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Attorneys for Tucson Unified School District No. One, et al.

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF ARIZONA

Roy and Josie Fisher, et al.,

Plaintiffs

CV 74-90 TUC DCB
(Lead Case)

v.

**DECLARATION OF SAMUEL E.
BROWN**

United States of America,

Plaintiff-Intervenor,

v.

CV 74-204 TUC DCB
(Consolidated Case)

Anita Lohr, et al.,

Defendants,

and

Sidney L. Sutton, et al.,

Defendants-Intervenors,

Maria Mendoza, et al.

Plaintiffs,

United States of America,

Plaintiff-Intervenor,

v.

Tucson Unified School District No. One, et al.

Defendants.

Rusing Lopez & Lizardi, P.L.L.C.
6363 North Swan Road, Suite 151
Tucson, Arizona 85718
Telephone: (520) 792-4800

1 I, Samuel E. Brown, declare under penalty of perjury that the following statements
2 are true:

3 1. I am the former Desegregation Director for Defendant Tucson Unified School
4 District No. One (“TUSD”) and held this position between February 2012 and January
5 2015. I have personal knowledge of the facts stated herein.

6 2. On October 22, 2014, the Court ordered the Budget Expert, Dr. Vicki
7 Balentine, to prepare a report within thirty days that includes Budget Review Criteria and a
8 Budget Process. (*See* ECF #1705 at 13).

9 3. The Court further ordered TUSD to work collaboratively with the Special
10 Master for 45 days to revise the Budget Review Criteria and Process, and to thereafter file
11 the Budget Expert’s Report Re: the Budget Review Criteria and Process. (*See* ECF #1705
12 at 14).

13 4. On November 21, 2014, the Budget Expert submitted the report on the Budget
14 Review Criteria and Process to TUSD, the Plaintiffs, and the Special Master. ***See Exhibit***
15 **1, Balentine Email and Proposed Budget Review Criteria and Process 11/21/14.**

16 5. Because the forty-five day collaboration period included a two-week period in
17 which TUSD staff was unavailable due to the holiday break, and because the Special
18 Master and Parties had scheduled a teleconference for January 20, 2015 to discuss various
19 issues (including the Budget Process), the Special Master and Parties agreed to a 30-day
20 extension for TUSD to file the Budget Expert’s Report Re: the Budget Review Criteria and
21 Process from January 5, 2015 to February 4, 2015.

22 6. TUSD filed the extension request with the Court (*see* ECF #1743), and the
23 Court granted the extension (*see* ECF #1758).

24 7. Between November 5, 2014 and December 29, 2014, TUSD staff met with
25 the Budget Expert, commented on drafts of the report, and revised the report.

26 8. On December 29, 2014, TUSD’s outside counsel submitted a copy of the
27 revised Budget Criteria and Process to the Budget Expert and the Special Master, with
28 instructions to forward the document to the Plaintiffs per our joint understanding with the

1 Special Master. **See Exhibit 2, Stanton Email and Revised Budget Review Criteria and**
2 **Process 12/29/14.**

3 9. On January 6, 2015, the Special Master emailed his comments on the revised
4 Budget Criteria and Process to the Parties, and forwarded the revised Budget Criteria and
5 Process to the Plaintiffs. **See Exhibit 3, Hawley Email Comments 1/6/15; see also**
6 **Exhibit 4, Hawley Email and Revised Budget Review Criteria and Process 1/6/15.**

7 10. Between January 7, 2015 and January 30, 2015, TUSD did not receive any
8 written comments on the revised Budget Criteria and Process.

9 11. On January 30, 2015, TUSD staff finalized the revised Budget Process
10 Criteria. **See Exhibit 5, Final Revised Budget Review Criteria and Process 2/4/15; see**
11 **also Exhibit 6, Final Revised Sample Budget Form.**

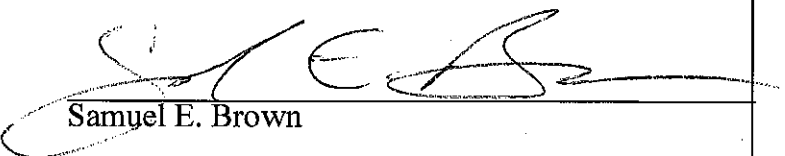
12 12. On October 22, 2014, the Court ordered TUSD to file a Notice identifying,
13 with explanation of whether by stipulation or by objection, any recommendations which
14 were ultimately not adopted by TUSD. (See ECF #1705 at 14).

15 13. TUSD staff reviewed the initial recommendations from the Budget Expert, as
16 stated in the November 21, 2015 proposed process and criteria (see Exhibit 1), and
17 additional comments from the Special Master, as stated in his January 6, 2015 email (see
18 Exhibit 3).

19 14. TUSD staff made several revisions and clarifications to the Budget Review
20 Criteria and Process, and to the sample budget format. (See Exhibits 5 and 6)

21 I declare under penalty of perjury under the laws of the United States of America
22 that the foregoing is true and correct.

23 DATED this 4th day of February, 2015.

24
25
26 
27 Samuel E. Brown
28

Rusing Lopez & Lizardi, P.L.L.C.
6363 North Swan Road, Suite 151
Tucson, Arizona 85718
Telephone: (520) 792-4800

EXHIBIT 1

Brown, Samuel

From: Balentine, Vicki Eileen - (vbalenti) <vbalenti@email.arizona.edu>
Sent: Friday, November 21, 2014 9:55 AM
To: Rubin Salter; Thompson, Lois D.; Juan Rodriguez (jrodriguez@MALDEF.org); Anurima.Bhargava@usdoj.gov; Zoe.Savitsky@usdoj.gov; William Brammer; Tolleson, Julie; TUSD
Cc: Willis D. Hawley; Sanchez, HT; Soto, Karla; Brown, Samuel; Morrison, G Scott
Subject: Date Certain Submission of Proposed Methodology Including Proposed Criteria for Use of 910G Funds
Attachments: Recommended TUSD Budget Criterion and Process for 2015.docx; 2015 sample budget format.docx
Categories: BUDGET

Good Morning,

The attached and date certain submission of the Proposed Budget Methodology Including Proposed Criteria for Use of 910G Funds reflects concerns expressed by the District related to their capabilities in tracking 910G funds for this and past budget years.

Respectfully,
Vicki Balentine

--

Vicki Balentine, Ph.D., Professor of Practice, Educational Policy Studies & Practice, College of Education, U of A. Past President, Arizona State Board of Education.

**RECOMMENDATIONS TO TUSD FOR NECESSARY IMPROVEMENTS OR
ALTERNATIVES TO THE 2015-16 Unitary Status Plan (USP)
BUDGET CRITERION AND PROCESS**

November 21, 2014

2014-15 USP CRITERIA AND PROCESS -- WHAT WORKED AND WHAT DIDN'T WORK

The Initial 2014-15 USP Budget Timeline and Process did not provide enough initial and ongoing information to allow for timely and complete budget review and input by the plaintiffs. The initial meeting with the budget expert was in April. It took three rounds and several months of information requests and exchanges by the plaintiffs to approach the information needed by the plaintiffs to allow understanding and thus provide relevant input on the proposed budget prior to the start of the budget year.

As revisions were made to the budget, an updated proposed USP budget draft was not made available to the plaintiffs, the special master or the budget expert. But rather, a running narrative was provided to explain ongoing changes to the initial proposed budget. This strategy of using a narrative of revisions continued from May through September. A narrative format is a very cumbersome and difficult to understand strategy in that there is never an updated spreadsheet of the most current proposed USP budget allocations for review. In addition, the criteria used for allocation recommendations were sometimes unclear and were not consistent in aligning with the previously agreed upon supplement rather than supplant criteria.

As a result, I recommend the budget process itself be initiated much sooner in the planning year and that revised and updated USP budget drafts with all allocation amounts following the agreed upon allocation criteria be provided with whatever narrative the District thinks important to provide throughout the process.

