



Tucson Unified School District

USP Budget Criteria

EXECUTIVE SUMMARY

On June 7, 2013, Judge Bury issued an Order conditionally approving the USP Budget for school year 2013-14. [Case 4:74-cv-00090-DCB, Doc. 1477].

The first condition is as follows:

IT IS ORDERED that the Court conditionally approves the Desegregation Budget noticed by Defendants and approved by the Board on May 8, 2013.

IT IS FURTHER ORDERED that approval of the budget is conditioned as follows:

1. The District, Plaintiffs, and Special Master shall work together to develop, by December 2013, research based criteria for determining when desegregation dollars may fund all or part of a program to justify expenditures of desegregation money in next year's budget and facilitate the independent audit and program reviews and assessments required under the USP.

This document outlines: (I) the timeline for consultation and collaborative work between the District, Plaintiffs, and Special Master; (II) method to be used in developing the 2014-15 USP Budget; and (III) criteria to be used in determining when desegregation funds may fund all or part of a program.

I. TIMELINE

District Completes Draft	SLT Review; Changes	District Submits Version 1	Parties and SM Submit Input	District Completes Version 2/3; Submits to Parties/SM	Consultation End Date	Final to SLT for Approval	Final to Parties, SM, and Translators; Implementation
07.15.13	07.16.13	08.02.13	09.23.13	10.29.13 V2 11.08.13 V3	11.11.13	11.12.13	11.13.13

After submitting Version 1 in August, and receiving comments back in September, the District reviewed party comments to Version 1, consulted directly with the Special Master by phone and email, and met with the Special Master and Deputy Superintendent/Chief Financial Officer Yousef Awwad on October 17, 2013.

TUSD scheduled a conference call for October 9, 2013 with the Deputy Superintendent/Chief Financial Officer, staff from the Finance Department, the Director of Desegregation, the Special Master, and the Parties to facilitate further consultation with the Parties regarding comments received, and regarding consultation with the Special Master. Due to the government shutdown, both the Department of Justice and counsel for the *Fisher* plaintiffs was unavailable. This call was rescheduled to October 31, 2013. TUSD circulated a second draft of the criteria, discussed it with the Parties, and received additional party comments on November 8.

II. METHOD

This section describes the budget method and process for developing the 2013-14 budget. The process for the 2014-15 budget is still under development.

A. General Funding, 2013-14 Budget

Departments - Departments submitted proposed budgets. Finance staff met with individual departments to review the proposals, to verify the accuracy of line items and budget codes, and to ensure that justifications matched funding sources.

School Sites - School sites obtain funding through a general formula. See Appendix 1.

B. Supplementary Desegregation Funding, 2013-14 Budget

Desegregation funding was developed primarily through the 13 USP projects, with ELL/OCR as a separate project/budget. The District centralized all desegregation funding in the 2013-14 budget, meaning school sites received desegregation funding through a project/department budget rather than directly (as had occurred in prior years).

Projects/Departments – USP Project budgets were developed simultaneously with department budgets. Items that served USP purposes directly received 100% desegregation funding; items that served multiple purposes that went beyond the USP received partial desegregation funding.

School Sites – Beyond the general formula funding, school sites received desegregation funding indirectly (through a project and/or department), to ensure alignment to the USP, to maintain central accountability and maintenance, and to facilitate improved monitoring of the effectiveness of programs, resources and practices – as required by the USP and subsequent Court Orders. See Appendix 2, Utterback Magnet Example.

C. Proposed Method, 2014-15 Budget

The District is still developing the budgeting process for SY 2014-15. However, the simplified process included in our initial proposal will be as follows:

1st Allocate funds for all items that are specifically named within the USP (or required by an OCR Agreement).

2nd Allocate funds for ancillary items that are directly implicated by the USP (or required by an OCR Agreement) but not specifically named. (e.g. Special Master fees, attorney fees, overhead, contingency, etc.)

3rd From the remaining amount, allocate funds for activities not specifically named in the USP but that advance USP purposes (or activities pursuant to an OCR Agreement). (e.g. pre-schools, targeted efforts to support the reintegration of recently Reclassified African-American and/or Latino ELLs)

D. Overhead

The Overhead percentage is determined by dividing the amount of the Desegregation budget by the total Maintenance and Operation budget of the district (\$64M/306M) or about 21%. However, TUSD has historically used 14% as the Maintenance and Operation budget was much larger in prior years. TUSD will continue to use the lower percentage (14%) for the overhead rate starting in FY 2013-2014. See Appendix 3.

III. CRITERIA

OCR FUNDING		
Is 910(g) funding valid and appropriate, based on an analysis of the following criteria?		Y or N
1	Does the expenditure support meeting an OCR Agreement objective?	
2	<p>Is the funding being used to supplement (not supplant) other funding that would not be expended in the absence of the related OCR Agreement?</p> <p><i>Example of Supplanting: \$36,000 is allocated from 910(g) funds for an OCR Technician at Tucson High to process OCR-related paperwork, and to monitor compliance with OCR agreements – but the technician spends half of her time teaching English sections that would exist at Tucson High if the OCR Agreement did not exist.</i></p>	

USP FUNDING		
	Is 910(g) funding valid and appropriate, based on an analysis of the following criteria?	Y or N
1	<p>Does the expenditure support a USP provision?</p> <p>Provide the USP reference(s).</p>	
2	<p>Is the funding likely to bring about positive outcomes related to specific provisions of the USP?</p> <p>Provide an explanation of the demonstrated or likely efficacy of the action or activity to be implemented.</p>	
3	<p>Does the expenditure support a USP-related activity as described by a Court Order?</p> <p>Provide the Court Order reference(s), and an explanation of the demonstrated or likely efficacy of the action of activity to be implemented.</p> <p><i>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.</i></p>	
4	<p>Is the funding being used to supplement (not supplant) other funding that would not be expended in the absence of the related USP-provision?</p> <p><i>Example of Supplanting: \$54,000 is allocated from 910(g) funds for a Science teacher at Tucson High to support the Science Magnet. The teacher teaches two magnet-related science sections, and two non-magnet related sections of science.</i></p>	
5	<p>If the funding supports a “program” or “strategy” for student support (as defined in the Student Support Criteria), does the “program” or “strategy” substantially comply with the Student Support Criteria?</p>	