

Los Angeles Unified School District

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News Statement

FOR IMMEDIATE RELEASE

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Statement by Los Angeles Unified School District

The Los Angeles Unified School District today requested that its differences with UTLA be submitted to a Factfinding Panel. L.A. Unified remains committed to the lawful bargaining process and will participate in good faith in Factfinding, and remains open to any other way to resolve the issues fairly and transparently.

At every Los Angeles Unified school, there are great teachers. Los Angeles Unified needs to pay teachers better and provide them with more support and more professional development. That is why L.A. Unified has made a fair offer to UTLA to provide all teachers with a six percent salary increase, provide additional pay for teachers who take courses in areas aligned with student needs, add teachers and reduce class size in high-needs schools and increase transparency in our labor contracts.

L.A. Unified looks forward to the Factfinding process to confirm what independent, third party experts have publicly stated repeatedly. The State Superintendent of Education, the Los Angeles County Office of Education, two independent commissions established by two previous Superintendents (Cortines in 2015, King in 2018) and a nationally recognized financial firm (Houlihan Lokey) have all studied L.A. Unified's finances and stated that the school district will run out of money if changes are not made.

"Yes, my presence is indicative that this is serious."

-- Nick Schweizer, Office of the State Superintendent of Education, Sep, 2018

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“The problem is that these reductions [L.A. Unified’s fiscal stabilization plan] do not eliminate the structural deficit in the district’s budget, so there is more work that needs to be done. 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, 2018*

“As the District works to increase investments critical to student learning, it must also address a looming, large budget deficit. LA Unified is facing a structural budget deficit, which threatens its long-term viability and its ability to deliver basic education programs. The District’s own forecasts show it will have exhausted its reserve fund balance by 2020-21, will have a budget deficit of \$400 million in 2020-21 and therefore be insolvent.”

-- *L.A. Unified Advisory Task Force (King Report), 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 (Cortines Report), Nov, 2015*

“As shown on Figure 1 and Exhibit 18, under this forecast, the projected 2018-19, 2019-20 and 2020-21 fiscal years end with an Unassigned Ending Balance of \$699.6 million, \$365.7 million, and \$1.7 million, respectively. The minimum 1.0 percent reserve balance is satisfied in all of these years, as shown on Figure 2. However, the Unassigned Ending Balance for fiscal years 2021-22 and 2022-23 is a shortfall position (deficit) of \$418.9 million and \$880.1 million, respectively. Additionally, the 1.0 percent minimum reserve condition is not met commencing in fiscal year 2021-22, as shown on Figure 2.”

-- *Los Angeles Unified School District Projected Financial Position Analysis, Houlihan Lokey, Sep, 2018*

L.A. Unified and UTLA are each entitled to opinions, but both must deal with the facts. UTLA continues to misrepresent L.A. Unified’s offer and the facts. We look forward to a thorough review of the facts by the Factfinding Panel.

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