

New Orleans Public School Employees Will Request a Congressional Hearing on the \$750 Million Federal Fund to Restart Schools after Hurricane Katrina

We suggest that an oversight or investigative Congressional hearing is warranted to review the use of \$750 million in federal funds to “Restart School Operations” after Hurricane Katrina. Obtaining information from witnesses will be beneficial to various Congressional committees regarding the intended and actual use of federal funds after a natural disaster.

We propose that the initial review focus on the State of Louisiana, which was awarded \$445.6 million in Restart funds, and the State of Mississippi, which was awarded \$222.5 million. In New Orleans, Louisiana (only) 7500 state-certified public school employees were terminated based on a claim of “no jobs and no money.” However, “the Bay St. Louis-Waveland school district in southwest Mississippi, some of the \$13 million it has received in restart money [paid] for the salaries of school psychologists, behavior specialists, and social workers to counsel staff members and students” [here](#).

The fair and equal opportunity for citizens to receive authorized federal assistance after a natural disaster is clearly a non-partisan objective.

The following preliminary information is offered in support of a formal request for a Congressional Hearing to be made on the occasion of the 10th Anniversary of Hurricane Katrina.

Louisiana’s urgent request for federal funds

In a September 14, 2005 letter, Louisiana’s Superintendent of Education, Cecil Picard, told the U.S. Secretary of Education:

The damaged school systems not only have damaged physical property, but loss of students, staff, local revenue and basic state aid. The damaged districts are very concerned, not only with securing educational services for the students while the districts are closed, but in providing some type of compensation for their staffs during the period the districts are closed, but in providing some type of compensation for their staffs during the period the districts are closed. In talking with Florida Department of Education about last year’s hurricane issues, we learned that they continued to pay their staffs and requested that the staff either help rebuild the schools, work in a shelter or perform other community work, or deal with their emergency family situations while their home schools were closed. This was done for several reasons, but mainly to assist in retaining staff for when the schools reopened. Of course, they still lost a large percentage of staff members who found other jobs and/or moved away.

In Louisiana, our situation is much more drastic. Several school systems are only able to make one more payroll. After that, their employees will be on unemployment or will need to find other work. These employees are very concerned with their livelihood, health insurance coverage, and just being able to cover basic needs. The districts are very concerned not only for their employees, but with other fiscal obligations that may force the districts into financial default, which they will not be able to overcome for many, many years.

See Mr. Picard’s entire letter [here](#).

On December 30, 2005, U.S. Secretary of Education Margaret Spellings informed Louisiana and other states affected by Hurricane Katrina that Congress had appropriated \$650 million for Displaced Students and \$750 million for “Immediate Aid to Restart School Operations. See the letter [here](#).

Millions spent on out-of-state consultants

However, Members of Congress should know that Louisiana did not use the emergency federal funds to help “employees who were concerned about their livelihood.” In April 2006 a financial consulting firm from New York was given a 3-year \$29.1 million contract to “...develop and implement a comprehensive and coordinated disaster recovery plan in the wake of Hurricane Katrina (See page 20 of Board Minutes [here](#)). A Texas company was paid \$20 million for “school security” (see the news story [here](#)). Louisiana’s State Board of Elementary and Secondary Education approved a “Recruitment Incentive Package” for out-of-state teacher and other personnel “moving to New Orleans to work at any school in the Recovery School District” using federal “Restart” money as follows: \$2500 relocation allowance, \$400/month housing allowance (one year only), \$5,000/year signing bonus (for two years). Total Package-\$17,300. See the Official Board Minutes---April 19, 2007 (See page 11 of the Board Minutes [here](#)).

A Trial Court noted the intended use of the federal funds:

Notwithstanding the State Defendants’ representation to the U.S. Department of Education that it needed over “\$700 million to pay salaries and benefits of out-of-work school employees, and the State Defendants’ receipt of over \$500 million dollars in post-Katrina federal “Restart Funds” based upon this representation, the State Defendants did not ensure that any of this money was used to pay the salaries or benefits of the Plaintiff Class. **Rather, the State Defendants diverted these funds to the RSD** [Recovery School District—emphasis added]. See Trial Court’s Findings of Fact # 84 [here](#).

Politics and the firing of 7500 school employees

What is the true story behind the mass firing of 7500 state-certified and tenured public school employees---including thousands of tenured and non-tenured, union and non-union employees?

