

FINAL SETTLEMENT AGREEMENT

AND RELEASE OF ALL CLAIMS

This Agreement is entered into by and between PLAINTIFFS (“PLAINTIFFS”), the LOS ANGELES UNIFIED SCHOOL DISTRICT (the “DISTRICT” or “LAUSD”), UNITED TEACHERS LOS ANGELES (“UTLA”), and the PARTNERSHIP FOR LOS ANGELES SCHOOLS (“PLAS”) (collectively, “the parties”) in the matter of *Reed, et al. v. State of California, et al.*, in the Los Angeles Superior Court, case number BC432420, and is made with reference to the following facts:

- A. This Agreement affects claims and demands that are disputed, and by executing this Agreement none of the parties admits or concedes any of the claims, defenses, or allegations that were raised or could be raised by any other party or any third party. Moreover, neither this Agreement, nor any part of this Agreement, shall be construed to be or shall be admissible in any proceeding as evidence of or any admission by any party of any violation of law, or any wrongdoing whatsoever or for any other purpose except that this Agreement may be introduced in a proceeding to enforce the provisions and/or the intent of this Agreement.
- B. On February 24, 2010, PLAINTIFFS filed a Complaint in the Los Angeles Superior Court, Case No. BC432420 against the DISTRICT alleging constitutional violations relating to the DISTRICT’s Reductions in Force in 2009 and 2010 (the “Action”). In or around May 2010, PLAS and UTLA were added as parties by order of the Superior Court. On February 8, 2011, a Judgment was entered in favor of PLAINTIFFS, which was appealed. On August 10, 2012, the California Court of Appeal reversed the Judgment and remanded the Action back to the Los Angeles Superior Court.

The parties desire to resolve the Action between them on the terms and conditions set forth hereinafter. Now therefore in consideration for their mutual promises, the parties agree as follows:

1. **Statement of Intent:** The parties have entered into this Agreement to resolve the Action in the manner prescribed below in order to provide needed support at a number of the DISTRICT's schools to address the high teacher turnover and/or high student drop-out rates at these schools, which, in turn, may have had an adverse impact on the students at these schools. The parties agree to cooperate with each other to fulfill the intent and goals of the Agreement and the implementation of this program, the School Investment Stabilization and Enhancement Program (hereinafter the "Program"). This Agreement does not, nor is it intended to, supersede the provisions of the collective bargaining agreement between LAUSD and United Teachers Los Angeles (UTLA) or to affect the statutory rights of UTLA bargaining unit members. Any applicable existing provisions of the UTLA contract, applicable statutes, or other existing operative side letter agreements or Memorandum of Understanding between LAUSD and UTLA shall be deemed controlling.

2. **Program Schools:** The list of 37 LAUSD middle and high schools participating in the Program (hereinafter the "Investment Schools") is set forth in Attachment A, 33 of which were selected based on their high teacher turnover rates, and 4 of which were selected based on their high student drop-out rates, and all of which have an API rank of 3 or below. The primary goal of this settlement is to improve the education provided to students at these schools, as measured by academic performance, and promote stability by: (1) decreasing teacher turnover; and (2) decreasing student drop-out rates at high schools.

3. **Effective Dates of Program:** The following provisions and the list of schools listed in Attachment A will be in effect for three school years commencing in the 2014-2015 school year (and in preparation thereof), and continuing through the 2015-2016 school year and the 2016-2017 school year. Certain aspects of the Program are necessary to be put in place in the 2013-14 school year in preparation for the 2014-15 year, and these instances are identified below for clarity. The DISTRICT agrees to conduct an annual survey or study of the Program to evaluate its results

utilizing a published survey instrument, and to consider contracting an outside consultant to perform the survey. The District shall make available all survey results to the parties within sixty (60) days of the survey being administered and completed. The District shall provide annual reports of the Program's progress to the parties, the Superintendent, and the LAUSD Board of Education. The parties agree that prior to the end of the 2016-2017 school year, the parties will review the results of the Program and discuss extending the duration of the Program and its terms.

