



MEMORANDUM

Date: March 27, 2025

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

From: Jan Leshor 
County Administrator

Re: **Pima Early Education Program Fiscal Year 2025 Mid-Year Report**

On [December 11, 2024](#), I provided the Board with a memorandum concerning the Pima Early Education Program (PEEPs) and obligation of the remaining American Rescue Plan Act (ARPA) funding the Board of Supervisors already approved for PEEP. That memorandum also included a review of PEEP expenses over the existence of the program, as well as continued communication that State and Federal level funding decisions were likely to contribute to less children served this Fiscal Year. The attached mid-year report shows there has indeed been a reduction in the number of children served, both at the program level and at the system level. The system level includes our partners that also provide childcare assistance in Pima County. Last year, Pima County and our partners were serving about 48 percent of the need. As of this mid-year report, that has dropped to about 38 percent of the need. There has also been a slight reduction in the number of high-quality preschool providers in Pima County, due to State and Federal level funding decisions.

Unlike previous years, however, Governor Hobbs recently proposed a meaningful allocation of State General Funds for childcare subsidies, as well as new public-private partnerships that could reverse this reduction in children served. In addition, a number of legislative bills have been introduced that could increase funding for childcare assistance. We will continue to follow these activities at the State level consistent with the Board's Legislative agenda. In carrying out the County's Strategic Framework and Prosperity Initiative Board Policy E36.2, PEEP staff continue to work with a diversity of stakeholders to consider innovative ways to serve more children.

Over the next several months, the Board will be asked to approve 14 contracts and intergovernmental agreements that are required to continue implementing PEEP over the next three years, and transition the ARPA funded share of PEEP to the Library District tax levy. The Library District, Finance and Risk Management, and Community and Workforce Development Department continue to regularly review Library District revenues and expenditures to ensure sufficient revenues exist to meet Library District capital and operating needs, as well as PEEP.

In summary, while the reported decrease in the number of children served is disappointing, it was expected, and it does not diminish the benefits to the 1,411 children currently being

served by PEEPs. The attached mid-year report also cites a recent PEEPs parent survey showing how important this program continues to be in supporting parents' ability to work.

JKL/anc

Attachments

- 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
 Steve Holmes, Deputy County Administrator
 Art Cuaron, Director, Finance and Risk Management
 Terry Cullen, MD, MS, Director, Health
 RK Kelly, Director, Grants Management and Innovation
 Amber Mathewson, Director, Pima County Library District
 Dan Sullivan, Director, Community and Workforce
 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

PEEPS

Pima Early Education Program Scholarships

Fiscal Year 2025 Second Quarter/Mid Year Report
Quarter Ending December 31, 2024

Overview

At the end of Quarter 2, 1,411 children from income eligible families are receiving assistance from PEEPs to attend high-quality preschools across Pima County. We are on track to meeting our year 4 programmatic goal of serving 1,500 children.

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 nearly 200 locations across the region.



