



PPEP, Inc. & Affiliates Annual Report 2007-2008

“Improving the Quality of Rural Life.”



Dr. John David Arnold and King Oreke III of Nigeria, Africa

**“Honoring our African Farmworker Roots in Building
U.S. Agriculture and Micro Enterprise Development”**

Presented by John David Arnold, CEO and Staff
To the PPEP, Inc. Board at the Annual Meeting October 27, 2008

Hector Sanchez
PPEP, Inc. President

John David Arnold, Ph.D.
Chief Executive Officer & Founder

John Bordenave
President PMHDC

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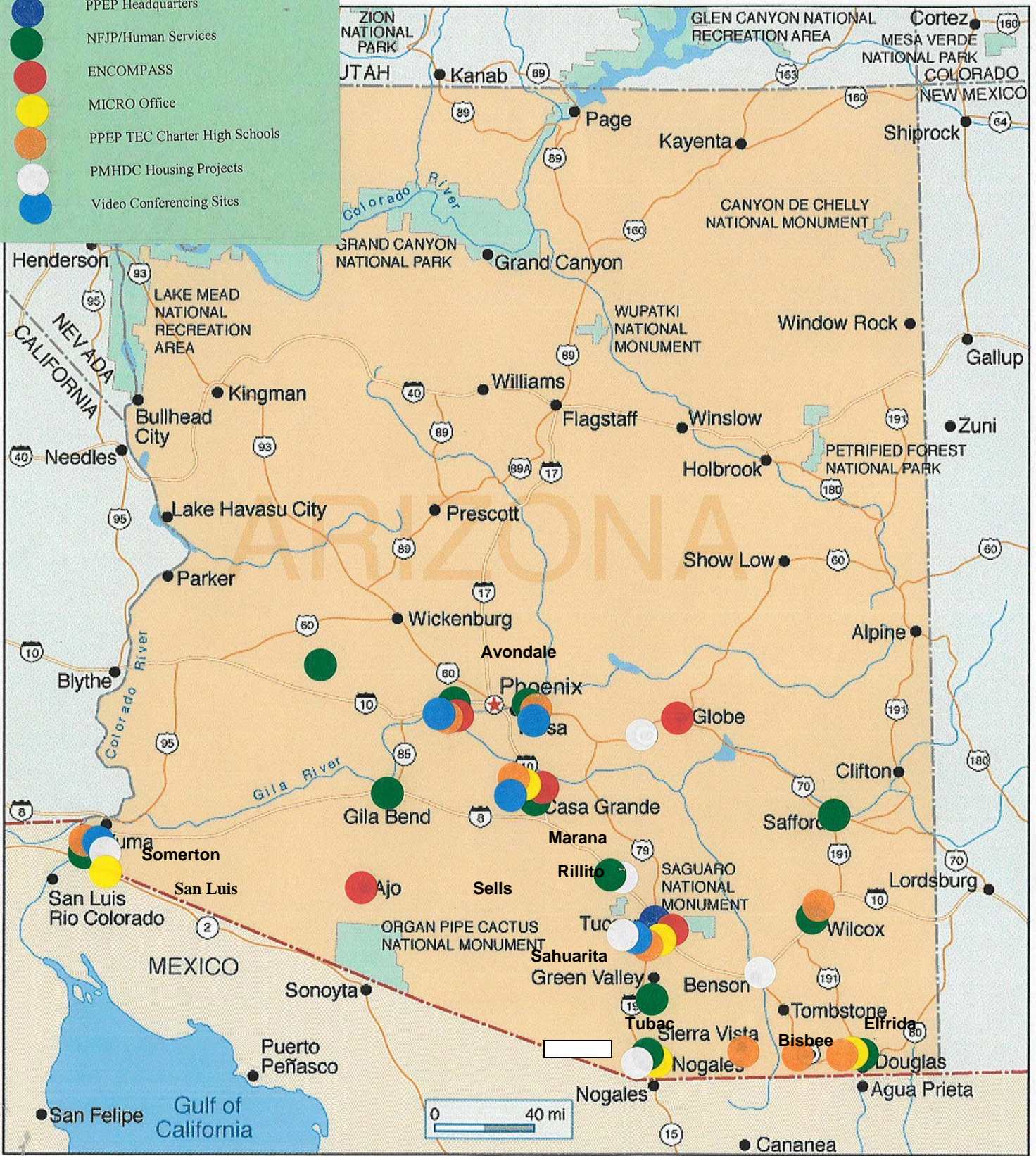
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“New Partnerships, Team Building, Scholarships, Humanitarian and Disaster Relief Aid.”

“Si Se Pudo!”
41 Years

KEY

-  PPEP Headquarters
-  NFJP/Human Services
-  ENCOMPASS
-  MICRO Office
-  PPEP TEC Charter High Schools
-  PMHDC Housing Projects
-  Video Conferencing Sites



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PPEP in Arizona

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MOTTO:

"Si Se Puede" "Si Se Pudo"

2008 THEME: 2009



Lisa Gills of Insight, Dr. John David Arnold, and Governor Napolitano

PPEP & AFFILIATES BOARDS OF DIRECTORS

PPEP=Portable Practical Educational Preparation
PMHDC=PPEP Microbusiness & Housing Development Corp.
PRBDC=PPEP Rural Business Development Corporation
FARS=First American Resources
PSHSC=PPEP Senior Housing Services Corporation

PPEP

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PPEP Foundation Board



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John David Arnold, Ph.D.
Chief Executive Officer & Founder

"Si Se Pudo"

Hector Sanchez
President

PPEP AND AFFILIATES 2007-2008 ANNUAL REPORT 'NEW PARTNERSHIPS, TEAM BUILDING, SCHOLARSHIPS, HUMANITARIAN AND DISASTER RELIEF AID'

Dear PPEP Family:

This year can be best characterized as a year of developing new partnerships. Especially with the private sector to diversify our funding base and develop revenues to cover un-funded mandates in its various programs. This year we even received our first international 'Sister City' partnership designation with the historic City of Arizpe, Sonora, Mexico. It was founded in the 1600's by the Spaniards as the governmental seat to what now is most of the western US.

PPEP Partnerships

In particular the partnerships have focused on the private sector that provides on-line education. We provide peer exchanges, technical assistance, advocacy, recruitment community organization, board training, and outreach, and receiving a fee for service.

Even the PPEP human resource and financial services have been contracted out which in turn impacts favorably with income for those two departments.

The private sector recognizes that PPEP and Affiliates have 40 years of experience in a variety of services including education, microenterprise, DDD handicapped, affordable housing, human and economic development programs.

Over the years this expertise has been available by PPEP to the non-profit sector free of charge. As funding becomes scarce and more unfunded mandates come down from the government we need unrestricted resources. Making up the short full has become a priority. Therefore, we looked towards partnerships with the private sector to develop "win-win" relationships. These relationships allowed the private sector to support our mission "to improve the quality of rural life" and access new markets for themselves.

PPEP Foundation

Another avenue to mobilize resources is through our PPEP Foundation and Endowment program. This year we formally set up the PPEP Foundation by creating trustees, mission statement, and plan of action to initiate planned giving and endowments. The foundation board is active in helping to get the message out as to "why people should donate to our foundation." They describe PPEP's work as "quote" and use its mission statement "Dedicated to improving the quality of life for farm workers, inner-city disadvantaged and the rural poor through education, economic development and social programs that lead towards economic self-sufficiency."

Humanitarian

On the humanitarian side of our efforts we have been very concerned about the crisis among migrants deported by the U.S. Border Patrol. There are estimates of 70,000 homeless children in the border communities. I personally visited some of the shelters in Nogales Mexico and talked to migrants returning from the U.S. One Humanitarian official from Mexico noted that these workers were some of Mexico's young, brightest and hardest working citizens. They had come to the U.S. to work and to earn money to feed their families at home. Also, that America's status as a world leader in agriculture was built upon the backs of cheap Mexican farm labor. Unfortunately, due to the deportations U.S. growers are leaving the country because they cannot find the farm laborers. Some have suggested we may soon be importing food as we do oil.

PPEP also has mobilized considerable humanitarian aid through donations collected at PPEP TEC High Schools plus its collaboration with World Care. In recognition of these efforts the LULAC National Board established the John David Arnold Humanitarian Award. This award was to recognize those individuals whom have most contributed to humanitarian efforts. Also, the award allowed corporate sponsorship to raise funds for LULAC Humanitarian own efforts. This year's award winner was Leticia Amparano a Sonora, Mexico, State Legislator whose tireless efforts for the deported migrants. Her biography is attached.

Migrant Study

This year the PPEP funded the Arizona Migrant Enumeration Study was completed by Alice Larson and Associates. Over 70 organizations, growers, and governmental agencies participated in this two year study. To our knowledge this is the first such study of the migrant farm workers in Arizona history.

There were 115,000 farm workers and their dependents identified along with considerable demographic information. A copy of the study can be seen on the PPEP website www.ppep.org,

Sharing the PPEP Vision Abroad

During my Christmas and Easter holidays I traveled abroad to both Chiapas, Mexico and Owerri, Nigeria conducting micro business seminars and technical assistance to the locals.

Chiapas, Mexico

Chiapas is Mexico's most southern and newest state bordering Guatemala. Much of the state is agricultural with a strong native population. Many of the natives are descendants of the Mayans such as the Chamulas near San Cristobal de Las Casas. While there I visited numerous native villages that have sewing, crafts, and coffee growing coops. During my stay, I learned about the great variety of crafts and products that were being made. Also, that they had a great need for micro credit, technical assistance, and also a market to sell what they make.

It was on those three areas where I focused my time. Since that time I have been in contact with UNIMOSS (Mexican Micro Credit Organization) to address those credit needs as well as a Spanish Foundation that exports to Europe over the internet. UNIMOSS has invited several villages' representatives to its annual micro business forum in Mexico City in December.

Owerri, Nigeria, Africa

In conjunction with Rotary International and the South Valley Christian Church of Gilroy; I participated in their annual National Women's and Pastors Conference in Owerri, Nigeria.

The Micro Credit Cooperative Society

The African host organization WAAST, a faith based organization operates a hospital and seminary was interested in me helping them set up a micro credit program. We mobilized \$25,000 (\$5,000 from PPEP) to capitalize the loan fund.

Once I arrived on the scene I conducted eight micro business and village banking seminars with a combined attendance of 30,300 persons. My topic ranged from on how to set up a successful micro business to village banking cooperative lending programs. Lectures also focused on marketing, business plans, and techniques necessary for a successful business. I used the biblical model of not only teaching them "how to fish" but also to know to "sell their fish." Also, I used the parable of the Talents found in Matthew 25.

Also, through Rotary I was able to contact the local president which was also the Imo State Director of the Nigeria Department of Commerce. It was through his office we would have to be licensed. I was able to convince him to allow us to form a micro credit cooperative society lending program. Once we had developed the bylaws combining micro credit and cooperative society lending we realized we had developed Africa's first "Hybrid" lending program for the poor. I used the PMHDC Micro Credit Procedures Manual, forms and manuals we use along with some local modifications. I also set up and trained the WAAST Micro Credit Cooperative Society Board of Directors. The board has a lawyer for president, banker accountant, minister, and micro entrepreneur on the board.

To date, they have lent out the \$25,000 and I am looking for international lenders to capitalize the loan fund further.

I have contacted Accion International, USAID, and Save the Children Foundation which are active in Nigeria. Since I returned to the United States I have mobilized funds to pay for the micro credit director and support staffer.

Deaf and Mute High School - Owerri, Nigeria

In Owerri there is a State run boarding high school for 500 deaf and mute students. On my first trip to the school, I noticed that there was no electricity and very little or no reading and writing materials for the students. Their meals were cooked in pots over open fires, etc. The few outdated text books I did see were in the library. While I was there I spoke to the students about micro entrepreneurship and even organized a girls and boys soccer team.

Since returning to the United States we have raised money to buy two portable electric generators for the schools. Also we have sent a pallet of used PPEP TEC Charter High School text books. The books along with some tri-fold with pictures and pen pal messages from our students were sent by a cargo container that was going to Nigeria at no cost.

King Oreke III

While in Owerri I was invited to visit the Royal Palace, Residence, and Parliament of King Oreke III. He was so impressed by the micro credit model that he appointed a micro credit

minister while I was there. Also on tour with me were some Rotarians from India. The Indian delegation invited me to Amritsar, India during the Christmas Holiday to do micro business and humanitarian work with Rotarian Charities.

Disaster/Emergency Relief Efforts

Ever since our relief efforts with Katrina were recognized in the US Senate Congressional Record as “the largest non government interstate relief effort in United States history” we have had many requests for assistance. Thanks to our great partner World Care we have been able to respond especially to primarily farm worker communities.

Henriette

In 2007, Hurricane Henriette hit the agricultural region of Sonora devastating the Mayo and Yaqui Indian farm worker villages. We raised and shipped 15 tons of supplies to the region in less than one week after the disaster. PPEP TEC Charter Schools were drop off points for donations statewide as was World Care. I personally went to the disaster area and distributed emergency relief supplies to 18 Mayo and Yaqui Indian Villages.

Tabasco Disaster

The worst natural disaster in Mexico history was in Tabasco. PPEP raised \$5,000 to send 3 Sonoran disaster professionals that not only helped with the rescue operations but trained over 100 persons to perform rescue operations. I received a call from the Tabasco Fire and Rescue Commander for the region that expressed his gratitude and stated that our efforts had the most impact of all the relief efforts.

Hurricane Lloyd

This storm hit in September to the same region as Henriette except this time it was worse because the dams had to release flood waters. The situation was so critical that the farm workers and their families had no food or shelter.

PPEP raised \$5,000 to buy 2400 food bags from the Navojoa, Sonora Food Bank that were distributed to the victims.

Most recently (October) tropical storm Norberto hit Alamos, Sonora. We are partnering with World Care and the Sonora Legislative to send relief supplies. A one ton truck full of emergency relief supplies left Tucson this week for Alamos.

DDD and Handicapped School in Nogales, Sonora

Gina Judy and I were invited to visit the school which was k-12. We were quite impressed with what was happening with very little resources. Including a cooking, hair dressing, craft making, and computer classes for the disabled. Since our visit we have mobilized donations for these training classes including a 1,000 of beauty supplies from Ezquidio's Hair Salon in Tucson.

Mississippi Delta Relief Center

During our Katrina/Rita relief supply efforts PPEP and Mississippi Delta Council set up a regional disaster relief center in Clarksdale, Mississippi. We were able to provide a \$600,000 loan to purchase a 10 acre 55,000 sq foot warehouse to house the relief supplies provided by World Care. They also provided a 3 day disaster relief training seminar to the Southeast region relief agencies.

World Care has supplied over 50 semis to the region so Hurricane Katrina and now Gustav and Ike victims have access to the center.

In September I visited Clarksdale and provided technical assistance to MDC staff and board. I also wrote a re-organizational plan for the corporation. World Care staff also visited the center and organized its distribution system over the summer. MDC recently received a national award for its relief efforts during Katrina and Rita.

Presently, we are working with the architects to design the interior of the administration wing of the center so MDC can move in their headquarters.

Scholarships

This year has been a great year for mobilizing college scholarships for our rural people. Through the University of Phoenix we were able to mobilize twelve \$50,000 four year scholarships for our PPEP TEC teachers and staff. Through our own farm worker (youth) scholarship program in cooperation with LULAC a dozen scholarships were awarded to our PPEP TEC students.

As the National LULAC Co-Chair of Education, I was instrumental in raising \$1,250,000 in scholarships for 25 minority students from across the United States. We hope to see both these scholarships programs continued on an annual basis.

PPEP CEO on the Road

As the PPEP CEO I make an effort each year to visit as many of the local PPEP programs, schools, and projects. This requires a great deal of travel across the state. For example, I try to address all of the students at our 12 PPEP TEC campuses and challenge them to stay in school, graduate, and go to college. This year I featured the new jobs in re-newable energy. The agency Hybrid Prius car was a big hit as I demonstrated how this new technology is already here. While in the rural communities I make every effort to attend graduations, fundraisers, visit with clients, and other events that I am invited to speak at.

Regional and National

This year I was also invited to visit programs, present workshops, provide technical assistance in several states including Texas, Oklahoma, New Mexico, California, Utah, and Idaho. I met with Patty Harrington the Utah State Superintendent as well as Tom Luna, Idaho State Superintendent to discuss on-line, corrections courses, night school, and micro business innovations for their states.

On-Line Education

One of PPEP's most productive partnerships has been in the arena of on-line education. Some like to call it 'home schooling' but it's much more in that the students are getting their education via the super information highway.

PPEP has assisted organizing on-line high schools such as I' Succeed Idaho and the Los Angeles on-line High School. Over 1000 students study on-line with Insight schools which are owned by the University of Phoenix and Apollo (see website www.insightschools.net). In

Arizona, we have over 5000 K-12 students that receive computer, printer, internet connection and on-line teachers.

The partnership for the Arizona Virtual Academy is K-12, Inc. (see website www.azva.org). Parents rave about both schools, the self pace learning, and the 'choice' it gives them as to where their children are educated!

Management Team Building

This year has also been known for 'team building' among its management. Any organization to be viable and sustain itself over a long period of time must have a strong management team.

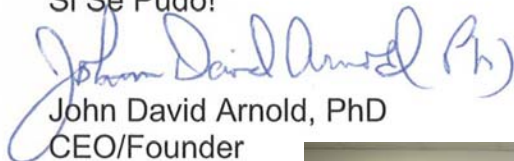
Among our 7 members there are over 200 years of service to PPEP, Inc. and the rural communities it serves. Our monthly meetings focus on the budget and fiscal accountability as well as contractual compliance with funders.

We also use our team building to promote interaction and coordination of programs to avoid duplications and thereby conserve agency resources. Our motto is "The Golden Rule of Communicating with one another" for the good of the clients.

One example is that we have developed one of the best employee health benefit/pension programs among non-profits.

In the balance of this report I invite you to view the written and pictorial report by each of our departments regarding the programs they operate to improve the quality of rural life. There is also a photo album to view some of the selected projects. For further details on PPEP's history, mission, and accomplishments of the past 40 years please see our website www.ppep.org.

Si Se Pudo!


John David Arnold, PhD
CEO/Founder



"Sister City" Accord signing Ceremony with Arizpe, Sonora, Mexico
Mayor Hector Alvarado and PPEP Staff



Elise P. Arnold, MAM
Chief Administrative Officer for:



PPEP TEC CHARTER HIGH SCHOOL

Elise P. Arnold, Superintendent
Leticia Lujan, Federal Program Director
SHARON DAVIS, STUDANT SERVICES DIRECTOR

BEHAVIORIAL HEALTH COUNSELING

Carlyn Hacker, M.A., Executive Director

EMPLOYMENT AND TRAINING FOR MIGRANT AND SEASONAL FARMWORKERS, HIGH SCHOOL EQUEVALENCY PROGRAM, COMMUNITY ACTION PROGRAM AND WIA TITLE I, AND YOUTHBUILD

Kari Hogan, Executive Director
Barbara Simcoe, NFJP Field Operations Manager
Sandy Adams, Compliance and Systems Manager
Jimmy Pruitt, HEP DIRECTOR
Jose Luis Sotelo, HEP COORDINATOR
Mary Palma, WIA Coordinator
Bill Stern, Garden Coordinator
Jessie Lopez, YOUTHBUILD Coordinator

This year has been very busy with some expansion and some consolidations; therefore, I am providing highlights of each department which will then be followed by a complete report from each department.

PPEP TEC CHARTER HIGH SCHOOL

- . *Completed 13 years of operation*
- . *Graduated over 2,300 students*
- . *In compliance with the No Child Left Behind standards*
- . *PPEP TEC was labeled as a performing school under the AZLEARNS. THREE campuses are in improvement status.*
- . *Formed a Recruitment and Retention Department*
- . *Up dated curriculum.*
- . *I assumed the position of Superintendent of PPEP TEC*

BEHAVIORIAL HEALTH COUNSELING SERVICES

After fifteen years of supervising this department, it was transferred on April 1, 2008 to the ENCOMPASS program under the direction of Gina Judy.

EMPLOYMENT AND TRAINING FOR MIGRANT AND SEASONAL FARMWORKERS.

- . Successfully complete 28 years of operating the program.
- . Reorganized various service areas as agricultural in Arizona shifted due to urban growth.
- . Completed the farmworker survey in conjunction with AFIC.

HIGH SCHOOL EQUIVALANCY PROGRAM (HEP)

- . Successfully completed 7 years of program operations; Serving and graduating more students than required.

COMMUNITY ACTION PROGRAM/DEPARTMENT

Lost our co-worker and dear friend Dannie G. Dyas, may he be resting in peace.

- . Reorganized the Department
- . Secured on going funding from DES for long term TANIF Case Management.
- . Successfully secured funding from Pima County to continue our WIA Title I activities in rural and urban areas and secured new funding for youth programs.
- . Continued funding from Pima County to serve seniors 50 and over with employment workshops.
- . Expanded the Arivaca organic gardens participation in several farmer markets thereby expanding the clientele we serve.

YOUTHBUILD

- . *Successfully finished the program with NFJP funds and CDBG funding from the City of San Luis.*
- . *Completed the second cohort of students for the second round of funding.*



PPEP TEC High School Annual Report

Introduction and History

It is with pleasure that we share with you the history of PPEP TEC High School and some of our successes from this past year.

PPEP TEC High School is a publicly financed, statewide high school whose purpose is to provide an alternative educational program for student's ages 15-21, in grades 9-12. Our primary focus is on high academic standards, AIMS preparation, and technology and school-to-career programs. We are designed to meet the needs of alternative students such as at-risk students, students who work, high school drop-outs, and sons and daughters of migrant and seasonal farm workers.

Our teachers are Arizona highly qualified, the classes are small, and the students get lots of individual attention. Our curriculum is aligned with the Arizona Academic Standards, and all students must meet or exceed the standards on the AIMS test in order to receive a high school diploma.

Students at PPEP TEC High School are required to attend 20 hours per week, but our hours are flexible with some locations offering night school and some locations providing transportation. Students are able to move at their own pace through the curriculum material. For those with less time to devote to school this allows them the ability to complete work over an extended period, while other students might accelerate the pace and finish in a much shorter time than expected in a traditional high school format.

Since its inception in 1995, PPEP TEC High School has played a leading role in educating Arizona's youth. We have graduated over 2300 students throughout our 12 sites. Our enrollment this past year was approximately 1200 students, and we try to maintain a student teacher ratio of 15:1.

For the 2007-2008 school year, PPEP TEC High School had four learning centers in the Tucson area, including Robles Junction, and one center each in Avondale, Bisbee, Casa Grande, Douglas, San Luis, Sierra Vista, Somerton, and Willcox.

2007-2008 Major Successes

- PPEP TEC held six college/career days during the 2008 spring semester at the Celestino Fernandez Learning Center, the "Lito" Peña Learning Center, the Cesar Chavez Learning Center, the Jose Yopez Learning Center, the Victor Soltero Learning Center, and the John David Arnold Learning Center. The fairs were a great success as students had the opportunity to meet with various institutions. The students learned about what each institution offered. Many students also took home applications and set appointments with the representatives of the institutions to either visit or receive more information.



- John David Arnold Learning Center has adopted Arthur Pack Park (9101 N. Thornydale Road) through Tucson Clean & Beautiful’s Adopt-A-Park Program.

Christa Bon and Megan Hines organized Northwest’s first Green Team, encouraging students to take part in community efforts including planting trees with Trees for Tucson and park projects with Tucson Clean & Beautiful’s Adopt-A-Park Program. The goal of our Green Team is to take part in projects that will have a lasting impact on our community and environment.

Four our efforts, PPEP TEC Northwest will be acknowledged in a public ceremony at Arthur Pack Park on May 23, 2008. Representatives from Tucson Clean & Beautiful, Pima County Board of Supervisors, and PPEP TEC High School Administration will take part in the unveiling of a sign acknowledging PPEP TEC High School: John David Arnold Learning Center for our work in keeping the park clean and beautiful.



- PTHS provided services to 384 English Language Learners; being the second largest count of ELL students in any of Arizona’s Charter High Schools. Because of last years technology grant from the Arizona Department of Education we focused on adding technology resources to curriculum for English Language Learners and Special Education students.
- PTHS provided services to over 230 students with disabilities under IDEA and Section 504. PPEP TEC High Schools’ special education teachers may serve the largest number of students receiving such services at any charter school in the state.
- PPEP TEC High School is very proud to announce that all of its schools were given “Performing” labels under the state’s accountability system, AZLEARNNS. In addition, half sites met the “Adequate Yearly Progress” accountability standard mandated by No Child Left Behind. Meeting the standard means that PTHS students improved their scores on the AIMS test; they met the graduation rate requirement; and at least 95% of the students were in attendance on the AIMS testing dates. Congratulations to all of the PTHS staff and students. This is a great accomplishment!
- PPEP TEC High School partners with PPEP Behavioral Health Services to provide counseling services to all of our schools on regular schedule of at least once a week. In five of our schools; San Luis, Somerton, Robles Junction, Avondale and Benson Hwy we had a 20 hour per week counselor. In other schools, counseling services were provided once or twice weekly.
- PPEP TEC High School buses provided transportation for the campuses in Bisbee, and Avondale last year. In some cases, our drivers covered great distances, but we got our students to school! In the Tucson and Sierra Vista areas, bus passes were provided for students who needed transportation, and in San Luis and Somerton, bus service for our students was contracted to an outside agency. Since transportation is often a challenge for our students, we do all we can to accommodate their needs.
- New curriculum was implemented for Integrated Science, Language Arts, World History and American/Arizona Government courses in order to maintain curriculum alignment with the Arizona Academic Standards. The courses were piloted in several schools last year, and a full rollout to all sites began in August
- PPEP TEC High Schools throughout the state have participated in and supported a variety of community services, including the Red Cross Blood Drive, the American Cancer Society, Adopt-a-Highway cleanup, Toys for Tots, Adopt-a-Family Christmas program, Cochise County Fair, donations to local food and clothing banks, and diaper drives.

