



Board of Supervisors Memorandum

October 17, 2017

**Contingency Fund Appropriation for the Superintendent of Schools'
County Jail Education Program**

Background

The attached October 9, 2017 memorandum from the Superintendent of Schools indicates a funding shortfall in providing educational services to individuals under the age of 21 who are confined in the Pima County Adult Detention Center (PCADC).

Previously, the Arizona Department of Education provided funding to Pima County for educational services for those individuals between the ages of 18 and 21 confined to the PCADC. Now, the State will only provide said funding if the individuals are identified as having a disability. Previously, there was no need to identify these individuals since educational services were provided to any individuals between the ages of 18 and 21. As of June 20, 2016 the State suspended funding for the Jail Education Program causing a shortfall in the Superintendent of Schools' budget by as much as \$101,965.

The Superintendent has identified some cost savings in the attached October 9, 2017 memorandum in Option 2.

I believe it is appropriate the Superintendent continue to provide educational services to all individuals in the PCADC between the ages of 18 and 21; therefore, I recommend the Board of Supervisors approve a Contingency Fund appropriation of \$61,965 to the Superintendent of Schools.

In addition, as part of the Legislative Agenda, the Superintendent has requested assistance to modify appropriate State law to ensure the educational programs for individuals in jail continue as the State's expense since educational funding is a sole responsibility of the State and local school districts. However, local school districts do not operate educational programs within detention facilities. There is also a reduction in traditional reimbursement rates received for student educational services. Presently, the Superintendent only receives 72 percent of the funding that would normally be sent to a school if the individual in jail were attending a school district or charter school. This inequity should be corrected with legislation.

The Honorable Chair and Members, Pima County Board of Supervisors
Re: **Contingency Fund Appropriation for the Superintendent of Schools' County Jail
Education Program**

October 17, 2017

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Recommendation

I recommend the Board of Supervisors approve a Contingency Fund appropriation of \$61,965 to the Superintendent of Schools to continue the County Jail Education Program.

Sincerely,

A handwritten signature in black ink, appearing to read "C.H. Huckelberry". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

C.H. Huckelberry
County Administrator

CHH/anc – October 10, 2017

Enclosure

c: Tom Burke, Deputy County Administrator for Administration
Dustin Williams, Pima County School Superintendent

MEMORANDUM

TO: Chuck Huckelberry
Pima County Administrator

FROM: Dustin J. Williams *DW 10-9-17*
Pima County School Superintendent

RE: *County Jail Education Program Funding for Pima Accommodation District*

DATE: October 9, 2017

BACKGROUND

Up until the fiscal year that ended on June 30, 2016, the Arizona Department of Education (ADE) authorized funding for students in the *County Jail Education Program* that is operated through the Pima Accommodation District at the Pima County Jail. Counties are required to provide education services to individuals who are confined to a county jail if they are 17 and younger or between the ages of 18 and 21, if they are identified as having a disability, according to A.R.S. § 15-913.01. ADE was also providing funding to students who were between the ages of 18 and 21, who were not identified as having a disability. The District made the assumption that because the county jail education program is provided through a school district that the funding was automatically provided similar to the other school districts in Pima County. When ADE upgraded its student attendance accounting system to the *Arizona Education Data Standards* (AzEDS) system on July 1, 2016, ADE stopped funding students who were 18 to 21 that are were not identified as having a disability. The District has been committed towards providing educational services to ALL students who are in the Pima County Juvenile Detention Center and Pima County Jail.

For the fiscal year that ended on June 30, 2017, this caused the Pima Accommodation District a cut of \$88,370, in funding for teaching non-Special Education adult students at the Jail. For the current fiscal year, as of September 5, 2017, the District is not receiving \$13,595 in funding. This number will certainly grow as more students are educated at the Jail. The current total price tag is \$101,965.

The problem is that if these non-Special Education adult students were attending any of our school districts or charter schools in Pima County the State would be providing funding for these individual students. However, it begs the question on why the ADE has made the decision to not fund any non-Special Education adults that are in the Pima County Jail. This certainly does not provide parity between school districts. More importantly, it does not provide equity to our students who deserve to receive educational services. As a side note,

even those students who are funded at the Jail only receive 72% of the funding compared to what they would receive if they were attending another school district or a charter school. The unexpected loss of funding to the District has caused my office to reconsider the budget that was formally adopted in July. If a replacement source of funding coupled with a change in the legislation does not take place, the District will be forced to reduce personnel and will no longer provide ANY educational services to students at the Jail who are non-Special Education adult students. The following options and long-term outlook are provided for your consideration.

