

PROPOSITION 203

OFFICIAL TITLE

AN INITIATIVE MEASURE

ARIZONA EARLY CHILDHOOD DEVELOPMENT AND HEALTH INITIATIVE

PROPOSING AMENDMENTS TO TITLE 8, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 13; AMENDING TITLE 42, CHAPTER 3, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 9; AND PROVIDING FOR INITIAL FUNDING AND INITIAL TERMS OF BOARD AND REGIONAL COUNCIL MEMBERS; RELATING TO FUNDING FOR EARLY CHILDHOOD DEVELOPMENT AND HEALTH PROGRAMS.

TEXT OF PROPOSED AMENDMENT

Be it enacted by the People of the State of Arizona:

Section 1. Popular Title.

This measure shall be known as the "Arizona Early Childhood Development and Health Initiative."

Section 2. Title 8, Arizona Revised Statutes, is amended by adding chapter 13, to read:

CHAPTER 13. EARLY CHILDHOOD DEVELOPMENT AND HEALTH PROGRAMS

ARTICLE 1. GENERAL PROVISIONS

8-1151. FINDINGS AND DECLARATIONS

A. THE PEOPLE OF ARIZONA FIND THAT:

1. EARLY LEARNING EXPERIENCES DIRECTLY IMPACT A CHILD'S LONG-TERM EDUCATIONAL SUCCESS. RESEARCH SHOWS THAT THAT THE MAJORITY OF A CHILD'S BRAIN STRUCTURE IS FORMED BEFORE AGE THREE AND THAT THE YEARS BETWEEN BIRTH AND KINDERGARTEN ARE WHEN CHILDREN DEVELOP MANY OF THEIR LANGUAGE SKILLS, THOUGHT PROCESSES, SELF-CONFIDENCE, DISCIPLINE AND VALUES.
2. HEALTH, VISION AND DENTAL SCREENINGS THAT DETECT CHILDREN'S HEALTH PROBLEMS EARLY ENABLE THEM TO RECEIVE THE CARE THEY NEED TO GROW AND THRIVE.
3. CHILDREN ENTERING SCHOOL WHO HAVE HAD HIGH-QUALITY EARLY CHILDHOOD DEVELOPMENTAL EXPERIENCES, INSIDE THE HOME OR IN OTHER SETTINGS OF THEIR PARENTS' CHOICE, ARE BETTER ABLE TO SUCCEED ACADEMICALLY AND HAVE GREATER OPPORTUNITIES.
4. ALL ARIZONANS BENEFIT FROM PROVIDING EARLY CHILDHOOD DEVELOPMENT OPPORTUNITIES FOR OUR CHILDREN. FOR CHILDREN, SUCH EFFORTS GIVE THEM A HEALTHY START AND AN OPPORTUNITY TO SUCCEED. FOR PARENTS, THE AVAILABILITY AND AFFORDABILITY OF QUALITY EARLY CHILDHOOD DEVELOPMENT PROGRAMS HELPS THEM RETAIN JOBS AND EARN HIGHER INCOMES. FOR TAXPAYERS, EARLY DEVELOPMENT PROGRAMS SAVE TAX DOLLARS BY LOWERING DROP-OUT RATES, REDUCING CRIME AND CUTTING THE COST OF SOCIAL SERVICES.
5. ALL ARIZONA CHILDREN SHOULD BEGIN SCHOOL WITH THE SKILLS THEY NEED FOR LONG-TERM EDUCATIONAL AND PERSONAL SUCCESS.
6. FOR THESE REASONS, THE PEOPLE OF ARIZONA FIND THAT PROVIDING DEDICATED FUNDING TO IMPROVE THE QUALITY, ACCESSIBILITY AND AFFORDABILITY OF EARLY CHILDHOOD DEVELOPMENT OPPORTUNITIES IN THE SETTING OF THE PARENTS' CHOICE SHOULD BE ONE OF

THE STATE'S TOP PRIORITIES.

B. THE PEOPLE OF ARIZONA THEREFORE DECLARE OUR INTENT TO PROVIDE THE NECESSARY COORDINATION AND FUNDING FOR EARLY CHILDHOOD DEVELOPMENT AND HEALTH PROGRAMS IN ARIZONA THAT WILL:

1. WORK WITH PARENTS, COMMUNITY LEADERS, LOCAL GOVERNMENTS, PUBLIC AND PRIVATE ENTITIES AND FAITH-BASED GROUPS TO IMPROVE THE QUALITY OF AND INCREASE ACCESS TO EARLY CHILDHOOD DEVELOPMENT PROGRAMS IN COMMUNITIES THROUGHOUT THE STATE.
2. INCREASE ACCESS TO PREVENTIVE HEALTH PROGRAMS AND HEALTH SCREENINGS.
3. OFFER PARENTS AND FAMILIES SUPPORT AND EDUCATION ABOUT EARLY CHILD DEVELOPMENT AND LITERACY.
4. RECOGNIZE THE DIVERSITY OF ARIZONA COMMUNITIES AND GIVE THEM A VOICE IN IDENTIFYING PROGRAMS TO ADDRESS THEIR PARTICULAR NEEDS.
5. PROVIDE TRAINING AND SUPPORT TO EARLY CHILDHOOD DEVELOPMENT PROVIDERS.
6. BE SUBJECT TO ACCOUNTABILITY AND AUDIT REQUIREMENTS, INCLUDING REQUIREMENTS THAT THE SUCCESS OF THE BOARD AND REGIONAL PARTNERSHIPS, AS WELL AS THE PROGRAMS THEY UNDERTAKE AND FUND, BE MEASURED BY OUTCOMES FOR CHILDREN AND FAMILIES.

8-1152. DEFINITIONS

IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

1. "BOARD" MEANS THE ARIZONA EARLY CHILDHOOD DEVELOPMENT AND HEALTH BOARD ESTABLISHED BY THIS CHAPTER.
2. "EARLY CHILDHOOD DEVELOPMENT AND HEALTH PROGRAMS" MEANS PROGRAMS AND SERVICES PROVIDED TO CHILDREN PRIOR TO KINDERGARTEN AND THEIR FAMILIES FOR THE PURPOSE OF ASSISTING CHILD DEVELOPMENT BY PROVIDING EDUCATION AND OTHER SUPPORT, INCLUDING PARENT AND FAMILY SUPPORT PROGRAMS, CHILD CARE, PRESCHOOL, HEALTH SCREENINGS AND ACCESS TO PREVENTIVE HEALTH SERVICES.

ARTICLE 2. REGIONAL PARTNERSHIPS

8-1161. RESPONSIBILITIES OF REGIONAL PARTNERSHIP COUNCILS

A. EACH REGIONAL PARTNERSHIP COUNCIL SHALL IDENTIFY THE ASSETS AVAILABLE FOR EARLY CHILDHOOD DEVELOPMENT AND HEALTH PROGRAMS IN ITS REGION, INCLUDING OPPOR-

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TUNITIES FOR COORDINATION AND USE OF OTHER AVAILABLE FUNDING SOURCES.

B. BASED ON THAT INFORMATION, EACH REGIONAL PARTNERSHIP COUNCIL SHALL IDENTIFY AND PRIORITIZE THE UNMET NEED FOR EARLY CHILDHOOD DEVELOPMENT AND HEALTH PROGRAMS IN ITS REGION.

C. EACH REGIONAL PARTNERSHIP COUNCIL SHALL SUBMIT A REPORT DETAILING ASSETS, COORDINATION OPPORTUNITIES AND UNMET NEEDS TO THE BOARD BIANNUALLY. THE REGIONAL PARTNERSHIP COUNCIL'S NEEDS AND ASSETS ASSESSMENT SHALL BE FORWARDED TO THE BOARD FOR FINAL APPROVAL NO LATER THAN SEPTEMBER 1 OF EACH EVEN-NUMBERED YEAR, BEGINNING IN 2008. THE BOARD SHALL HAVE DISCRETION TO APPROVE OR REJECT A COUNCIL'S ASSESSMENT IN WHOLE OR IN PART OR TO REQUIRE REVISIONS. THE BOARD SHALL ACT ON ALL NEEDS AND ASSETS ASSESSMENTS NO LATER THAN OCTOBER 1 OF EACH EVEN-NUMBERED YEAR, BEGINNING IN 2008.

D. EACH REGIONAL PARTNERSHIP COUNCIL SHALL ANNUALLY DEVELOP A REGIONAL PLAN FOR THE EXPENDITURE, DURING THE NEXT FISCAL YEAR, OF FUNDS BUDGETED BY THE BOARD PURSUANT TO 8-1184 TO MEET THE NEEDS IDENTIFIED IN ITS REGION.

1. A REGIONAL FUNDING PLAN MAY INCLUDE PROGRAMS AND SERVICES TO BE CONDUCTED BY THE COUNCIL DIRECTLY AS WELL AS PROGRAMS AND SERVICES TO BE PROVIDED BY PRIVATE, PUBLIC, GOVERNMENTAL AND FAITH-BASED ORGANIZATIONS THROUGH FUNDING GRANTS.

2. A REGIONAL FUNDING PLAN SHALL INCLUDE AMOUNTS REQUESTED, IF ANY, TO COMPLETE THE REGIONAL NEEDS AND ASSETS ASSESSMENTS REQUIRED BY THIS SECTION. THESE NEEDS AND ASSETS ASSESSMENTS MAY BE FUNDED WITH MONIES FROM THE PROGRAM ACCOUNT ESTABLISHED PURSUANT TO SECTION 8-1181.

3. EACH REGIONAL PARTNERSHIP COUNCIL SHALL SUBMIT ITS ANNUAL REGIONAL FUNDING PLAN TO THE BOARD FOR APPROVAL NO LATER THAN JANUARY 1 OF EACH YEAR, BEGINNING IN 2009. THE BOARD SHALL HAVE DISCRETION TO APPROVE OR REJECT A COUNCIL'S PLAN IN WHOLE OR IN PART OR TO REQUIRE REVISIONS. THE BOARD SHALL ACT ON ALL REGIONAL FUNDING PLANS NO LATER THAN FEBRUARY 1 OF EACH YEAR, BEGINNING IN 2009.

E. AFTER ITS REGIONAL PLAN HAS BEEN APPROVED BY THE BOARD, EACH REGIONAL PARTNERSHIP COUNCIL SHALL CONDUCT THE APPROVED PROGRAMS DIRECTLY AND/OR MAKE THE APPROVED GRANTS PURSUANT TO SECTION 8-1173.

F. THE BOARD MAY, ON A FINDING OF GOOD CAUSE, APPROVE NEEDS AND ASSETS ASSESSMENTS AND REGIONAL FUNDING PLANS RECEIVED AFTER THE DEADLINES SET FORTH IN THIS SECTION, INCLUDING REVISED ASSESSMENTS OR PLANS RE-SUBMITTED IN RESPONSE

TO BOARD ACTION REVISING OR REJECTING A SUBMITTED ASSESSMENT OR PLAN.

G. EACH REGIONAL PARTNERSHIP COUNCIL SHALL INCREASE PARENTS' AND PROVIDERS' ACCESS TO INFORMATION ABOUT EARLY CHILDHOOD DEVELOPMENT AND HEALTH PROGRAMS. METHODS FOR MEETING THIS REQUIREMENT INCLUDE:

1. PROVIDING INFORMATION ABOUT THE PROGRAMS AND SERVICES PROVIDED BY THE BOARD, THE COUNCIL AND GRANT RECIPIENTS.
2. PROVIDING INFORMATION ABOUT EXISTING FEDERAL, STATE, LOCAL AND PRIVATE SOURCES OF FUNDING AVAILABLE TO IMPROVE THE QUALITY OF AND ACCESS TO EARLY CHILDHOOD DEVELOPMENT AND HEALTH PROGRAMS.
3. PROVIDING SUPPORT AND TRAINING FOR EARLY CHILDHOOD DEVELOPMENT AND HEALTH PROVIDERS.
4. INFORMING PROVIDERS AND PARENTS ABOUT LICENSING AND OTHER REQUIREMENTS FOR EARLY CHILDHOOD DEVELOPMENT AND HEALTH PROVIDERS.
5. FOSTERING COOPERATION AMONG EARLY CHILDHOOD DEVELOPMENT AND HEALTH PROVIDERS IN ORDER TO INCREASE THE NUMBER OF CHILDREN AND FAMILIES SERVED AND IMPROVE OUTCOMES FOR CHILDREN AND FAMILIES SERVED.

