

BOARD OF EDUCATION OF THE CITY OF LOS ANGELES
Governing Board of the Los Angeles Unified School District

REGULAR MEETING ORDER OF BUSINESS

333 South Beaudry Avenue, Board Room
5015 Tujunga Avenue, North Hollywood, CA 91601
1208 Magnolia Avenue, Gardena, CA 90247
9:00 a.m., Tuesday, June 18, 2024

Roll Call

Pledge of Allegiance

Board President's Reports

Recognition of Austin Onwualu
Labor Partners
Committee Chair Reports

- Greening Schools and Climate Resilience Committee

Consent Items

Items for action are assigned by the Board at the meeting to be adopted by a single vote. Any item may be pulled off of the consent calendar for further discussion by any Board Member at any time before action is taken.

Superintendent's Reports

General Public Comment and LCAP & Budget Public Hearings (Approximately 4:00 P.M.)

Providing Public Comment

The Board of Education encourages public comment on the items for action on this Regular Board Meeting agenda and all other items related to the District. Any individual wishing to address the Board must register to speak using the Speaker Sign Up website: <https://boardmeeting.lausd.net/speakers>, and indicate whether comments will be provided over the phone or in person. Registration will open 24 hours before the meeting. Each action item will allow for ten (10) speakers, except those items for which a Public Hearing will be held will allow for 15 speakers, and 20 speakers may sign up for general Public Comment.

Each speaker will be allowed a single opportunity to provide comments to the Board, with the exception of public hearings, and shall be given two minutes for their remarks. **Speakers signed up to speak on an agenda item must constrain their remarks specifically to the item or items on the agenda or may be ruled out of order.**

Public comment can be made in-person or by telephone, and members of the public must sign up on-line for either method, as described above. Members of the public can only make remote public comment by calling 1-888-475-4499 (Toll Free) and entering the Meeting ID: **832 3386 6360**.

Speakers addressing items not on the agenda will be heard at approximately 4:00 p.m. Speakers commenting on items on the consent calendar will be heard prior to the Board's consideration of the items, and speakers on items not on the consent calendar will be heard when the item is before the Board.

Speakers who do not register online to provide comments may use the following alternative methods to provide comments to Board Members:

- Email all Board Members at boardmembers@lausd.net;
- Mail comments via US Mail to 333 S. Beaudry Ave., Los Angeles, CA 90017; and
- Leave a voicemail message at 213-443-4472, or fax 213-241-8953. Communications received by 5 p.m. the day before the meeting will be distributed to all Board Members.

Speakers who have registered to provide public comments over the phone need to follow these instructions:

1. Call 1-888-475-4499 (Toll Free) and enter Meeting ID: **832 3386 6360** at the beginning of the meeting.
2. Press #, and then # again when prompted for the Participant ID.
3. Remain on hold until it is your turn to speak.
4. Call in from the same phone number entered on the Speaker Sign Up website. If you call from a private or blocked phone number, we will be unable to identify you.
5. When you receive the signal that your phone has been removed from hold and or unmuted, please press *6 (Star 6) to be brought into the meeting.

Please contact the Board Secretariat at 213-241-7002 if you have any questions.

The Office of the Inspector General would like to remind you that they investigate the misuse of LAUSD funds and resources as well as retaliation for reporting any misconduct. Anyone can make a report via the OIG hotline on their website (<https://www.lausd.org/oig>), by telephone at 213-241-7778, or by emailing inspector.general@lausd.net. Reports are confidential and you can remain anonymous if you wish.

Attending the Meeting

Please note there are three ways members of the public may watch or listen this Regular Board Meeting: (1) online ([Granicus stream](#) or [join the zoom webinar](#)) (2) by telephone by calling 1-888-475-4499 (Toll Free) and entering the Meeting ID: **832 3386 6360**, or (3) in person.

New Business for Action

1. Board of Education Report No. 312-23/24
Information Technology Services
(Amendment to the Information Technology Services Strategic Execution Plan to Approve the Audio-Visual Communication System Modernization at Marlton School Project) Recommends approval of the amendment of the Information Technology Services Strategic Execution Plan to approve the definition, allocate funds, and take the associated actions for the Audio-Visual Communication System Modernization at Marlton School Project, as described in Attachments A, B, and C.
2. Board of Education Report No. 313-23/24
Information Technology Services and Office of the Deputy Superintendent
(Amendment to the Information Technology Services Strategic Execution Plan to Approve the TechRefresh: Equipping Tomorrow's Minds Project, Phase 1 and 2A) Recommends approval of the amendment of the Information Technology Services Strategic Execution Plan to approve the definition, allocate funds, and take the associated actions for the TechRefresh: Equipping Tomorrow's Minds Project, Phase 1 and 2A, as described in Attachments A, B, C, and D.
3. Board of Education Report No. 306-23/24
Accounting and Disbursement Division
(Donations of Money and Materials to the District and Associated Student Body) Recommends approval of donations of money to the District totaling \$3,157, 867.13; approval of donations of money to the Associated Student Body totaling \$52,200.00; and approval of donations of materials/food to the District totaling \$590,322.99.
4. Board of Education Report No. 307-23/24
Accounting and Disbursement Division
(Report of Cash Disbursements, Request to Reissue Expired Warrants, Report of Corporate Credit Card Charges, and Reimbursement of the Controller's Revolving Cash Fund)
Recommends ratification of cash disbursements totaling \$964,403,237.74 which were made against funds of the District from April 1, 2024 through April 30, 2024; approval to reissue expired warrants that were not cashed within the prescribed period totaling \$7,449.16; approval of Corporate Card Charges made against funds of the District totaling \$7,559.27 for the quarter ended March 31, 2024; and approval of reimbursement of the Controller's Revolving Cash Fund totaling \$32,606.44.
5. Board of Education Report No. 322-23/24
Office of the Chief Business Officer
(Update of Debt Management Policy) Recommends approval of the proposed Debt Management Policy which establishes formal guidelines for the issuance of various types of debt instruments and other long-term financial obligations to assure prudent debt management.

6. Board of Education Report No. 323-23/24 **NOT ON CONSENT**
Office of the Chief Business Officer
(Authorization of a Resolution of the Board of Education Approving the Sale and Issuance of Not-to-Exceed \$1.1 billion of General Obligation Bonds and the Forms of the Documents Necessary for the Issuance of such Bonds) Recommends approval of the Resolution for General Obligation Bonds (Attachment A) in connection with the issuance of the General Obligation Bonds, not to exceed \$1.1 billion; and further recommends approval of the forms of documents necessary for issuance, and authorization of the sale of the General Obligation Bonds by the negotiated method of sale; and approval and direction of certain actions to be taken in connection with the issuance of the Bonds.

7. Board of Education Report No. 324-23/24 **NOT ON CONSENT**
Office of the Chief Business Officer
(Authorization of a Resolution of the Board of Education Approving the Sale and Issuance of Not-to-Exceed \$4.5 Billion of General Obligation Refunding Bonds and the Forms of the Documents Necessary for the Issuance of such Bonds) Recommends approval of the Master Refunding Resolution for General Obligation Refunding Bonds (Attachment A) in connection with the issuance of General Obligation Refunding Bonds (“GO Refunding Bonds”), not to exceed \$4.5 billion of GO Refunding Bonds; and further recommends approval of the forms of documents necessary for issuance, and authorization of the sale of the GO Refunding Bonds by the negotiated method of sale; and approval and direction of certain actions to be taken in connection with the issuance of the Bonds.

8. Board of Education Report No. 325-23/24 **NOT ON CONSENT**
Office of the Chief Business Officer
(Resolution of the Board of Education of the Los Angeles Unified School District approving and authorizing the issuance of Judgment Obligation Notes and Bonds, the execution and delivery of Revolving Credit Agreement(s), an Indenture and Related Documents, an Official Statement, a Validation Proceeding, and Related Actions, all for the purpose of refunding Obligations incurred by application of Assembly Bill Number 218 and similar claims for tort liability) Recommends approval of the resolution (Attachment A) relating to the issuance of Judgment Obligation Notes and Judgment Obligation Bonds for the purpose of refunding all or a portion of significant involuntary tort liability obligations arising as a result of pending and anticipated litigation brought by application of California Assembly Bill Number 218 (“AB 218”) and similar childhood sexual assault, abuse and/or molestation claims for tort liability.

9. Board of Education Report No. 282-23/24
Human Resources Division
(Approval of Routine Personnel Actions) Recommends approval of 17,627 routine personnel actions such as elections, promotions, transfers, leaves, terminations, separations, permits and senior management contracts.

10. Board of Education Report No. 289-23/24
Personnel Commission
Human Resources Division
(Approval of Classified Salary Schedules for Fiscal Years 2021-2024 and Certificated Salary Schedules for Fiscal Years 2022-2024) Recommends approval of the salary schedules 07/01/2021 through 7/01/2024 for the purpose of compliance with Government Code (GC) Section 20636.1 and California Code of Regulations (CCR) Section 570.5.

11. Board of Education Report No. 303-23/24
Human Resources Division
(Provisional Internship Permits) Recommends approval of the continuing employment of 2 teachers who are employed under the Provisional Internship Permit allowing the District to continue to staff subject field shortage classrooms.
12. Board of Education Report No. 261-23/24
Division of Instruction
(Update to Los Angeles Unified School District's 2022-2026 Strategic Plan Goal 4: Social-Emotional/Wellness) Recommends adoption of the updated Los Angeles Unified School District 2022-2026 Strategic Plan Goal 4: Social-Emotional/Wellness.
13. Board of Education Report No. 320-23/24
Division of Instruction
(Annual Report of the Los Angeles Unified School District Proposition 28: The Arts and Music in Schools Funding Guarantee and Accountability Act) Recommends approval of the Proposition 28: Arts and Music in Schools Funding Annual Report.
14. Board of Education Report No. 321-23/24
Division of Instruction/Budget Services
(Annual Report of the Los Angeles Unified School District Affiliated Charters Proposition 28 Report) Recommends approval of the Proposition 28 Arts and Music in Schools Funding Annual Report Inclusive of 51 Affiliated Charter Schools in Los Angeles Unified.
15. Board of Education Report No. 333-23/24
Division of Instruction
(Early Literacy School Block Grant (ELSBG) Annual Updates and End of Grant Report) Recommends ratification of the final Annual Plan Report for the six Los Angeles Unified schools participating in the ELSBG with a total grant award of \$4,777,355 continuing through June 30, 2024.
16. Board of Education Report No. 292-23/24
Division of Adult and Career Education
(Approval of Adult Education CTE Advisory Committee) Recommends approval of CTE Advisory Committee for Perkins Grant (Strengthening Career Technical Education Act).
17. Board of Education Report No. 335-23/24
Division of Special Education/Comprehensive Coordinated Early Intervening Services (CCEIS) Program
(2022 CCEIS Action Plan Amendment) Recommends approval of the Division of Special Education's amendment to the 2022 CCEIS Action Plan.
18. Board of Education Report No. 336-23/24
Division of Special Education
(Special Education Local Plan Area (SELPA) Local Plan 2024-2025) Recommends approval of the SELPA Local Plan components Section A: Contracts and Certifications, Section B: Governance and Administration, Section D Annual Budget Plan, Section E: Annual Service Plan, and Attachments I-VII.

19. Board of Education Report No. 319-23/24
Office of Student, Family and Community Engagement
(Approval of Community Advisory Committee (CAC) Membership) Recommends approval of the persons listed in Attachment A for a term of membership on the Community Advisory Committee for the identified terms, and alternates to serve on the CAC for the 2024-2025 school year.
20. Board of Education Report No. 296-23/24
Office of the Inspector General
(Fiscal Year 2025 OIG Work Plan) Recommends approval of the OIG's 2025 Work Plan.

Board Member Resolutions for Action

21. Ms. Goldberg – LAUSD Student ID for All Students (Res-030-23/24) (Noticed June 4, 2024)

Whereas, The Los Angeles Unified School District (LAUSD) Student ID is a unique identifier which allows the District to store, track, and access every individual student's school enrollment, demographics, contact information, Individualized Education Plan (IEP), scores, transcripts, and other important information;

Whereas, Because it is our responsibility to provide an education to every school-age person living within our boundaries and in practice, students often move between charter schools and public schools, all students in District-operated public schools and independent charter schools are LAUSD students; and

Whereas, Ensuring that all public school and District-approved charter school students are included in the same Student ID system throughout their school career will create a seamless transition for families whose students move from charter schools to public schools or from public schools to charter schools, and will ensure that important records including attendance, behavior, academic outcomes, and IEPs automatically follow them throughout their time in LAUSD, regardless of the school they are enrolled in; now, therefore, be it

Resolved, That all students in Los Angeles Unified School District, including those attending District-approved charter schools, shall be assigned an LAUSD Student ID;

Resolved further, That newly-assigned Student IDs pursuant to this resolution will be managed by the same system and store the same information as those assigned to students in District-operated schools; and, be it, finally

Resolved, That Information Technology Services will develop a plan to assign a Student ID to District-approved charter school students for the 2024-25 school year.

22. Dr. Rivas, Mr. Melvoin – Celebration of Play Day on June 29, 2024, and Promotion of Play Equity (Res-034-23/24) (Noticed June 4, 2024)

Whereas, Sport, play, and movement are essential for positive youth development, improving mental and physical health, increasing cognitive performance, and leading to higher academic and career achievement;

Whereas, Inequities in access to sport, play, and movement exist, particularly for youth of color,

including Black and Latino youth, who often face barriers such as limited access to quality park space and lower rates of participation in organized sports;

Whereas, Achieving play equity, which means removing barriers and ensuring all children have equal access to the benefits of sport, play, and movement, is essential to fostering thriving children, building stronger communities nationwide, and realizing our shared vision for a healthier and more inclusive society;

Whereas, The LA84 Foundation and the Play Equity Fund are issuing a call to action to fortify the spirit of our youth with Play Day on June 29, a national celebration uplifting the lifelong benefits of sport, play, and movement for children in their neighborhoods;

Whereas, Play Day demonstrates the power of sports and play to connect us, foster understanding, and build more promising futures for young people;

Whereas, The Los Angeles Unified School District's Strategic Plan 2022-2026 emphasizes creating safe and healthy learning environments to promote joy and wellness, recognizing that physical activity and play are essential components of a holistic approach to student well-being and academic success; and

Whereas, The District, as demonstrated in its support of International Walk to School Day (October 9, 2013) and TV Turnoff Week (April 19-25, 2004), strives to uphold the health and safety of all students and recognizes the importance of physical activity and reduced screen time for their overall well-being, academic success, and creative growth; now, therefore, be it

Resolved, That the Governing Board of the Los Angeles Unified School District commits to championing policies and practices that promote equitable access to sports, play, and movement opportunities for all students;

Resolved further, That the Board will designate June 29, 2024, as “Play Day” and encourages all District students and families to join the celebration in West Adams and go out and play on that day; and, be it finally

Resolved, That the Board direct the Superintendent to utilize and promote resources through the District’s Summer of Learning summer school programming, as well as Los Angeles County and Los Angeles City programs, to support Play Day on June 29, 2024, and to champion equitable access to sports, play, and movement opportunities for all students throughout the year.

23. Mr. Melvoin, Ms. Goldberg, Ms. Ortiz Franklin – Supporting Student Mental Health and Learning by Ensuring a Phone-Free School Day (Res-035-23/24) (Noticed June 4, 2024)

Whereas, The Los Angeles Unified School District (“District”) is committed to supporting student mental health and wellbeing and creating environments where students feel safe, welcome, and excited to learn;

Whereas, Research indicates that excessive cell phone use impacts adolescents mental health and well-being and is associated with increased stress, anxiety, depression, sleep issues, feelings of aggression, and suicidal thoughts. According to the US National Survey on Drug Use and Health, anxiety for those born after 1995 increased by 139 percent from 2010 to 2020, coinciding with the rise in smartphones and social media;

Whereas, Cell phones can stifle meaningful in-person interaction and enable cyberbullying. According to a report published by the Centers for Disease Control and Prevention, 16 percent of U.S. high school students in 2021 said they had been bullied via text message or social media platforms over the previous year;

Whereas, While headphones and earbuds are tools to promote focus and concentration in the classroom, students use them with their cell phones all day and may become reliant on them—stifling student interaction with their peers and limiting classroom engagement;

Whereas, Half of all teens reported feeling “addicted” to their phones in a survey published in 2016 by Common Sense Media. And, a 2023 Common Sense Media study of 200 students found that 97% of 11 to 17-year-olds used their phones during the school day;

Whereas, The U.S. surgeon general wrote in an advisory in 2023 that social media may be linked to the growing mental health crisis among teens. Children and adolescents on social media are commonly exposed to extreme, inappropriate, and harmful content. Many students access social media via their smartphones during the school day;

Whereas, Research indicates that limiting cell phone usage and social media access during the school day increases academic performance and has positive effects on student mental health. Studies show that banning smartphones increases performance on both standardized test scores and end-of-course exams. The gains were equivalent to an additional hour of instructional time per week. A study published in 2024 shows that banning smartphones reduces the number of consultations for psychological symptoms by about two-to-three visits per child, per year;

Whereas, Districts and schools across the country have adopted policies restricting student smartphone use during the school day. For example, starting in 2023, public schools in Florida began prohibiting student phone use during instructional time and blocking students’ access to social media on district Wi-Fi. In 2019, California’s AB 272 encouraged school districts to adopt policies limiting the use of smartphones in school. And, California’s AB 3216 “Pupils: use of smartphones,” introduced in February 2024, would require school districts to adopt a policy to prohibit the use of smartphones at school sites by July 1, 2026. Other states including Oklahoma, Kansas, Vermont, Ohio, Louisiana, and Pennsylvania have introduced similar legislation;

Whereas, BUL-5468.0 “Use of Cellular Telephones and Other Electronic Devices by Students” prohibits the use of cell phones during normal school hours or school activities, excluding lunchtime or nutrition unless the school has adopted a stricter policy. However, implementation of the existing cell phone policy varies by school site—sometimes from classroom to classroom. This policy has not been updated since 2011, prior to the widespread usage of smartphones by school-aged children;

Whereas, BUL-6299.2 “Social Media Policy for Students” provides guidelines regarding student’s social media use. This policy has not been updated since 2018; and

Whereas, School safety experts indicate that the use of cell phones by students could potentially decrease school safety during certain emergencies, spreading misinformation and interfering with official communications and directions to students; now, therefore be it

Resolved, That within 120 days, the Los Angeles Unified School District shall develop and present to the public at a Board Meeting updated cell phone and social media policies to prohibit student use of cell phones and social media platforms district-wide during the entire school day. The policies and their implementation shall be informed by best practices and by input from experts in the field, labor partners, staff, students, and parents;

Resolved further, That the updated policies will go into effect no later than the second semester of the 2024-2025 school year and shall include guidelines for implementation that:

- Are consistent with California and federal legal requirements including exemptions for IEP or Section 504 accommodations and emergencies;
- Are age appropriate and differentiated by grade level;
- Delineate an approach for smartphones versus text/voice only phones versus other smart devices like watches;
- Consider options for cell phone storage including locked pouches and/or cell phone lockers taking the needs of local school communities and stakeholders into account;
- Consider the use of technological means of restriction to social media platforms or other similar content by internet or cellular service;
- Provide guidance to school sites on communicating with students, families and employees regarding the policies; and, be it finally

Resolved, That the District shall advocate for state and federal legislation—including but not limited to AB 3216—limiting the use of smartphones at school sites as well as other legislation that limits the use of social media platforms, and support litigation, as appropriate, that limits the use of social media platforms that disrupt learning and contribute to declining student mental health.

24. Ms. Ortiz Franklin, Mr. Melvoin - Modern Budget Transparency for Student Achievement (Res-036-23/24) (Noticed June 4, 2024)

Whereas, Los Angeles Unified School District is committed to equity, collaboration and excellence, leading every student to be ready for college, career and life;

Whereas, Providing the highest-quality instructional experience requires utilizing resources equitably, efficiently, and strategically to improve student outcomes and to do so requires timely, easy-to-understand budget analysis that well informs decisions;

Whereas, The Strategic Plan Pillar 3 Engagement and Collaboration commits to providing opportunities for robust stakeholder engagement in the school budget development process as a strategy for strengthening relationships between families, students, and their schools to improve student success;

Whereas, The Strategic Plan Pillar 4 Operational Effectiveness elevates the Priority of Sustainable Budgeting and the importance of establishing powerful new ways to look at data and District budgets to make the best decisions to serve our students;

Whereas, The Governing Board of the Los Angeles Unified School District passed the LAUSDATA: Los Angeles Unified Sharing Data for Accessibility, Transparency, and Accountability resolution (Res-021-17/18), which recognized the importance of open government, collective problem solving, trust and shared accountability and established the

LAUSD Open Data portal which averages 1,372 monthly users;

Whereas, The Strategic Plan was aligned to budget investments in the OpenGov portal taking an important step towards tracking our investments connected to District goals and strategies, but currently lacks the ability to produce a report to understand usage;

Whereas, There are multiple places to access budget data which creates confusion, lack of clarity on the most up to date information, and budget allocation information is difficult to decipher, static, and only addresses high-level questions;

Whereas, Artificial Intelligence (AI) provides the possibility of enhancing efficiencies, expediting processing times, improved accuracy, and real-time customization for the user, and LA Unified is a leader in AI with applications such as Ed and presentations at renowned conferences;

Whereas, District students, parents, families, staff, and community members voice the importance of having access to readily available, easily understandable budget information so they can understand how the District is prioritizing its investments and to what extent those investments are impacting student experiences and achievement; and

Whereas, The District faces a challenging budgetary context with pandemic recovery funds expiring and California state budget projected deficits, making informed, transparent decisions alongside community necessary to ensure high-quality, equitable learning environments; now, therefore, be it

Resolved, That the Los Angeles Unified School District provide a primary resource for the community that is a consolidated, clear, comprehensive, detailed, language accessible, and AI-powered annual budget tool – publicly available online – that includes ~~an~~ FAQ section and ongoing in-person and online user guidance training and support to help with navigation, and which:

1. Integrates Artificial Intelligence so that users engage actively with the tool to ask questions and receive accurate answers,
2. Includes customizable data visualizations, download capability, geocoding/mapping capabilities, sortability to analyze and compare investments across schools, SENI quintile, board district, community of school, student demographic and other relevant data to be determined by stakeholder engagement,
3. Includes all fund sources including bond funding and donation accounts (PTO/PTA), totals, carryover, full-time and part-time equivalent allocations including staff to student ratios (for each position, not just teachers and counselors), position titles, per pupil expenditures for all funding sources across major categories,
4. Is organized by categories commonly discussed at board meetings, in community meetings, and at school sites (determined by community described in Resolve 2 below),
5. Includes year-over-year historical data for the past 3-year time period and includes budgeted and actual expenditures in each category (i.e. program dollar spend year-to-date and year-to-go),
6. Has the capacity to support school-site budgetary decisions through including access to accurate and timely information for making real-time budget decisions (i.e. program dollar spend year-to-date and year-to-go),
7. Includes narrative and contextual information to explain budget and policy decisions;

Resolved further, That in order to design the first draft and final version of this tool, made available by July 1, 2025, the District continues to seek and incorporate community feedback that

1. Includes LCAP parent groups, community partners, labor partners, and board offices,
2. Is shared in language accessible formats, and when the community can best participate,
3. Prioritizes engaging historically marginalized communities which can include but are not limited to native/indigenous, immigrant, disabled, and racial/ethnic subgroups, and
4. Ensures that the product matches the demand of the end users (feedback shall be sought at least ~~three times~~ ~~twice~~ – at the outset and twice after ~~a draft~~ is are available to test drive);

Resolved further, That by October 2025 the budget tool clearly connects to student outcomes, describing how specific investments impact student outcomes and strategic plan goals (recognizing limitations regarding causal and correlative connections as well as shared responsibility across programs, personnel and school/region/district staff) to inform budget development of the 2026-27 school year; and, be it finally

Resolved, That the budget tool and student achievement metrics are available at the regional and school site levels and are shared multiple times per year, publicly as a part of Strategic Plan updates, LCAP updates, and key budgetary milestones (including 2nd-interim report) to inform board decisions on budget development and approval.

Resolutions Requested by the Superintendent

25. Appointment of Member to School Construction Bond Citizens' Oversight Committee (Sup Res-007-23/24)

Resolved, That the Governing Board of the Los Angeles Unified School District ratifies the appointment of Ms. Sandra Betts, representing the California Tax Reform Association, as Member to the School Construction Bond Citizens' Oversight Committee for a two-year term commencing June 25, 2024 and determines that Ms. Betts is not an employee, official, vendor, contractor, or consultant of the District.

26. Re-appointment of Member to the School Construction Bond Citizens' Oversight Committee (Sup Res-008-23/24)

Resolved, That the Governing Board of the Los Angeles Unified School District ratifies the re-appointment of Ms. Jennifer Pope McDowell, representing the Los Angeles Mayor's Office, as a Member to the School Construction Bond Citizens' Oversight Committee for a two-year term commencing on June 18, 2024. The Board has determined that Ms. Pope McDowell is not an employee, official, vendor, contractor, or consultant of the District.

Special Reports

27. Receipt of Results of the April 2024 Go Refunding Bond Sale and Comparison of Good Faith Costs of Issuance Estimates and Actuals (030-23/24)

28. Receipt of Debt Report Fiscal Year 2022-2023 (031-23/24)

Public Hearings

*45 speakers will be heard. Each speaker will be able to make a 2-minute presentation.
The LCAP and Budget are available for public inspection at the Security Desk.*

29. Adoption of the Proposed Los Angeles Unified School District 2024-25 Budget (028-23/24)
30. Adoption of the 2024 LAUSD Local Control and Accountability Plan and Presentation of the 2024 State Accountability Dashboard Local Indicators File (015-23/24)
31. Adoption of LAUSD Affiliated Charter Schools' 2024 Local Control and Accountability Plans and Presentation of the 2024 State Accountability Dashboard Local Indicators for Affiliated Charters File (025-23/24)

Minutes for Board Approval

32. Approval of Minutes (MIN-007-23/24)

March 12, 2024, Regular Board Meeting Minutes, 1:00 p.m.
March 19, 2024, Special Board Meeting Minutes, 12:00 p.m.
April 9, 2024, Regular Board Meeting Minutes, 1:00 p.m.

Miscellaneous Business

33. Adoption of the 2024-2025 Board Meeting Schedule (032-23/24)

Board Member Resolution for Initial Announcement

34. Ms. Goldberg – Resolution to Endorse the Campaign for a Healthy and Safe California and Protect the LAUSD Community from the Health Impacts of Oil Wells (Res-038-23/24)
(For Action June 25, 2024)

Whereas, Research shows that living within half a mile of an oil well increases the risk of asthma, high-risk pregnancies, respiratory illnesses, and cancer;

Whereas, There are thousands of active and inactive oil wells within the boundaries of Los Angeles Unified School District, and hundreds more in nearby communities that are within a half mile of District boundaries, and these wells are located near schools in every Board district;

Whereas, The California State Legislature passed SB1137 in 2022 to initiate health and safety setback regulations, which prohibit new or modified oil and gas wells within 3,200 feet of schools, daycare centers, parks, healthcare facilities, businesses, and homes; and

Whereas, Oil and corporate interests financed a \$20 million petition campaign to block immediate implementation of SB 1137, placing a referendum to overturn SB 1137 on the California General Election November 2024 ballot; now, therefore, be it

Resolved, That the Governing Board of the Los Angeles Unified School District endorse the Campaign for a Safe and Healthy California to keep SB1137 health and safety setback legislation, joining public health leaders, environmental justice groups, community and faith leaders, and youth to stand up to Big Oil and make sure that no Californians have to endure health hazards from living just steps away from dangerous oil wells; and, be it finally

Resolved, That the District will publish accurate and unbiased information about ballot initiatives on the November 2024 ballot, including regarding the well-funded attack SB 1137.

35. Ms. Ramirez – Supporting Student First Amendment Rights on School Campuses (Res-039-23/24) (For Action June 25, 2024)

Whereas, The First Amendment of the United States Constitution guarantees the rights and freedoms of all individuals residing in the United States, including but not limited to the rights to assemble peaceably, to freely express oneself, to share information through the press, and to petition the government;

Whereas, The landmark United States Supreme Court case *Tinker v. Des Moines* of 1969 established the legal precedent affirming that students possess the same fundamental civil liberties enshrined in the First Amendment of the Constitution, emphasizing that students do not "shed their constitutional rights to freedom of speech or expression at the schoolhouse gate;"

Whereas, The United States has witnessed a significant surge in student-led protests across college campuses, which have been discouraged, and in many cases met with police brutality, by their institutions, instilling fear and reluctance among students to exercise their constitutionally guaranteed civil liberties; and

Whereas, The Governing Board of the Los Angeles Unified School District has formally accepted a Student Bill of Rights, which states that, "All students have the right to express themselves orally, in writing, and artistically . . . in a courteous and thoughtful manner that is within acceptable legal standards in an educational context without fear of reprisal;" now, therefore, be it

Resolved, That the Governing Board of the Los Angeles Unified School District hereby reaffirms its support for the civil liberties of students within the district and extends this commitment to uphold and defend students' civil liberties across school campuses nationwide;

Resolved further, That schools are encouraged to continue teaching courses such as AP United States History, AP US Government and Politics, and Constitutional Law within their classrooms. Furthermore, schools are urged to actively promote increased student participation in initiatives such as the attainment of the State Seal of Civic Engagement;

Resolved further, That the Board formally requests all schools within the District to persistently promote and prominently display the LAUSD Student Bill of Rights on their campuses to remind students of their rights on campus; and, be it finally

Resolved, That the Board hereby calls upon all educational institutions to safeguard the civil liberties of their students and to promote the exercise of these liberties, including freedom of speech, expression, and assembly, as well as the right to petition the government, both within and beyond school campuses, and to never call police to an assembly as long as it is peaceful and nonviolent.

Adjournment

Please note that the Board of Education may consider at this meeting any item referred from a Board Meeting 5 calendar days prior to this meeting (Education Code 54954.2(b)(3)). The Board of Education may also refer any item on this Order of Business for the consideration of a committee or meeting of the Board of Education.

Requests for disability related modifications or accommodations shall be made 24 hours prior to the meeting to the Board Secretariat in person or by calling (213) 241-7002.

If you or your organization is seeking to influence an agreement, policy, site selection or any other LAUSD decision, registration may be required under the District's Lobbying Disclosure Code. Please visit <http://ethics.lausd.net/> to determine if you need to register or call (213) 241-3330.

Materials related to an item on this Order of Business distributed to the Board of Education are available for public inspection at the Security Desk on the first floor of the Administrative Headquarters, and at:
<https://www.lausd.org/boe#calendar73805/20240603/event/69347>

Items circulated after the initial distribution of materials are available for inspection at the Security Desk.

[Return to Order of Business](#)

NEW BUSINESS

[Return to Order of Business](#)

1

TAB 1



Board of Education Report

File #: Rep-312-23/24, **Version:** 1

Amendment to the Information Technology Services Strategic Execution Plan to Approve the Audio-Visual Communication System Modernization at Marlton School Project

June 18, 2024

Information Technology Services

Action Proposed:

Approve amendment of the Information Technology Services (ITS) Strategic Execution Plan (SEP) to approve the definition, allocate funds, and take the associated actions for the Audio-Visual (AUDIO VISUAL) Communication System Modernization at Marlton School Project, as described in Attachments A, B, and C.

The proposed actions are as follows:

- Redirect / re-allocate \$6,000,000 in cost savings from completed projects to complete the Audio-Visual Communication System Modernization at Marlton School Project.
- Approve execution of the Audio-Visual Communication System Modernization at Marlton School Project.

Background:

On August 24, 2021, the Board of Education approved the update to the School Upgrade Program (SUP) to integrate Measure RR funding and priorities (Brd. Rpt. 027-21/22), the next phase of the District's Bond Program, which will modernize, build, and repair school facilities to improve student health, safety, and educational quality. The Board's action approved the overarching goals and principles, funding sources, specific categories of need, and spending targets for the SUP. As proposed projects are developed, they are submitted to the Bond Oversight Committee (BOC) for consideration and the Board of Education for approval.

The SUP includes a spending target to address "Technology Infrastructure and System Upgrades." The intended outcome of the proposed project to be executed within this spending target is:

- Audio-Visual Communication System Modernization at Marlton School Project: This project is a comprehensive initiative aimed at modernizing the Audio/Visual (A/V) Communication System and integrating it with the local area network and wireless local area network (LAN/WLAN), for Marlton School. Marlton School provides a bilingual American Sign Language (ASL) and English program for students across the Los Angeles Unified School District, including deaf and hard of hearing students in Kindergarten-Grade 12. \$6,000,000 Bond Funds (100%). August 2026 anticipated completion.

If approved, ITS will provide quarterly updates on the project.

Bond Oversight Committee Recommendations:

The School Construction Bond Citizens' Oversight Committee (BOC), at its May 23, 2024, meeting, considered this item. Staff has concluded that this proposed SEP Amendment will facilitate the implementation of the ITS SEP, and therefore it will not adversely affect the District's ability to successfully complete the ITS SEP.

Expected Outcomes:

Staff anticipates that the Board will amend the ITS SEP to define the new project described herein and allocate \$6,000,000 of Bond Program funding. The project is expected to significantly enhance the communication and safety protocols at Marlton School by modernizing the A/V communications system, integrating it with LAN/WLAN components, and ensuring ADA compliance.

Furthermore, this project directly contributes to the achievement of the 2022-2026 Los Angeles Unified School District Strategic Plan goals of providing high-quality instruction, eliminating opportunity gaps, and developing college and career readiness (Pillar 1: Academic Excellence); creating welcoming learning environments (Pillar 2: Joy and Wellness); making information accessible (Pillar 3: Engagement and Collaboration); and modernizing infrastructure (Pillar 4: Operational Efficiency).

Moreover, implementation of the audio-visual system modernization at Marlton School project will enable the District to remain compliant with several federal and state laws and regulations, including:

- Kari's Law
- Ray Baum's Act
- Americans with Disabilities Act

Board Options and Consequences:

Failure or delay of approval will postpone the execution and/or implementation of the proposed project and the associated benefits to the school and students.

Policy Implications:

This action is consistent with the District's long-term goal to address unmet school needs as described in Proposition BB and Measures K, R, Y, Q, and RR.

