162,904,100***	***267,032,994***	
Revenue (Tobacco + Interest)	**128,200,000**	**-**	**128,200,000**	**34,911,962**		**12,820,000**	**-**	**12,820,000**	**3,491,197**		**115,380,000**	**-**	**115,380,000**	**31,420,765**	
True Ending Fund Balance	**$ 359,398,050**	**$ -**	**$ 359,398,050**	**$ 380,844,985**		**$ 81,113,950**	**$ -**	**$ 81,113,950**	**$ 82,391,226**		**$ 278,284,100**	**$ -**	**$ 278,284,100**	**$ 298,453,759**	

	Statewide Programs					***Regional Programs***				
	FY15 Budget (rv1 w/ 14 rev act)	Adj	FY15 Budget (rv2)	YTD	Difference	FY15 Budget (rv1 w/ 14 rev act)	Adj	FY15 Budget (rv2)	YTD	Difference
Revenue										
Balance Forward										
Organizational Fund Balance										
Fund Balance Allocated	$ 1,500,810	$ -	$ 1,500,810	$ 1,500,810		$ 13,507,290	$ -	$ 13,507,290	$ 13,507,290	
Regional Programs Carry Forward						78,953,495	-	78,953,495	78,953,495	
Previous Year's Revenue (FY14)										
Allocated	11,538,000	-	11,538,000	11,538,000		103,842,000	-	103,842,000	103,842,000	
Unallocated										
Total Means of Financing	***13,038,810***	***-***	***13,038,810***	***13,038,810***	***-***	***196,302,785***	***-***	***196,302,785***	***196,302,785***	***-***
Annual Expenditures										
Personal Services	553,801	1	553,802	116,734	437,068	4,363,416	(2,034,627)	2,328,789	406,823	1,921,966
ERE	210,445	(191)	210,254	44,670	165,584	1,658,098	(717,320)	940,778	159,142	781,636
Travel In-State	5,000	-	5,000	1,334	3,666	87,096	750	87,846	9,577	78,269
Travel Out-of-State	3,750	-	3,750	1,597	2,153	6,750	750	7,500	1,534	5,966
Professional & Outside Services	433,695	-	433,695	933,597	(499,902)	1,874,610	100,600	1,975,210	8,506,520	(6,531,310)
Other Operating Expenditures	1,726,985	750	1,727,735	903,993	823,742	1,946,191	(150,610)	1,795,581	49,443	1,746,138
Internal Printing	700	-	700	185	515	61,464	(2,676)	58,788	2,630	56,158
External Printing	25	-	25	6,448	(6,423)	104,799	4,400	109,199	10,673	98,526
Aid to Organizations	9,183,104	190	9,183,294	1,595,928	7,587,366	128,429,300	2,805,483	131,234,783	33,850,130	97,384,653
Equipment	10,250	(750)	9,500	286	9,214	74,250	(6,750)	67,500	3,591	63,909
Transfers	-	-	-	-	-	-	-	-	-	-
Sub-Total	***12,127,755***	***(0)***	***12,127,755***	***3,604,771***	***8,522,984***	***138,605,974***	***(0)***	***138,605,974***	***43,000,064***	***95,605,910***
Ending Balance	***$ 911,055***		***$ 911,055***	***$ 9,434,039***		***$ 57,696,811***		***$ 57,696,811***	***$ 153,302,721***	

FIRST THINGS FIRST

Ready for School. Set for Life.

AGENDA ITEM:
Study Session: Cycle of Implementation

BACKGROUND:
During the June 2014 Board meeting a discussion was held regarding the processes and methods for which regional councils carry out their roles and responsibilities and how information is then presented to the Board for decision making. It was determined that a study session would be helpful at a future board meeting to review and discuss how the regional councils carry out their work and how materials and information are presented to the Board for decision making.

The attached slide deck includes information on the cycle of implementation of regional councils, from conducting regional needs and assets to renewing grant awards and government agreements. The study session's objectives are the following:

- To review the processes and methods for which regional councils carry out their key roles and responsibilities in advancing the early childhood system in their regions;
- To review how staff support the work of the regional councils and boards in making effective decisions;
- To review the processes and materials prepared for board decisions.

RECOMMENDATION:
For informational purposes only.

Study Session: Cycle of Implementation
FTF Board Meeting

December 9, 2014

Study Session Objectives

- To review how regional councils carry out their key roles and responsibilities in advancing the early childhood system in their regions
- To review how staff support the work of the regional councils and boards in making effective decisions
- To review processes and materials prepared for board decisions

Cycle of Implementation Overview

FIRST THINGS FIRST

Regional Needs and Assets

REGIONAL COUNCIL

- Conducted every two years
- Base report template
- Vendor selected to collect data and complete report
- Determine if additional data is desired and how to collect
- Report reviewed and recommended for Board approval

BOARD

- Summary of key findings and comparison of data across regions
- Executive Summaries
- Board approval of reports

FIRST THINGS FIRST

Strategic Planning
Preparation of Funding Plans

REGIONAL COUNCIL

- 3 year strategic plans/annual budgets presented
- Strategic Planning Guidance
  - Board Direction and Policy
  - System Building
  - Strategic planning framework
- Funding Allocation
- Strategy Universe
- Regional Needs and Assets
- Community engagement
- Funding Plan Template
- Plans recommended to the Board
- Changes to approved funding plans sent to Board for consideration

BOARD

- Funding Plan Overview
  - strategies funded and comparison of strategies across the regions
  - System Building including opportunities for public private partnerships
- Funding plans prepared using standard template including Executive Team recommendations for Board consideration
- Presentation by Chairs and Vice Chairs
- Board approval of funding plans
- Board approval of any changes to the funding plans

FIRST THINGS FIRST

Strategy Implementation
(Request for Grant Application/Government Agreements)

REGIONAL COUNCIL

- Determine regional council intent for Scope of Work
- Determine mechanism for implementing each strategy (RFGA/Government Agreement)
- Release RFGA/Prepare Government Agreement
- Review grant award applications and government agreement scope of work responses
- Recommend award for initial grant period and recommend renewal for subsequent years

BOARD

- Summary of grant awards prepared
- Summary of award recommendations for each RFGA
- Summary of government agreements
- Executive Session to discuss RFGA award recommendations
- Board approval of awards and agreements

FIRST THINGS FIRST

Quality Assurance
Performance and Financial Monitoring

REGIONAL COUNCIL

- Quality Assurance Process—universal to targeted
- Quality Assurance Team
- Financial Reports
- Quarterly Data Reports
- Grant Partner Presentations
- Site Visits

BOARD

- Data from Quality Assurance, and performance and financial monitoring integrated into recommendations for continuing strategies and grant award and government agreement renewals

FIRST THINGS FIRST

Grant Award and Government Agreement Renewals

REGIONAL COUNCIL

- Renewal packet sent to all grant partners
- Review of financial and data reports
- Renewal document prepared for all grant awards/agreements
- Renewal recommendations submitted for board consideration

BOARD

- Summary of renewal recommendations from regional councils
- Overview of performance and financial data by grant partners
- Board approval of renewals

FIRST THINGS FIRST

Discussion

- Questions
- Additional Information Requested
- Recommended Changes and/or New Processes

FIRST THINGS FIRST

Ready for School. Set for Life.

AGENDA ITEM:
FY14 Fiscal Year End External Financial Audit (Henry & Horne, LLP)
General Accounting Office (GAO) Performance Audit

BACKGROUND:
Each year per statute, FTF is subject to an independent year-end financial audit. Based on FTF's relatively small size, the Auditor General's office does not conduct FTF's actual audit but instead relies on an approved outside/private audit firm to conduct and submit FTF's audit. FTF's final audit is forwarded to the Auditor General's office as well as the General Accounting Office (GAO) for inclusion in the State of Arizona CAFR (Comprehensive Annual Financial Report).

In addition to the annual year-end audit, FTF is also always subject to direct testing audit(s) by the Auditor General's office as well as performance or general fiscal operations audits conducted by the GAO – an office within the Department of Administration.

FTF has only ever once been directly reviewed by the Auditor General's office as a result of transactional sampling they were conducting as part of their overall state level audit. No issues were found in booking entry reviewed by the Auditor General.

FTF has twice been part of GAO's performance audits it conducts on all agencies/departments within state government. The first was conducted in the 2008/2009 and was very limited in scope considering how new FTF was and that program spending had yet to begin. The second was conducted in very early calendar year 2012. GAO was looking primarily at FY2011 accounting information, data, and procedures. The on-site review was completed, lasting a little under two weeks. However, the GAO did not produce a report in relation to this visit – choosing only to provide FTF staff with "exit" comments.

On November 18th, 2014 the Board's Audit and Finance Committee met, reviewed and discussed both audits. The committee cited no concerns, and expressed that the results of these audits reflected that FTF was well positioned in relation to its financials and the associated processes for managing the finances of the organization. In regards to GAO's work specifically, the committee concurred with the actions taken by FTF.

FY14 Fiscal Year End External Financial Audit (Henry & Horne, LLP)
Attached is the FY14 Fiscal Year End Audit. There were no findings as part of the audit, with FTF receiving an unqualified opinion on its financial statements. The included financials show that FTF's position remains relatively constant with last year.

Also attached is the management letter related to the audit. Within this letter, no recommendations on FTF's business practices were made by the external audit team this year.

General Accounting Office (GAO) Performance Audit
In early November 2014 the State Comptroller (the director of GAO) contacted FTF's CFO/COO regarding the work that was completed 2½ years earlier. As a result of a report not having been completed in a timely manner by the GAO and FTF not having the opportunity to provide any clarifying documentation

related to concerns identified, GAO determined no report would be issued. However, FTF and GAO agreed it was in the best interest of FTF that FTF be provided with any concerns which were identified to ensure the organization was able to benefit in any way possible from the effort that was completed previously by both parties/agencies.

As such, GAO sent FTF a list of six (6) concern areas. These concern areas were reviewed by FTF's CFO/COO, and reviewed and discussed in a phone meeting with the State Comptroller. What follows is the list of concerns, with corresponding GAO recommendations, and FTF's response along with the outcome of the conversation between FTF and GAO about the items.

