

# Youth-in-Custody

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August 20, 2019 | Public Education Appropriations Subcommittee

## **Background**

The Youth-in-Custody (YIC) program contains two budgetary programs. The YIC program in the Related to Basic School Program provides the programmatic funding for school districts to implement education for students in the custody of the Department of Human Services (DHS) (i.e., Juvenile Justice, State Hospital, etc.) or equivalent agencies of a tribe. Only school districts with DHS facilities in their jurisdiction receive program funding, and students are not counted for WPU purposes. There is a corresponding administrative program for YIC in the State Board of Education – MSP Categorical Program Administration line item which provides for associated state administration and programming.

Additional detail on each of these programs and USBE’s implementation of these programs can be found at the following links:

[Minimum School Program – Youth-in-Custody](#)

[MSP Administration – Youth-in-Custody](#)

[USBE Youth-in-Custody](#)

## **Recommendations**

We recommend that the Public Education Appropriations Subcommittee consider the following in reviewing the YIC program:

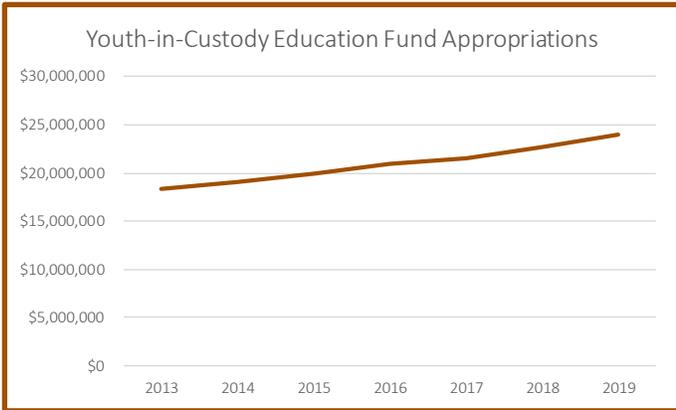
1. Address the discrepancy between annual increases for enrollment growth, actual growth in the YIC program, and program nonlapsing balances:
  - a. Direct staff, when calculating the annual enrollment growth adjustment, to increase funding for YIC based on the growth of students in YIC programs and not the general student population.
  - b. Amend the statute governing the YIC program to include annual funding adjustments for student enrollment growth as outlined above, and for the percentage increase in the WPU Value.
  - c. Continue to monitor year-end balances in the YIC program.
2. Clarify in statute the intended purpose of the YIC program appropriation:
  - a. That the funding appropriated to the YIC program is intended for students “under the jurisdiction” of the Department of Human Services and not counted for WPU purposes.
  - b. Request that the State Board of Education (Board) report during the 2020 General Session on amounts expended for students in item “a” above and the amount for other students.
  - c. Divide the YIC appropriation based on the reported amounts in “b” to ensure a direct link to funding students not counted in the WPU process.
3. Request that the Board develop performance metrics for the YIC program that help inform policymakers on the following:
  - a. Performance of the YIC program in contracted entities.
  - b. Academic performance or students in YIC programs.

# Youth-in-Custody – Budget, Performance, and Other Details

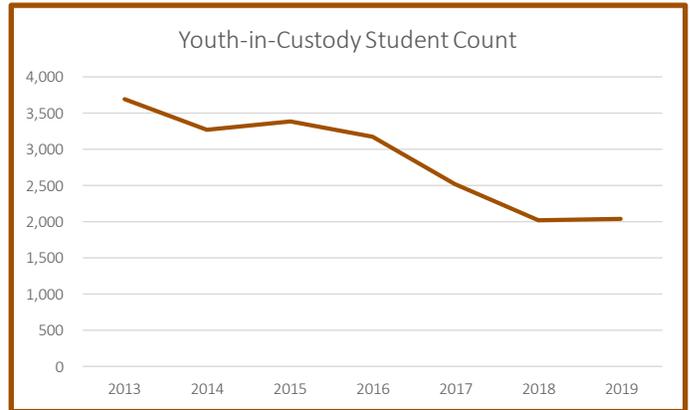
## Budget Issues

### *Nonlapsing Balances, Student Counts, & Appropriations*

Over the past few years, nonlapsing balances have accumulated in the Minimum School Program – Youth-in-Custody program. Figure 1 shows that in each fiscal year, the YIC program has concluded the budget year with unspent balances. FY 2018 closed with a particularly high balance of \$1.8 million, in part due to the timing of summer program funding being allocated to local education agencies (LEAs.)



