



BOARD OF SUPERVISORS AGENDA ITEM REPORT
CONTRACTS / AWARDS / GRANTS

☐ Award ☒ Contract ☐ Grant

Requested Board Meeting Date: May 18, 2021

** = Mandatory, information must be provided*

or Procurement Director Award ☐

***Contractor/Vendor Name/Grantor (DBA):**

State of Arizona Early Childhood Development and Health Board dba First Things First

***Project Title/Description:**

GRA-STATE-22-1116-01 Pima County Scholarship Program. The contract can be found in OnBase by searching Contracts CT-CR-21*407 in Doc_ID_AMS.

***Purpose:**

The general purpose of this IGA is for First Things First to administer a Pima County Scholarship Program in Pima County.

Attachment: Contract Number CT-CR-21-407

***Procurement Method:**

This IGA is a non-Procurement contract and not subject to Procurement rules.

***Program Goals/Predicted Outcomes:**

The program goal is to provide approximately 560 child care scholarships for preschool children aged 3 to 5 to qualified low-income families.

***Public Benefit:**

Research shows that children, particularly economically disadvantaged children and children of color, who attend high quality preschool are better prepared for kindergarten and are less likely to need expensive special education services, and with continued supportive education these benefits may result in positive longer-term outcomes for those children, their parents, employers and taxpayers.

***Metrics Available to Measure Performance:**

First Things First will provide monthly reports about scholarship usage and pay outs.

***Retroactive:**

No.

To: COB 5-13-21 (1)
vers. 1
pgs.: 7

Contract / Award Information

Document Type: CT Department Code: CR Contract Number (i.e., 15-123): 21-407
Commencement Date: 7/1/21 Termination Date: 6/30/22 Prior Contract Number (Synergen/CMS): N/A
☒ Expense Amount: \$* 3,811,600 ☐ Revenue Amount: \$ _____
*Funding Source(s) required: Pima County General Funds

Funding from General Fund? ☐ Yes ☐ No If Yes \$ _____ % _____
Contract is fully or partially funded with Federal Funds? ☐ Yes ☒ No
If Yes, is the Contract to a vendor or subrecipient? _____
Were insurance or indemnity clauses modified? ☒ Yes ☐ No
If Yes, attach Risk's approval.
Vendor is using a Social Security Number? ☐ Yes ☒ No
If Yes, attach the required form per Administrative Procedure 22-10.

Amendment / Revised Award Information

Document Type: _____ Department Code: _____ Contract Number (i.e., 15-123): _____
Amendment No.: _____ AMS Version No.: _____
Commencement Date: _____ New Termination Date: _____
Prior Contract No. (Synergen/CMS): _____
☐ Expense or ☐ Revenue ☐ Increase ☐ Decrease Amount This Amendment: \$ _____
Is there revenue included? ☐ Yes ☐ No If Yes \$ _____
*Funding Source(s) required: _____
Funding from General Fund? ☐ Yes ☐ No If Yes \$ _____ % _____

Grant/Amendment Information (for grants acceptance and awards) ☐ Award ☐ Amendment

Document Type: _____ Department Code: _____ Grant Number (i.e., 15-123): _____
Commencement Date: _____ Termination Date: _____ Amendment Number: _____
☐ Match Amount: \$ _____ ☐ Revenue Amount: \$ _____
*All Funding Source(s) required: _____

*Match funding from General Fund? ☐ Yes ☐ No If Yes \$ _____ % _____
*Match funding from other sources? ☐ Yes ☐ No If Yes \$ _____ % _____
*Funding Source: _____

*If Federal funds are received, is funding coming directly from the Federal government or passed through other organization(s)? _____

Contact: Rise Hart
Department: Community & Workforce Development Telephone: 724-5723
Department Director Signature/Date: Samuel P. Lee 5/17/21
Deputy County Administrator Signature/Date: _____
County Administrator Signature/Date: C. R. R. 11 May 2021
(Required for Board Agenda/Addendum Items)

Contract No: CT-CR-214407 Amendment No: _____

This number must appear on all correspondence and documents pertaining to this contract

Intergovernmental Agreement

GRA-STATE-22-1116-01

**Between the
State of Arizona Early Childhood Development and Health Board *dba*
First Things First
and
Pima County**

I. INTRODUCTION

This is an intergovernmental agreement (IGA) made pursuant to A.R.S. § 11-952 between the State of Arizona Early Childhood Development and Health Board known *dba* First Things First (FTF), an Arizona state agency, and Pima County, a body politic and corporate of the State of Arizona (PIMA COUNTY). The general purpose of this IGA is for FTF to administer a Pima County Scholarship Program in Pima County using funding provided by PIMA COUNTY. The parties' authority to enter into this IGA comes from A.R.S. §§ 8-1151(B)(1) and 8-1192(B)(4) for FTF and A.R.S. §§ 11-254.04 and 11-952 for PIMA COUNTY.

