



State Fiscal Year 2025 Annual Report

Impacting Young Lives Throughout Arizona

Dear Fellow Arizonans:

This past year, we've seen an increased awareness of the importance of early childhood education and child care across the business community and in policymaker conversations.

As early childhood supporters in Arizona, we must turn this growing awareness into bold action. Recent investments to support Arizona's youngest children and working families were included in this year's state budget, including almost \$45 million into the General Fund to support child care assistance.

These investments reflect a growing, bipartisan understanding that early childhood is foundational to Arizona's long-term economic competitiveness, workforce productivity and public health.

That said, we must be clear about the road ahead. Arizona continues to face a 25% gap between the supply and demand for quality, affordable child care. Thousands of working families remain on child care waitlists or are forced to make an impossible choice between safe quality care for their young children and their own continuing employment.

At the same time, First Things First's annual revenues have decreased by about 47% - more than \$76 million a year - when compared to the level of funding we received when FTF began operations. That reality places core early childhood services, such as home visitation, developmental screenings and quality early care and education, at serious risk.

We must modernize revenue streams for First Things First, as it is Arizona's only dedicated funding source for early childhood programs and services. One promising policy is to close the tax loophole on vaping and nicotine products, which are not currently taxed the same way as traditional tobacco. These alternative products that now drive consumer demand were not on the market when FTF was approved by voters in 2006. Closing this tax loophole would honor the original voter intent behind Proposition 203, which directed a portion of tobacco taxes to support early childhood services.

A proposal (HB2778) to include these products was introduced this past legislative session that would generate approximately \$80 million in additional state revenue, a portion of which would have supported First Things First and other early childhood programs. While the bill did not advance this session, it generated broad bipartisan interest and signaled a willingness to confront the issue head-on very soon. The groundwork to address this problem has been laid. Now is the time to act.

We anticipate continued discussions during the next legislative session about sustainable funding models for child care in Arizona. These discussions include revisiting the current FTF funding solutions and exploring the possibility of creating more public-private partnerships.

We stand ready to work with legislative leadership, agency partners, business leaders and communities across the state to develop a dependable, long-term funding strategy for Arizona's early childhood system. Our state's children, working families and economy cannot afford to wait. The decisions made today will shape Arizona's future for generations to come.



Steven W. Lynn

Board Chair



Melinda Morrison Gulick

Chief Executive Officer



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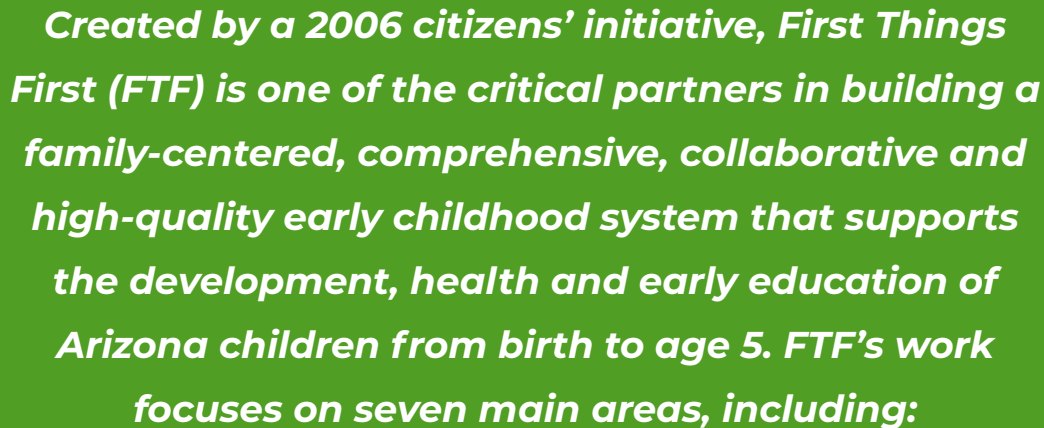

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About First Things First



Created by a 2006 citizens' initiative, First Things First (FTF) is one of the critical partners in building a family-centered, comprehensive, collaborative and high-quality early childhood system that supports the development, health and early education of Arizona children from birth to age 5. FTF's work focuses on seven main areas, including:

Quality Child Care and Preschool

Children with access to quality early learning do better in school and are more likely to graduate from high school. FTF funds research-based quality improvement supports for regulated child care and preschool programs that help children thrive. These include assistance for programs to provide healthy and safe learning environments that help children develop emotionally, physically, socially and academically; coaching for early learning professionals to better engage young learners; and selecting and using developmentally appropriate learning materials. Scholarships are also funded to help more babies, toddlers and preschoolers access quality early learning.

Strengthening Families and Early Literacy

Families are a child's first and most important teachers. FTF-funded programs give parents options for supporting their child's health and learning. Services are voluntary and provided at levels that meet families' needs. For example, family resource centers are community hubs where families can access parenting classes, information and referrals and connect with other families in their neighborhoods. FTF also funds voluntary, evidence-based home visiting programs that promote overall child and family health and wellbeing through regular home visits from a trained professional who responds to families' complex and unique needs. Literacy approaches include providing information to families and caregivers about the importance of language and literacy development, as well as access to books and opportunities for families to engage in language and literacy workshops.

Teacher/Workforce Training and Development

Children's relationships with teachers and caregivers impact brain development in ways that can promote learning. Children age 5 and younger learn differently than school-age children and the quality of early learning depends on the knowledge and skills of the teacher. FTF funds college scholarships and other professional development support to expand the knowledge and skills of professionals working with babies, toddlers and preschoolers. In addition, FTF funds a variety of evidence-based consultation models to help early childhood educators improve health practices in early care settings, better support children's mental and behavioral health, and provide more inclusive settings in which all children can participate.

System Coordination

Collaboration among system partners maximizes resources and effectiveness. At the state and regional levels, FTF works with early childhood system partners – like state agencies, tribal governments, philanthropic organizations, businesses and providers of services to kids and families – to maximize funding, reduce duplication of services and ultimately improve outcomes for young children. These collaborations also promote the ongoing development and continuous quality improvement of a statewide early childhood system that supports the health and development of all young children in Arizona.

Parent and Community Engagement

We all have a shared responsibility to help children arrive at school prepared to succeed. FTF works with families, caregivers and community leaders to build awareness of the importance of early childhood and steps they can take to support the education and health of young children in their communities.

Preventive Health

Undetected or untreated health issues in the early years can impact learning later on. Left unaddressed, developmental delays and chronic medical conditions can become serious learning problems that require costly interventions. FTF funds preventive developmental and sensory screenings, health education for parents and children and referrals to existing services to ensure that kids arrive at kindergarten healthy and ready to succeed. In addition, FTF funds strategies to connect families to health care options in their communities, as well as efforts to coordinate the services children receive for maximum benefit.

Research and Accountability

Measuring effectiveness and promoting continuous quality improvement relies on robust, accurate data. Data collected by FTF through research studies and grant or system partners are used to inform decision making, monitor FTF-funded grant partner performance, enhance program effectiveness and measure the impact of FTF-funded strategies or the collective investments of Arizona's early childhood system.



Our Impact By the Numbers

The data below detail the number of young children, families and early childhood professionals who had access to programs and services as a result of First Things First investments in State Fiscal Year 2025 (SFY25). Decisions about which programs to fund are informed by recommendations from volunteer regional councils after thorough study of the needs in their communities. As such, not all

FTF programs are available in every region. The numbers below reflect the impact of various programs across all the regions that fund those strategies. FTF grant partners reached tens of thousands of families and professionals statewide with quality programs that will give the young children in their care the opportunity to start school healthy and ready to succeed!

Early Learning

1,084

Child care and preschool providers statewide were committed to continuous quality improvement of their early learning programs through Quality First. In addition,

327

Providers were assessed and earned a quality star rating through the Quality First Rating Only program.

68,058

Children received their early education from child care and preschool providers committed to continuous quality improvement of their early learning programs through Quality First.

56,941

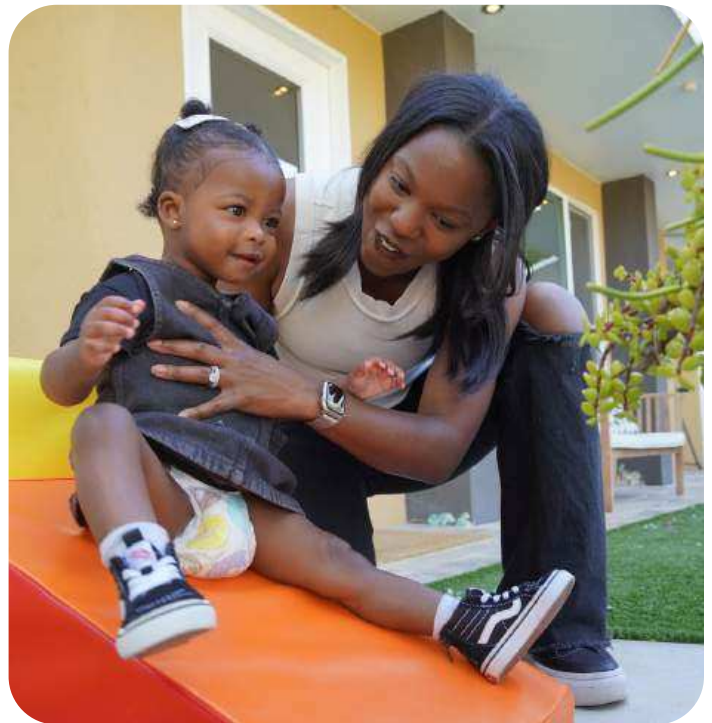
Infants, toddlers and preschoolers were in early learning programs that met or exceeded Quality First's rigorous standards.

4,862

Quality First scholarships helped the families of babies, toddlers and preschoolers afford a quality early education for their kids.

945

Early childhood educators received college scholarships to pursue credentials and degrees that expand their knowledge and improve their qualifications for working with young children.



1,121

Relatives and other community caregivers attended educational sessions and received support and resources to increase their understanding of children's development and strategies to promote young children's health and learning.

Family Support

12,406

Parents and caregivers attended community-based language and literacy workshops.

29,994

Parents and caregivers received services, which include parenting activities and referrals to needed services, at family resource centers

13,997

Parenting activities were conducted

49,236

Referrals to needed services were given to families.

3,198

Families with young children participated in voluntary home visiting programs proven to reduce parental stress levels, increase connections to community supports and improve children's cognitive, motor, behavioral and socio-emotional development. Of those families, 296 families successfully graduated from home visiting programs. In addition, children received screenings to detect vision, hearing and developmental issues through home visiting programs:

- 1,031 children screened for vision concerns.
- 1,151 children screened for hearing concerns.
- 3,704 children screened for developmental concerns.
- 3,186 children screened for socio-emotional concerns.