Budget Impact:

The proposed project has a total budget of \$6,000,000, all of which will come from Bond Program funding. The bond funds will be allocated from completed projects' savings. Ongoing maintenance and software renewal will begin FY2031-32 and \$553,000 in Information Technology Service's general funds will be needed to maintain the new systems deployed.

Student Impact:

The proposed project has the following outcomes and benefits that impact students:

1. Improved Communication: The modernized A/V system will facilitate teaching and communication with students, supporting the school's bilingual ASL and English program.
2. Enhanced Safety Protocols: The system will allow for mass notifications throughout the entire school campus, improving the school's ability to respond to emergencies.
3. Compliance with Laws and Regulations: The new system will comply with applicable laws and regulations, ensuring the school meets its legal obligations.
4. Equity and Inclusion: The modernized system will ensure that all students, including those who are deaf/hard of hearing, have equal access to learning, while on campus.

File #: Rep-312-23/24, Version: 1

Equity Impact:

Component	Score	Rationale
Recognition	4	This project will modernize the specialized audio-visual communications system at Marlton School. Marlton School is a bilingual American Sign Language (ASL) and English program serving students from across Los Angeles Unified School District. The school offers deaf/hard of hearing (D/HH) programs for Kindergarten-Grade 12.
Resource Prioritization	4	The audio-visual communications system that is part of this modernization is specially designed to communicate with deaf/hard of hearing students on campus. The system that is currently in place has reached end of life and end of support, and the entire system must be modernized to ensure a safe learning environment. The new system is expected to provide long-term value and cost savings. The resources required for the project have been prioritized considering the impact on the school's educational outcomes.
Results	4	The project is expected to deliver significant results in terms of improving the learning experience for students and enhancing the efficiency of administrative tasks. The modernized audio-visual system will support the school's mission and contribute to better academic outcomes.
TOTAL	12	

Issues and Analysis:

The Audio-Visual System Modernization at Marlton School project replaces the end-of -life/end-of-support audio-visual system at Marlton School to ensure communication capabilities are maintained at the school. The project also enables the District to remain compliant with several federal and state laws and regulations, including Kari's Law, Ray Baum's Act, and Americans with Disabilities Act.

Attachments:

Attachment A - Project Definition

Attachment B - Bond Oversight Committee Resolution

Attachment C - Presentation Slide Deck

Previously adopted Board report referenced under the background section:

· Adopted August 24, 2021: [Board Report 027-21/22](#)

<https://drive.google.com/file/d/1sYoIVAXgy05ef0WRdMtgaXuXLvT24ezh/view?usp=sharing>

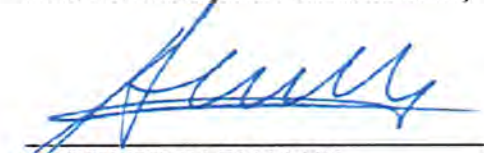
Informatives:

None

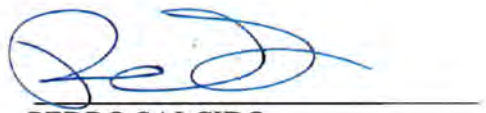
Submitted:

05/16/24

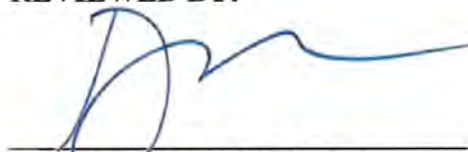
RESPECTFULLY SUBMITTED,


ALBERTO CARVALHO
Superintendent

APPROVED BY:


PEDRO SALCIDO
Deputy Superintendent
Office of the Deputy Superintendent

REVIEWED BY:


DEVORA NAVERA REED
General Counsel☒ Approved as to form.

APPROVED & PRESENTED BY:


SOHEIL KATAL
Chief Information Officer
Information Technology Services

REVIEWED BY:


NOLBERTO DELGADILLO
Deputy Chief Business Officer, Finance
Office of the Chief Business Officer☒ Approved as to budget impact statement.



Information Technology Strategic Execution Plan Amendments Project Definitions and Associated Actions Attachment A – BOE #312-23/24

Program: Safety, Communications, and Security Modernization
Project: Audio-Visual Communication Systems Modernization at Marlton School
Budget: \$6,000,000 (100% Bond Funds)

Introduction

This project is a comprehensive initiative aimed at modernizing the Audio/Visual (A/V) Communication System and integrating it with the local area network and wireless local area network (LAN/WLAN), for Marlton School. Marlton is a bilingual American Sign Language (ASL) and English program serving students across Los Angeles Unified School District (LAUSD), including deaf and hard of hearing students in Kindergarten-Grade 12. The current system has reached its end-of-life (EOL) and/or end-of-support (EOS) life cycle, which is impacting the school's ability to effectively teach and communicate with its students. Implementing a new A/V communication system ensures that the school meets American with Disabilities Act (ADA) compliance by providing necessary accommodations and auxiliary aids.

Scope

The project scope includes the following:

- Design and build a modernized A/V communication system that shall be compliant with applicable laws and regulations pertaining to Kari's Law, RAY BAUM's Act, and Americans with Disabilities Act.
- Provide equipment and labor to install and implement the A/V communication system.
- Integrate the A/V communication system with the LAN/WLAN equipment.
- Train the District's staff on the A/V communications system.

Expected Outcomes

The project is expected to significantly enhance the communication and safety protocols at Marlton School by modernizing the A/V communications system, integrating it with LAN/WLAN components, and ensuring ADA compliance.

Specific expected outcomes include:

- **Improved Communication:** The modernized A/V system will facilitate teaching and communication with students, supporting the school's bilingual ASL and English program.
- **Enhanced Safety Protocols:** The system will allow for mass notifications throughout the entire school campus, improving the school's ability to respond to emergencies.
- **Compliance with Laws and Regulations:** The new system will comply with applicable laws and regulations, ensuring the school meets its legal obligations.



Information Technology Strategic Execution Plan Amendments

Project Definitions and Associated Actions

Attachment A – BOE #312-23/24

- **Integration with Existing Systems:** The system will integrate with the site fire alarm, visual notification devices, IP Clock, VoIP, LDAP/Email, and LAN and WLAN, creating a unified and efficient communication infrastructure.
- **Training and Support:** The project includes training for the District's staff and onsite warranty "Incident Response", ensuring smooth operation and maintenance of the new system.
- **Powerful New Features:** The new A/V system will deliver a new feature set to Marlton, including:
 - Real-time A/V communication from any endpoint A/V capable devices.
 - Mass notifications throughout the entire school campus.
 - Broadcasting of live messages to individual or group(s) of system registered endpoints.
 - Customizable A/V messages for broadcasting to endpoint devices.
 - Automatic power-on for all remote A/V endpoints and readiness for communication within five (5) to fifteen (15) seconds.

Schedule

The project will be completed by August 2026.

SCHOOL CONSTRUCTION BOND CITIZENS' OVERSIGHT COMMITTEE

Margaret Fuentes, Chair

LAUSD Student Parent

D. Michael Hamner, FAIA, Vice-Chair

American Institute of Architects

Dr. Samantha Rowles, Secretary

LAUSD Student Parent

Robert Campbell, Executive Committee

L.A. Co. Auditor-Controller's Office

Scott Pansky, Executive Committee

L.A. Area Chamber of Commerce

Neelura Bell

CA Charter School Association

Chad Boggio

L.A. Co. Federation of Labor AFL-CIO

Jeffrey Fischbach

CA Tax Reform Assn.

Aleigh Lewis

L.A. City Controller's Office

Patrick MacFarlane

Early Education Coalition

Brian Mello

Assoc. General Contractors of CA

Dr. Clarence Monteclaro

Tenth District PTSA

William O. Ross IV31st District PTSA**Santa Ramirez (Alternate)**

Tenth District PTSA

Connie Yee (Alternate)

L.A. Co. Auditor-Controller's Office

Vacant

AARP

Vacant

L.A. City Mayor's Office

Joseph P. Buchman – Legal Counsel

Burke, Williams & Sorensen, LLP

Lori Raineri and Keith Weaver – Oversight Consultants

Government Financial Services Joint Powers Authority

Timothy Popejoy

Bond Oversight Administrator

Perla Zitle

Bond Oversight Coordinator

RESOLUTION 2024-18**BOARD REPORT 312-23/24****RECOMMENDING BOARD APPROVAL FOR THE AMENDMENT OF THE INFORMATION TECHNOLOGY SERVICES STRATEGIC EXECUTION PLAN TO APPROVE THE AUDIO-VISUAL COMMUNICATION SYSTEM MODERNIZATION AT MARLTON SCHOOL PROJECT**

WHEREAS, District Staff proposes that the Board of Education amend the Information Technology Services (ITS) Strategic Execution Plan (SEP) to approve the definition, allocate funds, and take the associated actions for the Audio-Visual (AUDIO VISUAL) Communication System Modernization at Marlton School Project, as described in Attachments A, B, and C to Board Report 312-23/24; and

WHEREAS, District Staff proposes the following actions:

- Redirect / re-allocate \$6,000,000 in cost savings from completed projects for the Audio-Visual Communication System Modernization at Marlton School Project.
- Approve execution of the Audio-Visual Communication System Modernization at Marlton School Project; and

WHEREAS, On August 24, 2021, the Board of Education approved the update to the SUP to integrate Measure RR funding and priorities (Brd. Rpt. 027-21/22), the next phase of the District's Bond Program, which will modernize, build, and repair school facilities to improve student health, safety and educational quality. The Board's action approved the overarching goals and principles, funding sources, specific categories of need, and spending targets for the SUP. As proposed projects are developed, they are submitted to the Bond Oversight Committee (BOC) for consideration and the Board of Education for approval; and

WHEREAS, The SUP includes spending targets to address "Technology Infrastructure and System Upgrades." The intended outcome of the proposed project to be executed within this spending targets is:

- Audio-Visual Communication System Modernization at Marlton School Project: This project is a comprehensive initiative aimed at modernizing the Audio/Visual (A/V) Communication System and

RESOLUTION 2024-18**RECOMMENDING BOARD APPROVAL FOR THE AMENDMENT OF THE INFORMATION TECHNOLOGY SERVICES STRATEGIC EXECUTION PLAN TO APPROVE THE AUDIO-VISUAL COMMUNICATION SYSTEM MODERNIZATION AT MARLTON SCHOOL PROJECT**

integrating it with the local area network and wireless local area network (LAN/WLAN), for Marlton School. Marlton School provides a bilingual American Sign Language (ASL) and English program for students across the Los Angeles Unified School District, including deaf and hard of hearing students in Kindergarten-Grade 12. \$6,000,000 Bond Funds (100%). August 2026 anticipated completion.

If approved, ITS will provide quarterly updates on the project; and

WHEREAS, District Staff anticipates that the Board will amend the ITS SEP to define the new project described herein and allocate \$6,000,000 of Bond Program funding. This project directly contributes to the achievement of the 2022-2026 Los Angeles Unified School District Strategic Plan goals of providing high-quality instruction, eliminating opportunity gaps, and developing college and career readiness (Pillar 1: Academic Excellence); creating welcoming learning environments (Pillar 2: Joy and Wellness); making information accessible (Pillar 3: Engagement and Collaboration); and modernizing infrastructure (Pillar 4: Operational Efficiency).

WHEREAS, The District Office of General Counsel has reviewed the proposed Project and determined that it may proceed to the Bond Oversight Committee for its consideration for recommendation to the Board of Education; and

WHEREAS, District Staff has concluded that this proposed Information Technology Services SEP amendment will facilitate Los Angeles Unified's ability to successfully implement the ITS SEP.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The School Construction Citizens' Bond Oversight Committee recommends that the Board of Education adopt the amendment of the Information Technology Services Strategic Execution Plan to approve the IT Infrastructure to Support Learning Program listed above as described in Board Report 312-23/24, a copy of which is attached hereto in the form it was presented to the BOC and is incorporated herein by reference.
2. This resolution shall be transmitted to the Los Angeles Unified School District Board of Education and posted on the Bond Oversight Committee's website.
3. The District is directed to track the above recommendation and to report on the adoption, rejection, or pending status of the recommendations as provided in section 6.2 of the Charter and Memorandum of Understanding between the Bond Oversight Committee and the District.

ADOPTED on May 23, 2024, by the following vote:

AYES: 10

ABSTENTIONS: 0

NAYS: 0

ABSENCES: 3

/Margaret Fuentes/

Margaret Fuentes
Chair

/Michael Hamner/

D. Michael Hamner
Vice-Chair



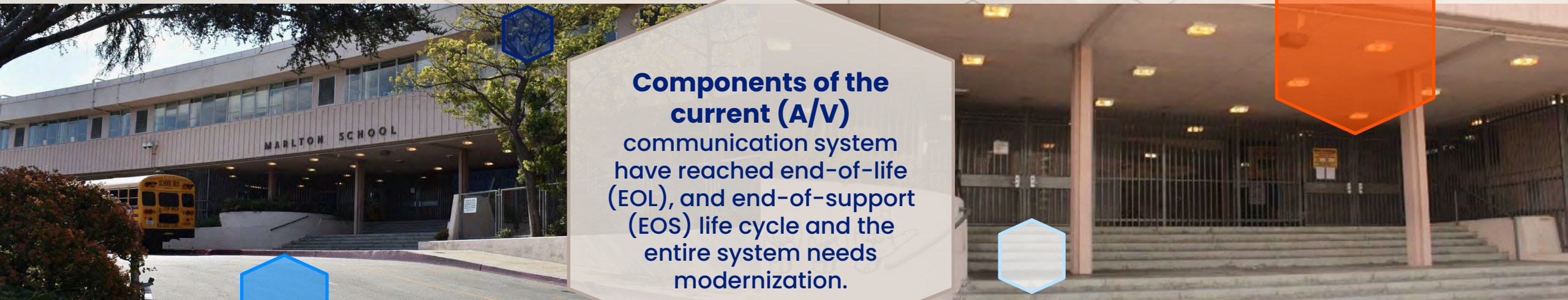
**Proposed IT Strategic Execution Plan Amendment to Add
Audio-Visual Communication Systems Modernization at Marlton
School Project
Brd Rpt 312-23/24**

Soheil Katal, Chief Information Officer

June 18, 2024

Introduction

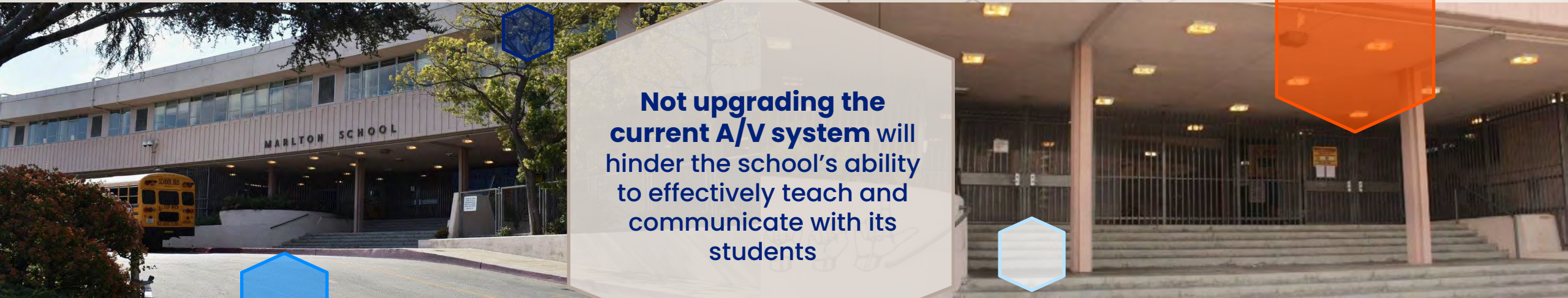
- Marlton School provides LAUSD students who are Deaf or Hard of Hearing (D/HH) with comprehensive bilingual programs in American Sign Language (ASL) and English.
- The school faces the imperative to modernize its Audio/Visual (A/V) communication systems, which has reached the end of its life cycle.



Components of the current (A/V) communication system have reached end-of-life (EOL), and end-of-support (EOS) life cycle and the entire system needs modernization.

Americans with Disabilities Act (ADA)

- Title II regulations of the ADA require schools to provide students with disabilities an equal opportunity to participate in all school activities
- Schools must ensure communication with students with disabilities is as effective as communication with students without disabilities by providing auxiliary aids and services



School Upgrade Program Category

The Audio-Visual Communication Systems Modernization project at Marlon School aims to upgrade the A/V communication systems and integrate with the local area network (LAN) and wireless local area network (WLAN).

**Estimated
completion in August 2026**

Budget: \$6 million
100% Bond



Project Description

The project involves designing, installing, and configuring new A/V systems as well as integration with LAN/WLAN, ensuring minimal disruption to school operations while enhancing functionality and efficiency.



**Student
And Staff
Safety**



**ADA
Compliance**

**Reasonable
Accommodations**

Project Scope

28

Scope items include:

- Design and build a modernized A/V communication system that shall be compliant with applicable laws and regulations pertaining to Kari's Law, RAY BAUM's Act, and Americans with Disabilities Act.
- Provide equipment and labor to install and implement the A/V communication system.
- Integrate the A/V communication system with the LAN/WLAN equipment.
- Train the District's staff on the A/V communications system.

**Student And
Staff Safety**

Network

**ADA
Compliance**

Gymnasium

**Reasonable
Accommodations**

Restroom

Classroom

**Corridor
Hallway**

Timeline

29

	2024				2025				2026			
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
Audio-Visual Communications System Modernization for Marlton School												
Procurement Process for Vendor and Solution												
System Design												
Implementation and Integration												
Staff Training Using Train-the-Trainer Model												
Testing and Go-live												
Stabilization & Closeout												

Expected Outcomes

The project is expected to significantly enhance the communication and safety protocols at Marlton School by modernizing the A/V communications system, integrating it with LAN/WLAN components, and ensuring ADA compliance.



Enables LAUSD to remain compliant with applicable laws and regulations: Kari's Law, Ray Baum's Act, and ADA.

(aligns with District Strategic Plan Pillar: Joy and Wellness)

Provides a supported and maintainable platform of integrated components.

(aligns with District Strategic Plan Pillar: Operational Effectiveness)

Ensures that all students, including those who are Deaf or Hard of Hearing, have equal access to learning, while on campus.

(aligns with District Strategic Plan Pillar: Academic Excellence and Engagement and Collaboration)

Impact if Not Approved



Budget

Audio-Visual Communication System at Marlton School Project	\$6,000,000*
Hardware, Software, and Services	\$5,558,000
Labor	\$442,000

*Project will leverage 100% Bond Funds

Questions

[Return to Order of Business](#)

2

TAB 2



Board of Education Report

File #: Rep-313-23/24, **Version:** 1

Amendment to the Information Technology Services Strategic Execution Plan to Approve the TechRefresh: Equipping Tomorrow's Minds Project, Phase 1 and 2A.

June 18, 2024

Information Technology Services and Office of the Deputy Superintendent

Action Proposed:

Approve an amendment of the Information Technology Services (ITS) Strategic Execution Plan (SEP) to approve the definition, allocate funds, and take the associated actions for the TechRefresh: Equipping Tomorrow's Minds Project, Phase 1 and 2A, as described in Attachments A, B, C, and D.

The proposed actions are as follows:

- Allocate \$116,364,000 bond funding to complete the TechRefresh: Equipping Tomorrow's Minds Project, Phase 1 and 2A.
- Approve execution of the TechRefresh: Equipping Tomorrow's Minds Project, Phase 1 and 2A, which will furnish and equip school facilities throughout the District with approximately 127,000 new computing devices.

Background:

On August 24, 2021, the Board of Education approved the update to the School Upgrade Program (SUP) to integrate Measure RR funding and priorities (Brd. Rpt. 027-21/22), the next phase of the District's Bond Program, which will modernize, build, and repair school facilities to improve student health, safety, and educational quality. The Board's action approved the overarching goals and principles, funding sources, specific categories of need, and spending targets for the SUP. As proposed projects are developed, they are submitted to the Bond Oversight Committee (BOC) for consideration and the Board of Education for approval.

The SUP includes a spending target to address "Upgrade and Equip [schools] with 21st Century Technology." The intended outcome of the proposed project to be executed within this spending target is:

- TechRefresh: Equipping Tomorrow's Minds Project, Phase 1 and 2A: This project will consist of replacing end-of-life/unmanageable computing devices at school sites which is inclusive of school administrators, school staff, teachers, and students. \$116,364,000 Bond Funds (100%). Anticipated completion date of June 2026.

This project is aligned with the intention established in Measure RR's to "Furnish and equip school facilities with technology, including, but not limited to, permanent and portable computing and electronic devices such as computers, laptops, tablets, and mobile devices..."

Once approved, ITS will provide quarterly updates on the project.

Bond Oversight Committee Recommendations:

The School Construction Bond Citizens' Oversight Committee (BOC), , considered this item at its May 23, 2024 meeting. Pursuant to the Memorandum of Understanding (MOU) between the BOC and the Board of Education (Board), the District provided the BOC with the opportunity to consider the bond funded proposal and make a recommendation to the Board as to whether to approve or disapprove the proposal, prior to presenting the item to the Board for final action. Following discussion, a vote was taken which resulted in 3 ayes, 5 nays, 2 abstentions, and 3 absences. Having fulfilled the requirements under the MOU, and after further review with staff, the proposal will proceed to the Board without a BOC recommendation.

Expected Outcomes:

Staff anticipates that the Board will amend the ITS SEP to define the new project described herein and allocate \$116,364,000 of Bond Program funding. This project will update school-based computing devices and strengthen endpoint security to further protect against unauthorized access to the District's network.

Furthermore, this project directly contributes to the achievement of the 2022-2026 Los Angeles Unified School District Strategic Plan goals of providing Pillar 1A: High Quality Instruction; and 4B: Modernizing Infrastructure.

Board Options and Consequences:

Failure or delay of approval will postpone the execution and/or implementation of the proposed project and the associated benefits to the schools and students.

Policy Implications:

This action is consistent with the District's long-term goal to address unmet school needs as described in Proposition BB and Measures K, R, Y, Q, and RR.

Budget Impact:

The TechRefresh: Equipping Tomorrow's Minds Project, Phase 1 and 2A has a total budget of \$116,364,000, all of which will come from 100% Bond Program funding. The bond funds will be allocated from the "Upgrade and Equip [schools] with 21st Century Technology" SUP category of need. Upon completion of the project, no new funds will be needed to maintain the new systems deployed.

Student Impact:

The proposed project has the following outcomes and benefits that impact students:

- Equipping schools with updated and secure computing devices will enhance educational and operational supports for students.
- Standardized equipment specifications across all schools ensures consistency and compatibility with software applications and support services.
- Improved data security and compliance with modern security standards.
- Modernized and standardized infrastructure to help foster safe and secure educational learning environments.
- Better integration of administrative functions with educational activities, leading to improved student outcomes.
- Increased productivity and efficiency in administrative tasks.
- Continuity of high-quality instruction and promotion of professional growth.
- Improved communication and collaboration between school and student through modern and standardized computing devices in a secure infrastructure environment.

Equity Impact:

Component	Score	Rationale
Recognition	4	Equipping schools with modern and standardized computing devices fosters a 21st century learning environment and supports quality teaching and learning.
Resource Prioritization	4	By standardizing computing devices for student learning, instructional teaching, and daily school operations, the District can streamline resource allocation and prioritize resources based on student needs and requests. Standardization promotes consistency, efficiency, and equity within the district's technology ecosystem, ultimately benefiting students, teachers, and staff alike.
Results	4	This project effectively closes any opportunity gap that may exist as it pertains to outdated and end-of-life devices.
TOTAL	12	

Issues and Analysis:

TechRefresh: Equipping Tomorrow's Minds Project, Phase 1 and 2A: School-based computing devices utilized by school-based administrators, school staff, teachers, and students in the District, need to be refreshed. Many of these computing devices are aging and have or will soon reach the end-of-their-useful life (at least 5 years old), resulting in reliability issues and heightened susceptibility to security vulnerabilities. This phase of the project will furnish and equip schools with approximately 127,000 computing devices.

Attachments:

Attachment A - Project Definition

Attachment B - Bond Oversight Committee Resolution

Attachment C - Presentation Slide Deck

Attachment D - Project Summary

Previously adopted Board report referenced under the background section:

Adopted August 24, 2021: [Board Report 027-21/22](#)

<https://drive.google.com/file/d/1sYoIVAXgy05ef0WRdMtgaXuXLvT24ezh/view?usp=sharing>

Informatives:

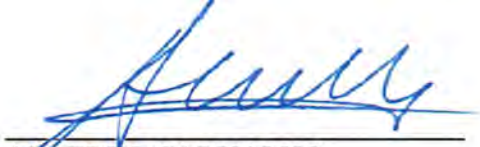
None

Submitted:


06/07/24

File #: Rep-313-23/24, Version: 1


RESPECTFULLY SUBMITTED,


ALBERTO CARVALHO
Superintendent

APPROVED BY:


PEDRO SALCIDO
Deputy Superintendent
Office of the Deputy Superintendent

REVIEWED BY:


DEVORA NAVERA REED
General Counsel

☒ Approved as to form.

APPROVED & PRESENTED BY:


SOHEIL KATAL
Chief Information Officer
Information Technology Services

REVIEWED BY:


NOELBERTO DELGADILLO
Deputy Chief Business Officer, Finance
Office of the Chief Business Officer

☒ Approved as to budget impact statement.



Information Technology Strategic Execution Plan Amendments

Project Definitions and Associated Actions

Attachment A – BOE #313-23/24

Program: Classroom Technology Modernization

Project: TechRefresh: Equipping Tomorrow's Minds Phase 1 and 2A

Budget: \$116,364,000 (100% Bond Funds)

Introduction

To effectively support school-based office staff, administrative staff, students, and teachers, it is imperative that Information Technology Services (ITS) initiates a process to refresh computing devices as they reach their end-of-life status (at least 5 years old) and ensure standardization of device types across the LAUSD landscape. Failing to execute this project presents significant security risks because outdated computing devices typically do not receive the latest system and security updates, making them more susceptible to malware attacks.

The TechRefresh: Equipping Tomorrow's Minds project aims to improve security measures and streamline administrative processes within the school district by addressing the risks associated with unmanaged devices.

Scope

The TechRefresh: Equipping Tomorrow's Minds project will focus on identifying and replacing unmanaged/end-of-life computers and desktops, standardizing specifications utilized by school administrators, teachers, students, offices and staff across the LAUSD landscape. Furthermore, a comprehensive review and modernization of the District's asset management lifecycle, processes, and tools will be undertaken, as needed, to ensure the longevity of the District's investment in devices. The project will ultimately strengthen endpoint security and further protect unauthorized access to the district network. This initiative seeks to improve organizational and educational efficiency by refreshing computing devices used by schools and offices, recognizing the critical role of technology in administrative tasks and educational learning growth.

The change management plan includes IT Liaisons that will regularly visit and communicate with schools to guide on expectations, update on processes, schedule, and address any questions or concerns the school may have.

Phase 1 and 2A

These project phases will replace end-of-life/unmanageable computing devices at school sites for school administrators, school staff, teachers, and students.

Phase 2B (full implementation)

This phase is projected to go to the Board of Education for approval in early 2025. The project team will continue the refresh of computing devices for students with expiring devices and expand the refresh program to include off-campus administrators, administrative offices, and staff. The execution of Phase



Information Technology Strategic Execution Plan Amendments Project Definitions and Associated Actions Attachment A – BOE #313-23/24

2B is contingent upon Board of Education approval.

Expected Outcomes

- Improved data security and compliance with modern security standards.
- Standardized equipment specifications across all schools and staff members to ensure consistency and compatibility with software applications and support services.
- Modernized and standardized infrastructure to help foster safe and secure educational learning environments.
- Better integration of administrative functions with educational activities, leading to improved student outcomes.
- Increased productivity and efficiency in administrative tasks.
- Continuity of high-quality instruction and promotion of professional growth.
- Improved communication and collaboration between school and student through modern and standardized computing devices in a secure infrastructure environment.

Schedule

Phase 1 and 2A will be completed by June 2026.

SCHOOL CONSTRUCTION BOND CITIZENS' OVERSIGHT COMMITTEE

Margaret Fuentes, Chair

LAUSD Student Parent

D. Michael Hamner, FAIA, Vice-Chair

American Institute of Architects

Dr. Samantha Rowles, Secretary

LAUSD Student Parent

Robert Campbell, Executive Committee

L.A. Co. Auditor-Controller's Office

Scott Pansky, Executive Committee

L.A. Area Chamber of Commerce

Neelura Bell

CA Charter School Association

Chad Boggio

L.A. Co. Federation of Labor AFL-CIO

Jeffrey Fischbach

CA Tax Reform Assn.

Aleigh Lewis

L.A. City Controller's Office

Patrick MacFarlane

Early Education Coalition

Brian Mello

Assoc. General Contractors of CA

Dr. Clarence Monteclaro

Tenth District PTSA

William O. Ross IV31st District PTSA**Santa Ramirez (Alternate)**

Tenth District PTSA

Connie Yee (Alternate)

L.A. Co. Auditor-Controller's Office

Vacant

AARP

Vacant

L.A. City Mayor's Office

Timothy Popejoy

Bond Oversight Administrator

Perla Zitle

Bond Oversight Coordinator

Joseph P. Buchman – Legal Counsel

Burke, Williams & Sorensen, LLP

Lori Raineri and Keith Weaver – Oversight Consultants

Government Financial Services Joint Powers Authority

RESOLUTION 2023-19**BOARD REPORT 313-23/24****RECOMMENDING BOARD APPROVAL FOR THE AMENDMENT OF THE INFORMATION TECHNOLOGY SERVICES STRATEGIC EXECUTION PLAN TO APPROVE THE TECHREFRESH: EQUIPPING TOMORROW'S MINDS PROJECT, PHASE 1 AND 2A**

WHEREAS, District Staff proposes that the Board of Education amend the Information Technology Services (ITS) Strategic Execution Plan (SEP) to approve the definition, allocate funds, and take the associated actions for the TechRefresh: Equipping Tomorrow's Minds Project, Phase 1 and 2A, as described in Attachments A, B, C, and D to Board Report 313-23/24; and

WHEREAS, District Staff proposes the following actions:

- Allocate \$116,364,000 in bond funding to complete the TechRefresh: Equipping Tomorrow's Minds Project, Phase 1 and 2A.
- Approve execution of the TechRefresh: Equipping Tomorrow's Minds Project, Phase 1 and 2A.

WHEREAS, On August 24, 2021, the Board of Education approved the update to the School Upgrade Program (SUP) to integrate Measure RR funding and priorities (Brd. Rpt. 027-21/22), the next phase of the District's Bond Program, which will modernize, build, and repair school facilities to improve student health, safety and educational quality. The Board's action approved the overarching goals and principles, funding sources, specific categories of need, and spending targets for the SUP. As proposed projects are developed, they are submitted to the Bond Oversight Committee (BOC) for consideration and the Board of Education for approval.

WHEREAS, The SUP includes spending targets to address "TechRefresh: Equipping Tomorrow's Minds Project, Phase 1 and 2A". The intended outcome of the proposed project to be executed within this spending targets is:

- TechRefresh: Equipping Tomorrow's Minds Project, Phase 1 and 2A: This project will consist of replacing end-of-life/unmanageable computing devices at school sites which is inclusive of school

RECOMMENDING BOARD APPROVAL FOR THE AMENDMENT OF THE INFORMATION TECHNOLOGY SERVICES STRATEGIC EXECUTION PLAN TO APPROVE THE TECHREFRESH: EQUIPPING TOMORROW'S MINDS PROJECT, PHASE 1 AND 2A

administrators, school staff, teachers, and students. \$116,364,000 Bond Funds (100%). Anticipated completion date of June 2026.

WHEREAS, This project is aligned with the intention established in Measure RR's to "Furnish and equip school facilities with technology, including, but not limited to, permanent and portable computing and electronic devices such as computers, laptops, tablets, and mobile devices..."

WHEREAS, District Staff anticipates that the Board will amend the ITS SEP to define the new project described herein and allocate \$116,364,000 of Bond Program funding. This project directly contributes to the achievement of the 2022-2026 Los Angeles Unified School District Strategic Plan goals of providing high-quality instruction (Pillar 1: Academic Excellence); and modernizing infrastructure (Pillar 4: Operational Efficiency).

WHEREAS, The District Office of General Counsel has reviewed the proposed Project and determined that it may proceed to the Bond Oversight Committee for its consideration for recommendation to the Board of Education; and

WHEREAS, District Staff has concluded that this proposed Information Technology Services SEP amendment will facilitate Los Angeles Unified's ability to successfully implement the ITS SEP.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The School Construction Citizens' Bond Oversight Committee recommends that the Board of Education adopt the amendment of the Information Technology Services Strategic Execution Plan to approve the IT Infrastructure to Support Learning Program listed above as described in Board Report 313-23/24, a copy of which is attached hereto in the form it was presented to the BOC and is incorporated herein by reference.
2. This resolution shall be transmitted to the Los Angeles Unified School District Board of Education and posted on the Bond Oversight Committee's website.
3. The District is directed to track the above recommendation and to report on the adoption, rejection, or pending status of the recommendations as provided in section 6.2 of the Charter and Memorandum of Understanding between the Bond Oversight Committee and the District.

NOT ADOPTED on May 23, 2024, by the following vote:

AYES: 3

ABSTENTIONS: 2

NAYS: 5

ABSENCES: 3

Margaret Fuentes
Chair

D. Michael Hamner
Vice-Chair



**Proposed IT Strategic Execution Plan Amendment to Add
TechRefresh: Equipping Tomorrow's Minds
Brd Rpt 313-23/24**

Soheil Katal, Chief Information Officer

June 18, 2024

Project Description

- During the pandemic, the priority was ensuring **educational continuity** by providing devices to students. It is essential to also **prioritize** administrators, teachers, and school staff to maintain **seamless** continuity of instruction and effective teaching and learning given the vulnerability posed by their devices.
- End-of-life devices do not receive security patches and updates resulting in **vulnerabilities** that can be **exploited** both locally and remotely.
- **Improves security** measures and streamlines administrative processes within the school district by addressing the risks associated with **unmanaged devices**.
- **Standardize computing devices** utilized by school-based office staff, administrative staff, students, and teachers which includes asset management software and improve security measures.