**Figure 2**



**Figure 1**

The Board reports that this balance was mostly expended during the FY 2019 budget year, but early estimates for the FY 2019 budget year show that the program will likely close with a balance of approximately \$280,000. Stable or increasing balances are often an indicator of over appropriation for a program. Each year, the Legislature provides a funding adjustment to the YIC program based on the percentage increase in general enrollment and the percentage increase of the Weighted Pupil Unit (WPU) Value.

Recent juvenile justice reforms and steady increases in the WPU Value may explain the trend of nonlapsing balances in the program. Figure 1 above shows the annual appropriation from the Education Fund supporting the YIC program from FY 2012 to FY 2018, and Figure 2 shows the change in student count for the same years. Comparing these two charts shows the sharp decline in students (over 1,000 students from 2015 to 2017) to the relatively steady increase in appropriated funding.

As student enrollment in YIC programs decreased in 2017 through 2019, the program received enrollment growth adjustments of \$320,900 in FY 2017, \$337,600 in FY 2018, and \$268,100 in FY 2019. Similarly, the Legislature appropriated \$253,800 more for enrollment growth in FY 2020.

### Recommendations

We recommend that the Public Education Appropriations Subcommittee consider the following:

1. Direct staff, when calculating the annual enrollment growth adjustment, to increase funding for YIC based on the growth of students in YIC programs and not on the general student population.
2. Amend the statute governing the YIC program to include annual funding adjustments for student enrollment growth as outlined above, and for the percentage increase in the WPU Value.
3. Continue to monitor year-end balances in the YIC program.

# Youth-in-Custody – Budget, Performance, and Other Details

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## ***Purpose of YIC Appropriation***

Statute, [53E-3-503\(4\)](#), directs the Legislature to establish and maintain “separate education budget categories for youth in custody or who are under the jurisdiction of the following state agencies: (a) detention centers and the Divisions of Juvenile Justice Services and Child and Family Services; (b) the Division of Substance Abuse and Mental Health; and (c) the Division of Services for People with Disabilities.”

Students in YIC programs are not included in the student membership counts of their respective home school, and are not included in the LEAs WPU count ([See R277-419, Pupil Accounting.](#)) As a result, the YIC program fulfills two statutory obligations:

1. Fulfills the state requirement for a separate budget category and provides a state funding allocation for students while they are in YIC programs, and
2. Provides the State Board of Education (Board) with resources to fulfill their statutory obligation for the education of all individuals in state custody.

While paragraph (4) of the above statute is clear in the purpose of the appropriated YIC funding, staff for the Board indicates that paragraph (1) may potentially open up the program to individuals who are “(ii)(A) receiving services from the Department of Human Services.” With the Board implementing this broader definition for YIC funding, it could result in restricted YIC funding being used on a greater number of students who are already counted and funded in the system through the WPU.

## **Recommendations**

We recommend that the Public Education Appropriations Subcommittee consider the following:

1. Clarify in statute that the funding appropriated for the Minimum School Program, Related to Basic – Youth-in-Custody program is intended for students “under the jurisdiction” (i.e. in custody) of the Department of Human Services and are not counted by an LEA for WPU purposes as outlined in Board rule R277-419.
2. Request that the State Board of Education report during the 2020 General Session on the amount of the YIC program expended for students meeting the criteria outlined in “Item 1” and the amount for students using the broader definition outlined above.
3. Divide the YIC appropriation based on the criteria reported in “Item 2” to ensure a direct link in funding students not counted in the WPU process and the funding appropriated for that purpose.

