Overview

In the Spring of 2021, the Pima County Board of Supervisors took bold action to create Pima Early Education Program scholarships (PEEPS). In Year 1, PEEPs is designed to assist up to 1,200 children from income eligible families to attend high quality preschool at 170 locations across Pima County. Many of these preschools began offering the free or reduced-cost educational opportunities in July and August, 2021, serving 360 children. By actively collaborating with existing state and federal programs, the target is assist all income eligible families who want to send their children to high quality preschool in Pima County.

This is the program’s first quarterly report. It includes a summary of the Year 1 program components, metrics for the two program goals, revenues and expenses, staffing and oversight, successes and challenges, and highlights. Attached are the program’s guiding principles and a map of participating preschool providers.

Funding for Year 1 of PEEPs is provided by Pima County’s share of Federal American Rescue Plan Act funding, the City of Tucson, Towns of Marana and Oro Valley, and participating school districts. Donations to the United Way of Tucson & Southern Arizona from individuals, businesses, and non-profits complement the program.

Year 1 (July 1 2021-June 30, 2022) program components include:

- Contracting with seven school districts to serve up to 340 children at up to 17 new free high quality preschool classes.
- Contracting with First Things First (FTF), an established state agency focused on early childhood development, to offer 600 additional scholarships for preschools enrolled in Quality First (QF).
- Contracting with Child-Parent Centers, to offer extended day Head Start preschool programs for up to 205 children at 11 locations.
- Collaborating with United Way of Tucson & Southern Arizona, the Arizona Department of Economic Security (DES) and FTF, to increase the number of high quality preschool providers and those that accept DES childcare subsidies, as well as increase the number of eligible families applying for DES childcare subsidies.
- Referring families interested in financial aid for preschool, or families searching for high quality preschools, to Child Care Resource & Referral (CCR&R) at https://www.azccrr.com/ or 1(800) 308-9000. Families complete financial aid and/or enrollment applications through the preschools.
By the Numbers

A wealth of data shows that investing in high-quality preschool, especially for economically disadvantaged, minority and dual language children, provides short-term and lasting benefits to children, families, schools, employers, taxpayers, and the community. Economists have estimated an economic return of $4 to $12 for every one dollar invested, based on increased school and career achievement as well as reduced costs in remedial education, health and criminal justice system expenditures. With this in mind, the Pima Early Education Program is focused on increasing equitable access to high quality preschool for families most in need.

**Program Goal 1:** To increase the number of 3-5 year-old children from families with incomes at or below 200% of the Federal Poverty Level attending high quality preschools in Pima County.

Progress for this goal will be tracked at both the system and program level. It is estimated there are 29,000 preschool age children in Pima County, half of whom are from families with incomes at or below 200 percent of the Federal Poverty Level. For a family of four, this is currently $53,000, which is two times the Federal Poverty Level of $26,500 as set by the Department of Health and Human Services. At the end of this first quarter, the four programs that currently support children in high quality preschool (PEEPS, Head Start, FTF, and DES) report serving 4,440 preschool-age children, up from 3,660 last Fiscal Year. Our target is to fill the gap so that all income eligible families who want to send their children to high quality preschool in Pima County can do so.
At the program level, progress for this goal will be tracked according to the type of contracted agreement and against the contracted maximum.

### PEEPs Preschool Students

<table>
<thead>
<tr>
<th>PEEPs Contract Type</th>
<th>First Quarter # of Students Served*</th>
<th>Year 1 Contracted Max Students Served</th>
<th>% of Contracted Max Served First Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>PEEPs funded Quality First Scholarships</td>
<td>136</td>
<td>600</td>
<td>23%</td>
</tr>
<tr>
<td>PEEPs funded School District Expansion Classes</td>
<td>106</td>
<td>340</td>
<td>31%</td>
</tr>
<tr>
<td>PEEPs funded Head Start Extended Day Classes</td>
<td>118</td>
<td>205</td>
<td>58%</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>360</strong></td>
<td><strong>1145</strong></td>
<td><strong>31%</strong></td>
</tr>
</tbody>
</table>