II. BACKGROUND

Pursuant to A.R.S. §§ 11-254.04, PIMA COUNTY may appropriate and spend public monies for and in connection with activities that the Pima County Board of Supervisors finds and determines will assist in the creation or retention of jobs or will otherwise improve or enhance the economic welfare of the inhabitants of Pima County.

PIMA COUNTY, as part of its Economic Development Plan 2019-2021, has recognized the significance of workforce shortages and the need for reliable, high-quality, and affordable preschool to address barriers to parents entering and remaining in the workforce.

Research shows that children, particularly economically disadvantaged children and children of color, who attend preschool are better prepared for kindergarten and are less likely to need expensive special education services, and that, with continued supportive education, these benefits may result in positive longer-term outcomes for those children, their parents, employers and taxpayers.

In Pima County, only 46% of third graders are minimally proficient at reading – a key educational indicator. Preschool enrollment is low, enrollment in quality preschool is even lower, half of all preschool-age children are from low-income families, a majority of preschool-age children from low-income families are children of color, and public funding and preschool capacity for those who need it is insufficient.

PIMA COUNTY has determined that funding preschool scholarships for families that have household incomes at or below 200% of the Federal Poverty Level and wish to enroll their preschool-age children in

high quality preschools will improve the economic health and welfare of those children, their parents, employers and taxpayers.

Quality First is a signature program of FTF. Quality First is Arizona's quality improvement and rating system for ensuring that standards of quality that lead to optimal outcomes for children are met. Quality First partners with child care and preschool providers across Arizona to improve the quality of early learning for kids birth to age 5 prior to kindergarten. Quality First has established a statewide standard of quality for early care and education programs and funds quality improvements that research proves help children thrive. This includes training for teachers to expand their skills in working with young children and coaching to help programs provide learning environments that nurture the emotional, social, language and cognitive development of every child. In Pima County, about 25% of licensed child care providers participate in Quality First and are rated at a quality level.

FTF has identified a need to improve access to and affordability of high-quality early care and education in Arizona for children five and younger as well as to increase the number of children who receive high-quality early care and education services in order to improve young children's success in school and in life. The Quality First Scholarships strategy is one financing mechanism to provide both access and affordability for children in low-income families (200% of Federal Poverty Level and below) to those early care and education settings demonstrating a commitment to improving and maintaining quality. Funding will support programming for those children who may not otherwise have access to high-quality early care and education during the years prior to their kindergarten entry.

Inherent in the Quality First Scholarships strategy is the principle that all children, regardless of family income or other factors, should have access to a high-quality early childhood program if their family desires. Ensuring that all children have such access requires the use of a "mixed delivery" system of high-quality early care and education that includes a wide array of program types, such as public school and Bureau of Indian Affairs programs as well as private, for-profit, non-profit, Head Start and faith-based programs. By implementing a mixed service delivery system, families whose children need part-day, full-day, school-based, center-based or home-based services that promote early learning can find and participate in those programs. Full-time and part-time options are available to best meet the needs of the families and children.

Quality First Scholarships are available only for providers enrolled in Quality First (full participation and rating only) with a 2-5 star rating, allocated dependent on the funding available, and based on program size and Quality First rating. Quality First Scholarships benefit children, families, early care and education providers and communities. These scholarships support the full or partial cost of care for children birth to age 5 (prior to being eligible for kindergarten) to receive high quality, early care and education in a center or family child care based setting.

III. TERM

This IGA becomes effective once it is fully executed by the parties. This IGA will terminate at the end of state fiscal year 2022, unless extended or terminated early as described below.

IV. PURPOSE

PIMA COUNTY wants to expend \$3,811,600.00 in state fiscal year 2022 for an estimated 560 child care scholarships for preschool children aged 3 to 5. FTF already administers a child care scholarship program in Pima County called Quality First Scholarships. PIMA COUNTY and FTF have agreed to use

FTF's existing Quality First Scholarships system and infrastructure to administer these Pima County Scholarships funded by PIMA COUNTY.