TIMELINESS AND FORMAT

Revision of the Implementation Addendum (IA)

The IA has been revised by the District in collaboration with the Implementation Committee (IC) to identify activities underway to implement the provisions of the USP thereby making for a more understandable and coherent IA that specifies the USP-related activities that need to be tracked and reported by the District and monitored by the IC. This results in a significant reduction in the number of activities that require budget tracking.

PROCESS AND TIMELINES FOR THE ANNUAL USP BUDGET PROCESS

Future budgets shall be organized by the activities identified in the revised Implementation Addendum. The initial budget proposals shall be shared with the plaintiffs in February with the expectation that the parties shall meet in March or April in Tucson to discuss the budget and other issues. Given that the criteria for allocating 910G funds did not serve to resolve differences about the appropriateness of various expenditures, the Special Master shall propose alternatives to the current criteria by November 21, 2014.

RECOMMENDATIONS TO TUSD FOR NECESSARY IMPROVEMENTS OR ALTERNATIVES
TO THE 2015-16 UNITARY STATUS PLAN (USP)
BUDGET CRITERION AND PROCESS

2

TRACKING OF 910G FUNDS

The District shall track and report 910G funds, as well as any USP related funds (M & O, Title 1, Dropout Prevention, etc.), that are spent to support the identified USP Implementation Addendum Activities as revised in November of 2014. This tracking shall provide critical information specific to USP expenditures by the activities identified and shall be focused on 910G funds for 2013-14 and for all USP expenditures in years thereafter.

TIMELINES FOR THE ANNUAL BUDGET PROCESS

In December, the District shall provide all District formulas and regulations used or required in the allocation of funds, including weighted student count, school level allocations, FTE formulas, and Title I or other Federal and State requirements, etc. In addition, when the development of the 2015-16 USP Budget Process initiates in February, 2015, the following information shall be provided for each tracked activity:

- A. proposed expenditures for the activity in the proposed budget year, broken down by expenditure from 910G and any other USP related funding sources,
- B. aggregation of what was spent on the activity during the last budget year, broken down by expenditure from 910G and any other USP related funding sources*,
- C. current year allocation amount, broken down by expenditure from 910G and any other USP related funding sources,
- D. projected expenditures at the completion of the current budget year for the activity, with rationale for any differences between the projected and allocated amounts, and
- E. rationale for any non-incremental increase or decrease in funding for the activity, if applicable.

PROPOSED TIMELINE FOR DEVELOPMENT OF THE 2015-16 USP BUDGET

The timeline below is proposed as a framework for structuring the process prior to the beginning of the next fiscal year with acknowledgment that the suggested dates expedite the process identified in the October 22, 2014 court order.

Date(s)	Action
November 12, 2014	Budget Process Methodology Proposal was submitted to the parties for review and comment.
November 21, 2014	Budget Process Methodology Proposal including proposed alternatives to the current criteria for allocating 910G funds shall be submitted to the parties for review and comment per October 22, 2014 court order.
December 9, 2014	The District shall provide the plaintiffs, special master and budget expert with all District formulas and regulations used or required in the allocation of funds, including weighted student count, school level allocations, FTE formulas, and Title I or other Federal and State requirements.

RECOMMENDATIONS TO TUSD FOR NECESSARY IMPROVEMENTS OR ALTERNATIVES
TO THE 2015-16 UNITARY STATUS PLAN (USP)
BUDGET CRITERION AND PROCESS

3

No later than December 15, 2014	Comments on the Budget Process Methodology Proposal and alternatives to the current criteria for allocating 910G funds shall be submitted by the parties.
No later than January 5, 2015	Budget Process Methodology is finalized.
No later than February, 2015	A meeting of the parties will be scheduled in Tucson between March 30 – April 15 to review and discuss the proposed budget and other issues.
DRAFT #1 February 26, 2015	The 2015-16 Budget Process shall formally initiate with the following information provided as the 2015-16 Proposed USP Budget Draft #1* for each tracked activity: <ul style="list-style-type: none"> • proposed expenditures for the activity in the proposed budget year, broken down by expenditure from 910G and any other USP related funding sources, • aggregation of what was spent on the activity during the last budget year, broken down by expenditure from 910G and any other USP related funding sources**, • projected expenditures at the completion of the current year for the activity, with rationale for any differences between the projected and allocated amounts, and • rationale for any non-incremental increase or decrease in funding for the activity, if applicable.
February/March, 2015 (no later than 10 days after Draft #1 is received)	Plaintiffs and Special Master review and comment period. A phone conference with the parties may prove supportive of the process during this time.
DRAFT #2 March 16, 2015	TUSD provides Draft #2 of the 2015-16 Proposed USP Budget with any allocation revisions using the same format as for Draft #1.
March/April, 2015 (no later than 10 days after Draft #2 is received)	Plaintiffs and Special Master review and comment period. A phone conference with the parties may prove supportive of the process during this time.
March/April, 2015	The parties shall meet in Tucson to discuss the proposed USP budget and other issues
DRAFT #3 April 27, 2015	TUSD provides Draft #3 of the 2015-16 Proposed USP Budget with any allocation revisions using the same format as for Draft #1.
April/May, 2015 (no later than 20 days after Draft #3 is received, per USP Court Order)	Plaintiff review and comment period. A phone conference with the parties may prove supportive of the process during this time.
April/May, 2015 (within 10 days of plaintiffs comments on Draft #3, per USP Court Order)	Special Master submits any suggestions for modification of Draft #3 to the District.

RECOMMENDATIONS TO TUSD FOR NECESSARY IMPROVEMENTS OR ALTERNATIVES
TO THE 2015-16 UNITARY STATUS PLAN (USP)
BUDGET CRITERION AND PROCESS

4

June, 2015	TUSD Governing Board action on 2015-16 Proposed USP Budget. Any continuing objection by the plaintiffs shall be noted separately and provided to the Governing Board for consideration.
July, 2015	Governing Board action on 2015-16 USP Budget
July, 2015	Within ten (10) days of Governing Board action, if necessary, objections filed for any plaintiff disagreement with the budget, as approved.

*Sample budget format attached.

**This information will be not be available in 2013-14 but will be available in future years.

REALLOCATION REPORTING DURING THE YEAR

Beginning in January, 2015, and thereafter, the District shall provide the plaintiffs with information quarterly related to mid-year under or over-expenditures of 910G funds and/or needed reallocations. The proposals for the use of these funds (reallocations) shall be shared with the plaintiffs and Special Master for comment. The District shall provide specific dates by which such proposed reallocations shall be shared. The plaintiffs shall provide comments on proposed reallocations within ten days of each quarterly proposed reallocation communication.

YEARLY AUDIT OF 910G FUNDS

The audit required by the USP shall report expenditures for each of the revised descriptions of activities in the Implementation Addendum as amended in November of 2014. For 2013-14, the audit shall focus only on the expenditure of 910G funds. Thereafter, the audit shall include expenditures for the entire USP budget, including the expenditure of related funds from non-910G sources.

The District should recode past budget information using the IA structure by activity for budget years 2013-14 (Original IA) and 2014-15 (Revised IA) to allow for an accurate and meaningful audit. If such recoding is difficult, at the very least, a crosswalk shall be developed and implemented by the District for prior years that shall allow for relevant and accurate auditing of 910G funds by activity for years 2013-14 and 2014-15.

CRITERIA FOR USE OF 910G FUNDS

The Special Master has proposed the following criteria for use of 910G funds. 910G funds may be used to fund activities that meet the applicable criteria below. Criteria six and seven apply to all expenditures.

1. Does the expenditure support meeting an OCR Agreement objective?

2. Does the expenditure support a specific USP provision?

Provide the USP reference(s).