H. EACH REGIONAL PARTNERSHIP COUNCIL MAY SOLICIT PRIVATE FUNDS FROM INDIVIDUALS, CORPORATIONS AND FOUNDATIONS TO SUPPORT ITS EFFORTS TO IMPROVE THE QUALITY OF AND ACCESS TO EARLY CHILDHOOD DEVELOPMENT AND HEALTH PROGRAMS IN ITS REGION. THE BOARD MUST APPROVE ANY GIFTS RECEIVED IN RESPONSE TO COUNCIL SOLICITATIONS. APPROVED GIFTS SHALL BE DEPOSITED INTO THE PRIVATE GIFTS ACCOUNT OF THE EARLY CHILDHOOD DEVELOPMENT AND HEALTH FUND PURSUANT TO SECTION 8-1182.

8-1162. COMPOSITION OF REGIONAL PARTNERSHIP COUNCILS; REIMBURSEMENT OF EXPENSES; IMMUNITY

A. EACH REGIONAL PARTNERSHIP COUNCIL SHALL BE MADE UP OF ELEVEN MEMBERS WHO RESIDE OR WORK IN THE REGION, INCLUDING AT LEAST:

1. ONE PARENT OF A CHILD AGED FIVE OR YOUNGER AT THE TIME OF THEIR APPOINTMENT TO THE COUNCIL.
2. ONE CHILD CARE PROVIDER.
3. ONE HEALTH SERVICES PROVIDER.
4. ONE PUBLIC SCHOOL ADMINISTRATOR. FOR THE PURPOSES OF THIS REQUIREMENT, CHARTER SCHOOLS ESTABLISHED PURSUANT TO TITLE 15 ARE CONSIDERED PUBLIC SCHOOLS.
5. ONE EARLY CHILDHOOD EDUCATOR.
6. ONE MEMBER OF THE BUSINESS COMMUNITY.
7. ONE REPRESENTATIVE OF THE FAITH COMMUNITY.
8. ONE REPRESENTATIVE OF A PHILANTHROPIC ORGANIZATION.
9. IF AN INDIAN TRIBE IS LOCATED IN THE

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REGION, ONE PUBLIC OFFICIAL OR EMPLOYEE OR A TRIBAL GOVERNMENT.

B. MEMBERS OF THE REGIONAL PARTNERSHIP COUNCILS SHALL BE APPOINTED BY THE BOARD AFTER A PUBLIC APPLICATION PROCESS AND WITH THE INPUT OF THE REGIONAL PARTNERSHIP COUNCIL.

C. MEMBERS OF THE REGIONAL PARTNERSHIP COUNCILS SHALL SERVE FOUR YEAR TERMS, TO BEGIN AND END JULY 1.

D. MEMBERS OF THE REGIONAL PARTNERSHIP COUNCIL WHO MISS MORE THAN THREE MEETINGS WITHOUT EXCUSE OR RESIGN THEIR MEMBERSHIP SHALL BE REPLACED BY THE BOARD AFTER A PUBLIC APPLICATION PROCESS AND WITH THE INPUT OF THE REGIONAL PARTNERSHIP COUNCIL.

E. COUNCIL MEMBERS ARE NOT ELIGIBLE TO RECEIVE COMPENSATION, THEY ARE ELIGIBLE FOR TRAVEL EXPENSES AND REIMBURSEMENT FOR SUBSISTENCE PURSUANT TO TITLE 38, CHAPTER 4, ARTICLE 2. REIMBURSEMENT SHALL BE PAID FROM THE ADMINISTRATIVE COSTS ACCOUNT OF THE EARLY CHILDHOOD DEVELOPMENT AND HEALTH FUND ESTABLISHED BY SECTION 8-1181 ON CLAIMS APPROVED BY THE EXECUTIVE DIRECTOR.

F. MEMBERS OF THE COUNCIL ARE IMMUNE FROM PERSONAL LIABILITY WITH RESPECT TO ALL ACTS DONE AND ACTIONS TAKEN IN GOOD FAITH WITHIN THE SCOPE OF THEIR AUTHORITY DURING DULY CONSTITUTED REGULAR AND SPECIAL MEETINGS WITH APPROVAL OF A MAJORITY OF THE COUNCIL.

8-1163. STAFF SUPPORT FOR REGIONAL PARTNERSHIP COUNCILS

A. THE EXECUTIVE DIRECTOR OF THE BOARD SHALL HIRE REGIONAL DIRECTORS TO PROVIDE SUPPORT TO REGIONAL PARTNERSHIP COUNCILS IN MEETING THEIR RESPONSIBILITIES.

B. WITH THE APPROVAL OF THE BOARD, THE EXECUTIVE DIRECTOR MAY ALSO HIRE ADDITIONAL REGIONAL STAFF TO SUPPORT THE REGIONAL PARTNERSHIP COUNCILS.

C. A REGIONAL DIRECTOR MAY BE RESPONSIBLE FOR MORE THAN ONE REGION AND A REGION MAY BE ASSIGNED MORE THAN ONE STAFF PERSON IN ADDITION TO ITS DIRECTOR.

8-1164. DESIGNATION OF REGIONS

A. THE BOARD SHALL DESIGNATE REGIONS COVERING THE ENTIRE STATE, EACH OF WHICH SHALL HAVE A REGIONAL PARTNERSHIP COUNCIL AS PROVIDED BY THIS ARTICLE.

B. WHEN DESIGNATING REGIONS, THE BOARD SHALL CONSIDER EXISTING REGIONAL BOUNDARIES AND ORGANIZATIONS, DISTRIBUTION OF POPULATIONS AND SERVICES AND OTHER FACTORS DEMONSTRATING RELATIONSHIP OR COHESION OF PERSONS AND ORGANIZATIONS WITHIN A REGION.

C. THE BOARD SHALL MAKE INITIAL REGIONAL DESIGNATIONS NO LATER THAN DECEMBER 1, 2007. THE BOARD MAY REDESIGNATE REGIONS IN ITS DISCRETION NO LATER THAN JANUARY 15 OF ANY EVEN-NUMBERED YEAR, BEGINNING IN

2010.

D. INDIAN TRIBES RECOGNIZED BY THE FEDERAL GOVERNMENT WITH TRIBAL LANDS LOCATED IN THE STATE OF ARIZONA MAY

1. PARTICIPATE IN THE DESIGNATED GEOGRAPHICAL REGION OR REGIONS IN WHICH THEIR TRIBAL LANDS ARE LOCATED.

2. ELECT TO HAVE ITS TRIBAL LANDS TREATED AS A SEPARATE REGION BY THE BOARD. IF A TRIBE SO ELECTS, IT SHALL INFORM THE BOARD BY MARCH 1 OF ANY EVEN-NUMBERED YEAR, BEGINNING IN 2008, THAT IT WISHES TO BE TREATED AS A SEPARATE REGION FOR THE NEXT TWO FISCAL YEARS.

ARTICLE 3. PROGRAMS TO INCREASE THE QUALITY OF AND ACCESS TO EARLY CHILDHOOD DEVELOPMENT AND HEALTH SERVICES

8-1171. REGIONAL AND STATEWIDE DIRECT AND GRANT PROGRAM REQUIREMENTS; PERMITTED OBJECTIVES

PROGRAMS UNDERTAKEN BY THE BOARD AND THE REGIONAL PARTNERSHIP COUNCILS, EITHER DIRECTLY OR THROUGH THE AWARD OF GRANTS, SHALL ACCOMPLISH ONE OR MORE OF THE FOLLOWING OBJECTIVES:

1. IMPROVING THE QUALITY OF EARLY CHILDHOOD DEVELOPMENT AND HEALTH PROGRAMS.

2. INCREASING ACCESS TO QUALITY EARLY CHILDHOOD DEVELOPMENT AND HEALTH PROGRAMS.

3. INCREASING ACCESS TO PREVENTIVE HEALTH CARE AND HEALTH SCREENINGS FOR CHILDREN THROUGH AGE FIVE.

4. OFFERING PARENT AND FAMILY SUPPORT AND EDUCATION CONCERNING EARLY CHILD DEVELOPMENT AND LITERACY.

5. PROVIDING PROFESSIONAL DEVELOPMENT AND TRAINING FOR EARLY CHILDHOOD DEVELOPMENT AND HEALTH PROVIDERS.

6. INCREASING COORDINATION OF EARLY CHILDHOOD DEVELOPMENT AND HEALTH PROGRAMS AND PUBLIC INFORMATION ABOUT THE IMPORTANCE OF EARLY CHILDHOOD DEVELOPMENT AND HEALTH.

8-1172. PROGRAM AND GRANT PROPOSAL REQUIREMENTS

GRANT PROPOSALS SEEKING FUNDING FROM EITHER THE BOARD OR A REGIONAL PARTNERSHIP COUNCIL AND PROPOSALS FOR PROGRAMS TO BE CONDUCTED DIRECTLY BY A REGIONAL PARTNERSHIP COUNCIL MUST INCLUDE:

A. A DETAILED DESCRIPTION OF HOW THE FUNDS WILL BE USED.

B. AN EXPLANATION OF HOW THE PROGRAM WILL MEET ONE OR MORE OF THE OBJECTIVES PERMITTED BY SECTION 8.1171.

C. AN EXPLANATION OF HOW THE PROGRAM WILL MEET THE NEEDS IDENTIFIED IN THE MOST RECENT STATEWIDE OR REGIONAL NEEDS AND ASSETS ASSESSMENT PREPARED PURSUANT TO SECTION 8-1192 or 8-1161.

D. AN EXPLANATION OF HOW THE PROGRAM HAS MADE OR WILL MAKE USE OF OTHER AVAILABLE RESOURCES, INCLUDING FEDERAL, STATE,

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LOCAL AND PRIVATE MONIES, TO ACHIEVE ITS OBJECTIVES.

E. A DESCRIPTION OF THE FINANCIAL CONTROLS AND ACCOUNTABILITY MEASURES THE PROGRAM WILL EMPLOY.

F. A DESCRIPTION OF HOW THE PROGRAM WILL EVALUATE ITS SUCCESS IN MEETING THE IDENTIFIED OBJECTIVES AND OBTAINING OUTCOMES FOR CHILDREN AND FAMILIES.

8-1173. PROCEDURES FOR THE AWARD OF REGIONAL GRANTS

A. UPON APPROVAL OF ITS REGIONAL FUNDING PLAN BY THE BOARD, EACH REGIONAL PARTNERSHIP COUNCIL SHALL PUBLICIZE THE GRANTS PERMITTED BY THE PLAN IN THE COMMUNITY AND ENCOURAGE THE SUBMISSION OF GRANT PROPOSALS FROM PUBLIC AND PRIVATE ENTITIES IN THE REGION FOR PROGRAMS TO ACHIEVE THE GOALS OF THE AUTHORIZED GRANTS.

B. EACH REGIONAL PARTNERSHIP COUNCIL SHALL REVIEW GRANT PROPOSALS FOR COMPLIANCE WITH THE REQUIREMENTS OF SECTION 8-1172 AND SHALL SELECT GRANTEEES TO RECOMMEND TO THE BOARD.