1,998

caregivers participating in home visiting were screened for depression.

1,093

Parents and other caregivers participated in a series of evidence-informed parenting education classes designed to improve knowledge of effective parenting practices and children's development.



Health

15,261

Children received screenings to detect vision, hearing and developmental issues and prevent learning challenges later on.

1,073

Children received referrals to further assess for developmental delays/sensory issues and possible treatment or early intervention services.

5,056

Children received a screening to detect tooth decay, which when left undetected and untreated could cause damage to permanent teeth, impaired speech development and failure to thrive.

393

Child care and preschool providers received mental health consultation proven to enhance teachers' confidence in dealing with students' socio-emotional needs, improve teacher-child relationships and prevent expulsions.



2,587

Children received fluoride varnish applications to protect against early childhood tooth decay.

1,092

Child care and preschool providers received child care health consultation or support in maintaining health and safety standards in early learning settings.



Collaboration among Arizona communities, policymakers and business leaders key to child care crisis as tobacco funds continue decline

First Things First is the only state funding source dedicated exclusively to the beginning of the education continuum, from birth to age 5. Services are delivered directly to children, families and professionals who work with young children through a network of community providers (See list of grant partners on pg. 50).

In State Fiscal Year 2025 (SFY25), FTF received approximately \$100,604,994 in revenue,

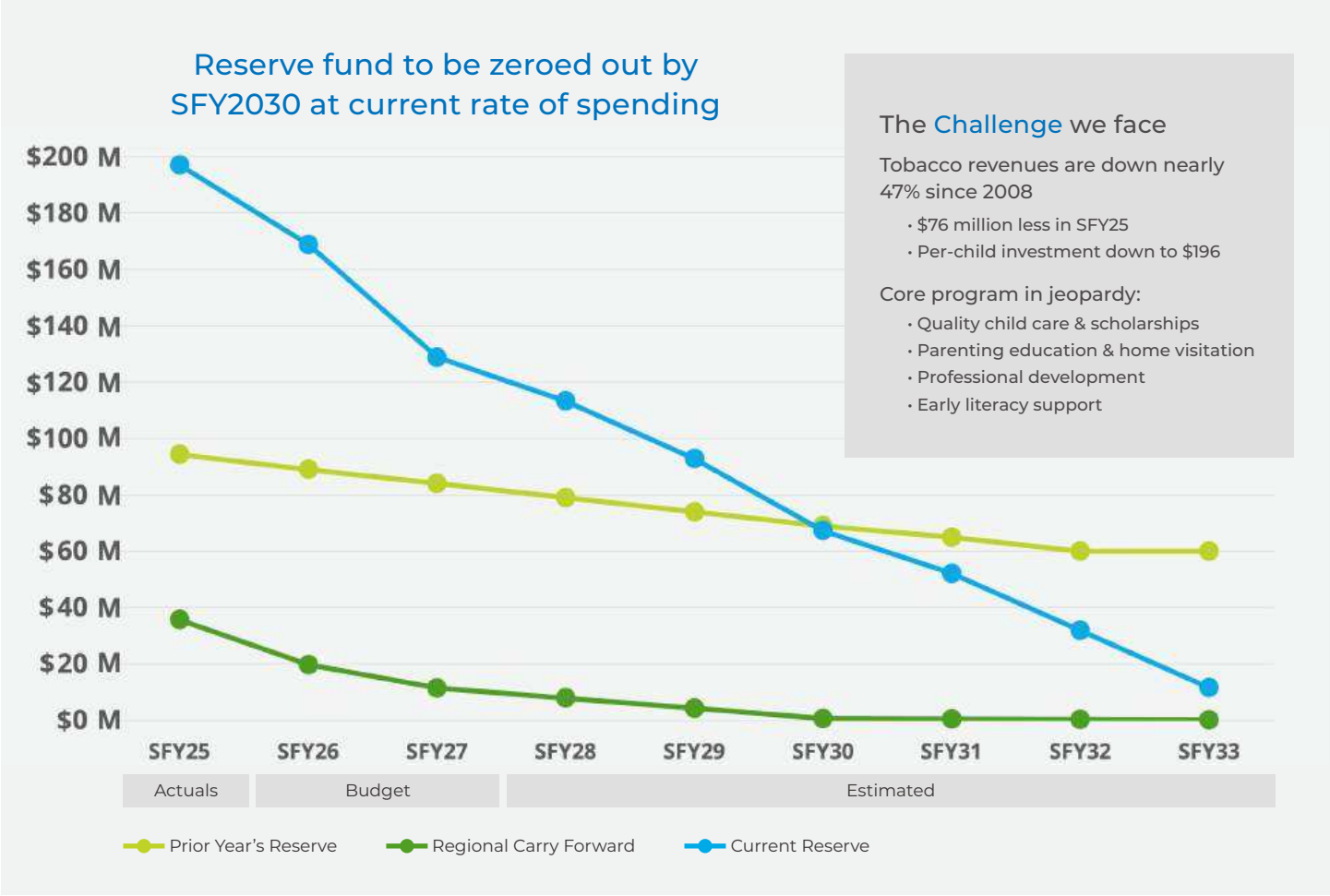
with tobacco tax revenues accounting for approximately \$88,600,524. Additionally, FTF received \$5,775,522 from investment earnings and \$6,146,852 from grants and \$82,096 from gifts and donations. Investments in early childhood development and health programs and services that help prepare children for success in kindergarten and beyond constituted approximately 92% of spending in SFY25. Administrative expenses remain low – 8%.

While the needs of young children continue to grow, FTF faces a dramatic decline in tobacco revenue, the agency’s primary source of funding. FTF is looking at ways to address consumer shifts to alternative nicotine products like e-cigarettes and nicotine pouches, which didn’t exist when voters created FTF. The agency’s annual revenues have decreased by about 47% when compared to the level of funding when FTF began operations. This means less funding for quality child care, less funding for parenting education, and less funding for all of the other programs and

services for Arizona’s babies, toddlers and preschoolers. Add to this are the unknown consequences of federal funding cuts to health and early learning programs, which exacerbate the needs of children and families.

FTF-funded programs and services each year reach around 160,000 young children, families and early childhood professionals. Almost 80 organizations depend on this funding in communities across the state to maintain services for children and families.

Table 1: Potential economic impact



Analysis shows FTF investments contribute over \$300 million annually to economy

In addition, early childhood investments through FTF have a significant impact beyond the children served.

A recent analysis shows that these investments contribute \$323.6 million in total economic output, sustain almost 3,000 jobs across Arizona and contribute an additional \$18 million in state and local taxes.

FTF commissioned Rounds Consulting Group, Inc. to analyze the economic impact that the agency has on the state's economy, as well as to address a long-term decline in tobacco tax, the agency's main source of funding.

According to the report: "FTF's annual investments in quality child care and preschool services increase workforce participation, support businesses and generate state and local tax revenues – without drawing from the state's General Fund. Annually, FTF-supported programs contribute \$323.6 million in total economic output, sustain 2,800 jobs and generate \$8.5 million in state General Fund revenues and \$9.7 million in local government tax revenues."

The study used findings from Arizona State University's Seidman Institute that show

extending a tobacco tax on alternative nicotine products, such as vaping, could generate approximately \$80 million annually.

"If allocated to FTF, these revenues could maintain current investments or expand child care services, creating additional economic and fiscal benefits," the Rounds report said.

FTF were allocated 60% of an expanded tobacco tax, it would offset the anticipated decline in tobacco tax revenues. Annual revenues are nearly 40% less per year than when FTF began its work.

In contrast, if FTF does not receive additional funding, the immediate repercussions will be proportional to declines in funding, the report concluded. There will also be long-term consequences. Reduced spending on young children and families will increase future General Fund costs, including social services and healthcare.

About 30% of FTF investments are in the area of child care scholarships, which translates into additional earnings and business revenue into Arizona's economy, the report said.

"Access to affordable, high-quality child care has measurable economic benefits for families, businesses, and the state," the report says.





Parent testimonials on how receiving a Quality First scholarship impacted their families' lives:

"Quality First has been the reason for me being able to attend nursing school. In 2023, I was accepted to a local nursing program and would have had to deny my acceptance due to not having the means to afford child care while pursuing a full-time school program. Our child care facility suggested applying for the Quality First scholarship. They made this process easy, and before I knew it, we were accepted! I was able to take my spot in my nursing program and I am now three-quarters of the way done. I would not have done this without Quality First and I am SO thankful!"

- parent of a 3-year-old

"The program helps me to keep my job, keep working and even get my GED in order to enroll in the accounting program at Pima Community College starting in January 2025. I'm so excited about the future for me and for my son. Thank you so much for the opportunity."

- parent

"Having this scholarship has helped my family immensely in that I am able to work full-time and pursue further certification. As a single parent with no support, it can be difficult when you have to figure out every aspect of living and parenting with limited resources. This scholarship remedies what could be a huge burden, and I am beyond appreciative to be a recipient of it. Single parenting is not an easy feat, but it is a circumstance and I must succeed. I am so grateful for resources such as Quality First that afford parents the opportunity to develop and enrich ourselves so we can raise our children as best we can and develop them into the amazing humans they were designed to be."

- parent of a 3-year-old

The Rounds report goes on to cite a 2023 Council for a Strong America study which found that because of child care issues, families in Arizona lose an average of \$6,320 per working parent due to lost earnings and time spent searching for work. At the same time, businesses incur \$2,020 per working parent in lost revenue and increased hiring costs.

The report describes additional ways that FTF's investments - such as enhancing child care facilities, improving program quality, providing in-home developmental and sensory screenings, parenting education and offering other critical family resources - support families and improve child care and preschool services.

FTF investments help preserve half a billion dollars in federal child care funds

Additional economic impact is achieved through FTF's ongoing investments in quality child care improvement. These investments also continue to ensure that Arizona is able to make full use of all available federal child care funds.

In Arizona, many children access early learning through federal Child Care and Development Fund (CCDF) dollars. CCDF funds are administered by the Arizona Department of Economic Security (DES), which is the State's primary funding source devoted to supporting families with low incomes to afford child care. But Arizona cannot claim a \$47 million portion of the total CCDF grant (\$268 million) unless the State expends

\$30 million in non-federal dollars on child care-related activities. FTF investments in child care provide these required matching funds.

