



COUNTY ADMINISTRATOR'S OFFICE

PIMA COUNTY GOVERNMENTAL CENTER
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C.H. HUCKELBERRY
County Administrator

November 18, 2019

LaVonne Douville
Executive Vice President/Chief Impact Officer
United Way of Tucson and Southern Arizona
330 N. Commerce Park Loop, Suite 200
Tucson, Arizona 85745

Re: **Draft Work Plan to Expand Access to Affordable High Quality Preschool for Low Income Families in Pima County**

Dear Ms. Douville:

This letter is in response to the attached letter I received from you on November 1, 2019, detailing a draft work plan for the expansion of access to high quality preschool for low income families with three and four year old children. I commend you on assembling an impressive list of partners and contributions to this effort, including seven school districts and 19 private preschool providers, additional funding and assistance from the Arizona Department of Economic Security (DES) and Arizona's First Things First, as well as business and foundation support. In addition, you have focused on understanding the current capacity of schools and centers to take on more children, and developed what appears to be a reasonable work plan that factors in the need to gradually increase capacity over time, and the funding necessary to enable low-income families to then enroll their children in these programs.

While I am sure the initial proposal to the County last spring was well intentioned, it was not feasible for many reasons, including this lack of understanding of capacity, and reliance entirely on the County to fund this expansion. Since then, the Pima County Board of Supervisors has adopted our Economic Development plan that recognizes significant work force shortages and the need to address barriers such as childcare that prevent those wanting to work or improve their skills through training and education from doing so. In addition, a program involving Pima County One-Stop, Pima Community College and First

LaVonne Douville, Executive Vice President/Chief Impact Officer United Way of Tucson and Southern Arizona

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Things First, has been receiving positive attention because of its innovative use of childcare scholarships to enable low-income parents to attend Pima Community College or enroll in One-Stop training programs. I appreciate your recognition of this program in your draft work plan and your proposal to expand the number of childcare scholarships allocated to this program.

Overall, your work plan seems reasonable and achievable, including the gradual expansion over three years. Regarding your mention of the need for long-term plan, I agree it will require a statewide effort to fully serve all interested low-income families with preschool age children. I will be recommending to the Board that the County support legislation that restores State General Funding of childcare subsidies that was cut during the recession, expands DES childcare eligibility to include parents enrolled in workforce training and education programs, and any additional incentives for other funding sources to be directed towards expanding early childhood education in general.

Regarding the additional funding needed for year 1, it appears the shortfall is \$2.9 million. I believe this shortfall could be reduced, or the number of children served could be increased, if all the school districts agreed to accept DES childcare subsidies similar to the 19 private providers, especially now that the wait list has been eliminated and DES expects to have plenty of slots to serve eligible families included in the first year expansion. I understand there are administrative and other obstacles that may make accepting DES subsidies burdensome, but it is very important that the County and other local governments not spend local tax payers dollars when the State has federal funding for such a purpose. Any expansion plan must maximize this DES resource.

Assuming additional resources are allocated to improve access to DES childcare subsidies, a County contribution of \$1.9 million a year for three years appears reasonable, contingent upon cities and towns also contributing. Please continue to work with my staff on this effort. I will need regular progress reports to provide to the Board of Supervisors, as well as verification that cities and towns will also contribute, prior to finalizing a recommendation to the Board as part of the next fiscal year's budget. I will need more information on who would be responsible for administering this program. I am familiar with the locations of the seven school districts and they clearly cover vast areas of Pima County. However, it would be helpful to see the locations of the 19 private preschool providers, along with existing providers that currently receive childcare subsidies for preschool age children.

LaVonne Douville, Executive Vice President/Chief Impact Officer United Way of Tucson and Southern Arizona

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Thank you for taking the lead on developing what appears to be a practical and achievable way of increasing access to high quality preschool for those in our community who need it most. We will all benefit from efforts such as this that facilitate the expansion our existing workforce, while investing in the next generation. Please let me know if I can be of assistance in discussing this with city or town managers.

Sincerely,



C.H. Huckelberry
County Administrator

CHH/anc

Enclosure

c: The Honorable Chairman and Members, Pima County Board of Supervisors
Jan Leshner, Chief Deputy County Administrator
Francisco García MD, MPH, Deputy County Administrator & Chief Medical Officer,
Health and Community Services
Dr. John Moffatt, Director, Economic Development Office
Arnold Palacios, Director, Community Services, Employment and Training
Nicole Fyffe, Executive Assistant to the County Administrator

UNITED WE ALL WIN



United Way of Tucson
and Southern Arizona

The Honorable C.H. Huckleberry, County Administrator
Pima County Governmental Center
130 W. Congress, 10th Floor
Tucson, AZ 85701

Dear County Administrator Huckleberry:

Thank you for your support for early childhood education including considering reforms in Pima County's legislative agenda, your correspondence with the state board and regional councils of First Things First, your request for more support from school districts, and the upcoming Pascua Yaqui 12% grant proposal for preschool tuition scholarships. Your consistent efforts provide impetus for others to find innovative and creative ways to leverage resources and address challenges facing Pima County's workforce.