C. IN ADDITION TO COMPLYING WITH THE CONFLICT OF INTEREST PROVISIONS OF TITLE 38, CHAPTER 3, ARTICLE 8, NO REGIONAL PARTNERSHIP COUNCIL MEMBER SHALL VOTE ON, OR PARTICIPATE IN THE DISCUSSION OF, ANY GRANT PROPOSAL IN WHICH ANY ENTITY BY WHICH THEY ARE EMPLOYED OR ON WHOSE BOARD THEY SERVE HAS A SUBSTANTIAL INTEREST, AS DEFINED BY SECTION 38-502.

D. EACH REGIONAL PARTNERSHIP COUNCIL SHALL FORWARD TO THE BOARD ALL OF THE GRANT PROPOSALS IT HAS RECEIVED, ALONG WITH ITS RECOMMENDATIONS FOR WHICH GRANTS SHOULD BE AWARDED AND AN EXPLANATION OF HOW THOSE GRANT PROPOSALS WILL COMPLY WITH THE APPROVED REGIONAL FUNDING PLAN. REGIONAL RECOMMENDATIONS MUST BE FORWARDED TO THE BOARD NO LATER THAN MAY 15 OF EACH YEAR, BEGINNING IN 2009.

E. THE BOARD SHALL HAVE DISCRETION TO APPROVE OR REJECT A REGIONAL PARTNERSHIP COUNCIL'S RECOMMENDATIONS, IN WHOLE OR IN PART. THE BOARD SHALL ACT ON ALL REGIONAL GRANT PROPOSALS NO LATER THAN JUNE 15 OF EACH YEAR, BEGINNING IN 2009.

F. THE BOARD MAY, ON A FINDING OF GOOD CAUSE, APPROVE THE FUNDING OF GRANT PROPOSALS RECEIVED FROM A COUNCIL AFTER THE DEADLINES SET FORTH IN THIS SECTION, INCLUDING REVISED RECOMMENDATIONS RESUBMITTED IN RESPONSE TO BOARD ACTION REVISING OR REJECTING A GRANT RECOMMENDATION.

G. IN EVALUATING DIRECT PROGRAM AND GRANT PROGRAM PROPOSALS, THE REGIONAL PARTNERSHIP COUNCIL AND BOARD MUST CONSIDER:

1. THE EXTENT TO WHICH THE PROGRAM WILL MEET NEEDS IDENTIFIED IN THE MOST

REGIONAL AND/OR STATEWIDE NEEDS AND ASSETS ASSESSMENT.

2. THE EXTENT TO WHICH THE PROGRAM HAS MADE OR WILL MAKE USE OF OTHER EXISTING RESOURCES, INCLUDING FEDERAL, STATE AND PRIVATE FUNDS, TO ACHIEVE ITS OBJECTIVES.

3. THE OVERALL NEEDS OF THE REGION AND THE STATE, AS IDENTIFIED IN THE REGIONAL AND STATEWIDE NEEDS AND ASSETS ASSESSMENTS.

4. THE ADEQUACY OF THE MEANS BY WHICH THE APPLICANT PROPOSES TO EVALUATE THE SUCCESS OF THE PROGRAM.

5. THE ADEQUACY OF THE FINANCIAL CONTROLS AND ACCOUNTABILITY MEASURES PROPOSED BY THE APPLICANT.

8-1174. PROGRAM AND GRANTEE ACCOUNTABILITY

A. WITHIN 45 DAYS OF THE END OF THE PROGRAM FUNDING OR GRANT PERIOD, ALL REGIONAL PARTNERSHIP COUNCILS CONDUCTING PROGRAMS DIRECTLY AND ALL GRANT RECIPIENTS MUST PROVIDE THE FOLLOWING INFORMATION IN A FORM PRESCRIBED BY THE BOARD:

1. A DESCRIPTION OF THE USE OF FUNDS.

2. THE NUMBER OF CHILDREN AND FAMILIES SERVED BY THE PROGRAM.

3. THE PERCENTAGE OF CHILDREN AND FAMILIES SERVED BY THE PROGRAM WHOSE FAMILY INCOMES ARE NO MORE THAN 100 PERCENT OF THE FEDERAL POVERTY GUIDELINES AS DEFINED BY SECTION 46-801(9).

4. A DETAILED ACCOUNTING OF FUNDS.

5. AN ASSESSMENT OF THE SUCCESS OF THE PROGRAM IN MEETING THE IDENTIFIED OBJECTIVES AND OBTAINING OUTCOMES FOR CHILDREN USING THE MEASURES DESCRIBED IN THE PROGRAM OR GRANT APPLICATION PURSUANT TO SECTION 8-1172.

B. REGIONAL GRANT RECIPIENTS SHALL PROVIDE THE REQUIRED INFORMATION TO THE REGIONAL PARTNERSHIP COUNCIL IN THEIR REGION; THE REGIONAL PARTNERSHIP COUNCIL SHALL FORWARD THAT INFORMATION TO THE BOARD. STATE GRANT RECIPIENTS AND REGIONAL PARTNERSHIP COUNCILS CONDUCTING PROGRAMS DIRECTLY SHALL PROVIDE THE REQUIRED INFORMATION DIRECTLY TO THE BOARD.

C. THE BOARD MAY, AT ITS DISCRETION, REQUEST ADDITIONAL INFORMATION FROM REGIONAL PARTNERSHIP COUNCILS OR GRANT RECIPIENTS ABOUT THE FUNDED PROGRAMS. IN ADDITION, ALL REGIONAL PARTNERSHIP COUNCIL PROGRAM RECORDS AND GRANTEE RECORDS, INCLUDING FINANCIAL RECORDS, ARE SUBJECT TO REVIEW BY THE BOARD AT ITS DISCRETION AT ANY TIME DURING THE PERIOD THAT FUNDING IS PROVIDED AND FOR FIVE YEARS AFTER THE FUNDING OR GRANT PERIOD HAS ENDED.

D. REGIONAL PARTNERSHIP COUNCIL PROGRAMS AND GRANT RECIPIENTS ARE SUBJECT TO AN INDEPENDENT AUDIT AT THE DISCRETION

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OF THE BOARD AT ANY TIME DURING THE PERIOD FUNDING IS PROVIDED AND FOR FIVE YEARS AFTER THE FUNDING OR GRANT PERIOD HAS ENDED.

ARTICLE 4. FUNDING SOURCES AND ADMINISTRATION

8-1181. EARLY CHILDHOOD DEVELOPMENT AND HEALTH FUND

A. THE EARLY CHILDHOOD DEVELOPMENT AND HEALTH FUND IS ESTABLISHED CONSISTING OF FUNDS TRANSFERRED PURSUANT TO SUBSECTION D; FEDERAL, STATE, LOCAL AND PRIVATE FUNDS ACCEPTED BY THE BOARD PURSUANT TO 8-1182; AND ANY MONIES APPROPRIATED TO THE BOARD BY THE LEGISLATURE. THE BOARD SHALL ADMINISTER THE FUND.

B. THE EARLY CHILDHOOD DEVELOPMENT AND HEALTH FUND IS DIVIDED INTO THE FOLLOWING ACCOUNTS: THE PROGRAM ACCOUNT, THE ADMINISTRATIVE COSTS ACCOUNT, THE PRIVATE GIFTS ACCOUNT, THE GRANT MONIES ACCOUNT AND THE LEGISLATIVE APPROPRIATIONS ACCOUNT.

C. MONIES IN THE PROGRAM, ADMINISTRATIVE COSTS, PRIVATE GIFTS AND GRANT MONIES ACCOUNTS OF THE FUND ARE NOT SUBJECT TO LEGISLATIVE APPROPRIATION AND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS.

D. NINETY PERCENT OF THE MONIES DEPOSITED INTO THE EARLY CHILDHOOD DEVELOPMENT AND HEALTH FUND PURSUANT TO SECTION 42-3373 SHALL BE DEPOSITED INTO THE PROGRAM ACCOUNT AND TEN PERCENT OF THE MONIES SHALL BE DEPOSITED INTO THE ADMINISTRATIVE COSTS ACCOUNT. ADMINISTRATIVE COSTS OF THE BOARD, INCLUDING STAFF COMPENSATION, MAY ONLY BE PAID FROM THE ADMINISTRATIVE COSTS ACCOUNT. FUNDS MAY BE TRANSFERRED BY THE BOARD FROM THE ADMINISTRATIVE COSTS ACCOUNT TO THE PROGRAM ACCOUNT, BUT FUNDS MAY NOT BE TRANSFERRED FROM THE PROGRAM ACCOUNT TO THE ADMINISTRATIVE COSTS ACCOUNT. FUNDS MAY BE TRANSFERRED BY THE BOARD FROM THE PRIVATE GIFTS ACCOUNT AND THE GRANT MONIES ACCOUNT TO THE ADMINISTRATIVE COSTS ACCOUNT TO COVER THE ADMINISTRATIVE COSTS OF PROGRAMS AND ACTIVITIES UNDERTAKEN USING GIFT OR GRANT MONIES.

E. THE BOARD MAY INVEST ANY UNEXPENDED MONIES IN THE FUND AS PROVIDED IN TITLE 35, CHAPTER 2. INTEREST AND OTHER INCOME FROM INVESTMENTS OF MONIES IN ANY ACCOUNT SHALL BE CREDITED TO THAT ACCOUNT EXCEPT AS OTHERWISE PROVIDED BY LAW.

8-1182. ACCEPTANCE OF GIFTS AND GRANTS; ACCEPTANCE OF FEDERAL, STATE AND LOCAL MONIES; USE

A. THE BOARD MAY ACCEPT AND SPEND FEDERAL, STATE AND LOCAL MONIES AND PRIVATE GRANTS, GIFTS, CONTRIBUTIONS AND DEVICES TO ASSIST IN CARRYING OUT THE PURPOSES OF

THIS CHAPTER.

B. FEDERAL, STATE, OR LOCAL MONIES RECEIVED PURSUANT TO THIS SECTION SHALL BE DEPOSITED IN THE GRANT MONIES ACCOUNT ESTABLISHED BY SECTION 8-1181 AND SHALL BE USED IN ACCORDANCE WITH THE CONDITIONS PLACED ON THOSE MONIES BY THE GOVERNMENT MAKING THE GRANT OF FUNDS.

C. PRIVATE GRANTS, GIFTS, CONTRIBUTIONS AND DEVICES SHALL BE DEPOSITED IN THE PRIVATE GIFTS ACCOUNT ESTABLISHED BY SECTION 8-1181 AND SHALL BE USED IN ACCORDANCE WITH THE PERMISSIBLE CONDITIONS, IF ANY, PLACED ON THE USE OF THOSE MONIES BY THE GOVERNMENT DONOR.

8-1183. PROHIBITION ON SUPPLANTATION OF STATE FUNDS; ADDITIONAL LEGISLATIVE APPROPRIATIONS

PROGRAM AND GRANT FUNDS DISTRIBUTED UNDER THIS CHAPTER AND OTHER EXPENDITURES BY THE BOARD PURSUANT TO SECTION 8-1192 SHALL SUPPLEMENT, NOT SUPPLANT, OTHER STATE EXPENDITURES ON, AND FEDERAL MONIES RECEIVED FOR, EARLY CHILDHOOD DEVELOPMENT AND HEALTH PROGRAMS. THIS SECTION SHALL NOT PROHIBIT THE LEGISLATURE FROM APPROPRIATING MONEY TO BOARD PROGRAMS OR VESTING THE BOARD WITH AUTHORITY TO SPEND ADDITIONAL, LEGISLATIVELY APPROPRIATED FUNDS ON EARLY CHILDHOOD DEVELOPMENT AND HEALTH PROGRAMS.

8-1184. BUDGET AND FUNDING PROCESS

A. UPON RECEIPT AND APPROVAL OF THE REGIONAL PARTNERSHIP COUNCILS' NEEDS AND ASSETS ASSESSMENTS PURSUANT TO SECTION 8-1161, THE BOARD SHALL BEGIN ITS ANNUAL BUDGETING PROCESS.

