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11	FAIR EDUCATION SANTA	Case No.: 2:18-	ev-10253-SVW-PLA
12	BARBARA, INC., a 501(c)(3) organization	PLAINTIFF'S	
13	Plaintiff,		O MOTION FOR RY INJUNCTION
14	VS.	[Declaration of Support There	f Peter Scott in of]
15	SANTA BARBARA UNIFIED SCHOOL DISTRICT, a public school district; and JUST COMMUNITIES	The Honorable	Stephen V. Wilson
16	CENTRAL COAST, INC., a	Date:	January 14, 2019
17	501(c)(3) organization,	Time: Courtroom:	1:30 PM 10A
18	Defendants.		
19		Trial Date:	None Yet
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attorneys at 14

TO THE COURT, ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that, on January 14, 2019, at 1:30 p.m., or as soon thereafter as the Court can consider the matter, in Courtroom 10A of the above-captioned Court, located at 350 W. 1st Street, 10th Floor, Los Angeles, California 90012, the Honorable Stephen V. Wilson presiding, plaintiff Fair Education Santa Barbara, Inc. (sometimes referred to herein as "Plaintiff" or "Fair Education SB") pursuant to Federal Rule of Civil Procedure 65, will and hereby does apply to this Court for a Preliminary Injunction Order enjoining defendants Santa Barbara Unified School District and Just Communities Central Coast, Inc. (collectively, "Defendants") from further action or expenditure under the October 9, 2018 contract for services between the Santa Barbara Unified School District ("SBUSD"), on the one hand, and Just Communities Central Coast, Inc. ("JCCC"), on the other hand (the "JCCC Contract"), a copy of which is included with the concurrently filed Declaration of Peter Scott as Exhibit L.

Unless enjoined by this Court, Defendants will proceed further under an illegal and void contract for JCCC to provide purported "unconscious bias" and "inclusivity" training for teachers and students of the Santa Barbara Unified School District. Several of Plaintiff's claims in this action are directed toward the unlawful and unconstitutional discriminatory nature of JCCC's "training" programs ("JCCC's Indoctrination Programs"). The JCCC Contract also is void and terminable for being entered in violation of California Public Contract Code § 20111. In this regard, the SBUSD failed to open the contract for public bidding as required by law. The relief sought by the instant motion is based on Fair Education SB's Sixth Claim for Relief for Violation of Public Contract Code § 20111 and is based on these public bidding violations.

In the context of the awarding of government contracts, Federal Courts have repeatedly held that "[i]rreparable harm is established by a lost opportunity to fairly compete." *BINL, Inc. v. U.S.*, 106 Fed. Cl. 26, 49 (Fed. Cir. 2012) ("A lost

opportunity to compete in a fair competitive bidding process for a contract is sufficient to demonstrate irreparable harm."); *Palantir USG, Inc. v. United States*, 129 Fed. Cl. 218, 291 (Fed. Cir. 2016); *HP Enterprise Services, LLC v. United States*, 104 Fed. Cl. 230, 245 (Fed. Cir. 2012). *See also, Eel River Disposal & Resource Recovery, Inc. v. County of Humboldt*, 221 Cal. App. 4th 209, 239 (2013) (the most effective enforcement of the competitive bidding law is to enforce by injunction).

Plaintiff Fair Education Santa Barbara has also recently uncovered serious conflicts of interest between the SBUSD school board (the "Board") (that recently rubber-stamped the approval of the JCCC Contract) and JCCC itself, including without limitation, that a present sitting Board member, and the current SBUSD Assistant Superintendent (both of whom actively lobbied for SBUSD's entry into the JCCC Contract), were both *paid* employees of JCCC less than two years ago. Several other such conflicts exist -- none of which were disclosed to the public despite express requirements to do so by SBUSD's governing rules and regulations. These conflicts help explain the obvious favoritism show JCCC by SBUSD. "The purpose of requiring governmental entities to open the contracts process to public bidding is to eliminate favoritism, fraud and corruption; avoid misuse of public funds; and stimulate advantageous market place competition." *Konica Bus. Machines USA Inc. v. The Regents Of The University of California*, 206 Cal. App. 3d 449, 456 (1988) (citations omitted).

Preliminary Injunction

Fair Education Santa Barbara respectfully seeks a preliminary injunction to maintain the *status quo* until such time as a trial on the merits of the action can determine among other things, and without limitation, whether the JCCC Contract is illegal and void under California Public Contract Code § 20111 and California Government Code § 53060. Plaintiff thus seeks a preliminary junction ordering SBUSD and JCCC and any successors, agents, servants, employees, attorneys, and

all persons in active concert therewith, to refrain from taking any further action 2 under the JCCC Contract, including without limitation, restraining SBUSD from 3 paying any further amounts to JCCC under the JCCC Contract, and restraining 4 JCCC from providing any more services or programs called for under the JCCC 5 Contract. It is Plaintiff's understanding that the next major instructional program to 6 be presented under the JCCC Contract -- called the Institute for Equity in Education 7 -- is scheduled for March 11 through 19, 2019. In addition to all of the grounds 8 supporting the requested injunction, an injunction at this time also will prevent JCCC and the SBUSD from further financial outlays, and prevent Defendants from 10 using such as a pretext to try to avoid the requested relief. 11

In support of this Motion, Plaintiff Fair Education Santa Barbara submits the accompanying Memorandum of Points and Authorities, Declaration of Peter Scott and accompanying exhibits, the Complaint filed in this case, and any further briefing, argument or evidence as may be presented before and at the hearing of this matter.

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Dated: December 13, 2018

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Respectfully submitted,

EARLY SULLIVAN WRIGHT GIZER & McRAE LLP

By: <u>/s/</u> C 11

Eric P. Early Peter Scott

Attorneys for Plaintiff

FAIR EDUCATION SANTA

BARBARA, INC.

