

SUPERINTENDENT'S REPORT

Joseph City Unified School District No. 2
Regular Governing Board Meeting — Tuesday, August 11, 2026
Shannon Harvilla, Superintendent

Enrollment

We opened the year at **387 students**. That is the number I have been waiting to give you since July.

Grade band	Students	Per grade
Preschool, three full classes	28	
Kindergarten through 5	137	22.8
Junior High, 6 through 8	93	31.0
High School, 9 through 12	129	32.3
K-12 subtotal	359	
DISTRICT TOTAL	387	

The FY2027 budget we adopted in July was built on a projection of **357.5 K-12 students**, and preschool sits almost entirely outside that projection, the formula funds only a small preschool disability membership. Against the projection, our K-12 count stands at **359, about two students ahead**. The ESA participation students in the next section are on top of this picture, not inside the projection.

I want to be careful about what this does and does not mean. Two weeks of attendance is not a trend, and the number that actually drives our funding is the October 1 count. Between now and then we will lose some students and gain others. What I can tell you is that the direction is the right one, and that the elementary is carrying it. Mrs. Dean and her staff worked enrollment all summer, and the results are in the building.

In October I will bring you the audited count set against the budget projection, with the funding consequence attached in dollars. That is the report that matters, and I would rather give you one honest number in October than an optimistic one tonight.

ESA Are Coming Back

In July I told you we had registered as an ESA Direct Pay vendor, and I asked you to set tuition and participation rates. You did that at the special meeting on July 22. Here is what has happened since.

Thirteen ESA students have enrolled and paid the District \$15,500 through ClassWallet.

Participation	Students	Enrollments	Revenue
Classes only	3	6 classes	\$5,250
Classes and an activity	3	6 classes, 3 activities	\$6,750
Sport or club only	7	7 activities	\$3,500
TOTAL	13	12 classes, 10 activities	\$15,500

The first payment arrived on July 23. Payments have come in on nearly every school day since.

What \$15,500 represents. At our current weighted funding rate of roughly \$7,900 per high school student, this is about **two full-time students' worth of revenue**. The difference is that it arrives without two full-time students' worth of cost. ESA students are not counted in our ADM and generate no state aid, so none of this money was in the budget you adopted. Every dollar of it is new.

The dollars are not the part I care most about. Thirteen students who were not in our buildings in May are in our classrooms, our gym, and our shop today. Seven of them came back through a sport or a club rather than a class, which is exactly the door I hoped they would use. A family that trusts us with a season is a family that may trust us with a class next year, and a student who competes in our uniform is a student who is one of ours again.

What Is Going Well

- The year opened strong. I walked classrooms with the first bell on the first day. Teachers greeted students by name, and one teacher wrote me midweek, unprompted, to describe how a small change in how her class handles test retrieval is already changing the way students talk about their own learning.
- Staff Compass, our policy and ethics training, is live. Twenty modules and close to three hundred scenario questions, every one written for Joseph City, our four-day week, and our community. It is role based, it requires an 80 percent score on every module, and it cost the District nothing but time. Deidra Smith was the first in the district to finish every module, a fact her husband Tyson made sure I got right.
- A restorative discipline framework built by Eric Miller is going out district wide. The goal is simple: keep kids in class learning, and make sure a family hears about a classroom problem from the teacher before they hear it from the office.
- The State Facilities Division accepted our Building Renewal Grant application for the next phase, and released roughly \$62,000 in reimbursement on the elementary roof project.
- The business office is stabilizing. Caleb Layden is fully in the business manager role with consulting support at a fraction of our previous cost, which we project will save the District in the neighborhood of \$80,000 this year.
- Our teachers are telling the Joseph City story themselves. In the first week alone, classroom posts went up on our website and app from Mrs. Larsen, Aaron Johnstun, Kay Rush, Amy Peterson, Michael Gäyer, Julie Randall, and Jess Bushman, along with a steady stream from our elementary classrooms. Follow the page and you will see your schools the way I see them.
- Partnerships continue to build. The Governor's Office tours our facilities Thursday, the White Mountain Economic Development team visits August 26, and on September 1 we host Invenergy and Navajo County here to work on an Energy Career Pathways matrix for our students.

What I Am Watching

- The October 1 count. That is the number that sets our funding, and it is the one I will hold us to.
- Cash flow and the line of credit. Rather than assume, Caleb Layden asked the County Treasurer's office to confirm our county line of credit in writing. The answer came back Monday: the bank canceled it and it is not active. For the record, the district drew that line

every fall and spring for five straight years and repaid it in full every cycle, most recently a \$1,000,000 draw in September 2025 repaid in November. It was a working tool with a clean repayment record, and we found out it was gone by asking instead of assuming. There is a related item on tonight's agenda, and I will bring you options on a backstop line if we need one.

- Preschool licensing. The state flagged items connected to our third preschool class, and Mrs. Dean has submitted our plan of correction. Adding that class was the right call for our families; the paperwork is catching up to it.

Respectfully submitted,

A handwritten signature in cursive script that reads "Shannon R. Harvilla".

Shannon Harvilla, Superintendent