B. BEGINNING IN 2008, ON OR BEFORE NOVEMBER 1 OF EACH YEAR THE BOARD SHALL HOLD A PUBLIC HEARING TO ADOPT A BUDGET FOR THE NEXT FISCAL YEAR THAT INCLUDES:

1. RECEIPTS DURING THE PAST FISCAL YEAR AND CURRENT FISCAL YEAR TO DATE.

2. EXPENDITURES DURING THE PAST FISCAL YEAR AND CURRENT FISCAL YEAR TO DATE.

3. ESTIMATES OF AMOUNTS NECESSARY FOR EXPENSES DURING THE NEXT FISCAL YEAR INCLUDING AMOUNTS PROPOSED FOR:

(A) FUNDING OF REGIONAL PLANS PURSUANT TO SECTIONS 8-1161 AND 8-1173.

(B) STATEWIDE GRANTS PURSUANT TO SECTION 8-1192.

(C) STATEWIDE AND REGIONAL PROGRAMMATIC AND EDUCATIONAL ACTIVITIES OF THE BOARD PURSUANT TO SECTIONS 8-1192 AND 8-1161.

(D) ADMINISTRATIVE COSTS OF THE BOARD AND THE REGIONAL PARTNERSHIP COUNCILS.

(E) EXPENDITURE OF FUNDS FROM FEDERAL, STATE, OR LOCAL GRANTS AND/OR PRIVATE GIFTS, IF ANY.

4. ANTICIPATED REVENUE TO THE BOARD FROM EACH SOURCE AVAILABLE FOR EXPENDITURE IN THE NEXT FISCAL YEAR.

5. A COMPLETE ASSET AND LIABILITY STATE-

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6. CASH ON HAND AS OF THE DATE THE BUDGET IS ADOPTED AND THE ANTICIPATED BALANCE AT THE END OF THE CURRENT FISCAL YEAR.

7. AN ITEMIZED STATEMENT OF COMMITMENTS, RESERVES AND ANTICIPATED OBLIGATIONS FOR THE NEXT FISCAL YEAR.

A. THE BOARD MAY AMEND THE BUDGET ON A FINDING OF GOOD CAUSE.

8-1185. ALLOCATION OF FUNDS

A. OF THE MONIES EXPENDED IN A FISCAL YEAR FROM THE PROGRAM ACCOUNT OF THE EARLY CHILDHOOD DEVELOPMENT AND HEALTH FUND ESTABLISHED BY SECTION 8-1181, NO MORE THAN TEN PERCENT MAY BE USED TO FUND STATEWIDE GRANTS OR PROGRAMS UNDERTAKEN DIRECTLY BY THE BOARD PURSUANT TO SECTION 8-1192.

B. OF THE MONIES IN THE PROGRAM ACCOUNT USED TO FUND APPROVED REGIONAL PLANS IN A FISCAL YEAR, THIRTY-FIVE PERCENT MUST BE PROVIDED TO FUND REGIONAL PLANS BASED ON THE POPULATION OF CHILDREN AGED FIVE AND YOUNGER IN THE REGION. FORTY PERCENT MUST BE PROVIDED TO FUND REGIONAL PLANS BASED ON THE POPULATION OF CHILDREN AGED FIVE AND YOUNGER IN THE REGION WHOSE FAMILY INCOME DOES NOT EXCEED ONE HUNDRED PERCENT OF THE FEDERAL POVERTY GUIDELINES AS DEFINED BY SECTION 46-801(9). THE REMAINING TWENTY-FIVE PERCENT MAY BE USED TO FUND REGIONAL PROGRAMS WITHOUT CONSIDERATION OF REGIONAL POPULATION. FOR THE PURPOSE OF THIS SECTION, THE BOARD SHALL ESTIMATE POPULATION BASED ON AVAILABLE INFORMATION AND USING A METHOD CHOSEN AT ITS DISCRETION.

8-1186. ANNUAL AUDIT

A. THE BOARD SHALL CAUSE AN ANNUAL FINANCIAL AUDIT TO BE CONDUCTED OF EACH OF THE BOARD'S FUNDS, ACCOUNTS AND SUB-ACCOUNTS BY AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT WITHIN ONE HUNDRED TWENTY DAYS AFTER THE END OF THE FISCAL YEAR.

B. THE BOARD SHALL IMMEDIATELY FILE A CERTIFIED COPY OF THE AUDIT WITH THE AUDITOR GENERAL. THE AUDITOR GENERAL MAY MAKE SUCH FURTHER AUDITS AND EXAMINATIONS AS NECESSARY AND MAY TAKE APPROPRIATE ACTION RELATING TO THE AUDIT OR EXAMINATION PURSUANT TO TITLE 41, CHAPTER 7, ARTICLE 10.1. IF THE AUDITOR GENERAL TAKES NO FURTHER ACTION WITHIN THIRTY DAYS AFTER THE AUDIT IS FILED, THE AUDIT IS CONSIDERED TO BE SUFFICIENT.

C. THE BOARD SHALL PAY NEGOTIATED AND APPROVED FEES AND COSTS OF THE CERTIFIED PUBLIC ACCOUNTANT AND AUDITOR GENERAL UNDER THIS SECTION FROM THE ADMINISTRATIVE COSTS ACCOUNT OF THE EARLY CHILDHOOD DEVELOPMENT AND HEALTH FUND ESTABLISHED BY SECTION 8-1181.

ARTICLE 5. EARLY CHILDHOOD DEVELOPMENT

AND HEALTH BOARD

8-1191. MEMBERS; APPOINTMENT; TERMS; OATH; IMMUNITY

A. THE ARIZONA EARLY CHILDHOOD DEVELOPMENT AND HEALTH BOARD CONSISTS OF NINE APPOINTED MEMBERS AND, AS NON-VOTING EX OFFICIO MEMBERS, THE SUPERINTENDENT OF PUBLIC INSTRUCTION, THE DIRECTOR OF THE DEPARTMENT OF HEALTH SERVICES AND THE DIRECTOR OF THE DEPARTMENT OF ECONOMIC SECURITY. THE NON-VOTING EX OFFICIO MEMBERS MAY DESIGNATE A MEMBER OF THEIR DEPARTMENTAL STAFF RESPONSIBLE FOR EARLY CHILDHOOD DEVELOPMENT AND HEALTH ISSUES TO PARTICIPATE AS THEIR REPRESENTATIVE.

B. APPOINTED MEMBERS SHALL BE APPOINTED BY THE GOVERNOR PURSUANT TO SECTION 38-211. THE TERM OF EACH APPOINTED MEMBER IS SIX YEARS, TO BEGIN AND END ON THE THIRD MONDAY IN JANUARY.

C. APPOINTMENTS TO THE BOARD SHALL MEET THE FOLLOWING CRITERIA:

1. APPOINTED MEMBERS SHALL HAVE DEMONSTRATED INTEREST AND/OR EXPERIENCE IN EARLY CHILDHOOD DEVELOPMENT AND HEALTH.

2. THE APPOINTED MEMBERS OF THE BOARD SHALL INCLUDE RESIDENTS OF AT LEAST FOUR DIFFERENT COUNTIES.

3. NO MORE THAN FOUR APPOINTED MEMBERS OF THE BOARD MAY BE RESIDENTS OF THE SAME COUNTY.

4. NO MORE THAN FOUR APPOINTED MEMBERS OF THE BOARD MAY BE REGISTERED MEMBERS OF THE SAME POLITICAL PARTY.

5. NO APPOINTED MEMBERS OF THE BOARD MAY HAVE A SUBSTANTIAL INTEREST IN THE PROVISION OF EARLY CHILDHOOD EDUCATION SERVICES, AS THAT TERM IS DEFINED BY ARIZONA'S CONFLICT OF INTEREST LAW, SECTION 38-502.

D. EACH APPOINTED MEMBER OF THE BOARD SHALL TAKE THE OATH OF OFFICE BEFORE ENTERING UPON THE DUTIES OF THE MEMBER'S OFFICE.

E. MEMBERS OF THE BOARD ARE IMMUNE FROM PERSONAL LIABILITY WITH RESPECT TO ALL ACTS DONE AND ACTIONS TAKEN IN GOOD FAITH WITHIN THE SCOPE OF THEIR AUTHORITY DURING DULY CONSTITUTED REGULAR AND SPECIAL MEETINGS WITH APPROVAL OF A MAJORITY OF THE BOARD.

8-1192. POWERS AND DUTIES

A. THE EARLY CHILDHOOD DEVELOPMENT AND HEALTH BOARD SHALL:

1. CONDUCT A BIENNIAL ASSESSMENT OF EXISTING EARLY CHILDHOOD DEVELOPMENT AND HEALTH PROGRAMS IN THE STATE OF ARIZONA, INCLUDING AN ANALYSIS OF ANY UNMET EARLY CHILDHOOD DEVELOPMENT AND HEALTH NEEDS OF ARIZONA CHILDREN; UTILIZATION OF AVAILABLE FEDERAL, STATE AND PRIVATE FUNDS; SUGGESTIONS FOR IMPROVED PROGRAM COORDINATION; AND OUTCOMES FOR CHILDREN AND FAMILIES. THE BOARD SHALL

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SUBMIT A REPORT OF ITS FINDINGS AND RECOMMENDATIONS TO THE GOVERNOR, THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES ON OR BEFORE DECEMBER 15 OF EVERY ODD-NUMBERED YEAR BEGINNING IN 2007 AND SHALL PROVIDE A COPY OF THIS REPORT TO THE SECRETARY OF STATE AND THE DIRECTOR OF THE ARIZONA STATE LIBRARY, ARCHIVES AND PUBLIC RECORDS. THE REPORT SHALL BE DISTRIBUTED IN ACCORDANCE WITH SECTION 41-4153.

2. REVIEW AND APPROVE THE BIENNIAL REGIONAL NEEDS AND ASSETS ASSESSMENTS PREPARED PURSUANT TO SECTION 8-1161.

3. ADMINISTER THE DISTRIBUTION OF FUNDS FROM THE EARLY CHILDHOOD DEVELOPMENT AND HEALTH FUND ESTABLISHED BY SECTION 8-1181 FOR PROGRAMS AND GRANTS IN ACCORDANCE WITH THE PROVISIONS OF SECTIONS 8-1161 AND 8-1173.

4. PREPARE AN ANNUAL REPORT DESCRIBING THE ACTIVITIES OF THE BOARD, INCLUDING A DESCRIPTION OF FUNDS DISTRIBUTED AND SPENT PURSUANT TO SECTIONS 8-1161, 8-1173 AND 8-1192 AND A DESCRIPTION OF THE OUTCOMES FOR CHILDREN AND FAMILIES ACHIEVED BY THE BOARD, THE REGIONAL PARTNERSHIP COUNCILS, AND THE GRANT RECIPIENTS. THE BOARD SHALL SUBMIT THE REPORT TO THE GOVERNOR, THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES ON OR BEFORE SEPTEMBER 15 OF EACH YEAR, BEGINNING IN 2008, AND SHALL PROVIDE A COPY OF THIS REPORT TO THE SECRETARY OF STATE AND THE DIRECTOR OF THE ARIZONA STATE LIBRARY, ARCHIVES AND PUBLIC RECORDS. THE REPORT SHALL BE DISTRIBUTED IN ACCORDANCE WITH SECTION 41-4153.

5. SOLICIT PRIVATE FUNDS FROM INDIVIDUALS, CORPORATIONS AND FOUNDATIONS TO SUPPORT IMPROVING QUALITY OF AND ACCESS TO EARLY CHILDHOOD DEVELOPMENT AND HEALTH OPPORTUNITIES FOR ARIZONA CHILDREN. SOLICITED FUNDS SHALL BE DEPOSITED INTO THE PRIVATE GIFTS ACCOUNT OF THE EARLY CHILDHOOD DEVELOPMENT AND HEALTH FUND PURSUANT TO SECTION 8-1182 AND MAY BE SPENT ON STATEWIDE OR REGIONAL GRANTS OR DIRECT PROGRAMS.