School Upgrade Program Category

Scope:

- Identify devices reaching end-of-life and/or unmanaged
- Population: school-based office staff, administrative staff, students, and teachers

Estimated completion **June 2029.**

Phase 1 & 2A	\$116,364,000	
Phase 1	\$ 45,470,000	
Phase 2A	\$ 70,894,000	
Phase 2B	\$ 329,053,000*	FOR FUTURE BOARD APPROVAL 2025

*Combination of Bond, COPs, ELOP, General Funding.

Budget Breakdown

Phase 1 & 2A	
Devices	\$ 102,107,000
Labor	\$ 14,257,000
Total	\$116,364,000

Project Scope

- Identifying computing devices that have reached/reaching end-of-life and no longer manageable (unmanageable).
- Refresh computing devices that have reached end-of-life/unmanageable.
- District's asset management lifecycle, data migration, and disposal processes.
- Change management protocols to guide school sites.

Timeline

Timeline

2024				2025				2026				2027				2028				2029			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
				PHASE 1 Device Distribution																			
				PHASE 2A Device Distribution																			
				*				PHASE 2B Device Distribution															
				Communications Campaign PHASE 1 & 2A																			
								Communications Campaign PHASE 2B															
				Continuous Guidance to IDM**																			
								Continuous Guidance Expanded to Non-School Staff															

*Phase 2B for Board Approval in 2025

**Inventory Device Manager

Expected Outcomes

Pillar 1A (Digital Equity)

Facilitate administration and participation in State Standardized Tests and assessments, i.e. iReady

Pillar 1A (Instruction) : Continued student access to digital learning content

Pillar 4B: Improved data security and compliance with modern security standards through device management

Pillar 4B: Continued capability to access new software and ensure compatibility



Impact if Not Approved

- Presents significant security risks – outdated computing devices typically do not receive the latest system and security updates, making them more susceptible to malware attacks.
- Inconsistencies of device lifecycle within and among schools due to device procurement at various time periods throughout the year.
- Device type not standardized.
- Risk of asset management protocols not being followed.
- Data security and compliance with modern security standards are not guaranteed if purchased outside of ITS recommendations.
- The technology equity gap and the disparity in access to technology will increase.





TechRefresh: Equipping Tomorrow's Minds project aims to enhance security measures and streamline administrative processes within the school district by addressing the risks associated with unmanaged devices. The project will focus on identifying and replacing end-of-life computers and desktops, standardizing specifications with asset management software to track and inventory computing devices utilized by school-based office staff, administrative staff, students, and teachers across the LAUSD landscape which will strengthen endpoint security and further protect unauthorized access to the district network. This initiative seeks to enhance organizational and educational efficiency by updating computers and desktops used by schools and offices recognizing the critical role of technology in administrative tasks and educational endeavors.

**Phase 2B for future Board Approval 2025.*

- Adult Education (DACE)
- Beaudry, Regions, Warehouse, Soto, LASPD, KLCS
- Beyond the Bell/ELOP
- Computer labs
- Early Education Centers (EEC)
- Food Services
- Health Centers
- Itinerants
- Prop 39 Charter co-locations
- State Preschool
- Title I
- UTK-12 Schools

Procurement

Legacy Purchasing Model: This leverages the traditional District model of “out-right” purchasing computing devices and other related peripherals including integration services. This model is bond-eligible.

Implementation

1. A site administrator will select device type (Windows/Mac) for administrative staff via a device portal and verify the device type selected for other non-administrative staff that was predetermined by central office (in collaboration with other departments).
2. Distribution methods vary by quantity, with small batches handled via a Distribution Center and large batches delivered directly to schools and received by bond technicians for distribution based on portal data.
3. Bond-funded technicians will distribute computing devices, complete thorough check-outs, and set up devices which includes data migration. Post-distribution process includes wiping data, salvaging and disposing devices following the IT Asset Disposition process.
4. Bond-funded trainers will develop in-depth materials such as job aids, FAQs, videos, and step-by-step instruction to maximize staff proficiency in utilizing the device’s features and tailor technical materials on how to operate their new device.

Change Management

Project Manager

Site Liaison

Reports/Compliance Analyst

Instructional Facilitator

Technical Trainer

Asset Management Analyst

Readiness Technician

*All positions will be reallocated from existing resources

Return to Order of Business

TAB 3



Board of Education Report

File #: Rep-306-23/24, Version: 1

Donations of Money and Materials to the District and Associated Student Body

June 18, 2024

Accounting and Disbursements Division

Action Proposed:

1. Approve the donation of money (District)
2. Approve the donation of money (Associated Student Body)
3. Approve the donation of materials/food (District)

Donation of money (District):

It is recommended that the donations be accepted; that appreciation is expressed to the donors for their contribution by way of this report; the funds totaling \$3,157,867.13 be deposited; and the Controller be authorized to draw checks for the purposes indicated on the donation:

Date: 4/18/2024
Donor: Partnership for Los Angeles Schools
Donation: \$228,000.00
For use at: Region North, Region East - 10682
Purpose: To provide funding for staff members to participate in or provide meals during professional learning and development, complete surveys, collect data, purchase supplies, substitute coverage or any other activities related to Illustrative Mathematics (IM) implementation, IM teacher-leader stipends

Date: 4/18/2024
Donor: Science Academy Fundraising Initiative
Donation: \$27,599.13
For use at: Science Academy STEM Magnet - 13938
Purpose: To provide funding for Mac books for computer science and science lab supplies

Date: 4/29/2024
Donor: Dixie Canyon Elementary PTA
Donation: \$160,000.00
For use at: Dixie Canyon Elementary - 13938
Purpose: To provide funding for Professional Experts (Visual Arts, Performing Arts, Science Instruction, Physical Education (PE) Instruction) and two three-hours Instructional Aides for School Year (SY) 2024-25

Date: 4/29/2024
Donor: Friends of West Hollywood Elementary
Donation: \$213,649.00
For use at: West Hollywood Elementary - 13938

Purpose: To provide funding for Elementary Class Size Reduction (CSR) or PE teacher positions and two teacher aide positions

Date: 4/29/2024
 Donor: Friends of Franklin
 Donation: \$224,000.00
 For use at: Franklin Avenue Elementary - 13938
 Purpose: To provide funding for SY 2024-25 salary positions

Date: 4/29/2024
 Donor: Parents Association Colfax Elementary
 Donation: \$129,710.00
 For use at: Colfax Charter Elementary- 13938
 Purpose: To provide funding for seven supervision aides

Date: 5/2/2024
 Donor: Mt. Washington Elementary PTA
 Donation: \$195,423.00
 For use at: Mt. Washington Elementary School - 13938
 Purpose: To provide funding for SY 2024-25 positions (Intervention Teacher, Instructional Aide, School Psychologist, Psychiatric Social Worker, Supervision Aide)

Date: 5/2/2024
 Donor: Partnership for Los Angeles Schools
 Donation: \$200,000.00
 For use at: LAUSD Division of Instruction - 10682
 Purpose: To provide funding for IM implementation efforts

Date: 5/2/2024
 Donor: Friends of Wonderland
 Donation: \$300,934.00
 For use at: Wonderland Avenue Elementary School - 13938
 Purpose: To provide supplemental funding for Instructional Coach, Education Resource Aide, Teacher Assistants

Date: 5/2/2024
 Donor: Friends of Overland School
 Donation: \$402,287.00
 For use at: Overland Elementary School - 13938
 Purpose: To provide funding for zero basis positions

Date: 5/2/2024
 Donor: Mar Vista School Enrichment Group
 Donation: \$330,597.00
 For use at: Mar Vista Elementary School - 13938
 Purpose: To provide funding for Instructional Coach, CSR teacher, Campus Aide

Date: 5/2/2024
 Donor: Richland School Booster Club
 Donation: \$97,360.00
 For use at: Richland Elementary School - 13938
 Purpose: To provide funding for two Supervision Aides, supplemental Targeted Student Population (TSP) Program Advisor differential and custodial overtime

Date: 5/2/2024
 Donor: Friends of Coeur D' Alene Elementary
 Donation: \$158,308.00
 For use at: Coeur D' Alene Elementary School - 13938
 Purpose: To provide funding for Instructional Aide, Teacher Assistant, CSR positions for SY 2024-25 Budget Development

Date: 5/7/2024
 Donor: Warner Avenue Foundation
 Donation: \$450,000.00
 For use at: Warner Avenue Elementary - 13938
 Purpose: To provide funding for non-register teacher, CSR teacher, Instructional Coach, School Supervision Aide, general supplies and non-instructional contract

Date: 5/7/2024
 Donor: Hesby Involved Parents, Inc
 Donation: \$40,000.00
 For use at: Hesby Oaks Leadership Charter - 13938
 Purpose: To provide funding for any LAUSD student, parent, volunteer breakfast, general supplies, IMA, refreshments and/or meals, incentives

Donation of money (Associated Student Body):

It is recommended that the donations be accepted; that appreciation is expressed to the donor for their contribution by way of this report; the funds in the amount of \$52,200.00 be deposited to the school's Student Body account; and the principal be authorized to draw a check for the purpose indicated on the donation:

Date: 1/24/2024
 Donor: John Stuart Family Fund
 Donation: \$52,200.00
 For use at: Belmont High School - ASB Scholarship account
 Purpose: To provide scholarship funds for graduating students and to provide funds for Academic Scholar Jacket, student awards and other incentives

Donation of materials/food (District):

It is recommended that the donations be accepted; that appreciation is expressed to the donors for their contribution by way of this report; and the Procurement Services Division - Materiel Management Branch be authorized to distribute the donations, with a total value of \$590,322.99, for the purposes indicated on the donation:

Date:	5/2/2024
Donor:	Shelter Partnership, Inc -Mark Taper Foundation
Value:	\$174,573.84
Purpose:	Twenty-five pallets of clothing to be distributed by Student Health and Human Services to the students in the district
Date:	5/8/2024
Donor:	Los Angeles Regional Food Bank
Value:	\$153,468.00
Purpose:	Forty-eight pallets of Food Boxes for delivery to seven school sites in support of Food Services deliveries to Virtual Academies (Curtis MS, Sherman Oaks ES, Crenshaw HS, San Miguel ES, Vermont ES, Kennedy ES, Lokrantz Special Education Center)
Date:	5/8/2024
Donor:	Jazwares, Inc.
Value:	\$262,281.15
Purpose:	Thirty-three pallets of squishmallow products for distribution to the students at LAUSD

Background:

The District receives donations from any individuals, foundations or organizations who desire to support its educational programs. Information such as donor name, amount or value, school or office receiving the donations and the purpose of the donation are presented in the board report for approval.

Expected Outcomes:

The Board shall be approving donations received.

Board Options and Consequences:

A “YES” vote approves the donations of money and materials made to the District and Associated Student Body.

A “NO” vote would cause the non-acceptance of money and material donations made to the District and Associated Student Body.

Policy Implications:

This Board report does not change any school policy.

Budget Impact:

This Board report approves financial transactions but does not change the budget authority.

Student Impact:

This Board report highlights donations made to the District, which support its educational programs.

Equity Impact:

Not applicable. A routine transaction.

Issues and Analysis:

The Board shall be approving routine District financial transactions.

Attachments:

Not applicable

Informatives:

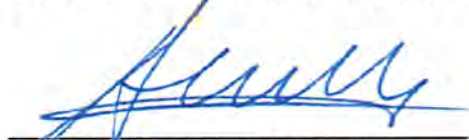
Not applicable

Submitted:

05/21/2024

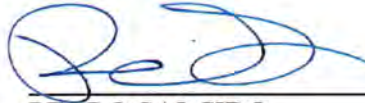
File #: Rep-306-23/24, Version: 1

RESPECTFULLY SUBMITTED,



ALBERTO M. CARVALHO
Superintendent

APPROVED & PRESENTED BY:



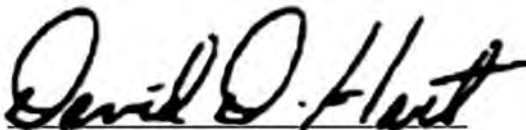
PEDRO SALCIDO
Deputy Superintendent,
Business Services & Operations

REVIEWED BY:



DEVORA NAVERA REED
General Counsel

APPROVED & PRESENTED BY:



DAVID D. HART
Chief Business Officer
Office of the Chief Business Officer

☒ Approved as to form.

REVIEWED BY:



NOLBERTO DELGADILLO
Deputy Chief Business Officer, Finance

☒ Approved as to budget impact statement.

[Return to Order of Business](#)

TAB 4



Board of Education Report

File #: Rep-307-23/24, Version: 1

Report of Cash Disbursements
Request to Reissue Expired Warrants
Report of Corporate Credit Card Charges
Reimbursement of the Controller's Revolving Cash Fund
June 18, 2024
Accounting and Disbursements Division

Action Proposed:

1. Ratify cash disbursements.
2. Approved requests to reissue expired warrants.
3. Approve Corporate Card Charges.
4. Approve reimbursement of the Controller's Revolving Cash Fund.

Ratify cash disbursements totaling \$964,403,237.74:

which were made against funds of the District from April 1, 2024, through April 30, 2024. These disbursements are within approved budgeted appropriations and were made in accordance with established Board policies.

- a. "A" Warrants (Payroll) total of \$25,481,983.40.

Warrant Numbers:

3295461- 3314352

- b. Direct deposit payroll (Automated Clearing House - ACH) total of \$323,615,528.86.

- c. "B" Warrants (Accounts Payable) total of \$125,378,191.85.

Warrant Numbers:

21537387 - 21537542	21561611 - 21561792
21538840 - 21538957	21563994 - 21564164
21540562 - 21540670	21566866 - 21567014
21542858 - 21543041	21569284 - 21569385
21545050 - 21545169	21571726 - 21571939
21547085 - 21547338	21574098 - 21574231
21549082 - 21549259	21576696 - 21576916
21551533 - 21551729	21579260 - 21579465
21554028 - 21554220	21581916 - 21581917
21556677 - 21556797	21584104 - 21584397
21559112 - 21559315	21586723 - 21586882

- d. Accounts Payable ACH payments total of \$489,927,533.63.

File #: Rep-307-23/24, Version: 1

Approved requests to reissue expired warrants:

Expired warrants that were not cashed within the prescribed period totaling \$7,449.16.

WARRANT NO.	DATE	PAYEE	AMOUNT
4505594	9/28/2001	GUADALUPE ARMAS	\$40.09
4698761	12/21/2001	GUADALUPE ARMAS	\$53.33
6878609	12/23/2005	EPIFANIO CAMPOS	\$202.84
1903509	11/9/2017	PATRICIA CERVANTES	\$24.60
2171272	1/23/2019	SANTOS BEAS	\$424.23
2208683	3/22/2019	BREAYANT BETANCOURT	\$593.57
2215500	4/8/2019	IVY MARX	\$2,742.89
2386711	2/12/2020	YOLANDA BERNAL	\$63.37
1597685	6/23/2016	JORGE SOLARES RODAS	\$1,126.63
L1965113A	12/11/1998	MICHAEL REGAN	\$2,177.61

Approve Corporate Card Charges:

In order to allow flexibility for timely payments of expenses related to official District business, charges have been made from the Superintendent's and Executive Office of the Board's American Express Corporate Card in accordance with established District policies and procedures. It is recommended that the Board approve charges made against funds of the District totaling \$7,559.27 for the quarter ended March 31, 2024.

Approve reimbursement of the Controller's Revolving Cash Fund:

Disbursements were made from the Revolving Cash Fund in accordance with Board Authorization (Board Education Report No. 160-07/08, dated December 11, 2007) with check numbers 1542, 1550-53, 1556-1558, 1560-1561 issued between July 2022 and March 2024. It is recommended that the Board approve the reimbursement of the Revolving Cash Fund totaling \$32,606.44.

Background:

This is a recurring monthly Board report for the Board to approve warrants or checks issued by the District for payroll and non-salary obligations that occur as part of school business.

Expected Outcomes:

The Board shall be approving routine District financial transactions.

Board Options and Consequences:

A "YES" vote:

1. Ratifies the previously disbursed payments.
2. Approves the reissuance of expired warrants.
3. Approves charges made to the corporate credit cards.
4. Approves the reimbursement of the Controller's Revolving Cash Fund

A "NO" vote would cause the cancellation of previously issued payments, decline to reissue expired warrants and disapproval of charges made to the corporate credit card.

File #: Rep-307-23/24, Version: 1

Policy Implications:

This Board report does not change any school policy.

Budget Impact:

This Board report approves financial transactions but does not change the budget authority.

Student Impact:

This Board report includes routine financial transactions, which support student achievement.

Equity Impact:

Not applicable. A routine transaction.

Issues and Analysis:

The Board shall be approving routine District financial transactions.

Attachments:

Not applicable

Informatives:

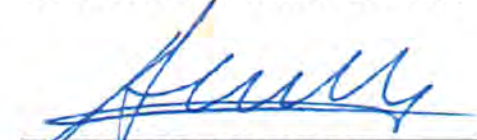
Not applicable

Submitted:

05/21/2024

File #: Rep-307-23/24, Version: 1

RESPECTFULLY SUBMITTED,



ALBERTO M. CARVALHO
Superintendent

APPROVED & PRESENTED BY:



PEDRO SALCIDO
Deputy Superintendent,
Office of the Deputy Superintendent

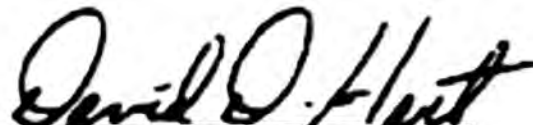
REVIEWED BY:



DEVORA NAVERA REED
General Counsel

☒ Approved as to form.

APPROVED & PRESENTED BY:



DAVID D. HART
Chief Business Officer
Office of the Chief Business Officer

REVIEWED BY:



NOLBERTO DELGADILLO
Deputy Chief Business Officer, Finance

☒ Approved as to budget impact statement.

[Return to Order of Business](#)

TAB 5



Board of Education Report

File #: Rep-322-23/24, Version: 1

Update of Debt Management Policy
June 18, 2024
Office of the Chief Business Officer

Action Proposed:

Approve the proposed Debt Management Policy (the “Policy”) set forth in Attachment A.

Background:

The District currently maintains certain financial policies, as prescribed by the Government Finance Officers Association (GFOA) as “best practices,” including a Debt Management Policy. These policies are critical to the District’s credit ratings, as they set forth the types of conservative budgeting, debt management, and investment practices that protect the fiscal integrity of the District.

The Debt Management Policy establishes formal guidelines for the issuance of various types of debt instruments and other long-term financial obligations to assure prudent debt management. These guidelines also assist in the strategic planning for the District’s capital improvement projects.

The Policy requires the District to review the Policy annually, with the Chief Business Officer proposing any recommended changes to the Board.

Expected Outcomes:

Shall satisfy the requirement that any material changes to the Debt Management Policy be reviewed and approved by the Board and shall maintain the District’s “best practices” in the area of debt management.

Board Options and Consequences:

The Board may approve the proposed Debt Management Policy that will incorporate the following recommended changes:

- 1) Credit Rating Changes:
 - a) On August 9, 2023, Fitch assigned an “A-“ rating on the District’s 2023 COPs, Series A (Sustainability Bonds). In April 2024, Fitch released new rating criteria which coincided with the District’s presentation to the rating agencies before the issuance of the 2024 General Obligation Refunding Bonds, Series A. On April 17, 2024, Fitch upgraded the District’s COP rating from “A-” to “A+”. At the same time, Moody’s upgraded the District’s GO rating from “Aa3” to “Aa2 and its COP rating from “A2” to “A1”. While the Fitch upgrade was a result of the new rating criteria, the Moody’s upgrade reflected the District’s “consistent financial performance driven by conservative budgeting practices, adopted policies and multiyear planning that will support satisfactory finances as the District spends down its final pandemic-related grants and adjusts to slowed state aid growth.”
 - b) As of April 17, 2024, Fitch provides a “AA-” Issuer Default Rating (Stable Outlook) and Moody’s provides a “Aa3” Issuer Rating (Stable Outlook).

These changes occurred after the District's last Debt Policy was provided to the Board.

2) Background:

Original Text: Consequently, the District has seen an increase in its levels of debt and other obligations and needs to anticipate future issuance of debt obligations, some of which may be repaid from the District's General Fund.

Revised Text: Consequently, the District has seen an increase in its levels of debt and other long-term financial obligations, some of which are repaid from the District's General Fund.

3) Article I. Purpose and Goals: Changed "emerging businesses" to "small businesses."

4) Section 2.02 Types of Debt Authorized to be Issued:

Lease Financing: "Less than six years" was replaced by "less than five years," for equipment funded on a pay-as-you-go basis.

5) Section 2.02 Types of Debt Authorized to be Issued:

New Text on Judgement Obligation Bonds ("JOBs"): JOBs are a form of debt that is used to refund certain existing debt, including (if not prohibited by the California Constitution, Article 16, Section 18) involuntary tort indebtedness, when the Board determines it is in the best interests of the District. JOBs enable an issuer to amortize these types of liabilities over time. They are issued pursuant to Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Division 2 of Title 5 of California Government Code. (Government Code 5357-5372; Government Code 5358-53589.5)

6) Section 4.01 Capital Improvement Program:

Original Text: Planning and management of the District's Capital Improvement Program rests primarily with the Facilities Services Division under the Superintendent's direction, subject to review by the Bond Oversight Committee (the "BOC") and approval by the Board of Education. Non-Facilities projects are under the CBO's direction and will be reviewed by the Office of General Counsel and the Bond Compliance Unit for allowability of the project and the proposed project expenditures, respectively.

Revised Text: Planning and management of the District's Capital Improvement Program for General Obligation Obligation-funded projects rests primarily with the Facilities Services Division under the Superintendent's direction, subject to review by the Bond Oversight Committee (the "BOC") and approval by the Board of Education. Non-Facilities General Obligation Bond-funded projects are under the CBO's direction and will be reviewed by the Office of General Counsel and the Bond Compliance Unit for allowability of the project and the proposed project expenditures, respectively. Non- General Obligation Bond-funded projects are prioritized, and funding is planned by the CBO under the Superintendent's direction and approved by the Board of Education. Non- General Obligation Bond-funded projects are planned and managed by the Division responsible for executing the specific approved work.

7) Section 4.08 Refunding and Restructuring Policy:

New Text: The savings analysis and thresholds are not applicable to refundings of indebtedness using JOBs intended to restructure and/or amortize tort liabilities over time; provided that the Board determines any such refunding is in the best interests of the District.

- 8) **Section 4.12 Financing Team Members:**
Retention of Consultants: Section ii. Underwriters - Consolidated underwriting assignments from four tiers into two tiers. The categories are:
- (1) Senior Manager - Eligible to be selected as senior manager, co-senior manager, or co-manager
 - (2) Small Business Enterprise/Disabled Veteran Business Enterprise - Eligible to be selected as a co-manager

The Board may prefer to not adopt the revised Policy and have the current Policy remain in effect.

Policy Implications:

This action is in compliance with Section 2.04 of the Debt Management Policy.

Budget Impact:

No budget impact.

Student Impact:

The Debt Management Policy ensures that debt issuance is done in a fiscally prudent manner, which in turn minimizes the cost to the General Fund and maximizes the funds available for educating students.

Equity Impact:

Component	core	Score Rationale
Recognition	2	The Debt Management Policy vaguely recognizes historical inequities.
Resource Prioritization	4	One of the policy objectives listed in Article I, Purpose and Goals, of the Debt Management Policy, specifies that when projects are selected to be financed by bond proceeds, these projects support the district's future needs and goals. This objective effectively prioritizes resources based on student needs.
Results	3	The Debt Management Policy is intended to provide guidelines for the issuance of debt, as a method of financing capital projects. These projects prioritize student needs, especially in communities that have experienced historical inequities, which may result in closing opportunity gaps and/or achievement gaps.
TOTAL	9	

Issues and Analysis:

None

Attachments:

Attachment - Debt Management Policy

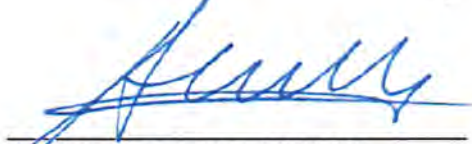
Informatives:

Not Applicable.


Submitted:

05/20/24

RESPECTFULLY SUBMITTED,


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Superintendent

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Los Angeles Unified School District

DEBT MANAGEMENT POLICY



Prepared by:

The Office of the Chief Business Officer

June 18, 2024

DEBT MANAGEMENT POLICY

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Background

The policies set forth in this Debt Management Policy (the “Policy”) have been developed to provide guidelines for the issuance of general obligation bonds (“GO Bonds”), certificates of participation (“COPs”) and other lease-backed financings, tax and revenue anticipation notes (“TRANS”), and other forms of indebtedness by the Los Angeles Unified School District (the “District”). While the issuance of debt can be an appropriate method of financing capital projects or annual cash flow management, careful and consistent monitoring of such debt issuance is required to preserve the District’s credit strength and budgetary and financial flexibility.

The District’s long-term debt that finances its capital projects include GO bonds that are backed by i) voter approved property taxes and ii) certificates of participation (“COPs”) that are backed by the District’s General Fund. All or a portion of the District’s outstanding GO bonds and COPs are rated by Fitch Ratings (Fitch), Kroll Bond Rating Agency (“KBRA”), Moody’s Investor Services (“Moody’s”) and Standard & Poor’s (S&P). All rating agencies rate California school districts’ COPs based primarily on the overall credit quality of a district’s operations including governance, management, financial performance, liquidity position, etc. However, the rating agencies differ in their approach to rating a California school district’s GOs. Fitch and KBRA focus primarily on the strength of the voter-approved property tax pledge and the District’s tax base that provides the security for repayment whereas Moody’s and S&P focus more on the District’s general fund, financial management and operations. As a result, Fitch and KBRA rate the District’s GOs higher than Moody’s and S&P.

Several ratings actions have occurred since the District’s prior Debt Policy dated June 13, 2023. On August 9, 2023, Fitch assigned an “A-” rating on the District’s 2023 COPs, Series A (Sustainability Bonds). In April 2024, Fitch released new rating criteria which coincided with the District’s presentation to the rating agencies before the issuance of the 2024 General Obligation Refunding Bonds, Series A. On April 17, 2024, Fitch upgraded the District’s COP rating from “A-” to “A+”. At the same time, Moody’s upgraded the District’s GO rating from “Aa3” to “Aa2” and its COP rating from “A2” to “A1”. While the Fitch upgrade was a result of the new rating criteria, the Moody’s upgrade reflected the District’s “consistent financial performance driven by conservative budgeting practices, adopted policies and multiyear planning that will support satisfactory finances as the District spends down its final pandemic-related grants and adjusts to slowed state aid growth.” As of May 21, the District’s credit ratings on its GO bonds and COPs were as provided below.

Agency	Rating (Outlook)	
	GO Bonds	COPs
Moody's Investor Service (Moody's)	Aa2 (Stable)	A1 (Stable)
Fitch Ratings (Fitch)	AAA (Stable)	A+ (Stable)
Kroll Bond Rating Agency (KBRA)	AAA (Stable)	n/a
Standard & Poor's (S&P)	AA- (Stable)	n/a

We note that Fitch and Moody’s also provide a rating related to the District’s general fund credit that is separate from its rating on the District’s GO bonds or COPs. As of April 17, 2024, Fitch provides a “AA-” Issuer Default Rating (Stable Outlook) and Moody’s provides a “Aa3” Issuer Rating (Stable Outlook). While these ratings are not directly tied to the District’s GO bond or COPs ratings, they reflect these rating agencies’ views on the overall financial credit profile of the District.

The District continues to face capital program and cash requirements and through the Facilities Improvement Program, has been engaged in building new schools and modernizing existing schools. The costs of these requirements have and will continue to be met, in large part, through the issuance of various types of debt instruments and other long-term financial obligations. Under Proposition BB, Measure K, Measure R, Measure Y, Measure Q and Measure RR adopted by the voters in April 1997, November 2002, March 2004, November 2005, November 2008 and November 2020 respectively, the District has had a combined \$27.605 billion in general obligation bond authorization for its Facilities Improvement Program and other capital projects, including capital projects that provide General Fund relief. Consequently, the District has seen an increase in its levels of debt and other long-term financial obligations, some of which are repaid from the District's General Fund. With these additional debt issuances, the effects of decisions regarding the type of issue, method of sale, and payment structure continue to be critical to the District's fiscal health. To help ensure the District's creditworthiness, an established policy of managing the District's debt is essential. To this end, the Board of Education of the District (the "Board") recognizes this Policy to be financially prudent and in the District's best economic interest. In addition, the District's practices with respect to monitoring its outstanding debt issues for compliance with all Internal Revenue Service requirements and other transaction requirements are set forth in Appendix A to this Policy.

Article I. **Purpose and Goals**

The purpose of this Policy is to provide a functional tool for debt management and capital planning, as well as to enhance the District's ability to manage its general obligation bond debt, tax and revenue anticipation notes, and lease financings in a conservative and prudent manner. This Debt Policy is intended to achieve the following policy objectives:

- ☐ The District shall strive to fund capital improvements from referendum-approved general obligation bond issues to preserve the availability of its General Fund for District operating purposes and other purposes that cannot be funded by such bond issues.
- ☐ The District shall endeavor to attain and maintain the best possible credit rating for each debt issue in order to reduce interest costs, within the context of preserving financial flexibility and meeting capital funding requirements.
- ☐ The District shall take all practical precautions and proactive measures to avoid any financial decision that will negatively impact credit ratings on existing or future debt issues.
- ☐ The District shall remain mindful of its statutory debt limit in relation to assessed valuation within the school district and the tax burden needed to meet long-term capital requirements.
- ☐ The District shall consider market conditions and District cash flows when timing the issuance of debt.
- ☐ The District shall determine the amortization (maturity) schedule which will best fit with the overall debt structure of the District at the time the new debt is issued.
- ☐ The District shall match the term of the issue to the useful lives of assets whenever practicable and economic, while considering repair and replacement costs of those assets to be incurred in the future.

- ☐ The District shall, when pursuing the planning goals and objectives for the issuance of new debt, consider the impact of such new debt on overlapping debt of local, state and other governments that overlap with the District.
- ☐ The District shall, when issuing debt, assess financial alternatives to include new and innovative financing approaches, including whenever feasible categorical grants, revolving loans or other State/federal aid, so as to minimize the contribution from the District's General Fund.
- ☐ The District shall, when planning for the sizing and timing of debt issuance, consider its ability to expend the funds obtained in a timely, efficient, and economical manner.
- ☐ The District shall, when selecting projects to finance with bond proceeds, ensure that the projects to be financed support the district's future needs and goals.
- ☐ The District shall share capital improvement data with the public.
- ☐ The District shall ensure that local and small businesses will be considered and used in lead and other roles in the financing team when appropriate.
- ☐ The District shall ensure that its financing arrangements comply in all respects with applicable state law, tax law, disclosure requirements, and the District's existing debt covenants.

The key financial management tools and goals that are intrinsic to the Policy include:

- A. Budget and Finance Policy: The District recognizes the importance of emergency reserves, including liquidity in the General Fund, which can provide a financial cushion in years of poor revenue receipts. A reserve fund policy has been adopted by the Board as part of its Budget and Finance Policy.
- B. Capital Financing Plan: The Office of the Chief Business Officer will prepare a Capital Financing Plan in conjunction with the capital budget.
- C. Annual Debt Report: The Chief Business Officer will annually prepare for and submit to the Superintendent and the Board a Debt Report as further described under Section 4.02 herein.

Article II. **Authorization**

Section 2.01 **Authority and Purposes of the Issuance of Debt**

The laws of the State of California authorize the issuance of debt by the District and confer upon it the power and authority to make lease payments, contract debt, and issue bonds for public improvement projects. Under these provisions, the District may contract debt to pay for the cost of acquiring, constructing, reconstructing, rehabilitating, replacing, improving, extending, enlarging, and equipping such projects; to refund existing debt; or to provide for cash flow needs. Prior to the sale of any debt issue, including capital leases as provided under State law, the District is required to submit a report of the proposed debt issuance to the California Debt Investment and Advisory Commission ("CDIAC") that is to include a certification that the District has adopted local debt policies and that the debt issuance is consistent with those local debt policies. In addition, if a district has a qualified or negative certification from LACOE in any fiscal year, it may not issue, in that fiscal

year or in the next succeeding fiscal year, COPs, TRANs, revenue bonds, or any other debt instruments that do not require the approval of the voters of the school district, unless the County superintendent of schools determines that the school district's repayment of the indebtedness is probable.

Section 2.02 **Types of Debt Authorized to be Issued**

- A. Short-Term Debt: The District may issue various types of fixed-rate and/or variable rate short-term debt for various purposes. Tax and revenue anticipation notes ("TRANs") can be issued when such instruments enable the District to meet its cash flow requirements. However, the District's general objective is to manage its cash position in a manner so that internally generated cash flow is sufficient to meet expenditures. In addition, commercial paper may be issued to fund shorter-term acquisitions, such as equipment, or as interim funding for capital costs that will ultimately be replaced with longer-term COPs. Bond anticipation notes ("BANs") may be issued to provide interim financing for projects that will ultimately be paid from general obligation bond proceeds. The District may also participate in an annual pooled financing of delinquent property taxes to the extent that the Chief Business Officer determines such financing produces sufficient benefit to the District.
- B. General Obligation Bonds: GO Bonds may be issued under Article XIII A of the State Constitution pursuant to voter approved propositions, either under Section 1(b)(2) which requires approval by at least two-thirds of voters or Section 1(b)(3) ("Proposition 39") which requires approval by at least 55% of voters, subject to additional restrictions. Voter-approved general obligation bonds typically provide the lowest cost of borrowing and do not impact the District's General Fund. General Obligation Bonds issued under Proposition 39 can only be used for school facilities, including furnishing and equipping of school facilities. In recognition of the difficulty in achieving the required voter approval to issue general obligation bonds, such bonds will be generally limited to projects that provide wide public benefit and for which broad public support has been generated. GO debt cannot be used to fund District operations.
- C. Lease Financing: Lease obligations, including COPs, lease revenue bonds ("LRBs") and other lease-purchase financings, are a routine and appropriate means of financing capital, including equipment. However, lease obligations have the greatest impact on budget flexibility. Therefore, efforts will be made to fund capital equipment with pay-as-you-go financing where feasible, and only the highest priority equipment purchases will be funded with lease obligations. For the District, lease financing for facilities is generally only appropriate when there is insufficient time to obtain voter approval, in instances where obtaining voter approval is not feasible and when projects cannot be funded with GO bonds. If and when voter-approved GO Bond proceeds are available, the District may use such proceeds to refinance such lease financing. The District may issue COPs or LRBs in variable rate mode as provided for in Section 3.08 hereof. Asset transfer COPs or LRBs may be used if significant savings in financing costs can be generated compared to other financing alternatives.