RECOMMENDATIONS TO TUSD FOR NECESSARY IMPROVEMENTS OR ALTERNATIVES
TO THE 2015-16 UNITARY STATUS PLAN (USP)
BUDGET CRITERION AND PROCESS

5

3. Does the expenditure support a USP-related activity as described by a Court Order?

Provide the Court Order reference(s), and an explanation of the demonstrated or likely efficacy of the action of activity to be implemented.

Example: the Court Order on School Closings mandated that the District provide additional resources to D and C- receiving schools. To comply with that Order, the District allocated over \$500,000 to D and C- receiving schools.

4. If the purpose of the funding is not directly related to a specific provision of the USP, is that funding targeted on African American and/or Latino students who have special needs or are underachieving? Example: Funds are allocated to exceptionally effective racially concentrated school so that the schools can serve as models and provide support for improvement in other racially concentrated schools.

5. Does the expenditure support a new dual language program?

6 Is the funding likely to bring about positive outcomes for the students served by the program or activity?

Provide an explanation of the demonstrated or likely efficacy of the action or activity to be Implemented. Cite evidence from District studies or relevant research. If such evidence is not available, say, "NA".

7. Is the funding being used to supplement (not supplant) other funding that would be expended in the absence of the related USP provision?

This can be determined by using a "formula plus rule": the cost of services provided exceed the expenditures that would've been made in accordance with Governing Board approved funding formulas. Example: if culturally relevant courses that substitute for core courses are offered with 20 students per course rather than the 27 students in conventional core courses, the cost of teaching the additional seven students (averaged over several courses) can be funded from 910 G funds.

Respectfully Submitted:



Vicki Balentine, Ph.D.

**RECOMMENDATIONS TO TUSD FOR NECESSARY IMPROVEMENTS OR
ALTERNATIVES TO THE 2015-16 Unitary Status Plan (USP)
BUDGET CRITERION AND PROCESS**

ATTACHMENT

SAMPLE BUDGET FORMAT

November 21, 2014

2015-16 Unitary Status Plan (USP) PROPOSED BUDGET

Draft #1 February 26, 2015

SUMMARY OVERVIEW

910G FUNDING AVAILABLE \$ Total Dollar Amount

2015-16 PROPOSED ALLOCATION \$

Activity 1 Description	Proposed Allocation
Activity 2 Description	Proposed Allocation
Activity 3 Description	Proposed Allocation
Activity 4 Description	Proposed Allocation
Activity 5 Description	Proposed Allocation
Activity 6 Description	Proposed Allocation
Activity 7 Description	Proposed Allocation
Activity 8 Description	Proposed Allocation
Activity 9 Description	Proposed Allocation
ETC....	

910G REMAINING FUNDS \$0

2015-16 Unitary Status Plan (USP) PROPOSED BUDGET

Draft #1 February 26, 2015

IMPLEMENTATION ACTIVITY NUMBER/DESCRIPTION, and FUNDING SOURCES	2015-16 PROPOSED ALLOCATION by expenditure from 910G and any other funding sources	2013-14 AGGREGATED EXPENDITURE from 910G and any other funding sources*	2014-15 ALLOCATION AMOUNT from 910G and any other funding sources	PROJECTED EXPENDITURES AT COMPLETION OF 2014-15 BUDGET YEAR from 910G and any other funding sources	RATIONALE FOR ANY DIFFERENCES BETWEEN THE 2014-15 PROJECTED AND BUDGETED AMOUNT	RATIONALE FOR ANY NON-INCREMENTAL INCREASE OR DECREASE IN FUNDING FOR THE ACTIVITY, IF APPLICABLE
IA ACTIVITY #1/DESCRIPTION						
FUNDING SOURCE						
910G						
M & O						
OTHER: (EXPLAIN) _____						
PROPOSED 2015-16 910G BUDGET DETAIL (include # of fte, as appropriate)	PROPOSED ALLOCATION FOR 2015-16	BUDGETED ALLOCATION FOR 2014-15	COMMENTS			

*not available this year

2015-16 Unitary Status Plan (USP) PROPOSED BUDGET

EXHIBIT 2

Brown, Samuel

From: Sarah J. Stanton <Sstanton@rllaz.com>
Sent: Monday, December 29, 2014 4:06 PM
To: Willis D. Hawley (wdh@umd.edu) (wdh@umd.edu)
Cc: TUSD; Desegregation; Tolleson, Julie
Subject: TUSD's Response to Budget Expert's Report
Attachments: 23P1840-Response to Budget Experts Proposed Process and Criteria [122914....pdf;
23O853703-Response to VB Proposed Budget Criteria and Process [SEB KS Ed....docx

Dr. Hawley,

Attached is TUSD's rough draft Response to Dr. Balentine's report on budget process and criteria (in both Word and PDF format). It is our understanding that, after you review TUSD's response, you will forward the document to the Plaintiffs, who then will have an opportunity to review and comment. We look forward to continued collaboration on this issue and hope we can reach a mutually agreeable solution. Thank you.

Sarah

Sarah Stanton
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**TUSD RESPONSE TO THE BUDGET OPERATIONS EXPERT'S
DRAFT UNITARY STATUS PLAN (USP)
BUDGET CRITERION AND PROCESS**

December 19, 2014

TUSD's Response to the Budget Operations Expert's draft report on the USP budget process and criteria is contained in the redline revisions and bubble comments herein, submitted December 29, 2014. Using bubble comments, TUSD provides explanations for recommendations that were modified, or were not adopted, so the parties can understand the reasoning behind each revision.

2014-15 USP CRITERIA AND PROCESS -- WHAT WORKED AND WHAT DIDN'T WORK

The Initial 2014-15 USP Budget Timeline and Process did not provide enough initial and ongoing information to allow for timely and complete budget review and input by the plaintiffs. The initial meeting with the budget expert was in April. It took three rounds and several months of information requests and exchanges by the plaintiffs to approach the information needed by the plaintiffs to allow understanding and thus provide relevant input on the proposed budget prior to the start of the budget year.

As revisions were made to the budget, an updated proposed USP budget draft was not made available to the plaintiffs, the special master or the budget expert. But rather, a running narrative was provided to explain ongoing changes to the initial proposed budget. This strategy of using a narrative of revisions continued from May through September. A narrative format is a very cumbersome and difficult to understand strategy in that there is never an updated spreadsheet of the most current proposed USP budget allocations for review. In addition, the criteria used for allocation recommendations were sometimes unclear and were not consistent in aligning with the previously agreed upon supplement rather than supplant criteria.

As a result, I recommend the budget process itself be initiated much sooner in the planning year and that revised and updated USP budget drafts with all allocation amounts following the agreed upon allocation criteria be provided with whatever narrative the District thinks important to provide throughout the process.

TIMELINESS AND FORMAT

Revision of the Implementation Addendum (IA)

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TUSD RESPONSE TO THE BUDGET OPERATIONS EXPERT'S
UNITARY STATUS PLAN (USP) BUDGET PROCESS AND CRITERION
December 19, 2014

tracked and reported by the District and monitored by the IC. This results in a significant reduction in the number of activities that require budget tracking.

PROCESS AND TIMELINES FOR THE ANNUAL USP BUDGET PROCESS

Future budgets shall be organized by the activities identified in the revised Implementation Addendum. The initial budget proposals shall be shared with the plaintiffs in February with the expectation that the parties shall meet in March or April in Tucson to discuss the budget and other issues. Given that the criteria for allocating 910G funds did not serve to resolve differences about the appropriateness of various expenditures, the Special Master shall propose alternatives to the current criteria by November 21, 2014.

TRACKING OF 910G FUNDS

The District shall track and report 910G funds, as well as any USP related funds (M & O, Title 1, Dropout Prevention, etc.), that are spent to support the identified USP Implementation Addendum Activities as revised in November of 2014. This tracking shall provide critical information specific to USP expenditures by the activities identified and shall be focused on 910G funds for 2013-14, 2014-15, and for all USP expenditures in years thereafter. For 2013-14 and 2014-15, the District may report through a crosswalk.