6. KEEP A RECORD OF ITS OWN PROCEEDINGS.

7. ADOPT PROCEDURES FOR ITS MEETINGS AND ELECT OFFICERS.

8. COORDINATE WITH OTHER AGENCIES INVOLVED WITH EARLY CHILDHOOD DEVELOPMENT AND HEALTH ISSUES.

B. THE EARLY CHILDHOOD DEVELOPMENT AND HEALTH BOARD MAY:

1. AUTHORIZE EXPENDITURE OF FUNDS FROM THE EARLY CHILDHOOD DEVELOPMENT AND HEALTH FUND ESTABLISHED BY SECTION 8-1181 FOR PROGRAMS AND SERVICES TO ENHANCE THE QUALITY OF OR ACCESS TO EARLY CHILDHOOD DEVELOPMENT AND HEALTH OPPORTUNITIES FOR ARIZONA CHILDREN. THESE FUNDS MAY BE USED TO OPERATE PROGRAMS AND

SERVICES PROVIDED DIRECTLY BY THE BOARD, TO FUND STATEWIDE GRANT PROGRAMS, OR TO FUND REGIONAL OR LOCAL GRANTS TO TEST INNOVATIVE EARLY CHILDHOOD DEVELOPMENT AND HEALTH PROGRAMS.

2. AUTHORIZE EXPENDITURE OF FUNDS FROM THE GRANT MONIES AND PRIVATE GIFTS ACCOUNTS FOR PROGRAMS AND SERVICES TO ENHANCE THE QUALITY OF OR ACCESS TO EARLY CHILDHOOD DEVELOPMENT AND HEALTH OPPORTUNITIES FOR ARIZONA CHILDREN.

3. ADOPT RULES PURSUANT TO TITLE 41, CHAPTER 6 TO CARRY OUT THIS CHAPTER.

4. CONTRACT WITH ANY PRIVATE PARTY AND ENTER INTO INTERAGENCY AND INTERGOVERNMENTAL AGREEMENTS PURSUANT TO TITLE 11, CHAPTER 7, ARTICLE 3 WITH ANY PUBLIC AGENCY.

5. SUE AND BE SUED.

6. HIRE STAFF AND CONSULTANTS, INCLUDING LEGAL COUNSEL.

8-1193. PUBLIC RECORD, OPEN MEETING, AND CONFLICT OF INTEREST LAWS

THE ARIZONA EARLY CHILDHOOD DEVELOPMENT AND HEALTH BOARD AND THE REGIONAL PARTNERSHIP COUNCILS ARE PUBLIC AGENCIES. THEY ARE THEREFORE SUBJECT TO:

1. THE OPEN MEETING LAW, TITLE 38, CHAPTER 3, ARTICLE 3.1

2. THE PUBLIC RECORDS LAW, TITLE 39, CHAPTER 1.

3. THE CONFLICT OF INTEREST LAW, TITLE 38, CHAPTER 3, ARTICLE 8.

8-1193. MEETINGS; TRAVEL EXPENSES

A. THE BOARD SHALL HOLD AT LEAST SIX REGULAR MEETINGS ANNUALLY AT TIMES IT DIRECTS. SPECIAL MEETINGS MAY BE HELD ON THE CALL OF THE PRESIDING OFFICER.

B. MEMBERS OF THE BOARD ARE NOT ELIGIBLE TO RECEIVE COMPENSATION BUT ARE ELIGIBLE FOR TRAVEL EXPENSES AND REIMBURSEMENT FOR SUBSISTENCE PURSUANT TO TITLE 38, CHAPTER 4, ARTICLE 2. REIMBURSEMENT SHALL BE PAID ON CLAIMS APPROVED BY THE EXECUTIVE DIRECTOR FROM THE ADMINISTRATIVE COSTS ACCOUNT OF THE EARLY CHILDHOOD DEVELOPMENT AND HEALTH FUND ESTABLISHED BY SECTION 8-1181.

8-1195. EXECUTIVE DIRECTOR COMPENSATION; DUTIES; REGIONAL AND BOARD STAFF; CENTRAL OFFICE; EXPENDITURE OF FUNDS

A. THE BOARD SHALL APPOINT AND SET THE COMPENSATION OF THE EXECUTIVE DIRECTOR.

B. THE EXECUTIVE DIRECTOR IS RESPONSIBLE FOR MANAGING, ADMINISTERING AND SUPERVISING THE ACTIVITIES OF THE BOARD'S STAFF, INCLUDING REGIONAL DIRECTORS AND STAFF HIRED PURSUANT TO SECTION 8-1163.

C. THE EXECUTIVE DIRECTOR SHALL APPOINT AND SET THE COMPENSATION OF:

1. REGIONAL DIRECTORS AND STAFF AS AUTHORIZED BY THE BOARD PURSUANT TO SECTION 8-1163.

2. ADDITIONAL BOARD STAFF NECESSARY TO

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PERFORM THE DUTIES SPECIFIED BY THIS CHAPTER.

D. THE EXECUTIVE DIRECTOR, REGIONAL DIRECTORS, REGIONAL STAFF AND OTHER BOARD STAFF ARE ELIGIBLE TO RECEIVE COMPENSATION PURSUANT TO SECTION 38-611 AND ARE PUBLIC EMPLOYEES FOR PURPOSES OF TITLE 38. THEIR COMPENSATION MAY ONLY BE PAID FROM THE ADMINISTRATIVE COSTS ACCOUNT ESTABLISHED BY SECTION 8-1181.

E. THE EXECUTIVE DIRECTOR SHALL ESTABLISH, EQUIP AND MAINTAIN A CENTRAL OFFICE AND SUCH FIELD OFFICES AS THE EXECUTIVE DIRECTOR DEEMS NECESSARY.

F. THE EXECUTIVE DIRECTOR OR HIS DESIGNEE SHALL AUTHORIZE ALL EXPENDITURES OF MONEY UNDER THIS CHAPTER, WHICH SHALL BE PAID AS OTHER CLAIMS AGAINST THIS STATE OUT OF THE EARLY CHILDHOOD DEVELOPMENT AND HEALTH FUND ESTABLISHED BY SECTION 8-1181.

Section 3. Title 42, chapter 3, Arizona Revised Statutes, is amended by adding article 9, to read: ARTICLE 9. TOBACCO TAX FOR EARLY CHILDHOOD DEVELOPMENT AND HEALTH
42-3371. LEVY AND COLLECTION OF TAX ON CIGARETTES, CIGARS, AND OTHER FORMS OF TOBACCO.

IN ADDITION TO ALL OTHER TAXES, THERE IS LEVIED AND SHALL BE COLLECTED BY THE DEPARTMENT IN THE MANNER PROVIDED BY THIS CHAPTER, ON ALL CIGARETTES, CIGARS, SMOKING TOBACCO, PLUG TOBACCO, SNUFF AND OTHER FORMS OF TOBACCO THE FOLLOWING TAX:

1. ON EACH CIGARETTE, FOUR CENTS.

2. ON SMOKING TOBACCO, SNUFF, FINE CUT CHEWING TOBACCO, CUT AND GRANULATED TOBACCO, SHORTS AND REFUSE OF FINE CUT CHEWING TOBACCO, AND REFUSE, SCRUBS, CLIPPINGS, CUTTINGS AND SWEEPINGS OF TOBACCO, EXCLUDING TOBACCO POWDER OR TOBACCO PRODUCTS USED EXCLUSIVELY FOR AGRICULTURAL OR HORTICULTURAL PURPOSES AND UNFIT FOR HUMAN CONSUMPTION, 9 CENTS PER OUNCE OR MAJOR FRACTION OF AN OUNCE.

3. ON ALL CAVENDISH, PLUG OR TWIST TOBACCO, 2.2 CENTS PER OUNCE OR FRACTIONAL PART OF AN OUNCE.

4. ON EACH TWENTY SMALL CIGARS OR FRACTIONAL PART WEIGHING NOT MORE THAN THREE POUNDS PER THOUSAND, 17.8 CENTS.

5. ON CIGARS OF ALL DESCRIPTIONS EXCEPT THOSE INCLUDED IN PARAGRAPH 4, MADE OF TOBACCO OR ANY TOBACCO SUBSTITUTE:
(A) IF MANUFACTURED TO RETAIL AT NOT MORE THAN FIVE CENTS EACH, 8.8 CENTS ON EACH THREE CIGARS.

(B) IF MANUFACTURED TO RETAIL AT MORE THAN FIVE CENTS EACH, 8.8 CENTS ON EACH CIGAR.

42-3372. DISPOSITION OF MONIES
NOTWITHSTANDING SECTION 42-3102, THE DEPARTMENT SHALL DEPOSIT, PURSUANT TO SECTIONS 35-146 AND 35-147, MONIES LEVIED

AND COLLECTED PURSUANT TO THIS ARTICLE IN THE EARLY CHILDHOOD DEVELOPMENT AND EDUCATION FUND ESTABLISHED BY SECTION 8-1181 FOR USE AS PRESCRIBED BY TITLE 8, CHAPTER 13.

Section 4. Initial activities of Board during development phase, use of funds for administrative costs, use of funds for statewide and Board programs and grants

A. In order to provide for start-up costs of the Arizona Early Childhood Development Board, notwithstanding section 8-1181(D), Arizona Revised Statutes, as added by this initiative measure:

1. All funds deposited on or before June 30, 2007, into the early childhood development and education fund pursuant to section 42-3372, Arizona Revised Statutes, as added by this section shall be deposited into the administrative costs account established by 8-1181(B).

2. The Arizona Early Childhood Development and Health Board may transfer funds deposited in the administrative costs account pursuant to this section to the program account established by 8-1181(B).

3. The director shall thereafter make all subsequent transfers as prescribed by statute.

B. In order to permit the Arizona Early Childhood Development and Health Board to begin increasing access to and quality of early childhood development and health programs in Arizona during the time needed to set regions, appoint regional councils, assess needs and assets, and complete regional plans, notwithstanding sections 8-1184 and 8-1185, Arizona Revised Statutes, as added by this measure:

1. The Board shall conduct direct programs and/or award grants pursuant to section 8-1192, Arizona Revised Statutes, as added by this measure, for the fiscal years beginning July 1, 2007 and July 1, 2008.

2. The expenditures authorized by this section may include expenditures for the purpose of completing statewide and/or regional needs and assets assessments. These expenditures may be made from the program account established by section 8-1181.

3. The Board may, in its discretion, conduct regional programs or award regional grants pursuant to this section.

Section 5. Initial terms of members of Arizona Early Childhood Development and Health Board

A. Notwithstanding section 8-1191, Arizona Revised Statutes, as added by this initiative measure, the initial terms of members are:

1. Three terms ending the third Monday in January, 2009.

2. Three terms ending the third Monday in January, 2011.

3. Three terms ending the third Monday in January, 2013.

B. The Governor shall make all subsequent appointments as prescribed by statute.

Section 6. Initial terms of members of Regional Partnership Councils

A. Notwithstanding section 8-1162, Arizona Revised Statutes, as added by this initiative measure, the initial terms of members of each Regional Partnership Council are:

1. Five terms beginning April 1, 2008 and ending July

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- 1, 2010.
 2. Six terms beginning April 1, 2008 and ending July 1, 2012.
- B. Notwithstanding section 8-1162, Arizona Revised Statutes, as added by this measure, the Arizona Early Childhood Development and Health Board may in its discretion, appoint temporary regional partnership council members to serve terms beginning on the date of appointment and ending on April 1, 2008.

C. The Arizona Early Childhood Development and Health Board shall make all subsequent appointments as prescribed by statute.

Section 7. Severability

If any provision of this initiative measure is declared invalid, such invalidity shall not affect other provisions of this initiative measure that can be given effect without the invalid provision. To this end, the provisions of this initiative measure are declared to be severable.

