

# Massive cuts and layoffs loom in San Diego's Sweetwater school district

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13 March 2019

Last week, the Sweetwater Union High School District (SUHSD) in San Diego, California announced it would hand out 87 pink slips to administrative support staff for the 2019-2020 school year. The district faces a more than \$68 million deficit and plans to cut at least \$22.5 million in the next academic year alone.

The notices will be issued March 30 and will affect administrative staff, program directors and assistant principals at various school sites across the district.

SUHSD is the largest secondary school district in California. Its more than 1,500 teachers work with some 42,000 students and over 32,000 adult learners in southwestern San Diego County, near the US-Mexico border.

The cuts to administrative staff are only the initial round of mass layoffs and cuts to occur over the next two academic years and will play a central role in upcoming contract negotiations. The current contract between the Sweetwater Education Association (SEA) teachers union and the district is set to expire on June 30.

The SEA and SUHSD met in a March 2 closed session to discuss the pink slips. Open hearings will be held over March 13 and 14, and a tentative agreement will be revealed at a March 25 board meeting.

Initially, the SUHSD budget deficit was revealed in October 2018 due to the findings of newly hired CFO Dr. Jenny Salkeld. But a recent investigation by the *San Diego Union Tribune* revealed that a recently retired auditor, Frances Martinez, had discovered financial “mismanagement” nine months prior in April 2018 after performing an internal audit of the district’s finances.

Among her findings, Martinez discovered that Sweetwater’s finance department was illegally conducting wire and phone transfers of millions of dollars from the district’s clearing account, a practice prohibited by state law.

Additionally, Martinez reported highly unusual

accounting delays. In one instance, Sweetwater finance staff took up to seven months to deposit money from the district’s clearing account into the county treasury. The clearing account is intended as a temporary holding place for money awaiting deposit to the county treasury. Martinez uncovered that the finance department used clearing account funds to pay settlements, bond interest, a consultant and a technology lease, among other things. A wire transfer payment was not posted in the district’s general ledger until three months after it was made.

In December 2018, an external audit was made by the state Fiscal Crisis and Management Assistance Team (FCMAT). The audit revealed evidence indicating a cover-up of the district’s financial problems. In a board meeting held on December 17, FCMAT’s chief executive officer Michael Fine revealed that 302 entries in the district’s accounting system were manipulated to show that the district had more money than it actually did.

The audit also uncovered that the district had omitted four months of payroll from the books, overestimated enrollment and state funding for three years, and engaged in possible illegal borrowing practices. The district has been taking loans from a special tax fund, called Mello-Roos. Fine warned the loans may not be covered under the tax arrangement and are on track to exceed levels allowed under state law.

The district responded with an empty statement, with promises to cooperate with auditors and root out the problem. Alleging that the district officials had knowingly covered up the systematic manipulation of funds, Sweetwater superintendent Karen Janney refused to comment on the possibility of fraud.

FCMAT officials have declared that SUHSD is at risk of going bankrupt, which could result in a state takeover of the district. Due to the financial crisis, SUHSD is currently under review by a San Diego County Board of Education fiscal adviser who has the authority to “stay or

rescind” any decision made at the district level.

Since revealing the budget deficit to employees and the public last October, the district, with the assistance of the Sweetwater Education Association (SEA) teachers union, has wasted no time in formulating ways in which cuts to schools will be implemented. The SEA fundamentally accepts the fraud and/or mismanagement and has assisted in establishing the framework for carrying through the over \$68 million in cuts.

In response to demands by teachers and education staff to oust the board and implement financial transparency, the SEA told teachers that current superintendent Janney was preferable to the previous board leadership and that the removal of the board would only risk a state takeover, mass layoffs and school closures.

The SEA and SUHSD have already pushed through layoffs and closures in the Adult Schools within the district, an end to credit recovery for students and cuts to after-school programs such as tutoring. Additionally, career technical education and extra support teachers, known as curriculum intervention specialists have also been terminated.

The union and the school board worked together to develop and pass a Supplemental Early Retirement Plan (SERP) for older teachers just before the winter break. Arguing that the SERP would significantly offset the deficit, the board and the union created a plan for teachers to retire early, and in the middle of the current school year. Teachers were told they could receive up to 85 percent of their final salary if they retired at the end of the semester—by December 21, 2018—or 65 percent of their final salary if they retired in June 2019.

Approximately 300 teachers chose to take early retirement. Some 94 teachers retired in December and the rest will leave in June 2019. Also included in the SERP agreement were two unpaid furlough days for all teachers. The early retirement and furlough deal was sold to teachers by the SEA as a means of protecting everyone’s jobs, but more pink slips are on the horizon.

The SERP agreement also contained wording that “protects” new teachers from getting pink slips for the 2019-2020 academic year. However, according to a clause in the contract, this can be overruled in the case of a Reduction in Force (RIF), or renegotiation with the SEA.

These instances of “mismanagement,” i.e., corruption at the district level, are not isolated events but are symptomatic of the direct and intentional looting of public education by the state and a reorientation toward privatization.

California has faced decades of cuts to education resulting in the deterioration of conditions in public schools and working conditions for staff and teachers. At the federal level, efforts at privatization have been on the agenda since the 1980s, regardless of which party was in power. The role of the teachers unions has been central to the looting of public education. The unions have suffocated the anger of workers by suppressing strikes and repackaging the unending cuts to education as “victories.”

What is happening in Sweetwater is symptomatic of the larger attack on public education across the state of California, as well as on a national and international basis. The WSWS has closely covered the growing teachers revolt across the world, which has now spread across five continents.

With a budget deficit and upcoming contract negotiations in June 2019, SUHSD teachers and staff face similar attacks as teachers in Oakland and Los Angeles: increased class sizes, lack of on-site resources for students such as nurses and psychologists, cuts to school programs and the increased privatization of schools.

A warning must be issued to San Diego teachers: they must begin discussing the lessons of the Oakland and Los Angeles strikes, which resulted in sellout contracts imposed on the membership by the unions, which line up with the Democratic Party—the very party spearheading charterization and privatization in the state.

Students and teachers must reject the line of the district and the unions that they should be made to pay for the corruption and embezzlement of funds.

In order to wage a fight to defend public education teachers need to form rank-and-file committees, completely independent of the unions, and begin discussing and preparing a statewide strike, directed toward ending the budget cuts, charterization and school closures.



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