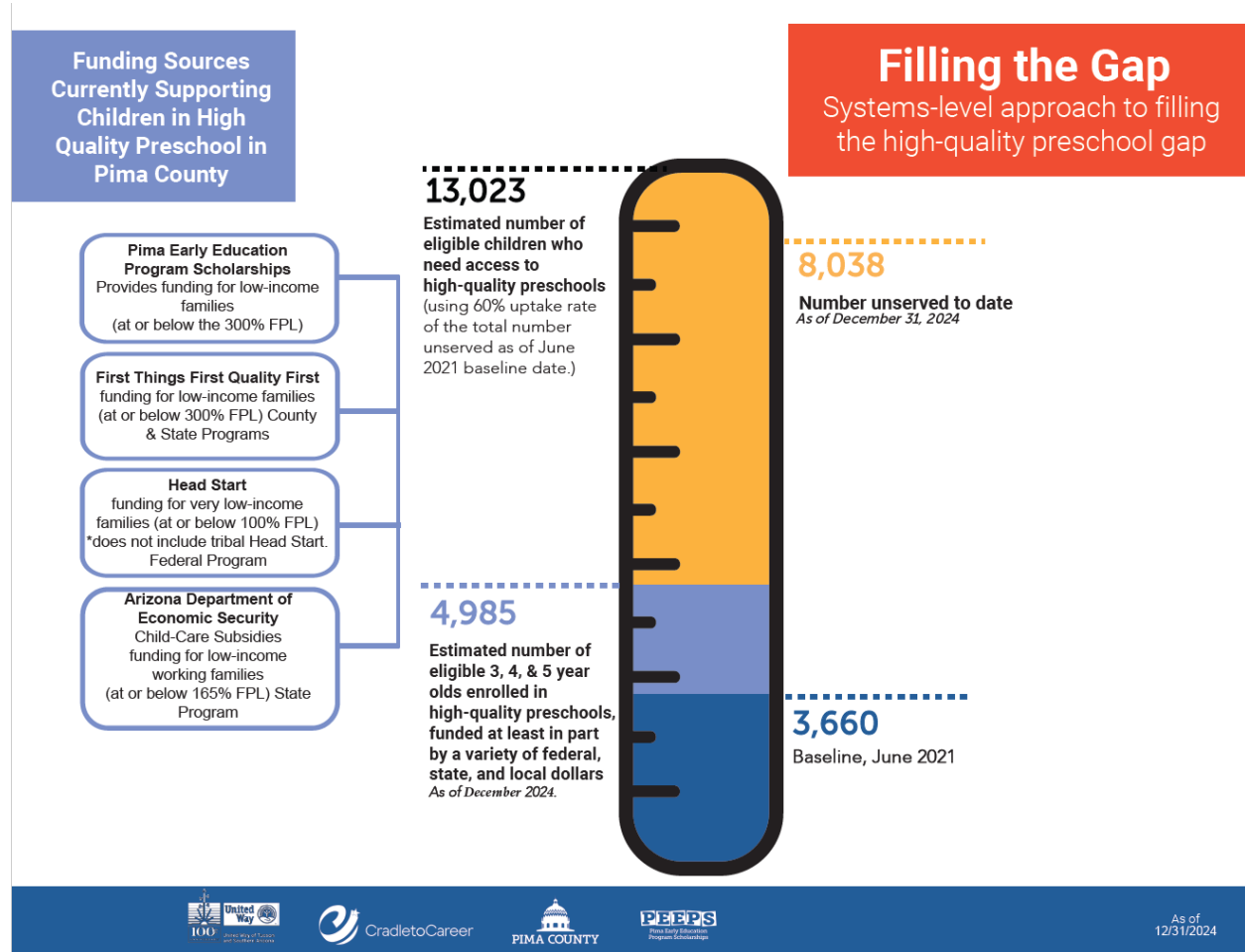
Funding for Year 4 of PEEPs is provided by Pima County's share of Federal American Rescue Plan Act funding, the City of Tucson, Town Marana, and participating school districts. Donations to the United Way of Tucson & Southern Arizona from individuals, businesses, and non-profits support Accelerate Quality, which complements PEEPs.

By the Numbers: Mid-Year Program Performance

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 300% of the Federal Poverty Level attending high quality preschools in Pima County.

Progress for this goal is tracked at both the system and program level. For this semester, **system level data** from the four programs that support children in high quality preschool (PEEPs, Head Start, First Things First and Department of Economic Security) report **serving 4,985 preschool-aged children** (38% of the need). This is a decrease from 48% last year. Several factors contributed to this decrease, which was anticipated and outlined as an upcoming challenge in [last year's report](#). A lack of State funding for DES childcare subsidies resulted in DES instituting a waitlist and serving less families. The number of First Things First Quality First childcare scholarships decreased due to a reduction in tobacco tax revenues and an end to Federal pandemic funding which resulted in higher per scholarship costs. The Arizona Department of Education also discontinued high-quality early learning scholarships due to the end of Federal pandemic funding. Our target remains 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**, **1,411 children are receiving assistance from PEEPs**, a 17% decrease from this time last year. This reduction is occurring because Federal pandemic funding of Quality First scholarships was subsidizing the per scholarship cost. Pima County is now funding the full scholarship cost, which means a similar level of funding supports a lesser number of scholarships. This number is expected to increase by year's end though, as Pima County approved a contract amendment to allocate additional underspent ARPA funding to purchase more quality first scholarships to serve more families over the next 6 months.