Note 1: Cash receipts collected are not reconciled to those deposited and recorded in the State of Arizona Financial Information System (AFIS). Reconciliation of its internal accounting systems (receipts and expenditures) to AFIS is not preformed.

- GAO recommendation: pursuant to the SAAM Section II-Q-IV-Q, cash collections must be reconciled to totals of invoices, State Treasurer deposit slips, and AFIS reports. Without such reconciliations, there is an increased risk that the Board's internal accounting system and deposits will not reconcile with AFIS, which is the official financial record of the State.
  - FTF Response: The accounting system of record for FTF was (in FY11) and continues to be AFIS. However, FTF maintains an internal accounting system which interfaces with AFIS at a transactional level, and while expense were/are entered only once and the systems exchange that data, revenue was/is entered in each system. FTF's practice was to only reconcile cash between the two systems at year end accepting AFIS's figures and adjusting the internal system accordingly.

    FTF agreed a monthly reconciliation was more appropriate, as the data entry error could exist on AFIS side of entry and simply reconciling to that figure created cash discrepancies.

    In FY12 FTF made the process and personnel changes necessary to reconcile cash account on a monthly basis between the two systems, and is being done currently. Additionally, in FY16 FTF will be "retiring" the use of its internal accounting system and will be operating solely on the state's new accounting system removing this issue completely moving forward.

Note 2: The 50,000 delegated purchase authority was exceeded without a proper competitive bid with Hilton Hotel in the amount of $109,297 for fiscal year 2011 Summit Conference.

- GAO recommendation: in accordance with the Arizona Administrative Code (AAC) Section R2-7-202-E, the Board should ensure that any procurement that exceeds the Board's delegated authority is submitted to the State Procurement Office to be appropriately bid.

- FTF Response: FTF is very diligent in not exceeding its delegated purchasing authority, and under Procurement Reform that authority has been raised to $100k. In addition, based on the hiring of a new procurement officer (with multiple purchasing credential including state certification) at FTF in FY13 the State Procurement Office has approved FTF to have unlimited authority in certain per-approved circumstances.

  The "over-step" identified in this instance is a singular occurrence, and was a direct result of a quirk in state contract ADSPO13-044296 (for event planning) which delegates the state's signature authority for unlimited commitment to the vendor under this contract.

  Based on legal advice received from FTF's Assistant Attorney General, it was decided that in order to maintain the state's (and thus agencies) control of final approval of the contract it was best if FTF's CFO/COO provided final signature to a document that could and would have (appropriately so) been signed by FTF engaged event planner under this state contract.

  During GAO's on-site time at FTF it was clear to FTF staff that GAO's position was FTF should not have signed the summit's facility contract; regardless of thoughts/arguments about FTF operating within the spirit of the various rules and contracts in play, and actually operating more judiciously/appropriately. Understanding this, FTF made immediate changes in its process for the facility bookings associated with the Summit Conference. Beginning with the 2012 Summit FTF has relied upon its vendor to execute the associated contracts, with FTF relying on its PO with the vendor as its control/assurance that contracts outside the scope of what FTF desires will not be entered into.

Note 3: FTF ordered, received, and was invoiced for services received from a State contracted vendor, before completing and issuing an authorized purchase order.

- GAO recommendation: that purchases are prepared on the basis of purchase requisitions for non-routine and non-recurring purchases. The resulting purchase orders must be: approved by a responsible official, with delegated procurement authority, as listed on a current and approved Signature Authorization Form (GAO-3); logged sequentially, controlled, and reconciled to the AFIS monthly reports.
  - FTF Response: In FY2012, actually prior to GAO's on-site visit FTF had implemented the use of a Purchase Authorization Request (PAR) from. This from has continued to be refined (under the direction and guidance of FTF's state certified purchasing officer) and used since. All purchase orders are entered now expended after a three way matching process where a PO is reconciled with a receiver which is reconciled with an invoice for payment.

Note 4: A process to identify and prevent duplicate payments of travel claim reimbursement is not implemented. Employees that travel for an extended period of time submit a copy of their travel claims via fax and then submit the original copies upon return to the office. Both copies are treated as an original and over reimburse the traveler. In one instance, a single travel claim was reimbursed six times for the same travel claim.

- GAO recommendation: that control procedures should be designed and implemented to eliminate such an occurrence of duplicate travel reimbursements.
    - FTF Response: In FY12 FTF implemented a policy whereby no scanned or faxed travel claims would be accepted. Originals would be the only documents processed. Additionally, FTF instituted policy disallowing the processing of travel claims over 5 weeks old without a memo of request/justification from the traveler, as well as the signature and approval of the CFO/COO. As part of this effort, FTF also adjusted its processing procedures adding a secondary review of all travel claims. Finally, in early FY14 FTF added a position to the accounting area enabling initial reviews of all claims to be funneled through a dedicated travel claim expert.

Note 5: Unallowable, unauthorized, and excessive hotel lodging and meal cost were paid in conjunction with the Board's fiscal year 2011 Annual Summit on August 28th – 30th. Specifically:

1. Lodging expense of $2,237 was incurred for nine employees within 50 miles of their duty post or personal residence.
    - GAO recommendation: in accordance with SAAM II-D-IV-E-1-a(1) lodging expense may be incurred and reimbursed for authorized travel on official state business outside a radius of 50 miles from the traveler's personal residence or duty post.
        - FTF response: During the onsite review FTF became aware of these findings, and for all subsequent Summit events has "batched/grouped" all summit travel to be processed and evaluated separately. Before any claim is approved for payment mileage calculations are run using MapQuest on each individual's stated/recorded departure and return point.

          Additionally, in conversations with the State Comptroller it was acknowledged that the current state accounting manual (SAAM), is currently in the process of being updated with significant revisions likely coming to travel due to the complexity and sometimes seemingly contradictory statements on how to process particular claims.
2. Lodging expense of $2,147 for 25 participants considered a "no show" for not cancelling their hotel room reservation.
    - GAO recommendation: pursuant to TB 09-05, it is management's responsibility to control waste. The Board should implement an internal policy for canceling hotel room reservations to not incur unnecessary expenses to the State.
        - FTF Response: Prior to GAO's on site time, as part of FTF's normal debrief process surrounding the Summit and its logistics, this issue was identified. As such, FTF had already implemented (and continues to use) a revised process for booking, updating bookings, and doing a final check on participation of FTF affiliated attendees (particularly regional council members). This has significantly reduced the number of "no shows" – mainly limited to individuals that are truly unable to cancel in advance because of unforeseen circumstances.

The ongoing reality of being charged for "no shows" on rooms as part of the summit and/or normal travel (at FTF or other agencies) was discussed with the State Comptroller and it was agreed it is a reality, and that really all that can be done is prudent steps to minimize it from occurring.

3. FTF did not submit "Request to Pay for Meals Served at FTF Early Childhood Summit" fiscal year 2011 memo dated August 26, 2011 to the State Comptroller for prior approval.
    - GAO Observation: that FTF requested pre-approval for fiscal year 2010 Annual Summit for lunch to be provided, but did not submit a similar request for fiscal year 2011 which included breakfast and dinner that was not provided in prior year's Summit. It is recommended by GAO that in accordance with SAAM II-D-IV-B-3, a proper request for an exception to the State Policy should be submitted to the State Comptroller providing a complete explanation of the facts surrounding the need for the exception.
        - FTF Response: This item represented the only item where FTF maintained a different perspective from GAO. FTF's perspective was discussed at length with the State Comptroller. Ultimately it was agreed that FTF's perspective while not necessarily shared (or common practice in most other agencies) was not wrong, that under the revisions being proposed for the state accounting manual FTF's procedures would qualify as appropriate, that the procedures followed by FTF did accomplish the goals of the state, and that the State Comptroller would not be looking for any future submissions for food waivers from FTF.

          In short FTF's perspective was/is that food waivers for conferences are governed by section II-H-1 of the government accounting manual, sub-section E – the specific section cited by GAO, which relates but deals more specifically with meals while a state employee is in travel status. And under the more relevant section cited by FTF, the State Comptroller does not need to approve. Instead that authority and responsibility rests with the agency, and what is required is that the agency show and maintain record that it is in the best interest of the state to pay for the food. Which FTF does, and GAO does not dispute, in the form of a formal return on investment (ROI) analysis which shows the dollar cost of the "event" when food is paid for vs. when it is not.

Note 6: Substantiation of actual direct time and effort, by benefitting program (for grant work done under grants received by FTF), through a Personal Activity Report or equivalent and making a comparison of actual cost to budgeted distributions is not maintained.

- GAO recommendation: that as it relates to employees who work on multiple cost objectives, if an employee has multiple funding sources and multiple job responsibilities, the employees must maintain Personal Activity Report or equivalent to substantiate the allocation. As it relates to employees who work exclusively on a single activity, a semi-annual certification statement is to be prepared at least semi-annually to be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee.
    - FTF Response: Simultaneous to GAO's on-site visit to FTF, the Finance Committee was asked to provide FTF with thoughts and guidance on ways to track this very item/issue, without creating complications around FLSA and doing hour tracking on FLSA Exempt employees who are not considered hourly and thus not (and should not be) managed by a clock and hours worked.

FTF agrees this is an item that needs to be implemented. However, to date FTF has still not implemented a formal system. The primary reason for this is, FTF has very few grants and those grants are typically deliverable-focused with full/direct costing provided for salaries as part of the budget (since FTF does not currently have an established Federal Indirect Cost Rate). As such, other priorities have continued to push down implementation of a "tracking system."

GAO's observation of this item has placed this issue back towards the top of projects to be completed within the Operations Division of FTF by fiscal year's end. Operations is currently looking at who within the area could manage a process by which employees with salary lines supported by grant dollars are acknowledging they spent their budgeted amount of time in that period on the externally funded project. This approach is in line with both recommendations received by GAO and the Finance Committee previously.

RECOMMENDATION:
For informational purposes only.