1					TABLE OF CONTENTS	
2						<u>Page</u>
3	I.	INT	RODU	JCTIO]	N	9
4	II.	FAC	TUAI	BAC	KGROUND	11
5			1.	The	Parties	11
6			2.	JCC	C's Discriminatory Curriculum	12
7			3.	The	JCCC Contract	14
8				a.	The September 11, 2018 Board Meeting	14
9				b.	The October 9, 2018 Board Meeting	16
10	III.	ARC	3UME	NT		16
11		A.	Lega	al Stan	dard	16
12		B.	Plair	ntiff W	ill Likely Succeed On The Merits Of Its Claim For	
13			Viol	ation (Of California Public Contract Code § 20111	17
14			1.	The	JCCC Contract <i>Does Not</i> Involve "Special Services".	18
15				a.	Scores of Vendors Provide Implicit Bias and	
16					Diversity Training	20
17				b.	The Subject Services Require No Special Licensing	,
18					Registration, Certification or Qualifications	22
19				c.	The Services in Question Are Not "Temporary"	22
20				d.	The Public Bidding Requirement Also Exists To	
21					Prevent Just The Sort of Favoritism Occurring Here	23
22				e.	Arguments Previously Made By The SBUSD to	
23					Avoid The Public Bidding Requirement Are	
24					Unavailing	23
25		C.	Plair	ntiff W	ill Suffer Irreparable Harm In The Absence Of The	
26			Req	uested	Relief	25
27		D.	The	Balanc	ce Of Hardships Tips Strongly In Plaintiff's Favor	27

Case 2:18-cv-10253-SVW-PLA Document 8 Filed 12/13/18 Page 6 of 30 Page ID #:210 E. IV. CONCLUSION28



1	TABLE OF AUTHORITIES Page
2	Cases
3	Accord Exodus Refugee Immigration, Inc. v. Pence,
4	165 F. Supp. 3d 718 (S.D. Ind. 2016), aff'd, 838 F.3d 902 (7th Cir. 2016)11
5	Alliance for the Wild Rockies v. Cottrell,
6	632 F.3d 1127 (9th Cir. 2011)
7	Amelco Electric v. City of Thousand Oaks,
8	27 Cal. 4th 228 (2002)
9	BINL, Inc. v. U.S.,
10	106 Fed. Cl. 26 (Fed. Cir. 2012)
11	Cammack v. Waihee,
12	932 F.2d 765 (1991)27
13	City of Inglewood-Los Angeles County Civic Center Auth. V. Superior Court of
14	Los Angeles County,
15	7 Cal. 3d 861 (1972)
16	Doe v. Wood County Bd. Of Educ.,
17	888 F.Supp. 2d 771 (USDC S.D. West Virginia)
18	Eel River Disposal & Resource Recovery, Inc. v. County of Humboldt,
19	221 Cal. App. 4th 209 (2013)
20	HP Enterprise Services, LLC v. United States,
21	104 Fed. Cl. 230 (Fed. Cir. 2012)
22	J.A.W. v. Evansville Vanderburgh School Corporation,
23	323 F. Supp. 3d 1030 (USDC S.D. Ind. 2018)
24	Jaynes v. Stockton,
25	193 Cal. App. 2d 47 (1961)20, 21
26	Johnson v. Macy,
2728	145 F. Supp. 3d 907 (C.D. Cal. 2015)



1	Kajima v. Los Angeles County Metropolitan Transp. Authority,
2	23 Cal. 4th 305 (2000)
3	Klinger v. City of Fayetteville,
4	293 Ark. 128 (1987)22
5	Konica Bus. Machines USA Inc. v. The Regents Of The University of California,
6	206 Cal. App. 3d 449 (1988)26, 27
7	Layman's Security Company v. Water Works And Sewer Board of the City of
8	Prichard, 547 So. 2d 533 (Ala. 1989) (overruled on other grounds by Ex Parte
9	Ballew, 771 So. 2d 1040 (Ala. 2000)22
10	Lopez v. Heckler,
11	725 F.2d 1489 (9th Cir. 1984)
12	Marshall v. Pasadena Unified School Dist.,
13	119 Cal. App. 4th 1241 (2004)
14	McCormick v. Sch. Dist. Of Mamaroneck,
15	370 F.3d 275 (2d Cir. 2004)11
16	MCM Construction, Inc. v. City and County of San Francisco,
17	66 Cal. App. 4th 359 (1998)
18	Miller v. McKinnon,
19	20 Cal. 2d 83 (1942)
20	Pacificorp Capital, Inc. v. City of New York,
21	741 F. Supp. 481 (S.D. N.Y. 1990)
22	Palantir USG, Inc. v. United States,
23	129 Fed. Cl. 218 (Fed. Cir. 2016)
24	Service Employees Internat. Union v. Board of Trustees,
25	47 Cal. App. 4th 1661 (1996)
26	Stormans, Inc. v. Selecky,
27	586 F.3d 1109 (9th Cir. 2009)



1	Stuhlbarg Int'l Sales Co. v. John D. Brush & Co.,	
2	240 F.3d 832 (9th Cir. 2001)	7
3	Transportation Displays, Inc. v. City of New Orleans,	
4	346 So. 2d 359 (La. Ct. App. 4th Cir. 1977)22)
5	U.S. Philips Corp. v. KBC Bank N.V.,	
6	590 F.3d 1091 (9th Cir. 2010)	7
7		
8	Statutes	
9	Cal. Corp. Code § 13401(a)25	,
10	Cal. Education Code § 81676.525	,
11	Cal. Government Code § 53060	5
12	Cal. Pub. Con. Code § 20111	3
13	Internal Revenue Code Section 501(c)(3))
14		
15	Rules	
16	FRCP § 65	
17		
18		
19		
20		
21		
22		
23		
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MEMORANDUM OF POINTS AND AUTHORITIES

