

Los Angeles School District

Just the Facts



If Nothing Changes L.A. Unified is Headed for Insolvency in 2-3 Years

Recurring Budget Deficit				Declining Reserve Balance			
	2018-19	2019-20	2020-21	Beginning of Year	2018-19	2019-20	2020-21
Revenue	\$8.21	\$7.99	\$7.94	Reserve	\$1.17	\$0.667	\$0.224
Costs	(\$8.72)	(\$8.43)	(\$8.53)	Deficit	(\$0.504)	(\$0.443)	(\$0.582)
Net Loss	(\$0.504)	(\$0.443)	(\$0.582)	End of Year Reserve	\$0.667M	\$0.224	(\$0.258)

This problem can no longer be “kicked down the road”

“The fact is that L.A. Unified [Budget] is *NOT* too big to fail, so it is up to all of us to resolve the district’s fiscal challenges”

- Candi Clark, CFO, Los Angeles County Office of Education, Aug 21, 2018

LA Unified has had a structural budget deficit for over six years

- L.A. Unified Advisory Task Force, Jun 2018

The LAUSD is facing a significant structural deficit in its operating budget that threatens the District’s long-term financial viability.

- Report of the Independent Financial Review Panel, Nov 2015

UTLA claims L.A. Unified currently has \$1.7 B in reserves; however, \$500 M is obligated for legally required expenses, which brings the reserve balance available to use to \$1.2 B.

Dollars in Billions

L.A. Unified's Plan to Address Fiscal Challenges

L.A. Unified	Health Benefits Committee	Sacramento
Realigning Resources	Health Care Reform	Collaborative Efforts to Increase Funding for Public Education
<p>This is about empowering and supporting our school leaders and teachers, providing the resources needed to improve student learning and crafting a path to increased parent and community participation in schools.</p> <p>- Superintendent Beutner, Aug 2018</p>	<p>A committee will be formed to study ways to reduce the District's unfunded retiree medical care liability, and to explore ways to reduce spending on health care as a percentage of the District's total budget.</p> <p>- Health Benefits Committee, Feb 2018</p>	<p>Any reasoned observer would argue \$16,000 per pupil is not enough.</p> <p>- Beutner's First Day as Superintendent 2018</p>

UTLA's Plan to Address Fiscal Issues

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Who is in Charge?

	L.A. Unified	UTLA
Testing	L.A. Unified decides, with input from families, community, educators and other stakeholders	UTLA would have the sole authority to decide
Magnet Schools	More Magnet Schools	No Increase in Magnet Schools UTLA would have veto power over opening Magnet Schools
School Discretionary Funds	Principal Decides	UTLA has sole authority to decide. All funds must go through Local School Leadership Council – 50% UTLA Members giving effective control
Staffing	Recognize Highly Effective Teachers	Against Any Recognition of Highly Effective Teachers

Where will the Money Come From?

2018-19
L.A. Unified Budget

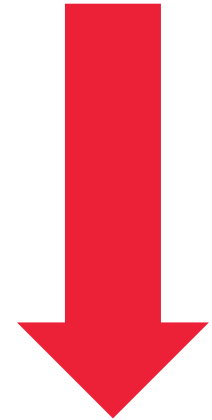


(\$504M)

Additional Special Education Staffing	\$263 M
School Support Position for Every 400 Students	227
Class Size Reduction	205
Salary Increase	189
Nurse in Every School	72
More Counsellors and Librarians	19

Total Added Annual Cost \$975

2018-19
UTLA Budget



(\$1.48B)

L.A. Unified also supports smaller class sizes, more school librarians, nurses and counselors.
The question is where will the money come from to pay for this?

Dollars in Millions

What pay increases for UTLA are we talking about?

