

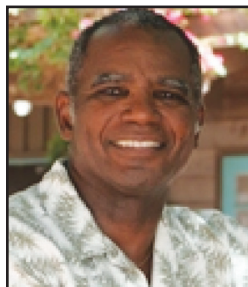
THE ADVOCATE

Stand with Us to Save Our Schools

An Open Letter to the San Diego Community

It is an unfortunate truth that California's school funding system is fundamentally broken. It is broken not only in that schools are underfunded, but it is broken in that school districts are required each year to budget in the dark. Districts are required to submit multi-year budgets to the County months and even years before anyone knows what funding levels are actually going to be. Crucial decisions about employee layoffs must be made in March for the upcoming school year, and yet the state budget is not finalized until June at the earliest. This timeline problem is made worse by the current leadership of the San Diego County Office of Education, which chooses to require San Diego County districts to assume that the worst-case scenario will come to pass. Many California counties choose a more moderate approach.

Working within this broken system, each year since 2008 the San Diego Unified School District's budget process has become an annual roller coaster cycle of issuing hundreds or thousands of layoffs only to



Letters in Solidarity

Bill Freeman
SDEA President

Camille Zombro
SDEA Vice President



recall them months later. Just last year, the SDUSD School Board chose to lay off nearly 1,400 educators based on those fiscal unknowns—layoffs that yet again proved unnecessary. The truth is that the District's worst-case scenario budget projections have not once come to pass. Each year the layoffs are recalled, schools are opened fully staffed, and the District carries forward a positive multi-million dollar ending balance—*every single time*. This year is no different. Preliminary analysis of the District's own numbers shows that the District will remain fiscally stable without a single layoff, or slashing and burning educators' pay and benefits, even if the worst case occurs.

When the School Board chooses to lay off educators

based on false worst-case scenario budget projections, they destabilize our schools, they hurt our students, and they put employees and our families through months of needless grief and anguish. **But the School Board has another choice.** Isn't it time our District quit blaming the County or the state and took responsibility for keeping our schools intact? The way you fix a broken system is not to passively function within it. The way you fix a broken system is to *challenge* it. Educators and parents are willing to put in the work to fight this broken budget system so we don't have to go

through this year after year. But we can only do that if we're not having to fight the District itself to protect our schools from yet another round of threatened cuts that are not necessary.

And so today we are asking the San Diego Unified School Board, will you commit to immediately cease your support for layoffs and contract concessions, and instead to stand with parents, students, educators and all school employees in a shared fight against the broken system which underfunds our schools and forces the District to budget in the dark?

We are ready when you are.

In Solidarity,

Bill Freeman
Bill Freeman
SDEA President

Camille Zombro
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SDEA Vice President

SDEA joins other unions in holding Board accountable

More than 40 SDEA members packed the San Diego Labor Council's School Board endorsement meeting at the SDEA office on January 30 as members were given the opportunity to address current and would-be Board members running for election.

The Labor Council is a coalition of 127 different unions throughout the region, including SDEA, which represents more than 192,000 union members. The organization requires that any candidate seeking endorsement attend an interview with union members.

The meeting featured interviews with SDUSD School Board members Richard Barrera and John Lee Evans, as well as SDUSD Chief of Staff Bernie Rhinerson, currently running for the San Diego Community College Board. The meeting gave SDEA members an opportunity

to directly ask the Board members why they chose to vote for layoffs last year, and if they believe that any fairly negotiated contract should be renegotiated at management's request without concrete budget data proving it to be absolutely necessary.

See ENDORSE, page 4

Budgeting in the Dark

SDEA analyzes how an archaic budget system hurts our schools, our students and our profession every year, and what our elected School Board can do about it.

Like clockwork, February ushers in another in a long series of budget and layoff battles. There are already calls by the District administration to sit down, review their budget with them, and either agree to significant take-backs of long-promised raises and cherished health care benefits, or accept the layoff of thousands of educators, vastly increased class sizes, and the gutting of crucial programs and services. While SDEA members have always acted responsibly when faced with real District financial necessities—such as when we agreed to health care concessions and furlough days just two years ago—there simply is not enough information from the state or District at this point to justify either concessions or layoffs.

