

EXHIBIT 1

The USP 2013-14 Budget: Recommendations of the Special Master

April 25, 2013

Overview

In making these recommendations, I am mindful that the USP asks the District to make major improvements in virtually every aspect of its work. Indeed, TUSD should be commended for its vision and commitments to equity-focused school improvement that is reflected in the Plan. I am also aware that the District is experiencing financial hardships, making the task of implementing new initiatives difficult. But equity-focused school improvement can pay off for the District by leading to further improvements that build on increased efficiency and enhanced human and social capital in schools and communities. School improvement is not a one-or-two year approach that produces miracles. But focusing on the most important things will enable all the parties and the Court to bring the case to a productive end in the near future.

The Roles and Responsibilities of the Plaintiffs and the Special Master

The USP and related Court Orders define roles for and responsibilities of the Plaintiffs and the Special Master when it comes to commenting on, reviewing, and making recommendations on proposed District expenditures and many of the District's efforts to implement the USP. All significant actions related to implementing the USP have budget implications. Not surprisingly, the District believes that once the Court sets the plan in place, TUSD should have discretion in how it is implemented.

Going forward, it will be important to find ways to reconcile the Plaintiffs' and the Special Master's responsibilities with the District's need for building ownership, taking initiatives, and accommodating to unforeseen events and the strengths of its staff. However, it is also important to

recognize the Court's clear intent to enable the Plaintiffs and the Special Master to not only keep track of what the District does. but to actively influence the implementation of the USP.

The USP provides that, "...for all new and amended policies, or other significant changes, the District shall solicit input from the Special Master and the Plaintiffs before they are put into practice or use"(I)(D)(1). The budget process provides an opportunity to act on this provision.

The USP provides that the Plaintiffs and the SM shall have a role in commenting on the budget and assessing "...the funding needs of this Order"(X)(B)(4). Moreover, the legitimacy of the SM's role involving the budget process and making recommendations on District activities relevant to this case is made clear in the January 6, 2012 Order appointing the Special Master.

The Court has explicitly equated the budget with a "financial feasibility plan to implement the USP" (Order of February 6, 2013 at page 39); furthermore, the Court has expressly countenanced Plaintiff input and Special Master oversight of the budget for the USP. It is meaningless to examine and make recommendations regarding provisions of a budget without dealing with what the proposed expenditure will fund and the demonstrated or likely efficacy of the activity.

The District's Proposed 2013-14 Budget for Implementing the USP

As the Plaintiffs and the Special Master reviewed the District's proposed 2013-14 budget to implement the USP, numerous issues have been raised. These issues can be grouped in the following categories:

1. Overhead
2. The Allocation of Desegregation Funds to Programs that Would Likely be Implemented in the Absence of the USP
3. Activities and that Serve African American and Latino Students but Are Not Specified in the USP

4. The Adequacy of Activities that Are Meant to Address Provisions of the USP
5. Other Issues

Each of these categories have things in common, but I hope that organizing them this way will facilitate an understanding of basic problems that need to be resolved in the allocations, processes and justifications that make up the USP budget.

For each of these sets of issues, I make my recommendations related to issues I am asking the District to commit to now. I make other suggestions that are meant to identify actions that the District could undertake to improve the USP budget process and move things forward with respect to key aspects of the USP.

Overhead

TUSD has been reducing the funds spent on desegregation for years by assessing the funds set aside for that purpose to indirect/overhead. Monies derived from indirect costs on desegregation funds are, in effect, then added to M&O funds. This amount has been substantial, about 9 million in 2012-13. The District has the option to spend some of these indirect cost funds on USP-related activities, which it seemingly proposes to do in 2013-14. The assignment of overhead costs to desegregation funds raises two basic issues:

1. Is the charging of overhead to Desegregation funds appropriate?
2. If it is appropriate, what should be the rate and how is it determined?

Appropriate?