TIMELINES FOR THE ANNUAL BUDGET PROCESS

In ~~December~~ February, the District shall provide all District formulas and regulations used or required in the allocation of funds, including weighted student count, school level allocations, and FTE formulas, and Title I or other Federal and State requirements, etc. In addition, when the development of the 2015-16 USP Budget Process initiates in February, 2015, the following information shall be provided for each tracked activity:

- A. proposed expenditures for the activity in the proposed budget year (2015-16), broken down by expenditure from 910G and any other USP related funding sources,
- B. aggregation of what was spent on the activity during the last budget year (2013-14), broken down by expenditure from 910G and any other USP related funding sources*,
- C. current year allocation amount of the current budget year (2014-15), broken down by expenditure from 910G and any other USP related funding sources, where applicable.
- D. projected expenditures at the completion of the current budget year (2014-15) for the activity, with rationale for any differences between the projected and allocated amounts, and
- E. rationale for any non-incremental increase or decrease in funding for the activity during the current budget year (2014-15), if applicable.

Comment [SB1]: This date was changed as this level of information will not be available until further along in the budget process.

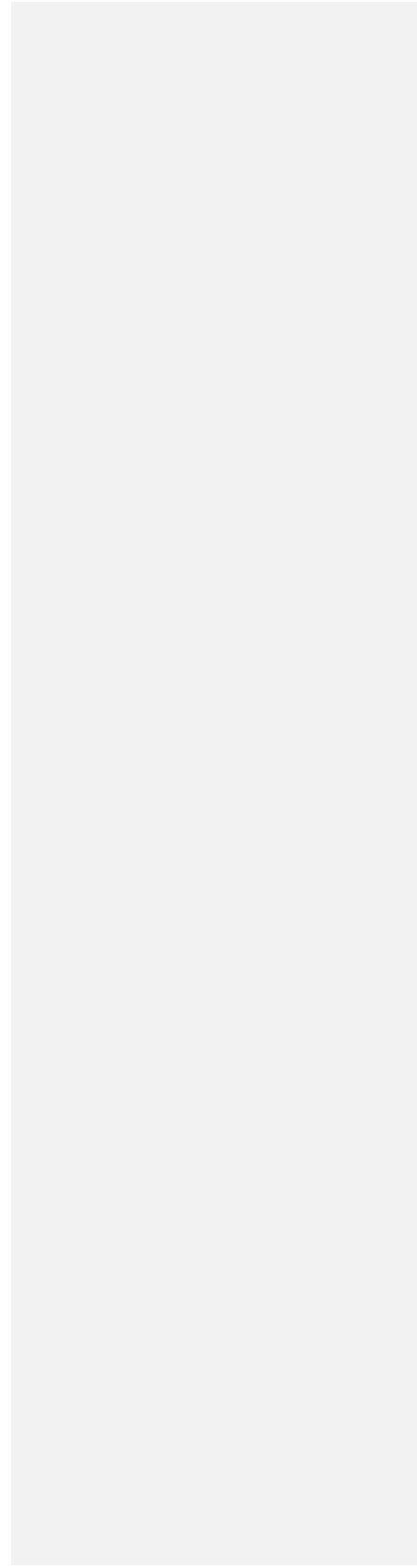
Comment [SB2]: There are no District regulations used to allocate funds.

Comment [SB3]: We are not sure what this means – the language is vague.

Comment [SB4]: See above and below language indicating the District does not have to track non-910g funds for 2013-14.

TUSD RESPONSE TO THE BUDGET OPERATIONS EXPERT'S
UNITARY STATUS PLAN (USP) BUDGET PROCESS AND CRITERION
December 19, 2014

|



TUSD RESPONSE TO THE BUDGET OPERATIONS EXPERT'S
 UNITARY STATUS PLAN (USP) BUDGET PROCESS AND CRITERION
 December 19, 2014

PROPOSED TIMELINE FOR DEVELOPMENT OF THE 2015-16 USP BUDGET

The timeline below is proposed as a framework for structuring the process prior to the beginning of the next fiscal year with acknowledgment that the suggested dates expedite the process identified in the October 22, 2014 court order.

Date(s)	Action
November 12, 2014	Budget Process Methodology Proposal was submitted to the parties for review and comment.
November 21, 2014	Budget Process Methodology Proposal including proposed alternatives to the current criteria for allocating 910G funds shall be submitted to the parties for review and comment per October 22, 2014 court order.
December 9, 2014 <u>February 27, 2014</u>	The District shall provide the plaintiffs, special master and budget expert with all District formulas and regulations used or required in the allocation of funds, including weighted student count, school level allocations, <u>and</u> FTE formulas, and Title I or other Federal and State requirements.

Comment [SB5]: This date was changed as this level of information will not be available until further along in the budget process.

No later than December 15, 2014	Comments on the Budget Process Methodology Proposal and alternatives to the current criteria for allocating 910G funds shall be submitted by the parties.
No later than January 5, 2015	Budget Process Methodology is finalized.
No later than February <u>27</u> , 2015	A meeting of the parties will be scheduled in Tucson between <u>April 6</u> March 30 – April 15 to review and discuss the proposed budget and other issues.

TUSD RESPONSE TO THE BUDGET OPERATIONS EXPERT'S
UNITARY STATUS PLAN (USP) BUDGET PROCESS AND CRITERION

December 19, 2014

5

<p>DRAFT #1</p> <p>February 276, 2015</p>	<p>The 2015-16 Budget Process shall formally initiate with the following information provided as the 2015-16 Proposed USP Budget Draft #1* for each tracked activity:</p> <ul style="list-style-type: none"> • <u>proposed expenditures for the activity in the proposed budget year (2015-16), broken down by expenditure from 910G and any other USP related funding sources.</u> • <u>aggregation of what was spent on the activity during the last budget year (2013-14), broken down by expenditure from 910G</u> • <u>current year allocation amount of the current budget year (2014-15), broken down by expenditure from 910G and any other USP related funding sources, where applicable.</u> • <u>projected expenditures at the completion of the current budget year (2014-15) for the activity, with rationale for any differences between the projected and allocated amounts, and</u> • <u>rationale for any non-incremental increase or decrease in funding for the activity during the current budget year (2014-15), if applicable.</u> <p>proposed expenditures for the activity in the proposed budget year, broken down by expenditure from 910G and any other USP related funding sources;</p> <p>aggregation of what was spent on the activity during the last budget year, broken down by expenditure from 910G and any other USP related funding sources**;</p> <p>projected expenditures at the completion of the current year for the activity, with rationale for any differences between the projected and allocated amounts, and</p> <p>rationale for any non-incremental increase or decrease in funding for the activity, if applicable.</p>
<p>February March, 2015 (no later than 10 days after Draft #1 is received; <u>no later than March 9, 2015</u>)</p>	<p>Plaintiffs and Special Master review and comment period. A phone conference with the parties may prove supportive of the process during this time.</p>
<p>DRAFT #2</p> <p>March 1623, 2015</p>	<p>TUSD provides Draft #2 of the 2015-16 Proposed USP Budget with any allocation revisions using the same format as for Draft #1.</p>
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Comment [SB6]: This language was revised to mirror the budget timelines on page 2 for consistency.

Comment [SB7]: This date was revised because (a) the 16th would only give the District two weeks to process the feedback, and develop any necessary changes. One week is not enough, and (b) there is a two week revision period following an April meeting for the third draft – time frames should be consistent

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December 19, 2014

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*Sample budget format attached.

**This information will be not be available in 2013-14 but will be available in future years.

REALLOCATION REPORTING DURING THE YEAR

Quarterly Reallocation Reporting

Beginning in January, 2015, and thereafter, the District shall provide the plaintiffs with a quarterly expenditure report that includes mid-year under or over-expenditures of 910(G) funds and/or a summary of reallocations for the relevant quarter.