OPTION 1

This scenario would entail the County providing \$101,965, in order to offset the reduction from the State for the county jail education program for non-Special Education adults. An important factor to consider is that even if this issue is resolved legislatively, the reduction from FY2017 and FY2018 will not be restored. Any legislation would have an effect for future funding years only. The loss of funds would be a permanent loss to the District that cannot be absorbed in this fiscal year. A loss of this magnitude represents approximately a 15% reduction in the District's operating budget from the prior fiscal year's adopted budget.

OPTION 2

This scenario entails the County providing \$61,965 or approximately 61% of the shortfall for this fiscal year. The District can commit to performing the following reductions:

Line Item	Adopted Budget	Reduction	New Budget Amount
Eliminate administrative and instructional support supplies	\$10,000	\$5,000	\$5,000
Reduction of classroom instruction supplies	\$5,000	\$2,000	\$3,000
Office equipment repair costs	\$10,000	\$8,000	\$2,000
Reduction of Substitute Teacher budget for Regular classrooms	\$30,680	\$18,840	\$11,840
Reduction of Substitute Teacher budget for Special Education classrooms	\$10,000	\$1,160	\$8,840
Reduction of classroom instruction supplies for Special Education classrooms	\$15,000	\$5,000	\$10,000
TOTAL	\$85,680	\$40,000	\$45,680

OPTION 3

In the event that the County were to decide to not provide any funding in order to help offset the reduction from the State to the Pima Accommodation District, the following reductions would have to take place immediately. More importantly, any and all services to any students who are not identified as needing Special Education services and are between the ages of 18 and 21, would no longer be receiving any educational services from the District. Services would be limited solely to students 17 years of age and younger or students with disabilities up to age 21. These are the targeted reductions to balance this year's budget without County support:

Line Item	Adopted Budget	Reduction	New Budget Amount
Elimination of a 1.0-FTE Instructional Support Aide	\$41,600	\$41,600	\$0
Elimination of 0.5-FTE Instructional Technology Specialist	\$31,250	\$31,250	\$0
Reduction of Substitute Teacher budget for Regular classrooms	\$30,680	\$19,115	\$11,565
Reduction of Substitute Teacher budget for Special Education classrooms	\$10,000	\$5,000	\$5,000
Office equipment repair costs	\$10,000	\$5,000	\$5,000
TOTAL	\$123,530	\$101,965	\$21,565

LONG-TERM ECONOMIC OUTLOOK

The Pima Accommodation District has been capable to weather many of the changes in the budgetary landscape for school districts, particularly during the toughest years of the Great Recession. At no point in time during the last 10 years has the District needed to come to the County for any request for funds. However, the way that school districts are funded has changed in that decade and the outlook for unique circumstances, like at Pima Accommodation District, is tenuous at best.

ATTENDANCE – The number of students enrolled continues to be main driver for how all school districts are funded in Arizona. There are factors that are not under the

control of the District and more so in the control of our law enforcement community. When the number of juvenile delinquents or adult prisoners decreases at our detention facilities, this has a direct impact on the funding for the District. In FY2001-02, the District had an average daily membership of 250 students. In the latest report for the current fiscal year, the District has an average daily membership of less than 60 students. This dramatic decrease in the number of students in the last 18 years has lent itself towards a serious decline in the funding for the District.

LEGISLATIVE REDUCTIONS – The reductions from the State Legislature have not been spared on the Pima Accommodation District. When the Legislature started eliminating funding for capital expenditures, which could be used to help support some of the operating fund capacity, Pima Accommodation District was included. Since the first budget cuts happened in Fiscal Year 2009-10 through the current fiscal year, the District has lost \$140,658, in capital funding. The District did receive Proposition 123 funding, but due to the relatively small numbers of students that drives this formula the amount is not significant to make any positive impact on the shortfalls from the prior years – approximately less than \$10,000 in the first year and less than \$4,000 in subsequent years. The Legislature has attempted to reduce the impact on small school districts, like Pima Accommodation, but reductions included with attendance declines are especially impactful.

