



THE MONEY IS THERE TO SAVE JOBS AND STOP CLASS-SIZE INCREASES

By ignoring new sources of money and being ultraconservative in allocating the federal stimulus funds, LAUSD is unnecessarily threatening jobs and student learning. If District officials would focus on saving jobs this year—as Congress intended—we could stop the layoffs and class-size increases for 2009-2010.

Funds needed to save the jobs of 4,000 teachers and health and human services professionals: \$250 million*

WHAT LAUSD CAN DO

1. Use as much as possible of the new \$167 million increase in stimulus funds \$158 million

LAUSD issued a memo on April 13—one day before the vote to okay the layoffs of thousands of employees—confirming that it would be receiving an extra \$167 million in federal stimulus funds, in addition to the original estimate of \$387 million (see flipside for the LAUSD memo). The District has yet to acknowledge this money in its published budget reports. If that new money is frontloaded (meaning 90% of the 2010-2011 money is used for 2009-2010), \$158 million could go to save jobs.

2. Use all possible stabilization funds this year \$160 million

The federal stimulus money that LAUSD is receiving is coming in three categories: Title I, IDEA/Special Education, and Fiscal Stabilization. The law says that LAUSD can use 90% of the 2010-11 allocation this year to save positions. Instead of doing that, the District is spreading the stabilization money into 2010-2011.

3. Reduce stabilization and Title I set-asides \$54 million

This refers to funds LAUSD has put aside until it gets more information from the state, but once again, in a time of crisis, when people's lives hang in the balance, LAUSD is being overly conservative in its approach to the stimulus money.

4. Obtain waiver for SES money \$31 million

This waiver, which LAUSD is likely to get, will allow the District to use money earmarked for Supplemental Education Services on other things.

5. Use additional IDEA funding \$20 million

The federal government is giving states flexibility with how much of the special education funding can be used to help fill the hole in the general fund.

TOTAL FUNDS TO SAVE JOBS: \$423 million

Other sources of income: UTLA continues to fight for the Title 1 funding in the stimulus package to be used centrally, where it can save the most jobs, instead of sending it to schools, where some administrators will try to pressure School Site Councils to use the money for coaches and other out-of-classroom positions that don't work with students, which will result in larger class sizes. Also not included on the above list are deeper cuts and changes UTLA is demanding that LAUSD make in nonclassroom spending, such as closing or consolidating the local Districts. In addition, the number of employees who take the early retirement incentive package will offset the number of positions at risk for layoff.

On the downside: The June revise of the state budget could include additional funding cuts for schools.

* Assumes average compensation of \$63,000 (\$45,000 + benefits). Estimated layoffs are from April 14 Board report related to class-size reductions. Additional positions could be at risk because of displacement by certificated administrators. Some budget figures are estimates, and it should be noted that the LAUSD budget continues to fluctuate.

FOR MORE INFO ON THE STIMULUS MONEY AND HOW IT CAN BE SPENT
Go to www.ed.gov/policy/gen/leg/recovery/factsheet/title-i.html



KEEP UP THE FIGHT!
It will take all of us—working together—to make sure LAUSD spends this money where it will do the most good: to save jobs and keep class sizes at their current levels.
VOTE YES ON THE MAY 15 ONE-DAY WORK STOPPAGE

MORE INFO →

LAUSD received news of **INCREASED FUNDING** before the vote to lay off thousands of employees

INTEROFFICE CORRESPONDENCE
LOS ANGELES UNIFIED SCHOOL DISTRICT
OFFICE OF GOVERNMENT RELATIONS

TO: Ramon C. Cortines, Superintendent of Schools
FROM: Santiago Jackson
SUBJECT: ESTIMATED LAUSD BENEFIT FROM STATE FISCAL STABILIZATION FUND REVISED

DATE: April 13, 2009

This memo, which says that LAUSD will get an extra \$167 million in stimulus funds, was sent to Cortines on April 13—one day BEFORE the School Board voted to authorize class-size increases and the potential lay-off of thousands of employees.

Last week, Governor Schwarzenegger applied for California's initial share of the State Fiscal Stabilization Funds (SFSF) of the American Recovery and Reinvestment Act (ARRA). As required by the provisions of the ARRA, the Governor determined that, of the \$3.1 billion for education, \$2.565 billion will be used to backfill recent state budget cuts to revenue limits and categorical programs. The remaining \$537 million will be allocated to the University of California and the California State University system. This constitutes the initial two-thirds of the funds.

The remaining one-third will be released later this year. The remaining one-third will be allocated \$1.110 billion to K-12 and \$663 million to higher education.

Reductions to the 2009-10 state budget were made using a 50/50 formula: 50 percent of the reductions were to the revenue limit, and 50 percent were reductions to categorical programs. Major categorical programs, such as Adult Education, Targeted Instructional Improvement Grants, and Regional Occupational Centers/Programs, as well as others, received the 20 percent budget reductions. Consequently, districts with major categorical programs took a larger cut on a per-pupil basis than the average districts statewide.

The Office of Government Relations proposed the SFSF be used to backfill the state budget reductions in the same manner in which the cuts were made (50/50). This effort was coordinated with other districts and unions.

We are pleased to report that the Governor agreed with our recommendation. SFSF funds will be used to restore both revenue limits and funds districts lost in categorical programs. We anticipate that the LAUSD will realize \$167 million in addition to the original estimate of \$387 million for a total of \$554 million over the two years of the funding. The actual amount will be available by the end of May.

Attached is the updated chart of the major ARRA programs and the estimated funding to the LAUSD.

Enc. (1)

SJ: pb

c: Board of Education
Jim Morris
David Holmquist
Megan Reilly

The LAUSD budget report—issued on April 14 and given to School Board members to help them make their decision—does not include ANY MENTION of the \$167 million increase in stimulus funding found in a memo dated April 13, the day before the vote.

Why was this money not accounted for in the April 14 budget report?

Once again, LAUSD is playing with people's lives. These layoff authorizations—which have wreaked havoc with our families and our schools—did NOT need to be issued in the first place. The money is there to save jobs and stop class-size increases.



MORE INFO →