

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 OF THE BOARD AT ANY TIME DURING THE

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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 STATEMENT.
6. CASH ON HAND AS OF THE DATE THE BUDGET IS ADOPTED AND THE ANTICIPATED BAL-

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ANCE 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 SUBMIT A REPORT OF ITS FINDINGS AND RECOMMENDATIONS TO THE GOVERNOR, THE PRESIDENT OF THE SENATE AND THE SPEAKER OF

Spelling, grammar and punctuation were reproduced as submitted in the "for" and "against" arguments.

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 PERFORM THE DUTIES SPECIFIED BY THIS CHAPTER.

D. THE EXECUTIVE DIRECTOR, REGIONAL

Spelling, grammar and punctuation were reproduced as submitted in the "for" and "against" arguments.

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 1, 2010.
2. Six terms beginning April 1, 2008 and ending July 1, 2012.

Spelling, grammar and punctuation were reproduced as submitted in the "for" and "against" arguments.

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 Fund 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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Issued by: Secretary of State Jan Brewer