*Majority of data is from July & August reports

### PEEPs Funded School District Expansion Classes and Enrollment

<table>
<thead>
<tr>
<th>School District</th>
<th>First Quarter # of PEEPs Classes Operational</th>
<th>First Quarter # of Students Enrolled</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flowing Wells Unified School District</td>
<td>1</td>
<td>20</td>
</tr>
<tr>
<td>Marana Unified School District</td>
<td>1</td>
<td>18</td>
</tr>
<tr>
<td>Sahuarita Unified School District</td>
<td>1</td>
<td>20</td>
</tr>
<tr>
<td>Sunnyside Unified School District</td>
<td>2</td>
<td>35</td>
</tr>
<tr>
<td>Tucson Unified School District</td>
<td>1</td>
<td>13</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6</strong></td>
<td><strong>106</strong></td>
</tr>
</tbody>
</table>

The number of students served by PEEPs is increasing gradually as expected due to the following factors:

- Pandemic impacts on enrollment and labor (teachers and admin staff).
- One of the PEEPs guiding principles is to use local funding last, which means individual preschools are required to use all their First Things First funded QF scholarships before the Pima funded scholarships.
- Some preschools are receiving QF scholarships for the first time and are still onboarding with the QF program.
- Head Start’s policy to gradually bring new children into the classroom at the beginning of the school year to help children transition to school.
- Schools on the Tohono O’odham Nation are still largely virtual.

**Program Goal 2:** To increase the number of preschools recognized as high quality, as well as the number of high quality preschools participating in financial assistance programs for their students.

This is based on providers the State of Arizona’s Department of Economic Security (DES) accepts as high quality, which includes:
- Quality First 3-5 star providers
- Head Start providers
- Nationally Accredited providers that accept children with DES childcare subsidies

June 2021 Baseline – 199 high quality preschool providers

Changes in the number of high quality preschool providers will be reported every six months as there is unlikely to be much change on a quarterly basis. For the first time in many years, First Things First is in the process of rapidly enrolling providers into Quality First who were previously waitlisted. This process includes assessing the providers against quality indicators and assigning a quality star rating. Funding for this is being provided by DES with their share of Federal pandemic recovery funding. Additionally, DES has a number of new incentives to encourage more providers to contract with DES. DES data from September already shows 17 more high quality providers contracted with DES compared to last Fiscal Year. In addition, Pima County’s agreements with the seven school districts are intended to expand the number of high quality classes for preschoolers, increase the capacity of existing high quality preschools, and add new high quality preschool classes at elementary schools that had not previously offered preschool. All new PEEPs school district classes are required to either be enrolled in Quality First, Nationally Accredited, or proof shown that the school district has applied to participate Quality First.

The United Way of Tucson and Southern Arizona’s new Accelerate Quality program is also focused on increasing the number of high quality preschool providers. Accelerate Quality is funded by donations from Tucson Medical Center, El Rio, Southern Arizona Leadership Council, Community Foundation of Southern Arizona, and other philanthropic donors.

As of September 30, 2021, seven preschool providers are actively participating in Accelerate Quality.

- Four preschools are seeking enrollment in Quality First. They have been notified by Quality First that they have been released from the waiting list, meaning that they are now waiting for their initial assessment. Supports for these preschool providers include: conducting informal assessments to identify what they might improve prior to their first official Quality First assessment; purchase learning materials, supplies and classroom furniture based on the results of the informal assessment; coaching and technical assistance; and other tools and resources such as materials checklists and playground design information.
- Two preschool providers are already rated as high quality and are working to expand their current enrollment by adding a preschool classroom.
- One site is a TUSD elementary school contracted with the County to open a new classroom. The classroom is not yet licensed or operational and is receiving support in the form of coaching and technical assistance and funding for a fence to meet licensing requirements.
Program Expenses and Revenues