Recognitions and Updates

- Two Hundred and Sixty (260) outstanding students graduated from PPEP TEC High School in 2007-2008. Congratulations on a job well done!
- The PPEP TEC High School administrative staff for 2007-2008 is a team comprised of the following outstanding team players: Elise Arnold, Superintendent; Leticia Lujan; Federal Programs Director and Business Manager; Sharon Davis, Director of Student Program; Randy

Kempton, Director of Operations; Karol Basel, Special Education Director; Lisa Watson, Curriculum Director; Angela Lee Resource Development Coordinator; Dilia Hernandez, Business Manager; Annette Peralta, Student Records Manager; Josephina Moreno, Ell and Highly Qualified Coordinator; Stephanie Montez, AIMS Coordinator; Anna Alegria, Attendance; Student Retention Coordinators; Juan Di Arte and Adelina Martinez; Karol Basel, School Psychologist; Mayra Parra, Executive Assistant; Miguel Zazueta, Administrative Assistant. Thanks to all of you, PPEP TEC High School is one of the premier charter schools in Arizona.

- Leticia Lujan represents PPEP TEC High School as President of the Tucson-Kino Rotary Club of South Tucson. She also is the Youth Scholarship Coordinator, LULAC Council # 1088, and she participates as a parent representative on the NCLB Committee of Practitioners.



- PPEP TEC LULAC students participated in the 2008 Rodeo Parade. This was a great way to build teamwork as well as community outreach. The parade is seen by thousands of Tucsonans, which helped broaden awareness to the community.

Accolades

- Many thanks to the students of PPEP TEC High School for making our jobs so rewarding!
- Special thanks to all of our teachers, staff, and parents for helping us become one of the most respected charter school programs in the Arizona!
- We are especially grateful to Barbara Coronado and the Finance Department for their assistance in all aspects of our budget and accounting needs.

- Much gratitude goes to Susan Marsette and the Human Resources Department who we consult with on almost a daily bases.
- Many thanks to Gary Kleopfer, Gary Saxman, and the entire Property Management Department for their constant support of the needs of PPEP TEC High School. No matter what time of the day or night, they help without complaint!
- Thank you, thank you to Rob Riggs, Ryan Wild and Jay Twyman from the IT Department for keeping our computers up and running! They'll always drop what they're doing to help in an emergency, and they're never too busy to help troubleshoot a problem.
- Thank you to our Chief Executive Officer and Founder, Dr. John David Arnold, for his continued vision of what can be done for our special youth.
- My personal appreciation to the PTHS Management Team for all that they do for us at PHTS and the support they have extended to me.
- Special thanks to our Governing Board for their support of our high school program, and for their willingness to come to all of our quickly-scheduled School Board Meetings!
- Thank you, too, to all of the many visitors we have had the privilege of meeting. We are proud of our schools and are honored that you would take the time to stop by and see what we are doing with these special students.
- Finally, we extend our gratitude to the entire PPEP, Inc. family for their efforts on our behalf.



PPEP TEC High School Graduation – Tucson, AZ



PPEP Behavioral Health Services
By Carlyn Hacker, MS, LISAC
2007-2008



The counseling department continues on a daily basis to meet the needs of a diverse clientele whose struggles are just as complex. Limited financial resources may have contributed to their situation or they may have just fallen on bad times. The family may be in turmoil dealing with divorce, depression, arrests, substance abuse, and or other behaviors. Some of these behaviors may be totally out of character resulting from the immediate stressor or more chronic due to the individual not having the much needed direction or support throughout their lives.



Behavioral office on Palmdale

The counselors employed by this department are highly skilled in their field not only academically, experientially, but culturally. Many of the clinicians are either licensed by the Arizona's Board of Behavioral Health Examiners or in the licensing process. The counselors are expected to attend at minimum 20 hours of training a year in addition to any new employee requiring over 40 hours of training to deliver services in this behavior health system. Training is important not only to enhance the counselor's skills in areas such as substance abuse, play therapy, ADHD, Domestic violence/anger issues, etc, but keep current of the latest research. In addition, reviewing cases and procedures provided during therapy is very important. PPEP BHS is honored to have Dr. Andy Stropko, Psychologist provide this consultation service to our clinical staff.



Dr. Andy Stropko

Current counseling staff: (Tucson) **Tamara Zuniga**(*Clinical Director*), **Harrell Goodman**, **Brenda Hanna**, **Elizabeth Rios**, **Raul Cruz**, **Tammy Klein**, **Jesus Aranda**, **Susy Villa**, **Laura Thompson**, **Brenda Hanna**, and **Erin Kelly**. (Ajo) **Tom Richeson**, **Terry Gentner**, **Judy Corso**, **Mary McFarland**, **Dr. Elliott Heiman**



Behavioral staff



Dora Coronado, Christine Valle, Jessica Quiroz

PPEP BHS' counseling staff are "the jacks of all trades master of none". Though many of our staff are licensed under different disciplines, there is limited time for specialization. Each counselor maintains a skill level to provide counseling services to all ages experiencing a wide range of issues. A typical day may include going to the schools from 8am to 2 pm to see children from Kindergarten through High School, come to the office and counsel a substance abusing client who has had their child removed due to their abuse, a displaced worker over 55 years of age suffering depression, then provide a domestic violence psycho-educational therapy group for 1.5 hours. After all is said and done, we even let them go home to have a life outside of work.



Kelly Patton (Billing)

Skill comes in all forms and is not only limited to the counselors employed by this department; of course, I am talking about the support staff. Though they have a dedicated day a year called “Secretaries Day”, it is not nearly enough to acknowledge how much they do. It is these people that keep this department running. I would like to describe what each one does, but after the third page you would just be exhausted. Talk about a well oiled machine.

Support staff including: **Dora Coronado, Christine Valle, Jessica Quiroz, Elizabeth Moreno, Kelly Patton** (Billing), and **Shirley Martinez** (Ajo)

As a closing note, I do want to thank all the other PPEP departments that work closely with us for a common cause. Though each department has different funding, rules, and ways of doing business, in the end we all come together and make one awesome PPEP Team.

Department of Labor, Workforce Investment Act, Section 167, National Farm Worker Jobs Program (NFJP), for Migrant and Seasonal Farm Workers

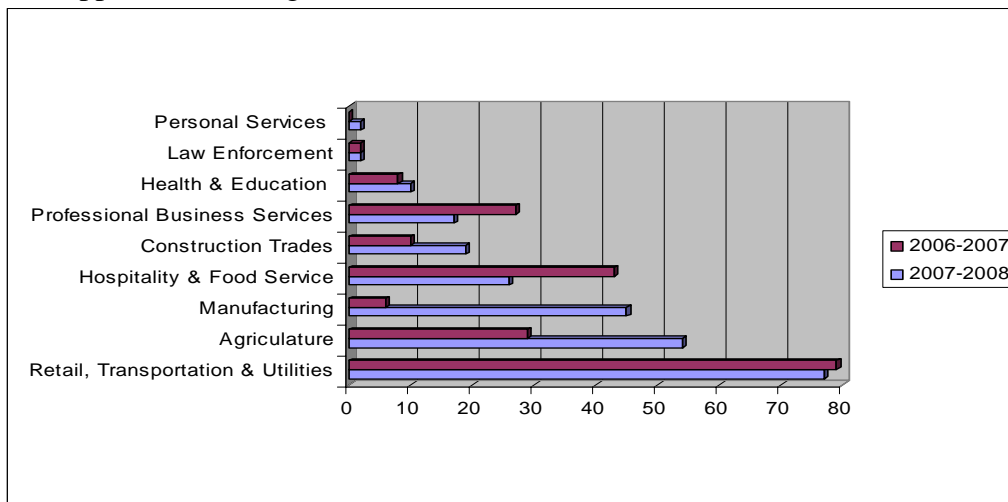
Kari Hogan, Executive Director



The WIA 167 Program continues to perform, not only in Arizona, but on a national level as well. Continued dedication on behalf of the state staff to serve Migrant and Seasonal Farmworkers and meet expected goals is the corner stone of this program.

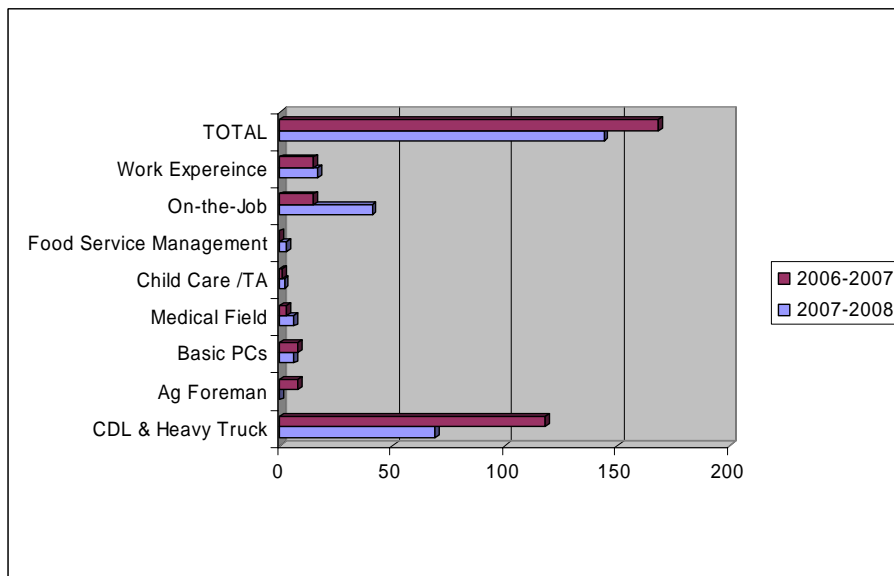
Overall the farmworker program did well in obtaining projected goals, in the face of a serious labor shortage in Arizona's agricultural industry and a weakening economy, by meeting 97% of farm-workers enrolled into the program and 87% of placement goal met. Over 500 (561) applicants were enrolled and 244 were placed. Arizona's program was 10th in the nation for quantitative goals.

Three industries (services, manufacturing and retail) & six occupations (food, building & grounds maintenance, office, production, sales and transportation) hold the most opportunities for low-skilled workers. These are all industries and occupations that are in demand in AZ and represent NFJP placements. The chart below shows placements over the past two grant years and clearly proves that Arizona NFJP participants are, for the most part, being placed in high growth/high demand occupations with opportunities for growth.



The program exceeded expectations in expanding the network of employers both Ag and non-Ag. Over 400 employers were contacted, including over 60 agricultural employers. As for partnership-building, 275 participants were referred to the local One-Stops and a collaborative outreach partnership was established with AACHC - Arizona Association of Community Health Centers.

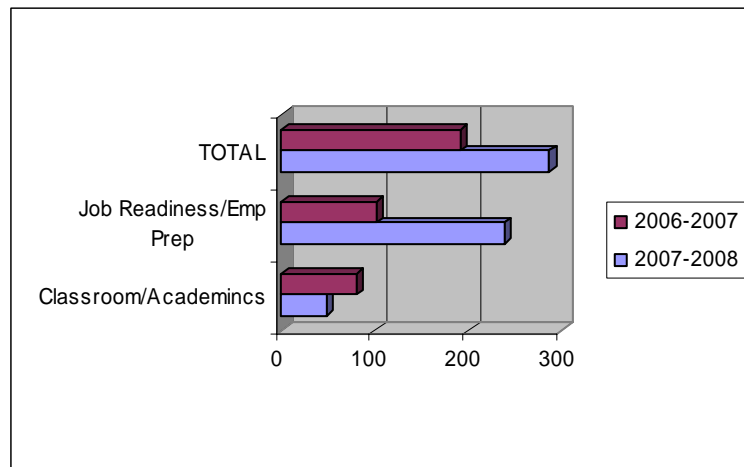
Also, nearly 400 (381) participants completed training; of those 144 received occupational training prior to employment. The trainings, shown below, were also in high growth/high demand occupations. New contracts between PPEP and both Super Trucker and Regional Center for Border Health allowed for additional training opportunities for participants seeking a CDL, Medical Assisting and Food Service Management. The occupational training provided most often in both grant years was Commercial Drivers. The number of people receiving this training decreased in 2007-2008, primarily due to the change in Arizona law, requiring that all testing for CDL permits be offered in English only. The



number of One-the-Job Training and Work Experience contracts also increased in 07-08. The Basic PC Classes are being offered by PPEP's MICRO Staff in San Luis, who have agreed to provide the computer training to non-business-owners, when they are enrolled in NFJP.

The number of participants receiving Basic Skills Training increased in 07-08, with 287 participants receiving some type of training. The number receiving Employment

Preparation, or Job Readiness Training, more than doubled, due largely to the fact that YPIC, the One-Stop in Yuma, began providing a fee-for-service workshop to NFJP participants. Although the number enrolling into academic classes, like GED and ESL, appears to be low, it should be noted that over 130 participants were referred to educational training-providers.



Shown above, on the far right, is Norma Moreno from the YPIC in Yuma, who provided Employment Preparation classes to over 160 NFJP participants in the past year.

The PPEP NFJP hosted a Monitoring Visit in July. Two DOL Regional Representatives from San Francisco visited Tucson. One focused on Fiscal/Administrative issues and one focused on Operations. They identified a minor issue related to fiscal policies & procedures. They also mentioned several positive activities that are going on, such as PPEP, community & partner program integration; documentation of efforts via the monthly reports; and HR policies and practices.

Yuma County: Once the 07-08 grant years were complete and all the paperwork submitted, it was clear that, once again, the staff in Yuma County had done an outstanding job. They enrolled a total of 338 new participants for 95% of their area goals. This represented 70% of the statewide enrollments. As for placements, they found jobs for 175 farm workers for 77% of their area goals, representing 72% of the total statewide placements.

Success Stories:



The photo above includes (left to right): Doctor John D. Arnold, PPEP CEO; Elise Arnold, PPEP CAO; Maria Chavez, PPEP Board member; Victor Reyes-Gastelum, awardee; Kari Hogan, PPEP Executive Director and Barb Simcoe, PPEP Field Operations Manager.

The gentleman shown above exemplifies our typical job-seeker. When Victor Reyes-Gastelum enrolled into Portable Practical Educational Preparation (PPEP), Inc’s Farm Worker Jobs Program in San Luis, Arizona, he felt that his age (51), lack of education and illiteracy would keep him from finding a full-time job in an industry other than agriculture. Victor had only attended a year of school in Mexico, spoke no English and had been working in agriculture for his entire career. He was finding it difficult to support himself and his two daughters, ages five and twenty, working so sporadically. In fact, when he entered PPEP’s employment and training program, he hadn’t worked in over a year.

Victor realized that education was important for getting ahead and with his Case Manager’s help, he enrolled into an Adult Basic Education (ABE) class that was being offered by PPEP in Somerton and decided to continue working towards his GED once he started working. He received vouchers for food, gasoline and glasses. His PPEP NFJP Job Developer helped him apply for a job at the City of San Luis, as a Grounds Maintenance Worker.

Victor was thrilled when he was hired, less than two weeks after having enrolled into the program. He is now working full-time, making over \$20,000/year, with full benefits, including health and dental insurance, a 401K retirement plan and paid leave. His supervisor, states that Victor “is a hard worker; he’s responsible and always willing to help his co-workers, when necessary”. His ABE Instructor said that Victor “is an example for the younger students; tired or not, he never misses a class”. Mr. Reyes-Gastelum received a Personal Success Award from PPEP’s NFJP at the Awards Luncheon in July.

One staff person in Yuma was also recognized during the Awards Luncheon. Mr. Cesar Fandino, who has been with PPEP since August of 2005, has proved himself a valuable asset, by consistently exceeding his quantitative goals and providing exceptional quality services to his participants. He also received an award in July (and is shown to the right with Kari and Barb).



One of the Employers Cesar worked with last year was ALSCO. He met the General Manager and the HR Director for ALSCO in July at a Yuma Commerce Meeting. They mentioned that they were closing shops in California and moving to Yuma, AZ. After meeting with them later and explaining the benefits of working with PPEP and the other partners at YPIC, ALSCO's managers agreed to recruit via the One-Stop partners and to give priority and preference to NFJP customers.

As a result, 25 of the 35 new positions were filled with NFJP customers, 22 of them working under On-the-Job Training contracts. This effort occurred between July and November. ALSCO's Grand Opening was held on October 12th and the recruitment project success was mentioned, including PPEP's lead role in the effort. Many community leaders and other Yuma employers were in attendance. Congratulations to Cesar and all the Yuma County NFJP staff who worked with him to serve this employer and meet his hiring needs.

Other Efforts in Yuma: Staff attended a variety of events this year, including five Job Fairs and several community festivals. They also collaborated with community partners in two very large events – the 13th Annual Dia del Campesinos Health and Information Fair and a Community Conference, sponsored by the newly formed Yuma County Farm Worker Services Coalition, where Maricela Alvarado, Yuma County Area Coordinator, was a speaker in the Employment Track. Approximately 5,000 local farm workers were honored and offered access to medical services, as well as information on over 40 service-providers, including PPEP's employment and training program, during the Dia del Campesinos. Maricela Alvarado sat on the planning committee and received a certificate of appreciation from Campesinos sin Fronteras. An article on the Día Del Campesino appeared in the local paper, *Bajo del Sol*, on December 13th. On the same page, was an article about the City of San Luis's recognition of Doctor Arnold, on Nov. 30th, which was proclaimed "PPEP Day".

Maricopa County: This past year was a challenge for Maricopa County, due to the decreasing amount of farm land, corresponding with the urban sprawl. Despite that, Maricopa County enrolled 49 farm worker participants, for 60% of their overall enrollment goals, and placed a total of 23 farm workers, for 77% of their placement goals for the area.

Other Efforts in Maricopa: Although Maricopa County did not meet all of their planned goals, their creative recruitment efforts and new employer outreach continued throughout the year. For instance, they mailed 500+ letters to VOS enrollees, who had identified themselves as farm workers; raised money to use as cash incentives for individuals referring potential NFJP enrollees; visited farms in La Paz County in order to recruit from an untapped area; dressed up as Santa and Mrs. Claus and handed out toys to Migrant Ed families in Gila Bend; and made presentations to the SW Valley Chamber of Commerce and the Minority Contractors Association, among others. Both staff,



Margie Franco and Richard Perez, were recognized for their efforts at the Annual NFJP Awards Luncheon and are shown to the right.

Richard Perez also attended part of the Good Food Conference, sponsored by Kellogg Foundation, late in April. He was greeted by dozens of people who had seen him in the Good Food video that opened the conference. Richard, Margie Franco and Barb Simcoe were all interviewed and were a small part of a larger video on the subject of what constitutes “good food”, i.e. food that is grown locally, without pesticides, and without taking advantage of farm workers to produce it. PPEP staff discussed some of the social issues farm workers face, such as poor living conditions and unscrupulous employer’s wage reporting practices.

Success Story: Steve von Prisk, the HR Manager at AAA Landscape in Phoenix, has been training and hiring NFJP program participants for over eight years. Mr. von Prisk was presented an award at an NFJP Awards Luncheon in July (see photo to the right.). He spoke to the crowd about the higher than average retention rate for workers referred from PPEP, as compared to his average worker. Agricultural skills are easily transferrable to landscaping, he noted.



Pima Plus Counties (Graham, Pinal, Santa Cruz, Cochise, Greenlee: This past year, staff enrolled 93 participants for an enrollment goal of 97% met and had 28 placements for 117% of their placement goal.

Success Stories: In Cochise County, Frances Rascon and her partner from the DES MSFW Outreach Program, Rosa Maria Enriquez, put together the first ever Farm Worker Appreciation Day in that county. It was held on October 27th from 11:00 AM until 5:00 PM at the Willcox Community Center. Doctor John D. Arnold made the introductory speech and after lunch, Juan Gomez, DES Employment Administrator spoke, as did Maria Lobato, from the American Cancer Society and Arizona Health Links. Approximately 250 farm workers attended and received a free lunch and dozens of door prizes that Frances and Rosa Maria collected. The grand prize was a complete PC set-up, donated by Marcos Cordova, State Farm Worker Monitor Advocate from DES. Rosa Maria was recognized for her efforts during the Annual NFJP Awards Luncheon and is shown, above, accepting it.



The photo at the left is of Ms. Kathleen bell and her four children. Ms. Bell was also a recipient of a Personal Achievement Award at the Awards Luncheon. Kathleen was supporting her children by working part-time at the Arizona Cactus Ranch in Green Valley, when she decided she needed a “life more substantial” for herself and her family. Her hours were reduced every summer when the demand for the product declined.

Kathleen went to the Pima County One-Stop Career Center for help. “It was daunting”, she said, “like stepping off a ledge—leaving a job and starting something new, especially with four kids watching me.” At the One-Stop, she met David Rodriguez, a Career Counselor from PPEP. Since Kathleen had farm work experience, David referred her to Rosa Garcia, a PPEP Case Manager with the NFJP. Rosa met with Kathleen and discovered that she was considering Nurses’ Assistant training, but couldn’t afford it. Just three weeks after enrolling into NFJP, Kathleen started a course at Direct Care-Givers’ Association and seven weeks later, became a Certified Nurses’ Assistant. Taking that leap was “well worth it”, Kathleen said and she wasn’t apprehensive during the training because not only did PPEP’s NFJP pay her tuition, but she received a stipend and gas assistance for getting to and from class.

Today, Kathleen is a private duty care-giver for a woman with Lou Gehrig's Disease, who is residing at Silver Springs Assisted Living Center. Kathleen works for the woman’s daughter, Lorelei Conrad, who is an RN and appreciates Kathleen’s “strong work ethics and professionalism”. She would like to see Kathleen become an RN, herself, one day and that is, indeed, Kathleen’s dream. However, “I’d really hate to see her go, since she takes such good care of my Mom”, Ms. Conrad says. Kathleen is now earning a substantial income to provide for her family and intends to keep on moving towards a positive future!



Deb Campbell also received recognition during the Annual NFJP Awards Luncheon, for her assertive outreach efforts in the Pima Plus area. She is shown, accepting her award, in the photo to the left.

Other Efforts in Pima Plus: Kari Hogan, Polly Gutierrez and Frances Rascon attended an Ag Employer Seminar, sponsored by DES in Willcox in July. They were able to network with reps from the Farm Bureau, who are willing to partner with PPEP NFJP, in the future, to contact farm owners about ag upgrade training.

Polly Gutierrez, Pima Plus Area Coordinator, and her Tucson staff met with representatives from Jewish Refugee Services, International Rescue, Catholic Social Services and Lutheran Social Services, in April, to discuss how to collaborate on serving a group of over 30 employees, who were being laid-off from Eurofresh, a large greenhouse tomato-producer. A series of group orientations were provided to the workers in early May, so the collaborating agencies could explain their services. Most of the workers, who were primarily Somalian refugees, were already enrolled into programs being offered by the other four agencies – all of which are working with PPEP NFJP staff to provide training, supportive services and placement assistance, without duplicating services.

Statewide Staff Training & Technical Assistance Received: Staff were provided with a multitude of training opportunities this year. In August, the Annual Staff Conference was held, at the Viscount Suites in Tucson, in conjunction with the PPEP 40th Anniversary celebration. Topics covered included: Eligibility Criteria, Case Management and CERTSS, Follow-ups, the Grant Plan & What’s new this year, the WIRED Initiative, Job Development, Networking, Engaging Employers in NFJP, 30 Second Elevator Speeches, and distribution of a Spanish Job Readiness Training Curriculum. On the 24th of August, staff attended the 40th Anniversary Party for PPEP, Inc., at the Tucson Convention Center, which included workshops on WIA Performance Measures and Meth Addiction and how it affects our communities, as well as a panel on PPEP’s Diverse Programs. There was also a MICRO Business Fair going on, with lunch and dinner served to all attendees, including awards and entertainment.

Most of the NFJP Management Staff, including Kari Hogan, Sandy Adams, Barb Simcoe, Maricela Alvarado and Jose Rojas (the former Maricopa Area Coordinator), took a “Road Trip” to Northern California in October. First, they attended the Wafa Conference in Sacramento, sponsored by the AFOP regional association of western states. From there, they visited a CHDC’s farm worker housing program in Napa County; then went to San Jose to visit CET’s huge vocational center; then onto Wendon, where CVOC has a similar operation. They toured each location and heard about what services were being provided and how they are funded. This was all done in order to help develop plans for broadening services that PPEP’s NFJP offers.

AFOP’s annual conference was held in Coeur d’Alene, Idaho this year, in early November. It was attended by: Kari Hogan, Barb Simcoe, Sandy Adams, Sue Seeburger (former Program Assistant), Maricela Alvarado, Leticia Beltran, Margie Franco and Frances Rascon.