Historically, the State met this requirement with State General Fund dollars appropriated by the Legislature to DES. State funds approved by the legislature for child care assistance reached a high point of \$84.5 million in fiscal year 2008. Those funds were reduced during the Great Recession, then eliminated in 2012. This resulted in the State's inability to meet the CCDF's requirements and threatened the loss of tens of millions of dollars for child care assistance annually.

Although some funding has since been restored, the SFY25 state General Fund contribution for child care assistance was \$12 million, this is not enough to meet the match requirement.), In order to continue to access Arizona's full allotment of CCDF dollars, FTF collaborated with the Governor's Office and DES in establishing a Memorandum of Agreement (MOA) to count FTF investments as the required match. (See Table 2)

Table 2: Tobacco revenue for early childhood continues to decline

State Fiscal Year	FTF Tobacco Revenue	% Difference from Baseline	\$ Change from Baseline
2008	\$165 million (Baseline)		
2009	\$160 million	-2.9%	-\$4.8 million
2010	\$132 million	-19.7%	-\$32.5 million
2011	\$131 million	-20.7%	-\$34.1 million
2012	\$128 million	-22.1%	-\$36.5 million
2013	\$126 million	-23.7%	-\$39.0 million
2014	\$125 million	-24.4%	-\$40.2 million
2015	\$122 million	-25.9%	-\$42.7 million
2016	\$126 million	-23.6%	-\$38.9 million
2017	\$125 million	-23.9%	-\$39.5 million
2018	\$122 million	-26.1%	-\$43.1 million
2019	\$115 million	-30%	-\$49.5 million
2020	\$121 million	-26.8%	-\$44.1 million
2021	\$118 million	-28.3%	-\$46.7 million
2022	\$116 million	-29.3%	-\$48.3 million
2023	\$101 million	-38.6%	-\$63.6 million
2024	\$102 million	-37.9%	-\$62.5 million
2025	\$89 million	-46.2%	-\$76.2 million
2032 Projected	\$95 million	-42.4%	-\$69.8 million

These expenditures have included the various components of quality improvement efforts – including assessing programs, coaching providers on quality improvement and professional development for early educators to expand their skills working with young children – as well as Quality First scholarships to allow young children to access quality programs. Throughout the 14 years this MOA has been in place (see Table 3), Arizona has been able to leverage over half a billion dollars in federal child care funds that otherwise would have been lost.

By ensuring that Arizona is able to draw down all available CCDF funds, FTF is helping to ensure today's parents can keep working. Through this effort, FTF is also improving the quality of care in licensed and certified child care and preschool settings and providing access to care through scholarships so that more young children arrive at kindergarten prepared to succeed.

Table 3

Federal Fiscal Year	FTF Match Provided from FFY2011-FFY2024	Total Federal Child Care Subsidy Dollars Drawn Down as Result of FTF-DES MOA from FFY2011-FFY2024
2011-2024	TOTAL FTF match \$404 M	TOTAL federal drawdown \$558.7 M
2025	\$30 M	\$47 M
2026*	\$30 M*	\$47 M*

Efforts to close the loophole

The economic impact analysis also looked at taxation policy and how the revenue would be reinvested.

“In this case, funds from the expanded tobacco tax are directed toward early childhood programs, which have proven to generate a significant return on investment.

“These programs improve health outcomes, reduce the need for long-term social support, increase educational attainment, and lead to higher lifetime earnings for participating children – ultimately resulting in greater tax collections and economic growth over time,” the report says.

This legislative session, FTF collaborated with a bipartisan group of legislators to sponsor House Bill 2778, a funding mechanism designed to close the nicotine and vaping tax loophole. This loophole was created when alternative tobacco products entered the market.

The bill would have provided FTF with a percentage of the vaping taxes, while the rest would go to the state’s General Fund. The

money would go toward additional Quality First scholarships, as well as funding different programmatic early childhood strategies based on various regional needs across the state.

Ultimately, HB2778 failed to move forward, but efforts to gain support from a wider audience of advocates across the state were successful. FTF received hundreds of signatures on a letter of support for the bill and early childhood, including from 12 chambers of commerce, 2 local government officials, 15 associations, 43 organizations and 4 tribes.

Dozens of individuals signed up in the Request to Speak system at the Arizona legislature during this session. And record attendance at Early Childhood Day at the Capitol (over 500 registered) had early childhood supporters rallying in support of HB 2778 and additional legislative opportunities that could help stabilize child care for working families and continue a dedicated funding source to ensure Arizona’s youngest children have access to quality early learning and healthy development opportunities.

A key part of the day was a panel discussion, called “Moving Forward: Improving Arizona’s Early Childhood System,” with economic development and business leaders from across the state. Topics ranged from how chambers of commerce and the business community can become advocates for families and children, the true cost to families and employers when working parents can’t afford child care and things businesses can do to support their employees.



Engaging for broader support

This engagement of the business and economic development sector was a key factor in elevating the need to find long-term solutions for the child care crisis and early childhood in general. Throughout Arizona, over 15 chambers of commerce have adopted early childhood as a policy priority on their public policy agendas.

In the FTF East Maricopa Region, like many other FTF regions, chambers of commerce engagement was prioritized. Regional staff participated in the Education in Workforce and Women in Leadership Committees of the Chandler Chamber of Commerce, which helped the region’s early childhood and child care priorities to be actively included in policy discussions and community messaging.

The region also partnered with the FTF Southeast Maricopa Region to sponsor the East Valley Chambers Business & Education Summit in February. This year, the East Valley Chambers of Commerce Alliances’ business priorities

included support for “continued measurement of our state’s education outcomes from early childhood through college and career.” And support for “access to early education services to support Arizona’s workforce and long-term growth.”

In Phoenix, the FTF Phoenix North and Phoenix South regions partnered with School Connect, a nonprofit organization that fosters innovative partnerships between schools, businesses and community organizations, to engage the business community as a vital ally in addressing the child care crisis. FTF is working with the organization to identify collaborative solutions that support working families and help strengthen the foundation of early childhood in Phoenix’s communities.

FTF staff across the state met with chambers of commerce to talk with the business community on how they could become advocates for families and children, the true cost to families and employers when employees can’t afford child care and how businesses can support working parents.

This year, to better understand voter sentiment on potential funding solutions for early childhood programs, FTF commissioned an independent market research survey. The poll from Data Orbital shows that 62% of Republican primary voters support closing the vaping and nicotine product loophole to ensure that these products are taxed like tobacco items and support early childhood programs and services. This is on par with what businesses, parents and community members have shared in conversations that FTF has been having across the state.

For example, many regions hosted community child care forums. The FTF Yavapai Region hosted a child care community forum specifically for businesses in the Quad Cities (Prescott, Prescott Valley, Chino Valley and Dewey/Humboldt). As a result, participants formed a task force to explore solutions to the child care needs in the area, with a particular focus on how the business community can play an active role in developing those solutions.



In the FTF Yuma Region, a child care task force that formed in 2024 and led by the Greater Yuma Economic Development Corporation,

helped a business owner open a new child care center in Somerton. At a recent event, Back 2 Nature Learning Center owner Cynthia Bueno told her story of how she envisioned an outdoor classroom where young children could learn from nature. The Small Business Development Center at Arizona Western College worked with Bueno to secure funding to open the center this year.

“The task force has been doing great work,” said FTF Yuma Regional Director Rudy Ortiz. “Our partners have stepped up to make child care a priority. One of the outcomes this year has been building and bringing attention to the greater Yuma child care crisis.”

Still, Ortiz acknowledges that there’s more work to do.

“We still have two-thirds of our kids in Yuma that don’t have access to preschool because we don’t have enough spaces,” he said. Creating connections among businesses, economic development organizations and the early childhood community is part of the solution, Ortiz said.

The focus on helping employers help their workers also gain traction. FTF Pinal Region staff worked with Pinal County to conduct a county-wide survey for their employees and residents on the state of child care. County officials realized they were losing employees due to child care issues. FTF staff also joined local government or business and economic development-led task forces in Casa Grande, San Tan Valley, Superior and Florence to continue to raise the importance of the need for child care in the communities.

One promising statewide initiative that was launched this year was FTF's partnership with Executives Partnering to Invest in Children (EPIC). FTF with the Arizona Chamber of Commerce and Industry, and regional United Way partners (Valley of the Sun, Tucson & Southern Arizona, Northern Arizona and Graham and Greenlee Counties), are partnering with EPIC, which will lead the development of Arizona-specific child care solutions for employers.

EPIC is a nonprofit organization founded by business leaders to engage with the business community on child care efforts. EPIC helps employers understand the child care needs of their current and prospective workforce and

identify and implement solutions that support them.

The Colorado-based organization is starting its work in Arizona by hosting a design lab. The design lab will bring together a cohort of employers and, through a planning process, help them solve for the child care needs of their employees. This would include 8-10 Arizona-based businesses of different sizes and from different parts of the state.

FTF and partners will continue their work to secure additional funding for early childhood investments and work with the state's business community to find long-term solutions for the child care crisis.



Quality First

Investing in Quality First means investing in Arizona's future

Research from the past 50 years shows that kids with access to quality early learning are more prepared for kindergarten, do better in school and are more likely to graduate from high school.

As adults, they tend to be healthier and less likely to be involved with the criminal justice or social welfare systems.

“Knowledgeable and skilled teachers are key to that quality early learning,” said Ginger Sandweg, First Things First senior director of early learning. “These teachers know how to set up learning experiences that support the development of language and literacy, social and cognitive skills to ensure that babies, toddlers and preschoolers thrive.”

Other hallmarks of quality programs include:

- predictable and balanced daily schedules and routines.
- evidence-based, culturally responsive and relevant activities with intentional instruction.
- regular monitoring of kids' developmental progress to inform teaching.
- ample opportunities for family involvement in their child's education.

“Achieving quality in child care and preschool settings isn’t easy,” Sandweg said, adding that this is the reason Quality First is FTF’s signature strategy. As Arizona’s Quality Improvement and Rating System, Quality First provides a unified, measurable standard of care and informs parents of how providers rate on those standards.

Participating providers include a mixed service delivery approach such as public, corporate, faith-based and home settings that support family choice for accessing quality care. Providers who enroll in Quality First receive support to improve and sustain the quality of their programs.