Reallocation Proposals

Any reallocation proposals that significantly change the nature of the ~~Governing Board-approved~~ USP budget ~~(as approved by the Governing Board)~~ shall be shared with the plaintiffs and Special Master for comment (including a budget criteria analysis). The plaintiffs shall provide comments on proposed reallocations within five days.

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~~needed reallocations. The proposals for the use of these funds (reallocations) shall be shared with the plaintiffs and Special Master for comment. The District shall provide specific dates by which such proposed reallocations shall be shared. The plaintiffs shall provide comments on proposed reallocations within ten days of each quarterly proposed reallocation communication.~~

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The audit required by the USP shall report expenditures for each of the revised descriptions of activities in the Implementation Addendum as amended in November of 2014. For 2013-14 and 2014-15, the audit shall focus only on the expenditure of 910(G) funds. Thereafter, starting with the 2015-16 audit, the audit shall include expenditures for the entire USP budget, including the expenditure of related funds from non-910(G) sources.

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Comment [SB9]: This language was revised to clarify that the audit would use the revised IA activity list for both years.

CRITERIA FOR USE OF 910G FUNDS

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1. Does the expenditure support meeting an OCR Agreement objective?

Provide the OCR Agreement reference number.

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Provide the USP reference(s).

3. Does the expenditure support a USP-related activity as described by a Court Order?

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of the action of activity to be implemented.

Example: the Court Order on School Closings mandated that the District provide additional

resources to D and C- receiving schools. To comply with that Order, the District allocated over

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\$500,000 to D and C- receiving schools. [That allocation did not directly support an OCR Agreement or the USP, but did support a USP-related activity as described by the Court Order.](#)

4. If the purpose of the funding is not directly related to a specific provision of the USP, is that funding targeted on African American and/or Latino students who have special needs or are underachieving? Example: Funds are allocated to exceptionally effective racially concentrated school so that the schools can serve as models and provide support for improvement in other racially concentrated schools.

[5. Does the expenditure support a new dual language program?](#)

5. Is the funding likely to bring about positive outcomes for the students served by the program or activity? Provide an explanation of the demonstrated or likely efficacy of the action or activity to be Implemented. Cite evidence from District studies or relevant research. If such evidence is not available, say, "N/A".

6. Is the funding being used to supplement (not supplant) other funding that would be expended in the absence of the related USP provision?

[For items for which a formula applies,](#) this can be determined by using a "formula plus rule": the cost of services provided exceed the expenditures that would've been made in accordance with Governing Board approved funding formulas. Example: if culturally relevant courses that substitute for core courses are offered with 20 students per course rather than the 27 students in conventional core courses, the cost of teaching the additional seven students (averaged over several courses) can be funded from 910 G funds.

[For items for which a formula does not apply, the District will provide information based on non-910\(G\) funding that supports that the 910\(G\) funding is not supplanting, in a manner that relates to the revised descriptions of activities in the Implementation Addendum as amended in November of 2014](#)

Comment [SB10]: This was removed as the vast majority of 910G funding will not support a new dual language program.

EXHIBIT 3

Brown, Samuel

From: Willis D. Hawley <wdh@umd.edu>
Sent: Tuesday, January 06, 2015 9:01 AM
To: rsjr3@aol.com; Juan Rodriguez (jrodriguez@MALDEF.org); Thompson, Lois D.; Bhargava, Anurima (CRT); Savitsky, Zoe (CRT); Eichner, James (CRT); Taylor, Martha; Tolleson, Julie; TUSD
Cc: Balentine, Vicki Eileen - (vbalenti)
Subject: Budget Process Part 1

Follow Up Flag: Follow up
Flag Status: Flagged

The court order of October 22 dealing with budget issues required that the special master and the budget expert propose criteria and processes for evaluation of programs and budget development. These were submitted to the district well prior to the Thanksgiving break. Pursuant to the order, my intention was to get early agreement to the extent possible with the district and then work with the plaintiffs and the district to develop common agreements wherever possible.

The district responded to the budget expert's draft on December 29 (It is dated December 19). Given this timing, discussions did not go forward and on my recommendation the district sought an extension of its responsibility to submit its proposals with respect to both of these issues to February 4 (from January 5).

The District response is being sent separately because when I copy it to send it loses the red/blue line changes (it is formatted as read-Only).

This memo focuses on budget processes and criteria for expenditure of 910 G funds. I have consulted with the budget expert and believe that these observations below are consistent with her views but she may wish to comment further on the district's response.

Many of the district's comments on the attached "blue-line" changes in the budget expert's proposal represent clarifications. I comment here only on those issues which I believe need clarification or further discussion. The plaintiffs, of course, may identify other matters about which they need clarification or with which they disagree. Since we have scheduled a meeting on January 20 during which we can resolve differences it would be helpful to receive responses from the plaintiffs as soon as possible. If the flu-like symptoms I have abide, I will be in Tucson during the week of the 12th and could at that time work with the district to address some of the issues that might be raised by the plaintiffs if they have time to make their comments by then.

On page 2, the proposal provides for aligning current and past expenditures with future proposals by "cross walking". This means that the expenditure codes used in 2013-15, will be matched to new codes aligned with the revised implementation addendum description of the USP activities. This should allow comparability across years even though the descriptions of activities are changed. The alternative would be to recode all expenditures for this time period, an extraordinarily time-consuming activity. Since the new activity descriptions for the IA for the most part embed (consolidate) the previous activities, this crosswalk is likely to provide some reasonable amount of comparability across years.

Note that this cross walking process applies to the audit as well.

Also on page 2, the district strikes the term "regulations" saying that there are no district regulations that govern the allocation of funds. However, what is requested here is a listing of any constraints on the use of state and federal funds that would be applied to the USP portions of the budget. This clarification should be added.

On page 4, having indicated that it would provide the plaintiffs and the special master with funding formulas by December 9 (at which time these were provided to the Board), the district presumably wishes to amend some of those formulas and indicates that it would not be ready to submit those until it submits the first budget draft on February 27. When the district provides these formula, it should indicate changes that have been made from those affecting the previous year's budget and the reasons for those changes.

If the extension requested by the district is approved by the court, the date for finalizing the "budget process methodology" would be February 4.

On page 5, the district deletes a provision in the budget expert's proposal that specific dates be set for presenting any significant reallocation proposal to the parties for consideration. The district should provide specific dates. Thus, the paragraph that was deleted at the top of page 7 should be retained.

Finally on page 8, the district deletes the provision allowing the use of 910 G funds to support new dual language programs. The court order does seem to imply that new dual language programs could be supported from 910 G funds. Taken literally this could result in a significant portion of the total 910 G funds being allocated to new dual language school. Moreover, such an allocation of funds would be contrary to the court approved approach to determining when a program expenditure supplements rather than supplants. The district acknowledges that the vast majority of 910 G funding would not be used to support a new dual language program but it seems useful to clarify what the intent of the court is by stipulation or amendment. It seems to me, for example, that the startup costs for new dual language program that might involve exceptional training and materials, among other things, would be inappropriate purposes to which 910 G funds would be allocated but that the ongoing operation of the school or program would be subject to the formula plus rule.

I look forward to receiving your comments at your earliest convenience.