Why should we stand firm until real financial numbers are available? The District's process itself is flawed. First of all, the Governor's first budget proposal is released in January for a fiscal year that does not begin until July. As we've seen each year, the Governor's proposal is far from final, and historically changes and improves funding for education before it is finalized. Second, in the beginning of March, the District is required to prepare a balanced budget using very conservative and restrictive assumptions and submit that budget to the County Office of Education. The California Education Code requires districts to issue permanent certificated layoff notices by March 15, long before the state budget is finalized. Then in May the Governor releases a "May Revise" budget, which takes into account actual state revenues, and historically improves upon the January budget. Districts use this new state projection (still not a final budget) to submit a revised budget to the County in June. Finally, the legislature is required to approve the California budget by June 30. **Based on this timeline, when the District asks for concessions in January, it does not know what the final June budget will be.** And yet every year, the District calls for concessions and issues layoff notices despite knowing full well that they are half a year away from their real budget. The District's now annual pattern at this point in the year is to ask educators to take even further significant concessions to make ends meet and to avoid layoffs. And each year, these additional concessions and layoffs have proven to be unnecessary. Just imagine what our salaries and benefits would look like if we had honored these requests from the District every time. Were these requested additional concessions necessary to keep the District afloat? Take a look at the budget figures to the right and decide for yourself.

It does not have to be this way! The requirement that the District budget for the worst-case scenario does not stem from the state—it stems from the county level. Each county can determine how strictly districts must abide by the January worst-case scenario budget projection. San Diego County Superintendent Randy Ward chooses to require districts to assume the worst-case each year. **Not every county requires its districts to assume that the worst-case scenario will come to pass.** Furthermore, the SDUSD elected School Board has the option of defying Ward, and submitting a budget based on a more "middle of the road" approach, as many districts do. Doing so would lead the District to receive a "qualified" County fiscal certification, resulting in a County audit. A qualified rating would *not* result in a state takeover, and would *not* preclude the District from receiving the loans it needs to contend with its normal, annual cash flow issue in the fall. Seven districts in our County currently have a qualified certification, and remain fully operational. This current year, the Governor advised districts to budget based on the passage of a ballot measure for education in November (which is polling positively at almost 70%). But the San Diego County Office of Education has demanded yet again that SDUSD budget for a worst-case scenario (one that assumes that the ballot measure will fail) and therefore virtually ensures that layoff notices go out throughout the County. The ability of the County Office of Education to supersede the Governor's recommendations that districts adopt a moderate, rather than worst-case scenario, approach to budgeting results in a cycle wherein the districts issue layoffs that prove to be unnecessary.

What can our School Board do about it? Our School Board has the opportunity this year to take a principled stand, to refuse to allow archaic and unreasonable state and County regulations to decimate our schools, and to refuse to issue a single layoff notice. There is no reason the District cannot wait and find out if the November ballot initiative passes before asking for contract concessions (when we'll be at the bargaining table anyway negotiating our next contract). **We elected this Board to lead in the fight to protect our schools, not to be complacent cogs in the machine dismantling them.** The solution is for the District to join with SDEA to demand that the Governor and Legislature finally correct this broken budgetary system. If the Board is willing to vote NO LAYOFFS this March and accept a qualified County rating, then we can all turn our collective energies towards ensuring that the November initiative passes, and work towards a budget system that makes sense for kids and schools. SDEA stands ready and willing to do this work. We hope the District will fight with us, and not require that we fight against them.

Has the worst-case projection actually come to pass?

Year	What did the District project their "ending balance" would be the preceding March?	Roughly how many layoffs were issued?	How many of the layoffs did the District recall?	What did the District's ending balance end up being for that year?
09-10	\$57,414,008 ⁽¹⁾	0	-	\$97,014,190 ⁽²⁾
10-11	\$29,472,696 ⁽³⁾	120	100%	\$116,766,375 ⁽⁴⁾
11-12	\$53,442,015 ⁽⁵⁾	1,350	90+%	?? ⁽⁶⁾

