

# Memorandum



CITY OF DALLAS

DATE December 29, 2017

TO Honorable Mayor and Members of the City Council

SUBJECT **Dallas County Schools Dissolution and School Crossing Guard Program**

At the January 3, 2018 City Council Briefing, staff will provide an overview of the school crossing guard program and the impact of the recent voter dissolution of Dallas County Schools. Due to the holiday schedule, this item will come directly to the City Council.

Should you have any questions or concerns, please contact Kimberly Bizer Tolbert, Chief of Staff or Jon Fortune if you have any questions that you would like to have addressed at the briefing.

A handwritten signature in black ink, appearing to read 'T.C. Broadnax'.

T.C. Broadnax  
City Manager

c: Larry Casto, City Attorney  
Craig D. Kinton, City Auditor  
Billerae Johnson, City Secretary (Interim)  
Daniel F. Solis, Administrative Judge

A. Al-Ghafry, Assistant City Manager

Jon Fortune, Assistant City Manager  
Joey Zapata, Assistant City Manager  
M. Elizabeth Reich, Chief Financial Officer  
Nadia Chandler Hardy, Chief of Community Services  
Raquel Favela, Chief of Economic Development & Neighborhood Services  
Theresa O'Donnell, Chief of Resilience  
Directors and Assistant Directors

# **Dallas County Schools Dissolution and School Crossing Guard Program**

**City Council Briefing  
January 3, 2018**

**Jon Fortune,  
Assistant City Manager**

**Kimberly Bizer Tolbert,  
Chief Of Staff**



# Presentation Overview

- Purpose
- Background/History
- Recent Action
- Next Steps



# Purpose

- To provide the City Council an overview of the City's responsibility:
  - School guard crossing program
  - Funding sources
  - Recent actions as result of Dallas County Schools dissolution

# Background/History

- **Local Government Code**

- Chapter 343 assigns responsibility for school crossing guards to municipalities with a population greater than 850,000
- Chapter 106 establishes a “Child Safety Trust Fund” to be used for deposit of fees earmarked for school crossing guards
- Chapter 502 provides for an optional \$1.50 fee on County vehicle registrations for child safety

# Background/History (funding sources)

## Child Safety Trust Fund

### Deposits to the Fund:

- \$5.00 of fee for parking tickets
- \$25.00 of fee for moving violations in school zones
- \$20.00 of fee for parents convicted of contributing to truancy
- ***Optional \$.50-\$1.50 County Vehicle Registration Fee***

County	Fee Assessed	Amount
Collin	Yes	\$1.50
Denton	Yes	\$1.50
Dallas	No	NA

- Currently collected fees contribute \$600-\$700k annually

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# Background/History (continued)

- Prior to 2012, the Dallas Police Department operated and managed the school crossing guard program (350+ crossing guards)
- In spring 2012 the City and Dallas County Schools (DCS) developed a proposal for a Child Safety Program
- DCS agreed to provide administrative & operational oversight for the School Crossing Guard Program through an Interlocal Agreement (ILA) with the City

# Background/History (continued)

## ILA (Responsibilities of DCS)

- School Crossing Guards
  - Fund, manage, and operate school crossing guard program
  - Encourage Dallas County to adopt state authorized \$1.50 vehicle registration fee for Child Safety Trust Fund
- Stop Arm Enforcement
  - Operate cameras, issue citations, collect fines and provide support for citizen appeals/inquires and provide activity reports to the City
  - Maintain escrow account, and pay the City administrative fee for adjudication process

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# Background/History (continued)

## ILA (Responsibilities of the City)

- School Crossing Guard Program
  - Monitor school crossing guard program and provide feedback to DCS as applicable
  - Forward child safety revenue to DCS as offset to full costs
- Stop Arm Enforcement
  - Maintain City Ordinance to allow for DCS video enforcement
  - Hear citation appeals at Municipal Court

# Prior City Council Action

- April 2012 - Briefed Public Safety Committee
- May 2012 - City Council Adopted Stop Arm Ordinance
  - Created civil offense for a school bus stop arm violation
  - City Council Approved (2) Inter-local Agreements (ILA)
    - Enforcement of Stop Arm Ordinance – Initial 3 year period to 2015
    - Transfer costs and operation of school crossing guard program to DCS – Thru June 2042
- May 2015 – Added 25 years to extend Stop Arm ILA term to 2040

# Historical Cost of School Crossing Guard Program

Fiscal Year	City of Dallas	Dallas County Schools
FY2006	\$2,814,006	\$0
FY2007	\$2,560,850	\$0
FY2008	\$2,779,837	\$0
FY2009	\$2,994,760	\$0
FY2010	\$2,883,073	\$0
FY2011	\$2,488,608	\$0
FY2012*	\$2,165,915	\$400,000
FY13-16*		Estimated \$4.2M annually

*\*Partial year funding, ILA implemented*

*\*\*Increase due to DCS added paid benefits package, increased headcount (+50) and increased hourly wages*

# Current situation

- DCS has experienced significant financial losses and debt
- November 2017 - The 85<sup>th</sup> State Legislature authorized a voter referendum on the dissolution of DCS
- Dallas County voters decided to allow for the dissolution of DCS
- State Comptroller appointed a Dissolution Committee charged with the wind down of DCS operations
- December 18, 2017 - the Dissolution Committee voted to discontinue the funding school crossing guard program as of January 31, 2018

# Financial Impact FY18 and FY19

## FY17-18 Costs and Funding Resources (February 1<sup>st</sup> thru September 30, 2018)

Estimated Partial Year Cost of Crossing Guard Program	\$2.5M+
Estimated City of Dallas, Denton and Collin County Child Safety Fund	(\$0.6M)
<b>Anticipated Funding Shortfall</b>	<b>\$1.9M</b>

## FY18-19 Costs and Funding Resources

Estimated Annual Cost of Crossing Guard Program	\$5.0M+
Estimated City of Dallas, Denton and Collin County Child Safety Fund	(\$0.6M)
<b>Potential Funding Shortfall</b>	<b>\$4.4M</b>

# Recent Action

On December 14, 2017 the City sent an official letter to the Dissolution Committee:

- Balance of funds in escrow account to be transferred to the City (amount to be determined)
- Reimbursement for adjudication of stop arm violations (amount to be determined)
- Transfer all equipment for School Crossing Guard Program back to the City
- City Filed Temporary Restraining Order against DCS (Dissolution Committee) – December 27, 2017

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# Recent Action (continued)

## What We Don't Know

- Exactly how much DCS owes the City for adjudication expenses and proceeds from escrow account
- How much of the Stop Arm Camera program debt and financial losses are directly attributable to the expansion of the program outside the City of Dallas
- Whether the City will be compensated for its valid claim to the escrow funds and other reimbursements for adjudication expenses due through the former Stop Arm ILA

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# Next Steps

- Receive City Council feedback on developing a potential child safety partnership between City, County, DISD, State and other regional partners to fund and manage the school crossing guard program

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