Willis D. Hawley
Professor of Education and Public Policy
University of Maryland
Senior Advisor
Southern Poverty Law Center

EXHIBIT 4

Brown, Samuel

From: Willis D. Hawley <wdh@umd.edu>
Sent: Tuesday, January 06, 2015 9:04 AM
To: rsjr3@aol.com; Juan Rodriguez (jrodriguez@MALDEF.org); Thompson, Lois D.; Bhargava, Anurima (CRT); Savitsky, Zoe (CRT); Eichner, James (CRT); Taylor, Martha; TUSD; Tolleson, Julie
Cc: Balentine, Vicki Eileen - (vbalenti)
Subject: FW: TUSD's Response to Budget Expert's Report
Attachments: 23P1840-Response to Budget Experts Proposed Process and Criteria [122914....pdf; 23O853703-Response to VB Proposed Budget Criteria and Process [SEB KS Ed....docx

Follow Up Flag: Follow up
Flag Status: Flagged

This goes with the memo I just sent, see the Word version. BH

From: Sarah J. Stanton [<mailto:Sstanton@rllaz.com>]
Sent: Monday, December 29, 2014 6:06 PM
To: Willis D. Hawley
Cc: TUSD; Desegregation (deseg@tusd1.org); Tolleson, Julie (Julie.Tolleson@tusd1.org)
Subject: TUSD's Response to Budget Expert's Report

Dr. Hawley,

Attached is TUSD's rough draft Response to Dr. Balentine's report on budget process and criteria (in both Word and PDF format). It is our understanding that, after you review TUSD's response, you will forward the document to the Plaintiffs, who then will have an opportunity to review and comment. We look forward to continued collaboration on this issue and hope we can reach a mutually agreeable solution. Thank you.

Sarah

Sarah Stanton
Rusing Lopez & Lizardi, P.L.L.C.
6363 North Swan Road, Suite 151
Tucson, Arizona 85718
Tel: 520.792.4800
Fax: 520.529.4262
sstanton@rllaz.com
www.rllaz.com



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**TUSD RESPONSE TO THE BUDGET OPERATIONS EXPERT'S
DRAFT UNITARY STATUS PLAN (USP)
BUDGET CRITERION AND PROCESS**

December 19, 2014

TUSD's Response to the Budget Operations Expert's draft report on the USP budget process and criteria is contained in the redline revisions and bubble comments herein, submitted December 29, 2014. Using bubble comments, TUSD provides explanations for recommendations that were modified, or were not adopted, so the parties can understand the reasoning behind each revision.

2014-15 USP CRITERIA AND PROCESS -- WHAT WORKED AND WHAT DIDN'T WORK

The Initial 2014-15 USP Budget Timeline and Process did not provide enough initial and ongoing information to allow for timely and complete budget review and input by the plaintiffs. The initial meeting with the budget expert was in April. It took three rounds and several months of information requests and exchanges by the plaintiffs to approach the information needed by the plaintiffs to allow understanding and thus provide relevant input on the proposed budget prior to the start of the budget year.

As revisions were made to the budget, an updated proposed USP budget draft was not made available to the plaintiffs, the special master or the budget expert. But rather, a running narrative was provided to explain ongoing changes to the initial proposed budget. This strategy of using a narrative of revisions continued from May through September. A narrative format is a very cumbersome and difficult to understand strategy in that there is never an updated spreadsheet of the most current proposed USP budget allocations for review. In addition, the criteria used for allocation recommendations were sometimes unclear and were not consistent in aligning with the previously agreed upon supplement rather than supplant criteria.

As a result, I recommend the budget process itself be initiated much sooner in the planning year and that revised and updated USP budget drafts with all allocation amounts following the agreed upon allocation criteria be provided with whatever narrative the District thinks important to provide throughout the process.

TIMELINESS AND FORMAT

Revision of the Implementation Addendum (IA)

The IA has been revised by the District in collaboration with the Implementation Committee (IC) to identify activities underway to implement the provisions of the USP thereby making for a more understandable and coherent IA that specifies the USP-related activities that need to be

TUSD RESPONSE TO THE BUDGET OPERATIONS EXPERT'S
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tracked and reported by the District and monitored by the IC. This results in a significant reduction in the number of activities that require budget tracking.

PROCESS AND TIMELINES FOR THE ANNUAL USP BUDGET PROCESS

Future budgets shall be organized by the activities identified in the revised Implementation Addendum. The initial budget proposals shall be shared with the plaintiffs in February with the expectation that the parties shall meet in March or April in Tucson to discuss the budget and other issues. Given that the criteria for allocating 910G funds did not serve to resolve differences about the appropriateness of various expenditures, the Special Master shall propose alternatives to the current criteria by November 21, 2014.

TRACKING OF 910G FUNDS

The District shall track and report 910G funds, as well as any USP related funds (M & O, Title 1, Dropout Prevention, etc.), that are spent to support the identified USP Implementation Addendum Activities as revised in November of 2014. This tracking shall provide critical information specific to USP expenditures by the activities identified and shall be focused on 910G funds for 2013-14, 2014-15, and for all USP expenditures in years thereafter. For 2013-14 and 2014-15, the District may report through a crosswalk.

TIMELINES FOR THE ANNUAL BUDGET PROCESS

In ~~December~~ February, the District shall provide all District formulas and regulations used or required in the allocation of funds, including weighted student count, school level allocations, and FTE formulas, and Title I or other Federal and State requirements, etc. In addition, when the development of the 2015-16 USP Budget Process initiates in February, 2015, the following information shall be provided for each tracked activity:

- A. proposed expenditures for the activity in the proposed budget year (2015-16), broken down by expenditure from 910G and any other USP related funding sources,
- B. aggregation of what was spent on the activity during the last budget year (2013-14), broken down by expenditure from 910G and any other USP related funding sources*,
- C. current year allocation amount of the current budget year (2014-15), broken down by expenditure from 910G and any other USP related funding sources, where applicable.
- D. projected expenditures at the completion of the current budget year (2014-15) for the activity, with rationale for any differences between the projected and allocated amounts, and
- E. rationale for any non-incremental increase or decrease in funding for the activity during the current budget year (2014-15), if applicable.

Comment [SB1]: This date was changed as this level of information will not be available until further along in the budget process.

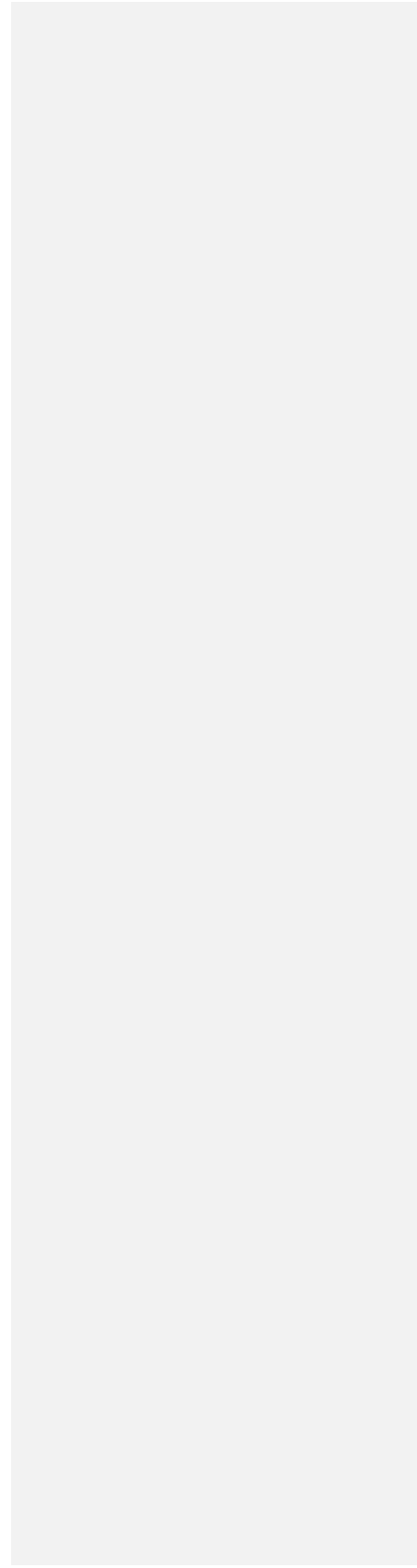
Comment [SB2]: There are no District regulations used to allocate funds.

Comment [SB3]: We are not sure what this means – the language is vague.

Comment [SB4]: See above and below language indicating the District does not have to track non-910g funds for 2013-14.