The chart above substantiates the truth that SDEA leadership has articulated for years: **When the District votes in the spring to issue layoff notices, they are using false numbers that never come to pass.** Since March 2008, the School Board has recalled nearly every single one of the nearly 2,500 layoff notices they've issued. These were layoffs they said were necessary in order to increase their ending balance for the following year and therefore avoid future insolvency. But their ending balance increased anyway every single time, without the layoffs! How can this be? For the reason described in the article to the left. When the District issues layoff notices, they do so based on a January projection of a state budget that will not be finalized for another half a year, and historically improves *substantially* over the January worst-case projection (as seen above). Just last week in *The Voice of San Diego*, School Board Trustee Richard Barrera reminded us that in his first year in office, "Literally, in one week, there was a revision of our numbers that made a \$180 million problem turn into a \$100 million problem almost overnight." That year, Barrera and the Board voted to do the right thing and not issue layoffs, and saw their ending balance swell to \$40 million above projections. Already this year, the District is running an unexpected \$9 million surplus (the same number they are now using to pad their 2012-2013 reserves). Yet the Board is once more threatening 1,000+ layoffs, with a combined demand for deep wage and benefit cuts. As has been the case every single year, neither layoffs nor concessions are necessary. In 2009 the elected Board leadership did the right thing. And there is nothing stopping them from doing so again this year.

SDEA calls upon the District to join with us, reject the County's worst-case scenario budgetary recommendation, and do the right thing this year—vote NO LAYOFFS, honor the contract you negotiated with us, and stand with us to protect our schools!

(1) March 2009 SDUSD "Second Interim Report". Total projected ending fund balance for the combined Restricted and Unrestricted General Fund for the 2009-2010 school year.

(2) September 2010 SDUSD "Unaudited Actuals" for the 2009-2010 school year. Total actual ending fund balance for the combined Restricted and Unrestricted General fund for the 2009-2010 school year.

(3) March 2010 SDUSD "Second Interim Report" presentation. Total projected ending fund balance for the combined Restricted and Unrestricted General Fund for the 2010-2011 school year.

(4) September 2011 SDUSD "Unaudited Actuals" for the 2010-2011 school year. Total actual ending fund balance for the combined Restricted and Unrestricted General fund for the 2010-2011 school year.

(5) March 2011 SDUSD "Second Interim Report". Total projected ending fund balance for the combined Restricted and Unrestricted General Fund for the 2011-2012 school year.

(6) Based on the December 2011 SDUSD "First Interim Report" the District is projecting an ending funding balance of \$61,836,663 for the combined Restricted and Unrestricted General Fund for the current 2011-2012 school year. The "Unaudited Actuals" final report for 2011-2012 will be available for comparison in September 2012.

** All data based upon public reports available on the SDUSD website (www.sandi.net) through the "Board Docs" feature.



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¹Based on figures developed by Standard Insurance Company as of March 31, 2011.
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GP 190-LTD/S399/CTA.3
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Endorse

Continued from p. 1

In addition to giving SDEA members an opportunity to address Board members, the interviews also provided an opportunity for other unions to learn why SDEA is often at odds with elected officials who tend to have the support of other unions. Several other unions have historically supported both Barrera and Evans.

The interviews were an important first step in the Labor Council's endorsement process. Candidates, all of whom attend a labor training session and complete a detailed questionnaire prior to being granted an interview, must receive the support of at least two-thirds of the unions in attendance to receive

a recommendation for an endorsement.

Recommendations are sent to the Labor Council's Executive Board, which consists of the chief executive officers of 30 local unions, including SDEA President Bill Freeman. Two-thirds of the Executive Board must confirm any recommendation.

Finally, two-thirds of the Labor Council's delegate body must approve a recommendation for an endorsement to be finalized. The delegate body consists of proportional representation from all 127 member unions. A final decision by the Labor Council is not expected to be determined until late February.



SDEA and other local union members ask SDUSD Chief of Staff Bernie Rhinerson to explain his position on layoffs, and why he deserves the labor community's endorsement.

Spring Election Announcement

The spring SDEA election for the SDEA Board and delegates to CTA State Council and NEA-RA will be held March 5-16, and will be conducted via paper ballots which will be mailed to members' home and/or site. Materials for the election are available for download at www.sdea.net/about/sdea-elections.

Save the Date: Day of the Teacher!

SDEA will celebrate the Day of the Teacher on Wednesday, May 12 at 4 p.m. at the SDEA office. There will be raffle prizes, food and drinks, great company, and just as last year, the opportunity to get active around the issues that are impacting San Diego's educators this year. We'll see you there!