I. <u>INTRODUCTION</u>

This case concerns the Santa Barbara Unified School District's ("SBUSD") contracting with an organization calling itself Just Communities Central Coast, Inc. ("JCCC"). The contract was entered by SBUSD's Board on October 9, 2018. JCCC purports to provide so-called "diversity", "inclusivity" and "unconscious bias" training to SBUSD staff and students. As set forth in Fair Education SB's recently filed complaint and explained hereinbelow, JCCC's program – which is taught to the teachers and students of the SBUSD – is manifestly discriminatory and in violation of several bedrock tenets of the United States and California Constitutions. The injunctive relief requested herein focuses on SBUSD's failure to submit the JCCC Contract for public bidding as required by California Public Contract Code § 20111 and California Government Code § 53060. Because JCCC does not provide "special services" (as set forth in § 53060 and relevant case law), SBUSD was required to submit the contract for public bidding pursuant to Public Contract Code § 20111. That did not occur and thus, pursuant to Fair Education SB's Sixth Claim for Relief, the JCCC Contract is void as a matter of law.

To make matters worse, major conflicts of interest existing between SBUSD on the one hand, and JCCC on the other hand, underlie the rampant favoritism shown JCCC by SBUSD. There is a virtual revolving door of people who have provided paid services to both Defendants. The statutory public bidding requirement seeks among other things, to prevent such favoritism.

We note that Fair Education Santa Barbara is an organization of concerned Santa Barbara taxpayers and parents of SBUSD students that *is not* opposed to unconscious bias and diversity training. JCCC however, has crossed far over the line in providing such training, proudly boasting of its blatantly and overtly racist, anti-Caucasian, anti-male and anti-Christian agenda, with the compromised SBUSD

acting as JCCC's greatest cheerleader. As but one of many examples, the following chart *was copied directly* from JCCC's written materials:

Forms of Oppression

Form of Oppression	Privilege Group	Target Group	
Sexism	Men	Women	
Racism	White People	People of Color	
Heterosexism	Heterosexual People	LGBQ People	
Genderism	Traditionally gendered people	Transgender and Genderqueer People	
Classism	Wealthy People	Working Class & Poor	
Ableism	Generic / "Abled"	People living with Disabilities	
Ageism	Adults, 18-65 years old	Youth & Elders	
Religious Oppression	Christian People	All others	

The chart speaks for itself. JCCC also openly admits that it physically separates its program participants into different racial groups to receive differing "instruction." (Scott Decl., \P 23.) The participants in the Caucasian group are told that, whether conscious of it or not, all "white people" are, at base, racist and collude to promote or perpetuate racism against non-whites.

California Public Contract Code § 20111 requires that California school boards let for public bidding any contract for services totaling over \$50,000. Cal. Pub. Contract Code § 20111. The JCCC Contract requires SBUSD to pay JCCC \$294,000 during the 2018-2019 school year and is thus, subject to this public bidding requirement. Contracts that do not comply with Public Contract Code § 20111 are void and unenforceable. *Miller v. McKinnon*, 20 Cal. 2d 83, 87-88 (1942).

Inclusivity, diversity and unconscious bias training is a nationwide growth industry. Such services are anything but "special services" and thus, must be let for



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Irreparable harm will result if a preliminary injunction is not entered. In the context of awarding public contracts, Federal Courts have consistently held that "irreparable harm is established by a lost opportunity to fairly compete." BINL, Inc. v. U.S., 106 Fed. Cl. 26, 49 (Fed. Cir. 2012). Irreparable harm also is presumed with regard to Equal Protection claims. J.A.W. v. Evansville Vanderburgh School Corporation, 323 F. Supp. 3d 1030, 1040 (USDC S.D. Ind. 2018) citing Accord Exodus Refugee Immigration, Inc. v. Pence, 165 F. Supp. 3d 718, 738-39 (S.D. Ind. 2016), aff'd, 838 F.3d 902 (7th Cir. 2016). See also Doe v. Wood County Bd. Of Educ., 888 F.Supp. 2d 771, 777 (USDC S.D. West Virginia) citing McCormick v. Sch. Dist. Of Mamaroneck, 370 F.3d 275, 301-02 n.25 (2d Cir. 2004) (plaintiffs' continued participation in single-sex classes without having voluntarily chosen that option constitutes irreparable harm).

Fair Education Santa Barbara respectfully requests that a preliminary injunction issue, prohibiting the Santa Barbara Unified School District and Just Communities Central Coast, Inc., from further action or expenditure under the JCCC Contract until a final judgment on the merits can be rendered.

FACTUAL BACKGROUND II.

1. **The Parties**

Plaintiff Fair Education Santa Barbara is an Internal Revenue Code Section 501(c)(3) organization formed to advocate for fair education policies in the Santa Barbara Unified School District and in Santa Barbara County, that benefits all Americans educated in the Santa Barbara Unified School District through, among other methods, lobbying, grass roots organizing, community outreach, legal actions and education. (Scott Decl. ¶ 2, Ex. A.)

Fair Education SB is a coalition of concerned parents of students and taxpayers in the Santa Barbara Unified School District, all of whom are residents

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and tax payers within Santa Barbara County. All members of Fair Education SB are assessed for, liable to pay, and have paid real property taxes and assessments on property located within the Santa Barbara Unified School District's boundaries within one year before commencement of this action. (Scott Decl. ¶ 3.)

Defendant Santa Barbara Unified School District is a public-school district located in Santa Barbara County, California, created and operating under the laws of the State of California. SBUSD receives and benefits from federal and state financial assistance, as well as taxes and assessments paid by the members of Fair Communities SB. (Scott Decl. ¶ 4.)

Defendant Just Communities Central Coast is an Internal Revenue Code Section 501(c)(3) organization. (Scott Decl. ¶ 5, Ex. B.) From its website, JCCC purports to "work to ensure that Central Coast schools, organizations and communities are places of opportunity, not places of limitations" and to "bring together community members and empower them to be leaders who promote equity around issues of race, socio-economic class, sexual orientation, [and] gender." (Scott Decl. ¶ 6, Ex. C.)