Since desegregation funds are derived from taxes on TUSD residents, as are funds for “maintenance and operations” (M&O), the District generally treats these funds as if they were part of its M&O income. This is consistent with the Arizona Department of Education; i.e., it treats desegregation funds as a entry under Maintenance and Operations. But M&O funds generate no indirect costs. The District argues however, that nothing in statutory or regulatory language related to its Court Order prohibits claiming indirect costs from desegregation funding. Nor does the Court say anything about overhead on desegregation funds.

The charging of overhead to desegregation funds is likely to remain a source of contention among the District, the Plaintiffs and the Special Master. Since the District budgets M&O funds to satisfy the provisions of the USP, it may be worth considering whether reducing desegregation funds through an indirect cost charge only to return District M&O funds to the USP is sensible.

Rate?

The District’s current justification for the overhead rate—14 percent—that it used in 2012-13 is unrelated to the guidance for determining the overhead rate in its own Budget Manual. In negotiations over 2013-14 USP budget, the District substantially reduces the overhead amount and thus the rate. The District's willingness to alter significantly the overhead charged to the desegregation budget raises questions about just how necessary is it for the District to collect those funds when it can justify a 14% rate but be satisfied to collect only half of that. It should be noted that the District collects less than six percent overhead from Title I funds.

Recommendation

I believe that it is problematic to charge overhead to desegregation. If the District believes that this charge is legitimate, it should provide a legal rationale for doing so and establish an overhead rate based on established principles and standards for determining indirect costs (e.g., those in the District Budget Manual) and demonstrate to the Plaintiffs and the Special Master how it arrived at a given rate.

The Allocation of Desegregation Funds to Activities Mentioned in the USP that Would Likely be Funded in the Absence of the USP

There are several programs and activities that fall into this category. In each case, the question is: what percentage of funding for that program or activity is appropriately charged to desegregation funds? Historically, the District has funded all or part of some programs it considered worthwhile using desegregation funds without clear criteria for determining the rationale for such spending. In most cases, no such criteria exist now. In the cases discussed here, the District's justification is that the activity directly supports the goals of the USP.

An Example of Reasoned Criteria for the Allocation of Desegregation Funds

An example of a program in this category that appears to have a reasoned basis for the allocation of desegregation funds is transportation. About eight million dollars of desegregation funds are allocated to transportation. This amount is based on the number of students provided transportation for purposes of desegregation and the miles travelled. The District estimates that 37% of the transportation budget is spent for this purpose. While this estimate is not precise, the District's justification for allocating 37% of its transportation budget to desegregation appears reasonable.

Allocations for Which the Rationale Needs Greater Clarity

There are numerous programs and activities that the District expends desegregation funds on that it justified by referencing provisions and goals of the USP. Three examples of these activities/programs that illustrate different aspects of the Plaintiffs' and Special Master's concerns are:

- *ATI Assessments.* The implementation of ATI to provide recurrent mid-year assessments of student performance would presumably be important whether the District was involved in desegregation or not. Indeed, the District has used ATI assessment in all Title I school in recent years. The District argues that the importance of adequate monitoring of student achievement is at the heart of the USP.
- *Recruitment Travel.* While TUSD recruiters undoubtedly recruit personnel to satisfy the needs of the USP, the district has no effective way of differentiating the actual costs of recruitment for USP from the overall cost of its recruitment efforts. Consequently, the recruitment travel related to USP should not be a direct charge to the Desegregation program, but rather a charge more appropriately paid out of M&O funds or perhaps the overhead funds TUSD collects from the desegregation funds.
- *Fine Arts.* Fine arts programs are delivered throughout the district without regard to students' race or ethnicity. That is, of course, a good thing in principle. But the value of arts education is not at issue. Presumably, the District might tie the investment of some desegregation funds to these activities if it designed these programs to teach inclusiveness or racial/ethnic understanding and appreciation of the benefits of seeing or hearing through difference cultural lenses. But, that is not the case the District makes. Indeed, there is a separate desegregation-funded line called "multicultural fine arts". One argument the District makes is that these programs are not typically offered in many charter or suburban schools; consequently, when the District offers these programs in all schools, it is intended to act as an incentive for all families to continue enrolling their students in TUSD and, at the same time, foster

integration. By that logic, any program of excellence or exception could be financed with desegregation funds.