Most of the NFJP staff attended the Rocky Mountain HI Conference, which was held Jan. 29th through Jan 31st in Tucson. Presenters at the conference spoke on: Common Measures/Rolling Quarters and How to encourage retention through follow-up; CAVI – Community Agricultural Vocational Institute; How to improve your outreach efforts; and a Legislative Update. Staff stayed on after the conference to receive small group training provided by PPEP management staff, Barb Simcoe and Sandy Adams, on effectively writing case notes and how to correctly complete follow-ups.

Maricela Alvarado, Yuma County Area Coordinator, held meetings with her Yuma staff in February and March to encourage teamwork and to provide technical training. Staff were presented information on Outlook by Jose Luis Sotelo from HEP, Google by Ricardo Esquivel, Job Development/Interviewing Techniques by Cesar Fandino and Follow-ups/Performance Measures by Maricela.

Kari Hogan and Barb Simcoe traveled to Washington, DC, mid-March, to attend an AFOP mini-conference, which included a DOL-sponsored training day. Topics presented at the latter included: Registered Apprenticeships, Multiple Educational Pathways and Employer Outreach Strategies.

In April, several staff attended the AIFC Conference in Rio Rico. Kari Hogan and Barb Simcoe travelled to Washington State at the end of April, to learn more about OIC’s Community Agricultural Vocational Institute (CAVI) program – what trainings they offer to local farm workers, who they partner with and how they fund it. Gilbert Alaniz, the OIC State Director, planned a full agenda of meetings and demonstrations to share with them. CAVI is the model upon which a future program, funded by the US Department of Agriculture’s Farm Bill, will be built.

I would personally like to thank all of the NFJP staff for a job well done and to keep up the great work. They include: in Yuma, Maricela Alvarado, Area Coordinator; Leticia Beltran, Assistant Coordinator; Rosalinda Carreon, Job Developer; Aracely Escalante, Job Developer; Ricardo Esquivel, Case Manager and CDL Instructor; Cesar Fandino, Case Manager/Job Developer; Cinthia Jacobo, Case Manager; Elsa Madrid, Case Manager/Job Developer; and Alma Rojas, Case Manager; in Maricopa, Margie Franco, Case Manager and Richard Perez, Job Developer; in Pima Plus, Polly Gutierrez, Area Coordinator; Deb Campbell, Job Developer; Rosa Garcia, Case Manager; and Frances Rascon, Case Manager/Job Developer. I would especially like to thank my Data and Compliance Manager, Sandy Adams, and my Field Operations Manager, Barb Simcoe, for their invaluable service and keeping it all on track. I couldn’t do it without them.

Kari Hogan, Executive Director

PPEP, Inc
Pima County One Stop/Workforce Investment Act (WIA)
Program

Annual Report 2006-2007

In 2007 PPEP continued to be one of largest WIA grant awardees in the county with workforce contracts with Pima County and is still the sole contractor responsible for all WIA adult On-The-Job Training for the entire county. Under the OJT program we exceeded our goals of 30,000 and spent nearly 80,000 in OJT training with WIA adults and dislocated workers.

PPEP's team continues to be charged with assisting job-seeking Pima County residents in career selection and consulting; employment preparation; vocational, professional, or other job training and job placement services; and follow up services. We serve Adult, Dislocated, Older Youth, Voc. Rehab and Veterans throughout Pima County with emphasis on rural areas of the County.

In 2007-2008 our team consisted of:

- Mary Palma – Workforce/OJT Coordinator
- Grace'yetta Askew – Workforce Specialist (DES)
- David Rodriguez - Workforce Specialist (Rural)
- Victoria Matheny – Workforce Specialist (Rural)
- Oscar Romero – Workforce Specialist (One Stop)
- Yvette Cruz – Program Support Specialist (One Stop)
- Margaret Slaughter – Curriculum Specialist (One Stop)
- Elise Arnold – CAO
- Kari Hogan – Executive Director

This past year the team once again produced outstanding results in the program.

	Enrollments	Credentials (Training/School Graduates)	Job Placement	Average Wage
@ DES and One Stop	222	56 credentials 3 GED	103	\$10.65
Rural	189	12 credentials	43	\$16.21
Total	411	71	146	\$11.15

This past year under Pima County were able to institute an After School Youth program and a Summer Youth program that worked with youth on Basic Education and Work Experience. Overall we served a total of 5 students in the after school program and a total of 80 students in the summer program. We will be continuing these programs in the

08-09 program year and have started with a total of 40 students in the after school program for high school students to help get them up to grade level.

With the Pima County Senior Program we continued to work with seniors age 55 and older on employment and training objectives. This program continues to be successful and has full classes.

Looking to the future: The 2008-2009 program year has already begun and we are off to a good start. With the continuation of national funding cuts across the nation we have been lucky to continue our program with no staffing cuts and minor program cuts, but were given an increase in OJT training dollars, which helps the program overall and available training.

This next year we look to continue to provide quality services to Pima County residents with the same comprehensive employment and training services. We look to new economic development trends within our state and county that will hopefully bring new employment opportunities.

We were also able to maintain funding in our Senior funding with only a \$900.00 cut. This program is still headed up by Margaret Slaughter and she has helped to expand some of those services to the Elderly program that is in the Ajo area. With the Outside Agency program for case management and meals program we took a \$933.00 cut in funding. We look to participate in the new Mature Worker program that will begin in Green Valley and also bring more co-enrollments to our WIA programs. We continue to outreach and recruit in very remote and rural areas in order to give all an opportunity at the American dream.

Se Se Pudo!
Kari Hogan
Executive Director



PPEP & Affiliates
Community Action Department
Community Services Block Grant & Pima County Community Action Grants
Annual Report for 2007-2008

The Community Action Department continues in true fashion when it comes to helping rural Pima County Residents and farmworkers across the state.

This department continues to provide needed services such as rental assistance, utility assistance, food, clothing, transportation, day care and employment. Many of the services are provided here in Pima County under the Community Action programs, but with the CSBG we are able to help many across the 9 counties in the state in which we work and provide needed service.

It is noteworthy to state that under the Direction of Kari Hogan this past year this program once again delivered and exceed expectations in providing a quality of service to Arizona individuals and families.

Over this past year this department had \$69,172 in state funds through CSBG where over 3,562 low-income households in over 5 counties were served through direct vouchers and the food banks in providing food boxes. Under this same program in conjunction with Case management services under CSA a total of 44 low income families were served with long term case management and placement services.

In Pima County a total of \$58,000 under the ESN grant was spent serving 71 families with an average of 816.00 spent per family on emergency services.

The Elderly program for Case management and meals programs met their goals, serving 14 individual last year with a total of 720 units of service in case management and was able to get the additional training in conjunction with the Senior program in order to provide nutrition training to those in the Ajo area. Nancy Richeson goes above and beyond in this program to ensure needed services are provided to the elderly in this community.

For the Elderly meals program we provided a total of 2703 meals to 24 individuals in the Pascua Yaqui village, located in the Marana area.

We continue to work with many and hope that this next year we are able to serve even more.

Best regards,

Kari Hogan
Executive Director



PPEP-HEP Annual Report

High School Equivalency Program

F.Y. 2007 - 2008

PPEP-HEP is now in its ninth year. PPEP-HEP's goal is to improve the quality of life for migrant and seasonal farmworkers in rural areas through an educational program, which allows them to obtain a GED and to gain academic and vocational skills. These skills, which they develop, will allow them to have more access to jobs outside agriculture, or to be able to have job enhancements within agriculture.

In southern Yuma County (San Luis and Somerton areas), migrant and seasonal farmworkers are characterized by low levels of education, few job skills, and low incomes. The typical farmworker feels resigned to a life of working in the fields and packinghouses with little, if any, hope of ever escaping from working in agriculture. Working in the fields and in cold salad plants, many farmworkers develop arthritis in their hands and knees. Others, due to poor diets, develop diabetes. PPEP-HEP has coordinated with other agencies, Campesinos Sin Fronteras, Border Health Foundation, Western Arizona Area Health Educational Center, and the Yuma County Health Department, to have their representatives do presentations to our HEP students in order to inform them of services which are available to them. In addition to these agencies, Arizona Western College provides instruction in a college orientation class for our HEP students, and recently, they began to offer a bilingual basic computer class, in which many of our HEP students have enrolled. At the present time, PPEP-HEP students have access to computer use at PPEP-TEC Charter High Schools in both San Luis and Somerton as well as in our HEP classroom, where they can practice gaining computer skills. Recently, we coordinated with the Yuma Private Industry Council to be able to send our HEP students to their Somerton facility, where they will be helped to write a resume and will be shown how to look for a job using the Job Bank on the Internet. Our PPEP-National Farmworker Job Training program assists HEP students to become enrolled in vocational training programs upon completion of the HEP program.

PPEP-HEP has a fulltime recruiter, coordinator, who assists students in properly filling out job applications, making appointments, and doing the required paperwork for job interviews. Students, who gain employment, have access to receive help from other PPEP agencies.

PPEP-HEP has three cohorts per year, with each cohort lasting 14 weeks. Students attend classes from Monday- Thursday and have the option to attend classes from 8:00 a.m. to 12:00 p.m. in Somerton at the HEP office or to attend from 6:00 p.m. to 10:00 p.m. at either of the PPEP-TEC Charter High Schools in Somerton or San Luis. For students, who are going to continue to work in agriculture, classes are available on prevention of pesticide poisoning and commercial drivers license preparation. These classes are taught by PPEP's NFJP staff, which

has successfully placed many HEP graduates who went through the Commercial Drivers License (CDL) program.

As one might imagine, many of the PPEP-HEP students are married and have families. Working, studying, and sharing time with families, all can contribute to a great deal of stress on family members. Our PPEP Mental Health and Counseling Division has services available to HEP students to help them to develop abilities to resolve personal and every day problems.

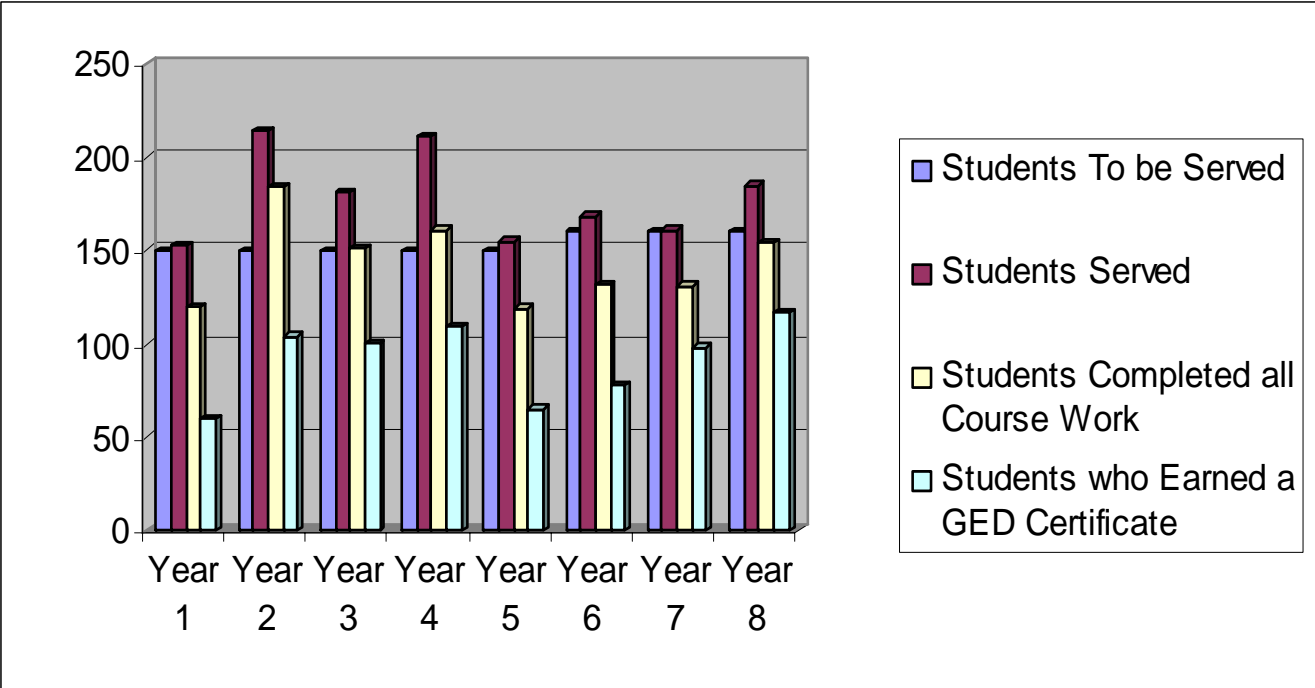
Southern Yuma County has approximately 47,000 migrant and seasonal farmworkers, and the HEP program offers hope to a previously underserved agricultural community. Both Somerton and San Luis are growing at rapid rates and community resources are stretched thin. To maximize our HEP resources, we have collaborated with other local agencies to better serve our agriculture community.

For FY 2007-2008, PPEP-HEP served 185 students (116% of number to be served). Of the 185 served, 154 (83%) completed the program and tested. Of the 154 who tested, 117 (76%) passed the GED examination. Eighty five of the graduates (73%) have applied for financial aid and for admission to Arizona Western College. Seventeen (15%) have received job enhancements.

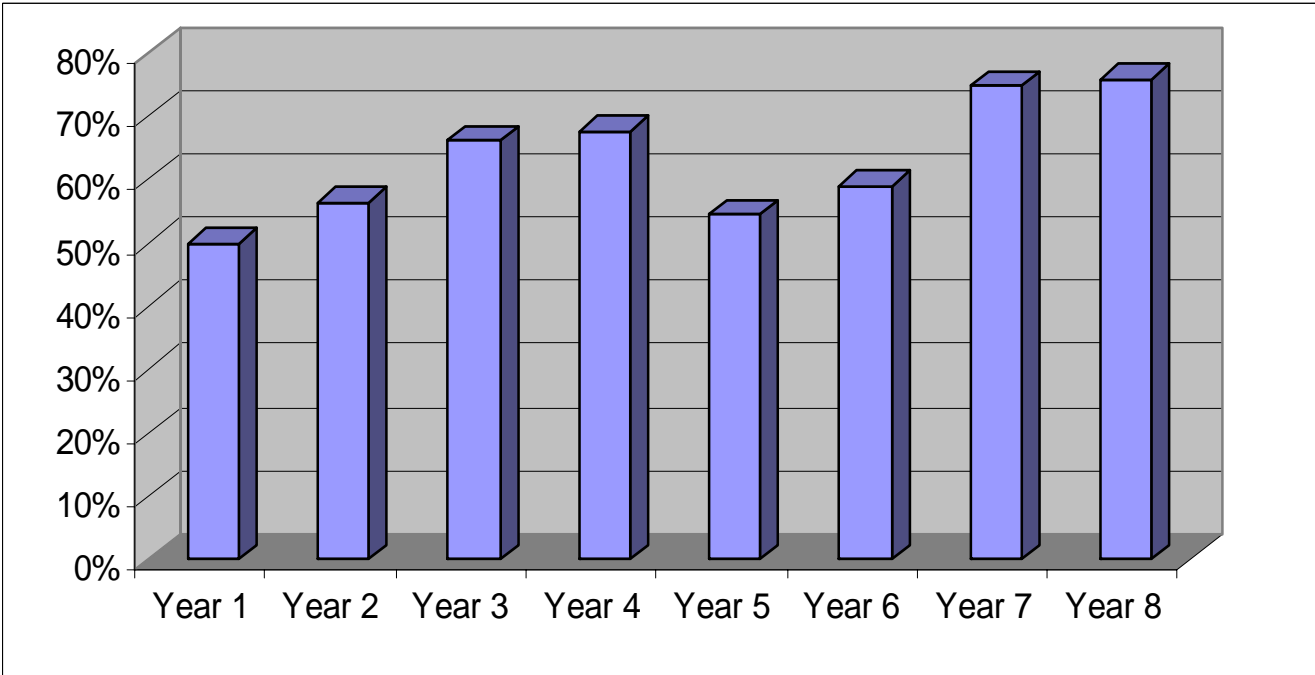
In the first eight years PPEP-HEP has served 1,428 students, 731 have successful completed the program and received their GED, and 416 have gone on to an institution of higher education .

FY 2000 - FY 2008											
Year	Students To be Served	Students Served	Students Completed all Course Work	Students who Earned a GED Certificate	Percentage of Students who Completed all Course Work and Received a GED Certificate	Number of HEP GED Recipients Who Were Placed in:					Percentage of Placements over Graduates
						Post Secondary Education	Other Post Secondary Training	A Career Position	The Military	Total Placements	
Year 1	150	153	120	60	50%	25	10	5	0	40	67%
Year 2	150	214	184	104	57%	41	13	25	2	81	78%
Year 3	150	181	151	100	66%	49	2	31	1	83	83%
Year 4	150	211	161	109	68%	64	10	23	2	99	91%
Year 5	150	155	119	65	55%	51	4	6	0	61	94%
Year 6	160	168	132	78	59%	28	0	22	0	50	64%
Year 7	160	161	131	98	75%	73	1	22	0	96	98%
Year 8	160	185	154	117	76%	85	0	17	0	102	87%
Totals	1230	1428	1152	731	63%	416	40	151	5	612	84%

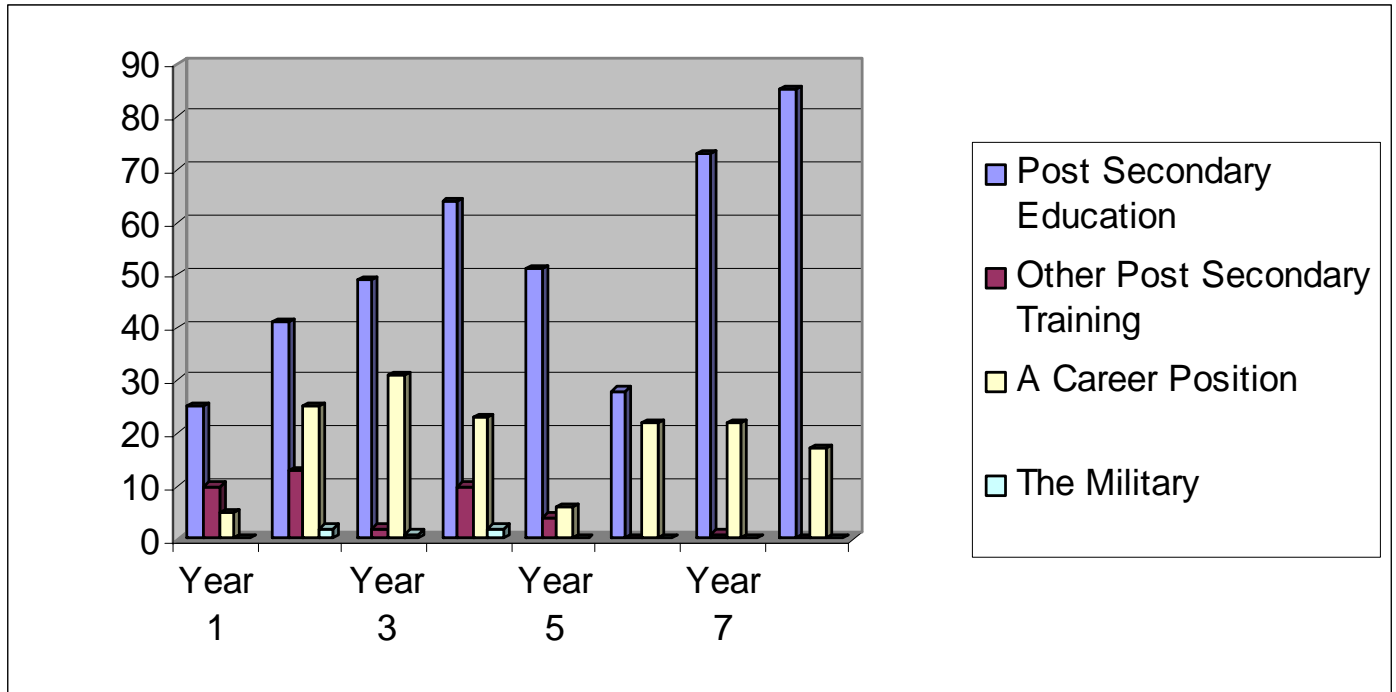
**Number of Students
FY 2000 - FY 2008**



**Percentage of HEP Participants Receiving a GED Certificate
FY 2000 - FY 2008**



**Number of Placements
FY 2000 - FY 2008**



PPEP-HEP is fortunate to be able to offer the services of the other PPEP agencies to its students. PPEP has its NFJP program, Housing and Microbusiness Division, and the Mental Health and the Human Resource Division. In essence, PPEP-HEP is a multiagency approach to help our farmworkers to get their GED's and to continue their education afterwards.

In conclusion, the HEP program is having a positive effect on our farmworker community by helping them to be better educated and better informed on pertinent issues, which hopefully, will give them the self-esteem and desire to become involved within their communities.

Somerton Morning Class



PPEP, INC
ARIVACA COMMUNITY GARDEN

Annual Report 2006-2007

The Arivaca Community Garden is approaching its eleventh year of operation. This program has really come a long way and seen amazing improvements. The original garden site was a patch of dirt one hundred feet by fifty feet. We now are over three acres in size. The garden has grown into a very well equipped operation, with three greenhouses, an extensive irrigation system, and all the tools needed to produce high quality, certified organic vegetables.



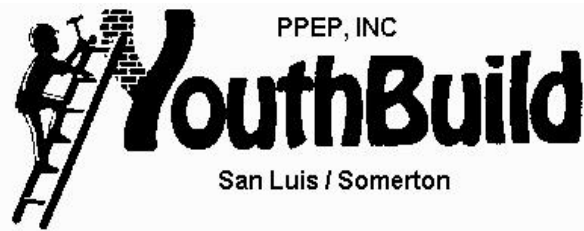
For all the improvements to our operation this year prove s that farming is an endeavor that ultimately relies on the weather and environmental conditions. Like each year it has been a challenge in almost every way. But, among all the struggles we had another great season attending the Tucson Community Food Bank's Santa Cruz Farmer's Market which has become quite successful in generating income for the garden. It continues to be a great personal experience, raises money for the program, and supports the production and sale of locally produced food.

The Arivaca Community Garden is now participating in the “World Wide Opportunities on Organic Farms” (WWOOF) network. This program has drawn guest workers from around the world to our program where they help out and learn what we do. In order to support this program we were able to come up with funds to purchase a 5th wheel so that we can provide accommodations to the guest workers while they are here and able to stay at the garden facilities.



Farming is always a learning experience and this year provided many lessons and opportunities to improve the job we do at the garden. Bill Stern was able to attend training in New Mexico with others from around the county to learn more about organic gardening, farmers markets, cooling/refrigeration units, etc. His wealth of knowledge continues to enhance the Arivaca garden project and bring new and innovative ideas to the table. Because Mother Nature was fairly good to us this year we had a pretty bountiful year.

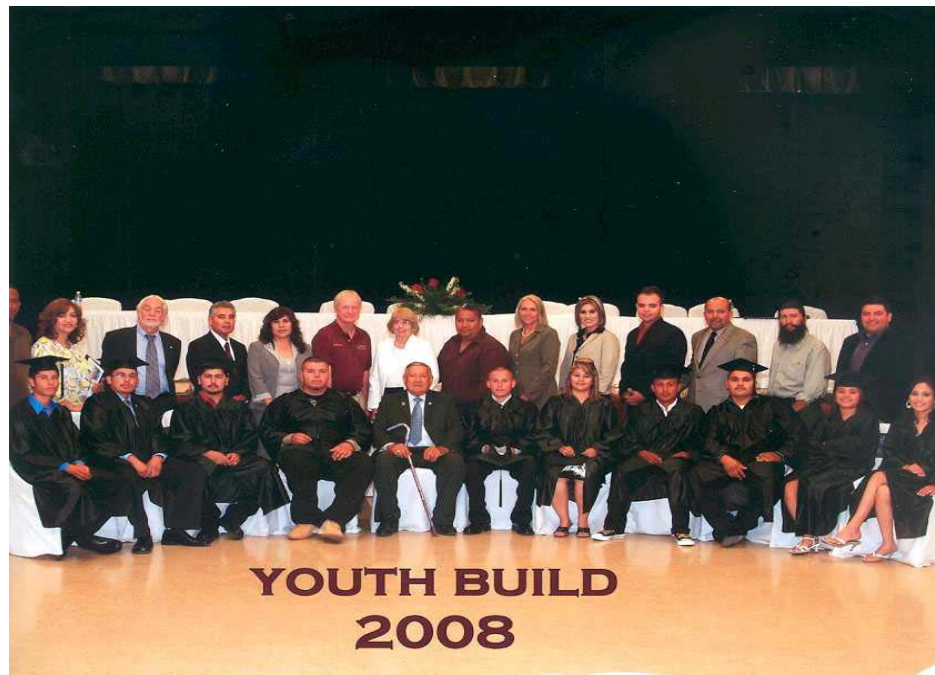
Kari Logan, Executive Director



**Kari Hogan,
Executive Director**

“If your actions inspire others to dream more, learn more, do more and become more, you are a leader, for the very essence of leadership is that you have a vision”

“We must not believe the many, who say that only free people ought to be educated, but we should rather believe the philosophers who say that only the educated are truly free. For education is for improving the lives of others and for leaving your community and world better than you found it.”



Pictured above is our fifth youthbuild group of graduates. This picture represents the statement above in the sense that education is truly for improving the lives of others and for leaving your community and world better than you found it.

