

## UPDATE

Week of March 30, 2009

### **BOARD PRESENTATION: March 31, 2009**

President García, Members of the Board, Superintendent Cortines; my name is **Mike O'Sullivan**, President of AALA, representing our 2700 members.

Please delay any vote on the 2009-2010 budget until all information is available from the approximately one billion dollar federal stimulus package, the Governor's May Revise, and the results of the May 19, 2009, initiative election.

**FINAL BUDGET DECISION  
POSTPONED UNTIL  
APRIL 14**

This is only prudent in order to fully understand the finances of the District.

Federal stimulus money should be used first and foremost to retain and create jobs, which is consistent with the priority of President Obama and the Legislature.

If there is a concern about year-round schools starting on July 1, there is precedent for allocating funds to those schools in advance of determining their final budget. These schools should not impede or delay the consideration of all fiscal matters.

AALA supports education reform that reflects full budget disclosure and is fully transparent. Reforms can be instituted at any time after thoughtful consideration of needs and available resources. Believe us when we say that reform does not need to be borne out of chaos.

In conclusion, the budget being proposed by the Superintendent is not reflective of the total funds available to the District. AALA urges you to have patience and wait until after May 19 to make your final decisions on a budget that will affect the lives of thousands of employees, students and their parents. Don't rush to judgment with incomplete facts.

## LEADERSHIP IS PRICELESS

In the *MasterCard* television commercial, several scenarios are depicted that cost various amounts of money. For instance, a picnic basket costs \$10, admission to a park costs \$15, bicycles cost \$500, and time spent as a family is priceless.

LAUSD has been informed that it will receive upwards of one billion dollars in federal stimulus money via the *American Recovery and Reinvestment Act*. The money is intended to prevent layoffs and make whole the education programs that are underfunded by the State of California. Within the next few weeks, LAUSD will receive approximately:

- \$361 million for Title 1 economically disadvantaged students
- \$168 million for special education services
- \$9.8 million for education technology
- \$380 million for State stabilization

And, of course the leadership needed by the Board of Education and the Superintendent to implement the stimulus money to save jobs will be PRICELESS.

AAALA encourages Superintendent **Ramon Cortines** to use the stimulus money to lead us out of the budget wilderness. We recognize that he has concerns related to reform in the District; however, reform of any kind cannot be implemented based on reductions. Restructuring requires careful analysis and collaborative input from all stakeholders. **Once valuable, experienced personnel have been saved, the priceless work of educational leadership can begin.**

## PHARMACY CHOICES AFFECT SOME LOS ANGELES UNIFIED SCHOOL DISTRICT EMPLOYEES

The choice of CVS/Caremark was not a unilateral decision imposed by the District. The selection and changes were made by the LAUSD Health Benefits Committee, which includes representatives from the eight unions representing LAUSD employees and a representative from the District who has one vote.

CVS/Caremark manages the prescription drug benefit for the Los Angeles Unified School District (LAUSD). As part of the plan design developed with LAUSD, plan participants who are taking medications for chronic conditions now have the choice of receiving 90-day prescriptions through the traditional CVS/Caremark Mail Service Pharmacy or through the new option at a CVS pharmacy retail location.

Regardless of which channel the plan participant selects to receive his/her chronic medications (via mail or at their local CVS pharmacy), the District is charged a lower rate and the plan participant pays the lower co-pay.

With regards to prescriptions for other acute or short-term conditions, plan participants are able to obtain these prescriptions at any one of the more than 62,000 participating pharmacies in the network. This network includes major retail chains as well as the majority of independent pharmacies.

## CANDIDATES NOMINATED FOR AALA PRESIDENCY AND EXECUTIVE BOARD

AALA is proud to announce the slate of candidates to fill the positions of President and Executive Board officers for 2009 – 2012.

### **President**

*Ben Avila* – Assistant Principal, Operations, Belmont CAS

*Phil Naimo* – Director, Local District 4

*Christopher Ortiz* – Principal, City Terrace School

*Judith Perez* – Principal, Hancock Park School

### **Director – Adult Department**

*Howard Saxe* – Principal, Abram Friedman Occupational Center

### **Vice President – Elementary Department**

*Angel Barrett* – Principal, Plummer School

*Emily Dixon* – Assistant Principal-EIS, Braddock Drive School

### **Vice President – Secondary Department**

*Margaret Prietto* – Assistant Principal, Olive Vista Middle School

### **Director – Supervisory Department**

*Marsha Oh-Bilodeau* – Coordinator, Peer Assistance and Review

Note: All LAUSD active employee members will vote for the Office of President and will vote by department for Executive Board representatives. **Ballots will be mailed by ETI on April 3 and the deadline for voting is April 23. PLEASE VOTE.**

## IN MEMORIAM

**HARLEY "DEANE" ARNOLD** –Former Assistant Principal at Trinity Street, Manchester Avenue, and Forty-ninth Street schools. He retired on June 30, 1983, and passed away on February 3, 2009.