The test of whether a program would be offered in the absence of desegregation is an ambiguous one. What is clear is that there are no criteria that the District uses to make consistent decisions about which expenditures for activities not explicitly called for in the USP.

Recommendation

The District should work with the Plaintiffs and the Special Master to agree on specific criteria for determining, by December 2013, the amount of desegregation funds that can be used to support its various programs. If there are cases to which such criteria cannot be productively applied, these programs and activities should be specifically named. It should be understood that such an effort will involve some subjectivity. The District will retain the right to make such judgments which, in turn, can be objected to by the Plaintiffs and the Special Master.

Determining Whether Activities and that Serve African American and Latino Students but Are Not Specified in the USP Should be Funded from Desegregation Funds

Several programs in this category could as well have been placed in the previous category depending on what inferences one attaches to the provisions of the USP. One set of programs included in this category are pr could be called student support programs including TAPP, Southwest Alternative, Project More, Life Skills, CORE Plus, and more. With respect to these types of programs, the District argues that because they serve disproportionate numbers of African American and Latino students, they deserve to be funded, at least in part. Note that I will discuss the adequacy of student support programs later in this report.

Other examples include “facilities access” and exceptional education. In these two cases (and in the case of fine arts), the District substantially reduced the amount of desegregation funds going to the activities as compared to the budget to which the Plaintiffs responded on or about April 15, 2013. In the case of the Exceptional Education, the reduction was \$3.3 million. But, the question remains, what is the justification for these expenditures?

The District argues that the desegregation funds budgeted for repairs and maintenance will be targeted to schools with disproportional numbers of African American and Latino students. That can be monitored though the justification for a set aside here is problematic since such an earmark could result in limiting funds available for schools serving disproportionate numbers of African American and Latino students or denying funds to integrated schools with dire facility problems.

The District has significantly reduced the number of people in exceptional education funded with desegregation funds but retains a number of staff almost all of whom are very part-time funded by desegregation funds. Consider the funding of social workers. It seems obvious that highly skilled social workers can be of significant help to many struggling students. But, what special skills do they have to address the needs of African American and Latino students. For, example, rather than fund a small percentage of the salaries of a large number of social workers, a more USP-focused expenditure would be to provide relevant professional development to all social workers and allocate larger amounts of the time of a small number of who would be resource people for the rest of their colleagues.

As with the previous category, the problem is that there are no agreed upon criteria for judging the appropriateness of expending a particular amount of desegregation funds on particular programs/activities. The disproportionality criterion is too broad. It would apply to all costs in a racially concentrated school, for example. My recommendation here is the same as the one made for the previous category.

Recommendation

The District should work with the Plaintiffs and the Special Master to agree on specific criteria for determining the amount of desegregation funds that can be used to support its various programs. If there are cases to which such criteria cannot be productively applied, these programs and activities should be specifically named. It should be understood that such an effort will involve some subjectivity. The District will retain the right to make such judgments which, in turn, can be objected to by the Plaintiffs and the Special Master.

Determining the Adequacy of Activities that Are Meant to Address Provisions of the USP

The provision of the USP that assigns the Plaintiffs and the Special Master a role in the development of the budget for implementing the USP enables the Plaintiffs and the Special Master to make judgments not only about the amount of money being invested, but to assess the efficacy of the investment. In other words, adequacy implies effectiveness. I have no doubt that this is the basis upon which the District makes its budgeting decisions over time.