HENRY & HORNE, LLP
CERTIFIED PUBLIC ACCOUNTANTS

ARIZONA EARLY CHILDHOOD DEVELOPMENT AND HEALTH BOARD

FINANCIAL STATEMENTS

Year Ended June 30, 2014

ARIZONA EARLY CHILDHOOD DEVELOPMENT AND HEALTH BOARD

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HENRY & HORNE, LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Arizona Early Childhood Development and Health Board
Phoenix, Arizona

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of Arizona Early Childhood Development and Health Board ("Board"), of the State of Arizona, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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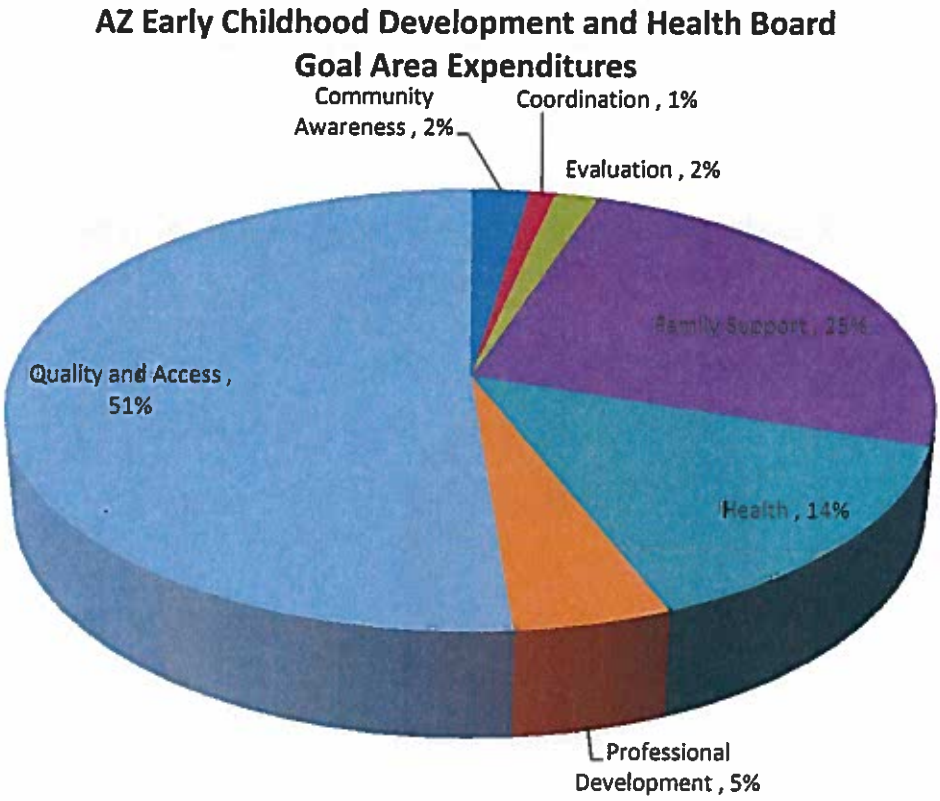
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014

The discussion and analysis is designed to provide an analysis of the Arizona Early Childhood Development and Heath Board's (Health Board's) financial conditions and operating results and to also inform the reader on the Health Board's issues and activities.

Financial Highlights

Key financial highlights for fiscal year 2013-2014 are as follows:

- Program spending totaled $ 141.9 million in the following Goal Areas:



Fiscal year 2014 program expenditures were allocated to these goals areas throughout the state. The Quality and Access goal is in place to increase the availability, quality and diversity of learning environments that support children's language and literacy development, emotional well-being, health and safety. This includes Quality First, the Health Board's signature program that has engaged more than 900 center and home based child care providers in efforts to improve the quality of the early education services they provide. The Professional Development goal area focuses on developing a comprehensive and well-articulated professional development system within Arizona for teachers who work with infant, toddlers and preschoolers. Professional development strategies also address increasing those teachers' access to college coursework and/or degrees so that they are better prepared to engage young minds. Under the Health goal areas, funds are allocated to improve children's health by increasing the number of children with continuous medical, mental health and dental insurance

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Health Board uses accounting to ensure and demonstrate compliance with finance–related legal requirements. The Health Board's financial information is reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measure cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Health Board's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Health Board's projects.

Notes to the financial statements

The Notes to the Financial Statements provide additional information that is essential for a full understanding of the data provided in the statements.

Financial Analysis

The following table and analysis discuss the financial position and changes to the financial position for the Health Board as a whole as of and for the year ended June 30, 2014.

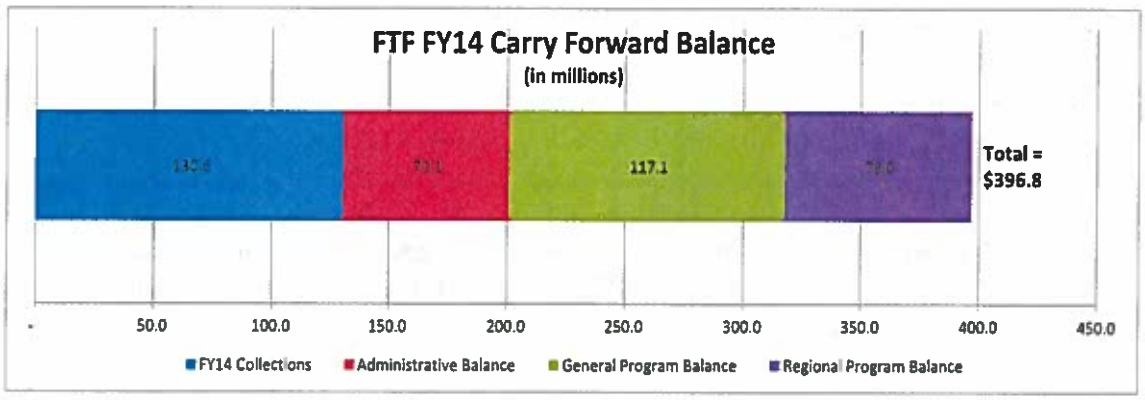
Balance Sheet

The following table reflects the condensed Balance Sheet as of June 30, 2014.

Condensed Balance Sheet
(in Thousands)

	Program Fund	Admin Fund	Non-major Funds	Total
Total assets	$328,938	$83,511	$ 2,184	$414,633
Total liabilities	15,300	336	2,099	17,735
Total fund balances	$313,638	$83,175	$ 85	$396,898

Total assets have decreased from fiscal year 2013. This is mainly due to a lower ending cash balance at the end of the year.



Financial Analysis of the Health Board's Funds

The Health Board maintains fund accounting to demonstrate compliance with budgetary and legal requirements. The following is a brief discussion of financial highlights from the fund financial statements.

Governmental Funds

The focus of governmental fund financial statements is to provide information on the near-term inflows, outflows and balances of spendable resources. The Health Board maintains two major governmental funds 1) program funds and 2) administrative fund.

The Program Fund is the main operating fund of the Health Board and is used in furtherance of the objectives set forth in Arizona Revised Statutes, Title 8, Chapter 13.

The Administrative Fund is used to pay administrative expenses.

Budgetary Highlights

When the initiative passed creating FTF (in November 2006), it dictated tax revenues would begin to be collected and accrue to the agency starting January 1, 2007 (six months into FY07). The timing of when the agency would begin spending funds was also outlined in statute, with full spending to begin in FY10. Statute created several allowances for earlier spending, but statute expressly acknowledged a "development phase." Annual collection of tobacco tax revenue and interested income form the basis for the budget the Board is responsible for setting each year for the subsequent year (per ARS 8-1184). In setting this budget statute directs the Board to determine the total amount of funds necessary to support the administrative and program (statewide and regional) funding needs. Once this total spending budget is set, statute then guides how the funds within the Program area will be allocated.

FINANCIAL STATEMENTS

ARIZONA EARLY CHILDHOOD DEVELOPMENT AND HEALTH BOARD
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2014

REVENUES	Program Fund	Administrative Fund	Non-major Funds	Total Governmental Funds
Tobacco tax	$ 112,159,842	$ 12,461,894	$ -	$ 124,621,736
Investment earnings	5,395,398	584,489	10,949	5,990,836
Grants and donations	-	-	980,675	980,675
TOTAL REVENUES	117,555,240	13,046,383	991,624	131,593,247
EXPENDITURES				
Current:				
Personal services	1,709,280	7,196,271	18,674	8,924,225
Employee related expenditures	689,241	2,766,068	6,666	3,461,975
Professional-outside services	1,394,861	793,613	437,562	2,626,036
Travel in-state	58,255	318,213	29,701	406,169
Travel out-of-state	10,638	70,861	8,444	89,943
Aid to others	129,041,287	117	2,888,962	131,930,366
Aid to State Agencies	5,606,570	-	-	5,606,570
Other operating expenditures	3,338,728	1,548,886	66,641	4,954,255
Non-capital equipment	58,627	435,157	241,500	735,284
Capital equipment	-	171,141	-	171,141
TOTAL EXPENDITURES	141,907,487	13,300,327	3,698,150	158,905,964
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(24,352,247)	(253,944)	(2,706,526)	(27,312,717)
OTHER FINANCING SOURCES (USES)				
Transfers in from other state agencies	-	-	2,734,746	2,734,746
Transfers out to other state agencies	-	(150,000)	-	(150,000)
Total other financing sources (uses)	-	(150,000)	2,734,746	2,584,746
Net change in fund balances	(24,352,247)	(403,944)	28,220	(24,727,971)
FUND BALANCES BEGINNING OF YEAR	337,990,076	83,579,494	56,801	421,626,371
FUND BALANCES END OF YEAR	$ 313,637,829	$ 83,175,550	$ 85,021	$ 396,898,400

See accompanying notes.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Early Childhood Development and Health Board (Board) is an agency of the State of Arizona (State). The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units for one or more individual funds and not the overall government. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

The Board was established by Ballot Proposition 203 (Prop 203) in the November 7, 2006, State of Arizona general election to provide programs and services to pre-kindergarten children and their families for the purpose of assisting child development by providing education and other support, including parent and family support programs, child care, preschool, health screenings and access to preventive health services. As required by Arizona Revised Statutes (A.R.S.) §16-651, on December 7, 2006, the Governor issued the Governor Issues Elections Proclamation declaring Prop 203 into law immediately and effectively creating the Board.

