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**Lawsuit Claims L.A. Unified Plans to Illegally Divert \$2 Billion
Intended to Serve High Need Students**

(Los Angeles) –The Los Angeles Unified School District (LAUSD) is violating state law by refusing to use state education funds specifically targeted to help low-income students, English language learners and foster youth to increase or improve services for those students, according to a lawsuit filed on behalf of the Community Coalition of South Los Angeles and LAUSD parent Reyna Frias.

The suit, filed today in Los Angeles Superior Court, asserts that the district has used improper accounting practices that subvert both the letter and spirit of the 2013 education finance reform law known as Local Control Funding Formula (LCFF). If the district proceeds with its current plan, high need students stand to lose more than \$2 billion in funding over the next decade.

“LAUSD is breaking its promise to provide my children and millions of other students in the future, with the services they need and the law says they should receive,” said Ms. Frias, whose children qualify for the funds targeted by LCFF.

The plaintiffs are represented by Public Advocates Inc., the ACLU of California and Covington & Burling LLP.

“Community Coalition has spent decades working to transform the social and economic conditions in South Los Angeles,” said Alberto Retana, President and CEO of the Community Coalition of South Los Angeles, a plaintiff in the lawsuit. “We want to ensure that our students aren’t short-changed by LAUSD’s budget process. We see too many students in our public schools struggling because they don’t receive the services they need to thrive academically.”

The law directs school districts to use state funds under LCFF to "increase or improve" services for the targeted students. Each district calculates what it will spend partly on what it has spent in the past on such services. The lawsuit alleges that by counting prior spending for "special education" — which the district is already required to provide — as spending on services for low-income students, English

language learners and foster youth, LAUSD has in effect reduced its specific legal obligation to those very students by over \$400 million in 2014-15 and 2015-16 combined. Over time, if allowed to continue the practice, LAUSD will short-change these students by over \$2 billion by 2021, and \$450 million additionally every year after that.

"If every district uses its new LCFF funds to pay for things it's already legally required to do like LAUSD, the promise of California's new funding law will evaporate overnight," said John Affeldt, managing attorney with Public Advocates. "LCFF requires that LAUSD use these hundreds of millions of dollars to deliver new and better services to targeted students."

If the lawsuit prevails, special education students would still receive the same level of services they are now but LAUSD would be required to invest more money to develop new or improved services for high need students targeted under LCFF, who make up 84 percent of the district's student population.

"LCFF presents an historic opportunity to close opportunity gaps by directing additional resources to help California's neediest students and aligning budget decisions more closely with student needs," said Victor Leung, staff attorney with the ACLU Foundation of Southern California.

Public Advocates and the ACLU SoCal have spent the past year trying to resolve the issue with LAUSD and the L.A. County Office of Education, which is responsible for approving the LAUSD budget and spending plan, but with no success.

"We recognize that districts face financial pressures to prioritize their spending," said Laura Muschamp of Covington & Burling. "Nevertheless, it's not up to LAUSD to rewrite the law, but rather to follow it."

The lawsuit was filed on behalf of Ms. Frias and the Community Coalition of South Los Angeles by John T. Affeldt and Angelica Jongco of Public Advocates Inc., David B. Sapp and Victor Leung of ACLU Foundation of Southern California, and Laura E. Muschamp, Michael K. Plimack and Thomas Garten of Covington & Burling LLP.

For a copy of the complaint, Community Coalition of South Los Angeles and Reyna Frias v. LAUSD, et al, [click here](#)

Further Resources:

For a Primer on the LAUSD LCFF Spending Case, [click here](#)

For a Local Control Funding Formula timeline, [click here](#)

For a Graphic: Yearly Impact of LAUSD's Error at Full Implementation [click here](#)

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