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PROPOSED TIMELINE FOR DEVELOPMENT OF THE 2015-16 USP BUDGET

The timeline below is proposed as a framework for structuring the process prior to the beginning of the next fiscal year with acknowledgment that the suggested dates expedite the process identified in the October 22, 2014 court order.

Date(s)	Action
November 12, 2014	Budget Process Methodology Proposal was submitted to the parties for review and comment.
November 21, 2014	Budget Process Methodology Proposal including proposed alternatives to the current criteria for allocating 910G funds shall be submitted to the parties for review and comment per October 22, 2014 court order.
December 9, 2014 <u>February 27, 2014</u>	The District shall provide the plaintiffs, special master and budget expert with all District formulas and regulations used or required in the allocation of funds, including weighted student count, school level allocations, <u>and</u> FTE formulas, and Title I or other Federal and State requirements.

Comment [SB5]: This date was changed as this level of information will not be available until further along in the budget process.

No later than December 15, 2014	Comments on the Budget Process Methodology Proposal and alternatives to the current criteria for allocating 910G funds shall be submitted by the parties.
No later than January 5, 2015	Budget Process Methodology is finalized.
No later than February <u>27</u> , 2015	A meeting of the parties will be scheduled in Tucson between <u>April 6</u> March 30 – April 15 to review and discuss the proposed budget and other issues.

TUSD RESPONSE TO THE BUDGET OPERATIONS EXPERT'S
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<p>DRAFT #1</p> <p>February 276, 2015</p>	<p>The 2015-16 Budget Process shall formally initiate with the following information provided as the 2015-16 Proposed USP Budget Draft #1* for each tracked activity:</p> <ul style="list-style-type: none"> • <u>proposed expenditures for the activity in the proposed budget year (2015-16), broken down by expenditure from 910G and any other USP related funding sources.</u> • <u>aggregation of what was spent on the activity during the last budget year (2013-14), broken down by expenditure from 910G</u> • <u>current year allocation amount of the current budget year (2014-15), broken down by expenditure from 910G and any other USP related funding sources, where applicable.</u> • <u>projected expenditures at the completion of the current budget year (2014-15) for the activity, with rationale for any differences between the projected and allocated amounts, and</u> • <u>rationale for any non-incremental increase or decrease in funding for the activity during the current budget year (2014-15), if applicable.</u> <p>proposed expenditures for the activity in the proposed budget year, broken down by expenditure from 910G and any other USP related funding sources;</p> <p>aggregation of what was spent on the activity during the last budget year, broken down by expenditure from 910G and any other USP related funding sources**;</p> <p>projected expenditures at the completion of the current year for the activity, with rationale for any differences between the projected and allocated amounts, and</p> <p>rationale for any non-incremental increase or decrease in funding for the activity, if applicable.</p>
<p>February March, 2015 <small>(no later than 10 days after Draft #1 is received; no later than March 9, 2015)</small></p>	<p>Plaintiffs and Special Master review and comment period. A phone conference with the parties may prove supportive of the process during this time.</p>
<p>DRAFT #2</p> <p>March 1623, 2015</p>	<p>TUSD provides Draft #2 of the 2015-16 Proposed USP Budget with any allocation revisions using the same format as for Draft #1.</p>
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TUSD RESPONSE TO THE BUDGET OPERATIONS EXPERT'S
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1. Does the expenditure support meeting an OCR Agreement objective?

Provide the OCR Agreement reference number.

2. Does the expenditure support a specific USP provision?

Provide the USP reference(s).

3. Does the expenditure support a USP-related activity as described by a Court Order?

Provide the Court Order reference(s), and an explanation of the demonstrated or likely efficacy

of the action of activity to be implemented.

Example: the Court Order on School Closings mandated that the District provide additional

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4. If the purpose of the funding is not directly related to a specific provision of the USP, is that funding targeted on African American and/or Latino students who have special needs or are underachieving? Example: Funds are allocated to exceptionally effective racially concentrated school so that the schools can serve as models and provide support for improvement in other racially concentrated schools.

[5. Does the expenditure support a new dual language program?](#)

5. Is the funding likely to bring about positive outcomes for the students served by the program or activity? Provide an explanation of the demonstrated or likely efficacy of the action or activity to be Implemented. Cite evidence from District studies or relevant research. If such evidence is not available, say, "N/A".

6. Is the funding being used to supplement (not supplant) other funding that would be expended in the absence of the related USP provision?

[For items for which a formula applies,](#) this can be determined by using a "formula plus rule": the cost of services provided exceed the expenditures that would've been made in accordance with Governing Board approved funding formulas. Example: if culturally relevant courses that substitute for core courses are offered with 20 students per course rather than the 27 students in conventional core courses, the cost of teaching the additional seven students (averaged over several courses) can be funded from 910 G funds.

[For items for which a formula does not apply, the District will provide information based on non-910\(G\) funding that supports that the 910\(G\) funding is not supplanting, in a manner that relates to the revised descriptions of activities in the Implementation Addendum as amended in November of 2014](#)

Comment [SB10]: This was removed as the vast majority of 910G funding will not support a new dual language program.

EXHIBIT 5

**TUSD FINAL RESPONSE TO THE BUDGET OPERATIONS EXPERT'S
DRAFT UNITARY STATUS PLAN (USP)
BUDGET CRITERION AND PROCESS**

February 4, 2015

TUSD's Response to the Budget Operations Expert's draft report on the USP budget process and criteria is contained in the redline revisions and bubble comments herein, submitted December 29, 2014. Using bubble comments, TUSD provides explanations for recommendations that were modified, or were not adopted, so the parties can understand the reasoning behind each revision.

2014-15 USP CRITERIA AND PROCESS -- WHAT WORKED AND WHAT DIDN'T WORK

The Initial 2014-15 USP Budget Timeline and Process did not provide enough initial and ongoing information to allow for timely and complete budget review and input by the plaintiffs. The initial meeting with the budget expert was in April. It took three rounds and several months of information requests and exchanges by the plaintiffs to approach the information needed by the plaintiffs to allow understanding and thus provide relevant input on the proposed budget prior to the start of the budget year.

As revisions were made to the budget, an updated proposed USP budget draft was not made available to the plaintiffs, the special master or the budget expert. But rather, a running narrative was provided to explain ongoing changes to the initial proposed budget. This strategy of using a narrative of revisions continued from May through September. A narrative format is a very cumbersome and difficult to understand strategy in that there is never an updated spreadsheet of the most current proposed USP budget allocations for review. In addition, the criteria used for allocation recommendations were sometimes unclear and were not consistent in aligning with the previously agreed upon supplement rather than supplant criteria.

As a result, I recommend the budget process itself be initiated much sooner in the planning year and that revised and updated USP budget drafts with all allocation amounts following the agreed upon allocation criteria be provided with whatever narrative the District thinks important to provide throughout the process.

TIMELINESS AND FORMAT

Revision of the Implementation Addendum (IA)

The IA has been revised by the District in collaboration with the Implementation Committee (IC) to identify activities underway to implement the provisions of the USP thereby making for a more understandable and coherent IA that specifies the USP-related activities that need to be

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tracked and reported by the District and monitored by the IC. This results in a significant reduction in the number of activities that require budget tracking.

PROCESS AND TIMELINES FOR THE ANNUAL USP BUDGET PROCESS

Future budgets shall be organized by the activities identified in the revised Implementation Addendum. The initial budget proposals shall be shared with the plaintiffs in February with the expectation that the parties shall meet in March or April in Tucson to discuss the budget and other issues. Given that the criteria for allocating 910G funds did not serve to resolve differences about the appropriateness of various expenditures, the Special Master shall propose alternatives to the current criteria by November 21, 2014.

TRACKING OF 910G FUNDS

The District shall track and report 910G funds, as well as any USP related funds (M & O, Title 1, Dropout Prevention, etc.), that are spent to support the identified USP Implementation Addendum Activities as revised in November of 2014. This tracking shall provide critical information specific to USP expenditures by the activities identified and shall be focused on 910G funds. For 2013-14 and 2014-15, the District may report through a crosswalk using the agreed-upon USP Activity codes. Non-910G funds will be reported in a narrative format.