The Board is part of the State of Arizona's reporting entity. However, the fund financial statements are intended to present solely the transactions of the Board for the current year. These statements do not present the financial position or changes in financial position of the State. The State issues a publicly available Comprehensive Annual Financial Report (CAFR). Copies of the CAFR are posted on the Arizona Department of Administration's General Accounting Office's (GAO) Web site at www.gao.state.az.us or can be obtained by contacting the GAO at 100 North 15th Avenue, 3rd Floor, Suite 302, Phoenix, Arizona, 85007.

The A.R.S. §8-1186 requires an annual audit of the Board's funds, accounts, and sub-accounts by an independent certified public accountant within 120 days after the end of the fiscal year. The accompanying financial statement serves as the basis for this audit.

Fund Balances – Governmental Funds

As of June 30, 2014, fund balances of the governmental funds are classified as follows:

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Interfund Receivables and Payables

Interfund receivables and payables represent short-term cash loans at year end. All such balances are expected to be repaid in the next fiscal year.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment Valuation

Arizona Revised Statutes (ARS) authorize the Board to invest public monies in the State Treasurer's Local Government Investment Pool. As required by GASB Accounting Standards Codification, investments are reported at fair value which is the amount at which financial instruments could be exchanged in a current transaction between willing parties.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2 CASH AND INVESTMENTS HELD BY THE STATE TREASURER

All cash is deposited or invested with the Arizona State Treasurer (Treasurer). The Treasurer is part of the State's financial reporting entity and issues a separately published Annual Financial Report. A copy of the Treasurer's Annual Financial Report can be obtained from its Web site at www.aztreasury.gov or by contacting the Treasurer's Office at 1700 West Washington St., 1st Floor, Phoenix, AZ, 85007-2812.

A.R.S. requires state agencies' monies to be deposited with the Treasurer, and further requires those deposits to be invested in various pooled funds. Cash and investments held by the Treasurer represent the Board's portion of those monies. The Treasurer invests idle monies of the state agencies in internal investment pools (Pool 3 and Pool 16) and distributes interest to the participants. Interest earned from these invested monies is allocated monthly based on the average daily balance. Participant shares in the pool are purchased and sold based on the net asset value of the shares, and a participant's portion of the pool is not identified with specific investments. Accordingly, the Board's portion of these deposits and investments approximates the Board's value of pool shares.

The Treasurer's internal investment Pool 3 and Pool 16 are not required to be registered (and are not registered) with the Securities and Exchange Commission under the Investment Company Act of 1940. In accordance with A.R.S. §35-311, the State Board of Investments reviews the activities and performance of the pool monthly.

NOTE 4 RESTRICTED FUND BALANCE

The Board has restricted fund balances in the Program Fund and Administrative Fund due to voter-imposed legislation which imposed a state-wide tobacco tax to provide funding for quality early childhood development and health. The Non-major Fund balance is restricted due to grantor restrictions imposed at the time grants are awarded.

NOTE 5 INTERAGENCY SERVICE AGREEMENT

The Board executed an interagency service agreement with the Arizona Department of Health Services ("ADHS") in the amount of $1,475,846 to provide financial support to the Board for costs associated with securing evidence-based early intervention home visitation services through the Nurse Family Partnership and/or Health Families models to eligible women in identified Community Health Analysis Areas in Arizona. Transfers into the Board's accounts for year ended June 30, 2014 amounted to $1,417,809, including $546,325 due from ADHS to the Board at June 30, 2014. The Agreement is effective through September 30, 2015.

The Board executed an interagency service agreement with the Arizona Department of Economic Security ("DES") in the amount of $1,316,937 dated August 6, 2014 for activities occurring through September 30, 2013 to provide financial support to Board for costs associated with child care and development targeted funds (CCDF) expended in support of the CCDF target population of eligible infant and toddlers (zero (0) through three (3) years of age). Eligible CCDF infant and toddler expenditures must benefit this age group and may include professional development; public knowledge and engagement; health and safety of infants and toddlers; facility enhancement/expansion; child care settings and activities for families, friends, neighbor providers, family child care, and teen parents; planning, research, and evaluation efforts; child care resource and referral activities; parent and family involvement through training; and program standard enhancements. Transfers into the Board's accounts for year ended June 30, 2014 amounted to $1,316,937, including $1,316,937 due from DES to the Board at June 30, 2014. The Agreement is effective through September 30, 2013.

REQUIRED SUPPLEMENTARY INFORMATION

ARIZONA EARLY CHILDHOOD DEVELOPMENT AND HEALTH BOARD
ADMINISTRATIVE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2014

	Budgeted Amounts Original & Final	Actual Amounts	Variance with Final Budget- Positive (Negative)
REVENUES			
Tobacco tax	$ 122,200	$ 12,461,894	$ 12,339,694
Investment earnings	6,000	584,489	578,489
TOTAL REVENUES	128,200	13,046,383	12,918,183
EXPENDITURES			
Current			
Personal services	8,247,627	7,196,271	1,051,356
Employee related expenditures	3,127,037	2,766,068	360,969
Professional and outside services	1,102,906	793,613	309,293
Travel in-state	368,680	318,213	50,467
Travel out-of-state	70,641	70,861	(220)
Aid to others	-	117	(117)
Other operating expenditures	1,874,068	1,548,886	325,182
Non-capital equipment	181,491	435,157	(253,666)
Capital	-	171,141	(171,141)
TOTAL EXPENDITURES	14,972,450	13,300,327	1,672,123
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(14,844,250)	(253,944)	14,590,306
OTHER FINANCING SOURCES (USES)			
Transfers out to other state agencies	-	(150,000)	(150,000)
Total other financing sources (uses)	-	(150,000)	(150,000)
Net change in fund balances	(14,844,250)	(403,944)	14,440,306
FUND BALANCE BEGINNING OF YEAR	83,579,494	83,579,494	-
FUND BALANCE END OF YEAR	$ 68,735,244	$ 83,175,550	$ 14,440,306

REPORT ON INTERNAL CONTROL AND COMPLIANCE

HENRY & HORNE, LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Board of Directors
Arizona Early Childhood Development and Health Board
Phoenix, Arizona

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of Arizona Early Childhood Development and Health Board, Arizona (Board), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Arizona Early Childhood Development and Health Board's basic financial statements, and have issued our report thereon dated October 14, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Arizona Early Childhood Development and Health Board's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Board's internal control. Accordingly, we do not express an opinion on the effectiveness of Arizona Early Childhood Development and Health Board's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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HENRY & HORNE, LLP
Certified Public Accountants

Board of Directors
Arizona Early Childhood Development and Health Board

We have audited the financial statements of Arizona Early Childhood Development and Health Board for the year ended June 30, 2014, and have issued our report thereon dated October 14, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and Government Auditing Standards as well as certain information related to the planned scope and timing of our audit. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Auditing Standards Generally Accepted in the United States of America

As stated in our engagement letter dated May 21, 2014, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of Arizona Early Childhood Development and Health Board. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. Such matters are communicated in the remainder of this letter or have previously been communicated during other phases of the audit. However, the standards do not require us to design procedures specifically to identify such matters.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Arizona Early Childhood Development and Health Board are described in Note 1 to the financial statements. No new accounting policies were adopted and application of existing policies was not changed during the year ended June 30, 2014. We noted no transactions entered into by the Agency during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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(480) 839-4900
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(480) 483-1170
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Casa Grande
1115 E. Cottonwood Lane
Suite 100
Casa Grande, AZ 85122-2950
(520) 836-8201
Fax (520) 426-9432

www.henryandhorne.com

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Agency's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion & analysis and budgetary comparison information, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

This communication is intended solely for the information and use of Arizona Early Childhood Development and Health Board's Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties.

Henry + Horne LLP

Casa Grande, Arizona
October 14, 2014

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 21, 2014, including our responsibility for the preparation and fair presentation of the financial statements and for preparation of the supplementary information in accordance with the applicable criteria.

2. The financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.

3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

4. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

5. Significant assumptions we used in making accounting estimates are reasonable.

6. All events subsequent to the date of the financial statements and for which US GAAP requires adjustment or disclosure have been adjusted or disclosed. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to, or disclosure in, the aforementioned financial statements.

7. We have provided you with:
a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
b) Additional information that you have requested from us for the purpose of the audit.
c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
d) Minutes of the meetings of the Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.

8. All material transactions have been recorded in the accounting records and are reflected in the financial statements.

9. We have no knowledge of any fraud or suspected fraud affecting the entity involving:
a. Management,
b. Employees who have significant roles in internal control, or
c. Others where the fraud could have a material effect on the financial statements.

20. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.

21. The financial statements properly classify all funds and activities.

22. All funds that meet the quantitative criteria in GASBS No. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

23. Interfund balances have been appropriately classified and reported.

24. Provisions for uncollectible receivables, if applicable, have been properly identified and recorded.

25. Expenditures have been appropriately classified in or allocated to functions and programs, and allocations have been made on a reasonable basis.

26. Revenues are appropriately classified within program revenues or general revenues.

27. Deposits and investments are properly classified as to risk and are properly disclosed.

28. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period.

29. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

30. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.

31. The following, if any, have been properly recorded or disclosed in the financial statements:
a. Related party transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
b. Guarantees, whether written or oral, under which the District is contingently liable.
c. All accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates and measurements. We believe the estimates and measurements are reasonable in the circumstances.

FIRST THINGS FIRST

Ready for School. Set for Life.

AGENDA ITEM:
FY15 Tribal Consulation Summary Report

BACKGROUND:
FTF convened a formal consultation session on Tuesday, October 7, 2014 for the purpose of continuing a dialogue on effective early childhood system building in tribal communities and enhancing public-private partnerships to provide support for those early childhood systems. The attached report summarizes the comments and questions raised by Arizona's tribal leaders and their representatives/designees.

RECOMMENDATION:
For informational purposes only.

Pursuant to the First Things First (FTF) Tribal Consultation Policy and Arizona Executive Order 2006-14, Consultation and Cooperation with Arizona Tribes, FTF convened a formal consultation session on Tuesday, October 7, 2014 in Phoenix, Arizona. The focus of the consultation centered on effective early childhood system building in tribal communities and enhancing public-private partnerships to provide support for those early childhood systems.

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

The following summary reflects comments and questions raised by Arizona's tribal leaders and their representatives/designees.