With the exception of leases undertaken through the District's standard procurement process, all equipment with a useful life of less than five years shall be funded on a pay-as-you-go basis unless the following conditions are met:

- i. In connection with the proposed District budget, the Superintendent makes the finding that there is an “economic necessity” based on a significant economic downturn or other significant adverse event, earthquake, or other natural disaster and there are no other viable sources of funds to fund the equipment purchase;
 - ii. The Board is informed of the Superintendent’s finding; and
 - iii. The debt ceilings in Section 3.08 of this Policy are not exceeded.
- D. Judgement Obligation Bonds (“JOBs”). JOBs are a form of debt that is used to refund certain existing debt, including (if not prohibited by the California Constitution, Article 16, Section 18) involuntary tort indebtedness, when the Board determines it is in the best interests of the District. JOBs enable an issuer to amortize these types of liabilities over time. They are issued pursuant to Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Division 2 of Title 5 of California Government Code. (Government Code 5357-5372; Government Code 5358-53589.5)
- E. Use of Revenue Bonds: Revenue bonds including Mello-Roos Obligations that are supported solely from fees or taxes on a discrete group of taxpayers are not included when bond rating agencies calculate debt ratios. Repayment of such bonds would rely on dedicated, pledged funds such as developer fees. Accordingly, in order to preserve General Fund debt capacity and budget flexibility, revenue bonds will be preferred to General Fund supported debt when a distinct and identifiable revenue stream can be identified to support the issuance of bonds at a cost-effective rate.
- F. Pay-As-You-Go Financing: Except in extenuating circumstances, the District will fund routine maintenance projects in each year’s capital program with pay-as-you-go financing. Extenuating circumstances may include unusually large and non-recurring budgeted expenditures, or when depleted reserves and weak revenues would require the delay or deletion of necessary capital projects.
- G. Use of Special Financing Structures: The District may use special financing structures permitted by the federal government if they are analyzed and expected to result in sufficiently lower financing costs versus traditional tax-exempt bonds and/or COPs/LRBs that offset any additional administrative and compliance costs and risks. The special financing structures may be in the form of GO bonds or COPs/LRBs.
- H. Capital Appreciation Debt: The use of Capital Appreciation Bonds (“CABs”) for various forms of debt (e.g., GO Bonds, COPs, LRBs, etc.) is limited pursuant to AB182 which was passed in 2013. Under this legislation, the ratio of total debt service to principal cannot exceed four to one and the maximum final maturity is 25 years. Any CABs with a maturity date greater than 10 years must be callable at the option of the school district no later than the 10th anniversary of the sale date of the bonds. The agenda of the school board meeting where the sale will be approved must include a resolution to approve the sale of the CABs. Public notice for the resolution must be on at least two consecutive meeting agendas. The governing board must receive a cost impact of the use of CABs that conforms to the requirements in the legislation. The District will not use CABs unless the Board determines it is necessary to issue them for urgent projects that cannot be more cost-effectively financed by an alternative

method.

- I. Identified Repayment Source: The District will, when feasible, issue debt with a defined revenue source in order to preserve the use of General Fund supported debt for projects with no stream of user-fee revenues. Examples of revenue sources include voter-approved property taxes that repay general obligation or special tax bonds.

Section 2.03 State Law

Section 18 of Article XVI of the State Constitution provides the basic “debt limitation” formula applicable to the District.

Sections 1(b)(2) and 1(b)(3) of Article XIII A of the State Constitution allow the District to issue traditional general obligation bonds and Proposition 39 bonds, respectively. The statutory authority for issuing general obligation bonds (including CABs) is contained in Section 15000 *et seq.* of the Education Code. Additional provisions applicable only to Proposition 39 general obligation bonds are contained in Section 15264 *et seq.* of the Education Code. An alternative procedure for issuing general obligation bonds is also available in Section 53506 *et seq.* of the Government Code.

The statutory authority for issuing general obligation refunding bonds is contained in Articles 9 (commencing with Government Code Section 53550) and 11 (commencing with Government Code Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code.

The statutory authority for issuing TRANs is contained in Section 53850 *et seq.* of the Government Code. Authority for lease financings is found in Section 17455 *et seq.* of the Education Code, and additional authority is contained in Sections 17400 *et seq.*, 17430 *et seq.* and 17450 *et seq.* of the Education Code. The District may also issue Mello-Roos bonds pursuant to Section 53311 *et seq.* of the Government Code.

Section 2.04 Annual Review of Debt Policy

The Office of the Chief Business Officer will do an annual review of the debt policy. If there are proposed changes in the policy, staff will submit an updated debt policy to the Board for approval. The Chief Business Officer (“CBO”) is the designated administrator of the Policy and has overall responsibility, with the Board’s approval, for decisions related to the structuring of all District debt issues. The Chief Business Officer may delegate the day-to-day responsibility for managing the District’s debt and lease financings. The Board is the obligated issuer of all District debt and awards all purchase contracts for bonds, COPs/LRBs, TRANs and any other debt issuances.

Article III. Structural Features, Legal, and Credit Concerns

Section 3.01 Structure of Debt Issues

- A. Maturity of Debt: The weighted average maturity of a debt issue shall be consistent, to the extent possible, with the reasonably expected economic or useful life of the improvements or assets that the issue is financing. The weighted average maturity of a debt issuance shall not exceed 120% of the weighted average life of the assets being financed. In addition, the District shall consider the overall impact of the current and future debt burden of the financing when

determining the duration of the debt issue.

- i. General Obligation Bonds:
 - a. The final maturity of General Obligation Bonds will be limited to 25 years when such bonds are issued pursuant to the Education Code.
 - b. The final maturity of General Obligation Bonds will be limited to 40 years when such bonds are issued under the Government Code. Per AB 182, the maturity of bonds may not exceed 25 years unless there is no compounding of interest.
 - c. General Obligation Bond issues will generally be sized to the amount reasonably expected to be required for up to two years' expenditure requirements, taking into account unexpended proceeds of prior issues at the time an issue is sized.
 - ii. Lease-Purchase Obligations: The final maturity of equipment or real property lease obligations will be limited to the useful life of the assets to be financed. The final maturity of real property obligations will also consider the size of the financing.
 - iii. Mello-Roos Obligations and Revenue Bonds: These obligations, although repaid through additional taxes levied on a discrete group of taxpayers or from pledged developer fees, constitute overlapping indebtedness of the District and have an impact on the overall level of debt affordability. The District will develop separate guidelines for the issuance of such obligations as the need arises.
- B. Debt Service Structure: The District shall design the financing schedule and repayment of debt so as to take best advantage of market conditions, provide flexibility, and, as practical, to recapture or maximize its debt capacity for future use. Annual debt service payments will generally be structured on a level basis per component financed; however, principal amortization may occur more quickly or slowly where permissible, to meet debt repayment, tax rate, and flexibility goals.
- C. Capitalized Interest: Unless required for structuring purposes, the District will avoid the use of capitalized interest in order to avoid unnecessarily increasing the bond size and interest expense. Certain types of financings such as COPs or LRBs may require that interest on the debt be paid from capitalized interest until the District has use and possession of the pledged asset. However, the District may pledge assets using an asset-transfer structure as collateral for the issue in order to eliminate the need for capitalized interest.
- D. Call Provisions: The Chief Business Officer and Controller, based upon analysis from the municipal advisor of the economics of callable versus non-callable features and applicable state law, shall set forth call provisions for each issue.

Section 3.02 Sale of Securities

There are three methods of sale: competitive, negotiated, and private placement. The preferred

method of sale shall be the method which is likely to result in the lowest interest cost to the District. All three methods of sale shall be considered for all debt issuance, because each method has the potential to achieve the lowest financing cost given the right conditions. Any award through negotiation shall be subject to approval by the District, generally by the Chief Business Officer or other person designated by the Chief Business Officer, to ensure that interest costs are in accordance with comparable market interest rates. When a competitive bidding process is deemed the most advantageous method of sale for the District, award will be based upon, among other factors, the lowest offered True Interest Cost (“TIC”). A private placement sale is appropriate when the financing can or must be structured for a single or limited number of purchasers or where the terms of the private placement are more beneficial to the District than either a negotiated or competitive sale.

Section 3.03 Markets

The District shall consider products and conditions in the capital markets in meeting the District’s financing needs. To achieve the lowest cost of funds, the District’s goal is to reach as broad a retail and institutional investor base as possible. When appropriate, the District shall consider syndicate policies that give priority to orders from local and regional investors.

Section 3.04 Credit Enhancement and Derivatives

The District may enter into credit enhancement agreements such as municipal bond insurance, surety bonds, letters of credit, and lines of credit with commercial banks, municipal bond insurance companies, or other financial entities when their use is judged to lower borrowing costs, eliminate restrictive covenants, or have a net economic benefit to the financing. The District shall use a competitive process to select providers of such products to the extent applicable. To assure that the District uses credit enhancement cost-effectively, the Chief Business Officer will review an economic analysis, by maturity where appropriate, prepared by the municipal advisor before selecting which maturities to insure.

The District may undertake certain hedging strategies in connection with its debt issues only if it provides a clear net economic benefit. The credit rating of any counterparty must be at least A1/A+ by at least one of the major rating agencies the time of the transaction. Authorized strategies include interest rate caps and their variants. The Chief Business Officer may develop an appropriate policy regarding interest rate swaps and other derivatives for approval by the Board. Such policy, if approved, will be integrated into this Policy.

Section 3.05 Impact on Operating Budget and District Debt Burden

The potential impact of debt service and additional operating costs associated with new projects on the operating budget of the District, both short- and long-term, will be evaluated. The projected ratio of the annual debt service supported by the General Fund to General Fund expenditures is one method, as is the additional debt burden of overlapping agencies on taxpayers. The cost of debt issued for major capital repairs or replacements should be judged against the potential cost of delaying such repairs.

Section 3.06 Debt Limitation

Section 15106 of the Education Code limits the District’s total outstanding bonded debt (i.e., the

principal portion only) to 2.5% of the assessed valuation of the taxable property of the District. Thus, it limits the issuance of new debt when the District has total bonded indebtedness in excess of 2.5% of the assessed valuation in the District. TRANs and lease payment obligations in support of COPs/LRBs generally do not count against this limit except as provided in Section 17422 of the Education Code.

Section 3.07 **Debt Issued to Finance Operating Costs**

The District cannot finance general operating costs from debt having maturities greater than thirteen (13) months. However, the District may deem it necessary to finance cash flow requirements under certain conditions. Such cash flow borrowing must be payable from taxes, income, revenue, cash receipts and other moneys attributable to the fiscal year in which the debt is issued. General operating costs include, but are not limited to, those items normally funded in the District's annual operating budget and having a useful life of less than one year.

The CBO will review potential financing methods to determine which method results in the lowest cost to the District. Potential financing sources include Tax and Revenue Anticipation Notes, commercial bank lines of credit, temporary borrowing from the County of Los Angeles Treasurer, and internal temporary inter-fund borrowing. In analyzing the impact on District cost, the CBO will consider the lost interest earnings for the District funds providing temporary borrowing capacity.

Section 3.08 **Credit Rating Methodologies and Debt Burden Ratios**

- A. Credit Rating Methodologies: As described in the Background section of the Debt Policy, there are four rating agencies that currently rate all or a portion of the District's outstanding GOs and COPs. These agencies employ varying rating methodologies with certain agencies' focusing more (or less) on the GO property tax pledge and tax base versus on the District's operations. In addition, two of the agencies now provide just a single rating at the time that they rate a GO bond issue and two provide two ratings – one on the GO credit and one on the underlying issuer credit. After January 1, 2016, when SB222 became effective, Fitch has rated California school district GO Bonds based primarily on the strength of the property tax pledge and tax base that provides the security for their repayment. However, along with the GO bond rating, they also release a separate Issuer Default Rating (IDR) that reflects their broader analysis of the overall credit quality of a district's operations including governance, management, financial performance, liquidity position, etc. KBRA also prioritizes the strength of the property tax pledge and tax base, as well as considering the overall credit quality of a district's operations and provides a single rating on a district's GOs. Historically, both Moody's and S&P have released a single rating on the District's GOs that incorporate a broad analysis of credit quality with more emphasis on a district's finances and operations versus the security for repayment, than Fitch and KBRA. We note however, that in January 2021, Moody's revised its K-12 rating methodology. Under the new methodology, Moody's provides a: i) GO bond rating that recognizes the strength of the security structure and ii) an Issuer Rating that reflects Moody's view of a district's overall financial profile without regard to the GO bonds' security structure. For any District COPS/LRBs that are secured solely by the District's General Fund, the ratings from all agencies are based on an analysis of the overall credit quality of the District.

To achieve the highest credit ratings and lowest cost of funds on its GOs and COPs/LRBs

across all rating agencies, it is therefore important for the District to consider the impact of its financial decisions on the credit quality of its GOs and COPs/LRBs.

- B. Debt Burden Ratios: As noted in Section 3.06, the District may issue “bonds” in an amount no greater than 2.5% of taxable property within the school district. The 2.5% issuance limit is known as the District’s bonding capacity, with “bonds” referring to GO Bonds. Even though COPs/LRBs do not technically constitute “debt” under California’s Constitution and, thus, are excluded from the 2.5% bonding limit, the rating agencies and the investor community evaluate the District’s debt position based on all of its outstanding long-term obligations whether or not such obligations are repaid from voter-approved tax levies, the General Fund or developer fee sources. Therefore, the debt burden ratios described below include both long-term GO Bonds and long-term COPs/LRBs as “debt” in the respective calculations.

The following debt burden ratios should be considered in developing debt issuance plans:

- i. *Ratio of Outstanding Debt to Assessed Value*. The ratio “Direct Debt” shall be calculated using the District’s GO Bonds, COPs and LRBs. In addition, the ratio of “Overall Debt” shall be calculated by aggregating all debt issues attributable to agencies located within the District’s boundaries as presented in the California Municipal Statistics Overlapping Debt Statement. It is important to monitor the levels and growth of Direct Debt and Overall Debt as they portray the debt burden borne by the District’s taxpayers and serve as proxies for taxpayer capacity to take on additional debt in the future.
 - ii. *Ratio of Outstanding Debt Per Capita*. The formula for this computation is Outstanding Debt divided by the population residing within the District’s boundaries, based upon population estimates using information from the United States Bureau of the Census and the California Department of Finance. Ratios shall be computed for both “Direct Debt Per Capita” and “Overall Debt Per Capita”.
 - iii. *Ratio of Annual Lease Debt Service to General Fund Expenditures*. The formula for this computation is annual lease debt service expenditures divided by General Fund expenditures (excluding inter-fund transfers) as reported in the most recent Audited Annual Financial Report (“AAFR”).
 - iv. *Proportion of Fixed-Rate and Variable-Rate COPs Issues*. The District may benefit from some variable rate exposure in its portfolio of COPs/LRBs. However, the District shall keep its variable rate exposure, to the extent not hedged or swapped to a fixed rate, at or below \$100 million. “Hedges” include unrestricted cash resources as well as interest rate products such as caps and collars. Under no circumstances will the District issue variable rate debt for arbitrage purposes. If variable rate debt is used, the Chief Business Officer will periodically, but at least annually, determine whether it is appropriate to convert the debt to fixed interest rates.
- C. Debt Affordability: The determination of how much indebtedness the District should incur will be based on a capital financing plan that is periodically developed by the Office of the Chief Business Officer, which analyzes the long-term infrastructure needs of the District, and

the impact of planned debt issuances on the long-term affordability of all outstanding debt. It will be based on the District's current capital plan and will include all District financings to be repaid from the General Fund, special funds, or ad valorem property taxes.

- D. Targets and Ceilings for Debt Affordability: While the District's GO bonds are repaid with voter-approved property taxes, it is the debt that is repaid from the District's General Fund and other internal resources (typically, the District's COPs and LRBs) that factor into the District's credit quality. As a result, these debt obligations must be carefully monitored to maintain a balance between General Fund debt and the resources available to repay the debt. However, the credit environment is also affected by the debt burden imposed by the District's issuance of GO Bonds as well as the debt issuance of other agencies whose jurisdictions overlap those of the District ("Overlapping Debt") that are secured with property taxes (for example, the City of Los Angeles, the County of Los Angeles and the Los Angeles Community College District). The rating agencies will note the overall debt burden of the District which will include the overlapping jurisdictions' debt.

The tax receipts used to repay the District's General Obligation Bonds are levied and collected by the County of Los Angeles and are not controlled by the District. The District shall include data on the Overlapping Debt burden along with the debt that is repaid from the District's General Fund or from any tax revenues deposited into special funds not supporting revenue bonds (the District's Direct Debt) in the District's annual Debt Report.

Table 1 below provides the debt burden limit that will be monitored by the Chief Business Officer for debt that is to be repaid from the General Fund or other District resources. This maximum amount is intended to guide policy; it does not mean that debt issuance is automatically approved. On the contrary, each and every proposed debt issuance must be individually presented to and approved by the Board of Education.

Table 1

Debt Factor	Maximum
COPs Gross Annual Debt Service	2.0% of General Fund Budgeted Expenditures

Table 2 below indicates the benchmark debt burden ratios to be monitored by the Chief Business Officer that recognize the combined direct debt and overall debt of the District, as applicable. The Office of the Chief Business Officer shall annually prepare or cause to be prepared a Debt Report providing details of the calculations of debt ratios and projections of the impact of future debt issuance on the District's direct debt. The Office of the Chief Business Officer shall also develop appropriate appendices to the Debt Report containing relevant information on any rating agency and/or Government Finance Officers Association debt policy guidelines with respect to debt burden ratios.

Debt Ratios: The following table sets forth the debt ratios to be monitored under the Policy and their targeted levels.

Table 2

Debt Burden Ratio	Benchmark
Direct Debt to Assessed Value	Moody's Median for Aa Rated School Districts with Population Above 200,000
Overall Debt to Assessed Value	
Direct Debt Per Capita	
Overall Debt Per Capita	

“Direct Debt” includes all debt that is repaid from the General Fund or from any tax revenues deposited into special funds not supporting revenue bonds.

“Overall Debt” includes any debt that is paid from general tax revenues and special assessments by residents in the District. This includes debt issued by other agencies whose taxing boundaries overlap the District, such as the City of Los Angeles, the County of Los Angeles and the Los Angeles Community College District, but excludes revenue bonds with dedicated repayment sources.

- E. Monitor Impact on District Taxpayer of Voter-Approved Taxes: In addition to the analysis of the District’s debt affordability, the District will review the impact of debt issuance on District taxpayers. This analysis will incorporate the District’s General Obligation Bond tax levies as well as tax rates imposed by overlapping jurisdictions. It is important for the District to be aware of its share of the total overlapping debt. In addition, the District will monitor the performance of the actual tax levy rate for each General Obligation Bond authorization versus what the tax levy rate was expected to be at the time of the original bond election and include said performance in the Debt Report. The Measure K, Measure R, Measure Y, Measure Q and Measure RR Bonds were each authorized with a tax levy limitation of \$60 per \$100,000 of assessed value to repay bonds issued under each authorization Measure.

Section 3.09 Use of Corporations as Lessor for COPs Issues

The District has established two (2) special purpose corporations to assist in COPs financings as lessor: the LAUSD Financing Corporation and the LAUSD Administration Building Financing Corporation. The District shall use these corporations rather than private corporations as lessor whenever feasible. The District shall maintain proper records relating to the corporations and prepare audits as required.

Article IV. Related Issues

Section 4.01 Capital Improvement Program

Planning and management of the District’s Capital Improvement Program for General Obligation Obligation-funded projects rests primarily with the Facilities Services Division under the Superintendent’s direction, subject to review by the Bond Oversight Committee (the “BOC”) and approval by the Board of Education. Non-Facilities General Obligation Bond-funded projects are under the CBO’s direction and will be reviewed by the Office of General Counsel and the Bond

Compliance Unit for allowability of the project and the proposed project expenditures, respectively. Non- General Obligation Bond-funded projects are prioritized, and funding is planned by the CBO under the Superintendent's direction and approved by the Board of Education. Non- General Obligation Bond-funded projects are planned and managed by the Division responsible for executing the specific approved work. The Facilities and Information Technology Strategic Execution Plans provide an overall description of the District's current School Upgrade Program, as supplemented by any proposed issuance of debt. The Facilities Services Division and Information Technology Division will, as appropriate, supplement and revise these plans in keeping with the District's current needs for the acquisition, development and/or improvement of District's real estate, facilities, equipment, and technology. The plans must include, for each Board approved project, a summary of the budget, a scope description and a schedule for completion. The Office of the Chief Business Officer shall prepare an annual capital financing plan in conjunction with the capital program budget as part of the annual budget for the District.

Section 4.02 Reporting of Debt

The Annual Audited Financial Report ("AAFR") will include information on the District's indebtedness including the amount of (i) new debt issued, (ii) debt outstanding, and (iii) assessed valuation. The AAFR will be posted on the District's website, the District's dissemination agent's website and the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) website.

The CBO will also produce an annual Debt Report which covers the following information: (i) bonded debt limitation and assessed valuation growth, (ii) debt outstanding, (iii) bonds authorized but unissued, (iv) debt refundings, (v) tax rate performance on outstanding bonds, (vi) cost of district debt, and (vii) credit ratings. This report will be provided to the Board and uploaded to the District's website.

Section 4.03 Financial Disclosure

The CBO shall designate a Chief Disclosure Officer and Disclosure Coordinator. Together, they shall be responsible for the District's disclosure compliance functions, in conjunction with the disclosure counsel appointed by the District.

The District shall prepare or cause to be prepared appropriate disclosures as required by Securities and Exchange Commission Rule 15c2-12 and to ensure compliance with applicable laws, regulations and agreements.

The District shall make available its annual AAFRs, budgets, and Official Statements on the District's website, the District's dissemination agent's website, and on the Electronic Municipal Market Access (EMMA) website so that interested persons have a convenient way to locate major financial reports and documents pertaining to the District's finances and debt.

Section 4.04 Review of Financing Proposals

All capital financing proposals involving a pledge of the District's credit through the sale of securities, execution of loans or lease agreements, or otherwise directly or indirectly lending or pledging of the District's credit initially shall be referred to the Chief Business Officer who shall

determine the benefit and financial feasibility of such proposal and make recommendations accordingly to the Board.

Section 4.05 Establishing Financing Priorities

The Chief Business Officer shall administer and coordinate the Policy and the District's debt issuance program and activities, including timing of issuance, method of sale, structuring the issue, and marketing strategies. The Chief Business Officer shall, as appropriate, report to the Superintendent and the Board regarding the status of the current and future year programs and make specific recommendations.

Section 4.06 Rating Agency and Credit Enhancer Relations

The District shall endeavor to maintain effective relations with the rating agencies, and credit enhancers. The Chief Business Officer along with the District's general municipal advisor shall meet with, make presentations to, or otherwise communicate with the rating agencies on a consistent and as appropriate basis in order to keep the agencies informed about the District's capital plans, debt issuance program, and other appropriate financial information. The CBO along with the District's municipal advisor shall communicate with credit enhancers as appropriate to determine if a cost-effective product for the District is commercially available with reasonable terms and conditions.

Section 4.07 Investment Community Relations

The District shall endeavor to maintain a positive relationship with the investment community. The Chief Business Officer shall, as necessary, prepare reports and other forms of communication regarding the District's indebtedness, as well as its future financing plans. This includes information presented to the media and other public sources of information. To the extent applicable, such communications shall be posted on the District's website.

Section 4.08 Refunding and Restructuring Policy

Whenever deemed to be in the best interest of the District, the District shall consider refunding or restructuring outstanding debt when financially advantageous or beneficial for debt repayment and structuring flexibility. The Chief Business Officer shall review a net present value analysis of any proposed refunding in order to make a determination regarding the cost-effectiveness of the proposed refunding. The minimum net present value savings as a percentage of the refunded principal to be considered for a tax-exempt refunding shall be no less than 3% on a maturity by maturity basis unless, at the discretion of the Chief Business Officer, a lower percentage is more applicable, for situations including, but not limited to, refunding candidates with only a few years until maturity or COPs being defeased or redeemed from proceeds of GO Bonds or other structuring considerations. In addition, alternative structures such as taxable advance refundings or tax-exempt forward refundings may be acceptable if the net present value savings is in excess of 5% on a maturity by maturity basis and/or other benefits to the District are identified by the Chief Business Officer and the District's municipal advisor. For example, if the District has a very large refunding opportunity approaching and it would benefit from splitting the refunding into more than one sale, a taxable advance refunding of a portion of the bonds may be justified. Another consideration in deciding which debt to refinance and the timing of the refinancing shall be maximizing the District's expected net savings over the life of the

bonds.

The Chief Business Officer may waive the percent savings per maturity threshold when evaluating a fixed rate refunding of variable rate debt, as the refinancing of certain variable rate structures may provide other substantial benefits to the District that include, but are not limited to, elimination of interest rate risk, renewal risk, and counterparty risk.

The savings analysis and thresholds are not applicable to refundings of indebtedness using JOBs intended to restructure and/or amortize tort liabilities over time; provided that the Board determines any such refunding is in the best interests of the District.

The Chief Business Officer shall restructure escrow funds for the District's refunded Bonds and COPs from time to time when savings can be achieved. The Chief Business Officer shall review a savings analysis of any proposed restructuring in order to make a determination regarding its cost-effectiveness. The target net savings shall be no less than \$1.0 million unless, at the discretion of the Chief Business Officer, a lower amount is more appropriate given the nature of the particular escrow fund. Any savings from such restructuring shall be applied in accordance with legal and tax considerations and analysis at the time such savings are available.

In addition, the District may issue federally taxable bonds or use other available funds to defease tax-exempt bonds if the District's Chief Business Officer in consultation with tax counsel determines that such action would assist the District in complying with applicable federal tax provisions, or would otherwise enable the District to enter into transactions providing for non-governmental entities or the federal government to use or manage bond financed property.

Section 4.09 Investment of Borrowed Proceeds

The District acknowledges its on-going fiduciary responsibilities to actively manage the proceeds of debt issued for public purposes in a manner that is consistent with California law governing the investment of public funds, federal tax law provisions applicable to the investment of bond proceeds and the permitted securities covenants of related bond documents executed by the District. Where applicable, the District's official investment policy and legal documents for particular debt issuance shall govern specific methods of investment of bond related proceeds. Preservation of principal will be the primary goal of any investment strategy followed by the availability of funds, followed by return on investment.

The District shall competitively bid the purchase of investment securities (except State and Local Government Series (SLGS) issued by the US Treasury), investment contracts, float contracts, forward purchase agreements and any other investments pertaining to its tax-exempt debt issues. A duly registered investment advisor or the County of Los Angeles Treasurer-Tax Collector shall solicit bids for investment products. Eligible and qualified providers, but not any of the members of the District's municipal advisor pool, may bid on investment products.

The management of public funds shall enable the District to respond to changes in markets or changes in payment or construction schedules so as to (i) ensure liquidity and (ii) minimize risk.

Section 4.10 Federal Arbitrage Rebate Requirement

The District shall maintain or cause to be maintained an appropriate system of accounting to calculate bond investment arbitrage earnings with respect to each of the District's tax-exempt debt issues in accordance with the Internal Revenue Code of 1986, as amended or supplemented and applicable United States Treasury regulations related thereto.

Section 4.11 Transaction Records

The Chief Business Officer or designee shall maintain complete records of decisions made in connection with each financing, including the selection of members of the financing team and the structuring of the financing as well as the selection of credit enhancement products and providers, if applicable, and the selection of investment products, if appropriate. Each transaction file shall include the official transcript for the financing, the final number runs and a post-pricing summary of the debt issue. The Chief Business Officer shall provide a timely summary of each financing to the Board.

Section 4.12 Financing Team Members**A. Retention of Consultants**

- i. General: All municipal advisors, investment advisors, bond counsel, disclosure counsel, tax counsel, and underwriters will be selected from pools to be created through a Request for Proposals (RFP) or Request for Qualifications (RFQ) process. In isolated instances, such contracts may be awarded on a sole source basis if an RFP or RFQ process would not be feasible or in the District's interests. The District's contracting policies will apply to all contracts with finance professionals associated with bond-financing related matters. Generally, contracts for municipal advisors, investment advisors, underwriters, and bond, tax, and disclosure counsels will be for up to five years.

Members of the financing team for each specific transaction will be identified and presented to the Board as part of the financing transaction Board report or as a separate informative. If, however, a financing opportunity or need arises such that there is not enough time to obtain Board approval of the financing team through the regular process, the Superintendent may authorize the appointment of the team.

- ii. Underwriters: The minimum qualifications for underwriters to be considered for the District's underwriter pools are: the firm must have a permanent office in the State of California; the firm must have completed at least ten (10) financings in the prior two years; the firm must maintain net capital of at least \$100,000 at all times; the lead investment banker must have at least five years of experience working on large, complex transactions and must be authorized to sign a bond purchase contract; the firm must hold and maintain at all times all appropriate and required Federal and State licenses and registrations; and the firm must at all times have at least one full-time professional employee with a FINRA Series 53 license (Municipal Securities Principal).

Based upon an evaluation of submitted statements of qualifications, underwriting firms are assigned to one of two tiers, subject to Board approval.

Tier	Eligible Syndicate Assignments
Senior Manager	Eligible to be selected as a senior manager, co-senior manager or co-manager
Small Business Enterprise / Disabled Veteran Business Enterprise	Eligible to be selected as a co-manager

In the event the District issues bonds through a negotiated sale, the underwriters will be selected from the District's underwriter pool by the Office of the CBO. The Office of the CBO will provide the Board of Education the names of the underwriting firms selected and the rationale for their selection. Underwriters may be selected for multiple transactions if multiple issuances are planned for the same project.

- iii. General Municipal Advisor(s): The District shall retain general municipal advisory firm(s) to provide general advice on the District's debt management program, financial condition, budget options and rating agency relationships. Additionally, the general municipal advisor may be used to structure issuances of District debt obligations. Any firm(s) serving as general municipal advisor must be duly registered at all times with both the Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB) and must also hold any certifications and/or licenses required by the SEC and/or MSRB.
- iv. Bond Counsel, Tax Counsel, and Disclosure Counsel: The District will select bond, tax, disclosure and/or other financial counsel to assist with debt issuances or special projects that do not fall under the bonds, COPs, and TRANs categories of District debt obligations. Additionally, one or more of the firms may be selected to provide general legal advice on, among other things, debt financing, disclosure documents, and continuing disclosure.
- v. Range of Financings: Underwriters, external legal counsel and municipal advisors will be selected for the District's GOs, COPs, TRANs, Mello-Roos, special revenue bonds, and any other multi-year bond programs which may be created. Depending on expertise and consultant availability, a firm can be used on more than one program. Efforts will be made to establish different underwriting teams to provide a number of firms the opportunity to participate in District financings. However, efficiencies and continuity of service are to be considered to achieve the District's objectives.

B. Use of Independent Municipal Advisors

- i. Use of Independent Municipal Advisors: Any firm serving as municipal advisor must be duly registered as a municipal advisor on financings at all times with both the Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB) and must also hold any certifications and/or licenses required by the SEC and/or MSRB. In recognition of the fact that in a financing the goals of the underwriters and the issuer may inherently conflict, the District will strive

to hire municipal advisors who do not participate in the underwriting or trading of bonds or other securities. Under certain circumstances, however, it may be in the District's interests to hire an investment banking firm to act as municipal advisor on specific bond issues, although said firm must comply with any SEC and/or MSRB rules and restrictions pertaining to broker-dealer or investment banks serving as municipal advisor.

- ii. Engagement of Municipal Advisor(s): The Office of the CBO may maintain a pool of municipal advisors separated into two tiers – General and Transactional. In order to select the municipal advisors for its pool, the District shall issue an RFP or RFQ which includes comprehensive questions on the experience and capabilities of the municipal advisory firm and the personnel assigned to the District and the firm's status as an SBE. The Office of the CBO will select the municipal advisory firm(s) to provide general advice and to work on a transaction or other projects from its pool of municipal advisors.
 - a. Firms in the General Municipal Advisor Tier may be used for various financial projects for which the District requires advanced financial expertise not available within the District. Firms in the General MA Tier may also serve as municipal advisors on the District's debt issuances.
 - b. Firms in the Transactional Municipal Advisor Tier may serve the District as municipal advisors on the District's debt issuances.
 - c. SBE status shall be a consideration in the selection of municipal or co-municipal advisors.
- iii. Independent Registered Municipal Advisor: The Office of the Chief Business Officer will select a specific firm to serve as the District's IRMA, as defined by the SEC, from the General MA Tier. In order to facilitate open communication with underwriters, the District will prepare and post on its website a letter stating that the District has an IRMA. Before acting on any proposal received from underwriters, the District will consider all feedback received from the IRMA.
- iv. Use of Investment Advisors for Investment Advice: Although, in most instances, the Office of the Chief Business Officer will make all investment decisions relative to temporary investments pending the expenditure of bond proceeds, an investment advisor may provide investment advice on refundings and other transactions with specialized investment needs. Any firm serving as investment advisor on a District transaction must be registered at all times as an investment advisor with both the Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB), as applicable, must hold any certifications and/or licenses required by the SEC and/or MSRB, and must present its Form ADV or equivalent and written fee proposal to the District prior to commencement of any work.

When an Investment Advisor is warranted, in order to select an Investment Advisor, the District may issue an RFP or RFQ which includes comprehensive questions on

the experience and capabilities of the responding firm and the personnel assigned to the District and their status as an SBE. A firm may serve as both the Investment and Municipal Advisor.