The Fiscal Year 2022 Pima Early Education Program’s budgeted revenues and expenses are shown below, including Quarter 1 actual expenses. The First Things First scholarships and Head Start extended day programing contracts are paid in advance, with any unspent funding to be returned to the County at year’s end. Usage and spending is reported monthly by both contractors. School districts invoice the County monthly, following the service month. School District expenses shown below only reflect the month of August. Overall, it is anticipated that school district and First Things First expenses will be lower than contracted due to challenges some districts are experiencing in recruiting teachers, and delays in scholarship usage reaching maximum capacity.

These agreements were originally approved to be funded with General Funds. In August 2021, the Board of Supervisors approved the use of Pima County’s share of American Rescue Plan Act funding for this program. Therefore, each of these agreements will need amending and will be placed on the Board’s agenda for approval after concurrence with each contractor. This process is currently underway.

FY2022 Revenues

<table>
<thead>
<tr>
<th>Revenue Sources</th>
<th>Budget FY22</th>
<th>Payment Received</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Rescue Plan Act</td>
<td>$10,000,000</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>City of Tucson</td>
<td>$1,000,000</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Town of Marana</td>
<td>$132,000</td>
<td>$132,000</td>
</tr>
<tr>
<td>Town of Oro Valley*</td>
<td>$100,000</td>
<td>$100,000</td>
</tr>
<tr>
<td>Total</td>
<td>$11,232,000</td>
<td>$11,232,000</td>
</tr>
</tbody>
</table>

*Oro Valley funding is for three fiscal years.

FY2022 Budget and Expenses Paid Quarter 1

<table>
<thead>
<tr>
<th>IGAs &amp; Contracts</th>
<th>Budget FY22</th>
<th>Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Things First Quality First Scholarships</td>
<td>$3,811,600</td>
<td>$2,541,066.66</td>
</tr>
<tr>
<td>Child-Parent Centers, Inc. Head Start Extended Day</td>
<td>$1,149,845</td>
<td>$574,922.50</td>
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<tr>
<td>Seven School District IGAs New Preschool Classes</td>
<td>$2,244,000</td>
<td>$45,253.20</td>
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<tr>
<td>PEEPs Administration</td>
<td>$190,567</td>
<td>$3,578.25</td>
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<tr>
<td>Total</td>
<td>$7,396,012</td>
<td>$3,164,820.61</td>
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</table>

Staffing and Oversight

Pima County recently hired Nicole Scott as Program Manager to administer the program as part of the County’s Community and Workforce Development Department. Ms. Scott has 15 years of early childhood education experience, starting as an educator at a national accredited preschool in Marana. Ms. Scott also served in an administrative role as Site Director of a high quality rated preschool in central Tucson, and most recently provided professional development training to educators while working at the Easterseals Blake Foundation.
In addition, PEEPs is overseen by a multi-departmental oversight committee made up of the following Pima County Departments: Community and Workforce Development, Library, Health Department, School Superintendent’s Office, and Economic Development Office.

**Successes and Challenges**

Successes of this new program include:

- **Flowing Wells and DES** - Pima County’s school district IGAs are structured to encourage DES eligible families to apply for DES child care subsidies. The Flowing Wells Unified School District’s Emily Meschter Early Learning Center succeeded in enrolling 10 children with DES childcare subsidies in their new 20-child PEEPs class. This means that DES will be funding those 10 preschool slots, not Pima County and its local partners. This is an excellent example of our “last dollar in” approach, which is one of the PEEPs guiding principles, and of “braiding funding.” At a recent coordination meeting with school districts participating in PEEPs, other school districts requested training so that they can also assist eligible families in accessing DES child care subsidies.

- **Preschool providers applaud use existing First Things First Quality First Scholarship Program administered by Valley of the Sun United Way (VSUW)** – A recent survey of 25 providers that received additional Pima funded Quality First scholarships found that many providers are supportive of the decision to provide these scholarships through the existing Quality First program.