PEEPs Preschool Students

PEEPs Contract Type	Mid-Year # of Students Served	Year 4 Contracted Max Students Served
PEEPs funded Quality First Scholarships	592	500
PEEPs funded School District Expansion Classes*	624	708
PEEPs funded Head Start Extended Day Classes	195	205
Totals	1,411	1,413

*Includes Pima Community College Desert Vista Class

This project is being supported, in whole or in part, by federal award number SLFRP0180 awarded to Pima County by the U.S. Department of the Treasury

PEEPs Funded School District Expansion Classes and Enrollment

School District	# of PEEPs Classes Operational	First Semester # of Students Served
Amphitheater Unified School District	13	212
Flowing Wells Unified School District	3	56
Marana Unified School District	4	68
Sahuarita Unified School District	1	20
Sunnyside Unified School District	4	76
Tucson Unified School District	10	178
Pima Community College Desert Vista	1	14
Total	36	624

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

In years 2 & 3 with the use of American Rescue Plan Act dollars, the Department of Economic Security (DES) Child Care Administration and First Things First (FTF) diligently moved more early childhood providers into Quality First, increasing the number of high-quality providers both in Pima County and statewide. County agreements with the six school districts and United Way of Tucson’s Accelerate Quality program also expand the number of high-quality preschool providers. We saw tremendous growth from 199 high-quality providers in 2021 to 304 high-quality providers in June 2024! However, with the loss of the Federal pandemic dollars and decreases in funding for both DES and FTF, the number of high-quality providers in Pima County has decreased to 296.

Arizona Department of Economic Security (DES) recognized high-quality providers	June 2021 Baseline #'s	FY24 Total # HQ Providers	FY25 Total # HQ Providers
Quality First 3-5 star preschools (some also Nationally Accredited)	142	248	230
Head Start centers and Early Head Start programs	50	50	50
Nationally Accredited preschools (not in QF) contracted with DES	7	6	16
Total	199	304	296

This project is being supported, in whole or in part, by federal award number SLFRP0180 awarded to Pima County by the U.S. Department of the Treasury

Accelerate Quality Update

United Way of Tucson collaborates closely with PEEPs staff at Pima County and worked with the County to create United Way's Accelerate Quality program in 2021 to complement PEEPs. Accelerate Quality was designed for two purposes: 1) to ensure there are enough high-quality slots (or "seats") for children who qualify for PEEPs and 2) to serve as a mechanism for the community to contribute to the success of PEEPs and receive contributions from private individuals, businesses, and philanthropists to support our shared goal of adequate funding for early care and education in our community.

Thanks to the generous grant through several funders, Accelerate Quality served 57 local ECE programs as of December 2024. This includes:

- 11 programs working on quality improvements
- 5 working on expansion
- 1 pursuing accreditation
- 30 enrolled in Digital Literacy courses and
- 10 receiving coaching for business practices.

There are an estimated **1,813 children impacted and 173 staff employed** in the programs served by Accelerate Quality.

Program Expenses

Pima Early Education Program's expenses as of the end of Quarter 2 for fiscal year 2025 are shown below. It is anticipated that expenses will be lower than contracted based on PEEPs guiding principle that local funds should be used last, use of DES childcare subsidies by school districts and other providers. However, based on expense projections for this fiscal year the program is on track to expense the remaining ARPA funds and City, Town contributions to the program.

