



Los Angeles Unified School District

OFFICE OF THE GENERAL COUNSEL

OFFICE OF LABOR RELATIONS

333 S. Beaudry Avenue, 14th Floor, Los Angeles, CA 90017

TELEPHONE (213) 241-8322; FACSIMILE (213) 241-8401

AUSTIN BEUTNER

Superintendent of Schools

DAVID HOLMQUIST

General Counsel

NAJEEB KHOURY, Esq.

Director

July 26, 2018

Jeff Good, Executive Director
United Teachers Los Angeles
3303 Wilshire Blvd., 10th Floor
Los Angeles, CA 90010

Re: RESPONSE TO UTLA'S "LAST, BEST AND FINAL OFFER"

Dear Mr. Good

This letter serves as the District's response to UTLA's "Last, Best, and Final Offer" of July 24, 2018 containing a long list of demands, which UTLA is unwilling to negotiate. The District is disappointed that UTLA, within a span of three weeks, declared impasse, withdrew that request, and has now declared impasse again, after having given the District forty-eight hours to accept or reject its "Final Offer". Between the two declarations, UTLA did not change its proposal other than withdrawing issues (permissive subjects) that can not legally lead to an impasse. Indeed, UTLA has made little meaningful change on any substantive issues involving mandatory subjects of bargaining since we started bargaining in April 2017. Moreover, UTLA leadership began talking about a possible strike in August 2016, well before any negotiations on this contract began, and has continued to talk about a strike throughout the bargaining process.

As shown by the agreements reached with SEIU and AALA (which collectively represent the equivalent of 38,240 employees), we, as a District, are prepared to enter into a fair contract that balances the needs of our employees with the needs of our students and the financial stability of the District.

As you have noted, there are several open items where UTLA and the District fundamentally disagree. The District believes we should be able to make sure the right teachers are at the right schools. You continue to reject any effort to recognize highly effective teachers. Further, you want to effectively limit the number of new Magnet schools and limit the District's ability to select teachers with special skills or talents for new Magnet schools. Parents place a high value on the availability of Magnet schools for their children, which is demonstrated by a 35% increase in student enrollment in Magnet schools over the last 7 years. Student achievement in Magnet schools is amongst the highest in the L.A. Unified.

As we have publicly stated on numerous occasions, the District faces a \$504 million deficit for the current school year (FY 2018-2019) and your "Final Offer" would increase that deficit by \$813 million, creating a \$1.32 billion total annual deficit (see attachment A). We have provided you with these cost figures during our bargaining and you have not refuted them or provided us with any alternatives. L.A. Unified has \$1.2 billion in reserves, simple math shows that those reserves would be exhausted this school year should L.A. Unified accept your "Final Offer". The District, in other words, would immediately become bankrupt. The consequence of bankruptcy would be harmful for students, employees, including UTLA members, and the communities we serve.

For these reasons, we cannot agree to your "Last, Best and Final Offer". We remain committed to continue working toward a fair contract, which supports students, teachers, and all Los Angeles Unified stakeholders. We are prepared to continue bargaining and would like to meet again on August 7, 2018.

Sincerely,

A handwritten signature in black ink, appearing to read 'Najeeb Khoury', written over a light blue horizontal line.

Najeeb Khoury
Director of Labor Relations

Attachment A

A \$3 Billion Dollar Package

Three year cost of UTLA's Proposals

UTLA SALARY PROPOSALS

6.5% salary increase

Total incremental ANNUAL Cost*	\$189,428,369
<u>TOTAL 3-YEAR COST: SALARIES</u>	<u>\$568,285,107</u>

UTLA STAFFING PROPOSALS

a) Annual Cost of K-12 Class Size Proposals	\$205,733,333
b) Annual cost of FT Teacher Librarian at every MS, HS.	\$9,785,612
c) Annual Cost of FT Nurse at every school	\$71,739,649
d) Annual Cost of 1 PSW or 1 Dean or Restorative Justice Advisor for every 400 students.	\$226,661,760
e) Annual Cost of Increase # of Counselor from 1:500 students to 1:400	\$21,267,100
f) Annual Cost of SPED Teacher Staffing Proposals	\$263,412,000
Total Incremental ANNUAL Cost	\$798,599,454
<u>3-YEAR CUMULATIVE COST - CLASS SIZE</u>	<u>\$2,395,798,363</u>

Total Incremental ANNUAL Cost	\$988,027,823
--------------------------------------	----------------------

3-YEAR CUMULATIVE TOTAL: **\$2,964,083,470**

**LA. Unified's budget presentation to the Board of Education on June 19, 2018 assumed approximately 6% increases for each of the 12 bargaining units.*