A basic assumption embedded in the USP is that the best way to ensure accountability, while building commitment to the elements of the Plan, is to focus on outcomes for students rather than processes themselves. However, there is little outcome information about most of the District's programs. For many programs we may not have this information for two years given that one-time assessments are usually problematic. As noted, the District argues that it should be allowed to do what it does or decides to do and that the Plaintiffs and the Special Master should hold their concerns about the adequacy of particular expenditures until evidence of effectiveness is available. This is untenable because if it turns out that some programs are relatively ineffective, replacing them would take another year,

and it would be difficult at the end of the four-year period established by the Court as a target time for achieving unitary status to conclude that the provisions of the USP related to these programs have been adequately addressed.

When the District is investing in ineffective programs or proposes to initiate programs about which there is limited evidence of their effectiveness, it deprives more promising interventions of support.

As noted at the outset of these recommendations, the funding needed to implement the USP is impossible to determine without looking at the content of the programs being funded. I do not intend to exercise this responsibility for every program. Rather, I focus here on the large number of student support programs about which the Plaintiffs expressed one or more concerns. More than a dozen programs fall into this category including support for ethnic groups, TAPP, summer programs, alternative education, Core Plus, Project MORE, AP Boot Camp, and many others. In previous sections, I addressed the basis for funding some of these programs and activities with desegregation funds. Here I focus on their efficacy.

The Possible Redundancy and Potential of Increased Efficiency and Effectiveness

Student support programs play a critical role in the potential success of the USP. Considerable desegregation funds are being invested in these programs. Given the information provided by the District to the Plaintiffs and the Special Master about these programs, it seems reasonable to believe that that there may be substantial overlap in functions. If this is the case, there will be opportunities to reduce the overlap and in the process lower costs while improving student support and related student outcomes.

There is insufficient information about the efficacy of district programs to allow the Plaintiffs and the Special Master to evaluate whether the District's proposed budget is adequate for implementing the provisions of the USP related to student support programs.

The USP calls for the District to undertake an assessment of all its programs related to the USP by September 1, 2013. Student support programs are only part of the programs to be assessed. This will be a significant endeavor given its intent to gather data for improvement and to identify ways to increased efficiency and reduce costs.

An obvious purpose of the provision in the USP dealing with program assessment is to give direction to the District in its efforts to improve student outcomes. But such an assessment should also provide the Plaintiffs and the Special Master with information they can use to make constructive proposals about future expenditures and to make informed comments in their reviews of District activities related to provisions of the USP.

It is important that the District carry out its review of existing programs in a thorough way consistent with accepted practices for program review. This exercise will provide the District with information for its own use. But it also will assist the Plaintiffs and the Special Master as they play their roles provided for in the USP. Such a review would include—among other aspects--mapping the overlap in services provided, assessing whether programs are reaching those most in need of the services, and collecting student outcome data, whenever possible.

While student outcomes are important sources for program evaluation, such data are not, as noted, readily available in many cases in TUSD. (This is common in school systems.) Typically, many things are happening simultaneously in schools, classrooms, and communities that affect student outcomes. Consequently, separating out program effects, in the absence of a high quality program evaluation designed for that purpose, is problematic. So, in addition to gathering whatever data on outcomes are available, it is common in program evaluations to compare program characteristics to research-based “design principles”. Such design principles will not cover all aspects of student support programs, but they provide a basis for making informed judgments about the value of program. Moreover, measuring the value of existing programs by assessing program characteristics or processes provides information that facilitates improvement, something student outcome data—by itself—cannot do.

If the District’s program assessment is to lead to improvement and informed decision making, this assessment should make use of a set of

criteria by which student support programs can be evaluated. It is common in evaluation efforts to employ measures of behavior and processes known to be related to outcomes. The District is, in effect, doing just that in developing its approach to evaluating teacher and principals. In the TUSD Budget Manual for 2012-13, the District identifies several “examples of research-based strategies to address achievement goals” that presumably are to be used to justify expenditures. There is a research literature upon which to base the criteria/design principles for assessing the likely efficacy of student support programs.

