

# San Diego Sweetwater High School District to lay off 82 educators and staff amid investigation of budgetary fraud

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On Tuesday, May 28 the Sweetwater Union High School District (SUHSD) School Board will meet to approve the elimination of 82 staff and educators from the district for the 2019-2020 academic year.

SUHSD, located in southwestern San Diego County, near the US-Mexico border, is the largest secondary school district in California with 29 schools—14 high, 11 middle, and four adult schools. It has more than 1,500 teachers, 42,000 students, and 32,000 adult learners.

Buried deep within the board's Tuesday evening agenda is item L-6, a vote on the terminations, which will include the layoffs of nine bus drivers, 29 office workers, 13 custodians, 11 instructional assistants, four information technical assistants, and two transportation attendants among others.

In total, 68 identified and general classified employees will be eliminated in addition to 14 upper management positions with the aim of saving \$6.4 million. While district and union officials have told teachers that they will not be affected by the cuts *this year*, the elimination of these positions will be deeply felt within the classrooms. Teachers will be provided fewer instructional assistants, asked to perform more of their own custodial work and have less administrative support, while students and their families will face more cuts to school bus programs.

The 82 terminations only pertain to the upcoming academic year, with more to follow in the coming years as the district pursues increased austerity to offset a budget deficit of \$20 million-\$23 million.

The Sweetwater Education Association (SEA) union began bargaining earlier this month for a new three-year contract to replace the current one, which is set to

expire June 30.

The SEA is pursuing contract negotiations amid revelations that the district continues to report false information about its finances and substantially underreport its debt, along with widespread allegations of fraud and mismanagement of funds.

According to the *San Diego Union Tribune*, the San Diego County Office of Education (SDCOE) informed the Sweetwater School District that it will end the current fiscal year with \$20 million to \$23 million in interfund borrowing debt, an amount far greater than the \$8 million reported by the district in April.

SUHSD budget deficit was initially revealed to the public in October 2018 under newly hired CFO Dr. Jenny Salkeld. However, an 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.

Martinez found 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.

In a board meeting held December 17, the state Fiscal Crisis and Management Assistance Team (FCMAT) 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.

A December 2018 external audit by FCMAT has yet to release its full findings. An initial audit revealed evidence indicating a cover-up of the district's financial problems.

Despite this, the SEA continues to negotiate, accepting without any serious challenge the district's premise that teachers must sacrifice to fill a budget shortfall, which is likely the result of fraudulent activity. Millions in cuts have already been pushed through by the SUHSD and the SEA, which, aligned with the Democratic Party, opposes the mobilization of teachers throughout the district and the state to fight layoffs, furloughs and cuts.

As one educator remarked at a March SEA meeting, "This board will likely be brought up on fraud charges, why should we bargain with them, why should we accept their numbers when they're the ones who got us into this mess?"

Another educator posted on social media, "...all we are being told is 'how to deal with these cuts.' I don't understand why the media, the county office of ed, and the entire world isn't asking, 'where is the money?' No one is moving to investigate, no one is moving to interrogate, no one seems to care—except us."

In a calculated public relations effort by the board, officials led by Superintendent Karen Janney, have attempted to place the blame of the financial mismanagement on their accounting software, TrueCourse, claiming the decade-old software is outdated.

However, it is not the software that can be blamed for the manipulation of line item entries. Nor can it explain the mysterious exodus of former Director of Finance Doug Martens and Chief Financial Officer Karen Michel who both retired from the district last summer as revelations of millions of dollars missing began to unfold.

A few weeks ago, the Sweetwater school board voted unanimously to purchase a costly financial software management system, Infor Lawson, while defying county officials who recommended free software and insisted that SUHSD use a bidding process before purchasing. Infor Lawson will cost the district \$1.8 million over the next five years for the subscription in addition to roughly \$1.8 million for implementing the new software, totaling at least \$3.6 million.

The cost of the software alone would more than cover the salaries of all 68 staff who will be laid off, excluding upper management, exposing the degree of the manufactured crisis. Educators and staff must demand that none of these positions be cut.

Mass austerity measures within the district have already taken place with the full support of the SEA. Credit recovery for students and after-school programs such as tutoring have already been cut. Additionally, career technical education and extra support teachers, known as curriculum intervention specialists, have been terminated.

Just before the winter break, the SEA and the school board passed the Supplemental Early Retirement Plan (SERP) to pressure older, higher-paid teachers to accept voluntary early retirements. Claiming that the SERP would significantly offset the deficit, the SUHSD and SEA created the plan that affected thousands of students who lost their teachers in the middle of the current school year.

Two unpaid furlough days for all teachers were also included in the SERP. The early retirement and furlough deal were sold to teachers by the SEA as a means of "protecting jobs." Despite the claim that the SERP would protect new teachers from getting pink slips for the 2019-2020 academic year, a clause in the contract states that this can be overruled in the case of a Reduction in Force (RIF) or renegotiation with the SEA, which is currently under way.

Teachers in the US and internationally are on the move, demanding an end to decades of austerity and union-backed concessions. The largest movement in decades of teachers in the US and internationally, including strikes by Polish, Mexican and Chinese teachers has taken place over the past 18 months.

In the US, the National Education Association (NEA) and the American Federation of Teachers (AFT) have worked to isolate and shut down every strike before it could break out into a broader movement.

It is vital that Sweetwater teachers link up with their counterparts in New Haven, California, Oregon, the Carolinas and other ongoing struggles. Teachers must build rank-and-file committees to fight austerity, demand the opening of the financial books and all union-management negotiations, and stop cuts to education staff and programs.



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