TIMELINES FOR THE ANNUAL BUDGET PROCESS

In February, the District shall provide all District formulas used or required in the allocation of funds, including weighted student count, school level allocations, and FTE formulas. In addition, when the development of the 2015-16 USP Budget Process initiates in February, 2015, the following information shall be provided for each tracked activity:

- A. proposed expenditures for the activity in the proposed budget year (2015-16), broken down by expenditure from 910G and any other USP related funding sources,
- B. aggregation of what was spent on the activity during the last budget year (2013-14), broken down by expenditure from 910G,
- C. current year allocation amount of the current budget year (2014-15), broken down by expenditure from 910G and any other USP related funding sources, where applicable,

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PROPOSED TIMELINE FOR DEVELOPMENT OF THE 2015-16 USP BUDGET

The timeline below is proposed as a framework for structuring the process prior to the beginning of the next fiscal year with acknowledgment that the suggested dates expedite the process identified in the October 22, 2014 court order.

Date(s)	Action
November 12, 2014	Budget Process Methodology Proposal was submitted to the parties for review and comment.
November 21, 2014	Budget Process Methodology Proposal including proposed alternatives to the current criteria for allocating 910G funds shall be submitted to the parties for review and comment per October 22, 2014 court order.
February 27, 2014	The District shall provide the plaintiffs, special master and budget expert with all District formulas used or required in the allocation of funds, including weighted student count, school level allocations, and FTE formulas
No later than January 5, 2015	Budget Process Methodology is finalized.
No later than February 27, 2015	A meeting of the parties will be scheduled in Tucson between April 6 and April 15 to review and discuss the proposed budget and other issues.

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<p>DRAFT #1</p> <p>February 27, 2015</p>	<p>The 2015-16 Budget Process shall formally initiate with the following information provided as the 2015-16 Proposed USP Budget Draft #1* for each tracked activity:</p> <ul style="list-style-type: none"> • proposed expenditures for the activity in the proposed budget year (2015-16), broken down by expenditure from 910G and any other USP related funding sources, • aggregation of what was spent on the activity during the last budget year (2013-14), broken down by expenditure from 910G • current year allocation amount of the current budget year (2014-15), broken down by expenditure from 910G and any other USP related funding sources, where applicable,
<p>March, 2015 (no later than 10 days after Draft #1 is received; no later than March 9, 2015)</p>	<p>Plaintiffs and Special Master review and comment period. A phone conference with the parties may prove supportive of the process during this time.</p>
<p>DRAFT #2</p> <p>March 23, 2015</p>	<p>TUSD provides Draft #2 of the 2015-16 Proposed USP Budget with any allocation revisions using the same format as for Draft #1.</p>
<p>March/April, 2015 (no later than 10 days after Draft #2 is received; no later than April 2, 2015)</p>	<p>Plaintiffs and Special Master review and comment period. A phone conference with the parties may prove supportive of the process during this time.</p>
<p>April, 2015</p>	<p>The parties shall meet in Tucson to discuss the proposed USP budget and other issues between April 6 and April 15, 2015</p>
<p>DRAFT #3</p> <p>April 27, 2015</p>	<p>TUSD provides Draft #3 of the 2015-16 Proposed USP Budget with any allocation revisions using the same format as for Draft #1.</p>
<p>April/May, 2015 (no later than 20 days after Draft #3 is received, per USP Court Order; no later than May 7, 2015)</p>	<p>Plaintiff review and comment period. A phone conference with the parties may prove supportive of the process during this time.</p>
<p>April/May, 2015 (within 10 days of plaintiffs comments on Draft #3, per USP Court Order; no later than May 17, 2015)</p>	<p>Special Master submits any suggestions for modification of Draft #3 to the District.</p>
<p>June, 2015</p>	<p>TUSD Governing Board action on 2015-16 Proposed USP Budget. Any continuing objection by the plaintiffs shall be noted separately and provided to the Governing Board for consideration.</p>
<p>July, 2015</p>	<p>Governing Board action on 2015-16 USP Budget</p>
<p>July, 2015</p>	<p>Within ten (10) days of Governing Board action, if necessary, objections filed for any plaintiff disagreement with the budget, as approved.</p>

*Sample budget format attached.

**This information will be not be available in 2013-14 but will be available in future years.

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REALLOCATION REPORTING DURING THE YEAR

Beginning in January, 2015, and thereafter, the District shall provide the plaintiffs with information quarterly related to mid-year under or over-expenditures of 910G funds and/or needed reallocations. The proposals for the use of these funds (reallocations) shall be shared with the plaintiffs and Special Master for comment. The District shall provide specific dates by which such proposed reallocations shall be shared. The plaintiffs shall provide comments on proposed reallocations within ten days of each quarterly proposed reallocation communication.

YEARLY AUDIT OF 910G FUNDS

The audit required by the USP shall report expenditures for each of the revised descriptions of activities in the Implementation Addendum as amended in November of 2014. For 2013-14 and 2014-15, the audit shall focus only on the expenditure of 910(G) funds. Thereafter, starting with the 2015-16 audit, the audit shall include expenditures for the entire USP budget, including the expenditure of related funds from non-910(G) sources (as tracked and reported through narratives, see page 2 above "TRACKING OF 910G FUNDS" "Non-910G funds will be reported in a narrative format.").

The District will recode past budget information using the revised descriptions of activities in the Implementation Addendum as amended in November of 2014 to allow for an accurate and meaningful audit. If such recoding is difficult, at the very least, a crosswalk shall be developed and implemented by the District for prior years that shall allow for relevant and accurate auditing of 910(G) funds by activity for years 2013-14 and 2014-15.

CRITERIA FOR USE OF 910G FUNDS

The Special Master has proposed the following criteria for use of 910(G) funds. 910(G) funds may be used to fund activities that meet one or more of the applicable criteria below. Criteria six and seven apply to all expenditures.

1. Does the expenditure support meeting an OCR Agreement objective?

Provide the OCR Agreement reference number.

2. Does the expenditure support a specific USP provision?

Provide the USP reference(s).

3. Does the expenditure support a USP-related activity as described by a Court Order?

Provide the Court Order reference(s), and an explanation of the demonstrated or likely efficacy

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of the action of activity to be implemented.

Example: the Court Order on School Closings mandated that the District provide additional resources to D and C- receiving schools. To comply with that Order, the District allocated over \$500,000 to D and C- receiving schools. That allocation did not directly support an OCR Agreement or the USP, but did support a USP-related activity as described by the Court Order.

4. If the purpose of the funding is not directly related to a specific provision of the USP, is that funding targeted on African American and/or Latino students who have special needs or are underachieving? Example: Funds are allocated to exceptionally effective racially concentrated school so that the schools can serve as models and provide support for improvement in other racially concentrated schools.

5. Is the funding likely to bring about positive outcomes for the students served by the program or activity? Provide an explanation of the demonstrated or likely efficacy of the action or activity to be Implemented. Cite evidence from District studies or relevant research. If such evidence is not available, say, "N/A".

6. Is the funding being used to supplement (not supplant) other funding that would be expended in the absence of the related USP provision?

For items for which a formula applies, this can be determined by using a "formula plus rule": the cost of services provided exceed the expenditures that would've been made in accordance with Governing Board approved funding formulas. Example: if culturally relevant courses that substitute for core courses are offered with 20 students per course rather than the 27 students in conventional core courses, the cost of teaching the additional seven students (averaged over several courses) can be funded from 910 G funds.

For items for which a formula does not apply, the District will provide information based on non-910(G) funding that supports that the 910(G) funding is not supplanting, in a manner that relates to the revised descriptions of activities in the Implementation Addendum as amended in November of 2014.

EXHIBIT 6