Participants

Tribal Leaders and Tribal Representatives:

1. Thomas Beauty, Chairman, Yavapai-Apache Nation
2. Hilda Cooney, Councilwoman, Hualapai Tribe
3. Amelia Flores, Tribal Council Secretary, Colorado River Indian Tribes
4. Shan Lewis, Vice Chairman, Fort Mojave Indian Tribe
5. Roland Manakaja, Vice Chairman, Havasupai Tribe
6. Louis Manuel Jr., Chairman, Ak-Chin Indian Community
7. Wavelene Romero, Vice Chairwoman, Tohono O'odham Nation
8. Michael Brown, Tribal Designee, Fort McDowell Yavapai Nation and Lead Teacher at the H'man 'Shawa Early Childhood Development Center

First Thing First:
Janice Decker, Board Chair; Vivian Saunders, Board member; Sam Leyvas, Chief Executive Officer; Karen Woodhouse, Chief Program Officer; Michelle Katona, Chief Regional Officer; and, Candida Hunter, Senior Director of Tribal Affairs

In addition to tribal leaders and their designees and First Things First representatives, attendees at the tribal consultation included representatives from the Inter-Tribal Association of Arizona (formerly Inter Tribal Council of Arizona), Arizona Health Care Cost Containment System, Native Health and the University of Arizona.

Summary

Although all of the tribal leaders addressed the consultation topics with regard to their specific communities, the discussion presented some common themes around early childhood systems building. During this session, many tribal leaders described the positive relationships their tribes have with First Things First and the resulting impact to young children, but also expressed a desire to have more information about FTF-funded programs and

activities in their communities. Another theme that arose was the general need for additional resources and coordination in order to expand early childhood systems in tribal communities.

Regarding FTF's Private-Public Partnership plan, tribal leaders suggested potentially engaging in conversations and collaborative efforts with tribal/non-tribal entities such as the Inter-Tribal Association of Arizona, various health care providers and external organizations interested in providing services to young children and their families on tribal lands. Several tribal leaders also suggested methods for approaching the work described in the Public-Private Partnership plan.

Tribal leaders concluded the consultation session with recommendations that First Things First continue its efforts in supporting the development of early childhood systems in tribal communities. They also emphasized the need to honor tribal sovereignty, native language and traditional cultural values in any efforts to expand public-private partnerships.

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

Comments/Questions/Concerns/Recommendations on Early Childhood System Building

- Many tribal leaders expressed the importance of preserving native language and traditional cultural values within their tribal communities, stressing that strong cultural connections and identity play a role in improved outcomes for children.

- Many tribal leaders were in agreement that the increased use of illegal drugs and alcoholism and its connection with domestic violence can pose challenges in working with families in tribal communities.

- Tribal leaders and/or representative(s) from Havasupai, Colorado River Indian and Hualapai tribes mentioned the shortages of teachers for schools on tribal lands. Also, Colorado River Indian Tribes Tribal Secretary Amelia Flores discussed the tribes' shortages of specialists trained to assist young children with special needs.

- Havasupai Tribe Vice-Chairman Roland Manakaja expressed significant concerns regarding insufficient dental and health care services for tribal members, including young children, in his community due to the isolated location of their tribal lands.

- With regard to methods utilized to approach these challenges, tribal leaders from the Havasupai Tribe and Ak-Chin Indian Community shared their approaches for meeting with official representatives in Washington, D.C. to address their lack of tribal funds and lobby for early childhood development and affordable health care on behalf of the children and their families in their communities.

- Yavapai-Apache Nation Chairman Thomas Beauty mentioned his nation's efforts to develop a native language curriculum; the recruitment of native language speakers to assist in implementing the language program; collaborating with nearby schools for their assistance initiating language classes for tribal and non-tribal members; and, utilization of technology devices to record and store the language data.

- Hualapai Tribe Councilwoman Hilda Cooney conveyed the Tribe's support of the collaboration efforts between First Things First and the Tribe's cultural department in their development of Hualapai Language books and associated compact discs.

- Fort McDowell Yavapai Nation Tribal Representative Michael Brown said one of his community's priorities is to identify the developmental needs of young children and find the essential support, funding and resources for those children and families.

- Ak-Chin Indian Community Chairman Louis Manuel Jr. said his community is prioritizing facility expansion for programs involving young children and their families as well as locating providers to increase services to children with special needs and their families.

- Tohono O'odham Nation Vice-Chairwoman Wavelene Romero said her community has prioritized professional development for school teachers/staff and collaborating with nearby universities on potential programs.

- Colorado River Indian Tribes Tribal Council Secretary Amelia Flores discussed the tribes' major focus on collaborating with tribal programs/services for women, infants and toddlers in the community, and increased coordination with court systems and parent awareness for young parents.

- Tribal leaders were in agreement and advised FTF to find valuable methods to obtain more funding for early childhood programs in tribal communities and recommended proceeding to pursue collaborations with external organizations, state/federal agencies and tribes.

- A recommendation was made by several tribal leaders that existing or expanded programs should account for training on cultural awareness and responsiveness.

- Fort McDowell Yavapai Nation Tribal Representative Michael Brown suggested First Things First align its standards and guidelines with those of the Child Care and Development Fund (CCDF).

Comments/Question/Concerns/Recommendations on Private-Public Partnership Plan

- Colorado River Indian Tribes Tribal Council Secretary Amelia Flores said clarification and background is helpful in order for tribes to fully understand the entire context of the plan and the specific intentions of First Things First.

- Yavapai-Apache Nation Chairman Thomas Beauty emphasized the need for FTF staff to visit partnering tribes as a means to further strengthen partnerships with tribes. He asked that the funds dedicated to tribes within the FTF regions, especially for smaller tribes, be increased. He also suggested fundraising events to raise funds to support the Private-Public Partnership plan.

- Tribal Leaders from Fort Mojave Indian Tribe and Yavapai-Apache Nation recommended that FTF partner with the Inter-Tribal Association of Arizona and utilize their strong connections with Arizona tribes to update tribes of potential FTF public-private partnership events and activities.

- Fort Mojave Indian Tribe Vice-Chairman Shan Lewis mentioned the importance of continuous collaboration efforts between FTF regional staff and tribal department directors in hosting educational conferences to introduce external organizations like Healthy Families and Building Bright Futures.

- Ak-Chin Indian Community Chairman Louis Manuel Jr. endorsed the idea of conducting fundraising events as a means to raise funds to support the Private-Public Partnership plan and suggested a percentage of proceeds should be set aside precisely for early childhood development programs in tribal communities.

A full transcript of this event will be available on the tribal consultation page of the FTF website (azftf.gov/tribalconsultation) in the coming weeks.

FIRST THINGS FIRST

Ready for School. Set for Life.

AGENDA ITEM:
Tribal Data Policy – First Read

BACKGROUND:
In formal consultation with Arizona's tribes, it was recommended that First Things First develop a formal data policy that outlines the agency's approach to seeking tribal data agreements. The attached draft was developed based on feedback obtained through past tribal consultations, as well as First Things First's experience in obtaining tribal data agreements over the past six years.

Included with this draft policy are several reference documents:

- FTF Data Security Guidelines and Requirements for Collaborators
- FTF Data Dissemination and Suppression Guidelines for Publications

RECOMMENDATION:
Submitted for review and discussion as part of the First Read of this policy.

First Things First
DRAFT Tribal Data Policy

Introduction and Background

Arizonans created First Things First via a citizens' ballot initiative to give more Arizona children the opportunity to start school healthy and ready to succeed. The very structure of First Things First reflects the organization's respect for and commitment to tribal sovereignty. Arizona's tribes can participate in First Things First in one of two ways: tribes may elect to have their tribal lands treated as a separate region by the statewide First Things First Board or tribes may elect to participate in the designated geographical region or regions in which their tribal lands are located. To date, a total of 19 of Arizona's 22 tribes participate in First Things First.

Those partnerships have led to the implementation of dozens of strategies that are expanding early education opportunities for children in tribal communities, supporting parents in their role as their child's first teachers and expanding the use of preventative health in areas statewide.

Comprehensive, accurate data is crucial to the success of Arizona's partnerships with tribes, and ultimately, to the creation of an effective early childhood system. Data is used to ensure inform decision-making and to measure the progress made in increasing school readiness for all children.

First Things First recognizes Arizona tribes as sovereign nations that have the right to regulate research and data collection on their tribal lands. To this end, First Things First is committed to obtaining all appropriate tribal approvals for data collection, analysis and reporting. This Tribal Data Policy was created to set forth the principles and basic process by which agreements will be sought with sovereign tribes for the collection and use of data related to children 5 and younger and their families who are members of tribes and living on tribal lands. This Policy was informed by insight shared by and feedback obtained through formal government-to-government consultation between First Things First and tribes (2010, 2011, 2012, 2013), as well as First Things First's experience in securing tribal data collection agreements as part of its process to develop regional needs and assets reports (2008, 2010, 2012, 2014) and statewide School Readiness Indicators (2014-2016).

All data collected by First Things First are for the purpose of producing public materials, including data reports and other hard copy and online documents, that guide decision-making, measure the progress made in increasing school readiness for all children and increase public awareness of the needs of young children.

Definitions

This Data Policy outlines the principles that will govern First Things First's data collection partnerships with Arizona's tribes. For the purposes of this Policy, the following definitions apply:

- **Data Collection Agreement:** A formal agreement with a tribe that outlines: the specific data to be collected; the use(s) for the collected data; the sources of the data to be collected, specific

measures in place to ensure data security and the confidentiality of individuals and the process that First Things First will use to ensure that the tribe has an opportunity to review the data prior to publication.

NOTE: Whenever possible, information regarding data sources should include the organization providing the data, the data fields to be collected and whether data can/will be disaggregated by tribal members versus non-members.