This support may include:

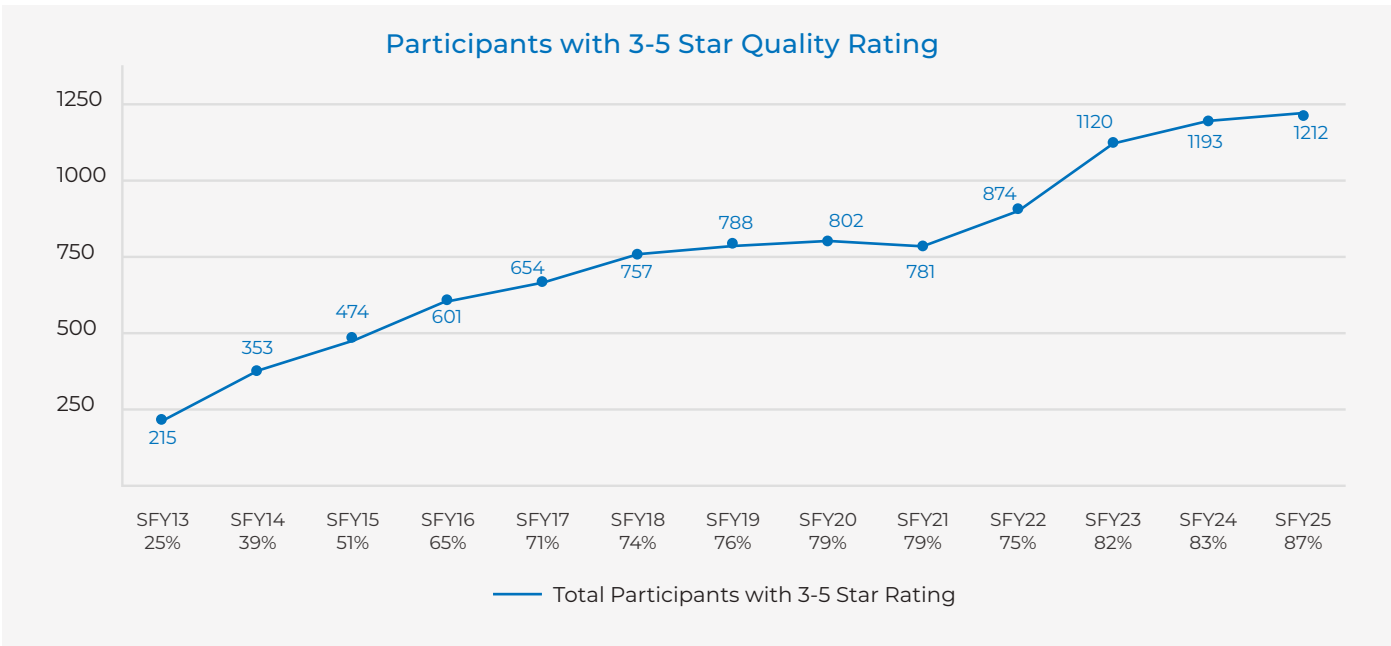
- individualized coaching and specifically targeted technical assistance.
- funding to make improvements to their classrooms, play spaces or to acknowledge the work of qualified staff.

- referrals to resources such as college scholarships so staff can expand their knowledge and skills in engaging young learners.
- referrals to inclusion coaching and early childhood mental health consultation help to expand staff skills in engaging with young learners

Rating data shows that Quality First significantly improves the quality of early learning options available to Arizona’s families.

When programs were first rated (2013), 25% of 857 participating rated providers met or exceeded quality standards (3- to 5-star rated). Over the past decade, enrollment increased and quality levels improved among providers participating in Quality First. At the end of state fiscal year 2025, 87% of 1,393 participating rated providers met or exceeded quality standards. A majority of those providers have received a 4-star rating. See Table 4.

Table 4: Quality Improvement and Ratings Systems Progress and Outcomes



Quality First's individualized coaching for providers is a cornerstone of the program.

On a recent Wednesday, Quality First coach Amanda Ayon was making her first visit of the day at Little Ranch School in Tucson. The school has a 3-star quality rating, with nine classrooms and 139 children enrolled.

Ayon was meeting with Little Ranch Director Maria Moncada to review a new goal for the teachers: observing their responses to the children's challenging behaviors. They would document their observations, along with their reactions to the children and the outcome of the interaction.

Ayon and Moncada called teachers into the office individually and explained the first step of the goal to three teachers. After one week, teacher observations would be reviewed, followed by reflective questions to break down how things can be improved or what worked well.

As a Quality First coach who works with 28 different sites, Ayon said providers have different needs. And her work with them varies from modeling teaching practices in a classroom, helping find resources for teachers to working with individual teachers, if that's what a director needs.

At Little Ranch, another goal is to increase the site's star rating.

"I want to observe (Maria) putting those vibes into the air," Ayon said, shooting her hands back and forth into the air like bursting firecrackers. "Four to five stars! Four to five stars!"

Both women laugh. Increasing their star rating is actually a goal Moncada has set for her staff and school, but Ayon said she works at whatever level the provider feels comfortable. Some providers are ambitious and want their quality ratings to rise quickly. Other providers will focus on certain areas of their teaching or of their staff development.

"It really depends on what goals the provider sets when we meet," Ayon said. "I'm always asking them, 'What do you want to do?'"

It's this type of individualized coaching that allows the provider to choose the areas they want to focus on to improve. The coach is able to provide personalized guidance, training and mentoring to create a plan to improve the quality of the program.



Nearly \$64 million to support quality

FTF spends over \$22 million to support approximately 1,100 providers in 27 regions statewide through Quality First. A total of 56,756 children received their early education from child care and preschool providers committed to quality improvement through Quality First. Yet that is only a fraction of the young children who could potentially need quality care. About 63% of young children live in households where all parents work. This means about 303,000 children birth to age 5 could need quality care.

Quality First Scholarships are intended to help children whose families earn low wages to access quality early learning. The scholarships also support providers in maintaining quality once they have reached the 3- to 5-star levels. In SFY25, FTF spent \$41.7 million to support Quality First child care scholarships for 4,973 children.

FTF maintained its budget for Quality First scholarships. However, because FTF began reimbursing scholarships at a higher level, due to the significant cost of providing quality care, the total number of scholarships being used by children decreased on average by about 50%. In addition, federal pandemic funding used for scholarships also expired, resulting in an additional reduction of available scholarships.

The higher level for scholarship reimbursements is due to the FTF Board's commitment to increase the quality rate to match the cost required to provide it. This resulted in raising the reimbursement rate from the 2010 cost of quality to the 2021 cost

of quality beginning in SFY25. This increase meant scholarship reimbursement for an infant in a quality-rated center increased from \$11,304 to \$24,600, for example.

Survey shows improved readiness

The evidence is clear that quality matters. A recent survey of Quality First providers and of parents with children enrolled in Quality First participating centers showed positive perceptions of the child's development in areas such as motor skills, literacy and other kindergarten readiness behaviors, as well as the overall benefits of the Quality First scholarship. These responses contribute to a deeper understanding of how Quality First impacts children's readiness for school.

Overall, both families and teachers agreed that attending a Quality First child care program improved children's kindergarten readiness skills across five domains: executive function, cognitive and pre-math skills, physical development, language and literacy and math skills.

The aim of surveying parents of children receiving Quality First Scholarships was to understand their perceptions of their child's development in areas such as motor skills, literacy, and other kindergarten readiness behaviors, as well as the overall benefits of the scholarship.

Similarly, the Teacher Experiences survey aimed to assess how the support provided through Quality First impacted the developmental progress of children in their classrooms.

Data collection occurred from mid-November 2024 to mid-January 2025, with surveys distributed in both English and Spanish. The Parent Experiences survey targeted 2,944 families with 3 - 5-year-old children who received Quality First Scholarships in the current or previous fiscal year (SFY24-25). Parents were asked about their child's kindergarten readiness across various developmental domains.

The Teacher Experiences survey was sent to 18,030 educators in the Arizona Early Childhood Workforce Registry who were employed at Quality First sites, with a focus on their role in supporting children's development.

Both surveys featured assessments of key kindergarten readiness behaviors, with responses contributing to a deeper understanding of how Quality First impacts children's readiness for school.

The survey results:

1. Cognitive and Pre-Math Skills:

Parents: 89% of parents observed significant progress in cognitive/pre-math development, such as sorting by color, completing memory games and engaging in pretend play.

Teachers: Similarly, 93% of teachers reported an improvement in children's cognitive/pre-math skills.

2. Language and Literacy:

Parents: 87% of parents observed that their children's language and literacy skills—such as recognizing letters, following directions, and engaging with books—improved significantly.

Teachers: Teachers corroborated this, with 94% reporting growth in children's language and literacy abilities.

3. Physical Development:

Parents: A remarkable 98% of parents reported consistent improvements in their children's physical development, including large body movements and fine motor skills.

Teachers: 95% of teachers confirmed this improvement in physical development, underscoring the holistic approach of Quality First.

4. Mathematics Skills:

Parents: 70% of parents noted progress in math-related skills, like counting to 30 and recognizing numbers 1 through 10.

Teachers: 85% of teachers report improvement in children's math skills, indicating the program's effectiveness in fostering foundational numeracy.

Quality First Scholarships Support Family Stability and Caregiver Employment

Parent responses from the survey show that Quality First scholarships made a meaningful difference in parents' lives, enabling them to work, pursue education and training, and reduce their financial stress. Key findings include:

- 97% of parents reported that the scholarship allowed them to work outside of the home, significantly improving their financial stability.
- 92% of parents were able to work more hours thanks to the scholarship, and 98% reported having a more stable childcare arrangement.
- 91% of parents identified that the scholarship allowed them to continue their education and access other training opportunities.
- 97% of parents reported feeling less stressed about money and parenting, which further underscores the broader benefits of Quality First and Quality First Scholarships on family well-being and stability.





Success Story

Southeast Maricopa

Kelsey Irelan, new to Arizona, was looking for a job for herself and a child care center for her 1-year-old daughter, Amaya. She found Beautiful Oasis Child Care Center in Mesa, which is enrolled in the Quality First program.

The First Things First Southeast Maricopa Regional Partnership Council funds Quality First and also funds Quality First scholarships for eligible families, which Irelan qualified for.

Before moving to Gilbert, Amaya spent her first year of life napping in a car seat while Irelan worked as a contractor for a food delivery service.

“When you have a child that’s with you all the time, you are kind of stuck,” Irelan said. “I would take her with me to knock on people’s doors and drop things off.”

These days, instead of waiting in her car seat, Amaya spends her days playing with other children and learning through the activities her teachers lead, while her mother provides customer service from the office of a local HVAC business.

Since she started at Beautiful Oasis, Irelan has especially seen growth in her daughter’s abilities to express herself and Amaya’s vocabulary skills have blossomed.

