



## Pima Early Education Program Scholarships



## FY 2023-2024 ANNUAL REPORT



**PIMA COUNTY**  
COMMUNITY & WORKFORCE  
DEVELOPMENT





**PEEPS**

Pima Early Education  
Program Scholarships



## OVERVIEW

# Growing, Growing, Strong!

Since its launch in July 2021, the Pima Early Education Program (PEEPs) has distributed scholarships to high quality childcare providers in centers, homes, school districts, and Head Start programs across Pima County, resulting in more than 3,100 unduplicated children served. **In Year 3, PEEPs exceeded programmatic expectations and served 1,923 children.** This is a 29% increase from Year 2 and more than double the number of children served in the first year of the program. Pima County continues to fund individual scholarships at Quality First centers and homes, extended day preschool in Head Start locations and preschool classes on school district campuses at 172 locations across the region.

**And, for the first time, demographics were collected for almost every PEEPs participating child;** revealing that the program is meeting its objective of serving children of color from low-moderate income families and dual-language learners.



*"She teaches her little sister all the things she learns, and she is so excited to go to school every day. Her enthusiasm affects the entire household and allows us to support her and be just as excited."*

## BY THE NUMBERS

# Kids & Preschools!

The two primary goals of the Pima Early Education Program are to:

- Increase the number of 3-5 year-old children from low-income families attending high quality preschools in Pima County, and
- Increase the number of high-quality preschools in Pima County serving low-income families.

This is achieved by entering into local funding partnerships with the City of Tucson and towns of Marana and Oro Valley, allocating a portion of the County's Federal pandemic recovery funds to the program, contracting with those already in the business of providing high quality preschool and scholarships, and coordinating at a statewide level.

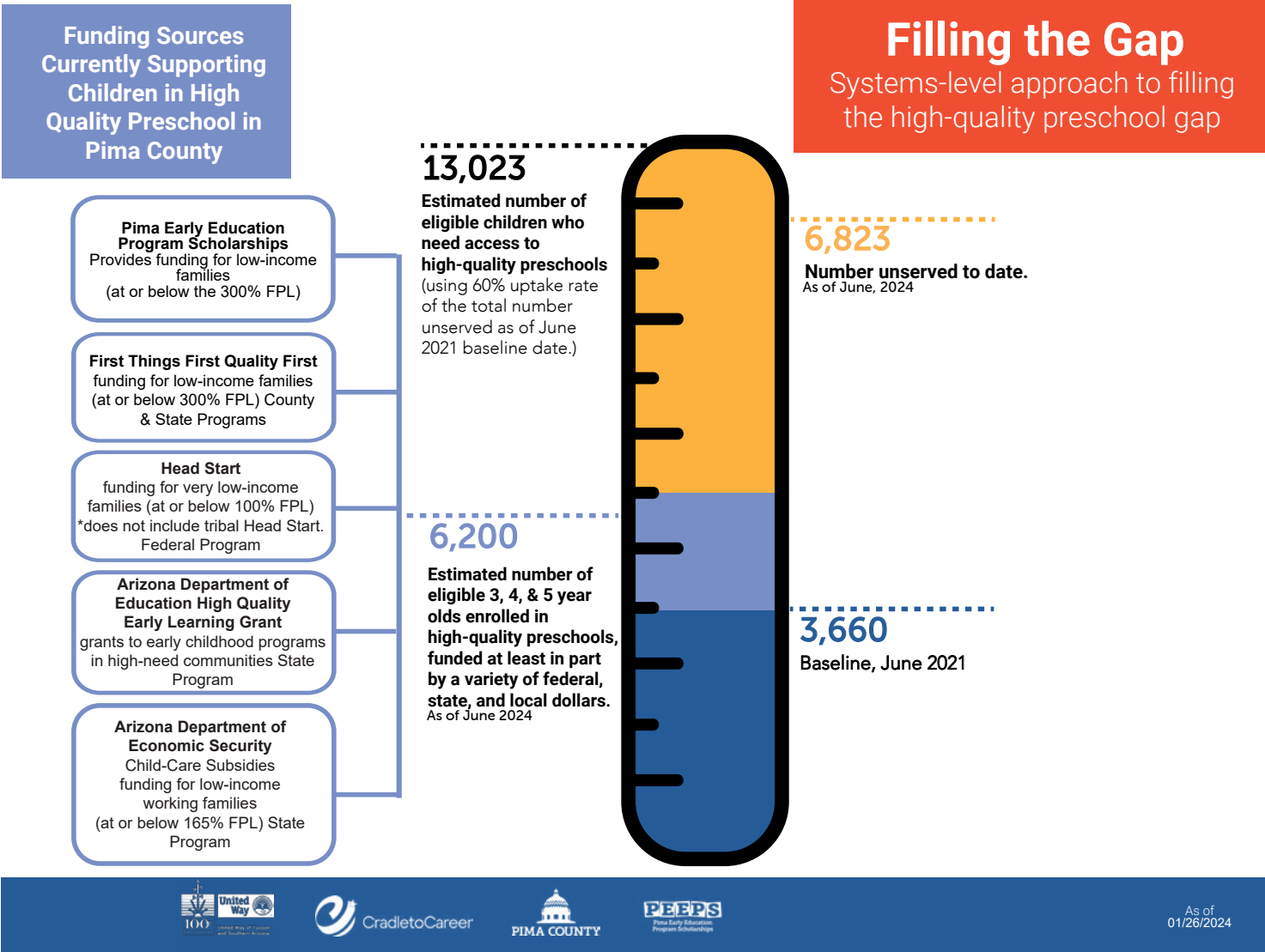
Pima County measures progress at both the program level (PEEPs) and the system-level (combined with others that fund preschool for families in need). At the program level, **PEEPs served 1,923 children from income-eligible families during the third year of the program.**