At the end of the 2004-2005 school year, eighty-eight (88) of the more than 120 public schools in Orleans Parish had met or exceeded the state’s requirement for adequate yearly progress. These schools were not failing. Ninety-three (93) of the schools showed academic growth. The Orleans Parish School Board was making documented progress in raising failing school scores in accordance with the federal No Child Left Behind legislation prior to Hurricane Katrina. Thus, as of the 2005-06 school year, the OPSB was working towards meeting the State’s growth target. See Trial Court’s Findings of Fact #'s 47-53 [here](#).

Prayers and politics were at the top of the agenda for the first Orleans Parish School Board meeting held September 15, 2005 at the State Department of Education in Baton Rouge. Members prayed for those who suffered loss of life and property. However, immediately after the public comment period, Louisiana’s Superintendent of Education tried unsuccessfully to have a New York financial

consultant replace the Acting Superintendent of New Orleans Public Schools (See Board Minutes [here](#)). A week later, the local School Board President wrote an on-line “S.O.S.” letter complaining about a possible school takeover: “Even after the meeting was over, Mr. Picard persisted with the issue telling me yesterday that he has already spoken with the Governor about an Executive Order, presumably to initiate a takeover of the schools should we not agree to giving Mr. Roberti the position of Superintendent.” See the entire online letter by scrolling down to September 22nd [here](#).

The State Superintendent of Education was determined to prove his point. A special session of the state legislature passed La. Revised Statute 17: 10.7, raising an acceptable School Performance Score (SPS) from 60 to 87.5, thus resulting in the November 30, 2005 state-takeover of 102 of 126 New Orleans public schools. “Consequently, while a score of 60 was “passing” as of August 29, 2005, it was “failing” as of November 30, 2005, the effective date of the State takeover of OPSB Schools. The SPS that designated a school as “passing” reverted to 60 in 2010.” See a short video entitled “*The Takeover of New Orleans Public Schools*” [here](#).

It must also be noted that public schools in St. Tammany Parish, which borders New Orleans, also sustained substantial damage, but state education officials were “very supportive” in reopening schools there---working with FEMA to obtain trailers and some schools operated out of portable classrooms” In stark contrast, the state controlled financial consultants from New York ignored a similar plan suggested by the New Orleans Superintendent of Schools (he wanted to replace). See Trial Court’s Findings of Fact # 89 [here](#).

On December 9, 2005, the local school board approved a resolution to terminate all employees who placed on a unilateral “Disaster Leave Without Pay,” which is a classification that isn’t recognized in Louisiana law. The resolution was drafted by New York financial consultants working under 2-year \$16.8 million contract paid for by the local school board, but controlled by the State Superintendent of Education. Subsequently, 7500 New Orleans public school employees were fired via a standard form letter to pre-Katrina addresses (teachers, principals, counselors, service and transportation workers, librarians, etc.) All employees were fired except those “hand-picked” to work at 18 newly formed charter schools promoted by state and federal officials. There was no opportunity to appeal or to be “recalled” as schools reopened. See Trial Court’s Findings of Fact #19m and #61-73 [here](#).

Congressional action is both necessary and proper

After nine (9) years of complex court victories, Louisiana’s highest court dismissed the employees’ case---overruling decisions of the local appellate courts in favor of the employees. The U.S. Supreme Court refused to hear the employees’ wrongful termination case. The judicial branch has spoken, but our nation has two more branches to ensure justice in a government “of the people, by the people and for the people.”

This dispute is no longer about legal rights, but the obligation of a state or any federal grant recipient to use the funds as directed by Congress. And yes, there should be consequences for misuse. To the extent that some of the funds were not used as mandated, Louisiana should be compelled to repay those funds as has been the case with the misuse of other federal grants: *Feds demand Nebraska repay \$22 million for botched child welfare reform; Maryland misspent \$28M*

of ObamaCare grants; and Baltimore set to repay \$4 million in misspent homeless funds. In a December 23, 2014 announcement about the Eastern District of Pennsylvania collecting \$2.3 billion in civil and criminal actions in FY 2014, U.S. Attorney Zane David Memeger stated, “Our nation’s taxpayers deserve our most aggressive efforts to recover their hard-earned tax dollars that have been misappropriated.”

The tenth Anniversary of Katrina would be an ideal time for Members of Congress to reassure American citizens, especially New Orleans public school employees, that misspending taxpayers’ hard-earned tax dollars will not be tolerated. These employees were the intended beneficiaries of federal “Restart” funds and legislation can ensure that they become beneficiaries of misspent funds repaid by the state of Louisiana. After a 10-year fight for due process and property rights, we continue this struggle because justice has no deadline.

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