Recommendation

I recommend that the District develop and implement a plan for assessing student support programs, including the functions of Learning Support Coordinators, that includes: evidence of the targeting of programs and activities and their possible redundancy, the use of student outcome data, and research based criteria/design principles. This is necessary because without a well-designed and well-conducted assessment of student support programs, it will be difficult for the Plaintiffs and the Special Master to provide useful input to the development of the District’s budget for the USP and to otherwise monitor and oversee the implementation of the USP.

I will also recommend that the Court allow the District until December 15, 2013 to complete the assessment of student support programs. It should be apparent from the discussion above that a comprehensive study of the kind recommended here will be difficult to finish by September 1, 2013. The District may, of course, continue its current efforts and treat these as an initial phase of a more comprehensive study of student support programs.

Mexican American Student Support

Among the student support programs that deserve attention is the Mexican American Student Support services (MASS) that was implemented initially in 2012-13. I focus on the MASS program because it is included in Section V of the USP related to Quality of Education and is one of the primary strategies to address Latino student achievement. All of the student support programs warrant a careful analysis. But in the case of MASS, immediate attention is proposed. There are substantial reasons to doubt whether TUSD is making the best use of funds for Mexican American student support. The District opposes action on the MASS program at this

time and argues that given time, it can demonstrate that it is effectively addressing the USP and delivering results. The District says it is not the role of the Plaintiffs and the Special Master to interfere at this juncture.

However, as noted above, the USP provides that the Plaintiffs and the Special Master shall have a significant role in commenting on the budget and assessing "...the funding needs of this Order"(X)(B)(4). Particularly at a time when the District is operating under budgetary constraints, it would be wrong not to call into question a significant expenditure for a program or activity that has not adequately demonstrated its worth and does not appear to have promise of being effective.

Especially relevant to the role of the Plaintiffs and the Special Master with respect to the MASS program is the July 16, 2012 Order, in which the Court wrote, "...nothing in this Order (approving TUSD's request for an extension of the deadline to submit the USP) shall be interpreted to cause any delay by the District in the implementation of provisions which all Parties agree will be components of or required for the implementation of any USP and work by the District should continue to move forward in this regard." The parties had agreed by July 2012 that there should be a Mexican American student support program. Indeed, the District approved funding for the program in its 2012-13 budget.

In defending the bulk of expenditures budgeted for the MASS program, the District asserts that the program is in place, has worked well [in some elementary grades of a single school], has enthusiastic people implementing it, and should be given the opportunity to show that it will be successful. Without discussing whether a program (e.g., the Lindamood Bell Visualization and Verbalization program to improve reading/literacy—hereafter the LBVV program) delivered in a single elementary school focused on some grades and not others adequately justifies the program being offered throughout the District, it appears that the LBVV program (that uses most of the funds allocated to MASS) differs importantly from the LBVV approach that was used in the elementary "demonstration" school.

The version of LBVV used in the elementary school involves the integration of LBVV approach in the school's reading curriculum. Teachers in the school were trained to provide students with intensive exposure to the program's strategies. Moreover, this program was implemented as one

piece of an overall school improvement strategy that lifted performance throughout the school, not just the students who received the LBVV program.

In contrast, the MASS version of LBVV (as described to me by the MASS Director) is a modified extended learning time program to be delivered in all grades through a combination of strategies that includes pulling students out of regular classes in the school day and serving students after school and on Saturdays.

Extended learning time is a viable strategy for providing students with extra support for reading. So, is the LBVV approach the best way to help Mexican American students improve their reading proficiency? In considering the potential efficacy of the MASS version of LBVV, I did the following:

- Talked to the MASS director (who I thought was smart and committed);
- Examined relevant research; and
- Talked to national experts on the education of Latino students and reading (which is the primary focus of MASS) about the relative role of certified and paraprofessionals in student support, and the characteristics of effective extended learning programs.