2. <u>JCCC's Discriminatory Curriculum</u>

In or about 2013, SBUSD engaged JCCC as an outside independent contractor to provide training and educational programs to SBUSD staff and students with respect to "diversity, inclusion, and equity." JCCC's programs consist of several workshops and training sessions provided to SBUSD staff and students throughout the year. (Scott Decl. ¶¶ 7-10, Exs. D-G.)

SBUSD funds JCCC's programming through state and federal funds earmarked in its Local Control Accountability Plan ("LCAP"). Since 2013, SBUSD has paid JCCC over \$1,000,000 to provide these programs to SBUSD staff and students. On October 9, 2018, for the 2018-2019 school year, SBUSD entered into a renewed contract with JCCC to again provide its so-called "diversity,

inclusion and equity" programs for a total cost to the tax payers of \$294,000. (Scott Decl. ¶¶ 16-17, Ex. L.)

While JCCC purports to provide "diversity, inclusion and equity" programs, its actual curriculum and programs are anything but. JCCC's actual programming is a radical, exclusionary and discriminatory curriculum, masquerading under the guise of "advancing justice" and making communities "more inclusive and just for all people." JCCC's curriculum and written materials attempt to indoctrinate staff and students with a warped view of the world where racism can only be perpetrated by "white people" and where the success of students in so-called "privileged" groups is due solely to their "unearned access to resources . . ." (Scott Decl., Ex. FF.)

Certain of JCCC's materials, obtained by among others, a parent who attended some of JCCC's courses, are attached to the accompanying Declaration of Peter Scott as Exhibit FF. These materials contain among many others, the following direct quotes:

- a. "Oppression" is "[a] system that benefits some groups (often called 'privileged groups) and disadvantages other groups (often called 'target groups')." (Scott Decl., Ex. FF, p. 15.)
- b. "Privileged Groups" include "Men," "White People," "Christian People," and "Wealthy People," and "Target Groups" include "Women," "People of Color," and "Working Class & Poor." (Scott Decl., Ex. FF, p. 17.)
- c. "Racism" is "[a] system of oppression based on race that privileges white people and targets people of color." (Scott Decl., Ex. FF, p. 19.)
- d. "Privilege" is "[u]nearned access to resources that enhance one's chances of getting what one needs or influencing others in order to lead a safe, productive and fulfilling life." The subtext of this definition is that a "privileged group's" success is due to their "unearned access to

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resources," as opposed to for example hard work or intelligence. (Scott Decl., Ex. FF, p 19.)

e. JCCC's materials define "Religious Oppression" as "Christian People" targeting "All Others" and "Sexism" as "Men" targeting "Women." (Scott Decl., Ex. FF, p. 15.)

Utilizing this ideological framework, JCCC physically separates participants during the actual workshops and training sessions, into different racial groups, requiring all individuals that JCCC perceives to be "white" to be segregated in a separate room to receive instruction that differs from all perceived "non-white" participants. In these racially segregated sessions, the "white" participants are instructed that, whether they are conscious of it or not, all "white people" are racist and collude to promote or perpetuate racism against non-whites. JCCC's program administrator, Jarrod Schwartz, admitted that JCCC splits its participants into separate racial groups to receive differing instruction in a recent interview with KCRW Santa Barbara. (Scott Decl., ¶ 21.)

JCCC's written curriculum further states that "public schools teach 'skills' that business owners find useful like competition, obedience and respect for authority," that "public schools create the illusion that everyone has an equal chance" and that "wealthy people and business shaped the schools to contain and control poor people." (Scott Decl., Ex. FF, p. 87-88.)

3. The JCCC Contract

a. The September 11, 2018 Board Meeting

On September 11, 2018, the Board considered entering a four-year Memorandum of Understanding with JCCC for its programming at a cost of \$1,737,910. (Scott Decl., ¶¶ 14-15, Ex. K.)

At the September 11th meeting, JCCC's proposal was challenged by a group of concerned taxpayers and parents within SBUSD. Concerns were expressed regarding JCCC's discriminatory programming, the failure of the proposed JCCC

MOU to adhere to district contracting standards, numerous conflicts of interest between JCCC and SBUSD, and the failure of SBUSD to open the contract for public bidding as required by California Public Contracts Code § 20111. As a result of this initial challenge, SBUSD tabled approval of the proposed JCCC MOU until October of 2018. (*Id.*)

Of note, SBUSD and the Board were expressly advised of numerous actual and potential conflicts of interest with JCCC, including the following:

- a. Current Board member, Ismael Ulloa (who ultimately voted to approve the JCCC Contract), was a program leader for JCCC in 2016;
- Annette Cordero was a two-term member of the Board, serving from 2004 through 2012 and is currently a member of JCCC's Board of Directors;
- c. Dr. Dave Cash was the superintendent of SBUSD from 2011 through 2016 and approved JCCC's prior contracts with SBUSD. Dr. Cash is currently a member of JCCC's Board of Directors.
- d. Monique Limon was a Board member from 2014 through 2017 and currently sits on the Grant Review Committee of the McCune Foundation, which is a major source of funding for JCCC;
- e. Pedro Paz was a Board member from 2012 through 2016 (ending his tenure as Vice President) and is the current head of the Fund For Santa Barbara, which is another major contributor to JCCC;
- f. Current SBUSD Assistant Superintendent of Secondary Education, Shawn Carey, was an instructor for JCCC;
- g. Current SBUSD administrative assistant, Alma Flores, was a paid teacher for JCCC and currently sits on JCCC's Board of Directors;
- h. Current SBUSD Director of English Learners and Parent Engagement, Maria Larios-Horton is currently on JCCC's Board of Directors.