### **CORRECTION:**

**LLOYD "BOB" JOHNSON** – was a former Principal of Sierra **Park ES**, not Sierra Vista ES.

## SAVE THE DATE

**WEDNESDAY, APRIL 22, 2009** – The Association of California School Administrators (ACSA) Region XVI will hold a Membership Social for Local Districts 1 & 2 at University Club (Lamb's Lounge), corner of Dearborn and Zelzah, CSUN, 18111 Nordhoff Street, Northridge, from 5:30 p.m. to 7:00 p.m. For information contact **Brian Sida** at 818.609.2500.

**THURSDAY, MAY 28, 2009** – The ACSA Region XVI Annual Administrators of the Year Award Banquet will be held at Casa Italiana Restaurant, 1051 North Broadway, Los Angeles, from 5:00 p.m. to 8:00 p.m.

**“Leading in a Time of Change”**

*by Mike O’Sullivan*

On Saturday, March 28, 2009, an enthusiastic group of over 300 plus secondary educators enjoyed their day at Central High School #9 (also know as the Los Angeles Visual and Performing Arts High School), which is located on the site of the former board offices at 450 N. Grand. The school itself is magnificent, and Local District Superintendent **Richard Alonzo** was most gracious in making it available for this special event.

Superintendent **Ramon Cortines** greeted the group to begin the day's the activities. He was followed by a humorous, but very appropriate, presentation by keynoter **Steve Constantino**, Associate Superintendent, Cobb County School District, Georgia.

Participants then dispersed to a number of interesting and timely workshops presented by various active and retired AALA members including, **Greg Valone, Joanne Kamiya, Barry Allwright, Judith Vanderbok, Mirta McKay, Melina Castillo, Sharon Kerson, Terry Sciarrino, Ron Klemp, Jack Foote, Enrique Gonzalez, Mike Bennett, Terrance Jakubowski, Francisco Ayala, Sean Gaston, Anita Moultrie Turner, Jim Bryan, Judi O’Sullivan, Maggie Connelly, Lew Mc Cammon** and **Aminika Readeux**.

After lunch, a panel discussion featuring four current LAUSD principals—**Stephanie McClay, Gerardo Loera, Coleen Kaiwi, and German Cerda**—was led by **Rick Moore**, CSUN School of Management.

**Debbie Leidner**, former LAUSD principal and Local District Superintendent, and **Richard Castallo**, her colleague at CSUN, were the primary organizers of this event.

It was a brief respite from all the more problematic issues that we face as a District, and it felt good for a change to just talk positively about our profession.

**RETIREMENT CELEBRATIONS**

Name	Date, Time	Location	Contact
Lorraine "Tangee" Mason	Sunday, June 14, 2009 12:00 p.m.	Casa Torres 455 San Fernando Mission Bl. San Fernando	Debbie Walker 818.899.0244
Gwendolyn Jones	Sunday, May 31, 2009 2:00 p.m.	FantaSea Yacht Club 4215 Admiralty Way Marina Del Rey	Dale Reinert 213.241.0803
Karen Ehrlich Elena Loredó-Velarde	Saturday, June 13, 2009 6:00 p.m. – 12:00 a.m.	Taix French Restaurant 1911 Sunset Blvd. Los Angeles	Carla Mauldin 323.932.2185 <a href="mailto:carla.mauldin@lausd.net">carla.mauldin@lausd.net</a>
Sharyn Miller	Sunday, June 28, 2009 11:00 a.m. – 3:00 p.m.	Porter Valley Country Club 19216 Singing Hills Drive Northridge	Cindy Welden 818.256.2973
Mary Lewis	Saturday, June 20, 2009 11:00 a.m.	Marriott Hotel 4100 Admiralty Way Marina Del Rey	Peggy Taylor Presley 323.832.4690

**NOTE:**  
**UPDATE WILL NOT BE PUBLISHED NEXT WEEK DUE TO SPRING BREAK!**

FOR YOUR INFORMATION—

### ***Should You Take the "Golden Handshake"?***

The Los Angeles Unified School District has offered qualifying certificated employees a bonus if they submit the required PARS enrollment materials and District Resignation Form to the PARS office by the enrollment deadline of April 24, 2009, and have retired under STRS/PERS effective on or before July 1, 2009. If you are a candidate, you might be wondering if you should take the 40% bonus and retire now. For most of you this is a tough question. Not only is it a complicated financial question, the complexity is compounded because it is also an emotional one.

