

**UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK**

STATE OF NEW YORK, *et al.*,

Plaintiffs,

v.

U.S. DEPARTMENT OF EDUCATION, *et al.*,

Defendants.

Case No.

**DECLARATION OF DEAN SLAGA**

I, Dean Slaga, hereby declare:

1. I am a resident of the State of Arizona. I have spent the last thirty-seven years as an educator. I have worked directly with federal grant programs for over twenty years. Since 2003, I have served as a district level Superintendent or Assistant Superintendent.
2. For the past three years, I have served as the Superintendent and Principal at Cedar Unified School District ("Cedar Unified").
3. As Superintendent at Cedar Unified, I have personal knowledge of the matters set forth below, or have knowledge of the matters based on my review of information and records provided to me by Cedar Unified employees, and believe that information to be true. In my capacity as Superintendent, I am responsible for all Federal Grant programs. I work directly with our Business Manager on all financial matters. This includes writing and submitting grants, including financial tracking and reimbursements.
4. Cedar Unified School District has one school. The school has a K-8 student population of 150 students and is located on the Navajo Reservation in Arizona. All of the 150 students

qualify for the federal free and reduced lunch program.

5. Until recently, Cedar Unified has had 49 staff members, comprised of 18 teachers, 11 classroom aids, 1 administrative staff member, 3 District Office positions, and 16 school support staff.
6. Arizona does not collect property taxes from reservations. As a result, Cedar Unified depends on state Maintenance and Operations funding sourced largely from a state funded equalization formula. Cedar Unified is set to receive an estimated \$1,885,994 in state Maintenance and Operation funds this year. The state also allocates to Cedar Unified between \$80,000 and \$90,000 each year in District Additional Funds (“DAA”) to cover capital improvement projects.
7. Because all of Cedar Unified’s students qualify for federal free and reduced lunch, the district also receives approximately \$1 million in federal Title I funding that can only be spent on student instruction and related student support needs. In addition, because reservations do not collect property tax revenue, Cedar Unified receives \$1,010,000 in Federal Impact Aid and a few thousand dollars per year in Federal Impact Aid Capital Funds.
8. Over the past few years, Cedar Unified has been able to save its DAA funds and the limited Federal Impact Aid Capital Funds into a reserve with the goal of funding much needed school repairs. Cedar Unified’s school was built in the 1980s and its restroom facilities, including plumbing, have not been upgraded in over 30 years. For example, until recently, the middle school boys’ bathroom had only one functioning toilet and some school buildings have not had hot water in over three years. The school is also in immediate need of a new roof, air conditioning improvements, and fuel pump repairs.

9. In general, the state and federal funds that Cedar Unified receives have not been enough to cover Cedar Unified's operating costs due to declining enrollment. As a result, in 2012 the State of Arizona placed Cedar Unified in financial receivership. In December 2023, due in large part to federal Elementary and Secondary School Emergency Relief ("ESSER") funds, Cedar Unified was able to improve its financial health and successfully able to exit the receivership.

10. The following outlines the ESSER III funds that Cedar Unified was allocated and has spent to date:

|                                |                             |                                                  |
|--------------------------------|-----------------------------|--------------------------------------------------|
| ESSER III                      | (Expiration September 2024) | (\$6,932,352) Allocated<br>\$5,876,226.40 Spent  |
| ESSER III Extended Liquidation | (Expiration March 2026)     | (\$1,056,125.60) Allocated<br>\$486,749.99 Spent |

11. ESSER funds have allowed Cedar Unified to finally begin repairing its infrastructure and bridging students' learning gap from the Covid-19 pandemic. Most recently, Cedar Unified allocated \$1,056,125.60 of ESSER III Extended Liquidation funds from September 2024 across two projects: (1) a dual-phased schoolwide bathroom repair project, and (2) an additional 90 minutes of weekly math and reading instruction through a virtual tutoring service called Book Nook. The district allocated funding as follows:

Bathroom Repairs (Phase I and Phase II): \$610,917.10 (Allocated)  
Book Nook Virtual Tutoring: \$581,958.50 (Allocated)

12. Of these approved funds, Cedar Unified has already expended \$486,749.99 as follows:

Bathroom Repairs (Phase I): \$350,000 (Spent)  
Book Nook Virtual Tutoring: \$136,749.99 (Spent)

13. With these Phase I funds, the school has repaired restroom facilities in the middle school, staff areas, and gymnasium. These repairs were critical to improving the health, safety, and sanitation of the school campus and the student body, particularly during the Covid-

19 pandemic. Basic improvements like touchless fixtures and surfaces that were easier to clean helped reduce the transmission of Covid-19 and other infectious diseases. The remaining funds not yet expended for Phase II would have enabled Cedar Unified to make these sanitation improvements to restrooms in elementary classrooms.

