

APPENDIX X – 1

2019-20 USP BUDGET DEVELOPMENT PROCESS

Date(s)	Action
October – December 2018	The District shall initiate: assessments of 910G requirements for sites and departments; assessments of 910G capital needs.
November 30, 2018	The District, Special Master, and budget expert shall provide a draft budget development process to the plaintiffs for review.
December 7, 2018	The plaintiffs shall submit comments or suggestions for the draft budget development process no later than five (5) business days after the process is received.
December 19, 2018	The District will finalize the draft budget development process and submit to special master and plaintiffs.
January 8, 2019	Parties shall discuss the proposed USP budget, including budget priorities, draft templates, formulas, expectations, and other key budget-related issues.
January 9, 2019	The District shall provide the plaintiffs, special master and budget expert with all District formulas used or required in the allocation of funds (noting changes from previous year), including ELD FTE and Teacher Assistant formulas and/or standards, school level staffing/FTE formulas, and CRC Itinerant-Teacher ratios and Mentor-Teacher ratios.
DRAFT #1 NARRATIVE [No later than February 8, 2019]	District submits Draft #1 narratives, including: USP Budget Criteria Forms for proposed new or expanded programs and Student Support Forms for proposed new or expanded student support programs (any systematic evaluation of new or expanded programs should be attached); and all Magnet Site Plans (without budgets).
February 11, 2019	Budget Expert will confirm and note that the above information has been received by all. Lack of information provided will be noted. Due one business day after receipt of the Draft #1 Narrative.
February 15, 2019	The District shall file with the Court a Notice of Disclosure and/or Compliance (including, if applicable, an explanation of any failures to comply with the February 8, 2019 benchmark)
February 22, 2019	Plaintiffs and Special Master submit comments on Draft #1 no later than 10 business days after Draft #1 is received.
No later than March 1, 2019	The District shall initiate and finalize the enrollment projections that will be used to develop 910G allocations. The District shall share the projections with the Special Master and Plaintiffs, and schedule a meeting of the parties to review and discuss the proposed budget and other budget-related issues in or around May 2019.

Date(s)	Action
DRAFT #2 910(G) BUDGET [No later than March 15, 2019]	<p>The 2019-20 Proposed USP Budget Draft #2 will include:</p> <ul style="list-style-type: none"> • a rationale for any differences between the Draft #2 proposed 2019-20 and the 2018-19 allocated amounts, including a rationale for any non-incremental increase or decrease in funding for the activity during the current budget year (2018-19), if applicable • a summary of the Draft #2 proposed aggregated allocations broken out by allocation from 910G and all other USP related funding sources, by activity with the 2019-20 Proposed Allocation [Form 1-A], the 2018-19 Allocation [Form 1-B], and the variance between the Draft #2 2019-20 proposed allocation and the 2018-19 allocation [Form 1-C] • Draft #2 proposed allocation for the activity in the proposed budget year (2019-20), the current budget year (2018-19), and the previous budget year (2017-18), [Form 2] • Actual expenditures for each activity for the previous budget year (2017-18), allocations and projections for each activity for the current budget year (2018-19), proposed allocations for each activity for the proposed budget year (2019-20) [Form 5] • 910G budget detail, including Draft #2 proposed 2019-20 allocations, current year (2018-19) budgeted allocations, and comments relating to any position and/or program changes [Form 3] and specific line item allocations by department [Form 4(a)] • proposed 2019-20 magnet allocations shall be included in Draft #2 • the District shall provide a separate USP Budget Criteria Form for each new or expanded program in Draft #2 of the budget that was not delineated in the Draft #1 narrative • student support criteria forms for ongoing student support programs • PD assessment (participants, amounts, delivery methods, costs) <p>NOTE: The allocations for each activity that were approved for the 2018-19 school year should not be moved to another activity for the 2019-20 school year budget year. Changes in allocations within an activity from the previous year will be completed and approved through the reallocation process after the budget is approved. All Magnet Site Plans shall be submitted separately, including 910(g) budget allocations.</p>
March 18, 2019	<p>Budget Expert in consultation with SM will confirm that the above information has been received by all (completed and/or lack of information provided will be noted) and submit one business day after receipt of Draft #2.</p>

Date(s)	Action
No later than March 22, 2019	The District shall file with the Court a Notice of Disclosure and/or Compliance (including, if applicable, an explanation of any failures to comply with the March 15, 2019 benchmark)
March 29, 2019	Plaintiffs and Special Master submit comments on Draft #2 no later than 10 business days after Draft #2 is received. A phone conference with the parties may prove supportive of the process during this time.
March 2019	Budget Expert in consultation with SM will confirm and note all RFI's and Responses. Any continuing RFI's will be noted.
<p>DRAFT #3 (includes Narrative related to issues raised by the Special Master and Plaintiffs, and funding from all sources in Form 4(b))</p> <p>[No later than May 6, 2019]</p>	<p>District submits Draft #3 including funding from all sources in Form 4(b) (all changes between drafts emphasized); the 2019-20 Proposed USP Budget Draft #3 will include:</p> <ul style="list-style-type: none"> • a rationale for any differences between Draft #3 and Draft #2, including a rationale for any non-incremental increase or decrease between drafts, if applicable [Cover Letter] • a summary of the Draft #3 proposed aggregated allocations broken out by allocation from 910G and all other USP related funding sources, by activity with the 2019-20 Proposed Allocation [Form 1-A], the 2019-20 Allocation [Form 1-B], and the variance between the Draft #3 2019-20 proposed allocation and the 2018-19 allocation [Form 1-C] • Draft #3 proposed allocation for the activity in the proposed budget year (2019-20), the current budget year (2018-19), and Draft #2 [Form 2] • Actual expenditures for each activity for the previous budget year (2017-18), allocations and projections for each activity for the current budget year (2018-19), proposed allocations for each activity for the proposed budget year (2019-20) [Form 5] • 910G budget detail, including Draft #3 proposed 2019-20 allocations, current year (2018-19) budgeted allocations, and comments relating to any position and/or program changes [Form 3] and specific line item allocations by department [Form 4(a)] • the USP Funding Criteria and/or Student Support Criteria forms shall be provided for each new or expanded program in Draft #3 of the budget that was not delineated in Draft #2 or the Draft #1 narrative. <p>NOTE: The allocations for each activity that were approved for the 2018-19 school year should not be moved to another activity for the 2019-20 school year budget year. Changes in allocations within an activity from the previous year will be completed and approved through the reallocation process after the budget is approved. All Magnet Site Plans shall be submitted separately, including budget allocations from all sources.</p>