C. Disclosure by Financing Team Members; Ethics

All financing team members will be required to provide full and complete disclosure, under penalty of perjury, relative to any and all agreements with other financing team members and outside parties. The extent of the disclosure may vary depending on the nature of the transaction. All financing team members shall abide by the Board's code of ethics.

Section 4.13 Special Situations

Changes in the capital markets, District programs, and other unforeseen circumstances may from time to time produce situations that are not covered by the Policy. These situations may require modifications or exceptions to achieve policy goals. Management flexibility is appropriate and necessary in such situations, provided specific authorization is received from the Board.

Appendix A Long-Term Debt—Tax Compliance Procedures**LOS ANGELES UNIFIED SCHOOL DISTRICT**Statement of Purpose

This Tax Compliance Policy (the “Policy”) sets forth specific policies of the Los Angeles Unified School District (the “District”) designed to monitor tax compliance by the District with respect to Tax-Advantaged Obligations¹, including but not limited to post-issuance tax compliance with applicable provisions of the Internal Revenue Code of 1986, as amended (the “Code”), and regulations promulgated thereunder (the “Treasury Regulations”).

This Policy is intended to document and supplement existing practices and describe various procedures and systems implemented and to be implemented to demonstrate compliance with the requirements that must be satisfied at the time of, and subsequent to, the issuance of Tax-Advantaged Obligations. Compliance with applicable provisions of the Code and the Treasury Regulations is an on-going process and an integral component of the District’s debt management program. Accordingly, implementation of this Policy will require ongoing surveillance through, and sometimes beyond, the final maturity of the related issue of Tax-Advantaged Obligations and, likely, consultation with legal counsel beyond the initial engagement for the issuance of particular obligations.

This Policy is meant to set forth best practices and procedures and is intended to be revised over time. The Policy is meant to be the District’s initiative to document compliance with the provisions of the Federal tax law addressing Tax-Advantaged Bonds. Given the size, scope, and complexity of the District’s financings and school construction and maintenance program, strict compliance with all elements of this Policy will require ongoing review and refinement of the Policy. Any failure to conform to any component of this Policy shall in no way infer that the District is not in compliance with the provisions of the Code applicable to Tax-Advantaged Obligations of the District.

Policies and Procedures Generally

The District’s Chief Business Officer (“CBO”) will establish a Tax Compliance Officer to monitor tax compliance with regard to debt offerings. The CBO shall also be responsible for ensuring an adequate succession plan for transferring tax compliance responsibility when changes in staff occur.

The Tax Compliance Officer should coordinate procedures for record retention and review of such records as more fully described herein and needs to gain familiarity with Internal Revenue Service (“IRS”) Forms 8038-G, 8038-B, 8038-CP, 14002, and relevant provisions of the Code and the

¹ The District issues (i) bonds, certificates of participation and other obligations, the interest on which is intended to be excluded from gross income for federal income tax purposes (“Tax-Exempt Obligations”) and (ii) bonds and other obligations, which provide certain credits to bondholders in lieu of or in addition to interest payments or interest subsidy payments to issuers (e.g., Build America Bonds and Qualified School Construction Bonds), that finance property that was otherwise eligible to be financed with proceeds of Tax Exempt Obligations (“Tax Credit/Subsidy Obligations,” collectively with Tax-Exempt Obligations, “Tax-Advantaged Obligations”).

Treasury Regulations, including but not limited to Treasury Regulations Sections 1.141-2, 1.141-3, 1.141-4, 1.141-5, 1.141-6, 1.141-12, 1.141-13, and 1.148-1 through 1.150-2.

The Tax Compliance Officer needs to review tax compliance procedures and systems on a periodic basis, but not less than annually, and consult with the District's General Counsel, Chief Business Officer, Chief Facilities Executive and bond counsel as appropriate and as needed.

Electronic media will be the preferred method for storage of all records maintained by the District in connection with tax compliance. Document maintenance requirements may change over time, and the Tax Compliance Officer shall consult with bond counsel to develop and maintain a comprehensive records retention policy so as to facilitate continuing compliance with the provisions of the Code applicable to the District's Tax-Advantaged Obligations. The District will maintain the following categories of records with respect to each issue of its outstanding Tax-Advantaged Obligations:

- (i) Documentation relating to the authorization, sale, and issuance of Tax-Advantaged Obligations;
- (ii) Documentation setting forth the date, amount and purpose of each expenditure of proceeds of each issue of Tax-Advantaged Obligations, as more fully described under "Expenditure of Proceeds" below;
- (iii) Documentation of arrangements governing the use of Property Financed with Proceeds of each issue of Tax-Advantaged Obligations, as more fully described under "Private Use and Ownership" below; and
- (iv) Documentation relating to the investment of proceeds and replacement proceeds allocable to each issue of Tax-Advantaged Obligations.

The foregoing records shall be maintained by the District under the supervision of the Tax Compliance Officer for a period of not less than six years after the final payment of principal on such Tax-Advantaged Obligations, provided that with respect to property financed with proceeds of Tax-Advantaged Obligations, such records shall be maintained for a period of not less than six years after the final payment of principal on such Tax-Advantaged Obligations or any Tax-Advantaged Obligations issued to refund, directly or indirectly, the issue of Tax-Advantaged Obligations that financed such property.

Issuance of Obligations

With respect to each new issue of Tax-Advantaged Obligations, the Tax Compliance Officer is to (a) obtain and store a closing binder and/or CD or other electronic copy of the relevant and customary transaction documents, (b) confirm that bond counsel or tax counsel has filed with IRS Form 8038-G or Form 8038-B for such issue, and (c) coordinate receipt and retention of relevant books and records with respect to the investment and expenditure of the proceeds of such Tax-Advantaged Obligations. Documentation to be maintained shall include, but not be limited to:

- (i) Resolutions of the District and the County authorizing the issuance of the Bonds;

- (ii) Bond Purchase Agreement;
- (iii) Preliminary Official Statement, Official Statement and any other documentation circulated to potential investors;
- (iv) Certifications with respect to delivery of Tax-Advantaged Bonds and the receipt of the purchase price therefor;
- (v) Tax Certificate or Tax Compliance Agreement (including exhibits, such as an issue price certificate of the underwriter or, in the event of a private placement, the purchaser);
- (vi) With respect to debt issues sold by competitive bid, documents evidencing compliance with the 3-bid rule for purposes of establishing the “issue price” of such obligations;
- (vii) Schedules prepared by the Municipal Advisor or Underwriter setting forth the sources and uses of funds, projected expenditure of proceeds, projected investment earnings on proceeds and computation of yields, together with any verification reports issued in connection with the issue;
- (viii) With respect to guaranteed investment agreements, or yield restricted defeasance escrows, documentation evidencing compliance with three-bid rules set forth in Treasury Regulation Section 1.148-5;
- (ix) Any verification reports issued with respect to the issue; and
- (x) Information reporting forms filed with the Internal Revenue Service, and proofs of filings such forms.

Expenditure of Proceeds

The administrator of each office that is responsible for spending proceeds of the District’s Tax—Advantaged Bonds will maintain records setting forth the date and amount of each disbursement of proceeds of Tax-Advantaged Obligations administered by its office, together with invoices or other proofs with respect to each disbursement, the name of the vendor or other payee, an identification of the facility or other property acquired, constructed, improved or renovated with the proceeds of such disbursement and a brief description of the actual work performed or property acquired with the proceeds of such disbursement. Within 120 days following the end of each fiscal year of the District, the Tax Compliance Officer shall obtain records setting forth with respect to each disbursement of proceeds of Tax-Advantaged Obligations:

- (i) The date of such disbursement;
- (ii) The amount of such disbursement;
- (iii) The funding source (e.g., specific GO measure or COPs issue);
- (iv) The location code and location name;

- (v) The object of expenditure; and
- (vi) The project number and description, when available, or a brief description of the type of the expenditure.

Within six months after the end of each fiscal year, the Tax Compliance Officer shall prepare a report setting forth the date, amount and purpose of each disbursement of proceeds of each issue of Tax-Advantaged Bonds during the prior fiscal year (the “Issue Expenditure Reports”). The term “purpose” shall mean each separate school facility financed with a disbursement or a description of other property financed with such disbursement.

Private Use and Ownership

Tax-Advantaged Obligations may lose their tax status if a bond issue meets (1) the private business use test (*i.e.*, results in Private Use (defined below)) in Section 141(b)(1) of the Internal Revenue Code of 1986, as amended (the “Code”) and (2) (a) the private security or payment test (“Private Security or Payments”) in Section 141(b)(2) of the Code (collectively, the “Private Business Test”), or (b) the private loan financing test in Section 141(c) of the Code. The Private Business Test relates to the use of the proceeds of an issue and the test is met if more than the lesser of (1) \$15,000,000 and (2) 10 percent² of the proceeds of an issue meet both prongs of the Private Business test.

Definition of Private Payments. For purposes of this Policy, “Private Payments” means payments derived, directly or indirectly, in respect of property used or to be used for Private Use. The District will periodically enter into arrangements that result in Private Use but will not involve any Private Payments. Except in the case of certificates of participation, which involve leases of properties that are used in a Private Use or secures obligations that financed property used in a Private Use, or loans of bond proceeds, arrangements that result in Private Use, but do not involve Private Payments, will not cause the District’s general obligation bonds to become private activity bonds.³

Definition of Private Use. For purposes of this Policy, the term “Private Use” means any activity that constitutes a trade or business that is carried on by persons or entities other than state or local governmental entities (“Nongovernmental Entities”). State or local governmental entities are referred to herein as “Governmental Entities.” The United States of America is not treated as a Governmental Entity. Any activity carried on by a person other than a natural person is treated as a trade or business. Any asset financed with Tax-Advantaged Obligations not owned for federal income tax purposes by a Governmental Entity will be considered to be used in a Private Use.

In most cases, Private Use will occur only if a Nongovernmental Entity has a special legal entitlement to use the bond financed property. Such a special legal entitlement includes ownership or actual or beneficial use pursuant to a lease, management, service or incentive payment contract, output

² Such ten percent limitation is reduced to five percent with respect to Private Use that is either unrelated to governmental uses of proceeds of the same issue, or disproportionate to related governmental uses of proceeds of such issue.

³ Private use alone may cause the Private Business Test limitations to be exceeded in the event that the obligations to that financed the privately used property are also secured by property used in a private use. For example, certificates of participation in a lease of property that is involved in a private use that finance property that is also used in a private business use may become taxable private activity bonds even if the District receives no payments with respect to such property.

contract, research agreement or similar arrangement. Private Use may also be established solely on the basis of a special economic benefit to one or more Nongovernmental Entities.

Management and Service Contracts. With respect to management and service contracts, the determination of whether a particular contract results in Private Use shall be based on the application of the Code and Treasury Regulations, including particularly Revenue Procedure 2017-13⁴, a summary of which is provided in Exhibit 1 to this appendix. Such management and service contracts include, but are not limited to, operating agreements, construction management agreements, business services agreements, technical consulting services agreements and other similar agreements. Further, for purposes of determining the nature of a Private Use, any management or service contract that is properly characterized as a lease for federal income tax purposes is treated as a lease. Consequently, any such agreements, even though referred to as a management or service contract may nevertheless be treated as a lease. In determining whether a management or service contract is properly characterized as a lease, it is necessary to consider all of the facts and circumstances, including the following factors: (i) the degree of control over the property that is exercised by a nongovernmental person; and (ii) whether a nongovernmental person bears risk of loss of the financed or refinanced property.

General Public Use. Use as a member of the general public is not Private Use, provided that the property is intended to be available, and is in fact reasonably available for use by natural persons not engaged in a trade or business. Arrangements providing for use that is available to the general public at no charge or on the basis of rates that are generally applicable and uniformly applied will not result in Private Use. For this purpose, rates may be treated as generally applicable and universally applied even if different rates apply to different classes of users, provided that such differences are customary and reasonable.

An arrangement is not treated as general public use if the term of use under the arrangement, including all renewal options is greater than 200 days. For this purpose, a right of first refusal under an arrangement is not treated as a renewal option if (i) the compensation for use under the arrangement is redetermined at market rates in effect at the time of the renewal, and (ii) the use of the financed property under the same or similar arrangement is predominantly by natural persons who are not engaged in a trade or business.

Short Term Use. Arrangements fitting within either of the following two arrangements will not result in Private Use:

Use Not Reasonably Available to Natural Persons not Engaged in a Trade or Business. An arrangement will not result in Private Use if (a) the compensation is based on generally applicable and uniformly applied rates, (b) the arrangement does not result in ownership of the property by a nongovernmental person, (c) the term of the use under the arrangement, including all renewal options, is not longer than 100 days, and (d) the arrangement would be treated as general public use, except

⁴ The determination of whether a particular use pursuant to a service contract entered into prior to August 18, 2017 that is not materially modified or extended on or after August 18, 2017 (other than pursuant to a renewal option as defined in Treasury Regulation Section 1.141-1(b)) may be determined on the basis of applying Revenue Procedure 97-13, as modified by Revenue Procedure 2001-39 and amplified by IRS Notice 2014-67 Revenue Procedure 97- 13, 1997-1 C.B. 632, as amended by Revenue Procedure 2001-39, 2001-2 C.B. 39. The District will consult with tax counsel prior to applying Revenue Procedure 97-13.

that the property is not available on the same basis by natural persons not engaged in a trade or business because generally applicable and uniformly applied rates are not reasonably available to persons not engaged in a trade or business.

Use Pursuant to Negotiated Arm's Length Arrangements. Use pursuant to an arrangement will not result in Private Use if (a) the arrangement does not result in ownership of the property by a nongovernmental person, (b) the term of the use under the arrangement, including all renewal options, is not longer than 50 days, (c) the arrangement is a negotiated arm's-length arrangement and compensation under the arrangement is at fair market value and (d) the property is not financed for a principal purpose of providing that property for use by that non-governmental person. .

Construction Contracts and Other Purchases of Capital Assets. A contract with a nongovernmental person to construct capital assets or to sell capital assets to the District does not generally result in Private Use unless additional services are being provided by the nongovernmental person in connection with such contract, e.g., construction management or consulting services. Such services with respect to bond financed property must be analyzed for Private Use under Revenue Procedure 2017-13.

Materials and Commodity Supply Contracts. A contract or purchase order for materials, commodities, inventory or other supplies from a nongovernmental person does not generally result in Private Use unless there are additional services being provided by the nongovernmental person in connection with the contracts, e.g., consulting services. Such service arrangements with respect to bond financed property must be analyzed for Private Use under Revenue Procedure 2017-13.

Ownership of bond financed property. If bond financed property is owned by a nongovernmental person, such ownership will be considered Private Use of the asset for purposes of the Private Use rules.

Leases of bond financed property. All leases of bond financed property to a nongovernmental person constitute Private Use of such property unless an exception for short-term use is satisfied.

Nonpossessory Incidental Use. Any non-possessory incidental use such as vending machines, bank machines and similar uses may be excluded from the Private Use rules to the extent of 2.5% of an issue of Tax-Advantaged Obligations. Such use of bond-financed property shall be tracked by the Tax Compliance Designee.

Joint Ventures, Partnerships or other forms of Joint Ownership. Entry into a joint venture, partnership or other form of joint ownership with a nongovernmental person may give rise to Private Use. Such arrangements with respect to bond financed property must be reviewed by bond counsel.

Special Priority Rights or Special Economic Benefits. A contract which conveys special priority rights or special economic benefits in bond-financed property to a nongovernmental person may create Private Use. In determining whether special economic benefit gives rise to Private Use of bond financed property, it is necessary to consider all of the facts and circumstances, including one or more of the following factors: (a) whether the bond financed property is functionally related or physically proximate to property used in the trade or business of a nongovernmental person; (b) whether only a small number of nongovernmental persons receive the economic benefit; and (c) whether the cost of the bond financed property is treated as depreciable by the nongovernmental person. Such

arrangements with respect to bond financed property must be reviewed by bond counsel.

Compilation and Maintenance of Logs Listing Arrangements Potentially Involving Private Trade or Business Use. From time to time, the District enters into the following types of arrangements involving bond financed property:

- Use Agreements and Leases with Charter Schools
- After School Programs
- Summer Camps
- Civic Center Leases
- Naming Rights
- Other Leases, Licenses or Use Agreements Involving Bond Financed Property The arrangements described above will be referred to in this Policy as “Arrangements”.

The Tax Compliance Officer will retain copies of the Arrangements, and maintain a log listing such Arrangements, which shall note with respect to each Arrangement (i) whether such Arrangement conforms to the Short-Term Use Exception described above, and (ii) if not, the amount of payments to be received by the District and whether such payments exceed the District’s incremental costs of operating and maintaining the subject facility arising from the Private Use of the subject property.

The Tax Compliance Officer shall also compile and maintain a separate list of each arrangement described above that will not qualify for the Short-Term Use Exception and that provides payments to the District that will exceed the District’s incremental cost of operating and maintaining the subject facility arising from the arrangement (referred to as the “Potential Private Use Contract Log”)⁵. Each item listed in the Private Use Contract Log shall set forth (i) the issue or issues of Tax-Advantaged Bonds that financed property used in connection with such arrangement, (ii) the amount of proceeds of such issue allocable to such property, and (iii) the amount of payments expected with respect to such arrangement, net of the incremental costs incurred by the District to operate and maintain the facility as a result of such arrangement.

The Tax Compliance Officer shall also compile and maintain the following logs:

⁵ Arrangements involving property that was financed with proceeds of any of the District’s certificates of participation will be listed in the Potential Private Use Contract Log regardless of whether the District is to receive any payments under such Arrangements.

- *Property Disposition Log.* The Tax Compliance Officer shall compile and maintain a log listing all assets of the District purchased with proceeds of Tax Advantaged Obligations that have been sold or otherwise disposed by the District (each, a “Disposition”). The log should include with respect to each Disposition, the Issue of Tax-Advantaged Bonds that financed the acquisition, construction or renovation of such asset and the amount of proceeds of such issue that are allocable to such asset (the “Property Disposition Log”).
- *Private Loan Log.* The Tax Compliance Officer shall compile and maintain a log listing all proceeds of each issue of Tax-Advantaged Obligations applied to make loans to third parties (the “Private Loan Log”).

The Tax Compliance Designee shall update the respective logs at least annually.

Structuring of Arrangements to Avoid Private Use or Private Payments. It is the Policy of the District that to the extent consistent with the business objectives of the District, any potential Arrangement which might result in Private Use of bond financed property shall be structured so as to avoid or minimize Private Payments.

Dispositions. No transfer, sale or other proposed disposition of bond financed property by the District shall take place without the prior review and approval by the General Counsel, after consultation with bond counsel.

Remedial Actions. In the event that the District is unable to satisfy the limitations with respect to Private Use and Private Payments with respect to any issue of Tax-Advantaged Obligations, the Tax Compliance Officer shall consult with the General Counsel, the Chief Business Officer and bond counsel and work with bond counsel to effect a remedial actions or take such other actions as shall be required to maintain the tax-advantaged status of such bonds. The Tax Compliance Officer shall provide any information regarding the bond financed property to effectuate such remedial action to the General Counsel and the Chief Business Officer. The Tax Compliance Officer must maintain copies of the documentation with respect to the remedial action with the Potential Private Use Contract Log and attach such copies to the transcript of closing documents it maintains with respect to each affected issue of Tax-Advantaged Obligations.

Periodic Review. Although the District will monitor Private Use of assets financed with Tax-Advantaged Obligations and Private Payments relating to such use, the Tax Compliance Officer will no less frequently than annually review and update the Potential Private Use Contract Log, the Disposition Log the Private Loan Log and the log that it maintains with respect to each issue of Tax-Advantaged Obligations. The Tax Compliance Officer shall at least annually prepare a detailed calculation of all existing Private Use and Private Payments, if any, that occurred during the prior year (the “Private Use Calculation”) with respect to each issue of the District’s Tax- Advantaged Obligations. The Potential Private Use Contract Log, the Disposition Log and the Private Use calculations are referred to herein as the “Annual Reports.” The Tax Compliance Officer will provide the Annual Reports, reflecting activity through the last day of each fiscal year, to the General Counsel by November 30th of the following fiscal year.

Arbitrage and Rebate

Section 148 of the Code, the regulations promulgated thereunder and the pronouncement relating thereto (the “Arbitrage Rules”) are intended to ensure that issuers, such as the District, are issuing Tax-Advantaged Obligations for the primary purpose of financing property needed by the District to carry-out its governmental purposes, and not for the purpose of taking advantage of the difference between its tax-advantaged costs of borrowing and its ability, if any, to invest proceeds of such obligations in higher yielding obligations. Continuing compliance with the Arbitrage Rules primarily involves ensuring that proceeds of Tax-Advantaged Obligations (“Proceeds”) are invested in accordance with yield limitations set forth in the Arbitrage Rules, except to the extent an exception to such yield limitation cannot be satisfied and rebating certain investment earnings to the United States Treasury. With respect to certain issues of Tax- Advantaged Obligations, the District will need to ensure that all proceeds and investment earnings are either expended on qualifying projects within specified periods, or portions of such issues are timely redeemed.

Specific post-issuance procedures to effect compliance with the Arbitrage Rules are addressed below. However, the procedures set forth herein are not intended to be exhaustive and further procedures may need to be identified and implemented, in consultation with the District’s staff, bond counsel, tax counsel, if any, and the District’s municipal advisors and investment advisors. Since proceeds of the District’s bond issues are deposited in a Building Fund administered and invested by the Los Angeles County Treasurer and Tax Collector (the “County Treasurer”), and the County Treasurer collects and invests moneys to be used to pay debt service on the District’s Tax-Advantaged Obligations, the County Treasurer shall also be involved in the development and implementation of this Policy insofar as this Policy relates to compliance with the Arbitrage Rules.

Procedures Generally – the following policies relate to procedures and systems for monitoring post-issuance compliance generally with the Arbitrage Rules.

- (i) The Tax Compliance Officer shall be responsible for monitoring the District’s post-issuance arbitrage compliance issues. The Chief Business Officer of the District shall be responsible for ensuring an adequate succession plan for transferring post-issuance arbitrage compliance responsibility when changes in staff occur.
- (ii) The Tax Compliance Officer should coordinate procedures for record retention and review in accordance with the provisions of this Policy described below. In addition, the Tax Compliance Officer shall ensure that adequate records are established and maintained to set forth the date, amount, and nature of each expenditure of proceeds of each issue of Tax-Advantaged Obligations and investment earnings thereon (the “Proceeds”). Such records shall be consistent with and may be part of the Issue Expenditure Reports described under “Expenditure of Proceeds” above. The Tax Compliance Officer shall also establish and maintain a record of each investment of Proceeds, which shall include (i) the purchase date, (ii) the purchase price, (iii) information establishing that the purchase price is the fair market value as of such date (e.g., the published quoted bid by a dealer in such an investment on the date of purchase), (iv) any accrued interest paid, (v) the face amount, (vi) the coupon rate, (vii) periodicity of interest payments, (viii) disposition price, (ix) any accrued interest received, and (x) disposition date. To the extent any investment becomes allocable to

Proceeds after it was originally purchased, it shall be treated as if it were acquired at its fair market value at the time it becomes allocable to Proceeds. To the extent Proceeds are maintained by the County Treasurer, the Tax Compliance Officer shall advise the County Treasurer of the requirement to maintain such records with respect to each investment of Proceeds by the County Treasurer, and obtain a copy of such records from the County Treasurer at least annually.

- (iii) The Tax Compliance Officer should review post-issuance arbitrage compliance procedures and systems with bond counsel or tax counsel at least annually.

The following procedures shall be implemented with respect to the issuance of each issue of Tax-Advantaged Obligations:

- (i) Following the issuance of each issue of Tax-Advantaged Obligations, the Tax Compliance Officer shall obtain and maintain each of the documents listed above under “Issuance of Obligations” including, a fully executed tax certificate and issue price certificate with respect to such issue and any information reporting forms filed with the Internal Revenue Service with respect to each issue, together with proof of filing. A copy of such certificate and information reporting forms, together with the Timetable (as defined below), shall be provided to the County Treasurer as soon as practicable after the issue date of each issue of Tax-Advantaged Obligations.
- (ii) The Tax Compliance Officer should confirm that bond counsel has filed with the Internal Revenue Service (the “IRS”) the applicable information report (e.g., Form 8038-G, Form 8038 or Form 8038-B) for such issue.
- (iii) The Tax Compliance Officer should coordinate receipt and retention of relevant books and records with respect to the investment and expenditure of the proceeds of such Tax- Advantaged Obligations with other members of the District’s staff and staff of the County Treasurer.
- (iv) A record should be maintained with respect to each issue of Tax-Advantaged Obligations containing a schedule setting forth (i) the latest date such proceeds may be invested at an unrestricted yield, (ii) the benchmarks that must be satisfied in order to meet an exception to the arbitrage rebate rules, (iii) the dates on which any arbitrage rebate computations are required to be completed and arbitrage rebate is required to be paid to the United States Treasury and (iv) any date by which proceeds are required to either be expended or applied to redeem bonds and any other dates on which all or a portion of the Proceeds of such issue are required or expected to be expended (the “Timetable”)

Arbitrage – the following procedures should be carried-out from the issue date through the final redemption date of each issue of Tax-Advantaged Obligations:

- (i) The Tax Compliance Officer should coordinate the tracking of expenditures and any investment earnings with other applicable District staff, including staff of the Facilities Division. The Tax Compliance Officer should obtain and review at least monthly reports of the expenditure and investment of proceeds of each issue of Tax-

Advantaged Obligations that are on deposit in the District's Building Fund. The Tax Compliance Officer should maintain a procedure for the allocation of proceeds of the issue and investment earnings to expenditures, including the reimbursement of pre-issuance expenditures.

- (ii) The Tax Compliance Officer should obtain a computation of the yield on each issue of Tax-Advantaged Obligations from the District's municipal advisor or senior manager and obtain from bond counsel or tax counsel a listing of all arbitrage yield restrictions attributable to Proceeds or amounts treated as proceeds of each issue. For example, with respect to each issue of qualified school construction bonds, the Tax Compliance Officer should obtain from tax counsel or bond counsel the yield limitation with respect to any invested sinking fund established for such issue.
- (iii) The Tax Compliance Officer should monitor compliance with the applicable "temporary period" (as defined in the Code and Treasury Regulations), and expectations for the expenditure of proceeds of the issue and advise the County Treasurer of the need to yield restrict investments with respect to proceeds that are not eligible to be invested at an unrestricted yield pursuant to a temporary period.
- (iv) The Tax Compliance Officer should coordinate with the County Treasurer and the bond trustee, if applicable, to ensure that investments acquired with proceeds of each issue of Tax-Advantaged Obligations are purchased at fair market value. In determining whether an investment is purchased at fair market value, any applicable Treasury Regulation safe harbor may be used. In the event Proceeds are invested in an investment contract or any other investment that is not traded on an established market, and for which fair market values are not continually published, the Tax Compliance Officer or County Treasurer shall consult with bond counsel or tax counsel to ensure that fair market rules set forth in the Treasury Regulations are satisfied.
- (v) The Tax Compliance Officer should coordinate with the County Treasurer, the Chief Facilities Executive, and the applicable bond trustee to avoid formal or informal creation of funds reasonably expected to be used to pay debt service on such issue without determining in advance whether such funds must be invested at a restricted yield.
- (vi) The Tax Compliance Officer should consult with bond counsel or tax counsel prior to engaging in any post-issuance credit enhancement transactions (e.g., bond insurance, letter of credit) or hedging transactions (e.g., interest rate swaps, caps).
- (vii) The Tax Compliance Officer should coordinate with bond counsel to identify situations in which compliance with applicable yield restrictions depends upon later investments and monitor implementation of any such restrictions.
- (viii) The Tax Compliance Officer should coordinate with the arbitrage rebate consultant, as described in (ix) below, to monitor compliance with six-month, 18-month or 2-year spending exceptions to the rebate requirement, as applicable.

- (ix) The Tax Compliance Officer should coordinate with Chief Business Officer to ensure that the District continuously engages a firm nationally recognized in the area of arbitrage rebate compliance with respect to each issue of Tax-Advantaged Obligations to arrange, as applicable, for timely computation of arbitrage rebate or arbitrage yield reduction liability and, if rebate or a yield reduction payment is due to the IRS, for timely filing of Form 8038-T and, to arrange timely payment of such rebate liability. Such arbitrage rebate consultant shall also confirm whether any of the spending exceptions to the arbitrage rebate rules are satisfied. The Tax Compliance Officer should ensure that each arbitrage rebate consultant is provided with a copy of the Timetable with respect to each issue of Tax-Advantaged Obligations and that the contract or engagement letter with such arbitrage rebate consultant provides for such arbitrage rebate consultant to work with the District to refine the Timetable and provide timely notification to the Tax Compliance Officer of each deadline set forth in the Timetable. The Tax Compliance Officer shall maintain its records with respect to each issue of Tax-Advantaged Obligations copies of each report submitted by any arbitrage rebate consultant and each Form 8038-T filed by the District.
- (x) The Tax Compliance Officer should, in the case of any issue of refunding obligations, coordinate with the District's municipal advisor, the applicable bond trustee, and the applicable escrow agent to arrange for the purchase of the refunding escrow securities, should obtain a computation of the yield on such escrow securities from the verification agent and should monitor compliance with applicable yield restrictions. Timetables should be adjusted to reflect the termination of temporary periods, the allocation of Proceeds of the refunded bonds as transferred proceeds of the refunding bonds and other matters resulting from such refunding.

Retention of Records

Retention of Records. As described above, the District is required to prepare the Annual Reports, which summarize and analyze certain underlying documentation related to the Tax-Advantaged Obligations. In addition to the requirement to retain the Annual Report, the District will also need to retain the related underlying documentation (the "Records") described below.

Records Required to be Retained. The Records that must be retained include, but are not limited to, the following:

- (i) All legal and accounting documents relating to proceeds of the Tax-Advantaged Obligations, including opinions of counsel and the tax certificate with respect to each issue of Tax-Advantaged Obligations.
- (ii) Expenditure of Proceeds of Tax-Advantaged Obligations as described below.
 - (a) Documents evidencing the expenditure of the proceeds of the Tax-Advantaged Obligations and investment earnings thereon and the specific assets financed with such proceeds, including projected draw schedules and invoices (e.g., records with respect to the bond accounts and funds);
 - (b) Documents setting forth all funds and accounts relating to the Tax-Advantaged

Obligations;

- (c) Documents pertaining to the investment of the proceeds of the Tax-Advantaged Obligations (e.g., records with respect to the bond accounts and funds), including the purchase and sale of securities, guaranteed investment contracts, and swap/hedge transactions;
- (d) With respect to all investments acquired in any fund or account in connection with the Tax-Advantaged Obligations, the information set forth under the heading “Arbitrage and Rebate” herein;
- (iii) Documents evidencing any allocations with respect to the proceeds of the Tax-Advantaged Obligations.
- (iv) Documents evidencing the use and ownership of the bond financed property, including contracts for the use of such property (e.g., the Annual Reports, and the logs described herein, and documents evidencing the sale or other disposition of the bond financed property).

Required Retention Periods. The District will retain the Records and Reports until the date that is six years after the complete retirement of the related Tax-Advantaged Obligations, provided that if any portion of the related Tax-Advantaged Obligations is refunded, such retention period shall not expire prior to the date that is six years after the complete retirement of any issue that is refunded, directly or indirectly, such portion of the related Tax-Advantaged Obligation.

Form of Records. The District will keep all records in a manner that ensures complete access thereto for the applicable above described period either in hard copy or electronic format. If the records are kept in electronic format, compliance is necessary with the requirements of Revenue Procedure 97-22, 1997-1 C.B. 652, (or subsequent guidance provided by the Internal Revenue Service), which provides guidance for maintaining books and records by using an electronic storage system that either images their hardcopy books and records or transfers their computerized books and records to an electronic storage media (e.g., an electronic data compression system).

Failure to Retain Records. A failure to maintain material records required to be retained by this Section may result in the loss of the tax status of the Tax-Advantaged Obligations and could cause additional arbitrage rebate to be owed.

Reissuance

The following policies relate to compliance with rules and regulations regarding reissuance of Tax-Advantaged Obligations issued by the District:

The CBO and the Tax Compliance Officer in conjunction with the General Counsel are to (a) identify and consult with bond counsel regarding any post-issuance change to any terms of an issue of Tax-Advantaged Obligations, (b) request bond counsel to determine whether such potential change would cause the issue to be treated as “reissued” for federal income tax purposes, and (c) confirm with bond counsel whether any “remedial action” in connection with a “change in use” (as such terms are defined in the Code and Treasury Regulations) must be treated as a reissuance for certain tax

purposes.

Training

The District shall engage its bond counsel or special tax counsel to provide a seminar at least every five years, which shall be attended by the Tax Compliance Officer, representatives of the Chief Business Officer, the General Counsel and the Chief Facilities Executive and staff members from each office of the District responsible for the expenditure of proceeds of the District's Tax-Advantaged Obligations. The County Treasurer and members of the Bond Oversight Committee should also be invited to participate in such seminar. Such seminar shall include a review of the District's compliance initiatives during the prior twelve-month period, discussions relating to restrictions on the use of proceeds of Tax-Advantaged Bonds, arbitrage requirements, and recent developments in such areas.

EXHIBIT 1 to Appendix A**SAFE-HARBOR MANAGEMENT CONTRACT GUIDELINES****REV. PROC. 2017-13****General Rule.**

A contract between a state or local governmental unit (a “**Qualified User**”) and a manager or operator which is not a state or local government unit (a “**Provider**”) for the management of, or services rendered at, or incentive payment in respect of, a tax-exempt bond-financed facility (the “**Managed Property**”) that meets the safe-harbor guidelines of Rev. Proc. 2017-13 as summarized below, is treated as not creating any private business use under Section 141(b) of the Internal Revenue Code (the “**Code**”). In addition, if the guidelines are met, the burden to prove that the contract creates impermissible private activity would shift to the Internal Revenue Service (“**IRS**”) in a tax court proceeding. All contracts must be reviewed on a case-by-case basis.

Under Rev. Proc. 2017-13, a contract under which the only compensation consists of reimbursements of actual and direct expenses paid by the Provider to “Unrelated Parties” and reasonable related administrative overhead expenses of the Provider does not create private business use. “Unrelated Parties” are persons other than either: (1) a related party (as defined in § 1.150-1(b) of the federal income tax regulations) to the Provider; or (2) a Provider’s employee.