Here are some examples of criteria by which to evaluate programs like the MASS version of LBVV:

1. Is there solid research to support the efficacy of the initiative (in this case, the Lindamood Bell visualization and verbalization program)?
2. Is the support program aligned with the approach to reading being taught in the schools in which the students attend?
3. Are paraprofessionals closely supervised by certified teachers?
4. Is the ratio of paraprofessional to certified teachers lower in situations where students are struggling or have limited facility with academic English?
5. What is the diagnostic method for determining students' learning needs and do the lessons or tutoring focus directly on those needs?
6. Is the program targeted to students with greatest needs?

7. If resources are limited, is the intervention delivered at the most critical sites or stages of student progress? For example, since retention in grade is likely to drive up costs and drive down student achievement, does the program ensure that students are not retained in eighth and third grades because of reading problems?
8. Are the materials used culturally relevant?
9. If students are pulled out of regular classes, is the goal to return them to classes as soon as possible? If so, with what results? (In general, pulling students out is suspect.)
10. If students with limited English proficiency are involved, what is the level of staff members' language proficiency (Spanish in this case) and does the program deal directly with English language deficiency?
11. Is the time spent with each student tailored to his or her needs? Is the amount of time adequate? (Too little makes no difference and is wasteful.) And there is a point of diminishing returns, especially in pull out and after school programs.
12. If tutoring is involved (as it is here), how is tutoring delivered? One-on-one tutoring from professional staff has been found to be more cost-effective than most small group tutoring, especially with students who are furthest behind.
13. Would students be better served if the expertise of classroom teachers was enhanced so that the number of students needing special support services was smaller?

Since I have not studied the MASS-LBVV program, it would be inappropriate to render a summary judgment about it. But as far I can determine, the MASS program does not meet criteria 1, 2 or 6. If there are two certified teachers and 8-10 paraprofessionals (with college degrees, but not teaching certification) in the reading-focused part of MASS, and MASS serves several schools at different grade levels, adequate supervision of paraprofessionals (criterion 3) seems problematic. MASS may not meet other of these criteria.

Recommendations

I recommend that the District evaluate the LBVV program against such criteria as described above and make appropriate changes in the MASS before its reading support effort is implemented in the coming year.

If the District chooses to continue with the way student support programs currently are organized, I also recommend that the District gradually increase its support for MASS. It is obvious that the MASS program for supplemental support for Mexican American students serves an ethnic/racial student population that is ten times greater than other non-white ethnic/ racial groups, but receives less financial support per pupil than other ethnically focused support services. While support programs should be funded on the basis of student needs, not per capita allocations by race or ethnicity, either MASS is substantially underfunded or the other groups are substantially overfunded. The District should be directed to assess the needs for supplementary and accordingly increase support for Latino students gradually.

Other Programs and Activities

In my initial analysis of the District's budget proposals, I drew attention to three programmatic areas I identified as central to the USP, but appeared to be underfunded: professional development, the development of the Evidence-based Accountability System (EBAS), and dual language programs. Since I shared that analysis and the Plaintiffs have made their comments on the District's proposed USP budget, the District has made substantial changes to the budget or clarified what it intends with respect to professional development and EBAS. Many of these changes are in response to the Plaintiffs concerns and to mine.

1. The USP calls for major enhancements of teacher and administrator skills because quality teaching and excellent leadership are the most important school-based influences on student learning, especially the learning of students who are underachieving. Such professional development is costly. The district proposes to increase funds from desegregation from \$5 million to \$7 million and proposes a substantial increase in other funding from Professional Development even though federal funding will be reduced for relevant Title I and Title II professional development.
2. The EBAS provided for in the USP is addressed in the proposed budget. I suggested that its implementation could be expedited with

additional support. The sooner the EBAS is in place, the sooner the budget can be evidence-based. However, when all of the funds for data management systems are combined, the initial investment is reasonable. Developing EBAS to its full potential will take more than the next year. At the end of this first year the District should be able to demonstrate that it has substantially more capability than it does now. Data collected without the capability to analyze it and apply it to practice are not useful. Additional analytical staff will be needed in future years.