PEEPs Contracts by Type	Total # of Students Served
Pima County Funded Quality First Scholarships	1,128
Pima County Funded School District Expansion Classes*	613
Pima County Funded Head Start Extended Day Classes	182
<b>Totals</b>	<b>1,923</b>

\*This includes the Pima Community College Desert Vista class operated by Child-Parent Centers.

School District	# of PEEP Classes	# of Students Served
Amphitheater Unified School District	11	198
Flowing Wells Unified School District	3	56
Marana Unified School District	4	72
Pima Community College Desert Vista	1	18
Sahuarita Unified School District	1	20
Sunnyside Unified School District	4	72
Tucson Unified School District	10	177
<b>Total</b>	<b>34</b>	<b>613</b>

At the system level, PEEPs and other programs assisted 6,200 children from families with incomes at or below 300% of the Federal Poverty Level in attending high-quality preschool programs in Pima County. This means that **collectively PEEPs and our partners are serving about 48% of the need (6,200 out of 13,032).**

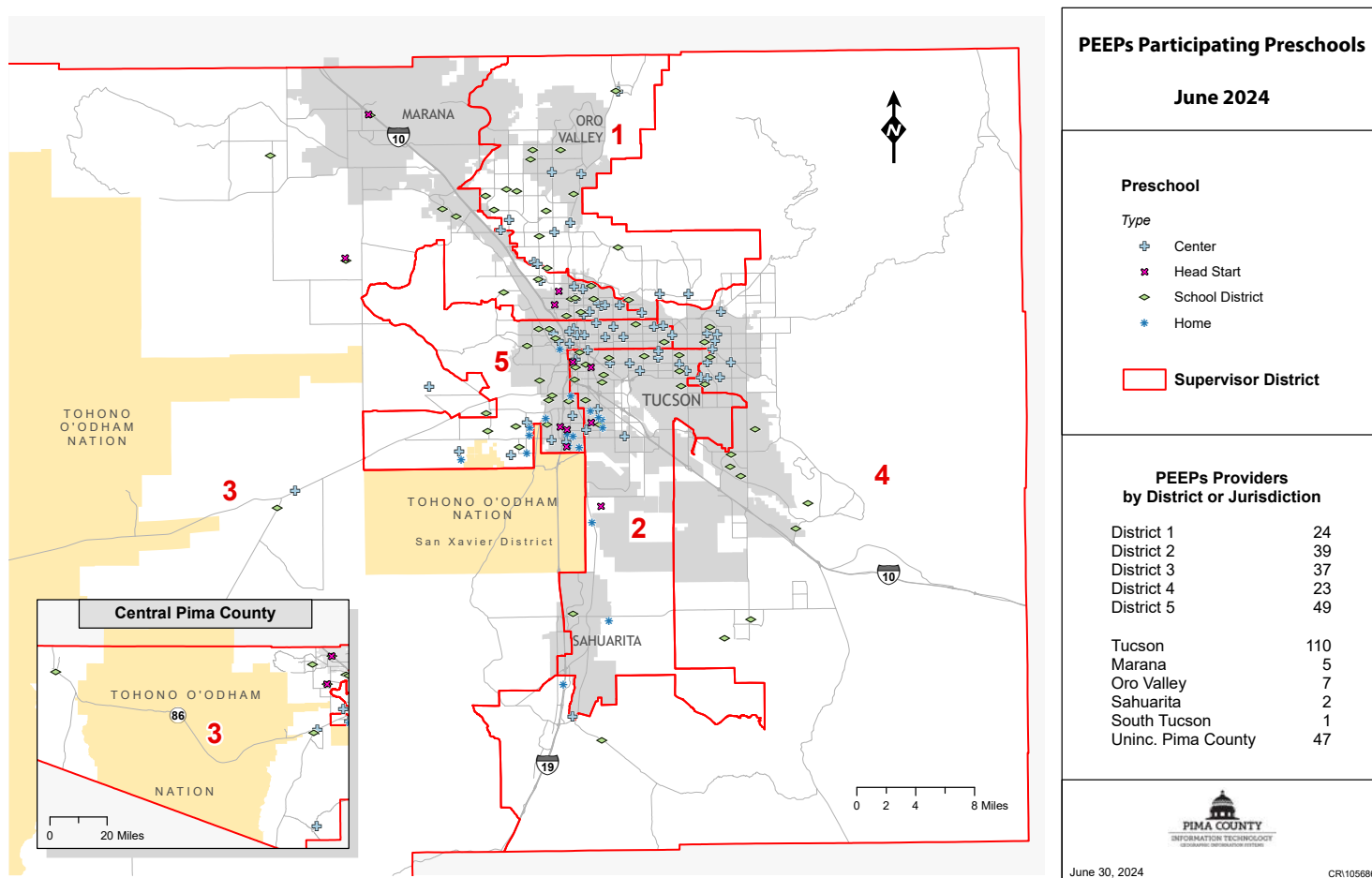


To continue to increase the number of eligible children attending high quality preschool we must also increase the number of high-quality rated and accredited preschools, which is the second goal of PEEPs. In June 2021, at the beginning of the first year of the program, there were 199 high quality preschool providers recognized by the Arizona Department of Economic Security Child Care Administration (DES CCA). The 199 high quality preschool providers grew tremendously in 2022 and 2023 to 285 high quality preschool providers in Pima County. **Now there are 304!** This is due in part to PEEPs school district classes tripling in size, DES Childcare Administration and First Things First partnerships that increased the number of Quality First rated childcare programs statewide and in Pima County, and the United Way of Tucson Southern Arizona’s Accelerate Quality program that prepares preschools and childcare providers for the Quality First rating assessments.