General Financial Requirements.

1. *Reasonable Compensation.* The compensation, including any payments to reimburse actual and direct expenses paid by the Provider and related administrative expenses of the Provider, must be reasonable.
2. *No net profits arrangements.* The compensation paid to the Provider must not include a share of net profits from the operation of the Managed Property.
 - Compensation to the Provider will not be treated as including a share of net profits if no element of the compensation takes into account, or is contingent upon, either the Managed Property’s net profits or both the Managed Property’s revenues and expenses for any fiscal period (other than any reimbursements of direct and actual expense paid by the Provider to Unrelated Parties).
 - For this purpose, the elements of the compensation are the eligibility for, the amount of, and the timing of the payment of the compensation.
 - Incentive compensation will not be treated as providing a share of net profits if the eligibility for the incentive compensation is determined by the Provider’s performance in meeting one or more standards that measure quality of services, performance, or productivity, and the amount and the timing of the payment of the compensation is not based on or contingent on the net profits of the Managed Property.
3. *No Bearing of Net Losses.* The contract must not, in substance, impose upon the Provider the burden of bearing any share of net losses from the operation of the Managed Property.

- An arrangement will not be treated as requiring the Provider to bear a share of net losses if:
 - the determination of the amount of the Provider's compensation and the amount of any expenses to be paid by the Provider (and not reimbursed), separately and collectively, do not take into account either the Managed Property's net losses or both the Managed Property's revenues and expenses for any fiscal period; and
 - the timing of the payment of compensation is not contingent upon the Managed Property's net losses.
- The reduction of a Provider's compensation by a stated dollar amount (or one of multiple stated dollar amounts) for failure to keep the Managed Property's expenses below a specified target (or one of multiple specified targets) will not be treated as bearing a share of net losses as a result of this reduction.

4. *Permissible Certain Types of Compensation.* Compensation in the form of capitation fees, periodic fixed fees, and per-unit fees is not treated as providing a share or net profits or requiring the Provider to bear a share or net losses regardless of whether the Service Provider pays expenses with respect to the Managed Property.

- *Capitation Fee* is a fixed periodic amount for each person for whom the Provider or the Qualified User assumes the responsibility to provide all needed services for a specified period, so long as the quantity and type of services actually provided to such persons varies substantially. A capitation fee may include a variable component of up to 20 percent of the total capitation fee designed to protect the Provider against risk such as risk of catastrophic loss.
- *Periodic Fixed Fee* is a stated dollar amount for services rendered for a specified period of time. The stated dollar amount may automatically increase according to a specified objective external standard (e.g., Consumer Price Index and similar external indices) that is not linked to the output or efficiency of the Managed Property.
- *Per-Unit Fee* is a fee based on a unit of services provided specified in contract or otherwise specially determined by an independent third party. The stated dollar amount may automatically increase according to a specified objective external (e.g., Consumer Price Index and similar external indices) standard that is not linked to the output or efficiency of the Managed Property.

5. *Timing of Payment of Compensation.* Deferral due to insufficient net cash flows will not cause the deferred compensation in the form of a capitation fee, periodic fixed fee or per-unit fee to be treated as contingent upon net profits or net losses if the contract includes the following requirements:

- The compensation is payable at least annually;
- The Qualified User is subject to reasonable consequences for late payment, such as reasonable interest charges or late payment fees; and

- The Qualified User will pay the deferred compensation (including interest and late payment fees) no later than the end of five years after the original due date of the payment.

Control by the Qualified User.

The Qualified User must exercise a significant degree of control over the use of the Managed Property.

- Generally, property that is leased, licensed or generally under the management or control of a Provider is treated as used in a private business use.
- This control requirement is met if the contract requires the Qualified User to approve the annual budget of the Managed Property, capital expenditures with respect to the Managed Property, each disposition of property that is part of the Managed Property, rates charged for the use of the Managed Property, and the general nature and type of use of the Managed Property (for example, the type of services).
- For this purpose, for example, a Qualified User may also show approval of capital expenditures for a Managed Property by approving an annual budget for capital expenditures described by functional purpose and specific maximum amounts; and a Qualified User may show approval of dispositions of property that is part of the Managed Property in a similar manner.
- Further, a Qualified User may show approval of rates charged for use of the Managed Property by either expressly approving such rates or approving a reasonable general methodology for setting such rates, or by including in the contract a requirement that the Provider charge rates that are reasonable and customary as specifically determined by an independent third party.

Permitted Terms.

The term of the contract, including all renewal options that may be exercised by the Provider, may not be greater than the lesser of 30 years or 80 percent of the weighted average reasonably expected economic life of the Managed Property.

- For this purpose, economic life is determined as of the beginning of the term of the contract, and a contract that is materially modified is retested as a new contract as of the date of the material modification.
- Any material modifications to a service contract will cause the term of the contract to be reviewed for purposes of Rev. Proc. 2017-13.
- If more than 25 percent of the proceeds of any bond issue is used to acquire land, then land is taken into account in the calculation and treated as having a 30-year life.

No Circumstances Substantially Limiting Exercise of Rights.

There must not be any role or relationship between the Qualified User and the Provider that would substantially limit the Qualified User's ability to exercise its rights under the contract, including cancellation rights (the "**Unrelated Person Requirement**").

- This requirement is considered satisfied if:
 - not more than 20% of the voting power of the governing board of the Qualified User in the aggregate is vested in the directors, officers, partners, members, and employees of the Provider,
 - neither the chief executive officer or the chairperson (or equivalent executive) of the Provider is a member of the governing board of the Qualified User, and
 - the chief executive officer of the Provider (or any person with equivalent management responsibilities) is not the chief executive officer of the Qualified User or any entity that is part of the same "controlled group" as the Qualified User.
- For these purposes, an entity is part of the same "controlled group" as the Qualified User if one entity has either (i) the right or power both to approve and remove, without cause, a controlling portion of the governing board of the other entity, or (ii) the right or power to require the use of funds or assets of the controlled entity for any purpose of the controlling entity.

Risk of Loss of the Managed Property.

The Qualified User must bear the risk of loss upon damage or destruction of the managed property (for example, upon *force majeure*).

No Inconsistent Tax Position.

The contract must contain language evidencing the agreement by the Provider to not take any tax position that it is inconsistent with being a service provider to the Qualified User with respect to the Managed Property, *e.g.*, the Provider must agree not to claim any depreciation or amortization, investment tax credit, or deduction for any payment as rent with respect to the Managed Property.

Functionally Related and Subordinate Use.

A Provider's use of the Managed Property that is functionally related and subordinate to performance of its services under a management contract for the Managed Property conforming to the requirements of Rev. Proc. 2017-13 does not result in private business use (for example, use of storage areas to store equipment used to perform activities required under a management contract that meets the requirements of Rev. Proc. 2017-13 does not result in private business use).

Certain Exceptions.

Certain arrangements generally are not treated as management contracts that are subject to the above rules. These include:

- Contracts for services that are solely incidental to the primary governmental function or functions of a bond-financed facility (e.g., contracts for janitorial, office equipment repair, hospital billing or similar services);
- The mere granting of admitting privileges by a hospital to a doctor, even if those privileges are conditioned on the provision of *de minimis* services, if those privileges are available to all qualified physicians in the area, consistent with the size and nature of its facilities;
- A contract to provide for the operation of a facility or system of facilities that consists predominantly of public utility property (as defined in section 168(i)(10) of the 1986 Code), if the only compensation is the reimbursement of actual and direct expenses of the service provider and reasonable administrative overhead expenses of the service provider; and
- A contract for services, if the only compensation is the reimbursement of the service provider for actual and direct expenses paid by the service provider to unrelated parties. For this purpose, payments to employees of the Provider are not treated as payments to unrelated parties.

Terms to be Included in Each Management Contract.

Each Management Contract should evidence compliance with each of the requirements set forth above and explicitly include the following:

- Language evidencing control by the Qualified User.
- Language identifying the Managed Property and the parties' estimation of the reasonably expected economic life of the Managed Property at the time the parties enter into the Management Contract.
- Language identifying rates charged for use of the Managed Property or including a reasonable general description of the method used to set the rates, or evidencing that the Provider charges rates that are reasonable and customary as specifically determined by, or negotiated with, an independent third party.
- An explicit provision that all net losses from the Managed Property and the risks of damage, destruction or taking of the Managed Property, other than damage or destruction of the Managed Property resulting from negligence, recklessness or intentional acts of the Provider, are to be borne by the Qualified User.
- Representations of each party that the Unrelated Person Requirement is satisfied.

- Language evidencing the agreement by the Provider to not take any tax position that it is inconsistent with being a service provider to the Qualified User with respect to the Managed Property.

Appendix B Continuing Disclosure Procedures

LOS ANGELES UNIFIED SCHOOL DISTRICT

I. INTRODUCTION

A. Purpose

These continuing disclosure procedures (“Continuing Disclosure Procedures” or “Procedures”) of the Los Angeles Unified School District (the “District”) are intended to (a) ensure that the District’s Continuing Disclosure Documents (as defined below) are accurate and comply with all applicable federal and state securities laws, and (b) promote best practices regarding the preparation of the District’s Continuing Disclosure Documents.

B. Definitions

1. “Continuing Disclosure Documents” means (a) annual continuing disclosure reports filed with the Municipal Securities Rulemaking Board’s (“MSRB”), (b) event notices and any other filings with the MSRB, and (c) debt reports filed with the California Debt and Investment Advisory Commission (CDIAC).
2. “Official Statements” means preliminary and final official statements, private placement memoranda and remarketing memoranda relating to the District’s securities, together with any supplements, for which a continuing disclosure obligation is required.

II. KEY PARTICIPANTS

A. Disclosure Practices Working Group

1. *Composition.* The Disclosure Practices Working Group (the “Disclosure Working Group”) has been created by the Chief Business Officer (“CBO”) to have general oversight over the entire continuing disclosure process. Membership in the Disclosure Working Group shall be appointed by the CBO and consist of persons relevant to the disclosure process. The following persons currently constitute the Disclosure Working Group.
 - (a) Chief Business Officer;
 - (b) Chief Disclosure Officer;
 - (c) Disclosure Coordinator;
 - (d) Disclosure Counsel; and

- (e) Any other individuals appointed by the CBO.
- 2. The Disclosure Working Group shall consult with external professionals (such as those with expertise as bond counsel, tax counsel, disclosure counsel, and municipal advisor) or other interested parties as the CBO or any other member of the Disclosure Working Group determine is advisable related to continuing disclosure issues and practices. Meetings of the Disclosure Working Group may be held in person or via conference call.
- 3. The Disclosure Working Group is an internal working group of the District staff (with the exception of Disclosure Counsel) and not a decision-making or advisory body subject to the provisions of the Ralph M. Brown Act (Government Code Section 54950 et seq.)
- 4. *Responsibilities.* The Disclosure Working Group is responsible for:
 - (a) Reviewing and approving all Continuing Disclosure Documents as contained in the District's Preliminary and Final Official Statements before such documents are posted;
 - (b) Reviewing annually the District's status and compliance with continuing disclosure obligations including filings of Annual Reports and Notices of Listed Events as described in Sections III.B. and III.C. below;
 - (c) Reviewing any items referred to the Disclosure Working Group; and
 - (d) Evaluating the effectiveness of these Continuing Disclosure Procedures and approving changes to these Continuing Disclosure Procedures.
- B. Chief Disclosure Officer
 - 1. *Appointment.* The CBO, in consultation with the other members of the Disclosure Working Group, shall select and appoint the Chief Disclosure Officer.
 - 2. *Responsibilities.* The Chief Disclosure Officer is responsible for:
 - (a) Approving the Continuing Disclosure Documents, Listed Event Notices, and Voluntary Filings.
 - (b) Overseeing the work of the Disclosure Coordinator.
- C. Disclosure Coordinator
 - 1. *Appointment.* The CBO, in consultation with the other members of the Disclosure Working Group, shall select and appoint the Disclosure Coordinator (currently the Director of Treasury/Capital Fund Compliance).

2. *Responsibilities.* The Disclosure Coordinator is responsible for ensuring that the following are done:
 - (a) Preparing and filing the Continuing Disclosure Documents and seeking assistance from professionals in the municipal advisory and bond, tax, and disclosure counsel pools, as necessary;
 - (b) Serving as a “point person” to communicate issues or information that should be or may need to be included in any Continuing Disclosure Document or a specific filing of, for example, a Listed Event Notice or a Voluntary Filing;
 - (c) Monitoring compliance by the District with these Continuing Disclosure Procedures, including timely dissemination of the annual report and event filings as described in Sections III.B. and C. below;
 - (d) Recommending changes to these Continuing Disclosure Procedures to the Disclosure Working Group as required, necessary, or appropriate;
 - (e) Following up with others, including management of outside consultants assisting the District, in the preparation and dissemination of Continuing Disclosure Documents to make sure that assigned tasks have been completed on a timely basis and making sure that the filings are made on a timely basis and are accurate;
 - (f) Together with the CBO, coordinating the timely provision of information to Disclosure Counsel as needed to fulfill its responsibilities to the District;
 - (g) In anticipation of preparing Continuing Disclosure Documents, soliciting “material” information (as defined in Securities and Exchange Commission Rule 15c2-12) from District units;
 - (h) Maintaining records documenting the District’s compliance with these Continuing Disclosure Procedures;
 - (i) Reviewing compliance with and providing appropriate certifications in connection with the various covenants in bond, COPs, and TRANS documents. The Disclosure Coordinator shall review the bond documents to determine which covenants require an annual or regular certification and maintain a list of the same;
 - (j) Monitoring the websites and subscribing to the communications (e.g., news alerts, press releases, etc.) of each Rating Agency and Bond Insurer (defined herein) in order to be aware of any rating change as described in each Continuing Disclosure Document;
 - (k) CDIAC Reporting – Report of Sales of Public Debt and Annual Debt

Transparency Report

(I) LACOE – Public Disclosure of Non-Voter Approved Debt

III. CONTINUING DISCLOSURE FILINGS

A. Overview of Continuing Disclosure Filings

1. Under the continuing disclosure undertakings in connection with its debt offerings, the District is required to file annual reports (“Annual Reports”) with the Municipal Securities Rulemaking Board’s (“MSRB”) Electronic Municipal Market Access (“EMMA”) system in accordance with such agreements in each year. Such Annual Reports are required to include the District’s audited financial statements and certain updated financial and operating information (or may incorporate by reference publicly available documents that contain such information).
2. In accordance with each Continuing Disclosure Documents, if audited financial statements are not available by the date the Annual Report is required to be filed, unaudited financial statements are to be included in such Annual Report and audited financial statements shall be filed when such statements become available. If unaudited financial statements are filed, the cover page may include a disclaimer stating that such financial statements are unaudited and are subject to adjustments and modifications, the result of which will be presented in the audited financial statements. In addition, in accordance with the applicable Continuing Disclosure Document, the District shall file or cause to be filed a notice of any failure to provide its Annual Report on or before the date specified in a Continuing Disclosure Document.
3. The District is also required under its continuing disclosure obligations to file notices of certain events on EMMA.
4. In accordance with State law, the District is required to file annual debt reports (“CDIAC Reports”) with the CDIAC for any issue of debt, including capital leases, issued during the reporting period. The CDIAC Reports are due within seven months of the close of the reporting period, defined as July 1st to June 30th.

B. Annual Reports

The Disclosure Coordinator shall ensure that the preparation of the District’s Annual Reports commences as required under each specific continuing disclosure obligation. Before any annual report is submitted to EMMA, the Disclosure Coordinator shall confer with the Disclosure Working Group as needed regarding the content and accuracy of any Annual Report.

C. Event Filings

Each member of the Disclosure Working Group shall notify the other members of the Disclosure Working Group if he or she becomes aware of any of the material events listed in any of the District's continuing disclosure certificates. The Disclosure Working Group may meet to discuss the event and to determine, in consultation with counsel from the bond, tax, and disclosure counsel pool to the extent determined by the Disclosure Coordinator and the CBO, whether a filing is required or is otherwise desirable.

D. Paying Agent, Bond Insurer, and Rating Agency Filings

1. The Disclosure Coordinator shall submit to each issuer of a financial guaranty insurance or municipal bond insurance policy guaranteeing the scheduled payment of principal of and interest on an outstanding issue of bonds when due (a "Bond Insurer"), paying agent and trustee such annual or interim financial information and other information as it may request in accordance with the respective agreements with the District.
2. Each member of the Disclosure Working Group shall notify the other members of the Disclosure Working Group if he or she becomes aware of any of the events for which Moody's Investor's Service, Standard & Poor's Rating Services, a Standard & Poor's Financial Services LLC business, Fitch Ratings, KBRA or any other such rating agency then-rating the District's bonds (each, a "Rating Agency"), any Bond Insurer, paying agent or trustee of the District's bonds requires notice. The Disclosure Working Group may meet to discuss the event and to determine, in consultation with counsel from the bond, tax, and disclosure counsel pool to the extent determined by the Disclosure Coordinator and the CBO, whether a filing is required or is otherwise desirable.
3. The Disclosure Coordinator shall submit to each such Rating Agency such financial and other information it may request to obtain or maintain a rating on the Bonds

E. Uncertainty

The CBO may direct questions regarding the Procedures or disclosure to counsel from the bond, tax and disclosure counsel pool, the Office of General Counsel, or such other counsel or consultant as he/she deems appropriate.

F. Voluntary Disclosures

The District's policy is to only file annual financial information and operating data and listed event notices that are required under the Continuing Disclosure Documents and applicable federal securities laws. The Disclosure Coordinator may determine to file voluntary disclosure information that is not required under the Continuing Disclosure Documents.

G. CDIAC Reports

The Disclosure Coordinator shall ensure that the preparation of the CDIAC Reports shall be prepared as required under State law. Before any report is submitted to CDIAC, the Disclosure Coordinator shall confer with the Disclosure Working Group as needed regarding the content and accuracy of any CDIAC Report.

IV. DOCUMENTS TO BE RETAINED

The Disclosure Coordinator shall be responsible for maintaining records demonstrating compliance with these Continuing Disclosure Procedures. The Disclosure Coordinator shall retain an electronic or paper file (“Disclosure File”) for each Annual Report that the District files or causes to be filed on EMMA. Each Disclosure File shall include final versions of the Continuing Disclosure Documents; written confirmations, certifications, letters and legal opinions described herein; copies of these Continuing Disclosure Procedures and a list of individuals to whom they have been distributed and the dates of such distributions; and a written record of the dates of meetings and/or conference calls of the Disclosure Working Group. The Disclosure File shall be maintained in a central depository for a period of five years from the later of the date of delivery of the securities referenced in the Continuing Disclosure Document, or the date the Continuing Disclosure Document is published, posted, or otherwise made publicly available, as applicable.

V. EDUCATION

- A. The CBO shall ensure that the Disclosure Coordinator and the Disclosure Working Group are properly trained to understand and perform their responsibilities. Such training may include training sessions conducted by consultants with expertise in municipal securities law, municipal securities compliance and disclosure or by attendance at conferences, or other appropriate methods identified by the CBO.
- B. The District shall engage a law firm of nationally recognized standing in matters pertaining to the federal securities laws (“Disclosure Counsel”) to provide a seminar at least every five years, which shall be attended by the Disclosure Coordinator, representatives of the Chief Business Officer and the General Counsel, and members of the District’s Board of Education. Members of the Bond Oversight Committee should also be invited to participate in such seminar. Such seminar shall include a review of the District’s disclosure compliance initiatives during the prior twelve-month period.

VI. AMENDMENTS

Other than timely meeting the requirements of its Continuing Disclosure Documents continuing disclosure certificates, any provisions of these Continuing Disclosure Procedures may be waived or amended at any time upon consultation with the CBO.

Appendix C Internal Control Procedures**LOS ANGELES UNIFIED SCHOOL DISTRICT****I. PURPOSE**

These internal control procedures (“Internal Control Procedures” or “Procedures”) of the Los Angeles Unified School District (the “District”) are intended to ensure that the proceeds of the issuance general obligation bonds (“GO Bonds”), certificates of participation (“COPs”) and other lease-backed financings, tax and revenue anticipation notes (“TRANS”) and other forms of indebtedness will be directed to the intended and allowable use.

II. BACKGROUND

The District has been authorized by voters to issue up to \$27.6 billion in GO bonds under six separate bond measures. Pursuant to the requirements of the bond measures, the Bond Oversight Committee (BOC) was established. The BOC is a 15-member independent oversight panel that reviews the recommendations for expenditure of the bond proceeds.

The District issues COPs to fund other capital needs not covered by the GO Bond authorizations. The Bond Compliance Unit was established to monitor the use of the proceeds from the issuance of GO Bonds and COPs.

District schools and offices enter into capital lease agreements for various equipment items such as computers, printers and copiers. The process for lease agreements is outlined in the District’s procurement manual.

III. KEY CONTROL ACTIVITIES**A. Authorization and Approval of Projects**

1. A Strategic Execution Plan is presented to the Board of Education outlining the proposed projects, funding sources (primarily GO bonds) and project schedule.
2. Non-Facilities projects are reviewed by OGC and the Bond Compliance Unit prior to the submission of the projects to the BOC or Board of Education for approval.
3. The BOC meets monthly to review and to adopt resolutions recommending the expenditure of bond funds to the Board of Education. LAUSD staff present proposed projects to the BOC for consideration as "Strategic Execution Plan" (SEP) amendments.
4. After the review and recommendation from the BOC, the Board of Education reviews and adopts the amendments to the SEP.

B. Budget and Expenditure Authorization

1. Initial budgets and budget adjustments (BAs), such as those to create and control positions, for GO bond and COPs funding sources are reviewed and approved by the Bond Compliance Unit for:
 - (a) Required Board and BOC project approval
 - (b) Appropriate use of funds under the state and federal law
2. Expenditure transfers for GO bond and COPs funding sources are reviewed and approved by the Accounting and Disbursements Division for appropriate accounting treatment, and approved by the Bond Compliance Unit for bond-eligibility.
3. In coordination with the Budget Services Division, the Bond Compliance Unit conducts an annual review of all existing and new positions funded or to be funded by bond funds and provides approval prior to the roll-over or creation of these positions into the new budget fiscal year.

C. Semi-Annual Certification

All employees whose positions are partially or fully funded from bond program(s) are required to certify, on a semi-annual basis, that they have worked on related bond eligible projects and activities for the period covered by the certification. The requirements and guidelines for the documentation of bond-funded employees are outlined in District Bulletin #BUL-6521.1.

D. Procurement Manual

The District's procurement manual outlines internal control procedures for procuring supplies, equipment, and general and professional services, including contracts and equipment leases.

E. Equipment Inventory

Each District site is required to maintain equipment inventory records for equipment whose current market value exceeds \$500. The requirements and guidelines for inventory records are outlined in District Bulletin #BUL-953.1.

F. Fixed Assets Module

The District uses SAP's Fixed Asset Module to account for the District's fixed assets. This serves as a subsidiary ledger for fixed assets and handles the acquisition, depreciation and retirement of assets.

G. SAP

The District uses SAP for recording financial transactions. This provides for a

workflow process that is used for enforcing internal controls. It also provides an audit trail for all transactions.

H. Audits

1. The GO Bond Funds are audited as part of the District's Annual Financial Audit.
2. The GO Bond Funds are also subject to a Performance Audit each year.
3. COPs proceeds and capital leases are audited as part of the District's Annual Financial Audit

IV. References

- A. Facilities Strategic Execution Plans: <http://www.laschools.org/new-site/sep/>
- B. Facilities Policies and Procedures: <https://www.laschools.org/new-site/program-support/accounting/procedures/>
- C. ITD Strategic Execution Plans: <http://achieve.lausd.net/page/12419>
- D. Procurement Manual:
https://www.lausd.org/cms/lib/CA01000043/Centricity/Domain/98/Procurement_Manual_10th_Edition.pdf

[Return to Order of Business](#)



TAB 6



Board of Education Report

File #: Rep-323-23/24, Version: 1

Authorization of a Resolution of the Board of Education Approving the Sale and Issuance of Not-to-Exceed \$1.1 billion of General Obligation Bonds and the Forms of the Documents Necessary for the Issuance of such Bonds

June 8, 2024

Office of the Chief Business Officer

Action Proposed:

Approve the attached Resolution for General Obligation Bonds (Attachment A) in connection with the issuance of the General Obligation Bonds (the “General Obligation Bonds Resolution”) which will:

- a. Authorize the issuance of not to exceed \$1.1 billion of aggregate General Obligation Bonds (the “GO Bonds”) under the Measure Q or Measure RR or a combination thereof;
- b. Approve the forms of documents necessary for the issuance of the General Obligation Bonds, including a Bond Purchase Agreement, a Continuing Disclosure Certificate, and an Official Statement (Attachments B - D);
- c. Authorize the sale of the GO Bonds by the negotiated method of sale in light of current market conditions, the District’s declining enrollment and budget uncertainty, the debt structuring flexibility afforded by this method, and the ability to include a retail order period and meaningful roles for underwriting firms of various sizes; and
- d. Approve and direct certain actions to be taken in connection with the issuance of the General Obligation Bonds.

Background:

This Board Report seeks Board approval of the General Obligation Bonds Resolution, which is a resolution that authorizes the issuance of up to \$1.1 billion of GO Bonds under Measure Q or Measure RR or a combination thereof to finance projects authorized under the respective measure and the form of documents necessary to issue the GO Bonds. The General Obligation Bonds Resolution authorizes the Chief Business Officer, Deputy Chief Business Officer, Controller, and Director of Capital Planning and Budgeting to effect the issuance of the GO Bonds and carry out all necessary acts related to the transaction or transactions. In addition, consistent with the District’s practice for prior GO Bonds, the General Obligation Bonds Resolution provides for a request to the Board of Supervisors of the County to adopt a corresponding resolution providing for the issuance of the GO Bonds pursuant to the Education Code. The GO Bonds are currently expected to be sold in Fall 2024.

Based on the District’s Debt Management Policy, as determined by the Office of the Chief Business Officer, the General Obligation Bonds Resolution also authorizes the sale of the GO bonds through the negotiated method of sale in light of current market conditions, the District’s declining enrollment and budget uncertainty, the debt structuring flexibility provided, and the ability to include a retail order period and provide meaningful roles for underwriting firms of various sizes. Finance, in accordance with the procedures established in the Debt Management Policy, has completed the process of selecting certain members of the financing team from the respective legal counsel and municipal advisor benches. The financing team for the upcoming transaction will include Hawkins Delafield & Wood LLP, as Bond Counsel and Tax Counsel; Orrick, Herrington & Sutcliffe

LLP, as Disclosure Counsel; and Public Resources Advisory Group, as Municipal Advisor. In addition, U.S. Bank Trust Company, National Association will serve as Paying Agent. The Chief Business Officer shall designate the underwriters and their roles as senior manager(s), co-senior manager(s), and co-managers, in accordance with the Debt Management Policy.

In compliance with Government Code Section 5852.1 and Education Code Section 15146, the Board of Education has obtained from Public Resources Advisory Group, as the District's Municipal Advisor, the required costs of issuance estimates, and such estimates are disclosed in Exhibit A of the General Obligation Bonds Resolution.

The GO Bonds are general obligation bonds of the District secured by and payable from *ad valorem*¹ property taxes to be levied within the jurisdiction of the District pursuant to the California Constitution and State law and as authorized by voters within the District pursuant to Measure Q and Measure RR.

Expected Outcomes:

Approval of the issuance of the General Obligation Bonds will enable the District to enter the market to finance approved capital projects.

Board Options and Consequences:

Should the Board not approve this item, staff will not be authorized to proceed with the issuance of GO Bonds to finance approved capital projects.

Policy Implications:

This action is in compliance with the relevant criteria set forth in Article 1, Article 3 Section 3.02, and Article 4 Section 4.12 of the Debt Management Policy.

Budget Impact:

There will be no material impact on the District's General Fund. The identified projects will be funded with bond proceeds, and debt service will be repaid by *ad valorem*¹ property tax revenues, not the District's general fund revenues.

Student Impact:

The issuance of the General Obligation Bonds will improve the District's capital facilities and information technology resources for the benefit of the students.

Equity Impact:

Component	Score	Score Rationale
Recognition	4	The proceeds from the GO Bond transaction will be used to fund identified capital projects within the District, which include areas that have had historical inequities.
Resource Prioritization	4	GO Bond proceeds will be allocated to fund identified capital projects that specifically address student needs.
Results	4	Since proceeds from the GO Bond issuance will be used for capital projects designed to modernize and elevate student experience within communities that have experienced historical inequities, it should result in closing opportunity and achievement gaps.
TOTAL	12	

¹*Ad valorem* refers to taxes levied on the assessed value of property by local government units including counties, municipalities, and school districts.

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Issues and Analysis:

Based on current market conditions, the District expects to sell the General Obligation Bonds in Fall 2024 to finance the identified projects.

Attachments:

Attachment A - District Resolution for General Obligation Bonds

Attachment B - County Resolution for General Obligation Bonds

Attachment C - Bond Purchase Agreement

Attachment D - Continuing Disclosure Certificate

Attachment E - Preliminary Official Statement

Attachment F - Appendix A

Informatives:

Not applicable

Submitted:

05/20/24

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RESPECTFULLY SUBMITTED,



ALBERTO M. CARVALHO
Superintendent

APPROVED & PRESENTED BY:



PEDRO SALCIDO
Deputy Superintendent,
Business Services and Operations

REVIEWED BY:



DEVORA NAVERA REED
General Counsel

APPROVED & PRESENTED BY:



DAVID D. HART
Chief Business Officer

☒ Approved as to form.

REVIEWED BY:



NOLBERTO DELGADILLO
Deputy Chief Business Officer - Finance

☒ Approved as to budget impact statement.

RESOLUTION OF THE BOARD OF EDUCATION OF THE LOS ANGELES UNIFIED SCHOOL DISTRICT PRESCRIBING THE TERMS OF SALE OF NOT TO EXCEED \$1,100,000,000 AGGREGATE PRINCIPAL AMOUNT OF BONDS OF LOS ANGELES UNIFIED SCHOOL DISTRICT UNDER THE DISTRICT'S MEASURE Q AND/OR MEASURE RR BOND AUTHORIZATIONS, OR ANY COMBINATION THEREOF IN ONE OR MORE SERIES OR SUBSERIES AND IN THE FORM OF TAX-EXEMPT OR FEDERALLY TAXABLE BONDS, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES TO ISSUE AND SELL THE BONDS BY A NEGOTIATED SALE PURSUANT TO ONE OR MORE BOND PURCHASE AGREEMENTS DURING FISCAL YEAR 2024-25, APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE BOND PURCHASE AGREEMENTS AND CONTINUING DISCLOSURE CERTIFICATES, APPROVING THE FORM AND AUTHORIZING THE DISTRIBUTION, OF AN OFFICIAL STATEMENT FOR THE BONDS, AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS IN CONNECTION THEREWITH

WHEREAS, an election was duly called and regularly held in the Los Angeles Unified School District, County of Los Angeles, California (the "District") on November 4, 2008, pursuant to Section 1(b)(3) of Article XIII A of the State of California (the "State") Constitution and Chapter 1.5 of Title 1, Division 1, Part 10 of the California Education Code (the "Education Code") of the State (the "Act"), and thereafter canvassed pursuant to law ("Measure Q"); and

WHEREAS, at such election there was submitted to and approved by the requisite approval of at least 55% of the qualified electors of the District voting on the measure in the election a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of \$7.00 billion, payable from the levy of an *ad valorem* tax against taxable property in the District (the "Measure Q Authorization") and the District has previously issued \$4,275,955,000 of such general obligation bonds under the Measure Q Authorization; and

WHEREAS, an election was duly called and regularly held in the District on November 3, 2020, pursuant to Section 1(b)(3) of Article XIII A of the State Constitution and the Act, and thereafter canvassed pursuant to law ("Measure RR," and together with Measure Q, the "Measures"); and

WHEREAS, at such election there was submitted to and approved by the requisite approval of at least 55% of the qualified electors of the District voting on the measure in the election a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of \$7.00 billion, payable from the levy of an *ad valorem* tax against taxable property in the District (the "Measure RR Authorization") and the District has previously issued \$1,025,000,000 of such general obligation bonds under the Measure RR Authorization; and

WHEREAS, this Board of Education of the District (the "Board of Education") deems it necessary and desirable that the Board of Supervisors (the "Board of Supervisors") for the County of Los Angeles (the "County") authorize and consummate the sale of bonds in one or more series

or subseries, by individual Measure or combined series or subseries of multiple Measures pursuant to Section 15231 of the Education Code, and in the form of tax-exempt or federally taxable bonds, or any combination thereof, in an aggregate principal amount not exceeding \$1,100,000,000 (bonds issued as a separate series or subseries individually under the Measure Q Authorization and/or in combination with bonds authorized under the Measure RR Authorization, the “Measure Q Bonds” and bonds issued as a separate series or subseries individually under the Measure RR Authorization and/or in combination with bonds authorized under the Measure Q Authorization, the “Measure RR Bonds” and, together with the Measure Q Bonds, the “Bonds”); and

WHEREAS, this Board of Education deems it necessary and desirable that the Measure Q Bonds and/or the Measure RR Bonds be issued for the purpose of financing projects authorized to be financed under the Measure Q Authorization and the Measure RR Authorization, respectively; and

WHEREAS, this Board of Education deems it necessary and desirable to authorize the sale of the Bonds by a negotiated sale pursuant to one or more Bond Purchase Agreements (each such Bond Purchase Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution; and

WHEREAS, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (as amended, “Rule 15c2-12”) requires that, in order to be able to purchase or sell the Bonds, the underwriter thereof must have reasonably determined that the District has undertaken in a written agreement or contract for the benefit of the holders of the Bonds; and

WHEREAS, in order to cause such requirement to be satisfied, the District desires to execute and deliver one or more Continuing Disclosure Certificates (each such Continuing Disclosure Certificate, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as a “Continuing Disclosure Certificate”); and

WHEREAS, a form of the Preliminary Official Statement to be distributed in connection with a public offering of the initial series of Bonds has been prepared (such Preliminary Official Statement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Preliminary Official Statement”); and

WHEREAS, Section 5852.1 of the California Government Code (the “Government Code”) requires that the Board of Education obtain from an underwriter or financial advisor and disclose, prior to authorization of the issuance of bonds with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the bonds, (b) the sum of all fees and charges paid to third parties with respect to the bonds, (c) the amount of proceeds of the bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the bonds, and (d) the sum total of all debt service payments on the bonds calculated to the final maturity of the bonds plus the fees and charges paid to third parties not paid with the proceeds of the bonds; and

WHEREAS, Section 15146(b)(1)(D) of the Education Code requires that the Board of Education include in this Resolution an estimate of the costs associated with the issuance of the Bonds and Section 15146(d) of the Education Code requires that after the sale of the Bonds present the actual cost information for the sale at its next scheduled public meeting; and

WHEREAS, in compliance with Section 5852.1 of the Government Code and Section 15146(b)(1)(D) of the Education Code, the Board of Education has obtained from Public Resources Advisory Group, as the District's municipal advisor (the "Municipal Advisor"), the information set forth in Exhibit A attached hereto; and

WHEREAS, there have been prepared and submitted to this meeting the forms of:

- (a) the Bond Purchase Agreement;
- (b) the Continuing Disclosure Certificate; and
- (c) the Preliminary Official Statement; and

WHEREAS, the District desires that the County levy and collect a tax on all taxable property within the District sufficient to provide for payment of the Bonds, and intends by the adoption of this Resolution to notify the Board of Supervisors of the County, the Auditor-Controller of the County, the Treasurer and Tax Collector of the County and other officials of the County that they should take such actions as shall be necessary to provide for the levy and collection of such a tax and payment of principal of and interest on the Bonds, all pursuant to Sections 15250 and 15251 of the Education Code; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State to exist, to have happened and to have been performed precedent to and in connection with the consummation of the actions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the District is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such actions for the purpose, in the manner and upon the terms herein provided;

NOW, THEREFORE, THE BOARD OF EDUCATION OF LOS ANGELES UNIFIED SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER, AS FOLLOWS:

Section 1. Recitals. All of the above recitals are true and correct.