“She talks so much,” Irelan said. She comes home and she knows things I haven’t taught



her. I’ve seen her grow tremendously,” Irelan said. “This year, they made these little art projects with bats on them. I remember her bringing it home and saying, ‘Mom, look! A bat! A bat!’ Of course, that wasn’t something I was teaching her.”

Amaya’s teachers agree.

“When she first started, (Amaya) was a very shy and meek child, standing off to the side,” Beautiful Oasis CEO Toshina Thames said. “Now she has flourished and has such personality. She is learning and is helping other children.”

Helping young children with these types of executive function skills is key for getting a child ready for kindergarten. And being able to communicate effectively goes a long way toward positive socialization.

Teaching children to use their words to communicate emotions is important, Thames said. When someone takes a toy, for example, they often don't know how to express their feelings.

"They might cry or try to take it back. Or, if someone hits them, they might hit back," she said. "We walk them through how to identify how they are feeling, how to share that information with others in productive ways. We also teach them how to be mindful of the feelings of others."

In Amaya's case, this translated into learning to be helpful while building a sense of empathy for her peers.

Irelan can confirm.

"She (Amaya) is so involved with helping Miss Susan and the other kids, it's almost as if she totally forgets her shyness," the 29-year-old single mother of one said. "There was one time, specifically, when there was a little boy who was crying and the teacher said, 'Amaya, can you please help me with this baby?' And Amaya just snapped out of it and went into 'mommy mode' to help."

In addition, Amaya's mother said her child is learning everything—from social skills such as how to identify and communicate what she's feeling, to using words to solve problems, to learning about animals and workplace tools Amaya would otherwise not have encountered such as bats and hand-held two-way radios.

"One major thing for me was that she wasn't a good eater," Irelan said of her daughter when they first enrolled in late 2023. "She only wanted me to feed her, and I was having a lot

of trouble with that when I put her into that school. They did so amazing with getting her just to be on a schedule and be comfortable eating with them."

Thames said Amaya's experience is an example of the natural progression among children in her centers' care.

"Children need structure," Thames said. "We give them that at Beautiful Oasis. We have set times for snacks, lunch, naps, playtime and learning time. It's the daily routine and repetition that teaches kids to eat on schedule. They don't know what time it is by the clock, but they know that you eat before you go to sleep. If you try to tell a 2-year-old to do something out of order, they will push back. They learn the routine quickly."

Having Amaya in a classroom with children her age, with activities designed for her stage of development, is reassuring for Irelan. It's a good mix of playtime—which is important to learning—and guided learning to prepare Amaya for kindergarten, she said.

"It's really exciting to know that they are doing all those things for her and really helping her along her path," Ireland said. "I've just seen her grow tremendously since she's been in that school."





Success Story

Santa Cruz Region

As a single mother working full-time, Belem Esquer knew she wanted to enroll her son in preschool, but faced a difficult choice.

“It was either we eat, or should I take my kid to school?” she said.

She’s grateful that she didn’t have to make that choice after finding out they qualified for a Quality First Scholarship. For Esquer, the scholarship’s impact is profound.

“I’m a single mother and with my work schedule, I would have a hard time trying to teach him a lot of the new things he has learned in Kids House.”

Today, Esquer’s son, 4-year-old Mateo Esquer is experiencing significant growth and development at Kids House, a Montessori in-home child care center in Nogales, thanks to a Quality First scholarship.

Esquer, a 31-year-old single mother and communication associate, learned about Kids House from a coworker and was impressed by the positive changes they observed in their child.

“One of my friends who worked with me told me that his boy learned a lot at Kid’s House,” Esquer said. “Before he started kindergarten, he knew how to write his name.”



That was important to Esquer, who puts her associate degree from Cochise College to work throughout the week by inputting inventory data at a local warehouse.

“Our first language is Spanish,” she said.

“I was scared that Mateo, when he gets to kindergarten, he wouldn’t speak English.”

Jethza Leon owns Kids House. She provides a bilingual learning environment, nutritious meals and a comfortable place to learn colors, numbers, the alphabet and more. She credits Quality First with providing the necessary resources to provide quality education, something she has done for 18 years since she opened her home to serve the community.

Mateo’s exposure to English at Kids House showed that his mother had nothing to worry about.

“Now he has many English words, and he knows how to write his full name,” Esquer said. “He is starting to notice the difference between Spanish and English.”

Before enrolling in Kids House, Mateo primarily stayed home with his grandmother. While Esquer knew her mother provided excellent care, she felt Mateo needed more interaction with peers and structured learning.

“My mom, I know she’ll take care of him better than anyone,” Esquer said, “But I thought it was time for him to start getting with more kids, like thinking about kids’ stuff.”

Esquer described Mateo before Kids House as a “little man” who spoke with an advanced vocabulary in Spanish but preferred staying close to her rather than playing with other children.

“Instead of him going to the playground, he loved to stay with me,” she said.

Mateo has since learned to interact well with other children.

“Now he is more social, he likes to share with others, he is more polite, and I see that he is more independent,” Esquer said. She attributes this transformation to the center’s environment and the activities Leon facilitates.

“I noticed that when kids have a problem with another boy, they talk to each other about the problem,” Esquer said. “Instead of Ms. Leon stepping in, they have to try to figure it out on their own.”

Mateo is also developing important executive function skills, such as empathy. Esquer shared a story about Mateo interacting with another child who has difficulty speaking: “Instead of him making fun, he likes to play with (the boy) and help him get along with others,” she said.

Esquer has also watched Mateo’s increased independence and attention to detail.

“Now he knows how to put his shoes on by himself, put his clothes by himself, actually washing his teeth, everything, writing his name, drawing or using color pencils without getting out of the line,” she said. “He catches facts when he’s watching TV. He knows how to make pizza. He pays more attention than he used to.”

Esquer shared a specific example of how her son implements at home what he is learning. “Last week, they made waffles at Kids House, and he told me step by step how he made the waffles. And he wanted to make sure that I put eggs in it,” when she made waffles at home. “He wouldn’t eat them until I told him how I made them,” she said.

Esquer isn’t the only one taking notice. Leon echoed her observations, providing context for why it matters.

“Learning to socialize within a small group will make it easier for him when he goes from being in a class with 10 kids to one with 30,” Leon said. “Being able to talk to other kids and to have communication skills that he can speak with anyone -- along with the social skills to get past being shy will help him fit in better from day one.”





Success Story

East Maricopa Region, Fort McDowell Yavapai Nation

Quality First has helped 'Hmañ 'shawá Early Childhood Development Center in Fort McDowell to expand on the work the staff does to make it a safe and caring environment where families know their children will receive quality early learning experiences to prepare them for kindergarten. It has a 5-star Quality First rating, the highest available.

"Quality First and the resources it provides has made a huge impact on our program," said Michael Brown, principal at 'Hmañ 'shawá, which translated from Yavapai means the little children. "Not only through the funding, which we use for staff outings and sometimes staff incentives, but the guidance that it provides in making sure we are on point in every aspect of the child's learning and development."

Brown highlighted the work he and his staff do with the Quality First coach, who he calls instrumental in helping teachers with tools they need to be successful.



For example, "the coach helps them with assessment data, also with helping children who have been identified with developmental delays and also with helping them work with parents to understand how to support their child at home."

The Quality First coach helps the staff work through sets of goals that they set together. For example a frequent goal is how to create more family engagement.

"We want the parents to be engaged, not just involved," Brown said. "We want parents to have a true understanding of what the program is."

Engagement happens through daily interactions with parents, he said. “During pickup and drop off. We are building relationships with them through an app that keeps them informed of the activities their children are doing throughout the day. We have mandatory parent teacher conferences four times a year. And once a month we do family-oriented field trips.”

These types of daily connections help parents understand what goes into the care and learning of their children. And ways they can continue their child’s learning at home.

“We want them to understand everything we put into it and once they understand. they see we care about the future of their children. We want them to be engaged and prepared for all the different developmental stages that their child is going through,” Brown said.

Participating in Quality First has helped create the sense that the center and staff are always improving.

“As we set and achieve new goals every year, we know we’re not being stagnant,” Brown said. “They all help us to be the best that we can be and aligned to be a first rate child care program.”



Home Visitation

Home visitation programs result in significant improvements for children with identified developmental concerns

As a major funder of home visitation programs in Arizona, First Things First knows that these programs provide personalized support for expectant parents and parenting families with children from prenatal, birth to age 5 who face a variety of risk factors.

In 2024, the US Surgeon General issued an advisory that highlighted the stressors that impact the mental health and well-being of parents and caregivers, the critical link between parental mental health and children’s long-term well-being and the urgent need to better support parents, caregivers, and families.

Home visiting services are voluntary, free and primarily provided in the families’ home and can provide support for those stressors and risk factors.

There were three home visiting models funded in 18 FTF regions in SFY25: Healthy Families (HF), Nurse Family Partnership (NFP) and Parents as Teachers (PAT). These three models have been evaluated nationally, and each has been proven to significantly improve child and family outcomes (see Table 5).



Table 5: Home visitation outcomes

	Improved Outcome	HF	NFP	PAT
Short-Term Outcomes	Child cognitive, motor, behavioral, socio-emotional development	x	x	x
	Maternal mental health and depression	x	x	
	Parenting stress levels	x	x	x
Intermediate Outcomes	Connection to community supports	x	x	x
	Home environment	x	x	x
	Mother employment	x	x	
Long-Term Outcomes	Reduced child maltreatment	x	x	x
	Economic self-sufficiency		x	x
	Decreased substance abuse	x	x	

Although the models vary, each involves regular home visits administered by trained professionals such as nurses, social workers, early childhood specialists or paraprofessionals.

Arizona families who benefit most are those with infants and toddlers who are facing adverse or challenging circumstances. Families prioritized for enrollment in home visitation programs include those who, for example:

- Are pregnant or have an infant
- Earn less than the federal poverty threshold
- Are parents under 21
- Are single parents
- Have less than a high school education

One feature of all the home visitation programs that FTF funds is that developmental, vision and hearing screenings are conducted for all participating children. This is especially important in Arizona, where data shows that there is a huge gap of babies, toddlers and preschoolers who aren't receiving timely developmental and sensory screenings.

Only 18.9% of young children ages 9-35 months were estimated to have been screened through a parent-completed developmental screening tool according to the 2020-2021 National Survey of Children's Health. By comparison, nearly twice that proportion of young children (34.8%) were estimated to have completed screenings nationally.

An analysis of developmental screenings conducted within FTF-funded home visitation programs during SFY24 indicated that 27%

to 36% of children screened had results suggesting they were at risk for developmental delays or required close monitoring. This represents approximately 2 out of every 6 children screened.