When to retire is an emotional question because we know it will cause a major life change. To help ease the emotional trauma of retirement, remember the old adage, "When you retire, don't retire." Retirement doesn't mean you cease activity. You must stay active and involved. Your pace just shifts. This decision becomes even more emotional when taking retirement could potentially allow someone younger (someone who is where you were 5 or 10 years ago) to have the opportunity to maintain his or her position with the District.

Since you have worked for the District for many years and have contributed to STRS, and you probably have accumulated money inside a 403(b)/TSA, this is a good news / bad news story. The good news is in the early years of your retirement you will more than likely generate close to 100% of your pre-retirement income. The bad news is it's all taxable.

Your children are grown so you no longer have that deduction. Your mortgage might be paid off (or soon will be) and you no longer have the home interest deduction. You put money into your 403(b)/TSA partly because you were told to put money away while you are in a higher tax bracket and pull it out when you are in a lower tax bracket. Unfortunately, since the government changed the rules, you will probably be in the same (or higher) tax bracket when you retire.

On top of the issue of too much taxable retirement income, the District has sweetened retirement with a 40% Golden Handshake. The question is, should you take it or not? There are several variables you need to consider before you can answer that question. When you retire, you will roll your 403(b)/TSA money into an IRA. You need to consider:

1. Are you planning on retiring during the golden handshake period, regardless of the handshake? If yes, understand the tax implications. If no, understand the tax implications.
2. What is your pre-retirement income and what is your expected retirement income? You should determine your income needs each year of retirement over your life expectancy (and remember to factor in inflation) and match your needs with your projected retirement income. You need to know first if your income and assets will last through retirement.
3. What is your current marginal tax rate and what is your expected retirement marginal tax rate? You are probably in the 25% or 28% Federal Marginal Tax Rate and 9% State Marginal Tax Rate if your annual income is between \$32,550 and \$164,550.

**GOLDEN HANDSHAKE (Continued)**

4. Will the golden handshake put you in a higher tax bracket? Determine how much of your golden handshake will go to the government in the form of higher taxes.
  - a. Income up to \$8,024 10% (FMTR) + (add 9% for State taxes)
  - b. \$8,025 - \$32,549 15%
  - c. \$32,550 - \$78,849 25%
  - d. \$78,850 - \$164,549 28%
  - e. \$164,550 - \$357,699 33%
  - f. \$357,700 + 35%
5. At retirement, when you rollover your 403(b)/TSA, will you roll it into a traditional IRA or a Roth IRA? The Roth can be significant in the long term, but count the tax cost if you choose the Roth.
6. Will taking the golden handshake enable you to defer the date you begin withdrawals from your 403(b)/TSA that you rollover into an IRA? This could give your IRA greater growth opportunity, but you must begin withdrawals in the year following the year you turn 70½ (unless it's in a Roth IRA).
7. Will the golden handshake enable you to defer the date you begin taking Social Security payments? If you can defer the date you begin Social Security payments, you will ultimately receive more income, given a long life.
8. Based on your 403(b)/TSA's current growth rate and the expected withdrawal amounts when you roll it over into an IRA, will your IRA last through your life expectancy and will the golden handshake allow you to extend the life of your IRA? Again, determine your retirement income need (factoring in inflation) over your life expectancy and compare it with your projected retirement income on an annual basis every year of retirement.

These are questions that should be considered before you take the golden handshake. You should consult with your tax advisor and your financial planner before making the decision to retire, if it is based on the District's golden handshake. Hopefully, your advisor has discussed with you the changes in the tax laws that impact your 403(b)/TSA and together you have developed a plan that will mitigate the problem of too much taxable income at retirement.

Written by,

Preston Davis, CWPP, RFC

Mr. Davis is a Certified Wealth Preservation Planner, Registered Financial Consultant and Senior Vice President with Wealth Concepts. Wealth Concepts has a team of financial professionals from various disciplines including, financial planning, estate planning, private client attorneys, insurance planning, certified public accountancy, charitable giving specialist, and employee benefits specialist that work with clients to develop and implement strategies for wealth accumulation, wealth preservation, and wealth transfer. You can contact Wealth Concepts at 310.524.9588 or [www.WealthConceptsOnline.com](http://www.WealthConceptsOnline.com).

## **MARGIE ROSS, 1919-2009**

It is with great sadness that AALA makes known the passing of **Margie Ross**. Margie passed away on Monday, March 23, 2009, from complications of pneumonia. She was one month shy of her 90<sup>th</sup> birthday.

**Margaret Sargent Sutton Ross** was born in Oklahoma. Her mother passed away at an early age and her father was unable to care for Margie, her younger sister, and brother. Because of this, they were sent to the state orphanage where they grew up.