14. The Book Nook tutoring services provided to students thus far have been instrumental in improving learning outcomes in math and reading. Over the past year, the school has seen internal test scores rise by 20 to 30 percent. The district school's rating has also increased from an F to a B in just three years.
15. The ESSER III Extended Liquidation funds not yet expended would have covered Book Nook services until March 2026.
16. As of the date of this declaration, Cedar Unified has not received reimbursement for the \$486,749.99 of funding that it has already expended for Phase I of its school bathroom repair project and for the Book Nook virtual tutoring services that it has provided to students thus far.
17. On March 4, 2025, Cedar Unified submitted to the Arizona Department of Education ("ADE") its reimbursement request for \$486,749.99 of approved ESSER III Extended Liquidation funds to satisfy prior work performed and services rendered. At ADE's request, Cedar Unified re-submitted its reimbursement request on March 6, 2025 with additional documentation including purchase orders, invoices, and check receipts.
18. On March 28, 2025, U.S. Department of Education (DOE) Secretary Linda McMahon sent a letter addressed to all state education chiefs "modifying the liquidation period" for all Education Stabilization Fund obligations, including ESSER III funds, "to end on March 28, 2025." By this point, Cedar Unified's ESSER III Extended Liquidation

reimbursement request to ADE was still pending.

19. On April 1, 2025, ADE sent a letter to all ESSER Liquidation Extension Approved Grantees stating that ADE was “no longer able to process requests for reimbursement for any LEAs who have previously obtained an approval for an ESSER III liquidation extension and have remaining funds in their FY25 ESSER III Liquidation Extension application.”
20. As of the date of this declaration, Cedar Unified has still not been reimbursed for the \$486,749.99 that it has already expended in reliance on its approved ESSER III Extended Liquidation funding award.
21. As a result, Cedar Unified has had to use approximately 80 percent of the school’s reserves of capital funding to cover the cost of its Phase I bathroom repair project. Specifically, Cedar Unified used \$294,299 of its reserved DAA capital funds and \$57,701 of reserved Impact Aid Capital Funds to cover the \$350,000 expended on the bathroom repair project.
22. Cedar Unified has also covered the \$136,749.99 cost of Book Nook services rendered out of the Cedar Unified’s own funding reserves and operating budget, further depleting any budgeted cash reserves.
23. In March 2025, Cedar Unified decided to lay off six staff members for the following academic year, including one teacher, three classroom aides, a school bus driver, and a custodian, lowering the number of total staff members from 49 to 43. If Cedar Unified is not reimbursed for the funds that it has already expended in reliance on ESSER III Extended Liquidation, it may need to lay off additional teachers and staff.
24. In addition, Cedar Unified has drained its reserved funding needed to repair the school’s roofing, air conditioning, fuel pump for school buses, hot water tank, and other

infrastructure that is in disrepair. Given the precarious financial position for Cedar Unified School District and its students, these infrastructure failings will only exacerbate existing barriers to education. For example, if Cedar Unified cannot repair its gas pump for its school buses, bus drivers will need to travel even further to refuel, costing additional time and resources and potentially interfering with students' education. Students living on the reservation often travel far distances to attend school and the bus drivers are already stretched thin.

25. The state cannot cover all of these costs. The limited budget of the State of Arizona's School Facilities Division must fund emergency repairs for every school district in the state. Cedar Unified has applied for state funding for its emergency roof repair but it has yet to receive any funding over multiple fiscal years.
26. As a result of the suspension of ESSER III Extended Liquidation funds, Cedar Unified has had to cancel its contract with Book Nook, and its students no longer have access to the virtual tutoring that has been vital to improving their academic performance.
27. As of the date of this declaration, Cedar Unified has a total of \$569,375.61 of its original total approved ESSER III Liquidation Extension funds left to be drawn by its original expiration date of Spring 2026. Cedar Unified had initiated a bidding process for contractors to complete Phase II of its bathroom repair project but is unable to move forward without continued funding. Similarly, Cedar Unified had planned to fund another year of Book Nook tutoring services but is no longer able to fulfill its obligations under the contract.
28. DOE's continued suspension or withholding of ESSER III Extended Liquidation funds may cause Cedar Unified to lay off more staff members, further delay necessary school

infrastructure repair projects, and deprive students of much needed academic support services that will be difficult, if not impossible, to recover.

Executed on April 8, 2025, in Jeddito, Arizona.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

/s/ Dean Slaga  
Dean Slaga