The Centers for Disease Control and Prevention (CDC) estimates that 1 in 6 children (17%) in the United States has at least one developmental delay. In Arizona, this translates to approximately 81,726 children between birth and age 5.

Early intervention treatments and therapies are most effective when provided as early as possible. Screened children at risk for delays are more likely to receive early intervention services than their unscreened peers. Without routine screening, only an estimated 30% of children with developmental issues are identified before kindergarten.

FTF analysis showed that children's developmental trajectories improved through their participation in home visiting programs.



The findings indicated significant improvements in a child's Ages and Stages Questionnaire-3 (ASQ-3), which is a developmental assessment, when comparing scores from their initial screening to their subsequent screening. This means that as a result of their participation in home visiting,

children's development significantly improved. There was an average of six months between their first and subsequent screening. The largest improvements were in the domains of gross motor, fine motor development, and problem solving.

Additional key findings from the home visitation analysis:

1. Communication as a Primary Area of Concern:

Analysis of the ASQ-3 data highlighted communication as the domain with the highest percentage of potential delays or concerns, particularly within the Parents as Teachers model (24.4%). PAT is FTF's most commonly funded home visitation model with the greatest diversity in terms of the ages of children served.

2. Distribution of Delays Across Domains:

While the majority of children with concerns exhibited delays in a single domain, a notable percentage of children in the Healthy Families Arizona (HFAz; 15%) and Parents as Teachers (PAT; 28%) programs displayed potential delays in three or four domains.

3. Home Visitor Support and Referral Practices:

Home visitors provided individualized developmental support, activities, and resources to families. Referrals for additional evaluations were made; however, some families declined these referrals.



Success Story

La Paz/Mohave Region

As a home visitor in La Paz County, Penny Swarthout sometimes travels 90 minutes each way to meet with a family. When families are located in isolated areas of the state, home visiting may be one of the few supports a family can access.

A few years ago, Swarthout met a family at a recruiting event in Quartzite. The family had a 22-month-old daughter, who wasn't using her words.

"Mom was a little concerned, but dad was very concerned," she said. They signed up for the home visitation program at the event. At their first visit, Swathout screened the child using the Ages and Stages Questionnaire (ASQ-3 screening tool).

For this child, she scored in the gray area, "which meant that for a particular development area, she fell within the monitoring zone, she said. Swarthout provided the mother with options, including information about the Arizona Early Intervention Program, which provides services and support for families with children birth to 2 years old with disabilities or delays.

AzEIP is the only resource available to families in La Paz County. "We don't have a speech therapist in Parker," Swathout said.

Depending on the parents' answers to the ASQ and the score, there are indicators that will suggest that a child is struggling in a developmental area or that the child is delayed and the child should be referred to AzEIP for services.

"Everything is up to the parent," Swarthout said. "I can encourage them to make a decision. In this case, mom said, 'Let's give it six months.'"

The home visitor immediately began working with the parents and child on how to help the little girl use her words.

"We teach parents to read to their child every day," she said. "We also tell parents to make sure you're talking to your child face-to-face. You're almost like a sportscaster, giving a play-by-play. 'Mom's washing a plate now.' You have to continually tell them what you're doing. 'Do you want the red cup or do you want the blue cup? Do you want to wear the blue blouse? Get them to say the word. 'Oh, you want the hot dog for lunch?'"

The family continued in the home visitation program until the child was almost 5 years old with great success. "This child is such a chatterbox. Dad told me recently, 'I can't believe I was ever worried that she wouldn't speak and now we can't get her to be quiet,'" Swarthout said.

Additional Developmental Screening Strategies

While every child develops at their own pace, developmental and sensory screenings are a way parents can learn about their child's development.

FTF recognizes the vital importance of early intervention and its enduring impact. Data analysis confirms the effectiveness of FTF's programs in identifying and supporting children with developmental concerns. However, there is a recognized need for a more comprehensive statewide system to serve children who do not currently meet eligibility requirements.

Home visitation isn't the only FTF-funded strategy where developmental and sensory screenings are done. A [significant number] of developmental screenings were conducted across FTF-funded programs in SFY25. These screenings led to the identification of numerous children with developmental concerns, who were subsequently referred for additional supportive services.

Six FTF regions (Gila, Navajo Nation, Phoenix North, Phoenix South, Pinal and San Carlos Apache) fund the stand-alone Developmental and Sensory Screening Strategy, where developmental, vision and hearing screenings are conducted within community-based settings.

In addition, the Well Child and Family Care Strategy is funded in four FTF regions (Coconino, Gila River Indian Community, Navajo/Apache and Pima North). These screenings are done in the traditional pediatric setting.

"Families want to know that their kids are growing and developing on track," said Christine Waldbeiser, FTF program specialist for family support and literacy. "The more we can infuse that into the services we provide, then we're also building trust with families in our ability to meet other needs that they might have."



Family Resource Centers

Family resource centers study shows increased family resiliency

As Arizona's early childhood agency, First Things First funds 48 family resource centers in Maricopa, Pima and Santa Cruz counties. In State Fiscal Year 2025, a total of 9 FTF regions awarded \$9.9 million to the Family Resource Center Strategy. The centers, often known by the acronym FRCs, are described as welcoming community hubs where families can access formal and informal support, both in times of need and as a part of regular day-to-day life.

Located at schools, churches or libraries, FRCs provide parents and caregivers of children from birth to age 5 with various tools and resources to help them create a stable, nurturing environment for young children. The centers also support families by providing resources and referrals, information and

education, activities focused on early childhood development and opportunities for social connections.

FTF's research and evaluation team highlighted the top ways that families find support at the centers. The top categories of referrals that families are given at the FTF-funded FRCs include:

- economic support and family stability, such as housing/utility assistance, diapers
- child care and early education, which includes Quality First, Head Start and kindergarten readiness
- parenting and social supports and early language and literacy services, such as information on local libraries.



Success Story

Phoenix North Region

Sarah Perez of Phoenix describes herself as a shy mom of two young boys. A few years ago, she made the decision to leave a job in accounting to stay at home and care for her boys.

She and her husband started talking about her leaving the workforce when she found a large part of her paycheck going to child care costs for her two boys. Coupled with her boys being away from home for about 12 hours a day, including commuting to and from child care, jobs and back home, “I had to reflect and take a moment, even though I spent all this time, energy and money into my career, I felt like I could pour that same energy into my kids. The decision didn’t come lightly,” she said.

As Perez settled into her new lifestyle of caring for her boys full-time, she found a welcome community of support in her neighborhood family resource center, the Moon Mountain Washington Resource Information Center in Phoenix.



“We love Moon Mountain activity center and what they have to offer,” she said. “We go two to three times a week. There are learning activities and I get to talk to other moms. It has cultivated this whole community for me.”

For Perez, she said both she and her youngest son Cy, have grown while visiting the Moon Mountain FRC.

“When we showed up to our first activity class, Cy was so shy. He wouldn’t talk to anyone,” she said. “As we’ve grown, he’s grown up. He’s learned to write. We practice doing a letter a day. We write on the whiteboards. He gets so excited when he makes that connection.”



Protective factors improve

Perez and her family's visits to the FRC are similar to what the data shows across FTF-funded FRCS. In SFY25, 29,994 families connected with an FTF-funded family resource center for support. Together, they visited 167,247 times—returning again and again to participate in parenting activities, receive vital resources and access trusted referrals. This shows that families see the centers as safe and dependable places they can rely on for ongoing support. The most frequently attended classes at the FRCs were

parenting activities that provided parent-child interactions.

In addition, an Arizona protective factors study from 2024, showed that more than 50% of parents' scores improved around the protective factors in the areas of family functioning and resiliency; nurturing and attachment; and social supports.

Two decades ago, the Center for the Study of Social Policy introduced the five protective factors that help families eliminate stress more effectively and that can mitigate and reduce adverse childhood experiences.



Research shows that children are more likely to thrive when they live in safe, stable environments where families have what they need and family resource centers help families find those needs. Family resource centers provide the type of support that can sometimes be key to a child's well-being.

A recent FTF report of parent feedback showed that families who visit FRCs express very positive experiences and are very likely to recommend FRCs to friends and family members. FTF, with support from Virginia G. Piper Charitable Trust, worked with Listen4Good, an organization that specializes in gathering community feedback, to collect information from over 1,300 families and caregivers at 40 FTF-funded FRCs.

Families praised FTF-funded FRCs for their programs and want FRCs to expand their offerings and access, according to the report. Additionally, 94% of families said their needs are met extremely or very well at FRCs. When asked about the benefits of attending programming at FRCs, 99% of families reported at least one early childhood or parenting outcome for their family - most commonly, a better understanding of their child's development, emotions and social skills, as well as gaining confidence as parents.

The report also said that, after participating in FRC programming and classes, parents noticed improvements in their children's executive functioning skills, language and literacy development, as well as in other behavioral and cognitive skills that can help children prepare for kindergarten.

For Perez, watching her son connect with children his age and become more curious about the world is a gift.

"Some of the kids don't speak English. He has no problem stepping in and communicating and not letting language be a barrier for him," she said. "He gets right in there. 'Mom, what does gracias mean? Can we count to 10 in Spanish? I heard the little boy counting the trucks while we were in there.' I don't think we would have that type of opportunity if not for the Moon Mountain FRC and First Things First. And we are very grateful for that."





Success Story

Phoenix North Region

Family resource center parenting classes boost first-time mom's confidence

Shizuka Ito, a first-time mother, said she felt ready for her parenting journey when her son, Ty, was born nearly three years ago.

"I thought it would be easy," said Ito, who moved to Phoenix from Japan when her son was 18 months old.

As a toddler, Ty — short for Taisei — was curious, energetic and spirited. His mother thought it might be a good idea for her son to be with other children his age. He was 2 years old when he and his mother started going to the Paradise Valley Family Resource Center in Phoenix.

Ty and his mother joined in activities like Storytime, an engaging early literacy program that introduces young children to books. But while other children sat quietly, Ty would wander and refused to sit down.

"If he were to sit down, he would have a tantrum," Ito said. "He would just scream."

Her son had always been easygoing at home, so his recurring behavior surprised Ito. It shook confidence in her parenting and made her wonder about her child's development.

"I would read online that he should already be doing this and be able to sit down in



class and listen, or I would see other children doing that," Ito said. "And that made me very uncomfortable. It was hard understanding that this was normal," she said.

With help from parenting classes and tips from resource center staff, Ito in time understood. At home, he roamed to his heart's content.



"I never had to take him to a situation where he needed to be patient, where he needed to control himself," she said.