(Scott Decl., Exs. H, R-DD, and GG.)

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Additionally, despite being expressly advised of these conflicts, SBUSD refused to have JCCC provide a written conflict of interest statement, which is required by the Board's own policies and procedures. See Board Policy No. 3600.¹

b. The October 9, 2018 Board Meeting

The proposed contract was rescheduled for the Board's October 9, 2018 meeting. At the October 9, 2018 meeting, a revised, one-year contract with JCCC for an aggregate cost of \$294,000 was proposed. (Scott Decl. ¶¶ 16-17, Ex. L.) Again, the SBUSD failed (despite repeated requests therefore) to let the contract for public bidding and did nothing to resolve the numerous conflicts of interest.² Instead, the Board (with Superintendent Cary Matsuoka's glowing support) unanimously approved the JCCC Contract. (*Id.*)

JCCC provided its first program under the new JCCC Contract on November 5, 2018. The next major instructional program to be presented under the JCCC Contract – called the Institute for Equity in Education – is scheduled for March 11 through 19, 2019. (Scott Decl. Ex. E.)

III. **ARGUMENT**

Board Policy 3600].)

Legal Standard Α.

Preliminary injunctive relief is intended to "preserve the status quo and the rights of the parties until a final judgment on the merits can be rendered." *Id.* (citing U.S. Philips Corp. v. KBC Bank N.V., 590 F.3d 1091, 1094 (9th Cir. 2010)). The "status quo is the last uncontested status which preceded the pending controversy." Lopez v. Heckler, 725 F.2d 1489, 1509 (9th Cir. 1984).

Board Policy No. 3600 states: "Independent contractors applying for a consultant contract shall submit a written conflict of interest statement disclosing

financial interests as determined necessary by the Superintendent or designee, depending on the range of duties to be performed by the consultant. The

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Superintendent or designee shall consider this statement when deciding whether to recommend the consultant's employment." (Scott Decl., ¶ 17, Ex. M [SBUSD]

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While Ismael Ulloa lost his Board re-election bid in November 2018, he voted in favor of the JCCC Contract on October 9, 2018 while he was a member.

"The proper legal standard for preliminary injunctive relief requires a party to demonstrate (1) that he is likely to succeed on the merits, (2) that he is likely to suffer irreparable harm in the absence of preliminary relief, (3) that the balance of equities tips in his favor, and (4) that an injunction is in the public interest." *Stormans, Inc. v. Selecky*, 586 F.3d 1109, 1127 (9th Cir. 2009). Alternatively, in the Ninth Circuit, a plaintiff may demonstrate "that serious questions going to the merits were raised and the balance of hardships tips sharply in the plaintiff's favor." *Alliance for the Wild Rockies v. Cottrell*, 632 F.3d 1127, 1134-35 (9th Cir. 2011) (internal quotation marks omitted). The standard that governs the issuance of a temporary restraining order is "substantially identical" to the standard that governs the issuance of a preliminary injunction." *Stuhlbarg Int'l Sales Co. v. John D. Brush & Co.*, 240 F.3d 832, 839 n.7 (9th Cir. 2001); *Johnson*, *supra*, 145 F. Supp. 3d at 913.

B. <u>Plaintiff Will Likely Succeed On The Merits Of Its Claim For Violation Of California Public Contract Code § 20111</u>

The JCCC Contract was not "let" for public bidding. It is thus void and unenforceable as a matter of law, and all services to be performed and consideration exchanged thereunder, should immediately be restrained.

California Public Contract Code § 20111 states:

The governing board of any school district, in accordance with any requirement established by that governing board pursuant to subdivision (a) of Section 2000, shall let any contracts involving an expenditure of more than fifty thousand dollars (\$50,000) for any of the following: [...] (B) Services, except construction services.

Cal. Pub. Con. Code § 20111.

"Ordinarily, compliance with the terms of a statute requiring the letting of certain contracts by a public agency such as a municipal corporation or county by competitive bidding and the advertising for bids is mandatory with respect to those



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contracts coming within the terms of the statute; a contract made without compliance with the statute is void and unenforceable as being in excess of the agency's power." *Miller v. McKinnon*, 20 Cal. 2d 83, 87-88 (1942).

"Because of the potential for abuse arising from deviations from strict adherence to standards which promote these public benefits, the letting of public contracts universally receives close judicial scrutiny and contracts awarded without strict compliance with bidding requirements will be set aside. This preventative approach is applied even where it is certain there was in fact no corruption or adverse effect upon the bidding process [...] The importance of maintaining integrity in government and the ease with which policy goals underlying the requirement for open competitive bidding may be surreptitiously undercut, mandate strict compliance with bidding requirements." *MCM Construction, Inc. v. City and County of San Francisco*, 66 Cal. App. 4th 359, 369 (1998) (internal citations omitted); *Marshall v. Pasadena Unified School Dist.*, 119 Cal. App. 4th 1241, 1256 (2004) ("Given this strong public policy, any exception to competitive bidding requirements should be strictly construed.")

1. The JCCC Contract Does Not Involve "Special Services"

In previous communications between the parties, the SBUSD has incorrectly argued that it is not required to follow the competitive bidding requirements of Public Contract Code § 20111 because the JCCC Contract purportedly involves so-called "special services" as referenced in Government Code § 53060. Not so.

Section 53060 provides as follows:

The legislative body of any public or municipal corporation or district may contract with and employ any persons for the furnishing to the corporation or district *special services* and advice in financial, economic, accounting, engineering, legal, or administrative matters if such persons are specially trained and experienced and competent to perform the special services required. (Emphasis added.)

Cal. Gov. Code § 53060.