Arizona Department of Economic Security (DES) recognized high-quality providers	June 2021 Baseline #'s	FY23 Total # HQ Providers	FY24 Total # HQ Providers
Quality First 3-5 star preschools (some also Nationally Accredited)*	142	230	248
Head Start centers and Early Head Start programs	50	50	50
Nationally Accredited preschools (Not in QF) contracted with DES	7	5	6
<b>Total</b>	<b>199</b>	<b>285</b>	<b>304</b>

\*Includes 3-5 star providers, formerly DES expansion sites with a current valid rating

In Year 3, 66% of PEEPs participating preschools were private childcare centers, 17% were operated by public school districts, 11% were private home-based childcare providers and 6% were Head Start operated.



The State of Arizona recognizes high-quality preschools as those participating in the State's First Things First Quality First Program with a rating of 3-5 stars, those participating in the Federal Head Start program, and those with certain national accreditations. 95 percent of the preschools participating in the PEEPs program met this high-quality definition. Two-star providers were included in these initial years of the program because of the impact the pandemic had on reducing the supply of preschool and childcare across the community. Going forward 2-star providers will not have access to PEEPs scholarships as we know high quality environments are key to healthy child development. First Things First and the United Way's Accelerate Quality Program provide support and coaching to improve ratings over time.

Of the Quality First PEEPs participating preschools, the average Quality Rating is 4 stars, and 94 percent have a three-star rating or above.

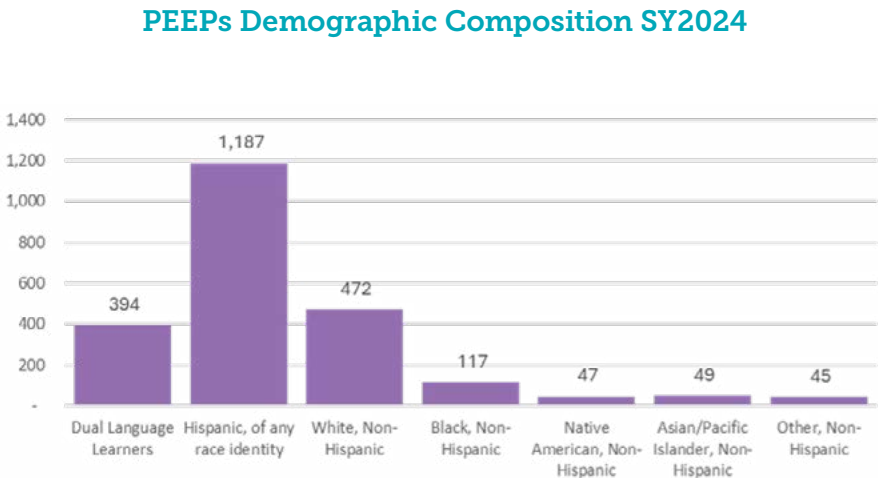
Jurisdiction	Number of Quality First PEEPs Preschools by Rating				
	2-Star	3-Star	4-Star	5-Star	Total
Town of Marana	1	0	3	0	4
Town of Oro Valley	0	3	2	2	7
Town of Sahuarita	0	0	1	0	1
City of South Tucson	0	0	1	0	1
City of Tucson	5	36	34	25	100
Unincorporated Pima County	3	13	16	15	47

# Demographics Data

Research continues to show that high quality early childhood care and education is the one of the most effective ways of reducing poverty and improving the health, safety and wealth of individuals and communities. Those who benefit the most from high quality preschool are children from economically disadvantaged families, children of color and dual language learners. While all PEEPs children had to be from economically disadvantaged families with incomes below 300 percent of the Federal Poverty Level, data on race, ethnicity and dual language learners was collected for PEEPs participants across the three program components: school district expansion classes, extended day Head Start programs, and Quality First scholarship recipients. This is the first year that we have been able to collect demographic data for our Quality First scholarship recipients which make up the largest group of children we serve in PEEPs.

Demographic data was collected on 1,917 of 1,923 children (99%) this year. The data shows that children **belonging to a racial or ethnic minority accounted for 75% of the total group** with 62% identified as Hispanic of any race. Additionally, **394 of 1,917 (21%) children were recognized as dual language learners**.