Ito also learned to be more patient with Ty. "Eventually, it was the practice as well as my emotional stability buildup," she said, that allowed for Ty's progress. He can now sit still on his mother's lap to listen to stories and has since learned to speak more.

As for Ito, parenting classes helped her regain confidence and "have become the foothold of her parenting. Hearing that children develop at their own, unique pace, as well as learning ways to boost communication with her child during the critical first five years of rapid brain development, are among the lessons she found invaluable.

Ito feels she and her son have come a long way together, she said, with a little help from their friends at the resource center. There, the young mother has also found a community where she can freely share the joys and challenges of parenthood, she said.

Family, Friend and Neighbor Care



For parents of young children, the decision of who takes care of their child is a deeply personal one. There are many reasons a parent might choose to rely on an informal child care provider. For example, they might work non-traditional hours, they feel more comfortable with a family member caring for their child or it could be a cultural preference.

At First Things First, supporting families and caregivers with a variety of different needs is a priority.

That's why the agency funds the Family, Friend and Neighbor Care Strategy, also known as FFN, to provide support to informal caregivers who are caring for a group of four or fewer children, birth to age 5, in a home setting. A recent evaluation of these programs found that caregivers reported significant improvement in

key areas of caregiving, including interactions with the children in their care.

Across the nation, about 60% of children under age 5 are cared for through this type of informal caregiving. Many parents choose FFN care because these caregivers often know the children best, offer care during non-traditional work hours and can provide a loving, familiar environment that helps them feel safe.

The FFN strategy seeks to improve a caregiver's knowledge about quality learning environments, caregiver-child interactions and learning activities. In State Fiscal Year 2025, over 1,000 unregulated caregivers participated in FFN programs seeking to provide babies, toddlers and preschoolers with a quality early learning experience across nine FTF regions, with a total investment of \$3.7 million.

A recent evaluation of an FFN program called Kith and Kin run by Candelen in multiple FTF regions, asked participants to answer pre and post-survey questions after they completed an educational series of classes, as well as after individual education sessions. Results from the evaluation project show that caregivers reported significant improvement in knowledge of quality environments, child-caregiver interactions and providing learning activities for children in their care.

The evaluation, which ran from January to June 2024, was conducted in partnership with FTF grant partner Candelen and Lecroy and Milligan Associates, a consulting firm specializing in program evaluation.

Velma Gesimba, an FTF program strategy specialist for early learning programs, which includes FFN, said there are many benefits to family, friend and neighbor care.

"We all know that child care is expensive and a lot of families are struggling to pay for child care," she said. "FFN can be an affordable option, and, more importantly, it's flexible."

For a parent who works hours outside of 9 a.m. to 5 p.m., they might be able to find a caregiver who is willing to provide care outside of typical

workday hours. Also, an FFN provider might be more flexible with payment, Gesimba said.

"Some folks charge a regular fee, but sometimes parents and caregivers engage in a barter system or trading, where a caregiver will care for a child in exchange for groceries," she said. "Or sometimes a caregiver can take care of a child one week and then the parent will take care of the caregiver's child at a different time. It's a community aspect of supporting one another."





Success Story

Yuma Region

In the FTF Yuma Region, about 120 caregivers participate in the FFN program through the Arizona Children's Association, the FTF grant partner that is funded to implement the program.

Grandmother Margarita Vargas has dedicated much of her life to caring for the children of Yuma families in her home. For years, she enjoyed closely watching the development and growth of the boys and girls in her charge.

After some 30 years as a child care provider, she decided it was time to retire. But a momentous event in her family soon pulled her back into caregiving. A daughter had her first son, and then a second.

Vargas has cared for the two young brothers, 5-year-old Ryo, and 4-year-old Ryzek Navarro, since they were born. When she learned of the Family, Friend and Neighbor program, she registered for the 10-week program. Vargas figured she could gain access to even more tools to provide good care for her grandchildren.

The program includes weekly home visits with a parent educator, an activity Vargas calls a positive experience. "It's been really helpful," she said in Spanish. "It's helped refresh my memory."



Sayda Alvarez, a program supervisor with the Arizona Children's Association, said child care providers like Vargas play a key role in the development of the young children they care for at home.

"We tell them 'you're not just a babysitter; you have a big impact on this child,'" Alvarez said.

From birth to age 5, a child's brain grows more rapidly than at any other time in life, making this a crucial period to prepare children for continued learning and life success, Alvarez said. During home visits, caregivers like Vargas learn about children's various developmental stages as they grow. Classes also focus on health, home safety and nutrition.

Vargas said the program has helped better understand the different child development stages and their growing cognitive abilities. She's also learned various other techniques to promote a calm, stable environment for her grandchildren. For example, better managing her grandchildren's high energy levels and occasional tantrums with structured routines and distractions.

"I'm really glad for this program," she said, adding that all the classes offer some value.

"Sometimes a caregiver might be struggling with certain components of caregiving and they can ask another caregiver, 'How do you handle these circumstances?' or 'What does this look like in your home? What have you found helpful?'" Alvarez said. "They can share resources, but sometimes the mental health aspect of just talking with someone who is doing what you're doing is invaluable."

A majority (89-92%) of FFN participants surveyed reported feeling supported and gaining information about community resources, according to preliminary research

results. Recently, at one group caregiver session that Gesimba attended, she watched as Spanish-speaking caregivers learned how to write a contract between the parents and caregiver.

"Even though this is informal caregiving, it is helpful for caregivers and parents to be on the same page about things like times for pick up and drop off," she said. "Those business-like skills are important."

The session also included how to have difficult conversations with parents.

"For example, if a child was struggling that day or if maybe there was a playground accident, learning how to communicate with parents is important," Gesimba said. "Every aspect helps the caregiver provide improved care."

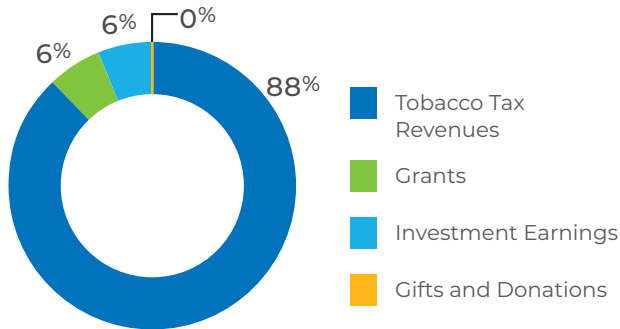
Statewide and Regional Expenditures



SFY25 Revenues/Expenditures

SFY25 Revenue by Source

Tobacco Tax Revenues	\$88,600,524
Grants	\$6,146,852
Investment Earnings*	\$5,775,522
Gifts and Donations	\$82,096
TOTAL	\$100,604,994

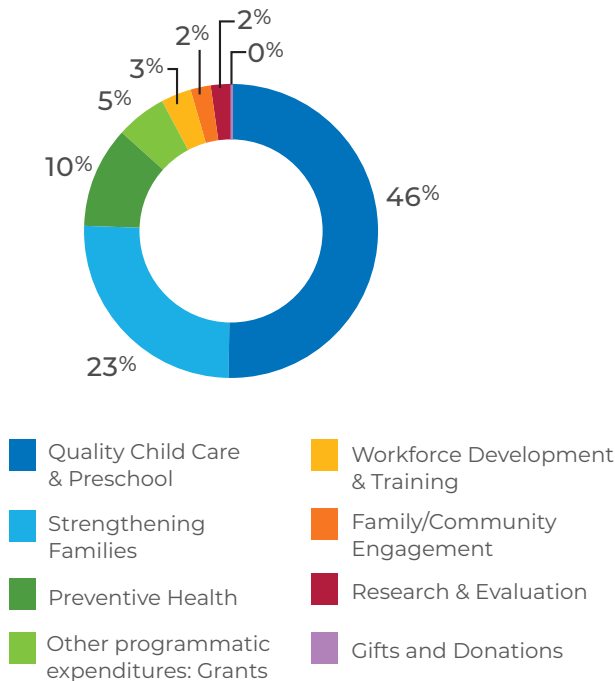


Note: Financial data presented are based on a modified accrual accounting methodology and are unaudited at time of publication and, as such, are subject to change.

**The investment earnings are generated from funds held with the Arizona Treasurer's Office in an interest-earning account.*

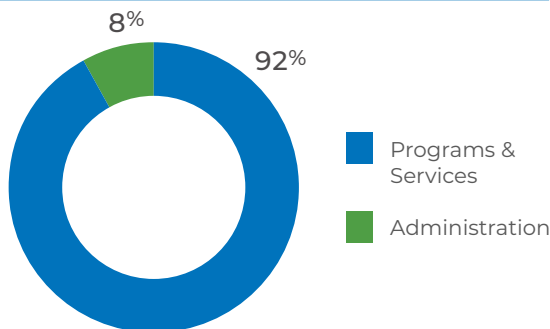
SFY25 Expenditures

Programs and Services	
Quality Child Care & Preschool	\$63,821,757
Strengthening Families	\$32,186,501
Preventive Health	\$13,990,744
Other programmatic expenditures: Grants	\$7,029,917
Workforce Development & Training	\$3,962,541
Family/Community Engagement	\$3,457,144
Research & Evaluation	\$2,989,391
Gifts and Donations	\$49,536
Support Activity	
Administration & General	\$11,487,239