United Way of Tucson and Southern Arizona has been inspired by your leadership and we have worked with the partners you suggested, as well as others, to explore the specific needs and capacity of the community to meet the demand for more high-quality preschool in our community and to find the resources to support low-income¹ families and children to succeed and thrive.

Most agree with the 50 years of science showing the long-lasting benefits high-quality preschool has on educational, economic, and social gains for communities. The benefits of reliable, affordable care for expanding our workforce represent in particular a two-generation level of value reinforced by recent research reports. Parents show increased completion of post-secondary education, increased workforce participation and production, and business recruitment and retention of talent is enhanced; children have a chance to develop well and begin Kindergarten ready to thrive in school, work and life.² A recent survey in Georgia, based on similar work in Louisiana and Maryland, noted that "more than 1 in 5 parents had quit a job, school, or work training program due to childcare issues."³

Yet, in Pima County, *only about 1 in 5 children attend high-quality preschool*. The cost of preschool remains a significant barrier for families. Not all families want to send their child to preschool, but for those who do, cost should not prohibit participation. Our exploration has found that almost all school district and Head Start preschool programs, as well as high-quality private preschools, have waiting lists (Head Start alone has a waiting list for preschool of 340 children). These programs would serve many more families if resources were available.

Our initial exploration is complete and I would greatly appreciate your input on our draft work plan as detailed in this letter. We are hoping that it provides a practical and meaningful approach for partners, including the County, cities and towns, First Things First, the Arizona

¹ Low-income is defined here at 200% of the federal poverty level.

² Stevens, KB (2017). *Workforce of Today, Workforce of Tomorrow: The Business Case for High-Quality Childcare*, pp. 15-19. <https://www.uschamberfoundation.org/reports/workforce-today-workforce-tomorrow>

³ Goldberg, H, Cairl, T, & Cunningham, T (2018). *Opportunities Lost: How Childcare Challenges Affect Georgia's Workforce and Economy*. p. 7. <https://www.metroatlantachamber.com/public-policy/news-updates/opportunities-lost-how-child-care-challenges-affect-georgias-workforce-economy>

Department of Economic Security (DES), school districts, United Way and other private funders to join in a braided funding model to expand high-quality preschool next year for approximately 500 children. The plan would then be to continue expanding capacity over the next three years until at least 1,000 additional low-income families have access to high-quality preschool for their three- and four-year-old children.

Here's what we hope to achieve in the first year:

Braided Funding Partners

- A significant new federal Child Care Development Block Grant source of funding has been approved by the Arizona Legislature since original discussion with your office--\$55 million per year has been added to the state DES child care subsidy program. They have raised reimbursement rates, although not near market rate, with an emphasis on high-quality child care. They have cleared their waiting list adding a significant number of children into high-quality care in Pima County (nearly 100 children so far this year). DES has agreed to partner closely with this initiative and will set-aside subsidy slots to allow school districts and private providers to use their subsidy in a braided funding model. Their resources will help match state and local resources for scholarships to increase the total number of children served in high-quality care. To date, we have commitments from four school districts and 19 private providers to accept children with DES funding along with other resources to ensure adequate reimbursement for high-quality care. **The total estimated DES support for the braided model is estimated at \$1.12 million and would support, with other braided resources, 154 children.**
- Seven school districts (Amphitheater, Altar Valley, Baboquiviri, Flowing Wells, Marana Tucson, and Sunnyside) have agreed to contribute a total of **\$455,000 of school district resources to support 239 children in the first year (includes 34 of the 154 DES children).**
- Nineteen high-quality private preschool programs, including one Head Start program, representative of all regions of the county, have agreed to expand capacity and to include new DES funded slots as part of this expansion. The community preschool programs **will serve 212 children in the first year (includes 120 of the 154 DES children).**
- Assuming this effort moves forward, the First Things First Pima North and Pima South Regional Councils will be sending requests to the First Things First Board for use of available resources **of approximately \$621,000 to add 72 children to their scholarship program.** Of this amount 10 new children and their parents will be added to their Project HOPE/Family Engagement Network—the partnership between First Thing First, Pima County's One-Stop, United Way and Pima Community College.
- To ensure the broadest community involvement and partnership, United Way of Tucson and Arizona and the Preschool Promise **will secure business and foundation resources to support this effort estimated at a minimal amount of \$200,000 per year.** This funding will be used to help with start-up and renovation costs, and potentially to pay for all or part of a center's cost to receive a rating-only designation from Quality First, Arizona's Quality Improvement and Rating System created by First Things First. United Way's Cradle to Career Partnership will also work with all the participating school district and private programs to collect essential information to show the funding partners how their shared funding ensures parent and child success, e.g., # of parents able to work or go to school because of this funding; # of children attending at least 85% of the time; # of classrooms reaching or increasing their quality benchmarks.