- **Primary data collection** refers to information obtained first-hand from individual tribal members by First Things First and/or its contractors (e.g., surveys and focus groups).
- **Secondary data collection** refers to information obtained by First Things First from another organization that currently has the authority to collect the data (e.g., tribal departments or organizations and federal, state or municipal agencies), as well as data collected by First Things First from tribes under prior agreements. This information may be received in individual or aggregate form, however, information is only *published* in aggregate form. In addition, once obtained, the data may be further analyzed or disaggregated by First Things First.
- **Tertiary data collection** refers to data already lawfully obtained from the tribe and which has previously been published (e.g., reports and policy briefs). All data obtained through tertiary collection will be used in its published format.
- **Publication** refers to the availability of materials based on data in a printed and/or electronic format (e.g. Need and Assets reports, fact sheets, etc.) to individuals, groups of individuals or the general public. This does not include those responsible for collecting, storing, analyzing or preparing the data-based materials for publication. First Things First regional council members may participate in the review of information/materials prior to publication.

Content of Data Collection Agreements

Prior to pursuing any data collection agreement, First Things First will ascertain each tribe's process for requesting and accessing the desired data (e.g., Ethics Review Board, Institutional Review Board or tribal resolution). First Things First will respect and follow each tribe's specified approval process. First Things First will not assume that the approval process completed for one set of data is the same for a different set of data.

Data collection agreements will be kept by First Things First as long as First Things First continues to house data collected under the agreement. First Things First does not anticipate the non-accidental destruction of any data.

If First Things First plans to destroy/delete any data, First Things First will first reach out to tribes to ensure the safe and efficient transfer of any data to the tribe prior to completing the destruction.

Requests for data collection agreements will include:

- context for and background on the data being requested.

- information on how the data collected will benefit the tribe, Arizona's early childhood system and First Things First.
- identification of the type of data to be collected (including target populations), the method of data collection, and the source(s) of that data (see NOTE on Page 4).
- descriptions of the final products the data is to be used/published in.
- the term of the agreement (for recurring projects, such as regional Needs and Assets reports and School Readiness Indicators, a timeframe covering at least three rounds of data collection is recommended).
- identification (if known) of any contractors that will be collecting data.
- a provision allowing the tribe to receive information on data collected and conclusions drawn in draft format – and to provide feedback, context, etc. to the data – prior to any data-based materials being published to ensure compliance with the completed agreement. The tribe has the discretion to identify the preferred format in which the draft information should be presented (e.g., in person presentation or written report). The completed data agreement must stipulate the date by which the tribe must complete its review. In situations where there are persistent questions or concerns regarding data elements, First Things First will enter in to a consultative process with the tribe with the goal of resolving issues to ensure that the information can be made suitable for public use.
- a stipulation that affirms the tribe's right to request their data from First Things First, and a description of the process tribes will follow to request their data.

  NOTE: Unpublished data will not be released to any person or entity without written consent from the appropriate tribal government (Tribal Council or duly authorized designee).
- explicit language that First Things First does not need to seek tribal approval to use data collected under valid agreements in future publications (i.e., publications not specifically listed in the agreement) UNLESS additional data analysis is completed or additional conclusions are drawn.

Addenda to data collection agreements should only be required if collection of additional data elements (not previously identified) is desired OR if First Things First is completing additional analysis on existing data for other publications/products. Tribes will be notified if any changes occur in the contractors or vendors collecting data on behalf of First Things First during the course of the agreement.

Data Collection

Once a data collection agreement is in place, First Things First will provide each tribe with a principal point of contact for all communications and requests associated with data collection.

In cases of **Primary Data Collection**, First Things First will provide to the tribe the name of the organization/vendor completing the data collection and associated timeframes. First Things First will

work with tribes in a consultative process on any questions or concerns with the identified data collection organization/vendor.

Participants in primary data collection activities shall be advised that information they provide is confidential and that they may withdraw permission for First Things First to use information obtained from them at any time prior to the completion of data collection activities. Cultural responsiveness will be considered when data collection tools are created for targeted populations. In addition, cultural considerations around language of data collection tools either selected or created, as well as the utilization of a variety of data collection modalities to help ensure a diverse sample, will be considered.

In cases of **Secondary Data Collection**, for each organization/agency that houses desired data, First Things First will determine the source's process/protocol for data requests and will follow that process/protocol. In some cases, First Things First may need to request assistance from the tribe in securing the data if this is required by the source's process/protocol.

Information obtained through **Tertiary Data Collection** (previously published) will be used in its published format.

Analysis of Data

First Things First Research and Evaluation staff works with staff from each of the data source partners/agencies to obtain the calculation/methodology behind the accessed data to ensure First Things First's analysis plan and interpretation of the data is accurate for the selected region, the state and the representative population. Additionally, this will safeguard the integrity of the data presented in its final format, as well as what is shared with tribal leaders, regional councils, the First Things First Board and stakeholders.

When First Things First is the data source, First Things First follows the same data integrity and quality assurance check to ensure accurate data is utilized for analyses. In addition, First Things First Tribal Affairs staff and Regional staff are consulted to ensure culturally sensitive approaches are taken to handle data elements and are done in accordance with the First Things First Tribal Consultation Policy (Addendum A). Data analysis is done by the First Things First Research and Evaluation staff and/or First Things First contractors/vendors (reviewed and approved by First Things First Research and Evaluation). Data will be stored securely in the First Things First data warehouse per the First Things First Data Security Guidelines (Addendum B), and this data is made available only for the purposes outlined in the data collection agreement. All data released will be in accordance with the First Things First Data Suppression Policy (Addendum C).

Communication of Project Status

First Things First shall maintain regular communication with tribes regarding the status of data collection efforts in tribal communities. The First Things First Senior Director for Tribal Affairs serves as the organization's primary statewide liaison with tribal partners and is directly responsible for communicating with tribes on issues that are broadly related to facilitating or improving First Things First's work with Arizona's tribes and nations, including Tribal Consultation, bi-annual regional

designations and representing First Things First with major tribal organizations such as the Inter-Tribal Council of Arizona and the National Indian Education Association.

First Things First regional directors are the primary local liaison and work with tribal governments to implement First Things First early childhood initiatives in their area. The regional staff is directly responsible for communicating with tribes and nations about the status of First Things First's work with the specific tribe or nation, including data collection agreements and grantee performance. First Things First will seek guidance from tribes and nations regarding their preferred method of communication. Methods of communication may include letters, electronic correspondence, presentations and status reports to tribal leaders, as needed.

Protection of Privacy and Confidentiality Assurance

It is the intent of First Things First to avoid any possibility of inadvertently reporting personally identifiable information. While First Things First uses only aggregate data in its reporting, there are some cases where specific populations may include only a few individuals. In such cases, the First Things First Research and Evaluation team will enforce the First Things First Data Suppression Policy (Addendum C).

In accordance with the First Things First Data Security Policies and Standards (Addendum B), First Things First staff and contractors must ensure that all personal or sensitive information in their possession is kept secure at all times against unauthorized or unlawful loss or disclosure.

First Things First staff and contractors are aware that at no time will any identifying information be stored on portable electronic devices (such as laptop computers, tablets, digital cameras, and portable hard drives including flash drives, USB memory sticks, iPods or similar storage devices). Any transfer of data, including identifying information, must be conducted using secure, encrypted formats, ensuring user IDs are stored/transported separately.

First Things First will cooperate with tribes to ensure suitable reporting and review opportunities are established prior to publishing or publicly disseminating information.

Review of Data by Tribes

Tribes will receive information on data collected and conclusions drawn in draft format prior to the data being published or publicly disseminated to ensure compliance with the data collection agreement. Tribes have the discretion to identify a preferred format in which the draft information should be presented (e.g., in-person presentation or written report). The completed data agreement must stipulate the date by which the tribe must complete its review.

Publication of Data

All data collected by First Things First is for use in aggregate form (not personally identifiable) at the regional, county or state level in a variety of public formats, including, but not limited to: reports and policy briefs, web pages and marketing materials. Although data collection agreements stipulate the

specific products in which data collected will be used, First Things First reserves the right to use data previously collected/published in future publications, so long as the new publication does not involve additional data collection and/or analysis.

In addition, as a public entity, the work of First Things First is subject to state public records law. All final work products — including any material published or publicly disseminated by First Things First — are subject to public records law and must be made available for inspection upon request by any member of the public.

Tribal Access to Data

First Things First has the right to store all data collected and to utilize that data consistent with this Policy and individual data collection agreements. Tribes may officially request collected data from First Things First by submitting the First Things First Tribal Data Request Form (sample attached). The form allows tribes to easily request data for specific First Things First activities, according to tribal preference and the needs of their communities. First Things First will work with a tribe to provide the data in a mutually agreeable format (e.g., Word or Excel).

SAMPLE

FIRST THINGS FIRST TRIBAL DATA REQUEST FORM*

Depending on the nature and format of the data being requested, formal documentation from the tribe (such as a letter/resolution from the tribal government) may be required before First Things First can release data. Requests will be assessed on a case-by-case basis, and the requestor will be notified of any tribal documentation required prior to release.

Data Requestor:

Name of Person Requesting Data:

Tribal Affiliation:

Contact Address:

Contact Telephone/Email:

Purpose of the data request: _____

Example: To use for a grant proposal, for tribal data updates, for strategic planning

Preferred Data Format: _____

Example: Excel file, data tables of key variables from the report

Timeframe for Receiving Data (at least 15 days required once all documentation is received) _____

Data Requested:*

☐ Data Collected as part of Needs & Asset Reports

- Name of data fields: Health; Family Support, Coordination; Early Learning
- Which agency data—DHS, IHS
- Current vs. historical data—Report Cycle

_____

_____

_____

_____

_____

_____

Example: Oral health data collected from IHS for 2012; WIC data from ITCA for 2014.

☐ Data Collected on School Readiness Indicators

- Name of the school readiness indicator(s)
- Year of data collection

_____

_____

_____

_____

_____

_____

☐ Other Data — please specify

_____

_____

_____

_____

_____

_____

Example: Quality First Rating and Enrollment data; First Things First Quality First Child Care Scholarships data for SFY 2014

The requestor must specify data they are requesting. First Things First Tribal Affairs and/or Research and Evaluation staff may contact the requestor to clarify the request. Any changes to the request based on this contact will be documented in follow-up correspondence with the requestor.

Data Recipient:

The data requested above will be directly submitted to:

Name of Designated Person:
Title/Affiliation:
Address:
Phone/Email:

First Things First will not provide data while collection, quality assurance and analysis activities are taking place. Only final data that has been reviewed for accuracy and integrity will be shared with the designated person of contact in the agreed upon format.