Over the past year the PPEP Youthbuild program graduated another two youthbuild groups for a total of 45 at-risk youth to date. Last year these two cycles graduated were recognized for their many accomplishments. Students participated in many community projects, as well as working with the City of Somerton on the new Senior Center that is being built and installing new playground equipment in the local parks. The picture taken below was taken with the children of the Casa Bethel Orphanage. This year again the PPEP youthbuild students did a fundraising drive and were able to get enough supplies

donated to provide for over 40 students with school supplies that were needed. Along with giving out supplies, they also provided a huge lunch for the children and baskets of goodies for the smaller children who are not in school or very young. This is just one example of the many things that the PPEP Youthbuild students are involved in and what can be accomplished when you work with young people and give back the sense of community.



This past year we completed 8 rehab units of housing and have completed a total of 5 homes, and have begun working on the 6th and 7th homes. We have touched the lives of so many families and young people with positive contributions through this program. Throughout the last year students completion levels increased and out of the 18 students that graduated a total of 14 received their GED's. Out of the 18 student's 6 enrolled into college classes and 12 are working in their communities.





Project PPEP Youthbuild students are involved in their community and below are pictured with the Mayor and City Council members from the City of San Luis, where students have made presentations to the city for funding of the youthbuild program.

There were many opportunities for leadership activities in the youthbuild program and because of staff efforts and the leadership of Kari Hogan, PPEP Youthbuild was able to secure funds from the City of San Luis again this past year. These funds are important in order to leverage the Youthbuild dollars and give more opportunity to the youth enrolled in the program.

We also know how to have fun when it is appropriate.



Overall the Youthbuild Program continues to meet its goals with HUD, currently graduating a total of 45 students throughout 5 cycles and 12 more students are in the current cycle. At the end of this complete

grant cycle the Youthbuild program will have graduated a total of 57 young people and exceed this grant cycle goals.

It is also worth noting that because of the outstanding performance the youthbuild program has achieved over the past few years, we have now moved from provisional affiliate to Full Affiliate with Youthbuild USA and are now eligible for pass through funding through Youthbuild USA. We are proud of our program, staff and students.

Kari Hogan - Executive Director





PPEP Microbusiness and Housing Development Corporation

Microloan and Housing Loan Funds and Microloan Technical Assistance Report for the period ending June 2008

Donna Beckhorn
Program Director

PPEP Microbusiness and Housing Development Loan Funds outstanding portfolio for June 30, 2008 ending was **\$4,674,906 against notes payable of \$3,992,124.** The PMHDC Loan Funds is comprised of 19 different investment sources.

Small Business Administration MICRO Loan Funds

The Small Business Administration/MICRO Loan Fund is made up of three separate loans made to PMHDC. The outstanding balance to SBA on these three loans is \$1,107,968. The outstanding portfolio on these three loans is \$791,090 and is made up of 151 accounts with an average loan of \$8,813. Of the principal outstanding, \$199,846 (25%) is in arrears. Problems in the economy have caused more delinquencies; nonetheless, PMHDC is aggressively looking into all of the accounts that are past due more than 30 days and corrective action is being taken to work with these clients.

Social Program Related Investment Fund (SPRIF)

This fund is made up of seven social investments, which include the Tides Foundation, Seton Enablement Fund, SSM International Finance, Sisters of Saint Francis of Philadelphia, Sisters of Mercy, Burlingame, U.S. Conference of Catholic Bishops, the Cabalero Investment, and CrediCard Bank's Community Reinvestment Act investment. This fund is capitalized at \$254,636; the portfolio balance for this fund is \$200,173, which is comprised of four active loans. PMHDC is utilizing these funds at an average cost of funds of 3.20% per annum.

Rural Development

This loan fund was established for the border areas of Douglas, Nogales and San Luis. The \$165,000 RD grant was made to PMHDC in May of 1996. Under the grant guidelines, these funds can only be used in these three border communities. As of June 30, 2008, the outstanding portfolio was \$76,901 with 6 active accounts with an average loan of \$18,999.

United States Department of Agriculture Intermediary Relending Program

The Intermediary Relending Program (IRP) is a program of Rural Development. PMHDC was awarded two \$750,000 (\$1,500,000) 30 -year loans, IRP # 3 for \$346,250, IRP # 4 for \$750,000 and IRP #5 for \$750,000. Its uses include pre and site development housing opportunities for low-to-moderate income families as well as create sustainable small businesses with loans of up to \$150,000. Under these five separate funds, there are 20 loans utilizing IRP funds with a principal outstanding of \$2,264,324 as of June 30, 2008. Total notes payable to Rural Development is \$2,386,499.

Economic Development Administration (EDA) Bridge Fund

This federal funded bridge fund pro-actively develops new jobs for low-income individuals and minorities by nurturing the start up and sustainability of microenterprises as they expand and enter their new stage of development and full-time job creation by providing bridge loans. EDA approved an initial \$300,000 investment and EDA #2 in the amount of \$500,000 for the CDFI. As of June 30, 2008 there were 11 loans with principal outstanding totaling \$357,025.

PMHDC Equity Fund (CDFI)

Original equity investments were made by the U.S. Treasury (\$250,000) and a \$250,000 investment made by Wells Fargo Bank totaled \$500,000. There are four loans in this portfolio with a balance of \$397,270.

Rural Housing and Economic Development (RHED I) (HUD)

RHED I was originally made available to PMHDC to infuse into construction loan funds to help self-help borrowers and non-profit builders proposing to develop affordable housing in rural Arizona.

RHED II was requested to provide economic development assistance to retain and expand existing small businesses and micro enterprises in need of developing or enhancing their technological and communication capabilities, helping them to bridge the digital divide. Businesses served through this initiative are located in the “Colonias” areas of Arizona along the US-Mexico border, also known as the Arizona Border Region Enterprise Community, which includes Douglas, Nogales and San Luis.

RHED III was a grant for the acquisition, development, construction or renovation of housing serving elderly, developmentally disabled adults, farm workers and other special populations residing in the Arizona Border Region Enterprise Community.

RHED IV was designed to support the Colonias within the Arizona Border Region Enterprise Community and other small distressed communities (populations below 2,500) for the development of their capacity to carry out housing and economic development projects.

The RHED loan fund now has 25 outstanding loans with a portfolio balance of \$531,798. Currently available to lend is \$502,700, with \$300,000 currently committed to the 2008 SHOP program. These funds will provide short-term pre-development loans to Arizona housing organizations for their self-help housing programs.

WELLS FARGO Blend Fund

This product provides low-income families with financing for their new homes in cooperation with Rural Development’s 502 program. The financing was originally secured with a \$600,000 loan with Wells Fargo Bank. The outstanding portfolio is \$56,324 with four families receiving this blend financing. Previously PMHDC had financed 18 single family loans under this project.

Delinquency, Collections, and Recovery Report

During annual reviews of microloan clients, staff members visited clients and collected financial, sales, and operations data; discussed any problems and concerns clients might be having; and verified collateral. Afterward, staff members conducted a loan risk analysis based upon clients’ payment history and the data collected. The ratings were as follows:

Low risk 62%

Moderate risk	7%
Average risk	7%
Substantial risk	5%
High risk	19%

Statistics for PHMDC's total loan fund (231 active accounts) as of June 30, 2008, were as follows:

DAYS DELINQUENT	31-60	61-90	91-120	120+
PORTFOLIO @ RISK	\$260,262	\$25,902	\$26,621	\$474,346
% OF PORTFOLIO	5.57%	.55%	.57%	10.15%
# OF ACCOUNTS	10	9	8	33
% OF ALL ACCOUNTS	4.32%	3.89%	3.46%	14.28%

The total of accounts in delinquency was \$787,130 which represents 17% of the total outstanding portfolio. The microloan only delinquency rate was 19%; of 201 microloan customers comprising a portfolio of \$2,007,681, \$379,098 were in arrears.

These delinquent accounts were comprised of both small and large loans, with original loan amounts ranging from several thousand dollars to \$150,000. The collapse of the housing industry, the related decline of the economy, and the implementation of Arizona's Employer's Sanction Law all had an impact on loan clients and their ability to stay current with their loan payments. Staff members dedicated many hours to collection efforts during the year. They have worked with clients to restructure their obligations and provided additional technical assistance regarding their business operations whenever possible.

Charge-offs of twenty-one accounts occurred during the 07-08 year, totaling \$193,574. These accounts referred for charge-off by the Internal Loan Review Committee were reviewed and were approved as bad debt. All collateral associated with these accounts as well as the promissory notes and all other legal documents are being collected and readied for appropriate legal action; in some cases, legal action has already begun. All of the accounts have been reported to the Experian credit bureau.

During the same time, previously charged-off accounts were aggressively pursued by staff and by our attorneys. Efforts resulted in \$5,711 being recovered.

Technical Assistance Report

In addition to technical assistance provided one-on-one to clients, PHMDC also provided assistance through three programs: SBA Prime training, the eBay Foundation Techquity Program, and the Border Business Resource Center (incubator) in Douglas.

SBA Prime Training

Supported by a grant from the U.S. Small Business Administration, the SBA Prime training program is designed to provide existing and prospective microloan clients with assessment and training that will develop their capacity for business success. Training may include business planning, marketing, financial management, and computer skills.

This year, PMHDC provided 42 participants with business planning and computer skills training. Classes were held in Douglas, Nogales, and San Luis, Arizona. Total training time provided was 268 hours; follow-up one-on-one mentoring occurred as needed.



PRIME Computer Skills Class, Douglas, AZ

eBay Foundation Techquity Program

Last year, PPEP Microbusiness and Housing Development Corporation (PMHDC) awarded 30 new computer systems to businesses around southern Arizona who qualified for a “Techquity” (Technology + equity) award. The Association for Enterprise Opportunity (AEO) manages the eBay Foundation Techquity Program which aims to bolster local businesses with new technology equipment. This year, PMHDC has made 11 additional awards which included laptops, desktop computers, and software.

Border Business Resource Center, Douglas

The BBRC reported 32 jobs created through its services, which includes loans, counseling, training, and incubator space. Clients may be tenant members of the incubator or affiliates who use the services but do not rent space.



Networking Luncheon with Guest Speaker
Border Business Resource Center, Douglas, AZ

**HISTORICAL INFORMATION—PMHDC LOAN FUNDS
A CERTIFIED COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION AND A
COMMUNITY DEVELOPMENT ENTITY
PROGRAM STATISTICS**

July 1, 2007– June 30,2008

First-time Loans Funded: 30

Subsequent Loans Funded: 13

Small Business Loans Funded (\$25,000+): 2

Community Facility Loans: 2

Percentage Of Women-Owned Enterprises: 49%

PMHDC Loan Portfolio: \$4,674,906

**January 1987 through June 2008
AMOUNT INVESTED: \$22,037,380**

AVERAGE INVESTMENT: \$6,393

AVERAGE TERM OF INVESTMENT: 18 MONTHS

TOTAL NUMBER OF FIRST-TIME LOANS: 1,502

TOTAL NUMBER OF ALL INVESTMENTS: 3,447

HISTORICAL LOSSES: \$1,889,714 (8.6%)

RECOVERY PROGRAM-TO-DATE: \$152,954 (8.1%)





**PPEP Microbusiness & Housing Development
Corporation, Inc.**

**820 East 47th Street Suite B-14 Tucson, Arizona 85713
(800) 293-2974/(520) 889-4203/Fax: (520) 889-5319**

HOUSING ANNUAL BOARD REPORT FY 2007-2008

July 1, 2007 – June 30, 2008

Submitted by: John Arnold, Ph.D. CEO

**Prepared by: Joni V. Soriano
Regional Grants Administrator**



Acknowledgment

PPEP Microbusiness and Housing Development Corporation have traditionally demonstrated tremendous experience in managing resources to support the economic and affordable housing development of rural communities on an ongoing basis. For years, the members of the Board of Directors and staff of this organization have worked very hard, understood and practiced exceptional skills, talents, disciplines and responsibilities to see through it that most of the program resources are used efficiently and successfully. These exceptional common values include meeting all compliance requirements and standards for all its funding sources. Our clients extend their sincere appreciations for these dedications by the members of Board of Directors, Management Team and Staff of PPEP Microbusiness and Housing Development Corporation. Thank You!



HOUSING PROGRAM ACCOMPLISHMENTS FOR FY 2007-2008 (July 1, 2007 – June 30, 2008)

FUNDING - Technical Assistance

- U.S. Department of Agriculture Farm Labor Housing Technical Assistance Program
Year 3 – January 1, 2007 –September 30, 2007
Service Area: Arizona, California, Colorado, Idaho, Hawaii, Nevada, New Mexico, Oregon, Utah and Washington
Total Amount of Funding: \$51,833.00

- U.S. Department of Agriculture Farm Labor Housing Technical Assistance FY 2008 (New) Award
Service Area: Arizona
Total Amount of Funding: \$88,554.00
Total Projected Unit: 80 MF-Farm labor housing

- U.S. Department of HUD – Community Housing Development Organization
Service Area: Rural and Urban Communities, Arizona
Total Amount of Funding: \$63,334



HOUSING PROGRAM ACCOMPLISHMENTS FOR FY 2007-2008 (July 1, 2007 – June 30, 2008)

FUNDING – Development Services

- U.S. Department of HUD –Self-Help Homeownership Opportunity Program (SHO)
Grant Number 2 – SHO4004 Year 3 Only
Service Area: Arizona, Colorado and New Mexico
Total Amount of Funding: \$956,800.00
Total Number of Units Committed: 53 Units SFH

- U.S. Department of HUD –Self-Help Homeownership Opportunity Program (SHOP) – NEW GRANT
Period: 01/07/08 -01/06/11
Grant Number 3 – SHO7004
Service Area: Arizona, Colorado and New Mexico
Total Amount of Funding: \$2,241,245
Total Number of Units Committed: 126

- U.S. Department of Agriculture Farm Labor Projects
Farm Labor Housing Section 514/516 Year 3
Service Area: Arizona, Colorado, New Mexico, Oregon, and Washington
Total Amount of Funding: \$50,000,000
Total Number of Units Committed: 178 Units MFH Farm Labor Housing



HOUSING PROGRAM ACCOMPLISHMENTS FOR FY 2007-2008 (July 1, 2007 – June 30, 2008)

FUNDING - Lending Services

- U.S. Department of HUD – Rural Housing and Economic Development Grant
Revolving Loan Fund Amount: \$462,049.30 - UNRESTRICTED
Purpose: To finance construction of self-help and homeownership housing built by non-profit organizations
Available Amount: \$ 350,000

- U.S. Department of HUD – Rural Housing and Economic Development Grant Num
Revolving Loan Funds - RESTRICTED
Amount Available for Technology - \$39,000.00
Amount Available for Community Development - \$134,000.00

Purpose: To match with IRP Program for acquisition, development, construction or renovation of housing serving the frail, elderly, developmentally disabled persons, farmworkers and other special populations. To build capacity of nonprofits and private small businesses and Train Housing staff in property management

- U.S. Department of Agriculture – Intermediary Re-lending Program (IRP)
 - IRP Number 2 –Revolving Loan Amount: \$750,000
 - IRP Number 3 – Revolving Loan Amount \$750,000
 - IRP Number 4 – Revolving Loan Amount \$750,000
 - IRP Number 5 – Revolving Loan Amount \$750,000

HOUSING PROGRAM ACCOMPLISHMENTS FOR FY 2005-2007 (July 1, 2007 – June 30, 2008)

SUCCESSFUL PROJECTS IN FY 2007-2008

State of Arizona Local Technical Assistance: - Third Year –
December 31, 2007

Programs: USDA FLH-TA, USHUD-CHDO, USHUD RHED & SHOP

<u>Name of Agency</u>	<u>Accomplishments</u>
(1) Tucson Indian Center	Board training, organizational capacity building & development
(2) Pirtleville CAN	Board training, organizational capacity building & development
(3) St. Vincent De Paul Sierra Vista	Board training, grant writing, organizational capacity building & development
(4) DreamHome Construction	Acquisition of the Vargas Estate
(5) Circle B Adult Care	Rehabilitation Special Needs Housing
(6) Guadalupe CDC	Capacity Building and Development
(7) Old Pueblo Community Found.	CHDO, housing capacity building and development
(8) CPLC Nogales	Environmental & Pre-development training
(9) Esoguerra Incorporated	Pre-Development Farm Labor Housing and USDA Grants & Loans Program
(10) La Costa Water Association	Organizational Capacity Building, Water Management Issues



HOUSING PROGRAM ACCOMPLISHMENTS FOR FY 2005-2007 (July 1, 2007 – June 30, 2008)

SUCCESSFUL PROJECTS IN FY 2007-2008

Regional Technical Assistance

Programs: USDA FLH-TA, USDOL and USHUD SHOP Program

<u>Name of Agency</u>	<u>Accomplishments</u>
(1) Hispanic Services of Nevada	US DOL WIA 167 Grantee Candidate
(2) Nevada Housing Authority	USDA FLH-TA Developer Candidate
(3) Citizens for Affordable Housing Nevada	USDA FLH-TA Sponsor/Dev. Candidate
(4) Calexico Community Action Agency	USDA FLH-TA Sponsor/Dev. Candidate
(5) Tri-County CDC – Fowler, Colorado	USHUD SHOP Affiliate of the Rocky Mountain/Hawaii Regional SHOP Consortium
(6) Upper Arkansas Area Council of Governments (UAACOG) –Colorado	Capacity Building, Comprehensive Planning and Development of Greenfields Meadow Subdivision
(7) Mississippi Delta Council for Farmworkers Opportunity Inc. (MDC)	Capacity Building, Comprehensive Planning, Acquisition and Development
(8) Heritage Farms – Maui, Hawaii	USDA FLH-TA Sponsor/Dev. Candidate
(9) Community Council of Idaho	TA on Farm Labor Housing Compliance

HOUSING PROGRAM ACCOMPLISHMENTS FOR FY 2005-2007 (July 1, 2007 – June 30, 2008)

SUCCESSFUL PROJECTS IN FY 2007-2008

Development Services Local and Regional – Third Year

Programs: US DOL and USDA Farmworkers Housing Program

Agency Name	Name of Project	No of Units	Cost
(1) CRHDC – Colorado	Tierra Nueva II, Alamosa	38 Units	\$ 4,526,920
(2) CRHDC – Colorado	Montana Azul, Alamosa	32 Units	\$ 4,000,000
(3) CRHDC – Colorado	Olathe, Montrose	36 Units	\$ 500,000
(4) CRHDC – Colorado	Palisade Apartments, Mesa	30 Units	\$4,000,000
(5) CASA of Oregon	Canyon East Apts. Madras	24 Units	\$4,000,000
(6) TDSHC – NM	Franklin VI, Anthony	24 Units	\$1,500,000
(7) TDSHC – NM	Franklin VII, Anthony	24 Units	\$1,500,000
(8) TDSHC – NM	Desert Sun III, Deming	56 Units	\$4,000,000
(9) PMHDC-CA	Calexico Community Action	Conceptual	
(10) PMHDC – Hawaii	Heritage Farms	Conceptual	
(11) PMHDC – Nevada	Amargosa Valley	Conceptual	
(12) CF –Washington	Eastern Idaho Valley	Conceptual	
(13) PMHDC/RCAC –AZ	Yuma & San Luis/Comite	32 Units	Funding

The total number of units completed in the third year of Farm Labor Housing Technical Assistance Program Grant is: 264 Units of 2, 3 and 4 bedrooms apartment units.

The total leverage funds earned in the third year of the USDA Funding for Farm Labor Housing TA grant of \$187,500 is: \$24,026,920.00

HOUSING PROGRAM ACCOMPLISHMENTS FOR FY 2005-2007 (July 1, 2007 – June 30, 2008)

SUCCESSFUL PROJECTS IN FY 2007-2008

Development Services Local and Regional

Programs: HAP, USDA Section 502, USHUD SHOP, HOME Programs and Other Private Financing such Federal Home Loan Bank AHP, Chase, National Bank of Arizona, Bank of America, Home Loan Executive and Other

SELF-HELP HOMEOWNERSHIP PROJECTS

Agency Name	Project Name	No of Units	Estimated Amount
(1) PMHDC – Tucson	Quail Run Sub., Douglas	2 Units	\$ 281,000
(2) Comite De Bien EStar	Bienstar 8CSub, San Luis	10 Units	\$1,150,000
(3) Guadalupe CDC	Colonia Estrelita, Guadalupe	10 Units	\$1,780,000
(6) CAHRA of Eloy	Scattered Sites	32 Units	\$4,352,000
(7) Old Pueblo Com Found.	Tucson Mountain Ranch	10 Units	\$1,350,000
(8) TDSHC – NM	Dos Lagos Sub, Anthony	16 Units	\$1,250,000
(9) TDSHC – NM	Anthony Subdivision	44 Units	\$5,060,000
(10) TDSHC – NM	Paseo De Oro, Las Cruces	27 Units	\$3,375,000
(11) CRHDC – Colorado	Tierra Del Sol Estate	26 Units	\$3,276,000
(12) CRHDC – Colorado	Montana Azul Sub, Alamosa	22 Units	\$2,430,000
(13) Thistle – Colorado	Blue Vista Sub, Longmont	18 Units	\$2,826,000
(14) SHHHC- Hawaii	Hilani Gardens II	14 Units	\$2,450,000
Total		231 Units	\$29,580,000

* All Units are with 3 and 4 bedrooms



**HOUSING PROGRAM ACCOMPLISHMENTS FOR
FY 2005-2007 (July 1, 2005 – January 31, 2007)**

**PROJECT PICTURES
LOCAL AND REGIONAL
SELF-HELP HOMEOWNERSHIP
FARMWORKERS HOUSING MULTI-FAMILY**

**COLORADO RURAL HOUSING DEVELOPMENT
CORPORATION**

SELF-HELP HOUSING PROGRAM

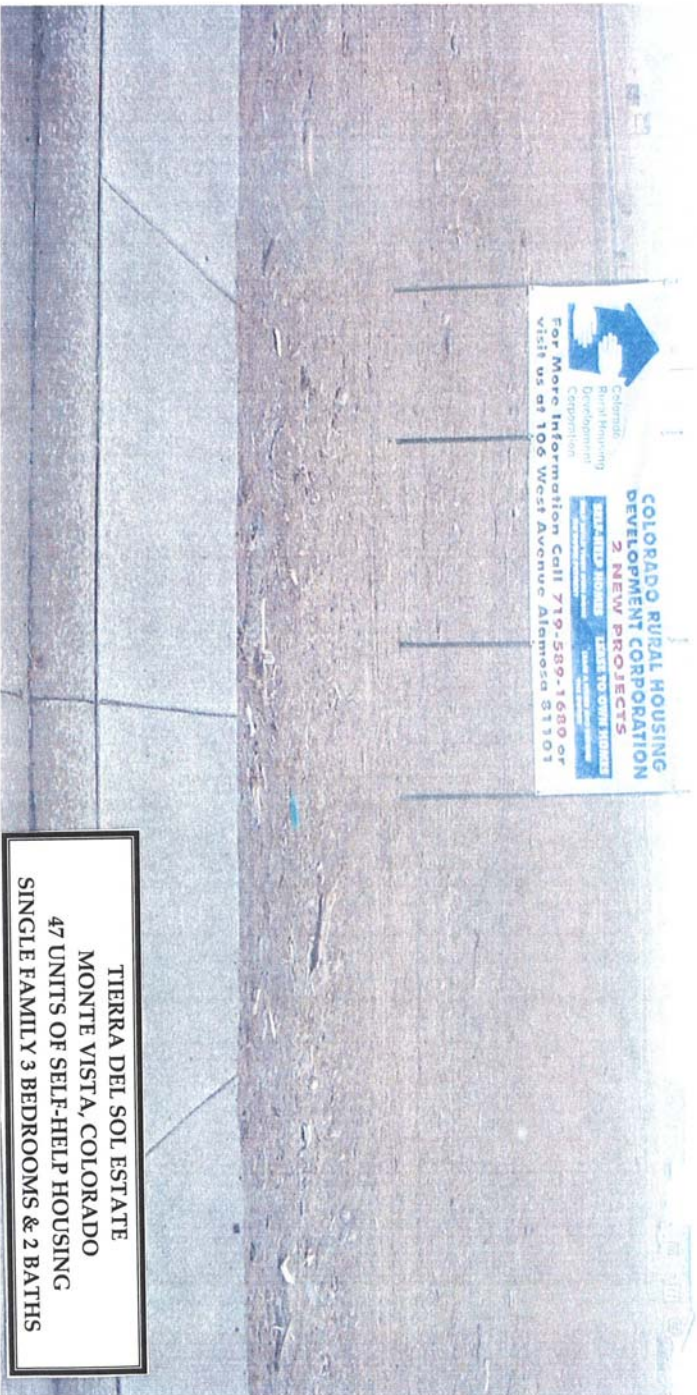
**TIERRA DEL SOL ESTATE – MONTE VISTA, COLORADO
MONTANA AZUL SUBDIVISION – ALAMOSA, COLORADO
TIERRA NUEVA II – ALAMOSA, COLORADO**

FUNDING:

**US HUD SELF-HELP HOMEOWNERSHIP PROGRAM (SHOP)
USDA SECTION 523 AND SECTION 502
FEDERAL HOME LOAN BANK AHP PROGRAM OF TOPIKA
CITY OF ALAMOSA HOME PROGRAM
STATE OF COLORADO LOW-INCOME HOUSING TAX CREDIT
USDA FARM LABOR HOUSING SECTION 514/516
OTHER PRIVATE FINANCING**



MONTANA AZUL SUBDIVISION
ALAMOSA, COLORADO
22 UNITS OF SELF-HELP HOUSING
SINGLE FAMILY 3 BEDROOMS & 2 BATHS




 Colorado
 Rural Housing
 Development
 Corporation
**COLORADO RURAL HOUSING
 DEVELOPMENT CORPORATION**
2 NEW PROJECTS
SELF-HELP HOMES **APARTS FOR OWNERS**
 For More Information Call 719-589-1680 or
 visit us at 106 West Avenue Alamosa 81101

TIERRA DEL SOL ESTATE
MONTE VISTA, COLORADO
47 UNITS OF SELF-HELP HOUSING
SINGLE FAMILY 3 BEDROOMS & 2 BATHS

2007 BUSINESS LINES

Real estate development

CRHDC purchases raw land and develops the lots. It developed the infrastructure for Phase II of Montaña Azul in Alamosa as it has in most of the subdivisions connected to Self-Help.