## **Budget Detail Tables**

### ***State Appropriated Budgets***

The Youth-in-Custody (YIC) program received \$25.2 million in funding for FY 2020. Figure 3 provides a 7-year history of appropriations to the program. This categorical program in the Minimum School Program is distributed to school districts that have jurisdiction over Department of Human Services facilities that serve youth. Students are not counted for WPU purposes (except as noted above in the “broader definition” of YIC services). State Board of Education (Board) rule further identifies that YIC students receiving education services by or through a local education agency (LEA) are students of that LEA.

Allocations are made based on annually submitted applications. The formula for dispersal of funding includes: the number of YIC students served by the LEA, the type of program required for the youth, the setting for providing services, and the length of the program. After LEA applications are approved, the Board passes the funding

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through to the LEAs. LEAs can either provide the educational services or subcontract with another entity to provide the services.

In 2018, the Legislature combined \$1.2 million used by the Board to contract with Provo School District to provide educational services at the State Hospital into the Youth-in-Custody program. This consolidated all funding for students in custody of the Department of Human Services into a single program. The appropriation in FY 2019 reflects this change.

Minimum School Program - Youth-in-Custody State Budget (COBI)							
<i>Sources of Revenue</i>	FY 2014 MSP	FY 2015 MSP	FY 2016 MSP	FY 2017 MSP	FY 2018 MSP	FY 2019 MSP	FY 2020 MSP
Education Fund	\$19,098,700	\$19,909,000	\$20,974,500	\$21,505,000	\$22,716,200	\$24,712,100	\$25,222,500
Education Fund, One-time	\$0	\$0	\$0	\$0	\$0	(\$741,400)	\$0
Transfers	\$0	\$29,200	\$0	(\$43,300)	\$0	\$0	\$0
Beginning Nonlapsing	\$530,400	\$152,300	\$467,800	\$376,000	\$219,900	\$219,800	\$1,835,500
Closing Nonlapsing	(\$530,400)	(\$467,800)	(\$376,000)	(\$219,800)	(\$1,835,500)	(\$219,800)	(\$1,835,500)
<b>Total</b>	<b>\$19,098,700</b>	<b>\$19,622,700</b>	<b>\$21,066,300</b>	<b>\$21,617,900</b>	<b>\$21,100,600</b>	<b>\$23,970,700</b>	<b>\$25,222,500</b>
<i>Categories of Expenditure</i>							
Personnel Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
In-State Travel	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Out-of-State Travel	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Current Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DP Current Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other/Pass Through	\$19,098,700	\$19,622,700	\$21,066,300	\$21,617,900	\$21,100,600	\$23,970,700	\$25,222,500
<b>Total</b>	<b>\$19,098,700</b>	<b>\$19,622,700</b>	<b>\$21,066,300</b>	<b>\$21,617,900</b>	<b>\$21,100,600</b>	<b>\$23,970,700</b>	<b>\$25,222,500</b>

Figure 3

During the 2016 General Session, the Legislature separated the state administrative cost functions for the YIC program and appropriated the funding directly to the Board. This action increased the transparency of administrative costs and ensured that all funds appropriated in the YIC program would be distributed to school districts. It has taken several years to clean up the programmatic vs. administrative funding, resulting in additional transfers approved during the 2019 General Session. Figure 4 provides a 4-year history of funding for the

