
WHAT'S NEW
In March 2020, Arizona went into lockdown in response to COVID-19, closing all schools and many community child care settings. While many of those early learning environments have since re-opened, they continue to struggle with lower enrollment (about 41% compared to pre-pandemic) coupled with higher operational costs (about an 84% increase in monthly costs for centers to meet new health and safety guidelines). Each school district and program determines when/how to re-open (in-person, remote or hybrid) based on community/facility circumstances.

BACKGROUND
Arizona began funding preschool programs in 1991 with supplemental services for preschool, full-day kindergarten, and first through third grade education supported by the federal Early Childhood Block Grant (ECBG) from 1996 until 2010 when that funding ended. In 2006, Arizona voters earmarked tobacco tax revenues for early childhood development and health programs and created the Early Childhood Development and Health Board, known as First Things First (FTF), to oversee those funds. FTF allocates funds to communities based on the birth to 5 population and percentage of young children in poverty. Volunteer regional councils recommend early childhood programs to fund. These public funds can be used for various early childhood programs, including increasing access to early learning. This is accomplished through Quality First (QF) Scholarships serving children birth to 5 years old living at or below 200% FPL. Private child care, public schools, Head Start settings, tribally regulated programs, family child care homes, and faith-based programs are eligible to receive QF Scholarships as long as they participate in Quality First, the state’s Quality Improvement and Rating System (QIRS) and have met at least a three-star rating on the QIRS quality standards. QF Scholarship reimbursement rates vary by program type.

Due to dramatic decreases in tobacco tax revenues (a 30%, $49 million drop since 2008), the FTF Board in 2015 determined that a budget reset was necessary to ensure consistent funding levels over the next nine to 15 years. This resulted in a sharp drop in program funding for SFY16, including QF scholarships. Despite ongoing decreases in tobacco revenue (8% in the past two years alone), FTF’s commitment to QF Scholarships has grown, increasing from $35 million in FY16 to $44 million in FY19 in all settings (center-based and home based) and for all ages birth through 5.

FTF collaborates with the state to meet federal match requirements and preserve $37 million per year in federal Child Care and Development Fund (CCDF) funds. In the 10 years this partnership has been in place, Arizona has been able to leverage $378 million in federal subsidy dollars that otherwise would have been lost.

1These figures reflect only 3- to 5-year-olds in quality center-based environments. However, in total, spending for Quality First scholarships totaled $35,782,443 and served 7,776 children birth to 5 years old across a variety of quality settings. Depending on the number of children 0-3 participating in the program each year, per pupil spending on 3- to 5-year-olds may vary from year to year.
QUALITY FIRST SCHOLARSHIPS

ACCESS
Total state pre-K enrollment ..................................................... 5,216
School districts that offer state program.............................. 86% (Regional Partnership Councils)
Income requirement ...........................................................200% FPL
Minimum hours of operation ....................................34 hours/month
Operating schedule ............................................. Determined locally
Special education enrollment, ages 3 and 4 ..................... 9,961
Federally funded Head Start enrollment, ages 3 and 4 ......... 12,927
State-funded Head Start enrollment, ages 3 and 4 ................. 0

QUALITY STANDARDS CHECKLIST

POLICY | AZ PRE-K REQUIREMENT | BENCHMARK | REQUIREMENT MEETS BENCHMARK?
--- | --- | --- | ---
Early learning & development standards | Comprehensive, aligned, supported, culturally sensitive | Comprehensive, aligned, supported, culturally sensitive | ✓
Curriculum supports | Approval process & supports | Approval process & supports | ✓
Teacher degree | 12 credit hours in ECE, CDA (25% of teachers) | BA | □
Teacher specialized training | 12 credit hours in ECE, CDA (25% of teachers) | Specializing in pre-K | □
Assistant teacher degree | HSD | CDA or equivalent | □
Staff professional development | 18 hours/year | For teachers & assistants: At least 15 hours/year; individual PD plans; coaching | □
Maximum class size | 26 (3-year-olds); 30 (4-year-olds) | 20 or lower | □
Staff-child ratio | 1:13 (3-year-olds); 1:15 (4-year-olds) | 1:10 or better | □
Screening & referral | Immunizations | Vision, hearing & health screenings; & referral | □
Continuous quality improvement system | Structured classroom observations; Data used for program improvement | Structured classroom observations; data used for program improvement | ✓

For more information about the benchmarks, see the Executive Summary and Roadmap to State Profile Pages.

RESOURCES
Total state pre-K spending ...........................................$19,224,515
Local match required?........................................... No
State Head Start spending ...........................................$0
State spending per child enrolled ........................................... $3,686
All reported spending per child enrolled* ................. $3,686

For more information about the benchmarks, see the Executive Summary and Roadmap to State Profile Pages.

SPENDING PER CHILD ENROLLED

<table>
<thead>
<tr>
<th>Program</th>
<th>State contributions</th>
<th>Federal contributions</th>
<th>Local contributions</th>
<th>TANF spending</th>
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<td>PRE-K*</td>
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<tr>
<td>HDST**</td>
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<tr>
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Data are for the 2019-2020 school year, unless otherwise noted.