

## **Pima County Preschool Investment Program (PCPIP): The Vision**

**Every child in Pima County whose family income falls below 200% federal poverty level will have access to subsidized high-quality early childhood education.**

The citizens of Pima County recognize the value of high-Quality Early Childhood Education (QECE) and believe that it is in the best immediate and long-term human and economic interests of Pima County for our children, especially those from low-income families, to have access to high-QECE. High-quality early childhood experience provides children with the tools to succeed throughout their educational journeys, their careers, and their lives. And their success will repay the County as a whole.

“Data shows that one of the most effective strategies for economic growth is investing in the developmental growth of at-risk young children. Short-term costs are more than offset by the immediate and long-term benefits, through reduction in the need for special education and remediation, better health outcomes, reduced need for social services, lower criminal justice costs and increased self-sufficiency and productivity among families.” *Dr. James Heckman, Nobel Laureate in Economics*

The Federal Reserve Bank of Minneapolis’ Rob Grunewald said in his review of four high-QECE programs, “Benefits of early childhood education include lower social costs (e.g. lower crime costs) and higher school achievement, educational attainment, and earnings. Benefit/cost ratios from these four projects range from \$4 to as high as \$16 returned for every dollar invested.” He recognizes that an investment in QECE pays impressive dividends for those bold enough to commit to it.

Numerous other researchers have shown that the key to reaping these educational, economic and social benefits is high-quality early childhood education (QECE) -- not simply custodial child care -- for 3- and 4-year-old children. The investment involved will be significant but will be much more than offset by the returns.

## Pima County Preschool Investment Program (PCPIP): The Details

**Why does Pima County Need PCPIP?** The State of Arizona has for decades underfunded or failed to fund even basic custodial child-care, and it is unlikely to invest in QECE. Pima County, however, is in a position to make such an investment: Pima County Preschool Investment Program (PCPIP). As of 2017, there were approximately 27,000 3- and 4-year-old children in Pima County (*U.S. Census, 2017*). Only 20% attend high-QECE. Many of our most vulnerable children are missing this essential building block in their educational development. PCPIP will reach these children as other progressive jurisdictions are already doing. PCPIP will also generate a handsome return to the County and its families. And it will showcase the County nationally and internationally as a hub of economic development and workforce development.

**What are the Essential elements of PCPIP?** Fully funded, PCPIP will provide 12,000 spaces for high-quality, full day, full year, preschool for 3- and 4-year-old children in Pima County, including every child under 200% of the Federal Poverty (FPL) level who wishes to attend. PCPIP funds may supplement other funds, but no PCPIP funds can be used to supplant city, state, federal or private monies until 100% of eligible children are placed.

\* Eligibility for PCPIP will be based on family income (using existing income data such as eligibility for SNAP or free or reduced lunch), capped at 200% of FPL. There will be no family copay. In all cases, other childcare assistance (e.g. Dept. Economic Security [DES] subsidy, FTF scholarships, private grants) will be included in consideration of the total PCPIP assistance. Every family applying for PCPIP assistance must apply for DES subsidy.

\* Scholarships will be based on the current market rate cost of full-day (6 hours or more), full-year high-QECE, and may be used at any high-quality preschool, as defined by Section 1. *ARS 46-805 (I)* [3, 4, and 5 star-rated and nationally accredited preschools, and Head Start Programs.]

**Administration of PCPIP**, through contract with First Things First (FTF), will use existing systems and structures for the following functions: **1)** Assessing QECE current and future need, and capacity; **2)** Rating preschools for quality (with existing exceptions: see Section 1. *ARS 46-805 (I) (2)*); **3)** Offering a path to high quality for preschools that are not yet high-quality; **4)** Periodically evaluating PCPIP's performance; **5)** Receiving PCPIP monies from all sources; and **6)** Disbursing PCPIP monies to QECE providers. Current FTF levels of expenditure and effort will be maintained. Up to 10% of PCPIP funds may be used for administrative costs.

**Where will the PCPIP Investment come from?** The PCPIP investment will consist of funds expressly designated by the Pima County Board of Supervisors and other program sponsors, including all interest earned on those monies. The PCPIP funding allocations will be in addition to, and separate from, any other education funds that are now, or will be, annually appropriated by the Pima County Board of Supervisors.

**Will the investment in PCPIP pay off?** In 2015, the United Way and Lecroy & Milligan estimated that almost 10% of Pima County's youth ages 16-19 years old (almost 2,300 of them) were at risk of becoming 'Opportunity Youths', disconnected from school or work. Such youngsters are likely to be a lifetime burden on taxpayers. Each will require almost \$14,000 of annual support (more than \$258,000 lifetime) in areas like public and private health expenditure, welfare support, crime interdiction, criminal justice interactions, and lost tax revenue contributions. In addition to these costs, the social burden (loss of income/adult work productivity) attributed to this population is \$37,450 annually (\$759,900 lifetime). Providing high- QECE to this population can return the investment many times over.