State Board of Education - Youth In Custody Administration State Budget (COBI)				
<i>Sources of Revenue</i>	FY 2017 Admin.	FY 2018 Admin.	FY 2019 Admin.	FY 2020 Admin.
Education Fund	\$419,500	\$428,900	\$437,300	\$1,187,100
Education Fund, One-time	\$0	\$1,500	\$742,900	\$1,700
Transfers	(\$24,900)	(\$74,400)	(\$14,700)	(\$14,700)
Beginning Nonlapsing	\$0	\$262,400	\$250,000	\$250,000
Closing Nonlapsing	(\$262,400)	(\$131,500)	(\$250,000)	(\$250,000)
<b>Total</b>	<b>\$132,200</b>	<b>\$486,900</b>	<b>\$1,165,500</b>	<b>\$1,174,100</b>
<i>Categories of Expenditure</i>				
Personnel Services	\$97,900	\$312,700	\$1,129,200	\$1,137,800
In-State Travel	\$2,500	\$2,300	\$3,300	\$3,300
Out-of-State Travel	\$0	\$4,100	\$0	\$0
Current Expense	\$31,300	\$66,500	\$26,000	\$26,000
DP Current Expense	\$500	\$101,300	\$7,000	\$7,000
Other/Pass Through	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$132,200</b>	<b>\$486,900</b>	<b>\$1,165,500</b>	<b>\$1,174,100</b>

Figure 4

# Youth-in-Custody – Budget, Performance, and Other Details

administrative portion of the Adult Education programs budget, with \$1.2 million appropriated for FY 2020. The Board expends most of this funding on personnel that support the YIC program.

## *Local Education Agencies – Reported Revenues and Expenditures*

School districts report the revenue sources and categories of expenditure for their YIC programs annually to the Board. Figure 5 provides a 5-year history of revenues and expenditures for LEA programs. In FY 2018, LEAs report expending approximately \$22.3 million to support YIC programs. This amount is higher than the \$21.1 million appropriated by the Legislature, indicating that some local property tax revenue or unrestricted state revenue may have been used to support the programs. LEAs use most of the funding to pay salaries and benefits for personnel supporting the program.

<b>Youth-in-Custody LEA Budgets (Annual Program Report)</b>					
<b>Sources of Revenue</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
Beginning Balance	\$421,800	\$448,900	\$707,300	\$764,900	\$990,900
Local	\$18,200	\$62,200	\$90,400	\$90,200	\$103,000
State	\$19,319,300	\$19,222,300	\$19,868,500	\$20,981,200	\$21,775,600
Federal	\$60,600	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$19,819,900</b>	<b>\$19,733,400</b>	<b>\$20,666,200</b>	<b>\$21,836,300</b>	<b>\$22,869,500</b>
<b>Categories of Expenditure</b>					
Salaries	\$11,572,100	\$11,411,100	\$11,994,900	\$12,306,800	\$13,116,400
Benefits	\$5,329,200	\$5,352,700	\$5,552,200	\$5,798,000	\$6,165,700
Purchased Services	\$445,900	\$515,300	\$594,000	\$673,200	\$571,400
Supplies	\$961,500	\$743,100	\$1,020,600	\$1,187,900	\$1,569,800
Property	\$607,400	\$733,300	\$524,500	\$335,800	\$280,000
Other	\$454,800	\$436,000	\$553,600	\$642,600	\$582,400
<b>Total</b>	<b>\$19,370,900</b>	<b>\$19,191,500</b>	<b>\$20,239,800</b>	<b>\$20,944,300</b>	<b>\$22,285,700</b>

Figure 5

## Performance Metrics

The Board has not implemented performance metrics specific to the YIC program. On its website, the Board provides information on YIC programs, regulations (statute and Board rules), and various resources participating LEAs can access. There is no information to assist state and local policymakers in understanding how the YIC programs are doing or the academic achievement of students in YIC programs.

Statute, [53E-3-503](#), assigns the direct responsibility for the education of students in the YIC program to the Board. Developing program performance metrics will help the Board and Board staff communicate how well the program is doing to state and local policymakers and the public. Despite the transitory nature of YIC students and maintaining their privacy, which can complicate the development of performance metrics, state and local policymakers would benefit from having performance information.

## Recommendation

We recommend that the State Board of Education evaluate contracted YIC programs and develop performance metrics for the YIC program that help inform policymakers on the following:

1. Performance of the YIC programs in contracted entities.
2. Academic performance of students in YIC programs.