INVESTMENTS AND ADDITIONAL SUPPORT TO BE PROVIDED

4. **Additional School Leadership and Support:** For the duration of the Program, the DISTRICT agrees to provide additional staff at the Investment Schools unless specified otherwise as follows:

a. One administrator (*i.e.*, an Assistant Principal or Instructional Specialist) at a salary step of 40G or 41G, A basis). The Investment Schools will have the discretion to select either an Assistant Principal or an Instructional Specialist but are strongly encouraged to consider qualified candidates who are on the Assistant Principals re-hire list, if any, with special consideration given to those Assistant Principals who are not currently serving in an administrator position and whose status on the re-hire list is set to expire on September 30, 2014. (See Attachment B: Memorandum of Understanding between Associated Administrators of Los Angeles and LAUSD).

b. One of the following: a PSA Counselor (33D, B Basis), a Psychiatric Social Worker (33D, B Basis) **or** a Secondary Counselor (with duties including providing guidance to students regarding college entrance requirements and options to pursue higher education) at B Basis at the appropriate salary step based on the applicable salary schedule. Selection of the position will be determined at the school site based on the needs of the school and in a manner consistent with the UTLA collective bargaining agreement and any local governance requirements.

c. One certificated non-administrative position (e.g., coordinator or instructional coach or equivalent position) at B Basis focused on supporting the Special Education population, including but not limited to assisting special education teachers, for each of the following schools: i. Jordan Senior High, ii. Mendez High, iii. Audubon Middle School, iv. Obama Global Prep Academy, v. Gompers Middle School, vi. East Valley Senior High, vii. San Fernando Middle School, viii. Sun Valley Middle School, ix. Markham Middle School, x. Manual Arts Senior High, xi. Canoga Park Senior High, xii. Fremont Senior High, xiii. Wilson Senior High; and two certificated non-administrative positions (e.g., coordinators or instructional coaches or equivalent positions) focused on supporting the Special Education population for each of the following schools: i. Panorama Senior High, ii. Fulton College Prep School, iii. Roosevelt Senior High, iv. San Pedro Senior High, and v. Banning Senior High.

5. **Additional Instructional Leadership - Mentor Teachers and Availability of Substitute-Teachers:** For the duration of the Program, the DISTRICT agrees to provide at least two mentor teachers for each of the Investment Schools, but the Investment Schools with more than 60 teachers shall be provided with a third mentor teacher. Article XXVI of the UTLA contract shall apply, unless otherwise agreed to in writing by UTLA and the District. The mentor teachers will receive appropriate training associated with the completion of their duties.

a. **Release Time and Auxiliary Period:** Consistent with the UTLA collective bargaining agreement and paragraph 5(b) below, the mentor teachers shall be released from their regularly scheduled classes in order to conduct mentoring of non-permanent teachers and other teachers identified for support at the school site utilizing the budgeted substitute release days. Similarly, to allow time to meet with the mentor teacher, the DISTRICT shall provide funding to the Investment Schools to provide an auxiliary period for all non-

permanent teachers to teach one less period per day, thereby receiving an extra conference period to be mentored by the mentor teacher.

b. Provision of Substitute Teachers: The DISTRICT will provide the Investment Schools substitute teachers to be utilized when mentor/mentee teachers are being released from their classes for mentoring. The DISTRICT will provide all of the Investment Schools funding for substitute teachers for this purpose for the equivalent of 25 days per school year except that Huntington Park Senior High, Canoga Park Senior High, Stevenson Middle School, Fulton College Preparatory School, Gage Middle School, Los Angeles Academy Middle School, West Adams Preparatory Senior High, South East Senior High, Nimitz Middle School, Fremont Senior High, and Wilson Senior High shall receive the equivalent of 35 days; and San Fernando Senior High, Monroe Senior High, Roosevelt Senior High, San Pedro Senior High, Banning Senior High and Bell Senior High shall receive the equivalent of 45 days.

c. Selection & Stipend: The DISTRICT and UTLA will continue to negotiate in good faith regarding a higher stipend amount for mentor teachers and also to update the mentor teacher selection process and other provisions necessary to achieve the goals of this Agreement under Article XXVI of the UTLA collective bargaining agreement.

