



MEMORANDUM

Date: December 11, 2024

To: The Honorable Chair and Members
Pima County Board of Supervisors

From: Jan Lester *Jan*
County Administrator

Re: **Additional Information for the December 17, 2024 Board of Supervisors Meeting – Amendments to PEEPs Contracts**

The December 17, 2024 Board of Supervisors agenda includes amendments to two contracts that provide First Things First preschool scholarships and extended day Head Start programming for children of income eligible families. These contracts are two of the components of the Pima Early Education Program (PEEPs). The third component is direct contracts with school districts to fund preschool classes. Both of these contract amendments obligate the remaining American Rescue Plan Act (ARPA) funding the Board already approved for PEEPs. With Board approval of these contract amendments, the ARPA funding for PEEPs will be fully obligated in compliance with the Federal deadline of December 24, 2024. Program staff anticipate expending these funds by the end of the current fiscal year, June 30, 2025. However, the First Things First contract term ends December 31, 2025 just in case there are funds remaining after June 30th.

Expenses

The table below shows PEEPs expenses for the first three years of the program (Fiscal Years 2022-2024), and forecasted expenses for the current fourth year of the program (Fiscal Year 2025). ARPA funded expenses total \$29.9 million. City and town funded expenses total \$4.1 million.

Table 1

Pima Early Education Program Expenses FY22-FY24				FY25 Forecasted	Total
ARPA Funded	FY22 Expenses	FY23 Expenses	FY24 Expenses	Expenses	
School District Classes	\$ 337,455.01	\$ 2,429,068.46	\$ 3,815,753.69	\$ 3,927,594.34	\$ 10,509,871.50
Extended Day Head Start*	\$ 905,542.00	\$ 877,595.00	\$ 877,595.00	\$ 937,595.00	\$ 3,598,327.00
FTF Scholarships*	\$ 1,708,298.00	\$ 2,190,653.00	\$ 4,447,511.00	\$ 5,530,000.00	\$ 13,876,462.00
PCC Desert Vista	\$ -	\$ 483,616.00	\$ 393,616.00	\$ 326,561.00	\$ 1,203,793.00
Administration	\$ 55,803.00	\$ 258,213.00	\$ 240,143.00	\$ 200,841.08	\$ 755,000.08
Total	\$ 3,007,098.01	\$ 6,239,145.46	\$ 9,774,618.69	\$ 10,922,591.42	\$ 29,943,453.58
City & Town Funded					
City of Tucson	\$ 672,584.37	\$ 1,333,906.74	\$ 721,930.50	\$ 735,003.00	\$ 3,463,424.61
Town of Marana	\$ 118,800.00	\$ 147,131.31	\$ 138,323.80	\$ 140,075.20	\$ 544,330.31
Town of Oro Valley	\$ -	\$ 100,000.00	\$ -		\$ 100,000.00
Total	\$ 791,384.37	\$ 1,581,038.05	\$ 860,254.30	\$ 875,078.20	\$ 4,107,754.92
Total Expenses	\$ 3,798,482.38	\$ 7,820,183.51	\$ 10,634,872.99	\$ 11,797,669.62	\$ 34,051,208.50
#Children Served	856	1356	1923	1318**	

*FTF and CPC Head Start contract amendments pending BOS approval to increase funding for FY25 to fully obligate PEEPs ARPA funding

**as of October invoices

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Children Served

Table 1 also shows the number of children served for each year through October of the current year. Table 2 breaks out the number served by program component/contract type.

Table 2

PEEPs Component/Contract Type	Total Children Served (As of October)
First Things First Scholarships	521
School District Expansion Classes	612
Head Start Extended Day	185
Total	1,318

The proposed amendment to the First Things First contract will fund an additional 100 scholarships for children attending preschool at locations across Pima County, which include private childcare centers, homes and school districts within the Quality First network. Some providers and families split scholarships in half to either fund half day programming, or full day and half the cost. Therefore, it is anticipated that 100 additional scholarships will serve more than 100 children. Unused scholarships are reallocated around this time of year, which should also result in additional children served by Fiscal Year end.

The County’s Strategic Framework for this Fiscal Year includes Tactic 2.2.2.1, which calls for expansion of PEEPs and other childcare options for working families. However, even with these additional scholarships and reallocations, it is anticipated that PEEPs will serve fewer children this year than last year, and our partner agencies will also serve few children. As stated in our last annual report, this is because the cost of First Things First scholarships and Department of Economic Security (DES) child care subsidies has increased to match the cost of providing quality early childhood care and education; First Things First’s main source of funding, tobacco funding, is declining; and the State Legislature and Governor have failed to restore State general funds for childcare assistance that was zeroed out during the Great Recession.

Six Month Report

The Board should anticipate receiving the semi-annual PEEPs report in February. This will include an update on the number of children served by PEEPs, First Things First and DES, along with demographic information for our PEEPs children. The report will also provide information on program planning for the next three years, including details on new contracts that will be necessary to transition the ARPA funded components of the program to Library District funding, as well as an update on the Library District budget planning to ensure that PEEPs is funded above and beyond existing library services. Staff are also evaluating the potential to serve additional children without increased funding by instituting a sliding scale that may require families to pay a portion of the cost of preschool based on their income

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level. Staff continue to solicit contributions from cities and towns, and will expand outreach to include those that have not yet contributed. We will also be contacting school district superintendents, some of whom are planning budget overrides and bond elections that could include expanding district-based preschools capacity.

The near-term expansion of PEEPs, pursuant to the County’s strategic framework, may be best achieved through local partners who equally benefit from such a successful program and the resulting improvements at the workforce and economic level.

JKL

- c: The Honorable Dustin Williams, Pima County School Superintendent
- Timothy Thomure, City of Tucson Manager
- Terry Rozema, Town of Marana Manager
- Carmine DeBonis, Jr., Deputy County Administrator
- Francisco Garcia, MD, MPH, Deputy County Administrator & Chief Medical Officer
- Steve Holmes, Deputy County Administrator
- Terry Cullen, MD, MS, Public Health Director, Pima County Health Department
- Amber Mathewson, Director, Pima County Library District
- Dan Sullivan, Director, Community and Workforce Development
- Heath Vescovi-Chiordi, Director, Pima County Office of Economic Development
- Rhonda Pina, Deputy Director, Pima County Community and Workforce Development
- Nicole Fyffe, Senior Advisor, County Administrator’s Office
- Nicole Scott, Pima Early Education Program Manager