For starters, JCCC *does not* offer services or advice (much less special services) *in "financial, economic, accounting, engineering, legal, or administrative matters." Id.* Instead, JCCC provides teaching and workshops in purported "unconscious bias", "inclusivity" and "diversity" training. (Scott Decl. ¶¶ 7-11, Exs. C-H, L.) On this ground alone, Government Code § 53060 is inapplicable.³

Specific examples of the services to be provided by JCCC are set forth in JCCC's own materials attached as Exhibits C through H to the Scott Declaration. These services include the following:

- Holding JCCC's "Institute for Equity in Education" seminar to purportedly help "educators develop a cultural proficiency and equity lens that they can apply in their jobs." (Scott Decl., Exs. E, FF.)
- Holding JCCC's "Talking in Class" program for students to "bring student voices into conversations and action to improve equity, cultural proficiency and student outcomes." (Scott Decl. Ex. F.)
- Holding JCCC's "Parents for Inclusion, Diversity & Access" program to "bring parent voices into conversations and action to improve equity, cultural proficiency, parent engagement, and student outcomes." (Scott Decl. Ex. G.)

None of these services provided by JCCC are "financial, economic, accounting, engineering, legal, or administrative []." Thus, the "special services" language of Government Code Section 53060 is not triggered, and Defendants' anticipated argument that it provides "special services" and thus, need not submit the contract to public bidding, is of no moment.

For example, the JCCC Contract provides in part that JCCC "will provide several different workshops and training sessions relating to diversity, inclusion and implicit bias issues over the course of the 2018-2019 school year, …". (Scott Decl., Ex. L.)

Assuming for purposes of argument only that JCCC's services are somehow financial, economic, accounting, engineering, legal or administrative (and they clearly are not), the services JCCC provides are not "special services". The "special services" standard as applicable to the statute, "is the result of a composite consideration of various factors [including] those which relate to the nature of the services required to the subject matter thereof, to the qualifications of the person capable of furnishing them, to their availability from public sources and to the temporary basis of the employment through which they are obtained." *Jaynes v. Stockton*, 193 Cal. App. 2d 47, 51-52 (1961) (internal citations omitted) (finding that legal services offered by a private law firm were not "special services" as the same legal services were equally available from the local district attorney's office).

a. Scores of Vendors Provide Implicit Bias and Diversity Training

"The term 'special' has been defined [to include] unique, unusual [] out of the ordinary [and] 'extraordinary' ..." *Jaynes, supra,* 194 Cal. App. 2d at 51 (internal citations omitted).

There is nothing unique, unusual or extraordinary about the services JCCC provides. To the contrary, "unconscious bias" and "diversity" training has become a big industry and is widely available from local school teachers, local schools and scores of outside entities. A simple Google search of "unconscious bias training" displays many such providers.

By way of but one example, the California Teachers Association offers diversity and inclusion programs.⁴ (Scott Decl., Ex. N.) Other examples include

As shown in the California Teachers Association ("CTA") publication entitled "California Challenge: A Program for Celebrating Diversity" (attached as Ex. N to the Scott Decl.), the purpose of the CTA's California Challenge "is to foster understanding, acceptance and constructive relations among people of many different cultures and language backgrounds." The training program, "Reflects a positive response to the recognition of the culturally pluralistic nature of society[;] Presents skills for problem solving in a culturally diverse and sensitive educational environment[;] Assists teachers in utilizing the diversity of their students for



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the Santa Barbara Pathways Program, run by the University of California Santa Barbara's Department of Diversity and Inclusion, which offers outreach instruction to local schools "aimed at reducing academic achievement disparities and increasing college-going rates among local youth." (Scott Decl., Ex. O.) Many other service providers exist that perform unconscious bias and diversity training. (Scott Decl. ¶ 19, Exs. N-Q.)

Courts in other states interpreting similar "special services" exceptions to competitive bidding requirements have even found that the following *do not* constitute "special services": installation and maintenance of computer mainframe central processing units⁵, security services to a water processing plant⁶, archeological services to preserve a historical site⁷, and conducting the sale of advertising space at a public airport.⁸ This is because of the scores of other individuals and entities who can provide the same or similar such services.

"Special services" providers (for whom outside bidding is not required) are, thus, limited to a specific subset of professionals who provide unique, specialized financial, economic, accounting, engineering, legal, or administrative services not otherwise available through public sources. Cal. Gov. Code § 53060; *Jaynes*, *supra*, 193 Cal. App. 2d at 51-52. The services offered by JCCC do not fit within this narrow category.

enriching the classroom; [and] Encourages students to develop positive self-esteem based on a pride in their cultural backgrounds. ..." (Scott Decl. Ex. N.) None of the anti-white, anti-male, anti-Christian rantings of the JCCC appear in these CTA materials.

⁵ Pacificorp Capital, Inc. v. City of New York, 741 F. Supp. 481 (S.D. N.Y. 1990)

⁶ Layman's Security Company v. Water Works And Sewer Board of the City of Prichard, 547 So. 2d 533 (Ala. 1989) (overruled on other grounds by Ex Parte Ballew, 771 So. 2d 1040 (Ala. 2000).

Klinger v. City of Fayetteville, 293 Ark. 128 (1987)

⁸ Transportation Displays, Inc. v. City of New Orleans, 346 So. 2d 359 (La. Ct. App. 4th Cir. 1977).

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The Subject Services Require No Special Licensing, Registration, Certification or Qualifications

Not only do scores of vendors exist to provide the training in issue here, but it is also noted that such services require no special licensing, registration, certification or qualifications prior to their provision. This explains why, for example, JCCC's principal, Jarrod Schwarz, who runs the JCCC workshops, *holds no professional licenses*. *He is not a licensed teacher. He is not an attorney. He is not an accountant. He is not an architect.* (Scott Decl., Ex. H.) He is apparently adept at indoctrinating and brainwashing vulnerable minds. Along these lines, Schwarz has "a degree" from the "NTL Institute For Applied Behavioral Science." (Id.) According to his own biography, Mr. Schwarz' only qualifications appear to be "experience working with schools, businesses and communities to develop, implement, and evaluate organization and personal development programs." (Id.)