Low multi-family & senior housing



CRHDC produced 52 units of low-income, rural, senior housing in 2006. Pictured above Casas de Rio Grande, el Norte, winner of 2007 AIA Design Award.

Easy-to-Own housing

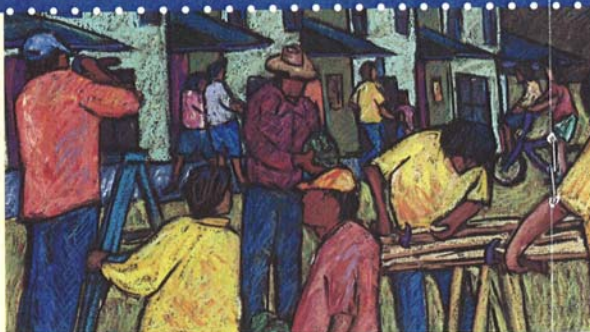


In 2006, CRHDC constructed 10 homes in Monte Vista in the Tierra Del Sol subdivision and is constructing an additional 30 homes in the same subdivision. In this program, CRHDC counsels participants until they can purchase their home.

Self-Help housing



Using your own hands and time to help build substantial parts of your own home is what Self-Help housing is all about. New Self-Help communities are currently being built in Alamosa and Monte Vista. CRHDC produced 1,600 Self-Help homes in 30 years and started an additional 30 in 2006.



community development

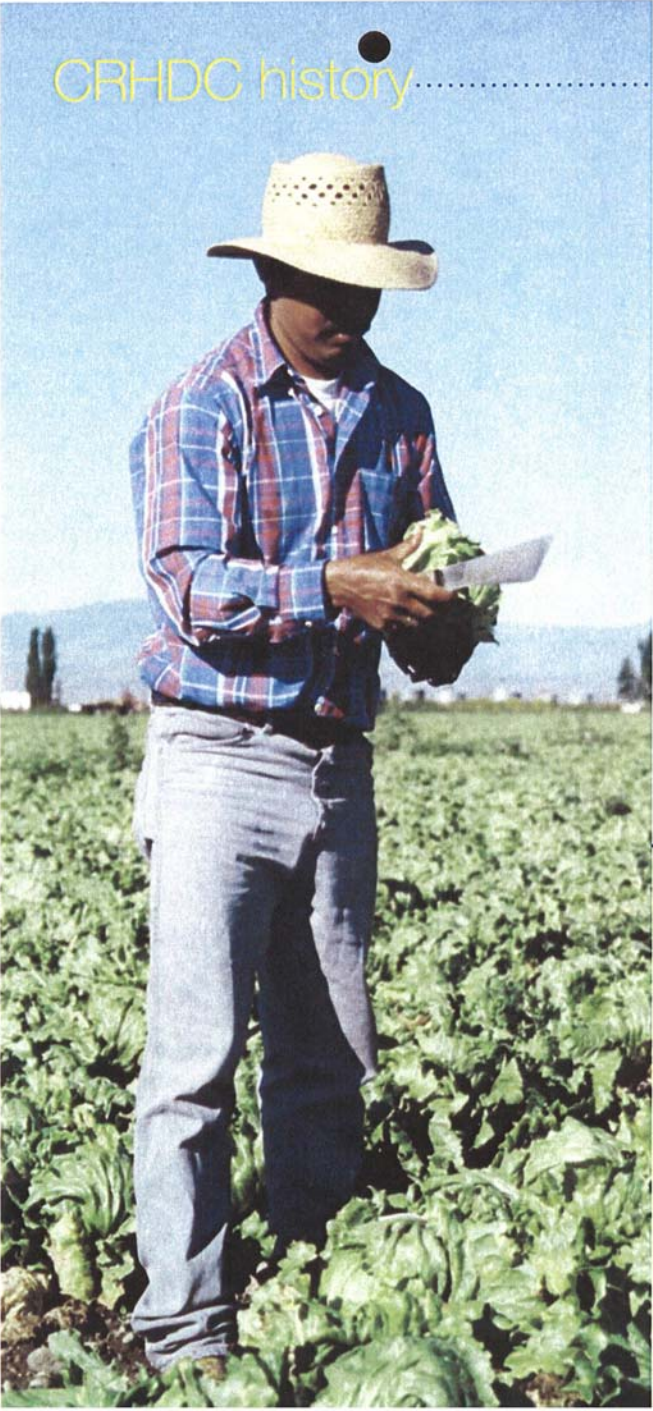
CRHDC is the expert in farm worker housing. And it should be — it has been putting farm workers into suitable living situations since 1971. CRHDC is a frequent contributor of technical assistance in developing and financing farm worker housing to other not-for-profit organizations in the United States.



Tierra Nueva I will be part of an international housing symposium in Vienna in 2008. Only 15 developments in the world were accepted and just three from the United States. It also won a design award from the American Institute of Architects, Denver Chapter. Information and pictures of the development are touring the country as part of "The History of Affordable Housing" show. It has 241 units.



CRHDC opened Tierra Nueva II in Alamosa in 2007, adding 37 units of farm worker housing.



CRHDC history

Colorado Rural Housing Development Corporation (CRHDC) was formed in 1971 to provide safe and affordable housing to migrant workers in Colorado. Following success in that process, it evolved into a nationally recognized, award-winning, not-for-profit corporation representing far more than migrant housing.

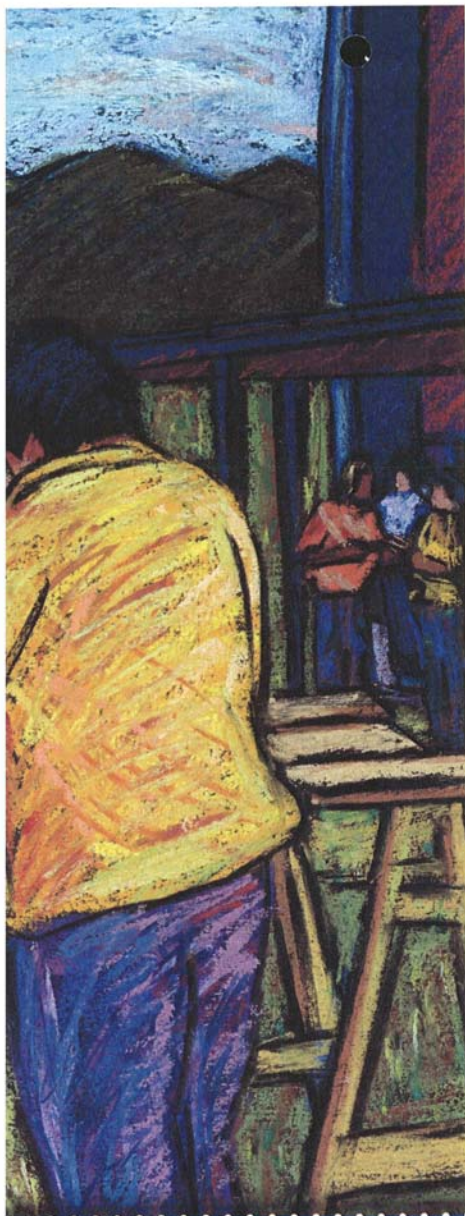
CRHDC serves low to moderate-income households by providing education in homeownership, financial management, and post-purchase issues, as well as providing foreclosure prevention services. CRHDC also develops affordable single-family housing and multi-family rental housing, provides property management services, develops farm worker housing, and provides technical assistance to other organizations that serve the community. CRHDC's longevity and success can be attributed to its professional, quality management and solid finances.

Colorado Housing Enterprises LLC/CDFI (CHE) was incorporated in June 1998 to create sustainable home ownership opportunities for low to moderate-income households with downpayment assistance, loans, education and access to bank products. CHE also provides rehabilitation and business loans.

CRHDC/CHE is a HUD Housing Counseling Agency, a member of the NeighborWorks® Network, certified as a full cycle lender, and designated as a NeighborWorks® Home Ownership Center and certified as a Community Development Financial Institution (CDFI).

mission statement

Colorado Rural Housing Development Corporation and its subsidiary, Colorado Housing Enterprises L.L.C., create strong and healthy communities through innovative approaches in providing sustainable and affordable housing, life-skills, and economic development opportunities for low-to-moderate income households in Colorado through property development, financing, education, partnership, and technical assistance.



housing development

- **Vista Verde I in Hayden, Colorado**—Rehabilitated and sold 20 town home rentals converted to homeownership targeting families and individuals with incomes at or below 50%, 80%, and 115% of area median income. Leveraged \$800,000 construction loan from Neighborhood Housing Services of America and town home sales of \$3.25 million. Conversion of rental to homeownership in changing housing market.
- **Montaña Azul Estates in Alamosa, Colorado**—Completed 12 Self-Help homes. Continuation of borrower's sweat equity participation in exchange for cost savings. Leveraged \$495,000 SHOP HUD funds, and \$300,000 construction loan from Rural NeighborWorks® Alliance. Leveraged \$1.7 million Rural Development 502 Loan Program and \$42,000 grant funds from Federal Home Loan Bank of Topeka.
- **City View Subdivision in Trinidad, Colorado**—Completed four Self-Help homes in Trinidad, Colorado. Leveraged \$560,000 Rural Development 502 Loan Program and \$14,000 from the Federal Home Loan Bank.

commercial development

- Started construction on CRHDC/CHE new office and commercial-retail building with completion slated for January of 2008 in Westminster, Colorado—11,000 sq. ft. of office and retail space. Leveraged \$1.5 million from Key Bank in New Market Tax Credits, \$200,000 land donation from City of Westminster, \$125,000 grant from NeighborWorks® America. Consolidation of operation in one location for efficiency and asset base increase.

home ownership lending

- Processed 204 loans for first mortgage, down payment, and closing cost, and hardship loans—Assisting our clients in achieving and maintaining the dream of homeownership.

business lending

- Received \$1 million award from USDA/Rural Development under the Intermediary Re-Lending Program (IRP) to provide small business loans to individuals in the San Luis Valley—Huerfano and Las Animas counties—Source of working capital for small business creation and expansion.
- Expanded its lending business line to include Micro Business in the San Luis Valley—Improving the local economies and providing job opportunities and growth for people.

ACHIEVEMENTS

we don't do it alone...
**THANKS TO OUR
 PARTNERS IN HOUSING**

Bank of the West
 Federal Home Loan Bank of Topeka
 Key Bank
 JP Morgan CHASE
 State Farm Bank
 US Bank
 Vectra Bank
 Washington Mutual Bank
 Wells Fargo Bank
 Brown Construction
 Bob Bryning
 Adams County
 CDFI Fund (Community Development Financial Institution)
 (Part of the US Department of Treasury)
 City of Alamosa
 City of Antonito
 City of Center
 City of Colorado Springs
 City of Del Norte
 City of La Jara
 City of Monte Vista
 City of San Luis
 City of Trinidad
 City of Westminster
 Colorado Division of Housing
 Colorado Senator Lewis H. Entz
 Colorado Representative Rafael Lorenzo Gallegos
 US Department of Housing & Urban Development
 US Congressman John Salazar
 US Senator Wayne Allard
 US Senator Ken Salazar
 USDA Rural Development
 U.S. Department of Housing and Urban Development
 CARHOF (Colorado Association of Realtors-Housing Opportunity Fund)
 CHFA (Colorado Housing & Finance Authority)
 Community Builders, Inc.
 Enterprise Foundation
 Fannie Mae
 Fannie Mae Foundation
 Freddie Mac
 Housing Assistance Council
 NeighborWorks® America
 NHTA (Neighborhood Housing Services of America)
 Partners in Housing
 Portable, Practical, Educational Preparation, Inc.
 RCAC (Rural Community Assistance Corporation)
 Rural LIISC
 SLV FWHA (San Luis Valley Farm Worker Housing Association)
 Thistle Community Housing
 Tri-County Housing Community Development Corporation
 Xcel Energy Foundation
 USAA Auto & Casualty Insurance
 WalMart
 Coors Foundaton



2007 CRHDC
 Board of Directors



Jerry Harkins
 Board President
 Retired Lending Professional



Sarah Archibald
 Board Secretary
 Community Development
 Lending • US Bank



Jose Moran
 Board Vice President
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 Education Counselor



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Nino Gallo
 Program Coordinator for
 Boulder County Community
 Actions Program



Cheryl Santi
 Housing Developer/Real
 Estate Broker



Norma Andersen
 Business Development
 Specialist • Colorado Housing
 & Finance Authority



Debra Bustos
 Director of Real Estate
 Urban Land Conservancy



Steve Hegge
 Senior Director of
 Development • AIMCO



Daniel Vallez
 Director • Voices Community
 Resource Center



Renée Desai
 Vice President
 Regional Community Affairs
 Bank of the West

Communications Consultant: Jeanine Padilla, Padilla & Assoc.

**TIERRA DEL SOL HOUSING CORPORATION
NEW MEXICO
(MEMBER ROCKY MOUNTAIN/HAWAII REGIONAL CONSORTIUM)**

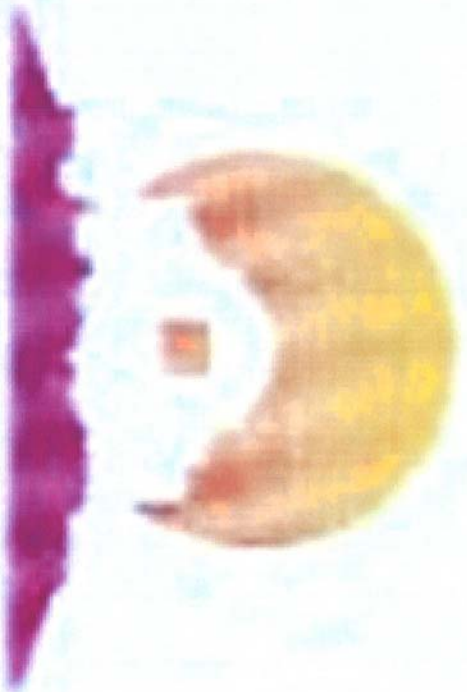
SELF-HELP HOUSING PROGRAM

Dos Lagos Subdivision, Anthony New Mexico
Paseo Del Oro Subdivision, Las Cruces New Mexico
St. Anthony Subdivision, Anthony New Mexico

Franklin VI & VII, Anthony New Mexico
Desert Sun III, Deming New Mexico

FUNDING:

**US HUD SELF-HELP HOMEOWNERSHIP PROGRAM (SHOP)
USDA SECTION 523 AND SECTION 502
FEDERAL HOME LOAN BANK AHP PROGRAM
USDA Section 514/516
New Mexico Low-Income Housing Tax Credit Program
New Mexico Housing Finance Administration
Las Cruces HOME & CDBG Programs
New Mexico HOME Program
Other Private Financing**



Tierra Del Sol

HOUSING CORPORATION



DOS LAGOS SUBDIVISION PHASE 1 & 2
ANTHONY, NEW MEXICO
15 UNITS OF SELF-HELP HOUSING
SINGLE FAMILY 3 BEDROOMS & 2 BATHS



**FRANKLIN VI & VII APARTMENTS
ANTHONY, NEW MEXICO
48 UNITS FARM LABOR HOUSING
2, 3 & 4 BEDROOMS APARTMENTS**









COMITE DE BIEN ESTAR

**(ARIZONA - AFFILIATE ROCKY MOUNTAIN/HAWAII REGIONAL
CONSORTIUM)**

**SELF-HELP HOUSING PROGRAM
BIENESTAR 7C SUBDIVISION
SAN LUIS, ARIZONA**

FUNDING:

**US HUD SELF-HELP HOMEOWNERSHIP PROGRAM (SHOP)
USDA SECTION 523 AND SECTION 502
FEDERAL HOME LOAN BANK AHP PROGRAM**

Group #29



Mario D Nunez and Esmeralda Nunez
Lot 6 Bienestar Estates 7C



Danny Guerra Orozco and Adriana Montoya de Orozco
Lot 8 Bienestar Estates 7C

Group #29



**Rodrigo Ortega-Estrada and Cruz Ortega
Lot 7 Bienestar Estates 7C**



**Jose J Salido-Rivera and Verence G Salido
Lot 13 Bienestar Estates 7C**

Group #29



Andres Lucero-Gonzalez and Lucia Lucero
Lot 17 Bienestar Estates 7C



Francisco J Miramontes-Rosales
Lot 14 Bienestar Estates 7C

Group #29



**Faustino Figueroa-Garcia and Guillermina Alvares de Figueroa
Lot 16 Bienestar Estates 7C**



**Enrique Gaxiola-Sandoval and Rosa Silvestre-Luera
Lot 15 Bienestar Estates 7C**

Comite de Bien Estar, Inc.
Self-Help Program

Updated list 9/17/07
10 174

Group No.	No. of Houses	BE #7C	BE #8A	Family own lot	Group Status	RD Submitted	RD Fam. Signing	First A Title	Starting Construction	Final Inspection Date	Total Houses Completed
Group 1	10				Completed Houses			5/10/2000	5/30/2000	5/24/2001	10
Group 2	9				Completed Houses			9/1/2000	10/14/2000	8/30/2001	19
Group 3	8				Completed Houses			9/14/2000	11/18/2000	8/30/2001	27
Group 4	6				Completed Houses			9/15/2001	10/6/2001	6/5/2002	33
Group 5	8				Completed Houses			4/22/2002	4/20/2002	2/25/2003	31
Group 6	9				Completed Houses	1/30/2002		7/20/2002	7/27/2002	6/25/2003	50
Group 7	10				Completed Houses	3/26/2002		8/31/2002	9/14/2002	8/14/2003	60
Group 8	12				Completed Houses	5/5/2002		10/19/2002	11/9/2002	11/14/2003	72
Group 9	10				Completed Houses	7/12/2002		12/7/2002	12/21/2002	10/9/2003	82
Group 10	13				Completed Houses	11/19/2002		4/19/2003	5/3/2003	4/28/2004	95
Group 11	12				Completed Houses	1/7/2003	4/18/2003	5/17/2003	5/31/2003	5/27/2004	107
Group 12	12				Completed Houses	4/3/2003	6/23/2003	7/12/2003	7/26/2003	6/30/2004	119
Group 13	12				Completed Houses	7/2/2003	8/6/2003	9/13/2003	9/27/2003	8/6/2004	131
Group 14	11				Completed Houses	10/24/2003		1/3/2004	1/17/2004	12/22/2004	142
Group 15	10				Completed Houses	2/27/2004		5/8/2004	5/22/2004	5/6/2005	152
Group 16	11				Completed Houses	5/26/2004		8/14/2004	8/28/2004	7/14/2005	163
Group 17	11				Completed Houses	8/9/2004	9/10/2004	10/16/2004	10/30/2004	11/17/2005	174
Group 18	9				Completed Houses	4/18/2005		7/9/2005	7/30/2005	8/10/2006	183
Group 19	9				Completed Houses	3/2/2005	5/2/2005	5/21/2005	6/11/2005	5/24/2006	192
Group 20	11				Completed Houses	6/27/2005	8/15/2005	12/17/2005	5/20/2006	4/25/2007	203
Group 21	12	11			Completed Houses	6/27/2005	8/15/2005	12/17/2005	5/20/2006	4/11/2007	215
Group 22	11				Completed Houses	6/30/2005	8/10/2005	1/14/2006	6/17/2006	5/23/2007	226
Group 23	11				Completed Houses	7/6/2005	8/18/2005	1/14/2006	6/3/2006	5/8/2007	237
Group 24	12				Completed Houses	8/2/2005	9/6/2005	1/21/2006	6/3/2006	3/28/2007	249
Group 25	12				Completed Houses	8/8/2005	9/6/2005	1/21/2006	6/17/2006	4/25/2007	261
Group 26	12				Completed Houses	3/27/2006	6/14/2006	8/19/2006	9/9/2006	8/29/2007	273
Group 27	9				Completed Houses	4/3/2006		8/19/2006	9/16/2006	5/18/2007	282
Group 28	7				Submitted to RD	7/11/2007	8/27/2007				289
Group 29	8				Under Construction	7/26/2006	8/29/2006	10/21/2006	11/11/2006	9/27/2007	297
Group 30	10	2	8		Under Construction	3/21/2007	5/17/2007	6/16/2007	7/14/2007		307
Group 31	10				Under Construction	3/28/2007	5/17/2007	6/16/2007	7/21/2007		317
Group 32	10				Under Construction	4/13/2007	5/29/2007	6/23/2007	7/21/2007		327
Group 33	9			1	Submitted to RD	5/31/2007		9/29/2007			336
Group 34	10				Submitted to RD	6/20/2007	8/27/2007	9/22/2007			346
Group 35	10				Submitted to RD	6/26/2007	8/27/2007	9/27/2007			356
Group 36	11										367
Group 37	10										377
Total	377	10	174	1							

THISTLE HOUSING CORPORATION
(COLORADO-AFFILIATE ROCKY MOUNTAIN/HAWAII REGIONAL
CONSORTIUM)

SELF-HELP HOUSING PROGRAM & LAND TRUST
BLUE VISTA SUBDIVISION – LONGMONT, COLORADO

FUNDING:

US HUD SELF-HELP HOMEOWNERSHIP PROGRAM (SHOP)
FEDERAL HOME LOAN BANK AHP PROGRAM OF TOPIKA
CITY OF LONGMONT CDBG & BOND PROGRAM
FIRST NATIONAL BANK OF COLORADO
BOULDER COUNTY HOME PROGRAM
STATE OF COLORADO DEPARTMENT OF HOUSING AFFORDABLE
HOUSING PROGRAM



Longmont Museum & Cultural Center

Longmont Recreation Center



287

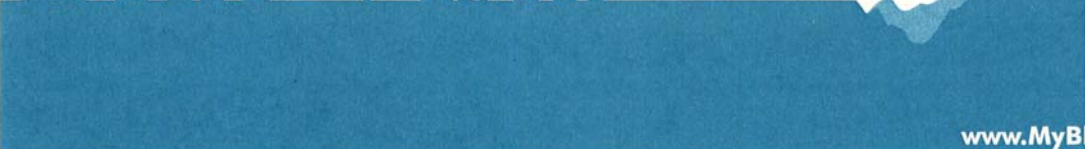
& Main St



North

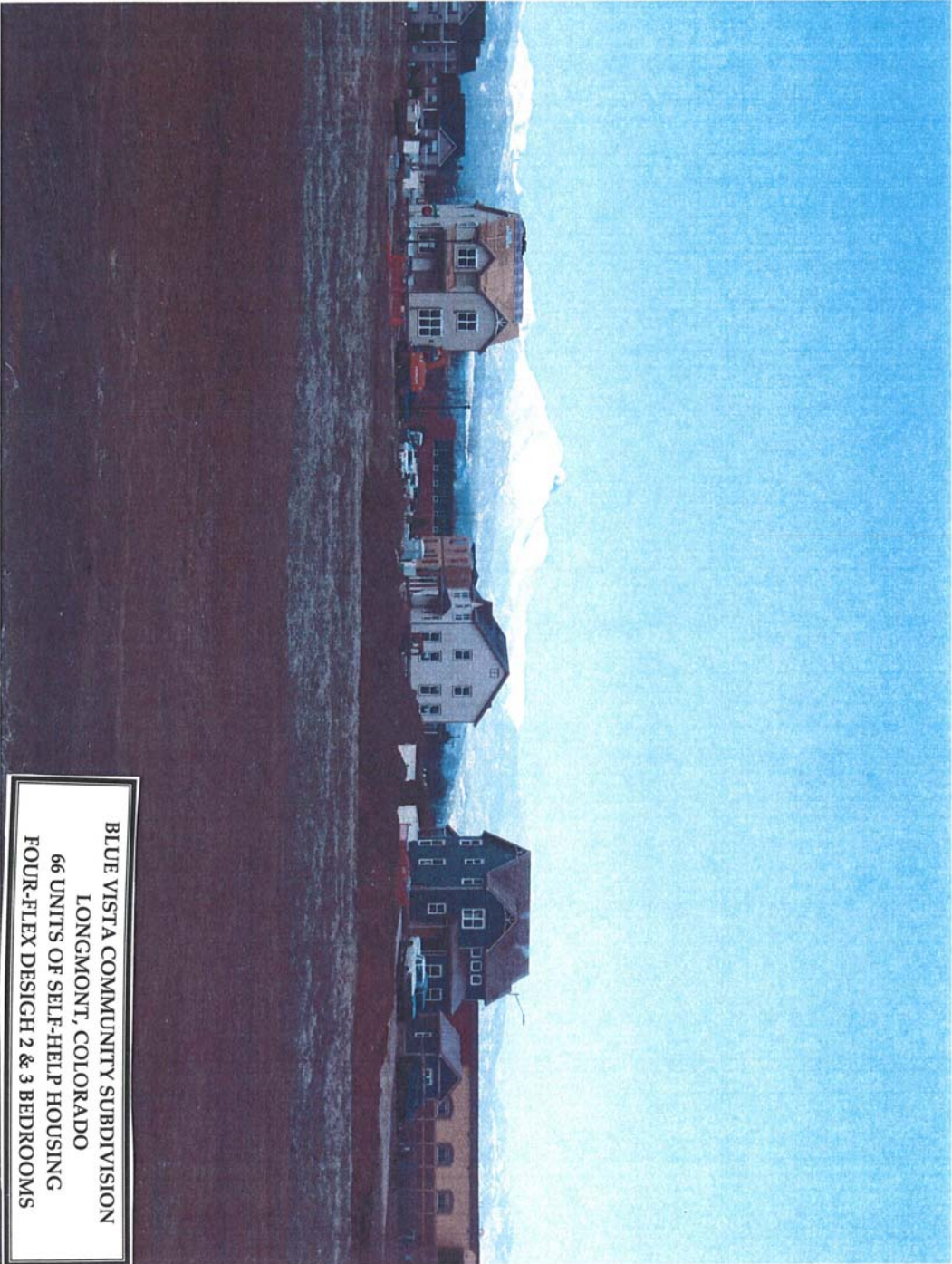
- Unit A Model Home - Sales Office
- Unit A Blue Vista Community Land Trust
- Unit A Blue Vista Home