FY2025 Approved Budget and Expenses thru Quarter 2

IGAs & Contracts	Approved Budget FY25	Expense Period 7/1/24 – 12/31/24
First Things First Quality First Scholarships	\$5,530,000	\$2,172,737.00
Child-Parent Centers, Inc.	\$1,264,156	\$568,550.50
Six (6) School District IGAs New Preschool Classes	\$5,945,283	\$2,525,644.26
PEEPs Administration	\$200,841	\$80,211.80
Total	\$12,940,280	\$5,347,143.56

Future Funding Update

In 2022, the Board of Supervisors approved a small increase in the Library District property tax rate to start building a sustainable source of revenue for PEEPs as the program transitions off of Federal pandemic funding. A recent review of Library District tax revenues and expenses shows that the Library can fund PEEPs at \$10 million a year for at least the next two fiscal cycles. Library District tax revenues and

This project is being supported, in whole or in part, by federal award number SLFRP0180 awarded to Pima County by the U.S. Department of the Treasury

expenses will continue to be reviewed yearly to ensure sufficient revenues for Library capital and operational needs, as PEEPs.

In partnership with other County departments the PEEPs team is working to transition the program to the Library District revenue by July 1, 2025, which will require new contracts with school districts, First Things First, and Child Parent Centers (the regional Head Start provider).

The PEEPs program will have its own dedicated fund within the library district budget so that the revenues and expenses can be tracked separate from other library revenues and expenses. It is anticipated that the City of Tucson and Town of Marana will continue to contribute funding to PEEPs school district classes within their city and town.

PEEPs staff are also continuing to explore the introduction of a sliding scale fee for moderate income families (those with incomes between 200% and 300% of the Federal Poverty Level). This would generate additional funding so that PEEPs could serve more families. This includes seeking input from school districts and parents, as well as developing an efficient and effective administrative process to ensure these addition funds are spent to serve more families.

Highlights

In collaboration with the Grants Management & Innovation Departments' Research and Analysis Division (GMI RAD), PEEPs conducted a survey in Quarter 2 to gather insights from parents and preschool providers. The primary goals of the survey were to evaluate parent satisfaction with PEEPs-supported preschools, understand parents' motivations for enrolling their children in preschool, and assess providers' satisfaction with the program and their role in promoting it to eligible families. Though the number of survey responses were lower than expected (parent responses encompass 13% of students enrolled, provider responses encompass 21%), the results provided important insights.

Key findings from the parent survey highlighted the program's role in enhancing employment stability and family well-being, with 79% of respondents reporting that preschool attendance helped them secure a job, increase work hours or achieve work schedule stability and 67% of respondents noted significant improvements in their family's well-being due to preschool, citing child development and reduced childcare stress.

"Thank you so much for this program and for all of your help and support in this process. Without it we couldn't have sent our child to preschool, and we are beyond grateful that something like PEEPS exists."

- PEEPS Parent

Key findings from the provider survey highlighted the significant reliance on PEEPs funding for student support. Over half of providers reported increased enrollment of PEEPs-funded students in the past year and commented on the positive effects of increased funding on resource allocation including supplies, operational costs and teacher compensation.

"I am grateful for the 5 scholarships our school is receiving. It allows 10 children to attend our school who otherwise could not. The scholarship program helps our school to be sustainable. Without it, we would surely be out of business."

- Quality First Provider

For questions about PEEPs, contact PEEPS@pima.gov. For families looking for preschool financial assistance, or help finding a high quality preschool, please call the Child Care Resource and Referral Information Line at 1-800-308-9000 or conduct a search at CCR&Rs website at www.azcrr.com.

This project is being supported, in whole or in part, by federal award number SLFRP0180 awarded to Pima County by the U.S. Department of the Treasury



"All of the staff have been very friendly, supportive and professional. I highly recommend this program to anyone of preschool age."

-PEEPs Parent

"I am so grateful for this program it has benefited my son on so many levels. All staff are so welcoming and supportive."

-PEEPs Parent



For families looking for preschool financial assistance, or help finding a high-quality preschool, please call Child Care Resource & Referral's Child Care Information Line at 1-800-308-9000. The line is open Monday through Friday 8 a.m. to 6 p.m. and Saturday 8 a.m. to noon. You may also conduct a search at CCR&R's website at www.azccrr.com.