  “It is also helpful that the billing is all in one system that is already familiar instead of it being a new platform for the new funds,” said one provider.

  Another provider that had not received Quality First scholarships before praised VSUW’s scholarship training and the helpfulness of their staff.

  “Everything has been wonderful. I’m grateful to receive these scholarships and to be able to help families. The reporting process is easy, and every time I have a question and call, whoever answers is helpful and they go way beyond. They help us step by step.”

- **DES increasing reimbursement rates and number of Quality First providers** – DES is using a portion of its Federal pandemic recovery funding to substantially increase childcare subsidy reimbursement rates, and to contract with First Things First to enroll more child care/preschool providers into the Quality First program. Both of these actions should significantly expand the capacity of the high quality system to serve more children and families in need.

Challenges:

While there have been challenges with the initial implementation of this program, First Things First, DES, United Way and PEEPs program staff mobilized quickly to provide additional technical training, flexibility, and resources as each obstacle arose. It has also become apparent how important it is to have Pima County staff and local partners that have established relationships with preschool providers. Below is a summary of challenges during the first quarter, and steps that are being taken to address them.
• **A teacher shortage locally and nationally** – TUSD and Amphi have been struggling to hire teachers for the new PEEPs expansion classes. Amphi is contracted to open three new classes and was only recently able to hire teachers for these classes. Amphi is aiming to open one new class a month November through January. TUSD is contracted to open eight new classes, but has also been delayed due to the challenge of hiring teachers. TUSD opened its first PEEPs class at Schumaker Early Learning Center in September, and is planning to open a second at Kellond Elementary in October. Local and state wide groups are developing recommendations to hopefully improve this situation, but there does not appear to be a short term fix. There may be some increase in the workforce as the pandemic subsides, especially for school districts that pay preschool teachers at K-12 teacher salaries. **PEEPs staff will be working with colleagues within Community and Workforce Development, and partner agencies, to better understand how to incentivize educational training opportunities to develop more early childhood education professionals, as well as connecting trained professionals to preschools in need.**

• **Some preschool providers unaware they had received scholarships** - The provider survey, as well as communications from VSUW, show some providers that had not received Quality First scholarships before were unaware they had received scholarships, unsure of the process to provide the scholarships to families, and/or had not taken the necessary training on how to use the scholarships. **The PEEPs Program Manager and local United Way staff, who know many of these providers, called each provider and will continue to offer local support. It is anticipated that scholarship usage will improve as these providers gain experience with the program.**

• **Ensuring PEEPs is reaching and serving those most in need** – Research shows that economically disadvantaged, minority and dual language children benefit the most from these high quality early educational opportunities. The geographic distribution of preschools using scholarships and other assistance won’t be fully understood for several months, as well as the demographics of the children being served. For example, while we have mapped the 170 preschools that have been allocated scholarships (attached), usage of the scholarships in this first quarter varies widely across preschools, with some fully using all scholarships, and others that have not yet used any. Reallocations of unused Quality First scholarships will take place in November or December. **In the future, program staff will map usage rates by location to see if preschools located in rural areas, and areas that serve families most in need, have been able to make full use of the scholarships. In addition, school districts, Head Start programs, and DES will be reporting demographics of the children being served. This information will inform future program adjustments.**

• **Families experiencing challenges completing child care subsidy and scholarship applications** – The DES child care subsidy application and the Quality First application can be difficult for some families to complete, especially the required income verification documentation section. Some school districts are using the Quality First income verification process to enroll children in PEEPs classes. Head Start has a separate application. With the staffing shortages that some school districts are experiencing, there are less staff to assist families with these applications than in prior years. **In the coming months, PEEPs staff will explore options with these funding partners to make it easier for families to access the variety of financial aid available. This will include discussions with Child Care Resource and Referral, currently funded by DES, as the central portal for families seeking financial aid or help finding preschool and child care. PEEPs staff will also be participating in discussions with DES and FTF regarding the opportunity for one agency to**
perform the income eligibility verifications for both programs. Improving this basic system-level framework so that it is easier for families, will be a priority for the PEEPs program in order to support its future success.