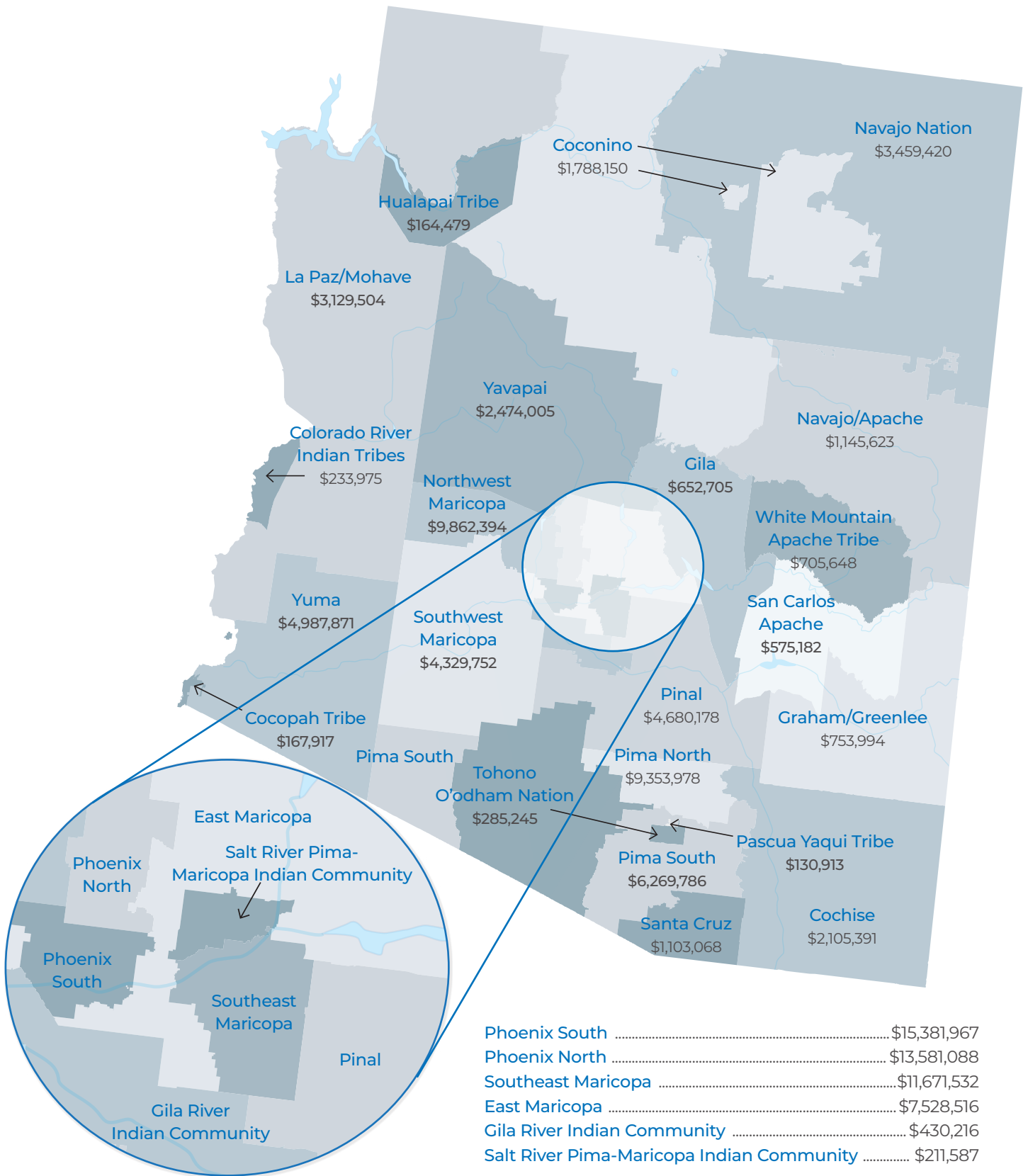


SFY25 Expenses by Category

Programs & Services	\$128,061,894
Administration	\$10,912,877
TOTAL	\$138,974,771



SFY25 Investments Across Arizona



*This does not include \$10,372,181 in statewide programmatic expenditures.

Statewide Partners

First Things First strives to promote efficacy and efficiency by leveraging the successful efforts and experience of existing early childhood system partners. Programs and services funded by First Things First are delivered primarily by community-based non-profit organizations, school districts, local governments and institutions of higher learning that have been awarded contracts through a competitive grant process and by governmental entities with demonstrated expertise in a specific field of work. Almost 80 organizations listed below represent only FTF's contracted services. FTF regional partnership councils and staff work with a myriad of additional state and local community partners to maximize our collective work and impact through coordination and collaboration.

Cities/Towns

- Apache Junction Public Library
- City of Avondale
- City of Mesa
- City of Phoenix Human Services Department
- City of Phoenix Library
- City of Scottsdale
- City of Surprise
- Safford City-Graham County Library
- Town of Gila Bend

County Governments

- Coconino County Public Health Services District
- Gila County Library District
- Maricopa County Department of Public Health
- Maricopa County Juvenile Court
- Navajo County Public Health Services District
- Pima County Health Department
- Santa Cruz County School Superintendent's Office

Institutions of Higher Learning

- Arizona Board of Regents for and on behalf of Arizona State University
- Arizona Board of Regents for and on Behalf of Arizona State University for Arizona PBS
- Arizona Board of Regents for and on behalf of Northern Arizona University
- Arizona Board of Regents for and on behalf of University of Arizona
- University of California, Berkeley
- University of Arizona Cooperative Extension
- University of Arizona Cooperative Extension, Gila County
- University of Arizona Cooperative Extension, Graham/Greenlee County
- University of Arizona Cooperative Extension, La Paz County
- University of Arizona Cooperative Extension, Pinal County
- University of Arizona Cooperative Extension, Santa Cruz County
- University of Arizona Cooperative Extension, Yavapai County
- University of Arizona Cooperative Extension, Yuma County

Non-Profit Organizations

- Arizona Chapter of the American Academy of Pediatrics
- Arizona Children's Association
- AZCEND
- Candelen
- Chicanos Por La Causa, Inc. dba Parenting Arizona
- Child and Family Resources Inc.
- Child Crisis Arizona
- Cochise Health and Social Services
- Dignity Community Care dba Chandler Regional Medical Center
- Easterseals Blake Foundation
- High Country Early Intervention, dba Karen A. Fay, Inc.
- The Learning Center for Kids, dba Root for Kids
- Lutheran Social Services of the Southwest
- Make Way for Books
- North Country HealthCare
- Southwest Human Development
- United Way of Pinal County
- United Way of Tucson and Southern Arizona
- Valley of the Sun United Way

Other

- Arizona Department of Child Safety
- Arizona Department of Health Services
- Arizona Youth Partnership (Teen Outreach Pregnancy Services)
- Maricopa County Special Health Care District, dba Valleywise Health
- Summit Healthcare Association

Private Organizations

- Callie Pediatrics, P.C.
- Enhancing Early Childhood, LLC


School Districts

- Buckeye Elementary School District
- Chandler CARE Center
- Cottonwood-Oak Creek School District #6
- Creighton Elementary School District
- Deer Valley Unified School District
- Tempe Elementary School District #3
- Washington Elementary School District
- Isaac Elementary School District #5
- Maricopa County School District 40 Glendale Elementary School District
- Paradise Valley Unified School District
- Peach Springs Unified School District #8
- Pendergast Elementary School District
- Peoria Unified School District


Tribal Nations

- Cocopah Indian Tribe
- Colorado River Indian Tribes
- Fort McDowell Yavapai Nation
- Gila River Health Care Corporation
- Hualapai Indian Tribe
- Navajo Nation Department of Dine Education: Office of Special Education and Rehabilitation Services
- Navajo Nation Library
- Pascua Yaqui Tribe
- Salt River Pima-Maricopa Indian Community
- Tohono O'odham Nation

Celebrating a Decade of Service to Arizona's Young Children



At FTF, volunteer regional partnership councils inform decisions about which early childhood programs are funded locally through their assessment of needs in their communities and subsequent recommendations to the state Board.



These dedicated citizens represent the many facets of our community that have a stake in our young children's success, including parents, educators, child care professionals, health care providers, tribal communities, faith representatives, business leaders and philanthropists. Each member dedicates an estimated 120 hours each year to study the needs of their communities and work with local stakeholders to identify priorities for funding.

However, being a regional council member goes beyond the work done in meeting rooms. Each member – in their professional and personal lives – works to connect others in their community with the work of FTF. They do this by building awareness of the importance

of early childhood among audiences ranging from families to policymakers. They can also build community partnerships that help to expand or enhance the local support for young children or their families.

Although members serve staggered four-year terms, many individuals apply for and are selected to serve additional terms. In SFY25 there were three individuals who celebrated 10 years of service to young children in their communities. They join 111 individuals acknowledged for this milestone since 2018. This year, FTF thanks and celebrates the following 15- and 10-year champions for children.



10-years of service

- **Dustin Welker**, Faith Community Representative FTF Graham/Greenlee
- **Ardith Titla**, Health Services Provider Representative and Vice Chair FTF White Mountain Apache Tribe Region
- **Susan Shinn**, School Administrator Representative and Vice Chair FTF Pima North

15-year of service

- **Amber Jones**, Early Childhood Educator Representative FTF Pima North
- **Kymerlii Tenario**, Philanthropic Representative and Chair FTF Tohono O'odham Nation
- **Dawnafe Whitesinger**, School Administrator Representative FTF White Mountain Apache Tribe Region
- **Sherry Birch**, Faith Community Representative FTF Yavapai
- **Debbie Pischke**, At-large Representative FTF Northwest Maricopa



FTF asked the veteran regional council members to share what they appreciated most about serving on the regional council and why they would recommend council participation to others in their community. Below are a few of their answers.



"Serving on a First Things First Council is an opportunity to connect with others who share the passion of the importance of early learning and the roles each person connected to a child plays in that development."

"There is so much to learn from others who have different perspectives and life experiences."

Debbie Pischke

NW Maricopa
At-large representative

"What I appreciate most about serving on my local FTF council is my ability to work alongside other passionate community members who care deeply about our community's youngest people and who are willing to lend their time, energy, expertise, and experiences to help identify what strategies would make the greatest impact for the children and families in our immediate community. Additionally, it's an honor to represent early childhood educators by giving voice to the many challenges they face in their work with young children in our community."

"I would recommend participating in a regional council to others because it is an important way to better understand the needs of our community and have some agency in making a positive difference. Being part of a regional council for me means using systems thinking to think deeply about the current realities children and families face in our community and identifying the best possible funding strategies to have the greatest, most sustainable impact."

Amber Jones

Pima North
Early Childhood Educator Representative

In Memoriam

First Things First Remembers

Renee Beecher

FTF Hualapai Tribe Regional Partnership Council

Renee Beecher passed away in May 2025. She served on the First Things First Hualapai Tribe Regional Partnership Council as Vice Chair.

FTF staff

Russell Spencer

FTF Director of Grants and Contracts

Russ passed away in May 2025. He worked at FTF for 17 years and with the State of Arizona for a total of 24 years of service.

Carolyn Haro

FTF Gila Regional Director

Carolyn passed away in July 2025. She worked at FTF for seven years and with the State of Arizona for 10 years.

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First Things First is an essential leader and partner in creating a family-centered, equitable, high-quality early childhood system that supports the development, well-being, health and education of all Arizona's children, birth to age 5.

Arizona Early Childhood Development and Health Board (SFY25)

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Members

Marcia Klipsch

Dr. Darlene Melk

Christian Osmeña

Honorable Richard Weiss

Vince Yanez

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Michael Wisehart, Director,
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Deputy Assistant Director,
Clinical Program Management,
in the Division of Managed Care

Kathryn Ptak, Director, Arizona
Department of Child Safety

Francisco Muñoz, Indigenous
Representative