Blue Vista



www.MyB

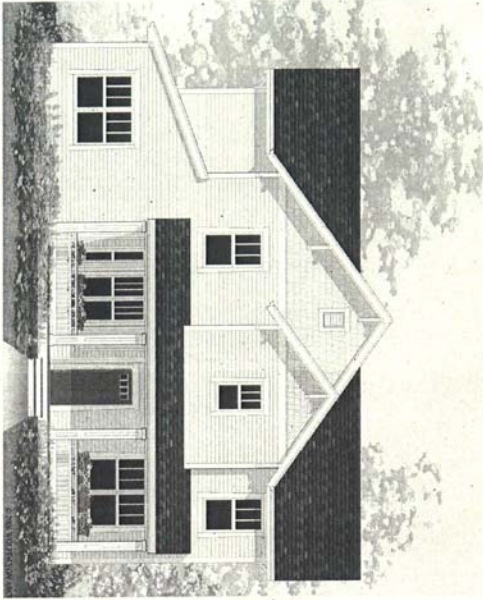




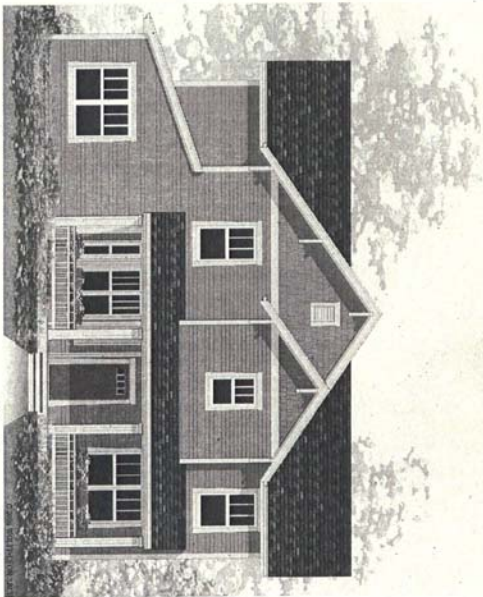
BLUE VISTA COMMUNITY SUBDIVISION
LONGMONT, COLORADO
66 UNITS OF SELF-HELP HOUSING
FOUR-FLEX DESIGN 2 & 3 BEDROOMS



Pinyon - Craftsman



Craftsman Elevation



Craftsman Elevation

Close Your Eyes...

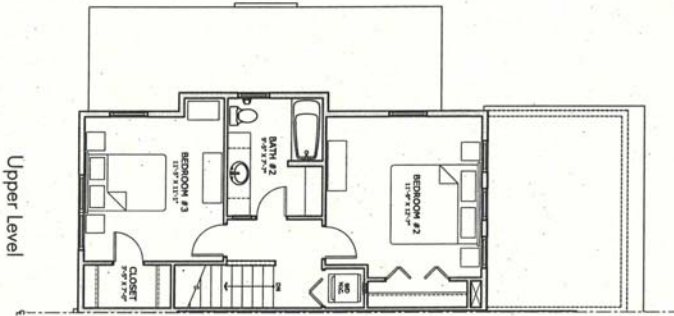
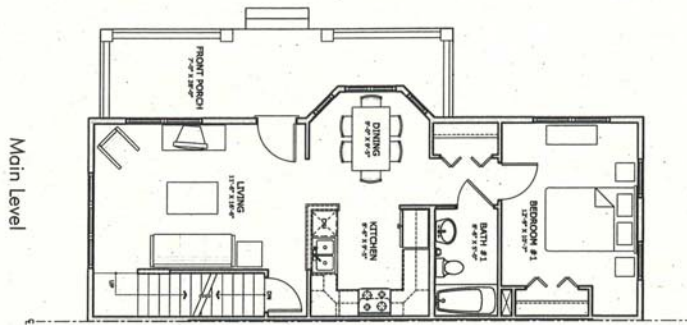
Welcome to the house that you've been picturing in your head. It is versatile enough to satisfy the pragmatic voice that lives in your head, with an aesthetic appeal that will make that dreamer voice happy too. The floor plan speaks for itself, but make sure you check out the covered front porch and the optional lower level that totals 709 square feet.

This is a house that will grow with you. There is ample closet space, three spacious bedrooms, two bathrooms, and the optional lower level flex room to keep up with the ever-changing needs of your family.

The covered front porch and optional 709 sq. ft. lower level bring the total square footage to 1,958. So step on into the house that is perfect for every mood, every day, and every member of your family.

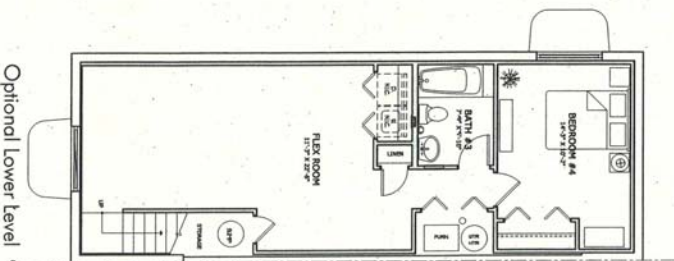


Pinyon - Craftsman



Main Floor: 729 sq. ft.
 Upper Level: 520 sq. ft.
 Total: 1,249 sq. ft.
 Optional Lower: 709 sq. ft.
 Total with Lower: 1,958 sq. ft.

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Spruce - Craftsman



Craftsman Elevation



Craftsman Elevation

Do We Have to Go Our Tonight?...

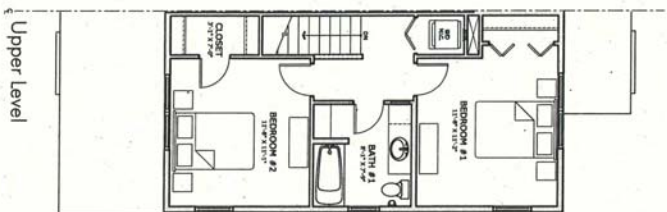
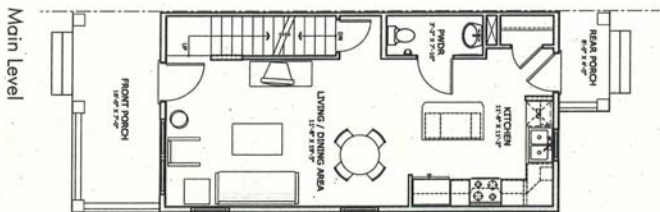
Welcome to a house that redefines "livability." You'll love it so much, you will be begging to stay in and enjoy yourself. The large and open main level gives the house a feel that is equal parts luxury and comfort.

The upstairs retreat is replete with natural light, closet space to spare, 2 corner bedrooms, and a full bathroom. The optional lower level brings versatility and flexibility with even more closet space, another bedroom and bathroom, and a spacious flex room.

With the optional lower level, the floor plan comes to 1521 square feet of total livability and comfort. Yes, carry-out never sounded so good.



Spruce - Craftsman

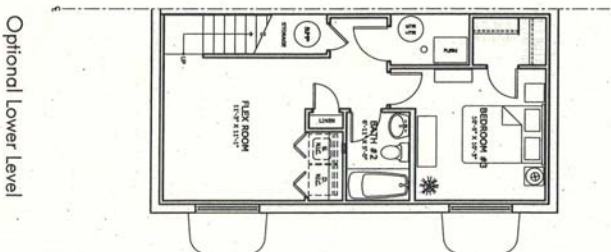


Main Floor: 515 sq. ft.
Upper Level: 491 sq. ft.

Total: 1,006 sq. ft.

Optional Lower: 515 sq. ft.
Total with Lower: 1,521 sq. ft.

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ENCOMPASS
ENhanced COMmunity Participation And Support Services

A Message from Gina Judy, CAO

2007-08 has been a year for ENCOMPASS to research, design, and implement best practices throughout the division in order to improve quality of care for individuals with developmental disabilities.

During the year, ENCOMPASS team members focused on achieving several goals which were designed to improve care and satisfaction. Development opportunities for employees, communication tools, and systems improvement were a few of the overall goals tackled throughout the year.

While costs for supplies and fuel continued to increase during the course of the year, fees for services remained the same. Even with these financial barriers, Developmental Trainers, Team Leaders, Job Coaches, Coordinators, Managers, Directors, and Administrative Support Staff worked diligently to tackle our goals. As the year progressed, I noticed employees working harder and smarter – employees presented ideas and provided feedback even more than in previous years. While we have always received valuable monitoring and feedback from our contracting sources, this year feedback and communications from our employees was invaluable.

While visiting the locations, employees have reported that they enjoy the opportunity to offer input because they can see that their opinions drive change.

No one knows our consumers like the individuals who are in direct contact with them. Employee feedback and involvement this past year has improved ENCOMPASS services and customer satisfaction.

ENCOMPASS will continue to focus on quality improvement during 2008-09 and will continue to focus on gathering feedback and information from employees. In addition, ENCOMPASS will be exploring strategies to increase input from our consumers and team members.

If you are interested in being involved in this process, we would love to include you in our efforts. Call the office at 594-6499 and speak with Jackie Johnson to learn more about opportunities for participation.

ENCOMPASS Administrative Support Staff

The main office of Encompass is located in Tucson, Arizona. The administrative staff at this location includes Gina Judy, CAO, the Residential Director and programs managers, the DTA and ERP Director as well as support staff.

The administrative support staff honored the Developmental Trainers and Interns this year by celebrating with them the National Professional Direct Caregivers week held in September.

Focus this year has been the continued improvement of staff development and training. Online training that was implemented last year continues to be upgraded, keeping abreast of new regulations. Online training has proved to be a huge success as it provides flexibility in the training schedule and staff has the ability to train at their own pace. The most recent training to be added to our online site is Manager's training. This provides program managers more flexibility as well.

Driver's training has been added and includes both classroom and hands-on instruction. The class is taught by our in-house trainer, certified by the State of Arizona.

A new filing system has been added this year so that our training and personnel documentation is more secure. Vehicle file documentation has been also been upgraded.

Avondale DTA

The Avondale Encompass Program provides services and transportation for 23 very special men and women. Most of them have been here since our program began, some of the staff have been here almost as long. It's our dependable and dedicated staff that have helped create a program that our participants look forward to coming to each day. We can't help but feel like a family. We enjoy all of the regular fun activities like the movies, bowling, mall, zoo, fairs, parks and going out to eat. Our participants just enjoy being together. I would have to say that one of our main goals is to teach communication skills in what ever way it takes so that our men and women can have a voice, a choice. So often people with Developmental Disabilities are deprived of those rights, we take great pride in helping our participants understand what their rights really mean, to know that what they think and feel really does matter.

Rewarding Outcomes in Avondale

The majority of our program goals are structured around communication skills, our success is proven when Roger's sister says

“He walks beside me now”, He picks out what he wants at the store”, “He sings in church,” or when Krissy’s support coordinator says “ I didn’t know she could talk,” after meeting her here at the center for the first time instead of at home,or her mother saying “ I didn’t know she could do that,” when she won a game at the last Halloween Party. Or when Camille gets up in front of the class to share something for show and tell, when just a few years ago she wouldn’t talk at all. And Diana severely Autistic no longer takes any behavior treatment medication at the DTA and can communicate her choices.

At the Avondale DTA it’s proven that with communication comes confidence and independence. I can’t tell you what it means to hear “ It’s my choice.”



Dependable dedicated staff: Sandra Morales, Elizabeth Encinas, Delia Galvez, Maria Moncada, Kathy Loher, Angie Aguilar, and Alonso Celaya

AJO AREA

A Message from Ajo and Sells Area Manager, Pat Schnell:

Overseeing six programs from Ajo to Sells can be challenging at times but I have very good helpful long-term employees. I have a lot of admiration for my staff. They are hard working, dedicated and loyal employees to PPEP and the consumers that they serve. Their hard work and dedication is also exemplified throughout the community. This in turn has help PPEP pave the way in educating how individuals with Developmental Disabilities should be treated. Normalization becomes natural when you arrive in Ajo from shopping with our consumers to sitting next to them in church. Not only are they warmly accepted, but also they are the community. Some are homeowners and taxpayers. We are proud of the work that we do and it shows in my employees and my consumers.



Staff members and consumers in Ajo, Arizona prepare for an outing.

AJO DTA PROGRAM

At the PPEP, ENCOMPASS Ajo Day Program, we are currently providing numerous services to seven consumers Monday through Friday. We are located in the Heart of Ajo in the Old TC and GB Railroad station. Our daily activities include (but are not limited to) physical exercises, math and reading exercises, concentration and memory techniques, computer skills, and many educational and cognitive development games that the consumers can choose from and ceramics. All consumers have obtained library cards and we frequently visit so that they can check out books, CD's, and movies.

We celebrated Staff Appreciation Day in September. We cooked Hamburgers and Hot Dogs and did many Team Building exercises to help strengthen the bond that we need to build a good working relationship between staff. We also worked on several Cultural

Awareness exercises to help break any barriers that staff might have in working in a Multi-Cultural Community. We ended the day with the drawing of names to win numerous gift baskets that were generously donated from stores and restaurants in Ajo.

A message from Alvadene Ortiz:

I would like to thank Gina Judy for choosing me to work on the Competency Workshop. I have selected to work on the topic, Personal Care. To give others the idea what it is like to have someone care for you.

Donna Whitley, A Developmental Trainer, says:

Since I have come to work with PPEP, I have come to the realization that we are all the same we are just packaged differently.

Casa Grande Area

Special Thoughts by Maria Davis, Casa Grande Area Director:

Our department has been blessed by the individuals we serve. There are many challenges in life as there are rewards. Our challenges are many and not all foreseen. In Casa Grande we were very fortunate to serve several individuals that are no longer in our care, but we believe they are watching over us now. They challenged us to be prepared and to seek new methods to accomplish our goals. Our lives became interesting and complete by knowing them.

During one of the services someone stated that they had not had the opportunities to accomplish what life has to offer and wished that they had had a better life. When it was our turn to recall many of their accomplishments we share how one loved to use the computer, sports and attended several games a year, had many family ties, the ability to communicate their needs, wants, likes and dislikes and how to be their own advocate. Children loved to be him at gatherings. They all would choose to be at his table and they would talk, eat, laugh and play games.

Another love to be stylish and grooming was very dear to her. She enjoyed makeup, manicures, clothes, and loved music. She provided us with joy and laughter.

One person without the ability to talk and to hear, I think taught us the most. Without hesitation he was there to assist anyone at anytime from tying shoes to loading the van with everyone's needs for the day. He showed his love for all his housemates and us as his caregivers. Greeted everyone with a smile well or not. He was meticulous, careful and was very patient.

As our teachers they taught us how to be sincere, accountable, and creative. To enjoy life and embrace all that it can give us. With all the tragedies the world has seen this past year our folks have given us the best of themselves.

SELLS DTA PROGRAM

(HOPPS, Healthily O’odahm Physical Participation) is a favorite with the four consumers that we serve on the Tohono O’odahm Reservation. PPEP provides transportation to and from each of the consumers villages fives days a week. We love picnics at Kitt Peak, bowling, swimming, ceramics and going to many Cultural events in Sells. We play many inside and outside cognitive development and functional capacity games.

Team Leader: Rafaela Duran

In the last year I have taken on the position of Team Leader. I saw the opportunity to give back to individuals that so greatly deserve it. I want to help educate our consumers and be a part of their growth. Our consumers are anxious to learn new things.

Program Coordinator: Irene Renteria

I have been with PPEP now for 12 years and I am very honored to have been selected as the Program Coordinator over two IDLA homes in Ajo. I have seen many changes in our company within this time and I am proud to be an employee of PPEP. I am also a mother of a Developmentally Disabled son and I know first hand why it is so important for ENCOMPASS to promote normalization in our consumers.

Tucson Day Treatment and Training **Tucson Employment Related Programs**

Last year, we purchased the property at 3425 North Olsen. We are now celebrating a year since we opened the doors. The Olsen Day Treatment and Training facility has proven to be even better than we could have imagined.

Our consumers have taken such pride in making this their “home away from home”. The additional space has proven to be a great benefit for all. The large kitchen has proven to help promote group effort during Friday’s cooking classes. Everyone enjoys the large covered patio where we have cook outs.

Another exciting move took place last December, 2007. The Evans Day treatment and Training Facility moved from a warehouse type setting to a home like setting complete with kitchen and covered patio. Everyone was thrilled. Now these consumers could enjoy participating in cooking classes which enables our individuals to be more self-sufficient. Our individuals took pride in making this their own space with separate rooms for different activities such as arts-n-crafts. The large covered patio was a big hit with many

BBQ's and outdoor activities. The landlord was also most gracious in allowing us to plant a garden. The addition of two bathrooms was also a welcome change. Everyone is excited about what this years Halloween Haunted House will look like in their new home.

In each of these new additions, one can see the joy in the eyes, expressions on their faces and the excitement in their voices of our individuals as they show visitors *their space*.

Tucson Area Residential

In the Tucson area our residential programs are made up of many residents with different interests. Two individuals that live at the Robin group home; Danny Muller and Jonathan Boyd enjoy a variety of activities and they do not always agree on the community outing for the day. The Encompass program encourages individuals to choose new activities and get involved in a range of community options. The residents at the Robin house enjoy going to the train exhibits whenever they are in town. The staff and residents enjoy watching the elaborate set up of the train displays and our residents will watch the trains for 30-45 minutes at a time. This seems to be a very peaceful outing for them. We have found that it is important to help our residents broaden their interests and get involved in new activities and try new things. Recently Danny went bowling with a staff and found that he enjoyed the experience. In the picture, if you look closely the ball is lined up to make a strike. Danny was very excited when he saw all the pins had fallen down. Jonathan enjoys going to the movies, he would attend a movie every day if given this option. To try a new experience the staff signed to him to see if he wanted to go to the library. They went into the library and found that he enjoyed the experience. He enjoys looking at books at home and the library was exciting with a vast number of books to look and what seemed to be so little time. After over an hour of looking at books Jonathan and his staff left with plans to return soon to the library for another visit. In the picture of Jonathan he is very happy walking around the library. Providing our residents ideas and options to different outings in the community continues to keep their world interesting and exciting. This allows them to continue to learn and expand their interests. We as providers do not know what types of things our individuals are interested in until we expose them to a variety of experiences.



Danny Muller enjoys a visit to the local bowling alley.



Jonathan Boyd loves to visit the library.

Globe Area Residential

The ENCOMPASS program in Globe, Az. has had some changes this year. PPEP Encompass purchased a new home and the home was renovated and made handicapped accessible for our consumers in wheelchairs. The ladies moved into that home in July 2008, they have adjusted very well to their new environment and are really enjoying their new home.

The Men's home that was located on Surmont was relocated to the Paxton home in September 2008, the men have adjusted well and enjoy their new home. One of the residents wishes when he first came to our program was to live in a home that had a yard with grass, well guess what his wish has come true, he is very happy with his new home and has mentioned he will try to help maintain the yard.

The Day program is in its second year of operation. The day program had done lots of neat projects as well as hosting events that are community based. Consumers enjoy the program.

Overall all globe programs are doing well. The last licensing review for the globe area went very well.

In our program we have had a couple residents pass away. During these difficult times I have experienced how the staff come together to offer support to the residents and one another. The way everyone pulls together for the residents represents family unity. I am so grateful to have kind and caring people working in the program.

Thank you to all the globe staff for a job well done. Thanks to the residents for allowing us to serve them. A special thank you to Gina Judy for her care and support she gives to all residents and programs.

Bonnie Hayes
Area Director

ENCOMPASS International Outreach



Gina Judy, CAO (far left) and Dr. John Arnold (center) visited a school in Nogales Mexico which provides education and vocational training support for individuals with developmental disabilities. Students were doing exceptional things despite their challenges.



Human Resources Department

Mission: “To service all employees within PPEP & Affiliates with the utmost customer service in all aspects of Human Resources.”

Department Staffing:

The Human Resources Department is staffed by a Human Resources Director and a Senior Compensation and Benefits Analyst. We also receive assistance 27 hours per week from a Human Resources Assistant.

Human Resources Director

Susan Marsett

February 2001 - Current

Senior Compensation and Benefits Analyst

Rosemary Montano

May 2006 - Current

Human Resources Assistant

Lillian Robles

February 2008 - Current

Responsibilities:

Human Resources delivers a wide range of employee services. These services are, but not limited to:

➤ **Benefits**

Responsible for the enrollment process for all benefits as employees become eligible under the guidelines established by PPEP Policies and Procedures. Human Resources educates eligible employees as to the benefits available to them, processes the enrollment forms and resolves any benefit related issues.

➤ **Recruitment and Retention**

Responsible for providing recruitment support to all departments/programs within PPEP & Affiliates. This includes preparing and posting internal job announcements and outside advertising media, reviewing/screening all applications, conducting pre-employment screening (i.e. MVR, reference checks). We also develop and implement strategies designed to enhance employee retention.

➤ **Employee Relations**

Responsible for resolving any labor related issues among the staff of PPEP & Affiliates. Investigates employee complaints and facilitates objectively fair and impartial resolutions. Ensures compliance with all federal, state and local employment-related laws.

- Policies and Procedures
Responsible for ensuring that all employees follow appropriate guidelines established within the PPEP Policies and Procedures. Monitors the disciplinary process to ensure fair and equitable treatment among all employees. Develops new policy or modifies existing policy to reflect current law and best protect the interests of PPEP.
- Employee Evaluation and Professional Development
Responsible for facilitation of the performance evaluation process for all employees at PPEP & Affiliates. Prepares evaluation forms. Notifies departments when evaluations are due and forwards evaluation materials to appropriate supervisory staff. Maintains completed evaluations in employee personnel files.
- Employee File Management
Responsible for maintaining accurate employee files. These files contain information regarding employment history, benefits and performance evaluations. Responsible for processing all employment-related paperwork for newly hired employees, employee status changes, performance evaluations, training, certifications/clearances, disciplinary issues and benefits. Enters this information, as required, into the Human Resources information system.
- Safety
Responsible for reporting and processing all work-related injuries. Submits this information to the Worker's Compensation Insurance carrier. Maintains OSHA logs.
- Training and Employee Morale
Responsible for providing training to all staff regarding policies and procedures and other Human Resources related topics, including new hire orientations. Develop morale boosting programs for PPEP employees to boost morale and strengthen company culture.

Company Staffing:

At the end of the fiscal year, PPEP & Affiliates had employed a total of 522 employees. This figure represents a slight increase in staff from the previous fiscal year's figures.