The highlight of Margie's career was the time she spent as School Secretary at Wilson High School. She was there when it was located on the old campus (which is now El Sereno Middle School), and continued on to the new campus when it opened on March 16, 1970. Margie was much more than just the School Secretary. She was a mentor and trainer of many administrators who served at Wilson High. She also mentored teachers. The most important work, however, was her work with students who attended Wilson throughout the years. Many of them went on to become teachers, administrators, and clerical persons who managed offices in schools and businesses. Many of the contacts she made during her tenure at Wilson continued until she passed away.

Margie was an Honorary Colonel in the Wilson High School Reserve Officers Training Corp (ROTC). At the time when she was School Secretary at Wilson, Margie was also secretary at Wilson Adult School. She worked all the athletic events through the Student Store, and for three years before she retired, Margie was medical staff secretary at the French Hospital.

After retiring from Wilson, Margie became the secretary for the Los Angeles Association of Secondary School Administrators (LAASSA). When all the administrative groups in LAUSD merged to become the Associated Administrators of Los Angeles (AALA), she became the first secretary for AALA. She left AALA for a brief time, but came back and stayed until 1994.

Margie leaves behind hundreds of friends from all races and walks of life. Some of us feel that we need to find a way to honor her. **There will be a Celebrative Service for Margie at 11:00 a.m., on Saturday, April 18, 2009. It will be held at Morningside Church, 8722 Crenshaw Boulevard, Inglewood, CA.** In the meantime, if you want to offer some suggestions for the service, call **Lorraine Bush** or **Cathy Vacca** at the AALA office (213.484.2226) or e-mail [cvacca@aala.us](mailto:cvacca@aala.us).

## LAUSD RECOMMENDS SCHOOLS ORDER RECONDITIONED REPLACEMENT TEXTBOOKS

In January 2009, LAUSD updated its textbook policy (2326.6) to recommend that schools and local districts order reconditioned textbooks to fill their replacement and Williams Case textbook needs. This is especially true for older adopted materials such as English Language Arts, Foreign Language, Social Studies and Science.

Follett Educational Services provides reconditioned textbooks for LAUSD at prices up to 45% off publisher prices and FREE FREIGHT on all orders. These discounted prices help schools save much needed money and aid in filling your textbook needs to meet Williams Case standards.

Last year the following schools saved money ordering reconditioned textbooks from Follett:

Pacoima Elementary School saved \$12,000  
Markham Middle School saved \$43,000  
San Pedro High School saved \$38,000

Follett Educational Services and the LAUSD Textbook Services Department also established a **LAUSD Textbook Ordering Website** that helps schools and district personnel order quickly and efficiently especially regarding Williams Case needs. The website has the entire LAUSD K-12 adopted textbook list loaded on it with real time inventory for fast and simple ordering.

If you would like a username and password, a demonstration on the website or have inquiries regarding ordering reconditioned textbooks, please contact **Lee Ann McNerney**, Regional Sales Manager, (800) 252-6657, ext. 7798, or (714) 865-4516 (cell) or [Lmcnerney@fes.follett.com](mailto:Lmcnerney@fes.follett.com).

If your school has surplus or obsolete textbooks you would like to sell for cash or Follett credit, please contact Lee Ann McNerney. Follett is an approved vendor for purchasing textbooks from LAUSD.

### POSITIONS AVAILABLE

**Minimum Qualifications:** Candidates are responsible for making sure all the District requirements have been met. Do not contact AALA for information regarding positions. Use the listed contact phone number.

#### ***PRINCIPAL, SECONDARY***

**Central Los Angeles High School #9 (4) MST 45**, 450 N. Grand Ave., Los Angeles, CA 90012

Central LA will open September 2009 on a traditional calendar. For information and application procedures contact **Richard Alonzo**, Superintendent, at 323.932.2002. **Filing deadline is Tuesday, April 14, 2009.**

**Manual Arts High School, MST 46**, 4131 South Vermont Avenue, Los Angeles, CA 90037

Manual Arts is a YR Concept 6 school and a member of the MLA Partner Schools Network. For information and application procedures contact **Elsa Chagolla**, Chief Operating Officer, MLA, at 213.745.4928. **Filing deadline is Friday, May 1, 2009.**

#### ***ADMINISTRATOR, ADULT & CAREER EDUCATION (MST 47, A Basis)***

Div. of Adult & Career Education, 333 S. Beaudry Ave., 18<sup>th</sup> Fl., Los Angeles, CA 90017 213.241.3151

Responsibilities include directing the planning and development of adult and career education programs and projects. Requires 9 years of successful full-time certificated service, with 3 years in a DACE management position. For information and application procedures contact **Ed Morris**, Assistant Superintendent, DACE. **Filing deadline is Friday, April 17, 2009.**