ANALYSIS BY LEGISLATIVE COUNCIL

Proposition 203 would establish an Early Childhood Development and Health Fund, consisting of revenues generated by an increase in the state tax on tobacco products, donations and state appropriations. The state tax on cigarettes would increase from \$1.18 per pack to \$1.98 per pack, and the tax on other types of tobacco products would be increased by a similar amount.

The Early Childhood Development and Health Board would be administered by the new Arizona Early Childhood Development and Health Board (Board) appointed by the Governor, with the consent of the State Senate. 10% of the monies would be used for administrative costs and 90% would be used for program costs. No more than 10% of the program monies could be used to fund statewide grants or programs undertaken directly by the Board. The Board would distribute the remainder of the program monies in the following manner:

1. At least 35% would be spent on regional plans based on the population of children up to five years of age in the region.
2. At least 40% would be spent on regional plans based on the population of children up to five years of age in the region whose family income does not exceed one hundred per cent of the federal poverty guidelines.
3. Up to 25% of the monies could be used to fund regional programs without consideration of regional population.

Proposition 203 would prescribe requirements for programs and grants that increase the quality of and access to early childhood development and health services for children up to five years of age and their families.

Under Proposition 203, the Board would divide the state into an undetermined number of regions and would establish a regional partnership council for each region. The Board would appoint and set the compensation of the executive director. The executive director would hire regional directors and set the compensation of the regional directors. The councils would identify childhood development and health services needs and assets at a local level and spend monies that were budgeted annually by the Board.

FISCAL IMPACT STATEMENT

State law requires the Joint Legislative Budget Committee (JLBC) Staff to prepare a summary of the fiscal impact of certain ballot measures. Proposition 203 increases the tax on cigarettes and other tobacco products and allocates the monies generated by the tax increase to various early childhood development and health care programs. The state tax on cigarettes would increase by 80 cents per pack and the tax on other types of tobacco products would be increased by a similar amount.

The tax increase is estimated to generate \$188 million in new revenue for early childhood development and health care programs during its first full year. Of this amount, at least 90% of the funds, an estimated \$169.2 million, would be used for program costs and up to 10% of the funds, an estimated \$18.8 million, would be used for administrative costs. Because some individuals may reduce their tobacco consumption when the price of tobacco increases, the state's existing tobacco tax collections may decrease. The existing tobacco tax goes for health programs, prisons and the State General Fund. The existing tobacco tax collections may decrease by \$23 million in the first full year of the tax increase.

ARGUMENTS "FOR" PROPOSITION 203

Dear Fellow Arizonans,

Please vote yes on the First Things First Initiative to ensure that every child in Arizona is given the fair opportunity to start school healthy and ready to learn.

Through an increased tax on tobacco, the First Things First Initiative will raise \$150 million annually to fund voluntary early health screenings and education programs for children zero to five years old throughout our state. The foundation for a child's ability to grow healthy and succeed is laid long before a child enters a classroom. Innovative new science has shown that 90% of a child's brain is developed in the first three years of life when most of their skills, thought processes, self-confidence, discipline and values are formed. Investing early is the best and most responsible use of our resources.

Specifically, First Things First will:

1. Fund quality health and early childhood educational programs that will help children start on equal footing and strengthen K-12 education in Arizona.
2. Provide resources for health, vision and dental screenings as well as screenings to detect early learning problems. This early investment and detection will help us save on costly intervention and remediation that is often necessary down the line.

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3. Require annual audits to ensure money is spent as promised and requires that at least 90% of funding be spent directly on programs for young children.

Arizona is poised to become a national leader in ensuring that every child lines up at the same starting line of life with the opportunity to reach their full potential. We need your help, make children the priority and please vote YES on the First Things First initiative!

Nadine Mathis Basha, Chair of the First Things First Campaign, Chandler

Church Women United urges a YES vote on the "First Things First" initiative. We have, from our earliest days as an organization promoted the welfare of families and recognized the need to nurture children well. In a policy statement of 1985 we clarified that "their future lies in how we nurture them, protect their rights, and maintain a safe world for them." When we betray this basic trust, and fail our children, "...the longterm costs of remedial services... prove to be prohibitive." And our care for them does not end in our own individual homes. Taking political action on behalf of our children is "as much a part of child rearing as changing diapers and drying tears."

The good work of early childhood education that this ballot measure will provide comes, appropriately, at the expense of the tobacco industry, in a kind of penance for past acts of exploiting children into addiction during their vulnerable adolescence.

Please vote YES.

Church Women United in Arizona

Pennie Doss, Treasurer, Glendale

Martha B. Hollcroft, Finance Chair, Phoenix

Paid for by "Church Women United in Arizona"

Nothing is more important than our children. They are the future. The biggest part of our state budget is spent educating them. The second largest part of our budget is spent keeping them in prison when we fail.

Numerous studies have shown that the most critical time in a child's development is the first three years. Yet, this is where we currently do nothing. First Things First will provide comprehensive healthcare and development programs for our young children to give them the best possible start in life. This will insure that they're healthy and prepared to start school and better able to succeed once there.

This is not a "Big Brother" program of state-imposed uniformity and mediocrity. It will be overseen by regional volunteer councils with broad-based representation. Even better, it will be funded by a dedicated tax on tobacco products and will not be a drain on the existing state budget.

The Arizona National Organization for Women (NOW) urges you to support our children by **voting Yes on I-16-2006**.

Karen Van Hooff, State Coordinator, Policy/
Spokesperson, Arizona NOW, Scottsdale

Eric Ehst, State Coordinator, Political Action,
Arizona NOW, Phoenix

Paid for by "Arizona NOW"

Dear Voters:

Voting yes for the First Things First Initiative is the most important thing that you can do for Arizona. I say this as a lifelong resident who deeply cares about our State and its children. I have worked to make Arizona's education system better for more than 30 years. I have served on the Chandler School Board, the State Board of Education and the Arizona Board of Regents. As a businessman, I understand a strong education system means a strong economy and a better state. Thinking back on my years of service, I now realize that we have failed to build a strong foundation for our youngest children. First Things First will create that critical foundation so all children have a fair start and that they are ready for success.

I also know that studies show that the best place for the public to invest tax dollars is in early childhood development programs. Economists tell us that by investing in early childhood development and health programs we will increase the number of successful students, reduce drop-out rates, welfare families, and subsequently the crime rate. We need to put our money in programs with accountable and successful outcomes. Early childhood development programs like First Things First have worked in other states and will work in Arizona.

This is exactly why so many people from across Arizona support First Things First. We are pleased to have the support of business leaders like **Mary Lou and Ira Fulton, Ross Farnsworth, Jerry Bisgrove, Bill Post, Bob Delgado, Jim Click and Herman Chanen**. Bi-partisan leaders like **Congressman Ed Pastor and Rick Renzi, Tucson Mayor Bob Walkup and Phoenix Mayor Phil Gordon** also support First Things First. Please join us and vote "**Yes**" on the First Things First Initiative.

Eddie Basha, Chandler

Dear Voter,

I am passionate about passing First Things First. It will give young parents in big cities and small towns across Arizona new tools to ensure their children are healthy, strong and well cared for during their first years.

Because nearly all brain development in a person's lifetime occurs by age 3, children need healthy bodies and proper stimulation to develop to their fullest potential. First Things First will deliver community services for parents to ensure their kids get them.

I was born and raised in Globe, Arizona, and I spent more than 50 years in the service of this state. In my

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lifetime, I have not encountered a proposal as smart or overdue as First Things First. States that have adopted similar programs have raised childhood literacy and health standards dramatically. Nobel Prize winners, economists and child development experts all agree that this is one of the smartest things a state can do to strengthen its families and its economy alike. If it's good enough for those experts, it's good enough for me.

Let's all remember how bright futures are built. Vote YES on Proposition 203.

Hon. Rose Mofford, Governor of Arizona 1988-1991, Phoenix

Dear Voter,

Research has shown that the quality of the first five years of a child's life can determine whether that child will learn to read, graduate high school, and succeed later in life. The First Things First Initiative calls for grass roots programs addressing the school readiness needs of very young children.

The initiative requires that all created dedicated funding go to the children who need it most. Annual audits included in this initiative will ensure that generated funds will be spent exactly as promised. Working daily with Arizona's most needy, the members of the Society of St. Vincent de Paul appreciate the intrinsic value of investing in the early childhood education and health of our youngest and most vulnerable citizens. At St. Vincent de Paul, we see everyday the direct link between lack of education and poverty. We believe First Things First can ensure a brighter future for Arizona's children.

Please support First Things First.

Stephen J. Jenkins, President, Phoenix
Diocesan Council, Society of St. Vincent de Paul, Phoenix

Oscar Quadros, Treasurer, Phoenix Diocesan
Council, Society of St. Vincent de Paul,
Paradise Valley

Paid for by "Arizonans For A Fair Beginning"

Dear Voter,

Ask anyone who works in the education system and they will tell you the best way to combat illiteracy, behavioral problems, and child health problems is to stop the problems before they have a chance to take root. This is why the School Boards Association strongly supports the First Things First initiative which will direct \$150 million dollars annually to early childhood education and healthcare. By giving the best resources and attention to children in their first five years we begin to build the foundation for their success in the future. Ninety percent of child's brain is formed by the age of five and by making these years as rich in learning and experience as possible we ensure a better student and person later in life. This initiative understands the dire need for early childhood spending, and sees how it affects all Arizonans. Please help Arizona's children and vote yes on Prop 203.

Rae Waters, President, Arizona School Boards
Association, Chandler

Panfilo H. Contreras, Executive Director,
Arizona School Boards Association, Chandler

Paid for by "Arizonans For A Fair Beginning"

Dear Voter,

Working in the education field we see how easy it is for a child to fall behind early in his or her education and never be able to catch up. First Things First addresses this problem by directing funding to the first five years of a child's life, which are the most critical for building the foundation for a strong education. We support this initiative and believe by passing it that we will strengthen the entire education system in Arizona. Please join us in voting **YES** for Proposition 203. This is our best chance to make a difference.

John Wright, President, Arizona Education
Association, Phoenix

Timothy McCluskey, Executive Director,
Arizona Education Association, Phoenix

Paid for by "Arizonans For A Fair Beginning"

Dear Voter,

When it comes to supporting the education and health of Arizona's young children, there is no room for mistakes. First Things First understands the crucial planning that must go into securing funds for Arizona's children. This is why of the \$150 million dollars collected annually for the First things First Initiative, 90% will go directly to the children who need it the most. In addition to securing funds for these programs that are in desperate need of them, the initiative will also fund programs that educate the public about the importance of early childhood development and health. It is crucial that each child's life begins with a solid foundation. This is why early childhood development programs need to be carefully planned and supported. First Things First understands the importance of investing early with accountability. We strongly urge you to support the First Things First Initiative.

R. Thomas Browning, President, Greater Phoenix Leadership, Scottsdale

Paid for by "Arizonans For A Fair Beginning"

Dear Voter,

Private licensed non-profit and proprietary centers understand that the early years are critical to children's learning. And they also understand the cost of providing a high quality early childhood development program. Unfortunately, that cost is beyond what most working parents can afford. Parents who rely on child care need access to affordable and enriching early care and education programs. First Things First will provide needed

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resources to expand the availability, increase the quality and improve the affordability of child care. The funds generated through the First Things First initiative can be used to meet the varying needs of children throughout the state and will allow child care providers to address teacher wages and benefits, training, classroom curriculum materials, books, supplies, equipment or facility improvements. Every child deserves quality care, and a fair start in life. Help Arizona children and families and please vote yes on First Things First.