The graph below presents the demographic information of children enrolled in PEEPs programs this year.





# PEEPS

## Pima Early Education Program Scholarships


*"Thanks to the PEEPS scholarship, we have more money to invest in our family in other ways."*

*"This has been a great experience for our family, and we're grateful for the early childhood education provided for all of Tucson."*

*"We have definitely grown closer. Imagination has grown wilder, so we play a lot more games together as a family. Also, the communication skills have evolved so much!"*







*"We are extremely grateful for this program; without it our child would not be able to attend preschool as we simply would not be able to afford it. Thank you."*

*"An amazing program for our  
e so grateful! Investing in  
education pays dividends  
and Pima County."*

# Expenses, Budgeting, and Future Funding

The Pima County Board of Supervisors allocated \$30.2 million of Federal American Recovery Plan Act (ARPA) funding over four years to PEEPs. Future years of the program will be funded primarily through Pima County’s Library District. Over the past three years of the program, the City of Tucson and towns of Marana and Oro Valley have contributed over \$3.2 million for PEEPs. We are hopeful that cities and towns will continue to support PEEPs in future years.

Private funders have been donating to the United Way’s Accelerate Quality program, which compliments PEEPs by expanding preschool capacity and improving quality. Not reflected in these dollar amounts are Department of Economic Security (DES) childcare subsidies for eligible children in PEEPs school district classes, and contributions from school districts for facility improvements and administrative overhead, all of which increase the number of children served in the PEEPs program.

FY24/Year 3 PEEPs Budgeted and Actual Expenses\*

IGAs & Contracts	Budgeted Expenses	Actual Expenses
First Things First Quality First Scholarships	\$4,300,000	\$4,227,373
Child-Parent Centers, Inc. Head Start Extended Day	\$877,595	\$877,595
School District IGAs Expansion Preschool Classes	\$5,253,972	\$5,041,524
PEEPs Administration	\$250,000	\$240,143
Total	\$10,681,567	\$10,386,635

\*Fiscal Year 2024 (July 1, 2023 – June 30, 2024)

Actual expenses for PEEPs for year 3 were close to budgeted expenses. There were cost savings in our school district classes by utilizing the “last dollar in” approach with more than 50 children using DES childcare subsidies. For Year 4, \$10.9M is budgeted for PEEPs. Increased budgeted amount for year 4 accounts for cost of individual scholarships increasing to “cost of quality” rate paid to providers, maintaining the current amount of school district classes and an increase in the cost of Head Start extended day programming.

*“Having my child in preschool allowed me to have regular work hours and allowed me to return to school to gain additional certifications to change my career path.”*

*My husband has been unemployed and having our child in preschool enabled him the time to develop skills, and he is now attempting to start a business.”*



## OPPORTUNITIES

# PEEPS Assessment and the Prosperity Initiative

In the Fall of 2023, the United Way of Tucson and Southern Arizona was selected to assess the Pima Early Education Program (PEEPs) design and implementation, and make recommendations for continuous improvement. The process included surveys, focus groups, interviews with parents, childcare providers, other funders and policymakers, as well as review of existing data sets and documents. Overall, the evaluation found that the program design was sound and was working to meet the program's objectives.

The top five recommendations included:

1. Increase program awareness and promotion for parents and others.
2. Continue and expand efforts to expand the early childhood care and education (ECE) workforce.
3. Engage partnerships to address inflation, expansion, and cost of quality.
4. Continue to support increases in State and Federal support for ECE.
5. Improve allocation of PEEPs funded Quality First Scholarships to increase usage.



*"I was able to complete my bachelor's degree and work part time thanks to the scholarship program making it possible for my child to attend preschool."*



Through an interactive activity, the United Way engaged County staff to identify low effort/high impact strategies within each of the top five recommendations. Some of the identified strategies were already underway and others opened opportunities for programmatic improvement.