6. **Professional Development:** For the duration of the Program, the DISTRICT agrees to provide 40 hours of paid professional development training (“special training”) to all teachers and non-administrative certificated staff at the Investment Schools in order to promote the goals of this Agreement, including, but not limited to special training and skills necessary to teach a specific course or course of study. Such special training shall be offered in addition to the regularly scheduled and/or mandatory professional development not explicitly associated with the goals of this Agreement. UTLA and AALA bargaining unit members who participate in the Program shall be paid at their regular hourly rate. Any new teachers or non-administrative certificated staff at the

Investment Schools who have not received the special training shall be provided the above special training commencing in the school year that they start their assignment at the Investment School. The DISTRICT also shall provide professional development training to other administrative certificated staff and the Principal or designee to serve the goals of the Program.

a. Implementation and Development: The DISTRICT, in coordination with the Investment Schools (and PLAS as it relates to PLAS schools), shall utilize reasonable discretion in determining the timing of these professional development trainings to successfully deliver the training and reduce any burden placed on the teachers and staff at the Investment Schools, including establishing multiple tracks for teachers and staff to obtain this training. As it relates to PLAS schools, the District will collaborate with PLAS to determine the content and timing of these professional development trainings for teachers and staff at PLAS schools. Plaintiffs, PLAS and the DISTRICT agree that the special training being developed shall be designed to be necessary to teach a specific course or course of study to the unique student population at the Investment Schools. The parties will continue discussing the content of and the implementation of the professional development training to be provided that would best fulfill the goals of this Agreement, including whether the training will be administered by PLAS (for PLAS schools), the DISTRICT or an outside provider(s). The objectives and principles to guide the special training are attached as Attachment C.

b. Funding Resources: The DISTRICT agrees to provide an adequate budget (e.g., approximately \$1.9 million) to fund the development and delivery of the special training for any outside providers, including PLAS for PLAS schools. Outside providers, subject to the District's procurement policies, will contract to design and implement "the special training." The parties shall mutually agree upon the list of potential outside providers, including the initial list of outside providers agreed to by the parties in Attachment

C, who will facilitate the various “menu” of professional development options that will constitute the special training, as well as the approximate number of hours per teacher that the outside providers shall deliver. The parties will actively recruit other potential vendors to be added to the list of potential vendors before the commencement of the special training.

7. **A Basis Principal Assignment:** For the duration of the Program, Principals at the Investment Schools shall be on A basis. (See Attachment B).

8. **Extended Assignment Substitute Teachers:** The DISTRICT will fund extended assignment substitute teachers (*i.e.*, the applicable pay for substitute teachers who are assigned on an extended basis) at the Investment Schools if the Investment School uses school site funds to fund the regular daily substitute rate for such long-term substitute teachers (see Attachment D). The selection process for the extended assignment substitute shall be in compliance with the UTLA-LAUSD collective bargaining agreement and existing law.

9. **Principal Retention Incentive Pay:** For the duration of the Program, the Principals who remain at the Investment Schools shall be eligible to receive retention incentive pay if they meet the following requirements: a) they have received a performance evaluation with an overall “meets standard” rating and have not received an overall “below standards” rating within the preceding four years; b) they have not received a Notice of Unsatisfactory Service/Act in the preceding four years; c) they have completed all of the training required for Principals provided for under this Program at the Investment Schools; and d) they served at the same school for the entire previous school year (or, if they were hired after the first day of the previous school year, for the remaining portion of the school year in which they served after their assignment date). If eligible based on these requirements, the Principals shall receive the retention incentive pay as follows:

Timing of Eligibility Determination & Payment	Principal
After commencement of 2015-2016 school year (for work during the 2014-15 school year)	\$7,500
After commencement of 2016-2017 school year (for work during the 2015-16 school year)	\$10,000

(See Attachment B) Retention incentive pay shall be prorated based on the hire date for Principals hired after the first day of the previous school year. Retention pay shall be paid in installments over the school year.