<u>Employee Type</u>	<u># of Employees</u>
Regular, Full-Time	352
Regular, Part-Time	55
On Call	92
Work Experience (WEP)	17
Special Certificate (DD)	5
Temporary	1

Employee Benefits:

During this fiscal year, the following benefits were offered to our employees:

- ◆ Health Insurance – PPEP offered health insurance coverage to all benefits-eligible employees throughout the fiscal year. PPEP selected Aetna to provide coverage to all employees. PPEP contributes approximately 88% of the cost of employee only coverage. Three options are available to eligible staff: The Base Plan, The Buy-Up Plan and the Health Savings Account with the High Deductible Health Plan.
- ◆ Dental Insurance - PPEP offered dental coverage to all benefits-eligible employees on a voluntary participation basis only. Premiums were paid 100% by the employee. PPEP selected MetLife Dental Services to provide a wide array of dental coverage to our employees. Two plans are available to eligible employees.
- ◆ Vision Insurance- PPEP offered vision insurance to all benefits-eligible employees on a voluntary participation basis only. Premiums were paid 100% by the employee. PPEP selected Avesis to provide this service to our employees.
- ◆ Flexible Spending Account- PPEP offers this account, which allows employees to pay for any un-reimbursed medical expenses or dependent day care using pre-tax dollars.
- ◆ Life Insurance - PPEP provided life insurance coverage to all benefits-eligible employees. PPEP contributed 100% of the cost of this benefit. The Hartford was contracted with to provide employee, spouse and dependent coverage. The Hartford also offers voluntary life insurance coverage.
- ◆ Short and Long Term Disability – PPEP provided short and long term disability insurance coverage to all our benefits-eligible employees. The Hartford was contracted with to perform this service and the cost was paid for 100% by PPEP.
- ◆ 401(k) Plan - PPEP created a 401(k) to assist our employees with retirement planning. The plan is administered by Norton Retirement Services and Waddell & Reed Financial Advisors, which offers our employees a wide range of plans from which to choose and advice to assist them in their choices.
- ◆ 457(b) Plan - PPEP created a 457(b) plan for our employees as an alternative to the 401(k) plan. The 457(b) plan allows employees already investing the maximum in the 401(k) plan to continue their investments at an unlimited rate.
- ◆ Long Term Care - This plan provides care in private homes, assisted living environments or residential care facilities should the employee become incapacitated to the extent that they can no longer perform two or more activities of daily life. Premiums for this plan are paid 100% by the employee unless the employee has been with PPEP for over eight years.
- ◆ Colonial- PPEP offered this plan to provide supplemental short term disability, cancer insurance, and supplemental accident insurance to PPEP employees. Premiums for this plan are paid for 100% by the employee.
- ◆ Pre-Paid Legal – Legal services and Identity Theft protection are available to eligible employees. Premiums for this plan are paid for 100% by the employee.
- ◆ EAP – PPEP contracted with The Hartford to provide behavioral health services and resource information to our employees in need. This is a confidential service provided to PPEP employees 24 hours a day, seven days a week.
- ◆ Group Banking Program – PPEP offers all employees a group banking discount through Chase Bank.

Goals completed from the 2007/2008 Fiscal Year:

1. **Health & Wellness Fair:** Hosted the Second Annual PPEP Health and Wellness Fair and implemented Flu shots for all area locations at no charge to PPEP employees.
2. **Promote 401(k) Plan:** Disseminated more information on the PPEP 401(k) Plan and set up informational meetings to boost participation.
3. **State Law Knowledge:** Became better acquainted with California state laws for continuing implementation of the school in that state.

Goals For the 2008/2009 Fiscal Year:

1. **Classification and Compensations Surveys:** Update PPEP's comprehensive compensation plan for all job titles. Evaluate past salary surveys to determine cost effectiveness of the compensation plan. This should increase the effectiveness of recruiting efforts and promote fiscal responsibility.
2. **Improve the Automated Application Process:** Update and improve the current PPEP/Encompass online applications for employment that are processed through the PPEP website. This will result in a more streamlined process, thus saving the organization money.
3. **Employee Morale Boosting:** Host the third annual Health and Wellness Fair at PPEP. Develop a corporate recognition program to help boost employee morale throughout the year.



Rosemary Montañó, Susan Marsett, and Lillian Robles

AZVA Update – October 2008

Enrollment/Marketing

- AZVA reached its statutory enrollment cap for the 2005-06 school year in January 2006. AZVA projects a 2006-07 enrollment of 3,200 students – 550 high school students and 2,650 K-8 students.
- Current enrollment is approximately 2,000 K-8 students and 400 high school students. There are approximately 300 pending enrollments. Mid-year enrollment efforts are underway. AZVA typically enrolls 800 additional K-8 and 200 high school students mid-year.
- Approximately 13 percent of the school's enrollment is classified as special education students.
- An enrollment processing plan and procedure is in place and AZVA leads the K12 schools in conversion of prospects to enrollees.

Instructional

- AZVA students won the National History Day competition in March and placed 4th in the country at the national competition.
- AZVA made Adequate Yearly Progress according to the federal No Child Left Behind standards.
- AZVA earned a Performing Profile as part of the Arizona LEARNS labeling system.
- Thirty students are newly-eligible for the National Junior Honor Society.
- Middle school honor roll students and others by teacher invitation will continue to participate in the Power Glide foreign language program.
- AZVA started the year with 10 high school teachers, 1 high school special education teacher, one guidance counselor, 8 K-8 special education teachers, and 34 K-8 teachers. A K-8 principal, a curriculum alignment specialist and a teacher training specialist are important additions to the instructional staff.
- The Title I project launched in April and served 156 students. The 2006-07 Title I program serves 600 students. The Title I program is focused on increasing math skills. All Title I students have a customized learning plan.
- Teachers are preparing individual pod casts for parents and students to provide feedback on work samples.
- Middle school students are required to submit 4 essays and 4 math assignments for teacher scoring to aid with the transition to high school.
- The hybrid school launched in September and includes 220 students. The hybrid school allows students to receive direct instruction from an AZVA teacher in phonics, writing and math. There are 3 hybrid sites: East Valley, Tucson and West Valley.
- Added a retention specialist to the staff to work with teachers who have high withdrawal rates. Initial results are very promising.

Virtual High School

- AZVA's second year of high school started with students in grades 9-11. Students received individual calendars the first week of school and an online learning course prior to the start of school.
- Relationship building is a priority. Students and families need to feel connected to their teachers, their peers and their school.

- Teachers are available daily through Elluminate, email, phone, and the use of instant messenger to assist students.

School Community

- More than 400 families have an AZVA mentor.
- Fall outings have been attended by an average of 100 people.
- AZVA has 20 teacher-led clubs and 15 parent-led clubs.
- AZVA started a pen pal program with students in other virtual schools and in international schools.
- AZVA launched a sports program in September. A bowling league starts October 15. Field days are planned for 15 regions to occur in October and November.
- AZVA conducted two fall parent Expos in September and early October. Fifteen parent information sessions and three regional events are planned for the fall.

Enrollment/Registration

- AZVA's year-over-year enrollment grew by 114% when compared to October 1 of 2005.
- All new enrollees spoke to a teacher or administrator to review school design, policies and procedures prior to enrollment
- Working to decrease the paperwork requirements and time it takes students to finish the enrollment process
- Utilizing a specialized high school enrollment team to work through the unique needs of high school students
- Creating increased communication with new enrollees regarding community building events, getting started information and expectations during the summer months
- AZVA is adding a customer service component to each monthly professional development session.

Parent Orientations/Reorientations

- Added an online reorientation session for returning families.
- Added weekly online parent orientation sessions for students enrolling after the start of the school year.
- Focusing more on how to schedule schooling at home, setting realistic expectations for your first month, what to do with all of the materials that come, and the basics of starting with the OLS.
- Facilitating the parent/teacher connection early on at Meet the Teacher/Back to School Night sessions. More than 1,500 parents attended Back to School night events.
- Continuing to offer monthly online sessions as families become more proficient with the school and want to customize more as well as sessions for families enrolling after the beginning of school.

Testing Logistics

- Preparing for fall high school AIMS test administration. Working with state-provided student study guides.

Retention/Truancy

- The fall parent directory is live and will be updated on October 19.
- K12 sent a Welcome Kit to all parents and teachers. The kit is beautiful and very well received.
- K12 launched a “Community Chest” via the online school. The Community Chest allows parents to connect with curriculum experts and other parents from across the country.

Teacher Training

- Monthly professional development sessions are now regional – Tucson and Phoenix.
- The AZVA University was a great success. New teachers were able to start the year ready to teach. The AZVA University courses are now available virtually for mid-year hires.
- Lead teachers have a teacher tracking tool to assist with teacher support and evaluation.



Property and Insurance

Gary Kleopfer, CAO, Property Management

The Property and Insurance Department staff has done a tremendous job in supporting all the programs within PPEP. The department maintains and supports 64 owned and leased properties that include two apartment complexes with a total of 49 rental apartments, 25 Encompass residential homes and day programs, 12 charter schools, and 25 other properties. PPEP currently owns 33 properties located in four counties. The department also manages a vehicle fleet of 107 trucks, cars and vans.

A few of our accomplishments this past year include:

- Completed renovations to the Monterey group home in Globe to make the home handicap accessible.
- Made repairs to the Lloyd Rich group home and added handicap accessible ramp to the front entry.
- Completed major repairs to the Beehive and Sierra group homes to make the houses ready to sell.
- Completed electrical system repairs to a green house at the Arivaca garden
- Completed remodel of the Olsen home and adapted one bathroom to handicap accessible standards and added landscaping.
- Completed major repairs to the Ajo Encompass day program.
- Completed major repairs to the Sells Encompass day program.
- Installed a new roof and replaced the air conditioning units at the Douglas PPEP TEC High School.
- Robles Junction PPEP TEC High School- decorative landscape graded and spread gravel in parking lot, and installed fence and gates at entrance.



**Remodeled Kitchen
Monterey Home**

The above is in addition to hundreds of requests for minor repairs ranging from replacing light bulbs and repairing appliances to moving furniture and painting facilities.

None of the above would be possible without the hard work and dedication of the Property and Insurance staff. Each has my sincere thanks for a job well done.



America Balderas
Property Management



Lynnette Toms,
Manager, El Memorial de Don Frew
& Ramona Morales Apartments



Greg Saxman
Maintenance Supervisor



Carman Pinheiro
Transportation and Insurance Coordinator



Chris Greene
Maintenance Technician



Eliu Haro
Custodian



Art Benge
Maintenance Technician
and Locksmith



James Sams
Maintenance Technician



Phil Greene
Maintenance Technician

This year we have started to GREEN our vehicle fleet. We have added two Toyota Prius' to our fleet one for Dr Arnold's use and one in the Encompass fleet for Gina Judy.



2008 Toyota Prius

I would like to thank everyone in PPEP for their support and cooperation to our department. We look forward to serving you in a new year and will strive to meet your expectations.

CEO QUARTER
REPORTS
2008



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John David Arnold, Ph.D.
Chief Executive Officer & Founder

"Si Se Puede"

Hector Sanchez
President



January 18, 2008

2006-2007 Annual Report

PPEP and Affiliates on August 24, 2007 celebrated its 40th Anniversary at the Tucson Community Center. Part of the celebration was to support the first International Micro business EXPO.

Fifty micro businesses from Mexico and fifty from the PMHDC Arizona borrowers were invited to participate. Some 1700 persons attended the all day event and over 140 networking contacts were made with local Arizona businesses. I was very humbled by the level of support we received not only for our 40 years of services, but also the Expo. The present and past National Presidents, the Governor, Congressman, Mayors, Board Supervisors, etc. honored us with proclamations. Some of these documents are located in the addendum section of this report.

For most organizations housing in 2007 has been a major disaster to say the least. As for PMHDC, were compelled to find resources to address the new unmet needs of our rural clients to meet the challenges. Even though we have had some minor difficulties in selling the remaining three houses at Quail Run in Douglas, this is due mainly to strict qualifying regulations rather than the market.

Our "La Ramona Morales Apartments (Senior Living) in Benson is doing very well; we have new rental rates and are looking at re-financing the project. Don Frew Apartments in Marana is in the process of finding new ownership. During 2007, we were able to jump all the hoops to allow that process to happen. In the meantime, a lot of renovations have been made. Positive tenant contacts have been made including a barbecue, plus taking the children to bowl at Bedrocks in Tucson.

During PPEP's 40th Anniversary Board Dinner some of our earliest self-help families were honored. These families were from the Santa Cruz Valley South of Tucson. My recent visits to the Yoem Yaqui Pueblo and Rillito where we have had deep involvement in the past, I made some observations that these communities need to be revisited for rehab work.

Since the October meeting, PPEP and Affiliates have been involved in two cross border emergency relief efforts: one with the farmworker victims of Hurricane

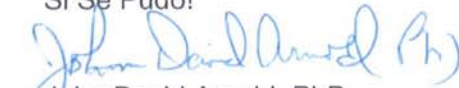
Henriette, in Sonora, Mexico, as well as the flood victims of Tabasco, Mexico, fifteen tons of emergency supplies and two vehicles were sent to Etchojoa, Sonora. Four highly trained fire and rescue workers were sent to train the trainers among Tabasco firefighters affected by Mexico's worst flood in recorded history.

The Rocky Mountain/Hawaii Coalition of Farm labor housing T/TA groups are recovering from their set funding setbacks, but much needs to be done to mobilize new resources to replace the old. A three day workshop is being held this January to discuss ongoing issues and ways to partner with the private sector as federal resources diminish.

Presently, we are appealing to USDOL to continue its funding of the regional farm labor network established in 1998. The balance of this report relates to giving the details per state within the Rocky Mountain Housing Coalition region.

On a final note, I am very concerned about the turmoil being created by lack of immigration reform, and the housing crisis on our PPEP clients. Recently PPEP hosted a forum and press conference on the subjects of the hardships being caused on both sides of the border as families are being broken apart and deported. Nine legislators from the Mexican State Legislators Assembly attended the event with US based organizations. All the news media participated to get the word out of the impending disaster (see attached article). I am asking our management team to come up with some recommendation short and long-term, as to how we can help alleviate the great deal of pain they are facing.

Si Se Pudo!



John David Arnold, PhD
CEO/Founder



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President

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Chief Executive Officer & Founder

Hector Sanchez
President

"Si Se Pudo"

CEO QUARTER REPORT JANUARY-APRIL 2008

Dear PPEP Family Members:

This first quarter of 2008 has ushered in a time of great distress upon the farm worker; the migrant and our populace in general. Not only is it a time of economic hardship, but a time of mean spiritedness and using fear tactics against them.

Also, due to the absence of a national immigrant policy it has become "open season" for immigrant and migrant bashing and massive roundups and deportations. As a result there has become a humanitarian crisis in the border communities. Our State's economy is in shambles having run out the migrants. There have been two cross border meetings to discuss possible solutions to alleviate the unemployment, lack of housing, food, and hope for those whom have been uprooted from their families, friends, schools, and churches. I have met with officials and community representatives from both sides of the border from Oklahoma to California in the United States and Sonora and Mexico City to learn about the consequences as well as alert Mexican officials to be prepared for the current border humanitarian crisis.

On the local front at PPEP

We have made progress with our education components at PPEP. The numbers have been the highest ever at over 1,000. Both our on-line schools in Arizona and California have close to 5,000 students. Also, our pre-enrollment for next fall are already over 700. We have been able to enhance several of our schools with new computers and other upgrades. Some of the new equipment has come from donations generated by our PPEP Foundation. Several training sessions have been held to build a strong foundation board. Our goal is to eventually raise \$1 million in endowments to support PPEP's programs. Mr. Michael Charles generously donated \$25,000 for computers.

In March our 5th Youth Build Graduation

The Youth Build Graduation took place in San Luis, Arizona, where we had 10 graduates. This group excelled in that they build 2 houses and framed one other (see photo album). Youth Build is a program that has helped over 100 dropouts find themselves through housing construction training as well as obtaining their GED. PPEP has also formed a new committee for awarding scholarships to our students. This year we will raise close to 10,000 and send a dozen students to college.

"Dedicated to Improving the Quality of Rural Economic Life in Arizona" – SINCE 1967

On the International Scene

We have made contact with Mayan Indian women's sewing cooperative in Chiapas to assist them with financing and exporting their products. One of our Mexican partners UNIMOSS will provide working capital that will create jobs on both sides of the border. Also, in cooperation with the *Fundacion Leon XIII* the Foundation will facilitate training and exports to Europe of the products produced by these women. Other cross border efforts include the donations of two vans. One to the developmentally disabled and the other to the 70 families that live at the Nogales, Sonora dump site. During the Christmas holiday PPEP provided gifts to the children and their families at the dumpsite.

Also, we mobilized 7 wheel chairs to donate to the handicapped in the Mayo Indian communities of Sonora. Recently, I participated in the Indigenous Farmworker's Day of Recognition in Sonora. One of our indigenous brothers Zacarias Neyoy Yocupicio was recently elected the first native President of the Sonora State Legislature. He also presided over the Indigenous cultural events that were simulcast worldwide. President Zacarias will be presenting PPEP a plaque issued by the Sonora Congress recognizing PPEP's 40th Anniversary of cross border services.

Migrant Survey

One hallmark of PPEP's achievements was the publication of the first ever Enumeration Survey of Migrant and Seasonal farm workers. This document gives identity to 115,000 farm workers and their families here in Arizona. This survey had some 85 contributors such as individuals, companies, and organizations that work with farm workers. The data will be used by many sources to mobilize services for this previously invisible and uncounted workforce. Governor Napolitano is planning a special meeting to unveil the survey at the State Capitol to promote the document in August.

PPEP Co-hosted the Annual AIFC Conference

This year the Annual AIFC Conference was held in Rio Rico, Arizona. The conference featured many topics such as housing, employment, education, and other services important to farm workers. Present were growers, farm workers, government, private, and public sector staff that use this conference for capacity building and networking. At this same conference, the Migrant Enumeration Study was presented by Dr. Alice Larson.

Preparations for Next Year

During this quarter the PPEP Management Team has held meetings and a retreat to do strategic planning as we prepare for the new fiscal year and beyond. We have explored the bond and conventional financing of present properties as well as renovations and construction projects. One organizational change is that we have integrated the Behavioral Health Program with Encompass. Both the programs have similar goals and will work well to develop joint projects efforts and grant initiatives.

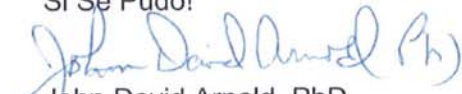
"Dedicated to Improving the Quality of Rural Economic Life in Arizona" – SINCE 1967

Also, now in preparation for the next fiscal year beginning July 1, 2008, we are entering into the budget preparation and planning cycle. During this time, we set goals for service delivery. We anticipate this will be a rough year for our clients and want to be prepared to meet their needs.

PPEP Employee Benefits Package

The Human Resource Department is preparing for its annual presentation of employee benefits packages to the staff. We are proud of what we offer our staff which is far beyond what other non-profits provide. This fiscal year we anticipate contributing \$50,000 to PPEP's pension fund.

Si Se Pudo!



John David Arnold, PhD
CEO/Founder

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"Si Se Pudo"

CEO QUARTERLY REPORT AUGUST 2008

Dear Members of the Board and PPEP Family and Friends:

This quarter can be best characterized in part as being on the "road" carrying forth PPEP's vision as well as visiting our projects and affiliates throughout the State and region and abroad.

I. International: May 12, 2008 to June 6, 2008

In May, I was invited by the Faith Based Community and Rotary International of Nigeria, Africa and the community of Owerri in the Imo State for a visit and share PPEP's vision of micro credit.

This was my first visit to West Africa. My purposes for the visit was to present seminars in micro credit plus visit various local community projects including a state school for the deaf and mute. Both the local faith based group and Rotary Council #9140 of Owerri were my hosts. During my stay I conducted 8 micro credit seminars with a total number of attendees was placed at 30,300. I was also able to organize a micro credit cooperative loan fund with the WAAST as the operator. Along with a local lawyer we wrote the bylaws, and a charter request to the Nigerian government which was approved in just two weeks. I used the PMHDC Micro Credit Manual as a basis for the operation the loan fund. Also, I adapted a faith based curriculum to be taught to the applicants. I organized a board of directors. I supervised the hiring of training of the staff and board. The full name of the fund in the WAAST Owerri Micro Credit Cooperative Society, Ltd.

To my knowledge this loan program is the first "hybrid" micro credit and cooperative society loan fund in Africa. Also, I was able to raise \$25,000 in cooperation with the South Valley Christian Church in Gilroy, California, and PPEP, Inc. to capitalize the loan fund. To date 283 loans have been made. I also helped set up a sewing training program at the Owerri State School for the deaf and mute along with soccer sporting activity. I became involved with the local Rotarians #9140 that made me an "Honoree Rotarian." We are in the process of developing a Memo of Understanding (MOU) between PMHDC, WAAST, and Rotary Council #9140 to further the above referenced collaborations.

During my stay in Nigeria I met his Royal Highness King Eze Okpu III, and the Queen Mother as a guest in his Parliament and Royal Residence. While there the King appointed a minister of micro credit to work with me (see photos in album section of my Africa trip. While in Owerri, I met a delegation of Rotarians from India that were in town. They have invited me to visit the Amritsar Region of India during the Christmas Holidays to conduct charitable work such a micro business seminars, etc. (see the attached letter of invitation).

"Dedicated to Improving the Quality of Rural Economic Life in Arizona" – SINCE 1967

II. Arizona and Region Update

As customary over the years I have taken time to visit as many PPEP projects and rural communities in Arizona as possible. Also, I like to visit some of our housing subcontractors and on-line schools in the Rocky Mountain State Region and California. During this quarter, I visited six states and a dozen programs and sub grantees. I met with local and state officials on topics ranging from affordable housing, micro business, charter schools, etc. On one such visit to Salt Lake City I have included my local itinerary and most recent travel report to give an example of what happens on my out of town trips (see itinerary in attachment section and photos in album section).

Other notables of my most recent trip were meeting with the State Superintendent of Education of Utah, Patti Harrington (Utah) and Tom Luna of Idaho. I also visited three charter schools including a Dual Emersion Charter School in Salt Lake. The state education officials are very interested in us helping them develop innovation education models that include micro business curriculum, night school, and a juvenile corrections charter school for inmates.

Also, during this trip I visited the “I Succeed” on-line charter school that PPEP helped start. We are anticipating 500 on-line high school students this fall. This project is in cooperation with Insight Schools. PPEP helped organize the board and get support from the Idaho State Superintendent Tom Luna. I am also providing some intensive outreach recruitment activities especially in the Northern part of Idaho.

On my way back I attended the PPEP California Los Angeles On-line High School Board meeting in Lancaster, California, it appears with a new school director we will have 600 students this fall. Presently PPEP Arizona manages the PPEP California schools human resource and financial affairs. Insight pays PPEP Arizona 5% of its Administration revenue for the outreach work plus for using our PPEP California Corporation as the charter holder. Last year, PPEP California was awarded a 5 year on-line high school certification by the Antelope Valley School. Dr. Celestino Fernandez is President of the Board. We also have a new School Director, Sheila Shiebler.

At the moment, I am also assisting K-12, Inc. to organize an on-line school in New Mexico. This effort could be expanded to additional states for which we are compensated for our services.

III. University of Phoenix scholarship and the Apollo Foundation Grant

PPEP TEC was recently awarded \$50,000 to purchase computers for our schools. Also, University of Phoenix made available \$750,000 in tuition scholarships to PPEP TEC personnel. I am very excited about the relationship we developed with University of Phoenix. Dr. Fernandez will be seated on the University of Phoenix’s Board of Directors this next month.

IV. PPEP TEC UPDATE

All of the PPEP TEC schools have had new “state of the art” computers equipment installed over the summer. The students are very excited about these latest technologies at their schools. Our initial enrollment figures are over 1,100 and our night schools are growing. Douglas’ PPEP TEC just became our latest night school. In Tucson, our student can become dual enrolled with Pima Community College. My goal is to have night schools wherever it is feasible. After all our school facilities are vacant at night so why not use them for both the students and their parents to further their education.

“Dedicated to Improving the Quality of Rural Economic Life in Arizona” – SINCE 1967

V. John David Arnold National Humanitarian Award

LULAC voted this year to set up a National Humanitarian Award in my name. This year's awardee was a Mexican border area legislator named Leticia Amparano (Nogales, Sonora). Her tireless efforts for human rights for women and relief for the refugees and deportees by the Border Patrol have gained her the recognition (see details of her efforts in attachment section). Also, \$5,000 was raised from K-12, Inc. to go towards LULAC's Humanitarian efforts. By the way, I was re-appointed by LULAC's National President Rosa Rosales as LULAC National Co-Chair of Education and LULAC International Relations Chair.

VI. LULAC National Convention and Education Commission Forum

Washington, D.C. July 9, 2008

As National Chair of Education I participated in the panel representing the interests of charter schools. Also, I was instrumental in the LULAC Assembly voting on a resolution encouraging "Unity" between the teachers' unions (NEA), charters, private, and on-line schools (see attached resolution and letter that was approved). I was also instrumental for getting 1.25 million in scholarships from the University of Phoenix for minority students.

Hopefully, this will set the direction of cooperation and unity of purpose so we can keep kids in school, graduate, and go to college regardless of who gets the credit for doing so. Each of the presidential candidates received briefing papers on charter schools at the National LULAC Convention. PPEP hosted 3 farm worker Youth Build trainers and 8 Sonora State Legislators at the National LULAC Convention held in Washington, D.C. July 7-12, 2008. You can see the details of the convention on the LULAC webpage www.lulac.org.

VII. Arizona's First Migrant Farm worker Enumeration Study

It was two years in the making and now Arizona has its first farm worker enumeration study ever. PPEP paid the \$37,000 for Dr. Alice Larson to conduct the survey in which over 100 state, federal, growers, non-profits, etc. participated in the survey. Some 115,000 migrant farm workers and their dependents were identified. Yuma County had the largest count of over 67,000 (see attached enumeration report). Governor Napolitano is planning a special inauguration of the report in her office sometime in the Fall.

I also, presented copies of this study to all Arizona State Legislators at the Capitol and with as many of the agencies that serve farm workers. This study is critical, the count plus the demographics eventually will be critical for leveraging funding to alleviate the problems they face. There may be a supplement to the study to count the "year-around farm workers."

VIII. Border Humanitarian Crisis

PPEP has been very involved in the crisis on the border with Mexico being provoked by mass deportations by the United States Border Patrol. This crisis coupled with employer sanctions has pushed many growers to the point of leaving the State and some even going to Mexico. Soon we will be importing food as we do oil!!! It makes me very concerned as to what is happening to our farm workers and agribusiness when I consider the words of President James Adams who said "Those societies that honor the workers in the field shall endure." We are falling very short of that admonition.