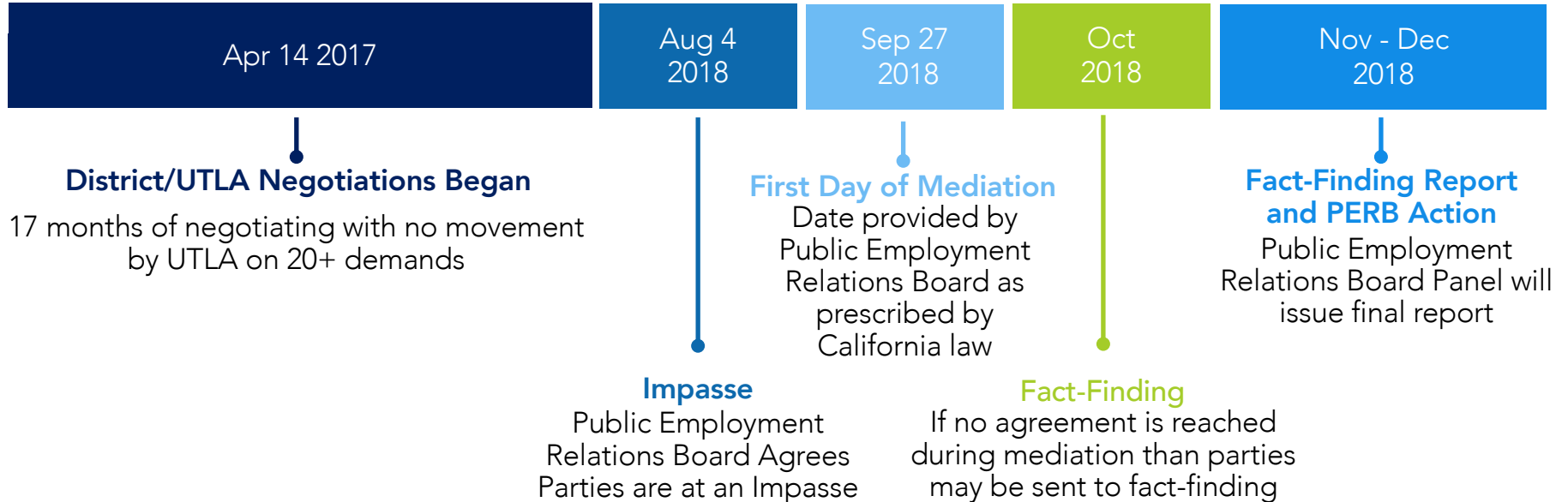
2%

- UTLA claims L.A. Unified is only offering a 2% salary increase.

6%

- L.A. Unified budgeted for a 6% increase for all employees, including UTLA members, in the budget approved by the Board of Education on June 12, 2018.
- L.A. Unified has already reached agreements with SEIU Local 99, AALA and CSEA which together, represent more than 60 percent of the District's workforce. With raises totaling about six percent...L.A. Unified aims to reach a similar agreement with UTLA in this bargaining process.

What is the Lawful Bargaining Process?



Unlawful Action

Assuming a teachers' strike is ever legal, a strike on any date before PERB process is completed is unlawful as prescribed by California law and set forth in UTLA contract with L.A. Unified.

"The strike is scheduled to begin Oct. 3."

Co-chair UTLA, Op-ed in Los Angeles Times, August 23, 2018

L.A. Unified Revenues are Determined in Sacramento and Washington, D.C.

West Virginia	Oklahoma	Los Angeles
Average Teacher Salary \$45,700	Average Teacher Salary \$46,110	Average Teacher Salary \$75,000 Total Teacher Compensation \$110,000
Statewide Action	Statewide Action	Against School District

How does a strike against L.A. Unified change funding for public education in Sacramento or Washington, D.C.?

How to Resolve This?

UTLA

- The next year and a half must be founded upon building our capacity to strike, and our capacity to create a state crisis, in early 2018.
- *Alex Caputo-Pearl, Aug 24, 2016*
- We will take strike votes during the week of August 23...We, as chapter leaders at this defining moment, must lead our co-workers in an overwhelming 'Yes' vote.
- *Alex Caputo-Pearl, Aug 24, 2018*
- "The strike is scheduled to begin Oct. 3."
- *Co-chair of UTLA, Los Angeles Times, Aug 23, 2018*

L.A. Unified

- We, the Board of Education do not support a strike. We hope the shared responsibility to put students first will lead to a common sense resolution that acknowledges the hard work of our employees while addressing the safety and instructional needs of students and the financial solvency of L.A. Unified.
- *L.A. Unified Board of Education, Aug 21, 2018*
- L.A. Unified has already reached agreements with SEIU Local 99, AALA and CSEA which together, represent more than 60 percent of the District's workforce. With raises totalling about six percent...L.A. Unified aims to reach a similar agreement with UTLA in this bargaining process."
- *Letter to Mr. Caputo-Pearl from Superintendent Beutner, Aug 15, 2018*
- We welcome Mayor Garcetti's offer to convene a meeting with L.A. Unified and UTLA leadership to help resolve this situation and prevent a strike which will harm students, families and the communities we serve.
- *Statement from Superintendent Beutner, Aug 27, 2018*

When elephants fight, the grass gets trampled

Who is Hurt by a Strike?