Section 2. Definitions. For the purposes of this Resolution, unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Resolution, have the meanings specified herein. Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa.

"Authorized Officer" shall mean any of the Chief Business Officer, the Deputy Chief Business Officer, the Controller and the Director of Capital Planning and Budgeting.

"Board of Education" shall mean the Board of Education of the District.

“Board of Supervisors” shall mean the Board of Supervisors of the County.

“Bond Purchase Agreement” shall mean the applicable Bond Purchase Agreement relating to the sale of a series or subseries of the Bonds by and among the County, the District and the underwriters in accordance with the provisions hereof.

“Book-Entry Bonds” shall mean the Bonds of any series registered in the name of the nominee of DTC, or any successor securities depository for the Bonds, as the registered owner thereof.

“Chief Business Officer” shall mean the Chief Business Officer of the District or any designee of the Chief Business Officer of the District.

“Code” shall mean the Internal Revenue Code of 1986.

“Continuing Disclosure Certificate” shall mean the applicable Continuing Disclosure Certificate executed and delivered by the District relating to any series or subseries of the Bonds.

“Controller” shall mean the Controller of the District or any designee of the Controller of the District.

“County” shall mean the County of Los Angeles.

“County Auditor-Controller” shall mean the Auditor-Controller of the County or any authorized deputy thereof.

“County Resolution” shall mean the resolution of the Board of Supervisors authorizing the issuance of the Bonds approved in this Resolution.

“County Treasurer” shall mean the Treasurer and Tax Collector of the County or any authorized deputy thereof.

“Deputy Chief Business Officer” shall mean the Deputy Chief Business Officer of the District or any designee of the Deputy Chief Business Officer of the District.

“Director of Capital Planning and Budgeting” shall mean the Director of Capital Planning and Budgeting of the District or any designee of the Director of Capital Planning and Budgeting of the District.

“District” shall mean the Los Angeles Unified School District.

“DTC” shall mean The Depository Trust Company, New York, New York, and its successors and assigns.

“Interest Payment Date” shall mean each January 1 and July 1 of each year, commencing on the date set forth in the related Bond Purchase Agreement, until the final maturity of the Bonds and the final maturity date of the Bonds or such dates as shall be set forth in the related Bond Purchase Agreement.

“Interest and Sinking Fund” shall mean each interest and sinking fund of the District, designated to correspond to the applicable general obligation bonds or general obligation refunding bonds of the District and related voter-approved bond measure of the District established for such bonds and used only for payment of principal of and interest on such bonds.

“Investment Agreements” shall mean, collectively, investment agreements, guaranteed investment contracts, float contracts or other investment products subject to the requirements set forth in Section 11 hereof.

“Letter of Representations” shall mean the blanket letter of representations from the District to DTC with respect to the Bonds, as such blanket letter of representations may be amended, supplemented or otherwise modified and in effect from time to time.

“Opinion of Tax Counsel” shall mean an opinion of counsel of nationally recognized standing in the field of law relating to municipal bonds qualified to conclude whether an action or proposed action or the failure to act or the proposed failure to act for which the opinion is required will affect the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes.

“Owner” shall mean with respect to any Bond, the Person in whose name such Bond is registered on the Registration Books.

“Paying Agent” shall mean the County Treasurer or any bank, trust company, national banking association or other financial institution appointed as authenticating agent, bond registrar, transfer agent and paying agent for the Bonds in the manner provided in the County Resolution.

“Person” shall mean an individual, corporation, limited liability company, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“Registration Books” shall mean the records maintained by the Paying Agent for the registration of ownership and registration of transfer of the Bonds, as defined in the County Resolution.

“Record Date” shall mean, with respect to any Interest Payment Date for Bonds, the close of business on the 15th day of the month preceding an Interest Payment Date for such Bonds or such other date or dates as shall be set forth in the related Bond Purchase Agreement.

“Resolution” shall mean this resolution of the Board of Education of the District adopted on June 4, 2024.

“Rule 15c2-12” shall mean Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended.

“State” shall mean the State of California.

“Tax Certificate” shall mean the applicable Tax Certificate with respect to the Bonds issued as Tax-Exempt Bonds, executed by the District, dated the date of issuance of such Bonds.

“Tax-Exempt Bonds” shall mean the series or subseries of the Measure Q Bonds and the Measure RR Bonds or any combination thereof bearing interest that is excluded from the gross income of the holders thereof for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax under the Code.

“Taxable Bonds” shall mean the series or subseries of the Measure Q Bonds and the Measure RR Bonds or any combination thereof bearing interest that is included in gross income for federal income tax purposes under Section 103 of the Code.

Section 3. Request for Sale of Bonds; Purpose of Bonds. (a) *Request for Sale.* The Board of Supervisors, pursuant to Education Code Section 15140 *et seq.*, is hereby requested to sell by negotiated sale Bonds under the Measures, in one or more series or subseries, by individual Measure or combined series or subseries of multiple Measures pursuant to Section 15231 of the Education Code, or any combination thereof, in an aggregate principal amount not exceeding \$1,100,000,000, and to designate each series or subseries of the Bonds as the “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds,” with appropriate election, series, subseries and other designations, all as may be set forth in the related Bond Purchase Agreement.

Pursuant to this Resolution, the Board of Supervisors of the County is requested to adopt a resolution providing for the issuance of the bonds and the terms of the sale of the Bonds in accordance with the particular terms and manner set forth herein and, with respect to such necessary or desirable terms as are not specified herein, as the Board of Supervisors shall otherwise see fit to determine. With respect to such necessary or desirable terms as are not finally determined by the County Resolution, the Board of Supervisors is hereby requested to provide for such terms to be finally determined and set forth in each Bond Purchase Agreement.

(b) *Purpose of Bonds.* The proceeds of the Measure Q Bonds and the Measure RR Bonds, exclusive of any premium and accrued interest received, shall be applied to finance projects authorized to be financed under the Measure Q Authorization and the Measure RR Authorization, respectively, and to pay all necessary legal, financial, engineering and contingent costs in connection therewith.

Section 4. Terms of Bonds. (a) *Date of Bonds.* The Bonds shall be issued as set forth in the County Resolution. Each Bond of a series or subseries shall be dated its date of delivery, or such other date as shall be set forth in the Bond Purchase Agreement relating to such series or subseries of Bonds.

(b) *Denominations.* The Bonds shall be issued in denominations of \$5,000 principal amount or any integral multiple thereof or such other denominations as shall be designated in the related Bond Purchase Agreement.

(c) *Maturity.* Each series or subseries of Bonds shall mature on the dates, in each of the years, in the principal amounts and in the aggregate principal amount as shall be set forth in

the related Bond Purchase Agreement. No Bond shall mature later than the date which is 25 years from the date of such Bond, to be determined as provided in subsection (a) of this Section.

(d) *Interest.* The Bonds shall bear interest at an interest rate or rates not to exceed 8.00% per annum, payable on the Interest Payment Dates in each year computed on the basis of a 360-day year of 12 30-day months (or on such other basis as shall be set forth in the related Bond Purchase Agreement). Each Bond shall bear interest from the Interest Payment Date for such Bond next preceding the date of authentication thereof, unless it is authenticated as of a date during the period from the Record Date next preceding an Interest Payment Date for such Bond to such Interest Payment Date, inclusive, in which event it shall bear interest from such Interest Payment Date, or unless it is authenticated on or before the Record Date preceding the first Interest Payment Date for such Bond, in which event it shall bear interest from its dated date; provided, however, that if, at the time of authentication of any Bond, interest is in default on any outstanding Bonds of such series or subseries, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the outstanding Bonds of such series or subseries. If provided in the related Bond Purchase Agreement, Bonds may have different interest rates for separately defined periods of the term thereof as set forth in such Bond Purchase Agreement.

(e) *Tax-Exempt or Taxable Bonds.* The Bonds may be issued as Tax-Exempt Bonds or Taxable Bonds. The Board of Education hereby finds and determines that, pursuant to Section 5903 of the California Government Code, the interest payable on any portion of the Bonds issued as Taxable Bonds will be subject to federal income taxation under the Code in existence on the date of issuance of such Bonds.

Section 5. Payment of Bonds. (a) *Request for Tax Levy.* The money for the payment of principal, redemption premium, if any, and interest on the Bonds shall be raised by taxation upon all taxable property in the District and provision shall be made for the levy and collection of such taxes in the manner provided by law and for such payment out of the related Interest and Sinking Fund of the District. The Board of Supervisors and officers of the County are obligated by statute to provide for the levy and collection of property taxes in each year sufficient to pay all principal and interest coming due on the Bonds in such year, and to pay from such taxes all amounts due on the Bonds. The District hereby requests the Board of Supervisors to annually levy a tax upon all taxable property in the District sufficient to redeem the Bonds of each Measure, and to pay the principal, redemption premium, if any, and interest thereon as and when the same become due.

(b) *Interest and Sinking Fund.* Principal, redemption premium, if any, and interest due on Bonds of a Measure shall be paid from the Interest and Sinking Fund of the District established for such Bonds and Measure as provided in Section 15146 of the Education Code. The tax levied for each Measure is levied specifically for the purpose of paying Bonds of such Measure issued to finance the projects specified in such Measure and for no other purpose.

(c) *Obligation of the District.* No part of any fund or account of the County is pledged or obligated to the payment of the Bonds. The obligation for repayment of the Bonds is the sole obligation of the District.

(d) *Pledge of Taxes.* The District hereby pledges, and grants a lien on and security interest in, all revenues from the property taxes collected from the levy by the Board of Supervisors with respect to each voter-approved bond measure of the District for payment of bonds issued under such measure of the District and all amounts on deposit in any Interest and Sinking Fund of the District for the payment of the principal or redemption price of and interest on such bonds. This pledge and grant shall be valid and binding from the date hereof for the benefit of the owners of such bonds and successors thereto. The property taxes and amounts held in each Interest and Sinking Fund of the District shall be immediately subject to this pledge and grant, and this pledge and grant shall constitute a lien and security interest which shall immediately attach to the property taxes and amounts held in such Interest and Sinking Fund of the District to secure the payment of such bonds and shall be effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge or grant, and without the need of any physical delivery, recordation, filing, or further act. This pledge and grant is an agreement between the District and the owners of each series of Bonds and of each issue of outstanding general obligation bonds and general obligation refunding bonds to provide security for each series of Bonds and all such other general obligation bonds and general obligation refunding bonds of the District in addition to any statutory lien that may exist, and each such issue of general obligation bonds and general obligation refunding bonds of the District are or were issued to finance or refinance, as applicable, one or more of the projects specified in the applicable voter-approved measure and not to finance the general purposes of the District. For the avoidance of doubt, in accordance with Section 15251 of the Education Code, such bonds are also automatically secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax for the applicable Measure.

(e) *Insurance.* The payment of principal of and interest on all or a portion of any series of Bonds may be secured by a municipal bond insurance policy as shall be described in the related Bond Purchase Agreement. The related Bond Purchase may provide that no municipal bond insurance policy shall be obtained. The Authorized Officers are each hereby authorized to apply for, or cause to be applied for, municipal bond insurance for each series of Bonds and to execute and deliver a contract or contracts in order to obtain such insurance if doing so puts such series of Bonds (or portion thereof) and the marketing thereof on an economically advantageous basis, and is deemed to be in the best interests of the District, such determination to be conclusively evidenced by such Authorized Officer's execution and delivery of such contract.

(f) *Designation of Paying Agent.* The County Treasurer is designated to act as the initial Paying Agent. The County Treasurer is authorized to enter into a contract with a bank or trust company doing business in and having a corporate trust office in Los Angeles, California, with at least \$100,000,000 in net assets, to perform the services of the Paying Agent. If at any time the County Treasurer shall resign or be removed as the Paying Agent, the Authorized Officers are authorized with the prior consent of the County Treasurer to appoint any successor Paying Agent. If no successor Paying Agent is appointed by an Authorized Officer in a timely manner, the County Treasurer shall appoint a successor Paying Agent without further action by any Authorized Officer. The successor Paying Agent shall be a bank or trust company doing business in and having a corporate trust office in the County, with at least \$100,000,000 in net assets.

Section 6. Redemption. (a) *Optional Redemption.* The Bonds of each series or subseries may be subject to redemption, at the option of the District, on the dates and terms as shall be

designated in the related Bond Purchase Agreement. The related Bond Purchase Agreement may provide that the Bonds of a series or subseries shall not be subject to optional redemption.

(b) *Selection.* If less than all of the Bonds of a series or subseries, if any, are subject to such redemption and are called for redemption, such Bonds shall be redeemed as directed by the District (or as otherwise set forth in the related Bond Purchase Agreement), and if less than all of the Bonds of any given maturity of a series or subseries are called for redemption, the portions of such Bonds of a given maturity to be redeemed shall be determined by lot in any manner deemed fair by the Paying Agent (or as otherwise set forth in the related Bond Purchase Agreement).

(c) *Mandatory Sinking Fund Redemption.* The Bonds of a series or subseries, if any, which are designated in the related Bond Purchase Agreement as term bonds shall also be subject to redemption prior to their stated maturity dates, without a redemption premium, in part by lot or as otherwise directed by the District (or as otherwise set forth in the related Bond Purchase Agreement), from mandatory sinking fund payments in the amounts and in accordance with the terms to be specified in such Bond Purchase Agreement. Unless otherwise provided in the related Bond Purchase Agreement, the principal amount of each mandatory sinking fund payment of any maturity of a series or subseries shall be reduced proportionately or as otherwise directed by the District by the amount of any Bonds of that maturity and series or subseries redeemed in accordance with subsection (a) of this Section prior to the mandatory sinking fund payment date (or as otherwise set forth in the related Bond Purchase Agreement). The related Bond Purchase Agreement may provide that the Bonds of a series or subseries shall not be subject to mandatory sinking fund redemption. The Board of Supervisors is hereby requested to authorize the County Auditor-Controller to create such sinking funds or accounts for the term Bonds as shall be necessary to accomplish the purposes of this Section.

Section 7. Sale of the Bonds. (a) *Method of Sale.* This Board of Education deems it necessary and desirable considering among other factors, current volatile market conditions, debt structuring flexibility, the District's declining enrollment and budget uncertainty, the ability to include a retail order period to garner additional investor interest, and the ability to provide meaningful roles for underwriting firms of various sizes, and requests the County to authorize and provide for the sale of each series or subseries of Bonds by negotiated sale pursuant to one or more Bond Purchase Agreements to be entered into with the underwriters selected as herein provided; provided, however, that, in each case, (1) the interest rate on any Bond shall not be in excess of 8.00% per annum, (2) the true interest cost for each applicable series of Bonds shall not be in excess of 6.00%, (3) the ratio of total debt service to principal of the each series of Bonds shall not exceed four to one, (4) the underwriters' compensation shall not exceed 1.00% of the principal amount of the corresponding Bonds, and (5) the Bonds shall otherwise conform to the limitations specified herein. The Chief Business Officer shall designate which underwriters shall act as senior manager(s), co-senior manager(s) and co-manager(s) in accordance with the Debt Management Policy.

(b) *Good Faith and Costs of Issuance Estimates.* In accordance with Section 5852.1 of the Government Code and subsection (b)(1)(D) of Section 15146 of the Education Code, estimates of the costs of issuance and good faith estimates of the following have been obtained from the Municipal Advisor and are set forth on Exhibit A attached hereto: (1) the true interest cost of the Bonds, (2) the sum of all fees and charges paid to third parties with respect to the Bonds, (3) the

amount of proceeds of the Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Bonds, and (4) the sum total of all debt service payments on the Bonds calculated to the final maturity of the Bonds plus the fees and charges paid to third parties not paid with the proceeds of the Bonds. In accordance with Section 15146(d) of the Education Code, the actual costs associated with each issuance of a series of Bonds shall be presented to this Board of Education at its next scheduled public meeting following the sale of a series of Bonds.

(c) *Cost of Issuance.* In accordance with subsection (h) of Section 15146 of the Education Code, the Authorized Officers are each hereby authorized to cause to be deposited in a costs of issuance account, which may be held by a bank, national banking association or trust company meeting the qualifications necessary to be a paying agent set forth in Section 5 hereof, as cost of issuance administrator, proceeds of sale of the Bonds (exclusive of any premium or accrued interest received) in an amount not exceeding 2.00% of the principal amount of the Bonds sold, as shall be set forth in the related Bond Purchase Agreement for the purposes of paying the costs associated with the issuance of the Bonds.

Section 8. Bond Purchase Agreement. The form of Bond Purchase Agreement, submitted to and on file with the Executive Officer of this Board of Education, is hereby approved. The Authorized Officers are, and each of them is, hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the District, to execute and deliver one or more Bond Purchase Agreements in the form presented to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the applicable Bond Purchase Agreement by such Authorized Officer; provided that the terms of the applicable series or subseries of Bonds and the sale thereof shall conform in all respects with the limitations contained in this Resolution. The Board of Supervisors of the County is hereby requested to cause each Bond Purchase Agreement to be executed and delivered by the County, as is determined by the District and the County Treasurer to be in the best interest of the District, subject to such changes, insertions and omissions as may be acceptable to the District and to the Board of Supervisors or the County officer to whom execution of the Bond Purchase Agreement is delegated.

Section 9. Continuing Disclosure Certificate. The form of Continuing Disclosure Certificate submitted to and on file with the Executive Officer of this Board of Education is hereby approved. Any Authorized Officer is hereby authorized on behalf of the District to execute one or more Continuing Disclosure Certificates with respect to the Bonds in substantially the form on file with the Board of Education, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the applicable Continuing Disclosure Certificate by such Authorized Officer. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of each Continuing Disclosure Certificate.

Section 10. Authorization of Preliminary Official Statement and Official Statements.
(a) *Preliminary Official Statement.* The form of the Preliminary Official Statement relating to the initial issue of Bonds to be publicly offered submitted to and on file with the Executive Officer of this Board of Education, with such changes as any Authorized Officer acting singly may approve,

is hereby approved, and the use of such Preliminary Official Statement in connection with the offering and sale of such Bonds is hereby authorized and approved. The Authorized Officers are each hereby authorized to certify on behalf of the District that such Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 (except for the omission of certain final pricing, rating and related information as permitted by Rule 15c2-12). If it is necessary to make substantial changes to the Preliminary Official Statement hereby approved, this Board of Education shall review a revised draft of such Preliminary Official Statement with accompanying directions and instructions to members of this Board of Education to review such revised Preliminary Official Statement. For subsequent Series of Bonds publicly offered, the preparation of a Preliminary Official Statement with respect to each such subsequent Series of Bonds, similar in form and content to the Preliminary Official Statement relating to the first Series of Bonds with such changes as shall be deemed necessary, is hereby authorized and approved, and the certification of its finality within the meaning of Rule 15c2-12 by an Authorized Officer and its use in connection with the offering and sale of each such subsequent Series of Bonds, are also hereby authorized, following the distribution to this Board of Education of a substantially complete draft of a Preliminary Official Statement relating to such Series of Bonds with accompanying directions and instructions to members of this Board of Education to review such Preliminary Official Statement.

(b) *Official Statement.* The preparation and delivery of an Official Statement with respect to the Bonds publicly offered (the “Official Statement”), and its use by the underwriters in connection with the offering and sale of such Bonds, is hereby authorized and approved. Such Official Statement shall be in substantially the form of the Preliminary Official Statement distributed in connection with the public offering of such Bonds with such changes, insertions and omissions as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Officers are each hereby authorized and directed, for and in the name of and on behalf of the District, to execute each final Official Statement, and any amendment or supplement thereto, for and in the name of the District

Section 11. Deposit and Investment of Proceeds. (a) *Deposit of Proceeds.* Except as permitted by Section 7 hereof, the proceeds of sale of the Bonds, exclusive of any premium and accrued interest received, shall be deposited in the County treasury and credited to the building fund of the District (the “Building Fund”). The District shall have sole responsibility that such proceeds be used for the purposes of the applicable Measure for which the Bonds are being issued. Any premium and accrued interest received shall be deposited in the related Interest and Sinking Fund within the County treasury.

(b) *Investment of Proceeds.* All funds held by the County Treasurer hereunder on behalf of the District shall be invested by the County Treasurer or its agent in the County Investment Pool, any investment authorized pursuant to Sections 53601 and 53635 of the California Government Code, or in any Investment Agreement; provided that such agreements comply with the requirements of Section 148 of the Code, to the extent applicable to the related series or subseries of Bonds, and with the requirements of each rating agency then rating the Bonds necessary in order to maintain the then-current rating on the Bonds.

Subject to a determination by the Chief Business Officer, any Authorized Officer may request the County Treasurer to invest funds held in an Interest and Sinking Fund of the District

and in the Building Fund of the District in specific Investment Agreements. Pursuant to Section 5922 of the California Government Code, this Board of Education hereby finds and determines that the Investment Agreements will reduce the amount and duration of interest rate risk with respect to amounts invested pursuant to the Investment Agreements and are designed to reduce the amount or duration of payment, rate, spread or similar risk or result in a lower cost of borrowing when used in combination with the Bonds or enhance the relationship between risk and return with respect to investments of proceeds of the Bonds and funds held to pay the Bonds.

(c) *Excess Proceeds.* Any excess proceeds of Bonds on deposit in the Building Fund not needed for the authorized purposes set forth herein for which such Bonds are being issued shall be transferred to the applicable Interest and Sinking Fund and applied to the payment of principal of, premium, if any, and interest on the related Bonds.

Section 12. Tax Covenants. (a) *General.* The District shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on any Tax-Exempt Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the District hereby covenants that it will comply with the requirements of the Tax Certificate to be executed by the District on the date of issuance of any Tax-Exempt Bonds (each, a "Tax Certificate"). The provisions of this subsection (a) shall survive payment in full or defeasance of the Tax-Exempt Bonds.

(b) *Yield Restriction.* In the event that at any time the District is of the opinion that for purposes of this Section it is necessary or helpful to restrict or limit the yield on the investment of any monies held by the County Treasurer on behalf of the District, in accordance with this Resolution or pursuant to law, the District shall so request of the County Treasurer in writing, and the District shall make its best efforts to ensure that the County Treasurer shall take such action as may be necessary in accordance with such instructions.

(c) *Reliance on Opinion of Tax Counsel.* Notwithstanding any provision of this Section, if the District shall provide to the County Treasurer an Opinion of Tax Counsel that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on Bonds not issued as Taxable Bonds under Section 103 of the Code, the County Treasurer may conclusively rely on such Opinion of Tax Counsel in complying with the requirements of this Section and of each Tax Certificate with respect to the Bonds not issued as Taxable Bonds, and the covenants hereunder shall be deemed to be modified to that extent.

Section 13. Professional Services. In connection with the issuance of the Bonds, Public Resources Advisory Group is hereby appointed to serve as Municipal Advisor (the "Municipal Advisor") to the District, Hawkins Delafield & Wood LLP is hereby appointed to serve as Bond Counsel and Tax Counsel to the District and Orrick Herrington & Sutcliffe LLP is hereby appointed to serve as Disclosure Counsel to the District.

Section 14. Delegation of Authority. Each Authorized Officer is hereby authorized and directed to, or to authorize in writing any officer or employee of the District to, execute and deliver, for and on behalf of the District, any and all documents and instruments and to do and cause to be done any and all acts and things necessary or advisable in order to consummate the transactions

contemplated by this Resolution and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, each Bond Purchase Agreement and each Continuing Disclosure Certificate. Without limiting the generality of the foregoing, the President of this Board of Education, the Executive Officer of this Board of Education and any Authorized Officer are hereby authorized and directed to execute and deliver any and all agreements, certificates and representations, including but not limited to (i) signature certificates, no litigation certificates, and certificates concerning the contents of the Preliminary Official Statement and the Official Statement, (ii) representation letters to The Depository Trust Company, (iii) each Tax Certificate, (iv) any other certificates proposed to be delivered in connection with the sale or issuance of the Bonds, (v) any Investment Agreements entered into pursuant to the authority granted hereunder, and (vi) and any other agreements, letters, certificates or representations, which any of them deem necessary and desirable to accomplish the transactions authorized herein.

Section 15. Approval of Actions. All actions heretofore taken by the officers and agents of this Board of Education with respect to the Bonds are hereby approved, confirmed and ratified.

Section 16. Filing with the County. Pursuant to Section 15140 of the Education Code of the State, the Executive Officer of this Board of Education is hereby authorized and directed to file a certified copy of this Resolution with the Executive Officer-Clerk of the Board of Supervisors of the County, the County Auditor-Controller and the County Treasurer.

Section 17. Severability. In the event any provision of this Resolution shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 18. Contract with Bondholders. The provisions of this Resolution shall be a contract with each and every owner of Bonds and the duties of the District and of the Board of Education and the officers of the District shall be enforceable by any owner of Bonds by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction.

Section 19. Amendments. This Resolution may be modified or amended without the consent of the Owners in order to cure ambiguities or provide clarification, provided that such modification or amendment does not materially adversely affect the rights of Owners of Bonds. For any other purpose, this Resolution may be modified or amended only with the consent of the Owners of a majority of the aggregate principal amount of all Bonds then outstanding. No such modification or amendment shall extend the maturity of, reduce the interest rate or redemption premium on or principal amount of Bonds or reduce the percentage of consent required for amendment hereof without the express consent of all the Owners so affected.

Section 20. Effective Date. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this ____ day of June, 2024, by the Board of Education of the Los Angeles Unified School District.

By: _____
Executive Officer, Board of Education

EXHIBIT A**GOVERNMENT CODE SECTION 5852.1 DISCLOSURE AND
COSTS OF ISSUANCE ESTIMATES**

In accordance with Section 5852.1(a)(1) of the California Government Code and Section 15146(b)(1)(D) of the California Education Code, the following information was obtained from Public Resources Advisory Group, as the District's Municipal Advisor, with respect to the bonds approved in the attached Resolution (the "Bonds") assuming the principal amount of the Bonds is \$1,100,000,000:

1. *True Interest Cost of the Bonds.* Based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds, is 3.97%.

2. *Finance Charge of the Bonds.* Based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the finance charge of the Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Bonds), is \$3,259,943, as follows:

a)	Rating Agency – Moody's	\$101,500
b)	Rating Agency – Fitch	100,000
c)	Rating Agency – Kroll	100,000
d)	Bond Counsel	85,000
e)	Disclosure Counsel	130,000
f)	Municipal Advisor	108,000
g)	Underwriters' Discount	2,561,443
i)	Other Expenses	74,000

3. *Amount of Proceeds to be received.* Based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the amount of proceeds expected to be received by the District for sale of the Bonds less the finance charge of the Bonds described in paragraph 2 above and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is \$1,096,740,057.

4. *Total Payment Amount.* Based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the total payment amount, which means the sum total of all payments the District will make to pay debt service on the Bonds plus the finance charge of the Bonds described in paragraph 2 above not paid with the proceeds of the Bonds, calculated to the final maturity of the Bonds, is \$1,728,916,396.

Attention is directed to the fact that the foregoing information constitutes good faith estimates only. The actual interest cost, finance charges, amount of proceeds and total payment amount may vary from the estimates above due to variations from these estimates in the timing of Bond sales, the amount of Bonds sold, the amortization of the Bonds sold and market interest rates

at the time of each sale. The date or dates of sale and the amount of Bonds sold will be determined by the District based on need for project funds and other factors. The actual interest rates at which the Bonds will be sold will depend on the bond market at the time of each sale. The actual amortization of the Bonds will also depend, in part, on market interest rates at the time of each sale. Market interest rates are affected by economic and other factors beyond the District's control. The Board of Education has approved the issuance of each series of Bonds with a maximum true interest cost of 6.00%.

EXECUTIVE OFFICER'S CERTIFICATE

I, Michael McLean, Executive Officer of the Board of Education of the Los Angeles Unified School District, County of Los Angeles, California, hereby certify as follows:

The attached is a full, true and correct copy of a resolution duly adopted at a regular meeting of said Board of Education of said District duly and regularly held at the regular meeting place thereof on June __, 2024, at which meeting all of the members of said Board of Education had due notice and at which a quorum thereof was present; and at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

An agenda of said meeting was posted at least 72 hours before said meeting at 333 South Beaudry Avenue, Los Angeles, California, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda. A copy of said agenda is attached hereto.

I have carefully compared the same with the adopted resolution on file and of record in my office. Said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

WITNESS my hand this ____ day of June, 2024.

By: _____
Executive Officer of the Board of
Education of Los Angeles Unified
School District

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$1,100,000,000 AGGREGATE PRINCIPAL AMOUNT OF BONDS OF LOS ANGELES UNIFIED SCHOOL DISTRICT UNDER THE DISTRICT'S MEASURE Q AND/OR MEASURE RR BOND AUTHORIZATIONS, OR ANY COMBINATION THEREOF, IN ONE OR MORE SERIES OR SUBSERIES AND IN THE FORM OF TAX-EXEMPT OR FEDERALLY TAXABLE BONDS, BY NEGOTIATED SALE PURSUANT TO ONE OR MORE BOND PURCHASE AGREEMENTS, PRESCRIBING THE TERMS OF SALE OF THE BONDS, APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE BOND PURCHASE AGREEMENTS, AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS

WHEREAS, an election was duly called and regularly held in the Los Angeles Unified School District, County of Los Angeles, California (the "District") on November 4, 2008, pursuant to Section 1(b)(3) of Article XIII A of the State of California (the "State") Constitution and Chapter 1.5 of Title 1, Division 1, Part 10 of the California Education Code (the "Education Code") (the "Act"), and thereafter canvassed pursuant to law ("Measure Q"); and

WHEREAS, at such election there was submitted to and approved by the requisite approval of at least 55% of the qualified electors of the District voting on the measure in the election a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of \$7.00 billion, payable from the levy of an ad valorem tax against taxable property in the District (the "Measure Q Authorization") and the District has previously issued \$4,275,955,000 of such general obligation bonds under the Measure Q Authorization; and

WHEREAS, an election was duly called and regularly held in the District on November 3, 2020, pursuant to Section 1(b)(3) of Article XIII A of the State Constitution and the Act, and thereafter canvassed pursuant to law ("Measure RR" and, together with Measure Q, the "Measures"); and

WHEREAS, at such election there was submitted to and approved by the requisite approval of at least 55% of the qualified electors of the District voting on the measure in the election a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of \$7.00 billion, payable from the levy of an ad valorem tax against taxable property in the District (the "Measure RR Authorization" and, together with the Measure Q Authorization, the "Authorizations"), and the District has previously issued \$1,025,000,000 of such general obligation bonds under the Measure RR Authorization; and

WHEREAS, the Board of Education of the District (the "Board of Education") has requested this Board of Supervisors (the "Board of Supervisors") of the County of Los Angeles

(the “County”) to authorize and consummate the sale of bonds in one or more series or subseries, by individual Measure or combined series or subseries of multiple Measures pursuant to Section 15231 of the Education Code, and in the form of tax-exempt or federally taxable bonds, or any combination thereof, in an aggregate principal amount not exceeding \$1,100,000,000, according to the terms and in the manner hereinafter set forth (bonds issued as a separate series or subseries individually under the Measure Q Authorization and/or the Measure RR Authorization, the “Measure Q Bonds” and bonds issued as a separate series or subseries individually under the Measure RR Authorization and/or in combination with bonds authorized under the Measure Q Authorization, the “Measure RR Bonds” and, together with the Measure Q Bonds, the “Bonds”); and

WHEREAS, the Board of Education deemed it necessary and desirable that the Measure Q Bonds and/or the Measure RR Bonds be issued for the purpose of financing projects authorized to be financed under the Measure Q Authorization and the Measure RR Authorization, respectively; and

WHEREAS, the Board of Education has requested the Board of Supervisors to authorize the sale of the Bonds, due to uncertainties and potential risks in the financial markets that may exist at the time the Bonds are sold, by negotiated sale pursuant to one or more Bond Purchase Agreements (each such Bond Purchase Agreement, in the form presented to this meeting (a “Bond Purchase Agreement”) to be entered into with one or more of the underwriters from the District’s underwriter bench (each, an “Underwriter” and, collectively, the “Underwriters”), in accordance to the terms and in the manner set forth in a resolution duly adopted by the Board of Education on June 4, 2024, a certified copy of which has been filed with the Executive Officer-Clerk of this Board of Supervisors (the “District Resolution”); and

WHEREAS, in the District Resolution, the Board of Education of the District found and informed this Board of Supervisors that all acts, conditions and things required by the Constitution and laws of the State to exist, to have happened and to have been performed precedent to and in connection with the consummation of the actions authorized by the District Resolution do exist, have happened and have been performed in regular and due time, form and manner as required by law, and that the District is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such actions for the purpose, in the manner and upon the terms provided in the District Resolution; and

WHEREAS, there have been prepared and submitted to this meeting the form of the Bond Purchase Agreement; and

WHEREAS, this Board of Supervisors accepts the representations of the Board of Education in the District Resolution that it is desirable for the Board of Supervisors to issue the Bonds on behalf of the District and to sell the Bonds by negotiated sale for the purposes for which the Bonds have been authorized on the terms and conditions set forth in the District Resolution; and

WHEREAS, applicable law mandates that the Bonds shall be offered for sale by the Board of Supervisors of the County, the County Superintendent of which has jurisdiction over the

District, as soon as possible following receipt of a resolution duly adopted by the Board of Education of the District; and

WHEREAS, the Bonds will be issued by this Board of Supervisors in the name of and on behalf of the District, payable from *ad valorem* taxes to be levied on all taxable property in the District, as herein provided;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES AS FOLLOWS:

Section 1. Recitals. All of the above recitals are true and correct.