10. **Principal Recruitment Incentive Pay:** For the duration of the program, any individual from a non-Investment School hired to fill a Principal vacancy at the Investment Schools shall receive recruitment incentive pay of \$10,000 (See Attachment B). The recruitment incentive shall be paid in installments over the course of the first school year of the Principal’s assignment at the Investment School.

11. **Stabilization at Over-Teacherred Investment Schools:** For the duration of the program, in the event of a decline in the student enrollment of the Investment Schools resulting in the displacement of a teacher or teachers teaching English Language Arts or Math, the Investment School may request that at least one such potentially displaced teacher be retained and continue to teach at the school, and the District shall provide funding for this purpose in the event of such request, unless an employee may agree to be displaced when an over-teacherred condition exists. To the extent that more than one teacher is being displaced due to a student enrollment decline, the Investment School may request the DISTRICT to provide additional funding to retain additional

teachers, which may or may not be granted depending on funding. This component of the Program will commence in the 2014-15 school year, based on the student enrollment and teacher ratio in place during the 2013-14 norm day enrollment for the school year.

12. **Future Potential Reduction-In-Force:** The parties understand that the special training described in Section 6 above is intended to provide teachers at the Investment Schools with the training and experience necessary to teach a course of study under California Education Code section 44955(d)(1). Should a certificated reduction-in-force take place during the Program, the DISTRICT shall utilize the training and experience provided under Section 6 above to maintain staffing stability and continuity of instruction at the Investment Schools pursuant to California Education Code section 44955(d)(1). However, nothing herein shall be deemed to be a waiver of individual teacher rights under Education Code Section 44955(b) and other applicable provisions.

13. **Staffing Support:** The DISTRICT agrees to work directly with the subject Investment School leadership teams (coordinating with PLAS for PLAS schools) and to utilize resources allocated to the Investment Schools to expedite and assure improved staffing. The DISTRICT and the Investment Schools will establish an expedited priority staffing process and calendar for the Investment schools. Investment Schools will work with Human Resources staff to create schedules for school site interviews of interested teachers. The DISTRICT shall require all teachers seeking a position on the re-hire or priority placement list to submit an updated resume electronically in the Teacher Finder system. The DISTRICT will conduct exit interviews of teachers and administrators who decide to leave one of the Investment Schools to help evaluate the effectiveness of the Program.

14. **Administration of the Program:** While a number of divisions of the DISTRICT will be responsible for the implementation of the Program, the DISTRICT will appoint an individual(s) or a unit who will be responsible for overseeing and managing the Program to ensure its effective execution. The DISTRICT agrees to provide staff devoted to supporting the Investment Schools in

their recruitment and support of teachers. The DISTRICT administrator of the Program will seek and reasonably incorporate input from the Investment Schools' leadership (with participation by PLAS at PLAS schools) when making decisions impacting the Program's administration.

15. Each party is solely responsible for his, her or its own attorney's fees and costs for all aspects of the Action, including but not limited to any pre-filing investigation, all litigation, and the process of settlement negotiations, approval and implementation. This provision, however, does not apply to costs previously awarded to PLAINTIFFS by the Court, which have already been paid in full.

16. Within fifteen (15) court days of full execution of this Agreement, the Parties will file a joint motion for preliminary approval of the settlement. This motion will request the Court to conditionally certify a settlement class; declare the class as a mandatory, non-opt-out class; and set a final approval hearing date.

17. Once the Court grants preliminary approval of the settlement, the parties will jointly move for final approval and will hold a final approval hearing using a schedule to be set by the Court.

18. The parties will jointly seek a judgment from the Court after the Court has granted final approval of the settlement, and the Court will retain exclusive and continuing jurisdiction over the action through June 30, 2017 for purposes of supervising the implementation and interpretation of the Agreement.