In short, JCCC's "inclusivity workshops" and implicit bias and diversity training are thus, a far cry from the very limited statutory set of professional services in legal, accounting and financial matters, which are exempt from the competitive bidding requirement.

c. The Services in Question Are Not "Temporary"

Moreover, JCCC's services are not remotely "temporary". While the JCCC Contract is for a period of one year (which in and of itself is not "temporary"), JCCC has been employed by SBUSD continuously and without interruption since at least 2012. (Scott Decl. Ex. J.) Thus, the services have been anything but "temporary."

At the September 11, 2018, school board meeting, the SBUSD was preparing to enter into a four-year extension agreement with JCCC (for a cost of \$1,737,910), until the discriminatory nature of JCCC's services was brought to the Board's attention. (Scott Decl. ¶¶ 14-15, Ex. K.) The Board tabled the entry into a contract

until the October 9th meeting, by which time, the JCCC Contract was changed to a period of one year (apparently in a conscious effort to be shoehorned (incorrectly) into a "temporary" "special service" to try to avoid the public bidding requirement). (Scott Decl., Ex. L.)

The existing years-long relationship, and the September 11, 2018 attempt to continue the relationship for four more years, make clear that the Defendants believe their relationship is anything but "temporary."

d. The Public Bidding Requirement Also Exists To Prevent Just The Sort of Favoritism Occurring Here

As explained above in Section II.3.a, many conflicts of interest exist between the SBUSD and JCCC. Hence the flagrant favoritism shown JCCC by the SBUSD. One need only witness current SBUSD Assistant Superintendent Shawn Carey discuss JCCC in order to see such flagrant favoritism in action. Also, hence the apparent reason why the Board, in violation of its own conflict of interest disclosure requirements (*see* Board Policy No. 3600), has not made public (and perhaps has never prepared), any such disclosure.

e. Arguments Previously Made By The SBUSD to Avoid The Public Bidding Requirement Are Unavailing

In correspondence from SBUSD, it cited the case of *Service Employees Internat. Union v. Board of Trustees*, 47 Cal. App. 4th 1661 (1996), for the proposition that the JCCC Contract can be considered "special services" under Government Code § 53060 (and thus need not be let for public bidding).

The revolving door of those who have worked both for JCCC and SBUSD include for example: Ismael Ulloa (Board member who voted to approve the JCCC Contract); Shawn Carey who vigorously lobbied for entry into the JCCC Contract; Dave Cash, Annette Cordero, Monique Limon, Pedro Paz and Alma Flores, all of whom support the continued relationship between the SBUSD and JCCC.



Service Employees involved a college bookstore contracting with Barnes & Noble Booksellers ("B&N") to provide management and operation services for the college's campus bookstore, including staffing the bookstore with experienced managerial staff, renovating the existing bookstore, providing computerized textbook management systems and a guaranteed supply of used books and to utilize Barnes & Noble's substantial purchasing power to reduce prices. *Id.* at 1664.

That contract was challenged by an employee union. The California Court of Appeal ruled that the college was authorized to enter into the contract without public bidding. First, the Court emphasized the wide latitude given Boards of Trustees of Community Colleges (and only Community Colleges), pursuant to certain statutes expressly applying only to such boards. Id. at 1664. Second, the Court went through the litany of truly special services being provided by B&N, including: (a) B&N providing the college a computerized textbook management system (thanks to B&N's extensive background in that area); (b) B&N providing a guaranteed supply of used books (thanks to B&N's unique ability to do so); and (c) B&N providing its substantial purchasing power (given the worldwide scope of the company) and the resulting competitive prices which would benefit the college's students (thanks again to the unique scope and power of B&N's business). *Id.* at 1664. Thus, the services provided *could not be duplicated by other public sources* available to the college. Id. at 1674. And notably, although the issue of competitive bidding on the contract was not a focus in the case, the Board of Trustees *actually did* solicit public bids for the project as required under former California Education Code § 81676.5. Id. at 1670.

The *Service Employees* case is thus not applicable to the instant case. There the Court found that the services in question were "special" because the, "District's employees were simply unable to provide the type of services offered by Barnes & Noble" and the services were not otherwise "available from a public source." *Id.* at 1674. Here, unlike in *Service Employees*, none of those "special" services exist.

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And also unlike in *Service Employees*, and as discussed above, JCCC's services *are* equally available from many other sources, including from <u>public</u> sources such as publicly funded schools.¹⁰

JCCC's services are not "special services" as set forth in Government Code § 53060, and the SBUSD is not absolved of its statutory duty to let the contract for public bidding as required by Public Contract Code § 20111 (especially, but not limited to, the conflicts of interest existing here).

In sum, Plaintiff Fair Education Santa Barbara is thus likely to prevail on the merits of its Sixth Claim for Declaratory Relief. The JCCC contract is void and unenforceable.

C. <u>Plaintiff Will Suffer Irreparable Harm In The Absence Of The</u> <u>Requested Relief</u>

A substantial injury will result not only to Fair Education Santa Barbara, but to the taxpayers as a whole if the temporary restraining order is not entered.

"The purpose of requiring governmental entities to open the contracts process to public bidding is to eliminate favoritism, fraud and corruption; avoid misuse of public funds; and stimulate advantageous market place competition." *Konica Bus. Machines USA Inc. v. The Regents Of The University of California*, 206 Cal. App. 3d 449, 456 (1988) (citations omitted).