Please fill out the form and send it to:

First Things First
ATTN: Tribal Affairs
4000 North Central Avenue, Suite 800
Phoenix, AZ 85012

For questions regarding this form (or to submit the request electronically), please contact: iperez@azftf.gov

FIRST THINGS FIRST

Data Security Guidelines and Requirements for Collaborators

BACKGROUND:
The purpose of the Arizona Early Childhood Development and Health Board (First Things First - FTF) is to aid in the creation of a system that offers opportunities and support for families and communities in the development of all children, so they can grow up healthy and ready to succeed. Our work is accountable and transparent to decision-makers and the citizens of Arizona. Collaboration and direct funding of grantees to undertake work on behalf of the children and families of Arizona is fundamental to the purpose and mission of FTF. Regular submission of data related to funded work is an important part of ensuring accountability and maximum positive impact for young children, as well as a material condition of receiving FTF grant funding.

Data Security Guidelines for Data Submission to FTF

First Things First will ensure that resources allocated have maximum impact for the benefit of children and families. To ensure this accountability, FTF has established data reporting requirements for all state and regional grantees. All funded providers shall regularly submit programmatic and financial reports as identified in the FTF reporting requirements.

FTF data submissions are classified in one of three levels:

- **Public data**
- **Limited distribution data**
- **Confidential data**

The majority of FTF reporting submissions are completed through the FTF Partner Grant Management System (PGMS). Subsequent to the award of an FTF grant, the grantee will receive general training on login and navigation within the PGMS system. With this login, the grantee will be able to manage their contract information. An additional training on strategy-specific data submission requirements will also be conducted. During that training, the grantee will be informed on submission of data reporting requirements through PGMS. All data submitted through PGMS is **public data** or **limited distribution data**. Because PGMS is located in a secure extranet environment, grantees using PGMS for data submission are not required to undertake additional security measures related to their data submission above those identified in the general and data submission orientations (password and login security, guidelines for upload of narrative and other reports).

A small group of grantees submit data requirements, with an agreement between the grantee and FTF, through an established secure web service or FTP (File Transfer Protocol) site via the internet, rather than a PGMS web-based entry form. Such data is likely to contain limited distribution data and shall adhere to the following protocols. Grantees that submit data through the secure web service must submit data within the established data structures and format; follow all login procedures; submit a formal data change request form if needed; and ensure that limited distribution data may not be intercepted or viewed at any time by parties other than the grantee and FTF. Additionally, Grantee

must ensure that throughout the reporting and submission process the data is secured, and that any confidential data is de-identified and/or encrypted.

Any grantee submitting data identified as confidential must file a formal data security policy with FTF.

Data Security Guidelines for Grantee Maintenance of Data

In order to submit data to FTF in fulfillment of reporting requirements, grantees shall keep all data collected for their program(s) within their system (database) or hardcopies. Grantee data is likely to contain highly sensitive information on individuals, their education and their health. These guidelines and requirements are for the maintenance of those data.

All grantees must have a data security policy in force that identifies how the organization ensures that data is protected in all its forms, during all phases of its life cycle, from inappropriate access, use, modification, disclosure, or destruction.

All grantees subject to HIPAA, FERPA, GITA, tribal law, or other data regulation, are required to submit and maintain those approvals for all data.

Data Permission Guidelines for Grantee Data

All grantees must be prepared for FTF review of client-level data (e.g. child-level, teacher-level, or early care and education provider-level) during on-site visits. Additionally, FTF data reporting requirements may include submission of client-level data (e.g. child-level, teacher-level, or early care and education provider-level). The grantee agrees to allow FTF to access such data. Should the data be subject to HIPAA, the grantee agrees to enter into FTF's HIPAA Business Associate Agreement.

To inform clients of FTF's reporting requirements, all grantees must include in their client enrollment forms the statement: "To comply with reporting requirements of the funding source, I grant permission to [insert grantee organizational name] to release background, service, and impact related information to the Arizona Early Childhood Development and Health Board, also known as First Things First." The grantee warrants to FTF that prior to entering into the grant agreement for FTF funding, it has appropriately enquired and satisfied itself that it has the ability and authority comply with the requirements of this section.

Grantees Serving Clients on Tribal Lands

First Things First honors tribal ownership of data and recognizes communication is necessary with Arizona Tribes to determine what process/protocol is needed to obtain data. FTF further recognizes Arizona Tribes as owners of their indigenous knowledge, cultural resources and intellectual property. To this end, it is imperative that all appropriate tribal approvals for data collection and submission to FTF must be obtained and kept on-file by the grantee and FTF for granting serving clients on tribal lands.

Compliance with Data Security Guidelines

The grantee acknowledges that failure to comply with any requirement of these Data Security Guidelines shall be a material breach of the grant agreement.

FIRST THINGS FIRST

Data Dissemination and Suppression Guidelines for Publications

1. Background

The purpose of the Arizona Early Childhood Development and Health Board (First Things First - FTF) is to aid in the creation of a system that offers opportunities and support for families and communities in the development of all children, so they can grow up healthy and ready to succeed. Our work is accountable and transparent to decision-makers and the citizens of Arizona. Collaboration and direct funding of grantees to undertake work on behalf of the children and families of Arizona is fundamental to the purpose and mission of FTF. Regular reporting of data is an important part of ensuring accountability and maximum positive impact for young children.

2. Data Utilized in Publications

First Things First will ensure that resources allocated have maximum impact for the benefit of children and families. To ensure this accountability, FTF conducts and contracts for regular analysis and reporting of data related to young children, the system that serves young children, and children's families and communities.

FTF and FTF partner data for use in publications are classified into one of three levels:

a) Public Data
b) Limited Distribution Data
c) Confidential Data

2a. Public Data

The majority of data utilized in FTF publications are public data. Public data are those data that are readily available in the public sphere, such as websites, publications, or other widely-used sources. These data have been officially released by an organization and are able to be located and verified by any interested party utilizing the complete citation. Public data does not include personal communications or data exchanged for the sole purpose of a FTF publication. Public data includes FTF funding plans and/or FTF standard quarterly reporting.

2b. Limited Distribution Data

In some cases, FTF contractors may obtain or be provided by FTF with limited distribution data for the purposes of a FTF publication. Limited distribution data does not identify individuals (data that identifies individuals is confidential data) but may be of sufficiently small cell size, that its dissemination poses a threat to the confidentiality of individuals. In such cases, FTF will enforce statistical cutoff procedures to

ensure that confidentiality is maintained (refer to section 3). It is the intent of First Things First to avoid the possibility of inadvertently reporting personally identifiable information. Limited distribution data are subject to HIPAA, FERPA, GITA, tribal law, or other data regulation.

2c. Confidential Data

Confidential data are those data that identify individuals; are governed by tribal or other agreements that limit their viewing, analysis, and dissemination; or that even when aggregated, put at risk the anonymity of any individual. Confidential data are not to be disseminated in FTF publications and their handling requires a formal data collection, security, and reporting plan, approved by FTF and maintained on file by FTF and the contractor. Confidential data are subject to HIPAA, FERPA, GITA, tribal law, or other data regulation. FTF contractors are required to submit and maintain approvals for all confidential data; failure to comply is a material breach of agreement with FTF.

3. Limited Distribution Data - Suppression Guidelines

In the case where a FTF contractor has obtained or been provided with limited distribution data for the purposes of a FTF publication, the contractor is required to ensure that such data are maintained in a secure manner, and not disseminated for additional uses beyond its intended purpose. Data aggregated for a FTF publication must be done in accordance with FTF suppression guidelines described hereunder.

For all FTF publications, for data related to social service and early education programming, all counts of fewer than ten, excluding counts of zero (i.e., all counts of one through nine) are suppressed. Examples of social service and early education programming include: number of children served in an early education or social service program (such as Quality First, TANF, family literacy, etc.).

For all FTF publications, for data related to health or developmental delay, all counts of fewer than twenty-five, excluding counts of zero (i.e., all counts of one through twenty-four) are suppressed. Examples of health or developmental delay include: number of children receiving vision, hearing, or developmental delay screening; number of children who are overweight; etc.

As indicated, data collected or distributed for a FTF publication may only be used for the intended purpose; any effort to determine the identity of any individual, or to use the information for any purpose other than for FTF reporting and analysis, is material breach of the agreement with FTF.

4. Data Related to Children on Tribal Lands

First Things First honors tribal ownership of data and recognizes communication is necessary with Arizona Tribes. FTF further recognizes Arizona Tribes as owners of their indigenous knowledge, cultural resources and intellectual property. To this end, it is imperative that all appropriate tribal approvals for data collection, analysis, and reporting must be obtained and kept on-file by the contractor/vendor and FTF for any data collection, analysis, or reporting related to children on tribal lands.

FIRST THINGS FIRST

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AGENDA ITEM:
Proposed Board Governance Policy Revision
First Read

BACKGROUND:
The composition and general responsibilities of the Board's Executive Committee are outlined in the Board's governance policies. The Executive Committee has several general areas of responsibility, including providing guidance on the organization's vision and strategy, Board meeting agendas, the periodic review of governance policies, and other duties as assigned by the Board.

The current membership of the Executive Committee includes Board officers and Board committee chairs, including:

- Board Chair
- Board Vice-Chair
- Program Committee Chair
- Finance Committee Chair

The duties and composition of the Executive Committee were included in the original adoption of the Board's governance policies in June 2008. Since then, the Board has added the Communications and Government Affairs Committee. However, the membership of the Executive Committee was never updated to reflect this change.

The proposed governance policy amendment would update the Executive Committee membership to include the chair of the Communications and Government Affairs Committee.

RECOMMENDATION:
The Executive Committee presents this item as a First Read for the Board's review and discussion. Possible action would occur during Second Read at the next regularly scheduled Board meeting.