For Questions about PEEPS contact PEEPS@pima.gov



Pima Early Education Program Scholarships

Fiscal Year 2025 Quarter 2 PEEPs Report for City of Tucson IGA CTN-CR-21-126

At the end of Quarter 2, the Pima Early Education Program (PEEPs) has provided scholarships and free preschool opportunities to 1,411 children from income eligible families to attend high quality preschools across Pima County so far this year. The majority of children enrolled in PEEPs participating programs are attending locations within the City of Tucson.

Funding for PEEPs continues to be provided by Pima County's share of Federal American Rescue Plan Act funding, the City of Tucson, Town of Marana and other local partners. In July 2025, the County is intending to transition from Federal funding to the Pima County Library District property tax revenue, supplemented by City and Town funding for the continuation of PEEPs programming.

Program Description - The purpose of PEEPs is to increase the number of 3-5 year old children from low-income families attending high quality preschools and to increase the number of high quality preschool classrooms in Pima County via local funding partnerships and statewide coordination. **In year four of PEEPs, the City of Tucson contributed an additional \$750,000 to Pima County to reimburse school districts for the ongoing cost of operating new high quality preschool classes.** The City of Tucson contribution is funding five classes within Amphitheater and Sunnyside benefiting 90 preschool age children. This is the fourth year the City has funded PEEPs school district classes. To be eligible for the PEEPs preschool classes families must have incomes at or below 300 percent of the Federal Poverty Level. For a family of four this is \$93,600 this year.

Status – Amphitheater and Sunnyside Unified School Districts are contracted with Pima County to operate 5 high quality preschool classes funded by the City. At the end of Quarter 2, all 5 classes are operational and fully enrolled with 90 children benefiting from the program this year, and expenses totaling \$339,283.46. Included below are four tables representing the participating providers within the City of Tucson and the number of children they have served to date this year. The first table shows data from the City funded school district expansion classes within Amphitheater and Sunnyside Unified School Districts. The remaining tables represent Pima County federally funded PEEPs school district expansion classes, Quality First participating



providers, and Head Start extended day classes that are serving children within the City limits.

PEEPs School District Preschool Expansion funded by City of Tucson			
School District	Number of Classes	Total # of Children Served	City of Tucson Expenses thru Q2
Amphitheater Unified School District	3	54	\$214,847.30
Sunnyside Unified School District	2	36	\$124,436.16
Total:	5	90	\$339,283.46

Additional PEEPs School District Preschool Expansion within City of Tucson			
School District	Number of Classes	Total # of Children Served	Pima County Federally Funded Expenses thru Q2
Amphitheater Unified School District	4	50	\$299,225.40
Pima Community College Desert Vista	1	13	\$174,561.60
Sunnyside Unified School District	2	40	\$172,828.00
Tucson Unified School District	7	124	\$514,198.20
Total:	14	227	\$1,160,813.20

PEEPS Quality First Scholarships Used at Preschools within City of Tucson		
Number of Preschools	Total # of Unique Children Served	Pima County Federally Funded Expenses thru Q2
129	403	\$1,450,593.00

PEEPs Extended Day Head Start Classes within City of Tucson		
Number of Classes	Total # of Children Served	Pima County Federally Funded Expenses thru Q2
7	127	\$363,419.63

Highlights – The Amphitheater Keeling Elementary School campus is holding their ribbon cutting celebration of the ECHO Community Resource Center on March 4th at 1pm. The ECHO Community Resource Center provides personalized services and supports to families in the Amphitheater School District and neighboring communities including PEEPS playgroups facilitated by the Amphitheater Parents as Teachers program. While children engage in activities parents receive information on hearing & vision testing, water safety, nutrition, early literacy and so much more!

Looking Forward – PEEPs would like to invite Mayor Romero, Councilmembers, and key personnel to join us for our upcoming



Spring site visits. Visitors will get a chance to tour the preschool space, talk with district representatives and engage with students in the preschool environment. Please reach out to Nicole Scott, PEEPS Program Manager if you would like to attend one or more of the Spring site visits.

For questions about PEEPs, contact PEEPS@pima.gov. For families looking for preschool financial assistance, or help finding a high quality preschool, please call the Child Care Resource and Referral Information Line at 1-800-308-9000, or conduct a search at CCR&Rs website at www.azcrr.com.