19. This Agreement is subject to and conditioned upon: a) the final approval of the Court of this Agreement; and b) the approval/ratification of the parties' respective governing bodies. Pending such approval and/or ratification, the parties agree to commence implementation of the terms of the Agreement beginning with execution of this Agreement, regardless of the status of proceedings related to obtaining Court approval of the settlement.

20. By executing this Settlement Agreement and the Releases contained herein, none of the parties admits to the truth and merit of the position asserted by any other party or the falsity or lack of merit in the positions asserted by it with respect to any matters arising from or relating to any party's claims or defenses.

21. In consideration of the promises set forth herein, PLAINTIFFS hereby, on behalf of themselves (and their successors and assigns) and on behalf of the class they represent unconditionally release and forever discharge the DISTRICT, UTLA and PLAS, and their Board members, officers, directors, employees, agents, attorneys, and representatives from any and all known or unknown claims, demands, actions or causes of action whatsoever arising out of or relating to the Action, or to the claims and defenses asserted therein, that existed at any time on or before the date of their signing this Agreement ("the Released Claims"). PLAINTIFFS agree to waive the provisions of Section 1542 of the Civil Code of the State of California, which provides that: **"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN THE CREDITOR'S FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY THE CREDITOR WOULD HAVE MATERIALLY AFFECTED THE CREDITOR'S SETTLEMENT WITH THE DEBTOR."** For purposes of this section, PLAINTIFFS are the "Creditor" and the DISTRICT, UTLA AND PLAS (as well as all of the other released persons and entities) are the "Debtor".

22. Each party to this Agreement expressly affirms and acknowledges that he, she or it understands the significance and consequence of the Release set forth above and of such specific waiver of Civil Code Section 1542, and expressly agrees that this Agreement shall be given full force and effect according to each and all of its express terms and provisions, including those relating to unknown and unsuspected claims, demands, obligations and causes of action herein above specified.

23. Plaintiffs, on behalf of themselves (and their successors and assigns) and on behalf of the class they represent agree, to the fullest extent permitted by law, that they will not prosecute or allow to be prosecuted on their behalf, in any court, administrative agency or other forum, whether state or federal, any Released Claim as set forth above. If any such action is brought, this Agreement will constitute a complete Affirmative Defense thereto, and any of the released parties shall be entitled to recover all attorneys' fees, statutory costs and litigation expenses incurred in defending against any Released Claim.

24. Each of the parties hereto warrants that he, she or it will cooperate with each and every other party to carry out, effectuate and accomplish the terms of this Agreement. Accordingly, where appropriate, and in furtherance of carrying out the terms and conditions of this Agreement, each party will sign any and all additional papers and obtain and convey any and all necessary documentation to any other party.

25. It is further expressly understood and agreed that if at any time a violation of any term of this Settlement Agreement is asserted by any party hereto, said party shall have the right, after communicating any alleged violation in writing to the other parties and reasonably working to resolve the alleged violation in collaboration with the other parties, to seek specific performance of said term or any other necessary and proper relief from any court of competent jurisdiction.

26. In the event any of the terms or provisions of this Agreement or the Attachments are found to be legally unenforceable, then the remaining terms and conditions shall nevertheless be enforceable without regard to any such provisions or terms that are found to be legally unenforceable. Should any provision be deemed unenforceable, the parties shall promptly commence negotiations to replace said provisions with a substitute provision that accomplishes the same end, or as close thereto, as possible, consistent with the Court's ruling invalidating an original provision.

27. The parties understand and agree that this Agreement constitutes the sole Agreement among them as to the subject matter of this Agreement, and that in signing this Agreement they have not relied on any other promises, inducement or representations other than as expressly set forth herein in deciding to sign this Agreement. Any modifications must be made in writing and signed by all parties to this Agreement.

28. Having read the foregoing and understood and agreed to the terms of this Settlement Agreement, consisting of a total of ____ typewritten pages and having been advised by counsel, the parties hereby voluntarily affix their signatures. This Agreement may be executed in counterparts and any copy shall be as valid and fully admissible into evidence as an original in any subsequent proceeding among the parties.