**Highlights**

“The parent feedback has been extremely positive. I have been working closely with families to help them develop routines and schedules at home along with academic play learning they can bring home. In class we have been working through our emotions and social skills to engage in play based learning in each lesson. Thank you for this opportunity to enhance our early childhood community. I take this as a huge responsibility and am enjoying every minute of it”.

– Ms. Jessica, Teacher, Emily Meschter Early Learning Center, Flowing Wells Unified School District, September 2021

“Without the scholarship, we would not be able to send our son to the early learning center. We wouldn’t be able to afford it. This scholarship and the program has changed our lives. Our son has a hard time with speech, and the school has helped him become more verbal. It has changed his life. I have to work full time to make ends meet, and having this scholarship helps me be able to work. This scholarship has given me the opportunity to have a wonderful place for my son to go to school.” – Parent, Sept. 2021

“I have struggled my whole life, for instance, I worked three jobs and I am a full time student. It was such a struggle paying for child care. I even found myself giving up sometimes. Until I was able to get on the PEEPs program...through Little Ranch Preschool. This program lifted so much stress off my shoulders...”

– Parent, September 2021

“I have 3 children attending Miramonte Day School. The application was super simple to fill out. I am so grateful that they gave us the help especially with the pandemic going around. This scholarship has helped us a lot. Now we are able to have a fully time job. My kids love going to Miramonte Day School. They have learned so much and they made a lot of new friends.”

–Parent, September 2021
Summary

PEEPs launched July 1 and 360 children and their families are already benefiting from this new investment. This assistance could not come at a better time. As we begin to recover from the pandemic, this new program supports parents returning to work and provides children with the care and education they deserve. It is anticipated that the next quarterly report will show a substantial increase in the number of children participating in PEEPs, as well as the number of children supported by existing state and federal programs that are now receiving substantially more funding as a result of the American Rescue Plan Act. This systems-level approach to filling the high quality preschool gap for those most in need is truly a collaborative effort, and the early childhood education community in Pima County and Arizona has welcomed this new program with open arms.

Attachments

New PEEPs class, Ocotillo Early Learning Center, Sunnyside Unified School District

KinderCare Learning Center, Oro Valley, 6 PEEPs scholarships
Pima Early Education Program Guiding Principles

1. Increase high-quality preschool capacity while addressing existing need for financial aid.

2. Distribute scholarships efficiently and effectively through existing programs and partners.

3. Do not supplant existing public assistance for preschool and utilize local funding as a “last dollar in” approach.

4. Coordinate with existing agencies that provide public assistance for high-quality preschool to establish baseline need and simple system-level benchmarks, monitor progress and refine collaborative efforts to improve the system as a whole.

5. Establish scholarship rates that cover the full cost of providing high-quality preschool per child (salaries, classroom space, furniture and supplies, snacks and meals), based on accepted cost of quality and local market rate studies, considering wages necessary to attract quality teachers, and accounting for current DES subsidy rates and school district in-kind contributions, as well as increased costs related to the pandemic.

6. Ensure that participating preschool providers are geographically dispersed, with priority given to preschools serving lower income/higher need neighborhoods, tribal and rural areas.

7. Connect eligible families to high-quality preschools and financial assistance, including parents in local workforce development programs.

8. Collaborate with partners to connect participating families with other community resources to accelerate family and community wide benefits.

9. Maximize multi-year partner contributions to make the program more sustainable.

10. Advocate with partners for a long-term state-wide solution.

11. Remain flexible as providers and families recover and rebuild from the pandemic.

12. Review, reevaluate, revise, and report regularly with input from stakeholders.