"[C]ompetitive bidding statutes are 'enacted for the benefit of property holders and taxpayers, and not for the benefit or enrichment of bidders, and should

Moreover, Public Contract Code § 20111 expressly carves out contracts pertaining to "professional services or advice..." from the need for public bidding. Although not defined in the Public Contract Code, the term "professional services" is elsewhere statutorily defined as "any type of professional services that may be lawfully rendered *only* pursuant to a license, certification, or registration authorized by the Business and Professions Code, the Chiropractic Act, or the Osteopathic Act." Cal. Corp. Code § 13401(a) (Emphasis added). JCCC's "inclusivity" training does not require any such licensing, certification or registration in order to be lawfully performed. Thus, JCCC's services are not remotely "professional services."

be so construed and administered as to accomplish such purpose fairly and reasonably with sole reference to the public interest." *Kajima v. Los Angeles County Metropolitan Transp. Authority*, 23 Cal. 4th 305, 316-317 (2000); *see also Miller*, *supra*, 20 Cal. 2d at 88 ("the competitive bidding requirement is founded upon a salutary public policy declared by the legislature to protect the taxpayers from fraud, corruption, and carelessness on the part of public officials and a waste and dissipation of public funds."); *Amelco Electric v. City of Thousand Oaks*, 27 Cal. 4th 228, 234 (2002) (stating that "under long-standing California law, if a public contract is declared void, a contractor may not be paid for work performed under that contract.")

In the context of the awarding of government contracts, Federal Courts have repeatedly held that "[i]rreparable harm is established by a lost opportunity to fairly compete." *BINL, Inc. v. U.S.*, 106 Fed. Cl. 26, 49 (Fed. Cir. 2012) ("A lost opportunity to compete in a fair competitive bidding process for a contract is sufficient to demonstrate irreparable harm."); *Palantir USG, Inc. v. United States*, 129 Fed. Cl. 218, 291 (Fed. Cir. 2016); *HP Enterprise Services, LLC v. United States*, 104 Fed. Cl. 230, 245 (Fed. Cir. 2012).

Plaintiff, being comprised of SBUSD taxpayers, has standing to bring this action and claim this irreparable injury. *Cammack v. Waihee*, 932 F.2d 765, 770 (9th Cir. 1991) ("[E]ven those who have taken a dimmer view of the breadth of state taxpayer standing than this court have recognized that municipal taxpayer standing requires no more injury than an allegedly improper municipal expenditure.")

The failure to let the contract for public bidding demonstrates irreparable harm and courts take the public bidding requirements very seriously and apply close judicial scrutiny in order to achieve the statutory goal of eliminating favoritism, fraud and corruption, avoiding misuse of public funds, stimulating market competition, and protecting taxpayers from carelessness on the part of public

3d at 456; *Miller*, *supra*, 20 Cal. 2d at 88.

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Here, no other service providers were considered. The taxpayers of SBUSD are entitled to have the JCCC Contract properly considered and let for public bidding in order to ensure that further public funds are not dissipated in a fraudulent, corrupt or careless manner and to rule-out the specter of favoritism in the contracting process.

officials and a waste and dissipation of public funds. Konica, supra, 206 Cal. App.

"As the Supreme Court has noted, 'the most effective enforcement of the competitive bidding law is to enforce by injunction the representation that the contract will be awarded to the lowest responsible bidder. This is generally done by setting aside the contract award to the higher bidder." *Eel River Disposal and Resource Recovery Inc. v. County of Humboldt*, 221 Cal. App. 4th 209, 239 (2013) (citing *Kajima/Ray Wilson v. Los Angeles County Metropolitan Transportation Auth.*, 23 Cal. 4th 305, FN 1 (2000)).

D. The Balance Of Hardships Tips Strongly In Plaintiff's Favor

In the event that the requested temporary restraining order and preliminary injunction is entered, further payment and services under a legally void contract will be suspended. JCCC will not be providing any services while the services are enjoined and the status quo is maintained and thus, will not suffer hardship.

Plaintiff on the other hand, will suffer extreme hardship if the contract/services are not enjoined for all the reasons that the statutes in question exist, including: (a) the awarding of a contract based on favoritism; (b) the likelihood (or at a minimum the quite real possibility) that similar such services can be provided at a much lower cost to the SBUSD by public sector providers; (c) the rooting out of conflicts of interest; and separately but of utmost importance (d) the protection of the teachers and children of SBUSD from being subjected to unlawful racial, religious and sexual discriminatory indoctrination that is dangerous and divisive.

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E. Preliminary Relief Serves The Public Interest

The public interest will be served through entry of a preliminary injunction. The public bidding requirements set forth in Government Code § 20111 exist expressly to protect the public from fraudulent, corrupt and/or wasteful spending of public funds. Enforcement of these requirements will serve the public interest by preventing such spending.

Here, SBUSD is currently contracted to pay JCCC nearly \$300,000 for a series of "workshops" on purported "inclusivity" training. No inquiries were made by SBUSD as to alternative service providers, let alone letting the contract for public bidding as required by statute. Further, serious real and potential conflicts of interest exist between SBUSD and JCCC involving current and former Board members and employees being employed by JCCC. The specter (and the existence) of unlawful favoritism in the contracting process is rampant. Under these circumstances, the public is entitled to have the JCCC Contract stayed pending the completion of this litigation.

In sum, the JCCC Contract was awarded without any competitive bidding, and as such the award of the contract, and the services and exchange of consideration to be provided thereunder, must be enjoined. *City of Inglewood-Los Angeles County Civic Center Auth. V. Superior Court of Los Angeles County*, 7 Cal. 3d 861, 870 (1972) (award of a contract that did not comply with competitive bidding is invalid and must be set aside.)

IV. <u>CONCLUSION</u>

For the foregoing reasons, plaintiff Fair Education Santa Barbara respectfully requests that a Preliminary Injunction issue to prohibit defendants Santa Barbara Unified School District and Just Communities Central Coast, Inc. from further

action or expenditure under the JCCC Contract, until a final judgment on the merits can be rendered. Respectfully submitted, Dated: December 13, 2018 EARLY SULLIVAN WRIGHT GIZER & McRAE LLP Eric P. Early Peter Scott Attorneys for Plaintiff FAIR EDUCATION SANTA BARBARA, INC.