3. There is agreement among the parties about the importance of dual language programs. The District proposes to increase access to dual language programs in the context of its proposed Magnet School Plan. This is a welcomed, but modest start. The effectiveness of such programs requires qualified teachers, knowledgeable leaders, and relevant learning resources. And, incentives for qualified teachers may be required. Such incentives may not be salary-based, but would involve costs to the District (e.g., time for collaboration, professional development, or reduced teaching loads). Pursuant to Section (V)(C) of the USP, the District should develop a three year plan for increasing student access to dual language programs that can become part of its overall strategic planning.

Other Budget Issues

In this category I *highlight* the recommendations made for each concern by placing them in *italics* to eliminate redundancy and place the recommendation in context.

One concern is the amount allocated to magnet schools. Because the plan for magnet schools and programs are now under review, it makes sense not to be specific about the amount of funds. But knowing how the amount of \$9,500,000 was arrived at, which is a reduction in previous expenditures for magnet schools and programs, would have been and will be useful.

In general, budgets for the coming year are usually compared to expenditures for the current year. Any major changes usually deserve an explanation. The District has argued that the USP requires so many different changes that past comparisons would be meaningless. In fairness to the District, when the District made this point in response to an inquiry I made, no one pressed the argument (including me). But it has become clear that such comparisons and analyses are needed. It is also clear that the District is capable of providing such information because it readily responded to specific budget questions I raised. *In future USP budgets, the District should list each set of program-related proposed expenditures, current year expenditures and actual (projected) expenditures. For each such program area, it also should identify expected outcomes.* This recommendation is consistent with the characteristics of annual reports the District is required by the USP to submit.

The Mendoza Plaintiffs brought attention to the limited funds allocated to increasing student access to early childhood programs. The USP did not deal with this issue, but it is clear that quality preschool programs are a good investment in student achievement. *The District should examine the feasibility of further expanding such programs and what it would have to do less of to finance such programs.*

The Fisher Plaintiffs express concern about what happens to unspent desegregation funds at the end of the year. Most unspent funds usually can be traced back to staff attrition and unfilled positions. The District commits to placing unspent desegregation funds in a contingency account that can be monitored by the external auditor. This would, based on past experience, bring the contingency fund to as much as \$3,000,000. This amount addresses the concerns I expressed in my Initial Analysis sent to the parties earlier. *The District should formalize its commitment to ensuring that unexpended desegregation funds are retained to support provisions of the USP in a way that addresses sound accounting practices and ensures transparency.*

A major concern is the adequacy of funding for Family Centers. The budget calls for expenditures of \$1,855,669, with \$769,528 coming from desegregation funds. These are significant amounts. But without an understanding of how this compares with past expenditures, it is difficult to

judge the adequacy of this amount for the expanded role the USP asks of the Centers. On the other hand, the District's timeline upon which the parties agreed for developing a comprehensive plan for Family Center(s) is months off. *The District should describe how it will begin to implement the plan for the Family Centers during the coming year in the likely event that the Family Center plan will include new initiatives that replace or build on current Family Center-related activities. Such a description should be provided to the Plaintiffs and the Special Master before the budget is finally approved by the Governing Board.*

Concluding Comments

As implied at the outset of this report, the initial implementation of the USP in 2013-14 will include learning how best to do this complicated work. Timelines and requirements are important, but they cannot anticipate the future. In making my recommendations, I did not recommend increases or decreases in specific programs/activities. That is because there is insufficient information about positive effects or potential negative consequences of doing so. I did address whether certain expenditures are adequate. And I said that the District should put in place evaluation processes that would deal with some of the issues addressed by all of the Plaintiffs. I focused attention on several programs loosely defined as student support programs. I also sought to significantly improve the collection and distribution of USP budget-related information. Armed with such information, the better-informed Plaintiffs and Special Master will be able to more adequately exercise their USP-mandated responsibilities.

