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**UNITED STATES DISTRICT COURT
DISTRICT OF ARIZONA**

Roy and Josie Fisher, et al.,

Plaintiffs,

v.

United States of America,

Plaintiff-Intervenor,

v.

Anita Lohr, et al.,

Defendants,

and

Sidney L. Sutton, et al.,

Defendants-Intervenors,

CV 74-90 TUC DCB
(Lead Case)

Maria Mendoza, et al.,

Plaintiffs,

United States of America,

Plaintiff-Intervenor,

v.

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

Defendants.

CV 74-204 TUC DCB
(Consolidated Case)

1 **SPECIAL MASTER’S REPORT AND RECOMMENDATION**
2 **RELATING TO “CROSSOVER” FUNDING**

3 **Overview**

4 The activities that the District is implementing to respond to the provisions of the USP, by
5 design, affect almost all of the District’s students in most cases. Many activities build on
6 programs that existed before the USP was adopted. These two realities require arguable decisions
7 about whether the funding for the activities should come from 910 G funds or Management and
8 Organization (M&O) funds or another source, such as Title One.

9
10 Thus far, the parties have managed to agree on the share of the costs of implementing the
11 provisions of the USP. However, the rationale for these decisions has not been formalized which
12 could present difficulties in future budgeting when the District has been granted unitary status.
13 Thus, the Court ordered the District to develop a formula for determining the ratio of 910 G to
14 other funds that could be applied for all budgeting decisions going forward that related to the
15 USP. On October 18, 2019, the District filed its response to the Court’s directions. However,
16 using the District’s proposal would alter funding arrangements now in place about which the
17 parties have previously agreed thus setting up conditions for renegotiating prior agreements.

18
19 **Recommendation**

20 The Special Master recommends that the Court direct the Special Master and the budget
21 expert to identify a set of principles based on the agreements that have been worked out by the
22 parties to the extent possible. These principles should be submitted to the parties within the next
23 30 days for review and comment so that they can be applied to the 2020-21 District budget as it
24 relates to implementing the USP. In a preliminary exercise to determine the feasibility of
25 developing such principles, the Special Master and the budget expert have identified some of
26 these principles. For example:
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When activities are initiated in a given school, only that portion of the activities that would not have been funded under formulas that apply to all schools of a given grade structure would be funded from 910 G. This principle applies to a number of provisions of the USP, including dual language and magnet schools.

Respectfully submitted,

/s/
Willis D. Hawley
Special Master

Dated: October 23, 2019

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CERTIFICATE OF SERVICE

I hereby certify that on October 23, 2019, I electronically submitted the foregoing via the CM/ECF Electronic Notification System and transmittal of a Notice of Electronic Filing provided to all parties that have filed a notice of appearance in the District Court Case.

Andrew H. Marks for
Dr. Willis D. Hawley,
Special Master