



**Tucson Unified School District
Department of Desegregation
1010 E. 10th St.
Tucson, Arizona 85719
520-232-6426**

Dear Dr. Hawley:

The purpose of this summary is to address your questions and concerns regarding the process and timing for Governing Board action on the 2015-16 Unitary Status Plan budget. It was our intention to follow the adopted budget process to the letter, and we think we have done so. We hope these materials will be helpful.

As you know, in its Order of October 22, 2015, the court addressed various concerns that the budget process as articulated in the USP and followed in prior years was inadequate. It did not allow for sufficient collaboration among the parties and also resulted in the USP budget being adopted late. The court directed as follows:

A process that does not ensure the development and adoption of the USP Budget as part of TUSD's school year budget is inadequate. A delayed USP budget forces this Court to address budget issues, as it does now, several months into the school year. The USP Budget should be developed as part of the TUSD annual SY Budget, with time for this Court to make meaningful decisions not mooted by time.

Pursuant to the USP § X.B.4, there has been an appointment of a school budget operations expert, agreed upon by the Parties and the Special Master.... [T]he Court requests the budget expert prepare a report ... which shall include a time line with proposed deadlines for the annual budget review process and filing of the USP Annual Budget with the Court for approval prior to the June-July deadlines for finalizing the TUSD's SY Budget. The purpose of the budget expert's report is to make specific

recommendations to TUSD for necessary improvements or alternatives to the USP Budget Criteria and Process.

.... TUSD shall file the Budget Expert's report regarding the USP Budget Criteria and Process with the Court, and identify, with explanation of whether by stipulation or by objection, any recommendations that were ultimately not adopted by TUSD.

Doc. 1705, pp. 12-13.

On February 4, 2015, the District filed its adopted Budget Process with the court. The process therein, which was based on the recommendations of Dr. Balentine, provided for the circulation of three budget drafts, each followed by a review and comment period. Following the review and comment period on those three drafts, the process then provides that the Special Master make any suggestions for modification to draft # 3 of the budget. ***See Budget Process, attached.***

After the series of drafts and discussions projected for Feb-May 2015, the process provides that in June 2015, the TUSD Governing Board would take action on the Proposed USP budget. At that time, any continuing objection by the plaintiffs was to be provided to the Governing Board for consideration.

On June 23, 2015, Finance Director Renee Weatherless presented the proposed budget to the board, along with a memorandum explaining the positions and objections of the parties. <http://www.tusd1.org/contents/govboard/packet06-23-15/6-23-15-BAI11-FY15-16USPBudgetReccomendationsAndChanges.pdf> and <http://www.tusd1.org/contents/govboard/packet06-23-15/6-23-15-BAI11-Presentation.pdf> The agreed-upon budget process then provides for Governing Board action in July 2015, consistent with our obligation under state law to adopt the District budget by July 15th. We were surprised to learn of any confusion regarding our efforts.

The timeline below reflects the major activities/communication undertaken pursuant to the attached budget process:

February 27, 2015 – District circulates Draft # 1 of the 2015-16 Budget to SMP.

March 4, 2015, Mendoza comments

March 23, 2015 – District circulates Draft # 2 of the 2015-16 Budget to SMP, with accompanying cover memo.

March 25, 2015 -- District distributes a "change list" comparing line items between Draft 1 and Draft 2

March 26-27th, 2015 – The parties meet in Tucson. The session includes a budget discussion based on Draft # 2 of the budget.

April 27, 2015 – District circulates draft # 3 of the 2015-16 budget to SMP, with accompanying cover memo.

May 7 -- Mendoza comments

May 15 –TUSD responded

May 14 -- IC (Becky Montano) re Magnet Transportation

May 28 -- TUSD responded

May 18 –Fisher re funding for various staff positions

June 2 – TUSD responded

May 19 – June 22: Multiple inquiries/suggestions by Special Master

May 28 -- TUSD responded

June 1 – District sent status update regarding changes to Draft 3 that would be reflected in the version that would go to the Governing Board.

June 4 -- Mendoza additional comments

June 15 – email invitation from TUSD to each plaintiff and Dr. Hawley to participate in a personal phone call to answer remaining questions on the budget

6/15 – Mendoza plaintiffs accept

6/16 – Dr. Hawley accepts

6/16 – DOJ declines

6/18 – Fisher plaintiffs declined meeting in phone conversation; follow-up email sent to confirm

June 19 – Personal emails to SMP with copies of the District's USP budget for FY 2016 that was agendaized for the June 23rd Governing Board meeting. (in PDF and Excel) and the District's response to feedback

June 22 – two separate phone calls with Mendoza plaintiffs and Dr. Hawley regarding budget questions. Follow up written responses to pending RFIs from Special Mater.

June 23 – Budget presented to Governing Board w/ comments and feedback from SMP

June 25 – Budget questions received from Fisher Plaintiffs

June 26 – Responses sent to Fisher Plaintiff budget questions

July 2 –Additional RFI from Fisher plaintiffs regarding the budget.
Response is in process.

July 7 – (scheduled) phone call with Fisher plaintiffs regarding budget questions

July 14 – (scheduled) Board votes on 2016 FY budget

Although the board must vote on the budget on the 14th, which will thereafter trigger the 10 day objection period pursuant to the USP, any lingering issues susceptible to resolution can be addressed by the budget modification process as needed. So, despite that we are up against the imminent need for board action, the District is ready and willing to make the tweaks needed to move this work forward and minimize litigation. So do not hesitate to let us know if you see any such areas needing to be addressed.

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

February 4, 2015

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| DRAFT #1 February 27, 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 (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, |
| March, 2015 (no later than 10 days after Draft #1 is received; no later than March 9, 2015) | 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 23, 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; no later than April 2, 2015) | Plaintiffs and Special Master review and comment period. A phone conference with the parties may prove supportive of the process during this time. |
| April, 2015 | The parties shall meet in Tucson to discuss the proposed USP budget and other issues between April 6 and April 15, 2015 |
| 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; no later than May 7, 2015) | 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; no later than May 17, 2015) | Special Master submits any suggestions for modification of Draft #3 to the District. |
| 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.