




MEMORANDUM

Date: April 13, 2015

To: The Honorable Chair and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator 

Re: **April 14, 2015 Addendum Item 7 – Tucson Preparatory School Contract**

Tucson Preparatory School (TPS) provides housing and education to homeless teens, and the scope of their current contract is discussed in the attached April 9, 2015 memorandum. The contract with TPS essentially resulted from a contract termination by Open Inn. Open Inn's March 13, 2014 contract termination letter is also attached.

TPS' most recent federal Form 990, for Fiscal Year 2012/13, shows four of the seven individuals on the Board of Directors are County employees; two employed in Community Services, Employment and Training; one an employee of the Public Defender; and one employee of the County Attorney.

I have reviewed the current Board of Supervisors policy regarding Workplace Ethics, Conduct and Compliance and find that the issue of whether an employee receives compensation through outside employment or is an unpaid member of a board of directors of a nonprofit organization that receives – directly or indirectly – funding from Pima County, is not directly covered in the policy. I have asked the County Attorney to review whether they believe there is any conflict of interest in the outside employment of Efrain Romero or the other County employees being members of a nonprofit board of directors.

The County Attorney's review is currently underway. For this reason, I request this item be removed from the agenda.

In addition, it is unlikely the contract would be approved for the full term. Funding would only be added to the present contract to secure the contractor's efforts through the end of the current school year. The services will be open for competitive proposals for the following school year.

CHH/mjk

Attachments

c: Hank Atha, Deputy County Administrator for Community & Economic Development
Thomas Weaver, Chief Civil Deputy County Attorney
Robin Brigode, Clerk of the Board of Supervisors

MEMORANDUM

DATE: 4/9/2015
TO: Hank Atha
FROM: Arthur Eckstrom, CSET Department Director
SUBJECT: Report on CSET Contracts with Tucson Preparatory School



Continuum of Care funding is awarded to the Tucson/Pima community by the U.S. Department of Housing and Urban Development. The application is prepared by the Collaborative Applicant, which is Community Partnership of Southern Arizona. The application process is governed by the Tucson-Pima Collaboration to end Homelessness, which ranks applications from agencies according to community need to determine priority for funding. Pima County has participated in this process since 1994 to advocate for an emphasis within the continuum upon employment as a key component of the community strategy to end homelessness. Pima County prepares several applications to focus on homeless job seeker sub-populations in partnership with community-based organizations that share this focus and that provide transitional housing for these populations. Pima County originally prepared the CASA (1994) and La Casita (1999) proposals in partnership with Open Inn, an agency that had a long history of providing street outreach, group homes and transitional housing for unaccompanied, homeless youth.

In May 2012 Pima County was scheduled to renew its contracts with Open-Inn, Inc. for CASA and La Casita. Both contracts were intended to assist eligible, homeless youth to achieve self-sufficiency through alternative secondary education, if needed, and full-time employment by providing case management, transitional housing, and supportive services. This was the 18th year that Pima County and Open-Inn had contracted in collaboration under the Continuum of Care Program.

However in March of 2012 CSET learned from Claire Bice in Grants/Finance that a financial analysis of the Open-Inn nonprofit organization was raising concerns. Her finding was that for every one dollar in assets, Open-Inn had three dollars of debt. We were advised that contracting with Open-Inn would be a risk.

Pima County CSET staff members Efrain Romero and Steven Nelson met with the Open-Inn leadership team and the President of the Board of Directors. The Open Inn representatives explained their financial difficulties and their plans for restructuring. They re-affirmed their desire to continue their 20-year history of partnership with the County and their commitment to honor all of the conditions of the contract and program goals. Based on this discussion, CSET agreed to continue the CASA contract with close monitoring, but decided not to renew the contract for LaCasita. At the time there were six homeless youth being housed under the contract. Four of these youth were enrolled at Tucson Preparatory School, a charter school founded in 1998 to serve homeless youth, and two were at Las Artes, a GED program operated by CSET. Tucson Prep offered to help all of these youth find new housing and to advance the rent, support services and case management to keep them in school. Based on this situation Pima County CSET decided to contract with Tucson Prep in order to prevent further disruption of the youth's housing and education.

In March 2014, CSET was notified that Open-Inn was closing and could no longer meet their obligations under the CASA contract – which was set to expire on April 30, 2014 – and asked to be let out of the contract as of March 31, 2014. County agreed to end the contract. At that time there were ten youth being housed under this contract. We were in the process of writing new contracts for the CASA Program as the contract year was ending for this program. Tucson Prep offered again to find new housing for these youth beginning April 1st with the understanding that they could not be reimbursed for any move-in and rental costs that occurred before May 1st, 2014.

All of the homeless service providers in the Tucson-Pima Collaboration to end Homelessness were very aware of the crisis that was occurring at Open Inn. Other agencies assumed other parts of the Open Inn operation. CSET did not have any other offers to assume responsibility for these homeless youth, therefore CSET decided to award the portion of the CASA program previously contracted through Open Inn to Tucson Prep. This would allow Pima County to continue services to homeless youth without interruptions to housing, education, and employment assistance to ten program participants. All transferred to Tucson Preparatory School with few difficulties and little disruption in their lives. No one went back to the streets during this period.



OPEN INN INC.

CHILDREN YOUTH & FAMILY SERVICES

March 13, 2014

Mr. Arthur Eckstrom
Pima County Community Services
2797 E. Ajo Way
Tucson, AZ 85713

Dear Mr. Eckstrom,

Per our telephonic and in person discussions with Efren Romero and Steven Nelson on 2/11/14 and 3/12/14, Open Inn, Inc. will be ceasing all services on June 30, 2014 due to financial issues. Given this fact, and at the request of Mr. Romero and Mr. Nelson, we will end our contract for the CASA services on 3/31/14 at which time the contract is returned to your agency. Although we are willing to honor the contract through its ending date of 4/30/14, we understand your agency's wish to transfer the contract to another agency now in order to make sure the transition for the clients that are currently in the program are as smooth and seamless as possible thus avoiding any interruption in services to them.

We have enjoyed our business relationship with Pima County and Sullivan Jackson Employment Center for over 20 years now and wish you continued success in providing valuable services to the community.

Please convey our deepest thanks to Mr. Steven Nelson, the Contract Manager, for his support, hard work, and dedication to make this program such a success for the homeless and unemployed/underemployed young adults that we have served over these many years. We will certainly miss working together with him and Sullivan Jackson Employment Center.

Sincerely,

Kim Tellez

Kim Tellez, Executive Director

cc:

Efren Romero
Steven Nelson

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