"Dedicated to Improving the Quality of Rural Economic Life in Arizona" – SINCE 1967

As for the humanitarian crisis PPEP has also been involved on the border in Sonora providing, goods, used clothes, vehicles, medical, and other supplies to help the deportees by the Border Patrol. Many families are left at the border destitute with no food, jobs, shelter, and some are left without shoes. One lady had to wrap her baby in newspaper to keep the baby warm one snowy night in Nogales, Sonora. A taxi driver told me he would rent out his taxi for a few minutes to deportees just to come and sit inside to get warm.

I have been working with Tyson Foods to get 30,000 meals to be distributed to the “*Albergues*” or shelters on the Mexican side. PPEP has also been involved in setting up a bi-national humanitarian aid commission. We have had several meetings between non-profit, government agencies, legislators from Arizona and Sonora.

IX. Retiring Board Members

Both Elizabeth Johnson and Gilberto Mungaray are retiring from the board after many years of dedicated efforts to impress forward PPEP’s mission to “improve the quality of rural life” – Josefina just released her new CD of Mexican music.

Both these individuals made monumental contributions towards PPEP and its rural efforts a reality! Both will be missed but their legacy will live on in the thousands of lives touched through the programs they guided. Recently, I visited Gilberto and Josephina Mungaray in their home in Green Valley. We talked about those years going back to 1967 when the PPEP “dream” of a better way of life was started aboard the old bus La Tortuga. Also how PPEP has remained constant to this day to the original mission that was set forth in the preamble of its Bylaws. Plus because of PPEP’s accomplishments we have moved from “Si Se Puede” to now “Si Se Pudo!”

X. Other Notables

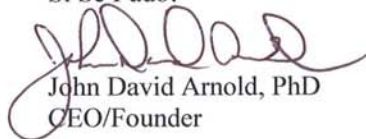
The Farm worker Hall of Fame is now featuring the “roots and heritage” of the African and African American contributions to farm worker and agriculture (see the new display case).

XI. Administration Updates by PPEP Department

The balance of my report and the activities of the various PPEP programs will be presented by each director at the board meeting. A comprehensive photo album has been attached for you to visualize what I have written in this report.

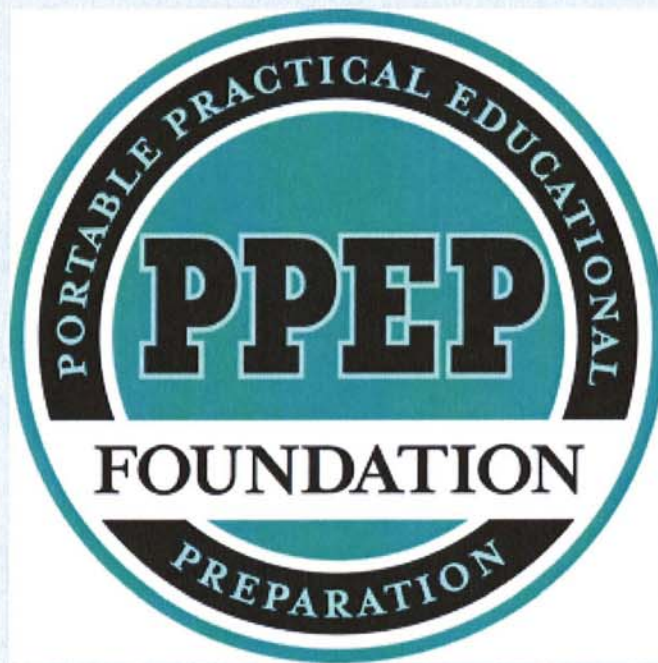
Finally, the management team and I have worked hard in preparation of this new fiscal year. Our preliminary budget for 2008-2009 will be presented at the Board Meeting for your review and approval. Preliminary reports for the past fiscal year indicate we had a “good year.” Our performance both fiscal and contractual compliance to our granters is now being reviewed by Addington & Associates, CPA in our annual audit process. The results of the audit for June 30, 2008 ending should be available to the Board in December.

Si Se Pudo!



John David Arnold, PhD
CEO/Founder

“Dedicated to Improving the Quality of Rural Economic Life in Arizona” – SINCE 1967



The Annual Report for
October 2007 through
October 2008

Mission

“Dedicated to improving the quality of life for farm workers, inner-city disadvantaged and the rural poor through education, economic development and social programs that lead towards economic self-sufficiency”

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From the desk of the Chairman

On behalf of the PPEP Foundation Board of Trustees, I thank you for the opportunity to advance PPEP Inc.'s mission to improve the lives of those in our local and distant communities. In these times of economic uncertainty, we have the unique opportunity to expand PPEP's many services (ie:education; vocational skills; behavioral health; credit assistance) and find new solutions. I look forward to providing you with future updates of our progress and success.

Best regards,

Humberto N. Stevens
Chairman, Board of Trustees
PPEP foundation

Message from the Executive Director

The PPEP Foundation continues to make strides in that it is now two years old and continues to get energized from the PPEP Foundation Board of Trustees. Seeing this dedication of these committed members only embraces the need to continue to educate our low-income families and their communities on the purpose and social mission of its namesake Project PPEP.

Now entering its 42nd year as a social service and educational agency, PPEP continues to provide services that are both needed and in very much demand especially now with the economic down turn that have affected our rural and our inner city neighborhoods.

The PPEP Foundation was on the radar back in 1998, when the Founder and CEO of PPEP had discussions about the idea of establishing an “endowment fund” for the purpose of having PPEP implement a campaign to solicit private donations that could be used by and for the benefit of PPEP and its programs.

On October 30, 2006, the PPEP Board of Directors gave light to the PPEP Foundation by authorizing and electing the first Board of Trustees.

What was the vision of Founder and CEO John David Arnold more than twenty (1988) years ago is now a reality and now the Foundation is ready to embark on its first annual campaign to fund the “Si Se Puede” Endowment Fund.

This report focuses on the undertakings and accomplishments of the Board of Trustees in its second year of operations.

Frank Ballesteros
Executive Director

Building The Future for Project PPEP

The Vision becomes a reality

When the CEO and the Board of Directors of PPEP envisioned back in 1988 the practical and legal implications of their stated desire to implement a campaign to solicit “endowment” type of donations for Project PPEP, the legal issue arose of the possibility of PPEP losing its public charitable designation and becoming a Private Foundation. Eighteen years later (October 2006) the PPEP Board of Directors through Jeremy Sohn, Partner for the Law Firm of Snell & Wilmer accomplished this vision of giving light to the PPEP Foundation and a supporting organization to PPEP, Inc.

Foundation to “only” support PPEP and its affiliates

A supporting organization is a separate corporation whose sole function is to support another charitable organization. In this case, the supporting organization (The PPEP Foundation) was created to support PPEP and its affiliates. The Foundation will not conduct its own charitable functions or have any operations, The Foundation has limited activities to soliciting, investing, and distributing funds for and to PPEP and its affiliates.

The PPEP Foundation, a supporting tax –exempt organization will not be subject to income tax as its earned income will be tax- exempt as well as contributions could be deductible from donors. Donors may either make a general contribution to the PPEP Foundation to support PPEP’s general charitable purposes, or the donor may restrict the donation for certain programs, purposes, or uses.

PPEP Foundation organized as a “public charity” corporation

In the official document from the Internal Revenue Service dated March 14, 2007, the PPEP Foundation was given its exempt status from Federal income tax under section 501 (c) (3) of the Internal Revenue Code (November 6, 2006). Contributions to the PPEP Foundation are deductible and are qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Organizations exempt under this section 501 (c) (3) of the Code are further classified as a public charity.

Establishing the PPEP Endowment Fund

By establishing the PPEP Endowment Fund, PPEP is sending an important message to our constituents, our future investors, our friends. PPEP is demonstrating that our organization is both stable and visionary. PPEP is planning for the future in which PPEP will be a larger, stronger institution, even more capable of carrying out PPEP’s mission. By having this endowment fund in place, PPEP will be able to attract larger planned gifts from donors, most of whom we may not know yet.

Endowment Committee is formed

The PPEP Foundation formed the Endowment Committee, which recommends certain investment of the Foundation's assets to the Board of Trustees (the "Committee").

This Committee's main function is the responsibility for the investment and oversight of the assets of the Foundation. The Board has placed this responsibility on a day-to-day basis with the Committee. To assist the Committee in this function, the Committee is authorized and permitted to engage the services of the Investment Consultants/managers. The Foundation will adhere to the "Prudent Investor Rule" and other such federal and state laws as now apply or that may apply in the future.

Trustees adopt two major legal documents in 2008

With the advise of Jeremy Sohn from Snell and Wilmer Law Firm, the PPEP Board of Trustees reviewed, and adopted the (1) **Conflict of Interest Policy** to protect the interests of the PPEP Foundation when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a member of the Board of Trustees on the Foundation or a person that may be so-called "disqualified person".. Approved on October 1, 2008.

(2) **Investment Policy Statement** was established and approved by the Board of Trustees on October 1, 2008. This statement defines the responsibilities of the Board and the Endowment Committee to ensure the Foundation's projected financial needs are met, expresses the Board position with respect to the Foundation's investment philosophy, goals and objectives, policies, including risk posture and from this information the manner in which the fund will be monitored. This document identifies a set of guidelines it can use in formulating and reviewing investment allocation recommendations, monitoring investment portfolios and the performance by the Investment Managers/Consultants employed by the Foundation.

PPEP Foundation receives its first gift

On April 14, 2008, the PPEP Foundation was fortunate to have received its first donation of \$25,000. The donation made by eighty-four year old Michael Charles Rothman was made after a quick visit to the PPEP TEC Charter High School one week before. After hearing the story of the school's beginnings, within the hour Rothman knew that the PPEP Foundation would be a good benefactor. When asked for the reason for his generosity, Rothman relied, "Education is the most important thing in the world."

Remembering the Future (The Vision)

The PPEP Foundation will have a minimum \$1 million endowment and will be entirely self-sustaining operationally. Governed by a mission-driven 16 member Board of Trustees, the Foundation will have raised the community's awareness of the work of PPEP to a great (measurable) degree. There are multiple programs to develop financial resources. The staff of the Foundation is versatile and more than adequate to carry out the policies and strategic plans of the Board. The Foundation has facilitated strong partnerships with similar organizations to expand service to rural Arizona. There will be a signature annual event to raise funds and friends for the benefit of PPEP. In five years (now four), the PPEP Foundation will be providing \$250,000 to PPEP to advance its programs and services. There will be a high degree of communication and planning between PPEP and the Foundation.

In light of this vision, what did the Foundation-staff and directors accomplish in the last 12 months to make this vision real?

(1) Choose 3-5 new members to help the Foundation achieve its goals.

The Foundation is still searching for three to five good prospects and is expected that two new prospects will be introduced to the PPEP Board for possible election to the Board of Trustees of the PPEP Foundation.

(2) Research and choose a signature fund-raising event.

The PPEP Foundation Trustees have decided to wait until early 2009 to plan and incorporate the annual fund-raising event with a PPEP Open House/dinner event.

(3) Review and develop marketing materials (electronic, print, PowerPoint, etc.) that promote the accomplishments of PPEP, Inc.

The Board of Trustees have approved a Business Marketing proposal from Regole Design for a complete new look for the PPEP Foundation. The foundation's new logo is included as part of this report. The Trustees will begin to look at developing a new brochure and a newsletter design in the next two months.

(4) Come to a knowledge of PPEP's financial position including areas of need, e.g., non-funded mandates.

This information will be made available to the Trustees as soon as PPEP's 2007 Financial Audit has been made available to us by the Board of Directors. This information could be available as early as December ending.

(5) Develop a comprehensive Public Relations Campaign.

While waiting for the new logo, brochure and newsletter, the Board of Trustees will begin the PR Campaign as early as January 2009 as well as designing a signature fund-raising event for the first six months of 2009.

(6) Establish a comprehensive fund-raising program, including policies to govern solicitation of charitable funds by affiliated agencies.

The Board of Trustees will meet in a special retreat on 3rd of December 2008 to formulate the work-plan and begin its fund raising strategy to capitalize the PPEP Endowment Fund. As mentioned earlier in this report, the Trustees did review and approve two sets of policies that govern solicitation of charitable funds on October 1, 2008. These needed to be in place prior to start any fund raising activity.

(7) Identify and cultivate 80 –120 prospects as potential donors for endowment funding and other identified areas of funding priority.

As of October 31, 2008 Forty-five prospects have been identified as potential donors for endowment funding.

To Our Investors and our Friends of PPEP

Today we are bombarded by information about our nation's problems through a wide variety of different news media. Though we isolate ourselves inside triple-locked homes, build walls around our inner-city and rural communities and post guards at gateposts, we can't escape from knowing about misery, injustice, and wasted human potential. Often, we feel powerless in the face of this grim reality. Charity offers us a way to respond by helping to assist those less fortunate by carrying out meaningful programs that eliminate rural and inner-city poverty, by helping to overcome the problems faced by our rural families by mobilizing public and private resources to teach new ways to a new generation and to provide credit and technical assistance to deserving tiny business. You see, today with our troubled times, and because so many of the people PPEP helps are low-income, PPEP is a qualified agency under the Arizona Charitable Tax Credit program. Through this program, your gift to PPEP may make you eligible to receive a dollar for dollar credit on your Arizona income tax. We the Trustees of the PPEP Foundation ask that you consider PPEP as a worthwhile nonprofit for your generous contribution of \$200. Your generous contribution keeps on giving so that their dreams may be realized tomorrow.

Thank you and "Si Se Puede"!

The PPEP Foundation Officers

Chairman:

Humberto N. Stevens

Vice Chairman:

Sergio J. Pedroza

Secretary:

John D. Arnold

Treasurer:

Enrique C. Feldman

Endowment Chair:

Scott A. Nasca

Finance Committee Chair:

Alex L. Cooper

Member at Large:

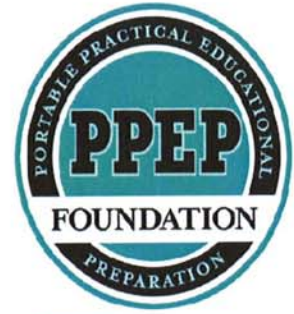
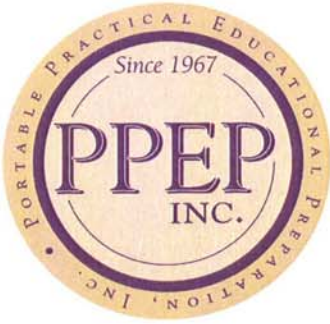
Benny McCabe

Executive Director:

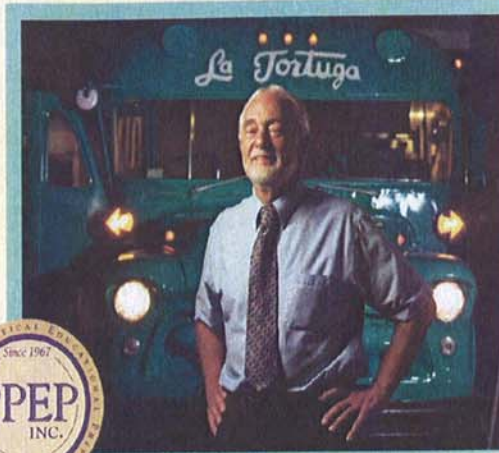
Frank Ballesteros



The Trustees and the Executive Director of the PPEP Foundation



Portable Practical Educational Preparation



Education and training are the primary solutions to rural socio/economic ills.

PPEP Inc., has been alleviating rural poverty for 41 years.

Our first priority is educating at-risk youth at our 12 public charter high school campuses across Southern Arizona.

Si se puede!

We need FRIENDS AND DONATIONS TO SUSTAIN OUR MISSION for the future of our rural youth!

PPEP Foundation 520-806-4690 www.ppep.org

NON-PROFIT ORGANIZATIONS

PHOTO ALBUM

2008

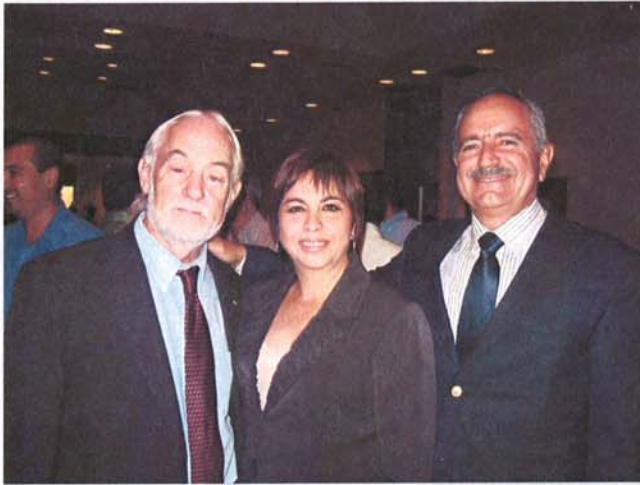


The Don Frew Apartments-
Playground

Ramona Morales
Apartments - Benson, AZ



La Ramona Morales
Apartments - Benson, AZ



Dr. Arnold, Leticia
Amparano & Nogales,
Sonora Mayor (Nogales)

Bi National Meeting -
Nogales, Sonora, Mexico



PPEP Staff helping with
Hurricane Henriette
Donations



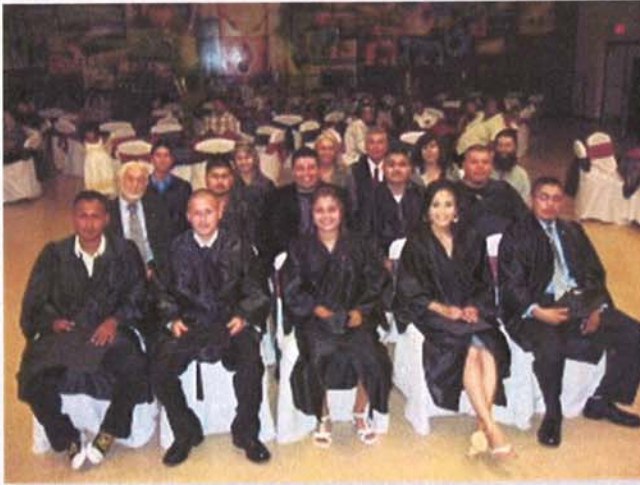
Dr. Arnold visits the flooded community in Echojcoa, Sonora, Mex



Volunteers helping during the Tabasco Flood



Volunteers with Donations from PPEP, Inc.

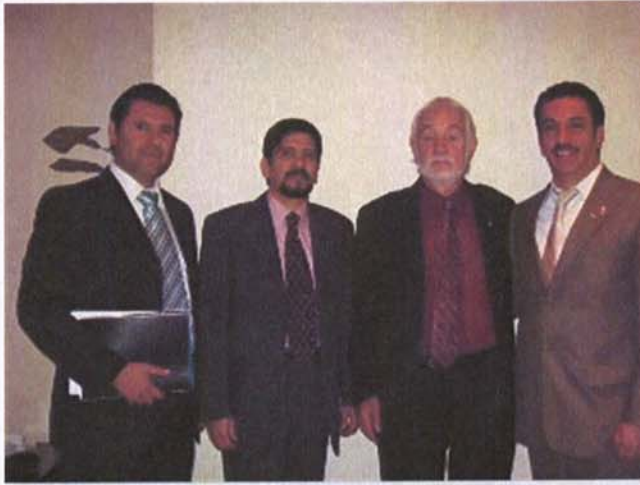


PPEP Youth Build
Graduation San Luis,
Arizona

Youth Build house
Constructed in San Luis
Arizona



PPEP TEC High School
Teachers in Seminar



Meeting with Mexican
Congressman David
Figueroa on Border Crisis

Meeting with Mexican
Department of Education
officials



Greeting the Chamulas
Ceremonial Dancers in
Chiapas.



Young women's sewing
coop Chiapas



Women's sewing group
Chiapas

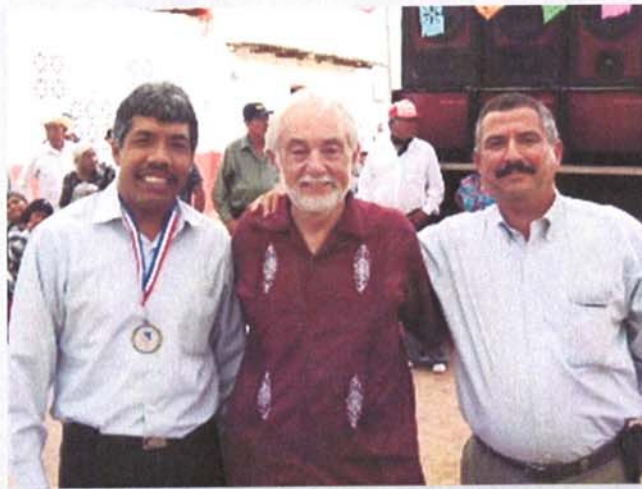


Women's Micro business
Sewing Coop in Chiapas



Indian and Farmworker Day
in Sonora

Indian and Farmworker Day
in Sonora



Students Meet Governor
Napolitano at State of the
State Luncheon



Border Issues Meeting
Tucson, Arizona

Used Computers Donated
to Sonora Schools



Bi national Meeting on
Humanitarian Crisis on the
Border



Insight and PPEP meet Gov Napolitano at Education Fundraiser



PPEP delegation to LULA C National Women's Convention in San Antonio

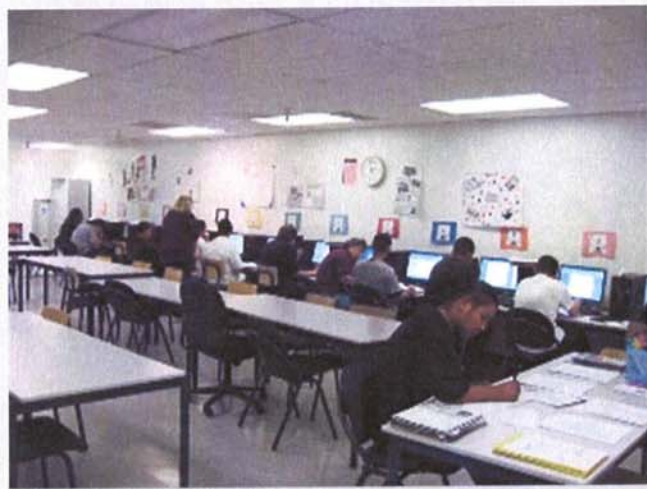


Visiting Charter School in Oklahoma City with K - 12 Inc



Mr. Charles Donated
\$25,000 for some new
computers at PPE TEC

New computers for
PPEP TEC



PPEP TEC Teachers
Somerton with New
computers



PPEP Foundation Annual Meeting



PPEP supports of AIFC Conference in Rio Rico



PPEP Scholarship Committee



Independence Day in
Arizpe, Sonora, Mexico
(Sonora Officials)



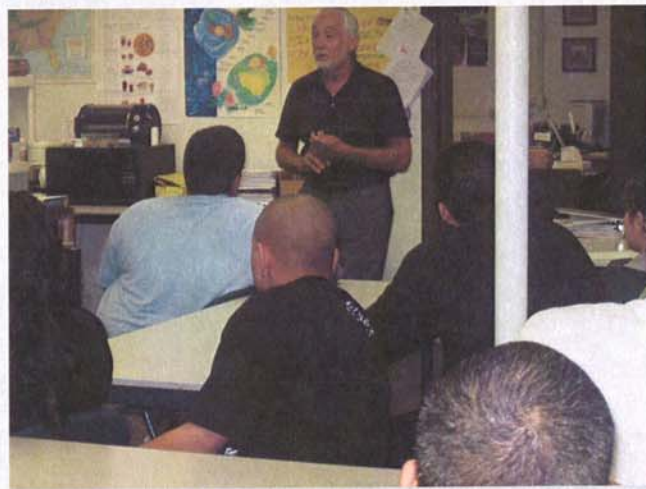
Dr. Arnold with Mexican
Officials during the
Independence Day



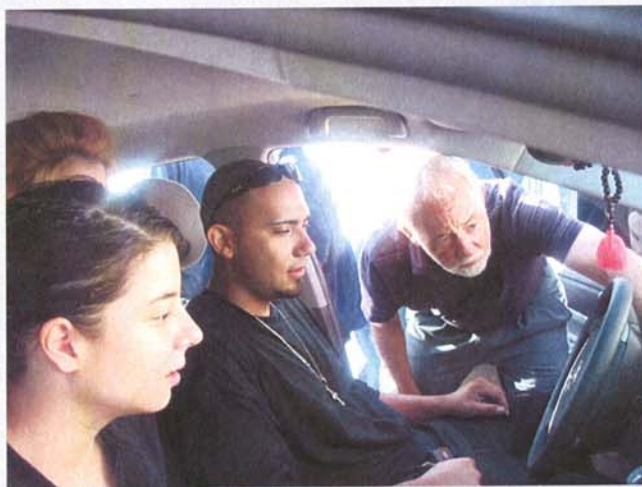
Dr. Arnold visits DDD
School in Nogales, Sonora,
Mexico



Dr. Arnold with DDD
Students - Nogales,
Sonora, Mexico



Dr. Arnold speaks to PPE
TEC Students in Casa
Grand, AZ



Dr. Arnold visits PPEP TEC
High School in San Luis,
AZ



PPEP TEC Students - Somerton, AZ



Arizpe Mayor visits PPEP - Signing of Bi-National Efforts Agreement

DOCUMENTS
(MOU & MISC.)

2008