- After your input on this, and consideration of an appropriate contribution from the County over the next three years, United Way and The Preschool Promise members will also seek funding commitments from other potential local government partners to find matching resources to make this an effort that involves the greatest number of partners as possible.

The following chart shows the resources that are proposed for this braided funding model in year one, assuming a per child cost of \$10,000 per year

Resources to Serve 523 Children in Low Income Families	
Additional Funding Needed	\$ 2,958,150
DES Funding (Estimated)	\$ 1,012,300
First Things First Funding (Estimated)	\$ 621,000
School District Funding (Estimated)	\$ 455,000
Private Funds/Start-Up and Renovation	\$ 200,000
TOTAL	\$ 5,246,450

Additional Capacity in Year Two and Three

For this braided funding model to work, funding partners will be asked to agree in principle to funding for two to three years. For example, First Things First's proposal for expanded funding is at least two years with the intent of considering expansion of high-quality early learning programming into the State Fiscal Year 2023-2026 strategic plans. United Way and school districts have committed to at least three years, and DES, to the extent they can commit, is committing for three years. To add more capacity beyond the 523 proposed in the first year (225 additional in year two and 250 in year three—for a total of 1,000 scholarships by year three, the following actions, along with other actions, are possible:

- Ajo and Sahuarita Unified School Districts would be interested in expansion in the second or third year if they can secure funding for expanding their site capacity (both are at capacity but would like to add new building space to expand to serve more families). United Way will work with County and City Community Development Block Grant programs and private funders to find the estimated \$50,000-\$100,000 needed to consider expansion. New funding for an estimated 18-20 children in year two and an additional 18-20 in year three will be sought through government and local business or foundation sources as well as district contributions.
- The local Head Start agency may have the ability to apply for an additional full day federally funded program using braided funding with DES, along with support from United Way for start-up, to add an additional 20 children in year three.
- Five additional high-quality providers would be interested in expansion in the future should resources for start-up and renovation/expansion funding to increase capacity at an estimated cost of \$100,000. United Way would work with providers to apply for government and foundation funding for expansion. These providers would be willing to accept DES eligible children and with DES funding support of approximately \$450,000 could add 78 low-income children.
- The University of Arizona is seriously considering establishing a preschool program to support students and employees. Their desire is to have a state-of-the-art facility that might be used as a "lab school" for their Early Education Bachelor of Arts and Advanced Degree programs. This expansion could add as many as 80 low-income children by year three.

- Pima Community College may also be adding a childcare center at its downtown campus which could result in as many as 60 low-income children by year three or four.
- First Things First, with support from community partners and DES, will continue to provide quality improvement guidance and incentives to centers that have not yet reached a three- or four-star level to attain the high-quality benchmarks. An estimated 70 children a year are estimated to be added to the number of low-income children in high-quality preschool.
- United Way will fund one to five centers who serve low-income children to receive a quality rating from FTF with an estimated 120 children in year two and 230 children in year three who will be receiving high-quality preschool.

Below is a chart of projected growth from the current year in the number of children in high-quality settings by year three—this assumes continued yearly funding from all present sources and new funding from other sources during future years and represents a 34% increase (1,357 additional children) from the current number of children and families served. This also means that of the estimated 13,210 low-income 3- and 4-year olds in Pima County, 40% would be receiving financial assistance to attend a high-quality preschool.

Expanding Preschool Access: Three-Year Vision



Long-Term Plan

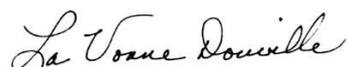
During the time we are learning about how to braid all available funding and become even more creative about expanding quality in as many centers and school district programs as possible, we will also use this time to create new, long-term financial models. We will team up with the Tempe and Flagstaff preschool initiatives, as well as other state children’s advocacy groups, to address the long-term funding problem with additional state-wide funding and policy solutions.

Even with a new state-wide source for funding, the long-term financing of high-quality child care will likely require braided funding streams from national, state, and local government sources, parent fees, as well as business and philanthropic investments. Only with a concerted effort of many partners and funding streams will we be able to reach all interested low-income families

with the financial and community supports they need to increase their own financial stability goals while their children thrive in high-quality, socially and emotionally rich learning environments. This two-generation approach will ensure Pima County's economic and community success far into the future.

We look forward to discussing this draft funding model and work plan with you and the funding role the County can play in making the short- and long-term plan come to life. Thank you for your interest in making a better community. Please let me know your ideas for how we can move this plan to reality.

Respectfully,

A handwritten signature in cursive script that reads "LaVonne Douville".

LaVonne Douville,
Executive Vice President/Chief Impact Officer