V. DESCRIPTION OF PIMA COUNTY SCHOLARSHIP PROGRAM

FTF will administer the Pima County Scholarships in the same way that it administers Quality First Scholarships except as described here:

- A. Pima County Scholarships will be funded with money received from PIMA COUNTY.
- B. Pima County Scholarships will be limited to children aged 3 to 5, not yet eligible for kindergarten.
- C. Pima County Scholarships will be limited to Pima County, including tribal lands and cities and towns within Pima County's geographic boundaries.
- D. Quality First participants located in Pima County with a public rating of 2-5 stars that are full participants, rating only participants or FTF funded assessment and coaching participants will be eligible to receive Pima County Scholarships. This includes Quality First participants rated at 3-5 stars and already receiving Quality First Scholarships, as well as Quality First participants rated at 3-5 stars and not currently receiving Quality First Scholarships due to zip code targeting, and Quality First participants rated at 2 stars.
- E. If a child care provider receives both Quality First Scholarships and Pima County Scholarships, then the Quality First Scholarships will be used first. For example, if a provider has seven scholarships made up of four Quality First Scholarships and three Pima County Scholarships, and the provider only uses five scholarships, then four of those five will be funded with Quality First Scholarships dollars and only one will be funded with Pima County Scholarships dollars.
- F. Child care providers who receive Pima County Scholarships will need to agree to not reduce their number of classrooms for infant and toddler care (i.e., care for children with ages birth to 36 months).

By way of example, FTF will administer the Pima County Scholarships in the same way that it administers Quality First Scholarships with respect to families qualifying for the scholarships, reimbursement rates for the scholarships, the use of full time and part time scholarships, allocation of scholarships among the providers, and reallocation of unused scholarships to different providers. With respect to allocation of scholarships among the providers, this means the number of scholarships offered to each provider will be based on the provider's star rating and licensed capacity for children up to age 5, with larger programs and higher rated programs being initially offered more combined Quality First and Pima County Scholarships than smaller programs and lower rated programs. Allocation of scholarships will also be based on the type of program (home or center) and the ability and willingness to use the scholarships.

VI. FUNDING

PIMA COUNTY shall provide a total of \$3,811,600.00 to FTF in three equal payments of \$1,270,533.33 due July 15, 2021, October 15, 2021, and January 17, 2022.

Funds provided to FTF by PIMA COUNTY that are not spent on state fiscal year 2022 Pima County Scholarships will be returned to PIMA COUNTY by September 30, 2022, unless the parties agree in writing otherwise.

The parties understand that FTF typically charges a 4% administrative fee that FTF is waiving for state fiscal year 2022. If this IGA is extended beyond state fiscal year 2022, FTF may apply the 4% administrative fee to PIMA COUNTY funds received for those subsequent fiscal years.

FTF will establish and maintain a budget for the Pima County Scholarship Program in the same way it maintains a budget for the Quality First Scholarship Program. FTF will also adjust the number of Pima County Scholarships, if necessary, to prevent the program from going over budget for the fiscal year.

VII. REPORTS

FTF will provide monthly reports to PIMA COUNTY beginning July 1, 2021 that include, as applicable:

- For child care providers receiving Pima County Scholarships slots, the providers' name, address, star rating, program type (center or home) and size;
- For Pima County Scholarships slots, the number initially allocated, the number currently allocated and the number filled with enrolled children by each provider;
- The number of unique children enrolled with Pima County Scholarships in a month and year to date by each provider;
- The amount paid out for Pima County Scholarships in a month and year to date by each provider;
- Countywide totals of Pima County Scholarships allocated, children enrolled, and money spent; and
- For Quality First Scholarships slots in Pima County, the number filled with enrolled children by each provider;

The parties understand that data about scholarship usage and pay outs will refer to an earlier month. For example, the September 1 report will include data for the month of July because the July data is collected during the month of August.

VIII. TERMINATION

Either party may terminate this IGA with at least 30 days written notice to the other party. Early termination of this IGA will be effective at the end of a month specified in the notice.

This IGA does not involve the sharing, purchasing or acquisition of property. Accordingly, the parties will retain their own property upon termination of the IGA.

IX. EXTENSIONS

The parties may extend this IGA for up to three one-year terms by joint written agreement.

X. INDEMNIFICATION

Each party (as Indemnitor) agrees to indemnify, defend and hold harmless the other party (as Indemnatee) from and against any and all claims, losses, liability, costs or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as "claims") for bodily injury of any person (including death) or property damage, but only to the extent that such injury or damage is caused by a

negligent or intentionally wrongful act or omission of the Indemnitor, or of any of its officers, officials, agents, employees, or volunteers.