PROPOSED BOARD GOVERNANCE POLICY REVISION – EXECUTIVE COMMITTEE MEMBERSHIP
FIRST READ

1-115 Executive Committee Charter

Purpose
The duties of the Executive Committee (the "Committee") shall be to assist the First Things First – Arizona Early Childhood Development and Health Board (the "Board") in fulfilling its responsibilities with respect to providing guidance on the Board's overall:

1. vision and strategy
2. meeting agendas
3. governance policy review

Membership
The Committee shall be composed of the:

1. Board Chair
2. Board Vice-Chair
3. Statewide and Regional Programs Committee Chair
4. Audit, Finance and Administration Committee Chair
5. **COMMUNICATIONS & GOVERNMENT AFFAIRS COMMITTEE CHAIR**

Unless otherwise directed by the Chairperson, the Chair will preside over the Executive Committee and have the responsibility of reporting the committee's proceedings to the full board.

All Board members will be notified of the Executive Committee meetings to allow them the opportunity to participate.

Meetings
The Committee shall:

1. meet as often as needed to fulfill responsibilities as charged
2. hold and conduct meetings in accordance with requirements of law

A majority of the Committee membership shall constitute a quorum. The Chair shall set the time, date and place of the meetings.

Originally Adopted June 25, 2008

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AGENDA ITEM:
ADOA Employee Engagement Survey Results

BACKGROUND:
In June/July 2014, the Arizona Department of Administration fielded an employee engagement survey of all non-university state government employees – including First Things First. The ADOA employee engagement survey is based in large part on the national Gallup Q12 survey. Over 16,000 employees across the state responded; representing a 68% response rate, an increase of 28% from 2012.

Gallup defines "engaged employee" as those who are involved in, enthusiastic about, and committed to their work and who contribute to their organization in a positive manner. Research demonstrates that when employees are engaged, they exert additional effort on the job, going above and beyond what their role typically requires. Engaged employees are more productive and innovative, more customer-focused, and more likely to stay with their organization.

According to Gallup, the average organization has a ratio of engaged to disengaged employees of 1.8:1. This is known as the "engagement ratio" and is intended to serve as a macro-level indicator of an organization's health that allows management teams to track the proportion of engaged to actively disengaged employees. World-class organizations have an engagement ratio of more than 9:1. First Things First's 2014 engagement ratio (4.21:1) significantly outpaced the statewide engagement ratio (1.6:1) and the national average for all organizations.

Data included with this item include 2014 statewide results, 2014 FTF results, and 2012 statewide and FTF results.

RECOMMENDATION:
For informational purposes only.

2014 Statewide Employee Engagement Survey Results

Statewide Results

							Statewide Results
				Overall Engagement Ratio			*1.6 : 1*
		Total Responses	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Positive Responses
	Overall, I am satisfied with my job.	16,841	22%	45%	18%	10%	4%	68%
Basic Needs	***I understand clearly what is expected of me at work.***	16,865	32%	47%	12%	7%	2%	79%
	I have the proper tools and equipment to do my job.	16,847	22%	39%	19%	14%	6%	61%
Contribution	***My job gives me the opportunity to do what I do best every day.***	16,850	24%	38%	21%	11%	5%	63%
	I receive recognition for my work when I deserve it.	16,840	17%	33%	24%	15%	11%	50%
	My supervisor shows care and concern for employees.	16,835	35%	35%	16%	7%	6%	70%
	My agency supports my participation in education and professional development opportunities.	16,850	20%	33%	29%	11%	8%	53%
Teamwork	***My agency values my ideas on work related problems.***	16,848	17%	32%	28%	14%	10%	49%
	My job is important to support the mission of my agency.	16,854	50%	38%	9%	2%	1%	88%
	My co-workers are committed to providing high quality service.	16,854	26%	39%	22%	9%	5%	65%
	I would recommend my agency to other people as a good place to work.	16,839	21%	34%	25%	11%	9%	55%
	I plan on being employed with my agency two years from now.	16,817	35%	31%	20%	6%	7%	67%
Growth	***I receive adequate feedback on my work.***	16,844	21%	40%	21%	12%	6%	61%
	I have the opportunity to learn and do new things in my job.	16,850	24%	39%	21%	10%	5%	64%

Note: Engagement ratio defined as the number of employees responding "Strongly Agree" divided by the number of employees responding "Disagree" or "Strongly Disagree". Positive Responses defined as the number of employees responding "Strongly Agree" or "Agree."

2014 Statewide Employee Engagement Survey Results

First Things First

Overall Engagement Ratio	Agency Results
	4.21 : 1

		Total Responses	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Positive Response
	Overall, I am satisfied with my job.	**101**	**40%**	**49%**	**6%**	**6%**	**0%**	**88%**
Basic Needs	***I understand clearly what is expected of me at work.***	101	39%	50%	7%	4%	0%	89%
	I have the proper tools and equipment to do my job.	102	30%	49%	14%	7%	0%	79%
Contribution	***My job gives me the opportunity to do what I do best every day.***	102	27%	42%	20%	10%	1%	70%
	I receive recognition for my work when I deserve it.	100	24%	48%	16%	9%	3%	72%
	My supervisor shows care and concern for employees.	102	54%	31%	11%	3%	1%	85%
	My agency supports my participation in education and professional development opportunities.	102	28%	36%	18%	13%	5%	65%
Teamwork	***My agency values my ideas on work related problems.***	102	25%	32%	28%	12%	3%	57%
	My job is important to support the mission of my agency.	102	61%	32%	7%	0%	0%	93%
	My co-workers are committed to providing high quality service.	102	47%	40%	7%	6%	0%	87%
	I would recommend my agency to other people as a good place to work.	101	37%	42%	18%	3%	1%	78%
	I plan on being employed with my agency two years from now.	100	43%	29%	15%	9%	4%	72%
Growth	***I receive adequate feedback on my work.***	102	27%	54%	15%	4%	0%	81%
	I have the opportunity to learn and do new things in my job.	102	32%	31%	17%	18%	2%	64%

Note: Engagement ratio defined as the number of employees responding "Strongly Agree" divided by the number of employees responding "Disagree" or "Strongly Disagree". Positive Responses defined as the number of employees responding "Strongly Agree" or "Agree."

2012 Statewide Employee Engagement Survey Results

FTF and Statewide

							FTF Results	Statewide Results
				Overall Engagement Ratio			3.1:1	1.6:1
		Total Responses	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Agency Positive Responses	Statewide Positive Responses
	Overall, I am satisfied with my job.	**71**	**25%**	**51%**	**18%**	**6%**	**0%**	**76%**	**70%**
Basic Needs	***I understand clearly what is expected of me at work.***	72	35%	44%	13%	7%	1%	79%	79%
Basic Needs	***I have the proper tools and equipment to do my job.***	72	32%	53%	11%	4%	0%	85%	63%
Contribution	***My job gives me the opportunity to do what I do best every day.***	72	28%	43%	19%	6%	4%	71%	66%
Contribution	***I receive recognition for my work when I deserve it.***	71	20%	46%	17%	14%	3%	66%	49%
Contribution	***My supervisor shows care and concern for employees.***	72	42%	35%	18%	6%	0%	76%	69%
Contribution	***My agency supports my participation in education and professional development opportunities.***	72	22%	49%	18%	8%	3%	71%	49%
Teamwork	***My agency values my ideas on work related problems.***	72	15%	49%	21%	15%	0%	64%	50%
Teamwork	***My job is important to support the mission of my agency.***	72	51%	44%	3%	1%	0%	96%	91%
Teamwork	***My co-workers are committed to providing high quality service.***	71	35%	39%	15%	8%	1%	75%	66%
Teamwork	***I would recommend my agency to other people as a good place to work.***	72	26%	44%	19%	7%	3%	71%	56%
Teamwork	***I plan on being employed with my agency two years from now.***	71	34%	37%	21%	3%	6%	70%	71%
Growth	***I receive adequate feedback on my work.***	71	20%	51%	18%	10%	1%	70%	61%
Growth	***I have the opportunity to learn and do new things in my job.***	72	28%	39%	19%	13%	1%	67%	63%

Note: Engagement ratio defined as the number of employees responding "Strongly Agree" divided by the number of employees responding "Disagree" or "Strongly Disagree". Positive Responses defined as the number of employees responding "Strongly Agree" or "Agree" divided by the total number of responses received for the specific question.

Survey administered August 29 to September 14, 2012

Prepared by Dept of Administration

FIRST THINGS FIRST

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AGENDA ITEM:
Board Member Reports (Summary of Leadership Calls with Regional Council Chairs and Vice Chairs)

BACKGROUND:
Board Chair Janice Decker hosted a series of conference calls with regional council chairs and vice chairs throughout October. Calls were scheduled by the six regional areas with Phoenix and Maricopa leadership joining together and one call was held with a group of the tribal regional partnership councils. Leadership from 27 of the 28 regional councils participated on the conference calls.

October is typically when a leadership forum is held with all regional council chairs/vice chairs in Phoenix. With the regional councils carrying out their strategic planning it was determined that holding conference calls would be preferable at this time. A set agenda was used for all six calls and included the following items: discussion on SFY16-18 strategic planning,preparing for the upcoming legislative session,report on the the FTF Public-Private Partnership plan, and open discussion.

For the discussion on the SFY16-18 strategic planning, regional council leadership was asked to share how the strategic planing is going, what is working well and where the challenges are. At the time of the calls the majority of the regional councils were focused on determing their priorities with some regional councils moving into strategy selection. The majority of regional council leadership expressed how difficult some of the discussions during the planning process have been with the fiscal policy direction and rightsizing of regional council allocations. While it was commented that members understood the finaicial realities and the fiscal policy direction set by the Board, determining the areas for prioritization were proving to be difficult discussions for some regional councils. In addition, regional councils were scheduling longer and additional meetings. – recognizing the significant amount of time that regional councils are committing to the strategic planning process. Some of regional councils have been proactive in integrating community forums and town halls into their planning process. These have generally been recognized by communities as positive experiences and opportunities to provide feedback and input. There was opportunity for chairs and vice chairs to also share about the system building work that regional councils are considering, including unfunded approaches.

CEO Sam Leyvas discussed the upcoming legislative session and introduced Ben Alteneder, Sr. Director of Government Affairs. Regional council leadership is interested in staying informed and learning how they can be engaged in the process.

Few questions and concerns were raised by the chairs and vice chairs and those raised were for the most part about Quality First including the cost of the scholarships and the model overall and the ability to sustain Quality First over time. Overall, regional council leadership appreciated the conference call format and the opportunity to participate.

RECOMMENDATION:
For informational purposes only.