To access a list of the strategies and the full evaluation and recommendations report conducted by the United Way of Tucson & Southern Arizona you can view it on the [PEEPs website](#) under the Reports heading.

In December 2023, the Pima County Board of Supervisors adopted a new [Board Policy](#) to reduce generational poverty and increase community wealth. Tucson's Mayor and Council took the same action in January 2024. The City and County policy is actually a series of policies in the areas of work, education, health and housing, that were recommended during the first phase of the [Prosperity Initiative](#).

The first phase of the Prosperity Initiative was a regional effort to research and develop evidence-based policies applicable at the local government level to reduce generational poverty, which is defined as children from poor families who remain poor as adults. Research shows that programs and activities focused on children and families with children have the highest return on investment. The early care and education policy reads as follows: Increase access to affordable high quality early childcare and education for families with children.

The second phase of the Prosperity Initiative is to implement these policies. PEEP is an example of how Pima County and its cities and towns are already implementing the early care and education policy. Departments will be identifying additional ways to align County spending and programming with this policy and the other Prosperity Initiative policies



## CHALLENGES

# Reductions in State Childcare Assistance

Last year, Pima County's legislative agenda included lobbying for the restoration of State general funds for State DES childcare subsidies that was zeroed out during the Great Recession and has yet to be restored. The amount requested was \$100 million annually, which would have averted the need for DES to re-institute a wait list for DES child care subsidies. Unfortunately, this did not occur and consequently DES re-instituted the childcare waitlist on August 1, 2024.

In addition, First Things First (FTF) the state agency that provides Quality First Scholarships to children birth to 5 from low to moderate income families, was using Federal pandemic relief funding from DES to fund the gap between previous scholarship reimbursement rates to childcare providers, and the estimated cost of providing high quality early education programming, which costs providers more. These Federal subsidies were also funding the gap for PEEPs funded FTF scholarships. With the federal pandemic funding expiring, FTF made the decision to continue to reimburse childcare providers at the cost of quality rate per scholarship resulting in fewer scholarships available statewide and fewer PEEPS funded FTF scholarships available in Pima County.

Combined an estimated 1,959 children ages 0-5 in Pima County will be unable to access DES childcare subsidies or FTF scholarships this Fiscal Year. The reduction in childcare assistance is detrimental to not only working parents and employers that rely upon working parents as employees, but to the future health and prosperity of every child that deserves the opportunity to develop in quality early childhood environments. Consistent with PEEPs guiding principles and the Prosperity Initiative, Pima County's legislative agenda for the coming fiscal year will once again include a similar request to restore State funding for childcare subsidies statewide.





## PEEPS

# 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, 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, and pandemic-related increased costs.
6. Ensure 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.



*"The preparation my children are getting is something I wish I had as a kid. It is only possible for them to be in preschool because of this scholarship. Thank you."*



*"Thank you for the continued support of our families in making early childhood experiences accessible to families that might not otherwise be able to afford it."*

*"I am grateful for the quality resources that are in the hands of my learners because of PEEPs. Pima County's commitment to children gives them a safe, nurturing, and highly engaging place to grow!"*





## Pima Early Education Program Scholarships

### PEEPs Multi-Departmental Oversight Team

**Dustin Williams**, Superintendent of Schools  
**Francisco Garcia**, Deputy County Administrator  
**Daniel Sullivan**, Community and Workforce Development Director  
**Amber Mathewson**, Library Director  
**Theresa Cullen**, Health Department Director  
**Heath Vescovi-Chiordi**, Economic Development Director  
**Rhonda Pina**, Community and Workforce Development Deputy Director  
**Deborah Bryson**, Deputy Superintendent of Schools  
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#### Board of Supervisors

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Rex Scott, *Vice Chair*, District 1  
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Sylvia M. Lee, District 3  
Steve Christy, District 4

#### Pima County Administrator

Jan Leshner