Date(s)	Action
May 8, 2019	Budget Expert in consultation with SM will confirm and note that the above information has been received by all. Completed and/or lack of information provided will be noted.
No later than May 10, 2019	The District shall file with the Court a Notice of Disclosure and/or Compliance (including, if applicable, an explanation of any failures to comply with the May 6, 2019 benchmark)
May 6-17, 2019	The parties shall discuss the proposed USP budget and other related issues.
May 20, 2019 [no later than 10 business days after Draft #3 is received]	Plaintiffs and Special Master review and comment period limited to newly proposed allocations in Draft #3 except when new changes in proposed allocations affect specific proposals in Draft #2 or when a rationale is provided as to why the comment was not provided in Draft #2. The Plaintiffs and Special Master may also restate comments related to prior drafts. A phone conference with the parties may prove supportive of the process during this time.
May 31, 2019 June 6, 2019 [within 10 business days of plaintiffs comments on Draft #3, per court order]	Special Master submits any suggestions for modification related to proposed allocations reflected in Draft #3 to the District.
June 7-13 , 2019	The plaintiffs submit any and all “continuing objections” and any objections or comments they have on the Special Master’s suggestions.
June 2019	Budget Expert in consultation with SM will confirm and note all RFI’s and Responses. Any continuing RFI’s will be noted.
FINAL DRAFT No later than June 25, 2019	District presents Final Proposed Budget to the Special Master and Plaintiffs and presents Final Proposed Budget, Special Master suggestions for modification, and Plaintiffs’ continuing objections to the Governing Board. The Final Proposed Budget will be in the approved format. The District provides a copy of the “Final Draft” 2019-20 Proposed USP Budget that will be considered by the Governing Board with any allocation revisions using the approved format. Any changes from Draft #3 and other previous drafts shall be noted in the same way as described in previous formats. If approved, the District will file the Final Budget no later than June 30, 2019.
June 28, 2019	Budget Expert in consultation with SM will confirm and note that the above information has been received by all. Completed and/or lack of information provided will be noted.
No later than July 9, 2019	Any plaintiff may file objections to the Final USP Budget.
No later than July 19, 2019	The District may file a response (which may include commitments to reallocate funds in response to objections).
No later than July 31, 2019	Special Master will file a request for expedited ruling within 30 days.

Date(s)	Action
IMPLEMENTATION OF 2019-20 APPROVED USP BUDGET	
UPON IMPLEMENTATION OF THE APPROVED 2019-20 USP BUDGET, THE FOLLOWING PROCESS SHALL BE UTILIZED FOR REALLOCATIONS WITHIN THAT BUDGET DURING THE BUDGET YEAR.	
1. All reallocations of less than \$50,000 are at the discretion of the district. However such reallocations will be reported in the quarterly reports.	
2. When the district seeks to reallocate unexpended funds in excess of \$50,000 and less than \$200,000, it will submit its proposals to the special master and the budget expert. They will tentatively approve or modify the proposal focusing on the intent of the proposal and shall advise the plaintiffs. The plaintiffs may object if one or more of the following characteristics of the proposed reallocation applies: (a) the reallocation involves the elimination of staff positions, (b) the addition of staff on more than a temporary basis and (c) where capital expenditures are involved that alter the intent of program/activities or change student enrollment in a particular school. If the plaintiff objects, they will have five working days to express their objection, the district will have five days to respond. If an agreement cannot be reached and the district wants to proceed, the special master shall submit a recommendation to the court.	
3. For a proposed reallocation of more than \$200,000, the district shall submit these proposals to the plaintiffs and the special master. The special master in consultation with the budget expert will make their recommendations to the plaintiffs within five days focusing attention on the intent of the proposed reallocation. The plaintiffs will have an additional five days to express their objections if any (practically, this gives the plaintiffs 8 to 10 days to consider the proposals and express any objections). If there is an objection, the district shall have five days to respond. If agreement cannot be reached, the special master will submit his recommendations to the court.	
4. Should any proposal for reallocation of more than \$50,000 be subject to the I.D.1 provisions of the USP or the NARA provisions of the USP, the processes spelled out in those provisions shall apply before reallocation.	
Note: Reallocation does not include recoding per the USFR for essentially the same function. (i.e. Teachers who are retired are paid out of contracted services rather than FTE; instructional aids, like computer software, are sometimes M&O and sometimes capital, etc.).	