This project is being supported, in whole or in part, by federal award number SLFRP0180 awarded to Pima County by the U.S. Department of the Treasury



"I absolutely love the PEEPs grant. My child would not be able to attend preschool as I would not be able to afford it without PEEPs."

- PEEPs Parent



For families looking for preschool financial assistance, or help finding a high quality preschool, please call Child Care Resource & Referral's Child Care Information Line at 1-800-308-9000. The line is open Monday through Friday 8 a.m. to 6 p.m. and Saturday 8 a.m. to noon. You may also conduct a search at CCR&R's website at www.azccrr.com.



For Questions about PEEPs contact PEEPS@pima.gov



Pima Early Education Program Scholarships

Fiscal Year 2025 Quarter 2 PEEPs Report for Town of Marana IGA CTN-CR-21-128

At the end of Quarter 2, the Pima Early Education Program (PEEPs) has provided scholarships and free preschool opportunities to **1,411 children from income eligible families** to attend high quality preschools across Pima County so far this year. Sixty-five of these children are participating in PEEPs programs within the Town of Marana.

Funding for PEEPs continues to be provided by Pima County's share of Federal American Rescue Plan Act funding, the Town of Marana, City of Tucson and other local partners. In July 2025, the County intends to transition funding sources to the Pima County Library District property tax revenue supplemented by City and Town funding for the continuation of PEEPs programming.

Program Description and the Town of Marana - The purpose of the program is to increase the number of 3-5 year old children from low-income families attending high quality preschools and to increase the number of high quality preschool classrooms in Pima County via local funding partnerships and statewide coordination. **For year four of PEEPs, the Town of Marana has contributed an additional \$155,545.20 for the continued cost of operating the PEEPs class at Estes Elementary School for up to 18 preschool age children.** This is the fourth year that the Town is sponsoring this class. To be eligible for the PEEPs preschool class at Estes Elementary families must have incomes at or below 300 percent of the Federal Poverty Level. For a family of four this is \$93,600 this year.

Status – The Town funded PEEPs class at Estes Elementary School has maintained full enrollment this year of 18 students. Pima County also funds preschool scholarships and extended day opportunities at six other locations within the Town of Marana. The five scholarship programs are 3-5 star quality rated programs and report serving 7 children this year. PEEPs is also funding extended day preschool for 40 students, in two classes at the Marana Head Start.



PEEPs School District Preschool Expansion Class in Town of Marana					
Name	Address	Total # children enrolled	Ages	Quality First Star Rating	Town of Marana Expenses Thru Q2
Estes Elementary School, MUSD	11280 W Grier Rd	18	3-5	5	\$69,167.60

PEEPS Extended Day Head Start Classes within Town of Marana		
Number of classes	Total # children served thru Q2	Pima County Federal Fund Expenses thru Q2
2	40	\$31,981.55

PEEPS Quality First Preschool Scholarships Used within Town of Marana		
Number of Preschools	Total # of Unique children served thru Q2	Pima County Federal Fund Expenses thru Q2
5	7	\$34,650.00

Highlights –

"I show up every day because I love my students, and I want to see them succeed socially, emotionally and academically. I also get to work with amazing people who make my job enjoyable!"

- Estes PEEPs Teacher

"You know teacher when I just stare at people I am just loading."

- PEEPs Student

The Pima County PEEPs team would like to extend an invitation to Mayor Post, Councilmembers and key personnel to join us for a site visit to the Estes Elementary School preschool classes. Visitors will get a chance to tour the preschool space, talk with district representatives and engage with students in the preschool environment. Please reach out to Nicole Scott, PEEPs Program Manager if you would like to schedule a visit of the Marana PEEPs class.



For questions about PEEPs, contact PEEPS@pima.gov. For families looking for preschool financial assistance, or help finding a high quality preschool, please call the Child Care Resource and Referral Information Line at 1-800-308-9000, or conduct a search at CCR&Rs website at www.azcrr.com.

This project is being supported, in whole or in part, by federal award number SLFRP0180 awarded to Pima County by the U.S. Department of the Treasury