Bruce Liggett, Executive Director, Arizona Child Care Association, Tempe
Paid for by "Arizonans For A Fair Beginning"

Dear Voter:

When it comes to early childhood education and health no corners can be cut, and more importantly there must be no exclusion, because every child deserves access to quality child care and health screenings. First Things First sees this overwhelming need and will work with local communities to provide funding to all segments of the community, including faith-based, private, and public early child care and development experts. All Arizona children deserve a good quality of care, because investing in our children now creates a successful future for them and our state.

Please support all of Arizona's children by supporting the First Things First Initiative.

Susan Wilkins, Executive Director, Association for Supportive Child Care, Chandler
Paid for by "Arizonans For A Fair Beginning"

Dear Voter,

Cultivating strong healthy children and families helps us all to prosper. Taking the time and applying the resources to educate our youngest children about health, safety and preventative measures benefits us all in the long run. In fact, numerous studies have shown that kids who are exposed to quality early programs are more likely to finish school and less likely to commit a crime. As the President of the United Phoenix Fire Fighters, I support the First Things First Initiative which will apply \$150 million dollars to early childhood spending every year. Vote to support this wise measure.

Billy Shields, President, United Phoenix Firefighters Association, Phoenix
Paid for by "Arizonans For A Fair Beginning"

Dear Voter,

Arizona is a strong and vibrant state that continues to thrive economically. Unfortunately, despite our ongoing success, Arizona also continues to rank poorly when it comes to taking care of our children. In fact, many of Arizona's children are not receiving the support they need to be healthy, safe and enter school ready to succeed. Research indicates that ages 0-6 are the most critical in a child's development. Children who are exposed to quality learning experiences are more likely to read at grade level, graduate and stay out of trouble with the law.

Valley of the Sun United Way has a long-standing commitment to the success of our youngest children and their families. Thus, we proudly endorse the First Things First Initiative.

The First Things First Initiative will provide additional funds for quality childcare and health programs which will assist with the development of our youngest and most vulnerable children. Every one of our children deserves an equal opportunity to be successful. We ask that you please join us in supporting our children by voting for First Things First.

Paul J. Luna, President, United Way, Phoenix
Paid for by "Arizonans For A Fair Beginning"

Brian F. Spicker, Sr. Vice President,
Community Impact, United Way, Scottsdale

Dear Voter,

Education is one of the few tools we can give to our children that no one can take away. By passing the First Things First Initiative we will fund early childhood education and health programs that take place in the crucial first five years of a child's life. First Things First will set the stage for the success of all of Arizona's children, regardless of socioeconomic status. That is why the \$150 million dollars a year for early childhood development by this initiative will be carefully overseen by and Arizona Early Childhood development and Health Board, with nine members appointed by the Governor and confirmed by the State Senate. By making sure the first years of a child's life are healthy and productive, Arizona is doing its part to ensure the continuing success of our state and its citizens. Please vote to support the First Things First Initiative--

Bob Walkup, Mayor, City of Tucson, Tucson
Paid for by "Arizonans For A Fair Beginning"

Dear Voter,

Many times the needs of Arizona's children are overlooked because they can not speak up for themselves. However, with the help of concerned citizens and an Initiative like First Things First the needs of Arizona youngest are being heard and counted. First Things First invests in the health and education of our children and is the best way to ensure a healthy future for Arizona. By identifying and acknowledging the need for quality early childhood education we provide the best possible chance for the success of every child in Arizona. Please help us

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give Arizona's children a voice and a fair opportunity to grow and thrive. Please vote for the First Things First Initiative today.

Carol Kamin, Ph.D., President/CEO, Children's Action Alliance, Phoenix
Paid for by "Arizonans For A Fair Beginning"

David Bodney, Chairman of the Board, Children's Action Alliance, Phoenix

Dear Voter,

Supporting the First Things First Initiative is important to the future health and prosperity of Arizona. The impact of high quality early childhood development and health programs directly benefits children and enhances Arizona's short and long-term economic vitality.

Substantial research has provided evidence of the link between positive early learning experiences, success later in life and overall economic benefits. Work by Nobel Prize winners, Federal Reserve economists, research from numerous national and state entities, as well as longitudinal studies spanning 40 years, demonstrate a noteworthy return on investment for high quality early childhood education. Please join us in supporting First Things First and vote yes.

Ron Shoopman, BG, USAF(retired), President, Southern Arizona Leadership Council, Tucson

John J. Pedicone, Ph.D., Vice President, Southern Arizona Leadership Council, Oro Valley

Paid for by "Arizonans For A Fair Beginning"

Dear Voter,

We know from decades of research that the healthy development of children is critical for their success in school and later in life. Children who receive prenatal care, immunizations and well-baby check-ups are more likely to stay healthy and are less likely to need costly emergency room services.

First Things First will ensure the healthy development of children by funding access to health screenings, home visiting nurses in rural Arizona and health care consultants in child care centers.

At Tucson Medical Center, we see the results in our emergency room when infants and toddlers are unable to access the preventative health care they need. As Arizona voters we have a chance to ensure that all children start life safe, healthy and ready to succeed. Please join us in supporting First Things First.

Sincerely,

Frank D. Alvarez, President & CEO, TMC Healthcare, Tucson

Jack B. Jewett, Senior Vice President, Public Policy, TMC Healthcare, Tucson

Paid for by "Arizonans For A Fair Beginning"

Dear Voter,

Research has shown that children who receive early medical screenings and appropriate health care are better prepared to have a successful life. The First Things First Initiative will provide many of Arizona's most vulnerable children access to this important health screening and preventative measures. The initiative also provides a stable source of funding for decades to come and will provide us the opportunity to improve our education system by sending children to school who are ready to be successful.

Many of Arizona's youngest children do not receive the critical immunizations and health screenings they need because of lack of access or financial strain. The First Things First initiative funds additional health, vision, and dental screenings to detect children's health problems earlier, when preventative measures can still be taken.

Please Vote yes to support the First Things First Initiative.

Sincerely,

Sue Braga, Executive Director, American Academy of Pediatrics, Arizona Chapter, Scottsdale

Paid for by "Arizonans For A Fair Beginning"

Dear Voter,

Second hand smoke is very dangerous to our health and that of our children. This fact has been proven by studies and reiterated by our Surgeon General. The First Things First Initiative will benefit Arizonans' and address this issue in two ways. Historically we have learned that increasing the cost of tobacco products tends to dramatically curb their use. Secondly, these tax revenues will be used to fund much needed health screenings for children. First Things First will work with families and our youngest children to prevent health complications that are often preventable and ultimately costly to us all down the line. Early intervention is the difference between years of health impediments and the ability for a child to focus, learn and thrive to their potential.

Support a healthy Arizona and our youngest children by voting to support First Things First.

Andrew Nava, M.D., Family Practice, Phoenix

Paid for by "Arizonans For A Fair Beginning"

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Dear Voter,

Positive early life experiences set in motion a chain of events, beginning with the immediate improvement of children's health and development and ending with unprecedented economic gain for the state.

Numerous studies have documented that high quality early childhood development programs prepare young children to succeed in school and decrease the need for special education and remediation in K-12 education.

The First Things First Initiative evolved out of longitudinal studies spanning 40 years and the latest brain science that shows a child's brain is 90% developed by age three. Investing in quality early learning, health and education programs will help Arizona be a great state to grow-up in and create the human capital necessary to sustain the state's growing and vibrant economy.

Sincerely,

Edmund B. Parker, President and CEO, United
Way of Tucson and Southern Arizona, Tucson

Neal Eckel, Board Secretary, United Way of
Tucson and Southern Arizona, Tucson

Paid for by "Arizonans For A Fair Beginning"

The strongest long term public investment our state can make is ensuring our children begin their formal education healthy and ready to learn. A Yes vote on The First Things First Initiative, will ensure our children have the best chance at long term success.

Research shows that within three years a child's brain is 90% developed. A child's thought process, language skills, values, self-confidence and discipline are much developed in the child's first five years. Thus, ensuring all children have access to high quality child care, early childhood education and health programs is critical to accomplish our community goals.

First Things First will fund children's health screenings, high quality child care and early childhood education programs through an 80 cent per pack tobacco tax. It provides our best chance to ensure that all children in Arizona come to school ready to learn. It is the best investment we can make in our future.

Please support the First Things First Initiative.

Greg Stanton, Phoenix City Council Member, State School Readiness Board, Phoenix

Paid for by "Arizonans For A Fair Beginning"

Dear Voter,

Early childhood health, literacy and education programs have proven to be the most effective way to create a healthy and educated student later on down the line. With the money collected by the First Things First Initiative, \$150 million dollars will be provided annually to create and develop early childhood development and health programs statewide. This initiative has a built in safety net because it includes outcome standards to ensure that funded programs are meeting goals for success. This means that the appropriation of funds collected will go directly to the children who need it the most. Common sense will tell anyone that setting a child on the path to success begins as soon as they take their first breath. First Things First realizes this and is taking the necessary steps to make sure every child receives fair and equal treatment in Arizona. Please vote to support the First Things First Initiative.

Sincerely,

Harold W. Porter, ASA Executive Director,
Emeritus, Litchfield Park

Dr. Roger Short, ASA Executive Director,
Phoenix

Paid for by "Arizonans For A Fair Beginning"

Dear Voter,

In today's complex world, children are bombarded by more pressures and expectations than ever before. Yet, over the years we have done less to give all children the foundation and tools they need to be successful later in life.

First Things First will engage communities and families so that every child has the opportunity to reach their potential academically and personally. We owe it to our youngest children, regardless of background, the opportunity to start school healthy and ready to participate in the classroom experience. This is a citizen's initiative that is designed to offer children and families the extra help they need to be productive, thriving members of our society. Please make children the priority and vote yes for First Things First.

Martha Rothman, Tucson

Paid for by "Arizonans For A Fair Beginning"

Dear Voter:

Numerous studies have shown that funds for vision screenings and dental preventative care will help substantially with the early detection of health issues and learning problems that often require extensive intervention and remediation down the line. "First Things First" will help us address many problems before they take root, while we can still make a positive impact. Investing in the early health and development of our youngest children will give them and their families the tools needed to live productive lives physically and mentally. Please support our children and vote for "First Things First."

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Sincerely,

Jacqueline Forsythe, Vice President of Development, Delta Dental of Arizona Foundation,
Scottsdale

WESTMARC strongly urges a YES VOTE on Proposition 203!

WESTMARC is the regional coalition of business, government, and education that advocates for good public policy. As a partnership between business and government, it is paramount that we thoroughly consider public policy issues and work collaboratively toward public policy that is good for our region and our state.

WESTMARC has thoroughly reviewed Proposition 203 and believes in the importance of giving all children a solid foundation in which to learn.

Research tells us over and over that the first five years of a child's life is the critical time in which the foundation for their future is formed. It is the time when their brains grow and develop and, correspondingly, it is the time in which we should invest in the virtual foundation of our children's lives.

We are also aware that early childhood programs help give all children an equal start at the beginning of their academic lives. Studies have consistently shown that children that have access to quality early childhood literacy, health and development programs provide an unparalleled return on our investment. A little invested in early childhood development can save a tremendous amount of money in remedial education, counseling, or possible incarceration.

WESTMARC believes that The First Things First Initiative is the next endowment for the investment in our children's future.

We ask that you join WESTMARC in supporting the First Things First Initiative and urge you to vote YES on Proposition 203!

Hal DeKeyser, Chairman, WESTMARC, Peoria Jack W. Lunsford, President & CEO,
WESTMARC, Phoenix

Paid for by "WESTMARC"

Yuma County Interfaith Supports the Arizona Early Childhood Development and Health Initiative: First Things First for Arizona's Children

Studies in neuroscience reveal that 90 percent of brain development occurs between birth and age three; Yuma County Interfaith agrees that every opportunity to grow and learn should be provided to our young children.

This measure has strong accountability and would create regional oversight for funding decisions, allowing our local community to identify the highest needs. In addition, no more than 10% will fund administration, ensuring these funds go directly to our children.