FEDERAL FUNDING CHANGES – Recently, the Arizona Department of Education (ADE) underwent a Federal audit to look at all its entitlement programs to determine that the distribution and uses of funds by school districts was appropriate to the law. The findings were not good and as a result the greatest impact has been to our schools. For example, in the last several years the Pima Accommodation District has received over \$200,000 in Federal special education funding. About 1/3 of the students at the District are identified as having a special education need and we are required to service them properly. The current allocation for this fiscal year is less than \$29,000. One of the statements from ADE's Exceptional Student Services division was, "Prior ADE/ESS administration approved and implemented an allocation formula where the base rate was incorrectly calculated for multiple years since the base rate was first established." Through administrative errors at ADE, all school districts in Arizona are now having to determine how to meet Federal requirements for special education services with fewer Federal dollars. These changes in direction by ADE and other Federal entities has resulted in net losses of dollars for federally-mandated services that the District must now cover without added support from the State.

LOCAL FINANCIAL SUPPORT – Unlike traditional school districts, the Pima Accommodation District is not allowed to set a tax rate to fund any of its operations. Whereas other school districts can seek bonding authority or budget override capacity that is funded through property taxes, the Pima Accommodation District does not have

that authority. Under Section 15-465.01 of Arizona Revised Statutes, an accommodation school cannot issue debt or levy taxes on its own. Section 42-17151 of Arizona Revised Statutes considers any tax levies by a county to support an accommodation school to be part of the county's primary levy for the purpose of determining a county's statutory levy limit. This might be an element that is worthy of discussion going forward. These are a few tax scenarios the County may consider as part of a larger discussion for the future of education programs at County detention facilities. The relatively small nature of the resources needed each of these scenarios would yield a tax rate of less than 1-cent and a levy of less than \$1.00 for a \$100,000 homeowner.

PROPERTY TAX SCENARIOS		
FY2018 Assessed Value = \$80,749,929		
Levy	Rate	For a \$100,000 Home
\$200,000	\$0.0025	\$0.25
\$300,000	\$0.0037	\$0.37
\$500,000	\$0.0062	\$0.62

Pima County still has a responsibility to provide educational services to ALL students that are in the Juvenile or Adult Detention Centers in Pima County. Notwithstanding the statutory or policy changes at the State or Federal level, the District (along with the County) has a responsibility to design a program that 1) meets all statutory requirements and State academic standards regarding instruction; 2) properly service all special education students and 3) allow students a pathway to transition back to their homeschool to continue their education that leads towards a diploma, certification and ultimately a career.

If you have questions regarding this proposal, please contact my office to speak with me or my Chief Financial Officer, Ricky Hernández, at 724-8451. I appreciate your support and consideration.

PIMA ACCOMMODATION DISTRICT

FY18 and FY17 Non-SPED Adult Student Budget Reductions

A1	FY18 Adult Non-SPED ADM (9/5/17)	2.07
A2	Support Level Weight	1.559
A3	Weighted Student Count (A1 x A2)	3.22713
A4	Base Support Level	\$ 3,915.78
A5	Teacher Experience Index	1.00
A6	Base Revenue Control Limit (A3 x A4 x A5)	\$ 12,636.73
A7	District Additional Assistance Per Student	\$ 601.24
A8	District Additional Assistance for Textbooks	\$ 69.68
A9	District Additional Assistance Preliminary (A1 x A7) + (A1 x A8)	\$ 1,388.80
A10	Legislative Reduction	31%
A11	District Additional Assistance Net (A9)-(A9 x A10)	\$ 958.28

FY18 Preliminary Budget Reduction (A6 + A11)	\$ 13,595.01
FY17 Preliminary Budget Balance Carryover	\$ 88,369.88
Total FY18 Budget Reduction	\$ 101,964.89

B1	FY17 Adult Non-SPED ADM (6/5/17)	13.165
B2	Support Level Weight	1.559
B3	Weighted Student Count (B1 x B2)	20.524235
B4	Base Support Level	\$ 3,865.14
B5	Teacher Experience Index	1.03
B6	Base Revenue Control Limit (B3 x B4 x B5)	\$ 82,010.36
B7	District Additional Assistance Per Student	\$ 601.24
B8	District Additional Assistance for Textbooks	\$ 69.68
B9	District Additional Assistance Preliminary (B1 x B7) + (B1 x B8)	\$ 8,832.66
B10	Legislative Reduction	28%
B11	District Additional Assistance Net (B9)-(B9 x B10)	\$ 6,359.52

F17 Total Budget Reduction (B6 + B11)	\$ 88,369.88
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