XI. INSURANCE

FTF is self-insured through coverage under A.R.S. § 41-621 *et seq.*

XII. MISCELLANEOUS PROVISIONS

- A. Cancellation for Conflict of Interest. The parties acknowledge A.R.S. § 38-511, which pertains to cancellation of contracts by the state, its political subdivisions or any department or agency of either for conflict of interest reasons.
- B. Arbitration. To the extent required by A.R.S. § 12-1518 and after exhausting applicable administrative review, the parties agree to use arbitration to resolve any dispute arising under this IGA.
- C. Non-Availability of Funds. Every payment obligation of the parties under this IGA is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds are not allocated and available for the continuance of this IGA by a party, this IGA may be terminated by that party at the end of the period for which funds are available. No liability will accrue to the party in the event this provision is exercised, and the party will not be obligated or liable for any damages as a result of termination under this paragraph.
- D. Compliance with Laws. The parties will comply with all federal, state and local laws, rules, regulations, standards and Executive Orders. The laws and regulations of the State of Arizona will govern the rights of the parties, the performance of this IGA and any disputes.
- E. Non-Discrimination. The parties will not discriminate against any employee, client or any other individual in any way because of that person's age, race, creed, color, religion, sex, disability or national origin in the course of carrying out their duties under this IGA. The parties will comply with the provisions of Executive Order 2009-09, which is incorporated into this IGA by reference.
- F. ADA. The parties will comply with all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and all applicable federal regulations under the Act, including 28 CFR Parts 35 and 36.
- G. Severability. If any provision of this IGA, or any application of a provision to the parties or any person or circumstance, is found by a court to be invalid, that invalidity will not affect other provisions or applications of this IGA that can be given effect without the invalid provision or application.
- H. Legal Authority. Neither party warrants to the other its legal authority to enter into this IGA. If a court, at the request of a third person, should declare that either party lacks authority to enter into this IGA, or any part of it, then the IGA, or parts of it affected by such order, will be null and void, and no recovery may be had by either party against the other for lack of performance or otherwise.
- I. Worker's Compensation. Each party will comply with the notice of A.R.S. § 23-1022(E). For purposes of A.R.S. § 23-1022, irrespective of the operations protocol in place, each party is solely responsible for the payment of Worker's Compensation benefits for its employees.
- J. No Joint Venture. It is not intended by this IGA to, and nothing contained in this IGA will be construed to, create any partnership, joint venture or employment relationship between the

parties or create any employer-employee relationship between a party and the employees of the other party. Neither party will be liable for any debts, accounts, obligations or other liabilities whatsoever of the other, including (without limitation) the other party's obligation to withhold Social Security and income taxes for itself or any of its employees.

- K. No Third-Party Beneficiaries. Nothing in this IGA is intended to create duties or obligations to or rights in third parties not parties to this IGA or affect the legal liability of either party to the IGA by imposing any standard of care with respect to the maintenance of public facilities different from the standard of care imposed by law.
- L. Entire Agreement. This document, and any exhibits attached to it, constitutes the entire agreement between the parties pertaining to the subject matter addressed, and all prior or contemporaneous agreements and understandings, oral or written, are superseded and merged into this IGA. This IGA may not be modified, amended, altered or extended except through a written amendment signed by the parties.

XIII. NOTICES

Notices under this Agreement must be addressed to:

First Things First
c/o Josh Allen
Finance Division
4000 North Central, Suite 800
Phoenix, Arizona 85012
jallen@firstthingsfirst.org

Pima County
c/o Jennifer Darland
Pima County Community & Workforce Development
2797 E. Ajo Way, 3rd Floor
Tucson, Arizona 85713
Jennifer.Darland@pima.gov

SIGNATURE PAGE TO FOLLOW

**FOR AND BEHALF OF THE
Arizona Early Childhood Development and
Health Board/First Things First**

Josh Allen
CFO/COO

Date

**FOR AND BEHALF OF THE
Pima County**

Sharon Bronson
Chair, Board of Supervisors

Date

ATTEST

Clerk of the Board

Date

Approval

The foregoing Intergovernmental Agreement between Pima County and the Arizona Early Childhood Development and Health Board/First Things First has been reviewed by the undersigned and is hereby approved as to content.

C. Huckelberry 5/12/21
C.H. Huckelberry, Pima County Administrator

Approved as to Form

**For Arizona Early Childhood Development and
Health Board/First Things First**

Casey Cullings
General Counsel

Date

For Pima County

Stacey Roseberry

Stacey Roseberry
Deputy County Attorney

5/3/2021
Date