This initiative is a solid investment for our community. Yuma County would be able to generate a 3 to 1 return for every dollar invested on well-designed programs for our children. Children that are better prepared are better citizens, cost less to educate, commit fewer crimes, and are less likely to drop out of school.

Yuma County will gain more productive adults who will contribute to the growth and economic well-being of our community.

Msgr. Richard O'Keeffe, Co-Chair, Yuma Mercedes Ruiz, Board Member, Yuma County
County Interfaith, Yuma Interfaith, Somerton

Paid for by "Yuma County Interfaith"

Valley Interfaith Project urges a yes vote on Prop 203, the Arizona Early Childhood Development and Health Initiative: "First Things First".

Valley Interfaith Project's 60 member institutions have for 17 years supported efforts to improve education and strengthen families.

Given that most brain development occurs prior to kindergarten age and that this initiative would generate an estimated \$150 million/year for early childhood development programs, "First Things First" is clearly a sound investment in the future of our children.

A vote for this proposition is a vote to better prepare our children for their future leadership roles in our society and will inarguably improve the health and welfare of the families of Arizona.

Marcie Escobedo, Chair, Valley Interfaith Dan Sagramoso, Treasurer, Valley Interfaith
Project, Phoenix Project, Phoenix

Paid for by "Valley Interfaith Project"

Arizona Early Childhood Development and Health Initiative: First Things First—Prop. 203

Current studies in neuroscience reveal that 90 percent of brain development occurs between birth and age three. Every child needs to have every opportunity to grow and learn and thrive. Good nutrition and early childhood education is especially critical for children of families living in poverty, who need extra support in preparing for academic success.

Compelling reasons to vote YES on the "First Things First" Initiative:

- Due to federal cutbacks and declining funding, children from low income working families are losing

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ground. The cost of childcare is unaffordable for many families, yet childcare subsidy funds have also been cut.

- A tobacco tax is a reasonable revenue source because it taxes a discretionary purchase that includes all income levels.
- This source would provide an estimated \$150 million per year for early childhood development programs, making a profound difference in children's lives.
- The measure would create a statewide board and a regional system to let communities decide which early-childhood programs are needed in their areas. Ninety percent of the money would be used for programs, with only 10 percent going to the state board's administrative costs.
- The development programs would provide direct services to our most vulnerable children, which will raise the level of achievement in kindergarten classrooms, benefiting all children.

"First Things First" is a remarkably good financial investment for Arizona communities. Well designed early childhood programs generate at least a 3 to 1 return on every dollar invested. These returns are possible because better prepared children cost less to educate, are less likely to need special help, commit crimes, or drop out of school. Instead, they will be more productive adults who contribute to the economic growth of our communities.

BethAnn Monier Johnson, Member, Pima
County Interfaith Council, Tucson
Ernesto Lujan, Treasurer, Pima County
Interfaith Council, Tucson

Andrea Robson, Co-chair, Pima County
Interfaith Council, Tucson

Paid for by "Pima County Interfaith Council"

ARGUMENTS "AGAINST" PROPOSITION 203

Who wouldn't want full day pre-school for all children? It certainly sounds good! Good intentions were indeed the impetus behind the original pre-school program, "Head Start." While that \$44 billion experiment began with great expectations, however, it turned out to be little more than an expensive babysitting program. Unfortunately, "First Things First" is just a fresh label on a tired old dream—a nice-sounding idea that fell well short of expectations.

To be certain, pre-school does help certain segments of society. It helps single working mothers and working couples who want free child care. It also provides jobs for teachers, principals, administrators, curriculum specialists, transportation companies, food service providers, school psychologists, the construction companies that build the schools, the custodians who take care of them, etc. But this shouldn't be about jobs; it should be about children. Research shows that disadvantaged children receive a fleeting boost in academic and social skills with pre-school programs, but that achievement fades after two years. By third grade, disadvantaged children who attended pre-school score the same as disadvantaged children who did not. Worse yet, these well-intended programs may actually have detrimental effects in the long run. Putting too much pressure on young children, and prematurely taking them out of a secure environment (the home) may damage them psychologically, emotionally, socially, and intellectually.

"First Things First" fails to promote academic excellence; rather, it promotes the agenda of far-left "social planners" at the expense of taxpayers. The truth is, it doesn't take a village to raise a child – it takes a mother and a father. Vote NO on "First Things First." Let's fund programs that work.

Senator Karen Johnson, Mesa

The Arizona Tax Research Association (ATRA), Arizona's only statewide taxpayer organization, opposes Proposition 203. The effort on the part of special interest groups to use the initiative process to receive guaranteed and permanent funding for their programs is bad public policy and should be rejected.

Arizona's state budget problems have been well documented over the last decade. The challenge state policymakers face developing an annual budget is significant. The budgeting process has been complicated by the effect of previous initiatives that earmark funding to special interests and tie up revenues that would otherwise be used to fund our K-12 schools, universities or other state programs. Further, earmarked funding escapes the annual scrutiny of the budget process.

Proposition 203 earmarks the new revenue directly to an appointed board who will exercise sole authority to appropriate the monies to "regional partnership councils."

The proponents suggest that their dramatic tax increase will raise roughly \$150 million to fund new programs. What they do not disclose is the negative impact this huge tax increase will have on existing programs that currently receive funding from existing tobacco tax collections. The following recipients of tobacco tax revenues will most assuredly see real losses in funding: State General Fund; Corrections Fund; Health Care for Medically Needy; Health Education and Research for Tobacco Prevention. In fact, state general fund revenues from tobacco taxes have declined 20 percent since Arizona's first major tobacco tax increase in 1994.

If successful, Proposition 203 will propel Arizona tobacco taxes to the fourth highest in the nation. At a tax rate of \$1.98 per pack, the incentive for smokers to evade this tax through purchases on the Internet or the black market will increase substantially and lead to further declines in **taxable** cigarette sales.

Gretchen Kitchel, ATRA Chairman, Scottsdale
Paid for by "Arizona Tax Research Association"

Kevin McCarthy, ATRA President, Gilbert

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Argument against "First Things First for Arizona's Children"
(Tobacco Tax for Early Childhood Education)

Ballot Number: 203

Identifier: I-16-2006

Early childhood education is one of any number of good causes that would like extra funding. It is unfair to try and fund such a cause by deliberately targeting an unrelated, unpopular minority – in this case, smokers.

Note that this initiative is not asking for funding through adding a tax, such as a sales tax, that would be spread more equally. The backers of this initiative understand that such a tax is not likely to pass. They have calculated that their best chance is to ask you to vote for smokers, an unpopular minority, to pay a tax instead. Don't forget that the proposed tax is 80 cents a pack which would will cost the pack-a-day smoker about \$300 a year! That's a huge tax on smokers, who are often low-income themselves.

Most smokers have little choice as they are addicts. Many struggle each year to break this addiction but most attempts are unsuccessful. This would be a fairer initiative if the money from this extra tobacco tax went to help people stop smoking, and not to an unrelated cause like early childhood education.

In June 2006, the Arizona Legislature approved \$160M of our tax dollars to be spent on all-day kindergarten over the next 2 years. This is fair in that we all pay towards that. A majority vote that would force only the smokers to pay up for the early childhood education initiative on the ballot today is unfair and seems like bullying.

Vote against this initiative.

John Keenan (independent ex-smoker), Phoenix

Proposition 203 is bad public policy on many levels. It should not be allowed to pass.

The issues in question aren't early childhood development services rather taxation and appropriation that violates and goes far beyond the principles of our representative democracy. Proposition 203 would increase in perpetuity the sales tax on tobacco products and allow an appointed unelected council to determine the expenditure of \$150 million of state tax revenue without any legislative oversight and without any allowance for legislative adjustment of the taxes or the expenditures.

Large permanent tax increases by plebiscite on any product – regardless of how much in disfavor that product may be - is ill conceived. The legislature should have the ability to reduce or eliminate taxes when a specific tax may no longer be necessary.

Tobacco is a product that is falling in use in America. As such the tax support for this program will be based on a potentially declining source of revenue. That will place undo pressure on the legislative process to identify additional sources of revenue to continue the program in the future perhaps hindering the funding of other essential government services.

Creating a limited program by initiative will create expectations from the public to increase, expand and fund the programs in the future. So much of Arizona's revenues are already dedicated to spending from previous ballot propositions that we have created significant hardships on legislative appropriations process especially during times when the economy is down.

Just as with K-12 and higher education early childhood development services should be developed, funded, administered and adjusted regularly by our elected officials. Doing so permanently through a ballot initiative is a subterfuge that Arizona voters should reject.

Barry M. Aarons, Senior Fellow, Americans for Tax Reform, Phoenix

Voting "yes" on this tax is voting "yes" to creating a huge new bureaucracy to control taxpayer money, with the activity of this bureaucracy having no direct oversight from or accountability to the legislature or the Governor. This proposal **establishes a statewide board and an unlimited number of unelected regional councils to distribute tax money to communities however they see fit without any direction** from the officials we elected to represent taxpayers' interests. This is a massive tax increase, and **NONE of these tax dollars will be dedicated to our K-12 education system.** And though all of this money will be collected from smokers, NONE of this money is dedicated to smoking prevention or cessation.

Without direct oversight from the legislature and Governor, it will be difficult to coordinate this program with other taxpayer-funded programs, which could lead to duplication and wasted taxpayer dollars. These **unelected bureaucrats will spend over half a billion dollars in less than four years** if the new tax meets revenue projections, yet this proposal is vague about the specific programs that will be funded and does not establish clear guidelines for eligibility to receive these taxpayer funds. There is nothing to say that these tax dollars won't go to some of the richest regions in the state.

A program like this would continue to grow with time and demand more revenue to sustain itself. Relying on a declining revenue source such as a cigarette tax to sustain and grow a program will ultimately force these unelected regional councils to look for even more money down the road.

Vote "no" to this huge bureaucracy and don't let unelected councils spend millions of taxpayer dollars without accountability to the rest of the state and without giving a dime to our K-12 education system.

Theodore L. Jones, Senior Account Manager,

Philip Morris USA, Scottsdale

Paid for by "Philip Morris USA"

Charles R. Wenzler, Senior Account Manager,

Philip Morris USA, Scottsdale

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Issued by: Secretary of State Jan Brewer

BALLOT FORMAT

PROPOSITION 203

PROPOSED AMENDMENT BY INITIATIVE PETITION

OFFICIAL TITLE

AN INITIATIVE MEASURE
PROPOSING AMENDMENTS TO TITLE 8, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 13; AMENDING TITLE 42, CHAPTER 3, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 9; AND PROVIDING FOR INITIAL FUNDING AND INITIAL TERMS OF BOARD AND REGIONAL COUNCIL MEMBERS; RELATING TO FUNDING FOR EARLY CHILDHOOD DEVELOPMENT AND HEALTH PROGRAMS.

DESCRIPTIVE TITLE

ESTABLISHES EARLY CHILDHOOD DEVELOPMENT AND HEALTH BOARD AND FUND BY INCREASING THE STATE TAX ON TOBACCO PRODUCTS; MONIES DISTRIBUTED LOCALLY TO BENEFIT CHILDREN UP TO FIVE YEARS OF AGE AND THEIR FAMILIES; CREATES REGIONAL PARTNERSHIP COUNCILS TO IDENTIFY LOCAL NEEDS AND DISTRIBUTES MONIES BASED ON REGION, POPULATION, AND INCOME.

PROPOSITION 203

A "yes" vote shall have the effect of [1] establishing an early childhood development health care board and fund, [2] increasing the state tax on cigarettes (.80 cents/pack), cigars and other tobacco products, [3] establishing regional partnership councils throughout the state to identify childhood development and health services needs at the local level and [4] distributing monies and grants to eligible programs that serve children up to five years of age and their families.

YES

A "no" vote shall have the effect of retaining the current laws regarding early childhood education and taxation on tobacco products.

NO

PROPOSITION 203

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