29. This Agreement shall be interpreted under the laws of the State of California.

Dated: April ____, 2014 By: _____
Plaintiff Sharail Reed

Dated: April ____, 2014 By: _____
Plaintiff Liliane Rodriguez

Dated: April ____, 2014 By: _____
Plaintiff Yamilett Rivas

Dated: April ____, 2014 By: _____
Plaintiff Concepcion Manuel- Flores

Dated: April ____, 2014 By: _____
Plaintiff Victor Sanchez

Dated: April ____, 2014 By: _____
Plaintiff Ayana Reynolds

Dated: April ____, 2014 By: _____
Plaintiff Kenyatta Jones

Dated: April ____, 2014 By: _____
Plaintiff Cesar Logrono

Dated: April ____, 2014

By: _____
JOHN E. DEASY
LOS ANGELES UNIFIED SCHOOL DISTRICT

Dated: April ____, 2014

By: _____
WARREN FLETCHER
UNITED TEACHERS LOS ANGELES

Dated: April ____, 2014

By: _____
MARK KLEGER-HEINE
PARTNERSHIP FOR LOS ANGELES SCHOOLS

Approved as to form and content:

MORRISON FOERSTER, LLP

Dated: April ____, 2014

By: _____
SEAN GATES
Attorneys for PLAINTIFFS

ACLU Foundation of Southern California

Dated: April ____, 2014

By: _____
MARK ROSENBAUM
Attorneys for PLAINTIFFS

PUBLIC COUNSEL

Dated: April ____, 2014

By: _____
ERIN DARLING
Attorneys for PLAINITFFS

OFFICE OF THE GENERAL COUNSEL

Dated: April ____, 2014

By: _____
ALEXANDER A. MOLINA
Attorneys for LOS ANGELES UNIFIED SCHOOL
DISTRICT

LIEBERT CASSIDY WHITMORE LLP

Dated: April ____, 2014

By: _____
MARY DOWELL
Attorneys for LOS ANGELES UNIFIED SCHOOL
DISTRICT

HOLGUIN, GARFIELD, MARTINEZ & QUIÑONEZ,
APLC

Dated: April ___, 2014

By: _____
JESUS QUIÑONEZ
Attorneys for UNITED TEACHERS LOS ANGELES

ALTSHULER BERZON LLP

Dated: April ___, 2014

By: _____
JEFFREY B. DEMAIN
Attorneys for UNITED TEACHERS LOS ANGELES

KIRKLAND & ELLIS LLP

Dated: April ___, 2014

By: _____
DIANA M. TORRES
Attorneys for PARTNERSHIP FOR LOS ANGELES
SCHOOLS

ATTACHMENT A

1.	B. Obama Global Prep Academy
2.	Roosevelt Senior High
3.	New Open World Academy
4.	Audubon Middle School
5.	Berendo Middle School
6.	John H. Liechty Middle School
7.	Drew Middle School
8.	Fulton College Preparatory School
9.	Gage Middle School
10.	Gompers Middle School
11.	Los Angeles Academy Middle School
12.	Markham Middle School
13.	Johnnie L. Cochran Jr. Middle School
14.	Muir Middle School
15.	Nimitz Middle School
16.	San Fernando Middle School
17.	Stevenson Middle School
18.	Sun Valley Middle School
19.	Banning Senior High School
20.	Bell Senior High School
21.	Edward R. Roybal Learning Center
22.	Canoga Park Senior High School
23.	Panorama Senior High School

24.	Wilson Senior High School
25.	Fremont Senior High School
26.	Huntington Park Senior High School
27.	Jefferson Senior High School
28.	Jordan Senior High School
29.	Lincoln Senior High School
30.	Manual Arts Senior High School
31.	West Adams Preparatory Senior High School
32.	Monroe Senior High School
33.	San Fernando Senior High School
34.	San Pedro Senior High School
35.	South East Senior High School
36.	East Valley High School
37.	Mendez High School