Section 2. Definitions. For the purposes of this Resolution, unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Resolution, have the meanings specified herein. Terms used and not defined herein shall have the meanings set forth in the District Resolution. Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa.

“Advance Refunded Municipal Securities” shall mean any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local government unit of any such state (i) which are not callable prior to maturity or as to which irrevocable instructions have been given to the trustee, fiscal agent or other fiduciary for such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds or other obligations for redemption on the date or dates specified in such instructions, (ii) which are secured as to principal of, premium, if any, and interest by a fund consisting only of cash, direct United States or United States guaranteed obligations, or any combination thereof, which fund may be applied only to the payment of such principal of, premium, if any, and interest on such bonds or other obligations on the maturity date or dates thereof or the redemption date or dates specified in the irrevocable instructions referred to in clause (i) above, as appropriate, and (iii) as to which the principal of, premium, if any, and interest on the bonds and obligations of the character described in clause (i) above which have been deposited in such fund, along with any cash on deposit in such fund, have been verified by an independent certified public accountant as being sufficient to pay principal of, premium, if any, and interest on such bonds or other obligations on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in clause (i) above, as applicable.

“Authorized Officer” means the officers of the County, including the County Treasurer, the Deputy Treasurer and their authorized representatives, authorized to act with regard to general obligation bond matters.

“Authorized District Officer” shall mean any of the Chief Business Officer, the Deputy Chief Business Officer, the Controller and the Director of Capital Planning and Budgeting.

“Board of Education” shall mean the Board of Education of the District.

“Board of Supervisors” shall mean the Board of Supervisors of the County.

“Bonds” shall mean the bonds authorized and issued pursuant to this Resolution, at the request of the District pursuant to the District Resolution

“Book-Entry Bonds” shall mean the Bonds of any series registered in the name of the nominee of DTC, or any successor securities depository for the Bonds, as the registered owner thereof.

“Building Fund” means the Building Fund established pursuant to Section 13 of this Resolution.

“Business Day” shall mean a day which is not a Saturday, Sunday or a day on which banking institutions in the State or the State of New York and the New York Stock Exchange are authorized or required to be closed.

“Cede & Co.” shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

“Chair of this Board of Supervisors” shall mean the Chair, Chairman or Mayor of the Board of Supervisors of the County of Los Angeles, California.

“Chief Business Officer” shall mean the Chief Business Officer of the District or any designee of the Chief Business Officer of the District.

“Clerk” shall mean the Executive Officer-Clerk of the Board of Supervisors of the County or an authorized deputy of such officer.

“Code” shall mean the Internal Revenue Code of 1986.

“Controller” shall mean the Controller of the District or any designee of the Controller of the District.

“Costs of Issuance” means all of the authorized costs of issuing the Bonds as described in Section 15145(a) of the Education Code, including but not limited to, all printing and document preparation expenses in connection with this Resolution, the Bonds and the preliminary Official Statement and Official Statement pertaining to the Bonds and any and all other agreements, instruments, certificates or other documents prepared in connection therewith; rating agency fees; auditor’s fees; CUSIP service bureau charges; legal fees and expenses of counsel with respect to the financing, including the fees and expenses of Bond Counsel and Disclosure Counsel; the fees and expenses of the Municipal Advisor; the fees and expenses of the Paying Agent; fees for credit enhancement (if any) relating to the Bonds; and other fees and expenses incurred in connection with the issuance of the Bonds, to the extent such fees and expenses are approved by the District.

“County” shall mean the County of Los Angeles.

“County Auditor-Controller” shall mean the Auditor-Controller of the County or any authorized deputy thereof.

“County Treasurer” shall mean the Treasurer and Tax Collector of the County or any authorized deputy thereof.

“Defeasance Securities” shall mean (i) non-callable direct and general obligations of the United States of America (including state and local government series), or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including (in the case of direct and general obligations of the United States of America), evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations; provided that investments in such proportionate interests must be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account, segregated from the custodian’s general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; (ii) non-callable obligations of government sponsored agencies that are rated in one of the two highest rating categories assigned by S&P or Moody’s but are not guaranteed by a pledge of the full faith and credit of the United States of America; and (iii) Advance Refunded Municipal Securities.

“Deputy Chief Business Officer” shall mean the Deputy Chief Business Officer of the District or any designee of the Deputy Chief Business Officer of the District.

“Director of Capital Planning and Budgeting” shall mean the Director of Capital Planning and Budgeting of the District or any designee of the Director of Capital Planning and Budgeting of the District.

“District” shall mean the Los Angeles Unified School District.

“District Resolution” means the Resolution of the District adopted on June 4, 2024 requesting the Board of Supervisors to sell the Bonds.

“DTC” shall mean The Depository Trust Company, New York, New York, and its successors and assigns.

“Interest Payment Date” shall mean each January 1 and July 1 of each year, commencing on the date set forth in the related Bond Purchase Agreement, until the final maturity of the Bonds and the final maturity date of the Bonds or such other dates as shall be set forth in the related Bond Purchase Agreement.

“Interest and Sinking Fund” shall mean each interest and sinking fund of the District, designated to correspond to the applicable general obligation bonds or general obligation refunding bonds of the District and related voter-approved bond measure of the District established for such bonds and used only for payment of principal of and interest on such bonds.

“Investment Agreements” shall mean, collectively, investment agreements, guaranteed investment contracts, float contracts or other investment products subject to the requirements set forth in Section 13 hereof.

“Letter of Representations” shall mean the blanket letter of representations from the District to DTC with respect to the Bonds, as such blanket letter of representations may be amended, supplemented or otherwise modified and in effect from time to time.

“Measure Q Bonds” shall mean Bonds issued pursuant and attributable to the Measure Q Authorization, as a separate series or subseries individually under the Measure Q Authorization and/or in combination with bonds authorized under the Measure RR Authorization.

“Measure RR Bonds” shall mean Bonds issued pursuant and attributable to the Measure RR Authorization, as a separate series or subseries individually under the Measure RR Authorization and/or in combination with bonds authorized under the Measure Q Authorization.

“Moody’s” means Moody’s Investors Service, Inc., a corporation duly organized and existing under the laws of the State of Delaware, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the District.

“Municipal Advisor” means, in accordance with the District Resolution, Public Resources Advisory Group.

“Official Statement” means the Official Statement of the District relating to a series of Bonds.

“Owner” shall mean with respect to any Bond, the Person in whose name such Bond is registered on the Registration Books.

“Paying Agent” shall mean the County Treasurer or any bank, trust company, national banking association or other financial institution appointed as authenticating agent, bond registrar, transfer agent and paying agent for the Bonds in the manner provided in this Resolution.

“Person” shall mean an individual, corporation, limited liability company, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“Record Date” shall mean, with respect to any Interest Payment Date for Bonds, the close of business on the 15th day of the month preceding an Interest Payment Date for such Bonds or such other date or dates as shall be set forth in the related Bond Purchase Agreement.

“Registration Books” shall mean the records maintained by the Paying Agent for the registration of ownership and registration of transfer of the Bonds, as defined in this Resolution.

“Resolution” shall mean this Resolution of the Board of Supervisors.

“Resolutions” shall mean, collectively, this Resolution and the District Resolution.

“Securities Act” shall mean the Securities Act of 1933, as amended.

“**State**” shall mean the State of California.

“**S&P**” means Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business duly organized and existing under the laws of the State of New York, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “S&P” shall be deemed to refer to any other nationally recognized securities rating agency selected by the District.

“**Tax Certificate**” shall mean the applicable Tax Certificate with respect to the Bonds issued as Tax-Exempt Bonds, executed by the District, dated the date of issuance of such Bonds.

“**Tax-Exempt Bonds**” shall mean the series or subseries of the Measure Q Bonds and the Measure RR Bonds or any combination thereof bearing interest that is excluded from the gross income of the holders thereof for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax under the Code.

“**Taxable Bonds**” shall mean the series or subseries of the Measure Q Bonds and the Measure RR Bonds or any combination thereof bearing interest that is included in gross income for federal income tax purposes under Section 103 of the Code.

Section 3. District Resolution Incorporated. The Board of Supervisors hereby acknowledges receipt of the District Resolution. The District Resolution is incorporated herein by reference and all of the provisions thereof are made a part hereof and shall be applicable to the bonds herein provided for, except as herein otherwise expressly provided.

Section 4. Authorization and Designation of the Bonds; Purpose of Bonds. (a) *Authorization and Designation.* This Board of Supervisors hereby authorizes, in the name of and on behalf of the District, the issuance and sale, by a negotiated sale of Bonds under the Measures, in one or more series or subseries, by individual Measure or combined series or subseries of multiple Measures pursuant to Section 15231 of the Education Code, or any combination thereof, in an aggregate principal amount not exceeding \$1,100,000,000, and designates each series or subseries of the Bonds as the “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds,” with appropriate election, series, subseries and other designations as may be set forth in the related Bond Purchase Agreement

(b) *Purpose of Bonds.* The proceeds of the Measure Q Bonds and the Measure RR Bonds, exclusive of any premium and accrued interest received, shall be applied to finance projects authorized to be financed under the Measure Q Authorization and the Measure RR Authorization, respectively, and to pay all necessary legal, financial, engineering and contingent costs in connection therewith.

Section 5. Form of Bonds; Execution. (a) *Form of Bonds.* The Bonds shall be issued in fully registered form without coupons. The Bonds, and the paying agent’s certificate of authentication and registration and the form of assignment to appear on each of them, shall be in substantially the form attached hereto as Exhibit A, with necessary or appropriate variations, omissions and insertions as permitted or required by this Resolution, including such variations,

omissions and insertions as are necessary to reflect the terms, conditions and limitations contained in this Resolution.

(b) *Execution of Bonds.* The Bonds shall be signed by the manual or facsimile signatures of the Chair of the Board of Supervisors and the County Treasurer, and countersigned by the manual or facsimile signature of the Clerk of the Board of Supervisors. The Bonds shall be authenticated by a manual signature of a duly authorized officer of the Paying Agent.

(c) *Valid Authentication.* Only such of the Bonds as shall bear thereon a certificate of authentication and registration in the form set forth in Exhibit A executed by the Paying Agent shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution, and such certificate of the Paying Agent shall be conclusive evidence that the Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Resolution.

(d) *Identifying Number.* The Paying Agent shall assign each Bond authenticated and registered by it a distinctive letter, or number, or letter and number, and shall maintain a record thereof at its principal corporate trust office, which record shall be available to the District and the County for inspection.

Section 6. Terms of Bonds. (a) *Date of Bonds.* Each Bond shall be dated the date of delivery or such other date as shall be set forth in the related Bond Purchase Agreement.

(b) *Denominations.* The Bonds shall be issued in denominations of \$5,000 principal amount or any integral multiple thereof.

(c) *Maturity.* The Bonds shall mature on the dates, in each of the years, in the principal amounts and in the aggregate principal amount as shall be set forth in the related Bond Purchase Agreement. No Bond shall mature later than the date which is 25 years from the date of such Bond.

(d) *Interest.* The Bonds shall bear interest at an interest rate or rates not to exceed 8.00% per annum, payable on the Interest Payment Dates in each year computed on the basis of a 360-day year of 12 30-day months (or on such other basis as shall be set forth in the related Bond Purchase Agreement). Each Bond shall bear interest from the Interest Payment Date for such Bond next preceding the date of authentication thereof, unless it is authenticated as of a date during the period from the Record Date next preceding an Interest Payment Date for such Bond to such Interest Payment Date, inclusive, in which event it shall bear interest from such Interest Payment Date, or unless it is authenticated on or before the Record Date preceding the first Interest Payment Date for such Bond, in which event it shall bear interest from its dated date; provided, however, that if, at the time of authentication of any Bond, interest is in default on any outstanding Bonds of such series or subseries, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the outstanding Bonds of such series or subseries. If provided in the related Bond Purchase Agreement, Bonds may have different interest rates for separately defined periods of the term thereof as set forth in such Bond Purchase Agreement.

(e) *Tax-Exempt or Taxable Bonds.* The Bonds may be issued as Tax-Exempt Bonds or Taxable Bonds. The Board of Supervisors hereby finds and determines that, pursuant to Section 5903 of the California Government Code, the interest payable on any portion of the Bonds issued

as Taxable Bonds will be subject to federal income taxation under the Code in existence on the date of issuance of such Bonds.

Section 7. Payment of Bonds. (a) *Tax Levy.* The money for the payment of principal, redemption premium, if any, and interest with respect to the Bonds of each Measure shall be raised by taxation upon all taxable property in the District and provision shall be made for the levy and collection of such taxes in the manner provided by law and for such payment out of the Interest and Sinking Fund of the District for the related series or subseries of Bonds under each Measure as provided in Section 15146 of the Education Code, and the Board of Supervisors hereby covenants to annually levy *ad valorem* taxes for the payment of the Bonds of each Measure on all property in the District subject to taxation by the District without limitation as to rate or amount (except certain personal property which is taxable at limited rates). The tax levied for each Measure is levied specifically for the purpose of paying each series or subseries of Bonds issued to finance the projects specified in such Measure and for no other purpose.

(b) *Principal.* The principal of the Bonds shall be payable in lawful money of the United States of America to the Owner thereof, upon the surrender thereof at the principal corporate trust office of the Paying Agent.

(c) *Interest; Record Date.* The interest on each series or subseries of Bonds shall be payable on each Interest Payment Date in lawful money of the United States of America to the Owner thereof as of the Record Date preceding such Interest Payment Date, such interest to be paid by check or draft mailed on such Interest Payment Date (if a business day, or on the next business day if the Interest Payment Date does not fall on a business day) to such Owner at such Owner's address as it appears on the Registration Books or at such address as the Owner may have filed with the Paying Agent for that purpose except that the payment shall be made by wire transfer of immediately available funds to any Owner of at least \$1,000,000 of outstanding Bonds of a Series who shall have requested in writing such method of payment of interest prior to the close of business on the Record Date immediately preceding any Interest Payment Date. So long as Cede & Co. or its registered assigns shall be the Owner of the Bonds, payment shall be made in immediately available funds as provided in Section 10(e) hereof.

(d) *Interest and Sinking Fund; Obligation of the District.* Principal, redemption premium, if any, and interest due on Bonds of a Measure shall be paid from the Interest and Sinking Fund of the District established for such Bonds and Measure as provided in Section 15146 of the Education Code. The tax levied for each Measure is levied specifically for the purpose of paying Bonds of such Measure issued to finance the projects specified in such Measure and for no other purpose. No part of any fund of the County is pledged or obligated to the payment of the Bonds.

(e) *Pledge of Taxes.* Pursuant to the District Resolution, the District pledges, and grants a lien on and security interest in, all revenues from the property taxes collected from the levy by the Board of Supervisors with respect to each voter-approved bond measure of the District for payment of bonds issued under such measure of the District and all amounts on deposit in any Interest and Sinking Fund of the District for the payment of the principal or redemption price of and interest on such bonds. The District Resolution provides that this pledge and grant shall be valid and binding from the date of adoption of the District Resolution for the benefit of the owners of such bonds and successors thereto. The District Resolution further provides that the property

taxes and amounts held in each Interest and Sinking Fund of the District shall be immediately subject to this pledge and grant, and this pledge and grant shall constitute a lien and security interest which shall immediately attach to the property taxes and amounts held in such Interest and Sinking Fund of the District to secure the payment of such bonds and shall be effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge or grant, and without the need of any physical delivery, recordation, filing, or further act. The District Resolution provides that this pledge and grant is an agreement between the District and the owners of each series of Bonds and of each issue of outstanding general obligation bonds and general obligation refunding bonds to provide security for each series of Bonds and all such other general obligation bonds and general obligation refunding bonds of the District in addition to any statutory lien that may exist, and each such issue of general obligation bonds and general obligation refunding bonds of the District are or were issued to finance or refinance, as applicable, one or more of the projects specified in the applicable voter-approved measure and not to finance the general purposes of the District. For the avoidance of doubt, in accordance with Section 15251 of the Education Code, such bonds are also automatically secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax for the applicable Measure.

(f) *Insurance.* The payment of principal of and interest on all or a portion of the Bonds may be secured by a municipal bond insurance policy as shall be described in the related Bond Purchase Agreement. The related Bond Purchase Agreement may provide that no municipal bond insurance policy shall be obtained. The District Resolution provides that certain officers of the District are authorized to apply for, or cause to be applied for, municipal bond insurance for the Bonds, and to execute and deliver a contract or contracts in order to obtain such insurance if doing so puts such Bonds (or portion thereof) and the marketing thereof on an economically advantageous basis, and is deemed to be in the best interests of the District, such determination to be conclusively evidenced by the execution and delivery of such contract.

Section 8. Redemption Provisions. (a) *Optional Redemption.* The Bonds of each series or subseries may be subject to redemption, at the option of the District, on the dates and terms as shall be designated in the related Bond Purchase Agreement. The related Bond Purchase Agreement may provide that the Bonds of a series or subseries shall not be subject to optional redemption.

(b) *Selection.* If less than all of the Bonds of a series or subseries, if any, are subject to such redemption and are called for redemption, such Bonds shall be redeemed as directed by the District (or as otherwise set forth in the related Bond Purchase Agreement), and if less than all of the Bonds of any given maturity of a series or subseries are called for redemption, the portions of such Bonds of a given maturity to be redeemed shall be determined by lot (or as otherwise set forth in the related Bond Purchase Agreement).

(c) *Mandatory Sinking Fund Redemption.* The Bonds, if any, which are designated in a Bond Purchase Agreement as term bonds shall also be subject to redemption prior to their stated maturity dates, without a redemption premium, in part by lot or as otherwise directed by the District (or as otherwise set forth in the related Bond Purchase Agreement), from mandatory sinking fund payments in the amounts and in accordance with the terms to be specified in such Bond Purchase Agreement. Unless otherwise provided in the related Bond Purchase Agreement, the principal

amount of each mandatory sinking fund payment of any maturity shall be reduced proportionately or as otherwise directed by the District by the amount of any Bonds of that maturity redeemed in accordance with subsection (a) of this Section prior to the mandatory sinking fund payment date. The related Bond Purchase Agreement may provide that the Bonds shall not be subject to mandatory sinking fund redemption. The County Auditor-Controller is hereby authorized to create such sinking funds or accounts for the term Bonds as shall be necessary to accomplish the purposes of this Section.

(d) *Notice of Redemption.* Notice of any redemption of the Bonds of a series or subseries shall be mailed by the Paying Agent, postage prepaid, not less than 20 nor more than 60 days prior to the redemption date (i) by first class mail to the County and the respective Owners thereof at the addresses appearing on the Registration Books, and (ii) as may be further required in accordance with the applicable Continuing Disclosure Certificate.

Each notice of redemption shall state (i) the date of such notice; (ii) the name of the series or subseries of Bonds and the date of issue of such series or subseries of Bonds; (iii) the redemption date; (iv) the redemption price; (v) the dates of maturity or maturities of Bonds to be redeemed; (vi) if less than all of the Bonds of any maturity of a series or subseries are to be redeemed, the distinctive numbers of the Bonds of each maturity of such series or subseries to be redeemed; (vii) in the case of Bonds of a series or subseries redeemed in part only, the respective portions of the principal amount of the Bonds of each maturity of such series or subseries to be redeemed; (viii) the CUSIP number, if any, of each maturity of Bonds to be redeemed; (ix) a statement that such Bonds must be surrendered by the Owners at the principal corporate trust office of the Paying Agent, or at such other place or places designated by the Paying Agent; (x) notice that further interest on such Bonds will not accrue after the designated redemption date; and (xi) in the case of a conditional notice, that such notice is conditioned upon certain circumstances and the manner of rescinding such conditional notice.

(e) *Effect of Notice.* A certificate of the Paying Agent that the notice of redemption that has been given to Owners as herein provided shall be conclusive as against all parties. Neither the failure to receive the notice of redemption as provided in this Section, nor any defect in such notice shall affect the sufficiency of the proceedings for the redemption of the Bonds called for redemption or the cessation of interest on the date fixed for redemption.

When notice of redemption has been given substantially as provided for herein, and when the redemption price of the Bonds called for redemption is set aside for the purpose as described in subsection (g) of this Section, the Bonds designated for redemption shall become due and payable on the specified redemption date and interest shall cease to accrue thereon as of the redemption date, and upon presentation and surrender of such Bonds at the place specified in the notice of redemption, such Bonds shall be redeemed and paid at the redemption price thereof out of the money provided therefor. The Owners of such Bonds so called for redemption after such redemption date shall be entitled to payment thereof only from the related Interest and Sinking Fund or the trust fund established for such purpose. All Bonds redeemed shall be cancelled forthwith by the Paying Agent and shall not be reissued.

(f) *Right to Rescind Notice.* The District may rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written

notice of the rescission to be given to the owners of the Bonds so called for redemption. Any optional redemption and notice thereof shall be rescinded if for any reason on the date fixed for redemption moneys are not available in the related Interest and Sinking Fund or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of and premium, if any, and interest due on the Bonds called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the owner of any Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

(g) *Funds for Redemption.* Prior to or on the redemption date of any Bonds there shall be available in the related Interest and Sinking Fund of the District, or held in trust for such purpose as provided by law, monies for the purpose and sufficient to redeem, at the redemption prices as in this Resolution provided, the Bonds designated in the notice of redemption. Such monies shall be applied on or after the redemption date solely for payment of principal of and premium, if any, and interest due on the Bonds to be redeemed upon presentation and surrender of such Bonds, provided that all monies in the related Interest and Sinking Fund of the District shall be used for the purposes established and permitted by law. Any interest due on or prior to the redemption date shall be paid from the related Interest and Sinking Fund of the District, unless otherwise provided to be paid from such monies held in trust. If, after all of the Bonds have been redeemed and cancelled or paid and cancelled, there are monies remaining in the related Interest and Sinking Fund of the District or otherwise held in trust for the payment of redemption price of the Bonds, the monies shall be held in or returned or transferred to any Interest and Sinking Fund of the District for payment of any outstanding bonds of the District payable from such fund; provided, however, that if the monies are part of the proceeds of bonds of the District, the monies shall be transferred to the fund created for the payment of principal of and interest on such bonds. If no such bonds of the District are at such time outstanding, the monies shall be transferred to the general fund of the District as provided and permitted by law.

(h) *Defeasance of Bonds.* If at any time the District shall pay or cause to be paid or there shall otherwise be paid to the Owners of any or all of the outstanding Bonds of a series or subseries all or any part of the principal of and premium, if any, and interest on such Bonds at the times and in the manner provided herein and in such Bonds, or as provided in the following paragraph, or as otherwise provided by law consistent herewith, then such Owners of such Bonds shall cease to be entitled to the obligation of the District as provided in Section 7 hereof, and such obligation and all agreements and covenants of the District and of the County to such Owners hereunder and under such Bonds shall thereupon be satisfied and discharged and shall terminate, except only that the District shall remain liable for payment of all principal of and premium, if any, and interest on such Bonds, but only out of monies on deposit in the related Interest and Sinking Fund or otherwise held in trust for such payment; and provided further, however, that the provisions of subsection (i) of this Section shall apply in all events.

For purposes of this Section, the District may pay and discharge any or all of the Bonds of a series or subseries by depositing in trust with the Paying Agent or an escrow agent, selected by the District, at or before maturity, money and/or Defeasance Securities, in an amount which will, together with the interest to accrue thereon and available monies then on deposit in the related Interest and Sinking Fund of the District, be fully sufficient to pay and discharge the indebtedness

on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates.

(i) *Unclaimed Monies.* Any money held in any fund created pursuant to this Resolution, or by the Paying Agent in trust, for the payment of the principal of, premium, if any, or interest on the Bonds and remaining unclaimed for two years after the principal of all of the Bonds has become due and payable (whether by maturity or upon prior redemption) shall be transferred to any Interest and Sinking Fund of the District for payment of any outstanding bonds of the District payable from that fund; or, if no such bonds of the District are at such time outstanding, the monies shall be transferred to the general fund of the District as provided and permitted by law.

Section 9. Paying Agent and Disbursement Agent. (a) *Appointment; Payment of Fees and Expenses.* This Board of Supervisors hereby consents to and confirms the appointment of the County Treasurer or the County Treasurer's third-party designee to act as initial Paying Agent for the Bonds under this Resolution. The County Treasurer is authorized to contract with a third party to perform the services of Paying Agent hereunder. All fees and expenses of the Paying Agent shall be the sole responsibility of the District, and to the extent not paid from the proceeds of sale of the Bonds, or from the related Interest and Sinking Fund, insofar as permitted by law, including specifically by Section 15232 of the Education Code, such fees and expenses shall be paid by the District.

(b) *Resignation, Removal and Replacement of Paying Agent.* The Paying Agent initially appointed or any successor Paying Agent may resign from service as Paying Agent and may be removed at any time by the County Treasurer. If at any time the Paying Agent shall resign or be removed, the County Treasurer shall appoint a successor Paying Agent, which shall be any bank, trust company, national banking association or other financial institution doing business in and having a corporate trust office in California, with at least \$100,000,000 in net assets.

(c) *Principal Corporate Trust Office.* Unless otherwise specifically noted, any reference herein to the Paying Agent shall initially mean the County Treasurer and the designated agents thereof or the successors or assigns thereof, acting in the capacity of Paying Agent, and any reference herein to the "principal corporate trust office" of the Paying Agent for purposes of transfer, registration, exchange, payment, and surrender of the Bonds shall initially mean the office of the County Treasurer or the principal corporate trust office of his designated agent bank or other office of his designated agent bank designated thereby for a particular purpose; provided, however, that in the event that "Paying Agent" shall refer to any successor paying agent, bond registrar, authenticating agent or transfer agent for the Bonds, "principal corporate trust office" shall include the principal corporate trust office or other office of such successor Paying Agent designated thereby for a particular purpose.

(d) *Registration Books.* The Paying Agent shall keep or cause to be kept at its principal corporate trust office sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the District and the County, and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred on the Registration Books, Bonds as provided in Sections 10 and 11 hereof. The Paying Agent shall keep accurate records of all funds administered

by it and of all Bonds paid and discharged by it. Such records shall be provided, upon reasonable request, to the District or the County in a format mutually agreeable to the Paying Agent and the District and/or the County.

Section 10. Transfer Under Book-Entry System; Discontinuation of Book-Entry System. (a) Unless otherwise specified in the related Bond Purchase Agreement, DTC is hereby appointed depository for each series and subseries of Bonds and each series and subseries of Bonds shall be issued in book-entry form only, and shall be initially registered in the name of "Cede & Co.," as nominee of DTC ("Cede & Co."). One bond certificate shall be issued for each maturity of each series or subseries of Bonds; provided, however, that if different CUSIP numbers are assigned to Bonds of a series or subseries maturing in a single year or, if Bonds of a series or subseries maturing in a single year are issued with different interest rates, additional bond certificates shall be prepared for each such maturity. Registered ownership of such Bonds of each such maturity, or any portion thereof, may not thereafter be transferred except as provided in this Section or Section 11 hereof:

(i) To any successor of DTC, or its nominee, or to any substitute depository designated pursuant to clause (ii) of this Section (a "substitute depository"); provided, however that any successor of DTC, as nominee of DTC or substitute depository, shall be qualified under any applicable laws to provide the services proposed to be provided by it;

(ii) To any substitute depository not objected to by the District, upon (1) the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository, or (2) a determination by the District to substitute another depository for DTC (or its successor) because DTC or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; provided, that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) To any person as provided below, upon (1) the resignation of DTC or its successor (or substitute depository or its successor) from its functions as depository; provided that no substitute depository which is not objected to by the District can be obtained, or (2) a determination by the District that it is in the best interests of the District to remove DTC or its successor (or any substitute depository or its successor) from its functions as depository.

(b) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (a) of this Section, upon receipt of the outstanding Bonds by the Paying Agent, together with a written request of the District to the Paying Agent, a new Bond for each maturity of each series and subseries shall be executed and delivered (in the aggregate principal amount of such Bonds then outstanding), registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the District. In the case of any transfer pursuant to clause (iii) of subsection (a) of this Section, upon receipt of the outstanding Bonds by the Paying Agent together with a written request of the District to the Paying Agent, new Bonds shall be executed and delivered in such denominations, numbered in the manner determined by the Paying Agent, and registered in the names of such persons, as are requested in such written request of the District, and thereafter, the Bonds shall be transferred pursuant to the provisions set

forth in Section 11 hereof; provided, however, that the Paying Agent shall not be required to deliver such new Bonds within a period of less than 60 days after the receipt of any such written request of the District.

(c) In the case of partial redemption or an advance refunding of a series or subseries of Bonds evidencing all or a portion of the principal amount then outstanding, DTC shall make an appropriate notation on the Bonds of such series or subseries indicating the date and amounts of such reduction in principal.

(d) The District and the Paying Agent shall be entitled to treat the person in whose name any Bond is registered as the owner thereof, notwithstanding any notice to the contrary received by the District or the Paying Agent; and the District and the Paying Agent shall have no responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the Bonds, and neither the District nor the Paying Agent shall have any responsibility or obligation, legal or otherwise, to the beneficial owners or to any other party, including DTC or its successor (or substitute depository or its successor), except for the Owner of any Bonds.

(e) So long as the outstanding Bonds are registered in the name of Cede & Co. or its registered assigns, the District and the Paying Agent shall cooperate with Cede & Co., as sole registered Owner, or its registered assigns in effecting payment of the principal of and interest on the Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.

Section 11. Transfer and Exchange. (a) *Transfer.* Following the termination or removal of DTC or successor depository pursuant to Section 10 hereof, any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 9(d) hereof, by the Owner thereof, in person or by the duly authorized attorney of such Owner, upon surrender of such Bond to the Paying Agent for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Paying Agent.

Whenever any Bond or Bonds shall be surrendered for transfer, the designated County officials shall execute and the Paying Agent shall authenticate and deliver, as provided in Section 5, a new Bond or Bonds of the same series, subseries, maturity, interest payment dates and interest rates for a like aggregate principal amount. The Paying Agent may require the payment by any Owner of Bonds requesting any such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

No transfer of any Bond shall be required to be made by the Paying Agent (i) during the period established by the Paying Agent for selection of the applicable series or subseries of Bonds for redemption, and (ii) after any Bond has been selected for redemption.

(b) *Exchange.* The Bonds may be exchanged for Bonds of other authorized denominations of the same series, subseries, term, maturity and interest payment dates and interest rates, by the Owner thereof, in person or by the duly authorized attorney of such Owner, upon

surrender of such Bond to the Paying Agent for cancellation, accompanied by delivery of a duly executed request for exchange in a form approved by the Paying Agent.

Whenever any Bond or Bonds shall be surrendered for exchange, the designated County officials shall execute and the Paying Agent shall authenticate and deliver, as provided in Section 5, a new Bond or Bonds of the same series, subseries, term, maturity, interest payment date and interest rates for a like aggregate principal amount. The Paying Agent may require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

No exchange of any Bonds shall be required to be made by the Paying Agent (i) during the period established by the Paying Agent for selection of the Bonds for redemption, and (ii) after any Bond has been selected for redemption.

Section 12. Sale of Bonds; Bond Purchase Agreement. (a) *Sale of Bonds.* As requested and directed by the District, the County hereby authorizes the sale of any series of Bonds by negotiated sale pursuant to one or more Bond Purchase Agreements to be entered into with the underwriters designated by the Chief Business Officer of the District as provided in the District Resolution; provided, however, that, in each case, (1) the interest rate or rates on any Bond shall not be in excess of 8.00% per annum, (2) the true interest cost for each applicable series of Bonds shall not be in excess of 6.00%, (3) the ratio of total debt service to principal of each series of Bonds shall not exceed four to one, (4) the underwriters' shall not exceed 1.00% of the principal amount of the corresponding Bonds, and (5) the Bonds shall otherwise conform to the limitations specified herein.

(b) *Bond Purchase Agreement.* The form of Bond Purchase Agreement, attached hereto as Exhibit B, is hereby approved. The County Treasurer is hereby authorized, for and in the name of the County, to execute and deliver one or more Bond Purchase Agreements in the form presented to this meeting, with such changes, insertions and omissions as the County Treasurer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the applicable Bond Purchase Agreement by the County Treasurer; provided that the terms of the applicable series of Bonds and the sale thereof shall conform in all respects with the limitations contained in this Resolution. The Bond Purchase Agreement shall recite the aggregate principal amount of each series or subseries of Bonds, the date or dates thereof, the maturity dates, principal amounts and annual rates of interest of each maturity thereof, the initial and semiannual Interest Payment Dates thereof, and the terms of optional and mandatory sinking fund redemption thereof, if any.

Section 13. Deposit and Investment of Proceeds. (a) *Deposit of Proceeds.* The proceeds of sale of the Bonds, exclusive of any premium and accrued interest received, shall be deposited in the County treasury and credited to the building fund of the District (the "Building Fund"). The District shall have sole responsibility that such proceeds be used for the purposes of the applicable Measure for which the Bonds are being issued. Any premium and accrued interest received shall be deposited upon receipt by the District in the applicable Interest and Sinking Fund of the District within the County treasury.

(b) *Investment of Proceeds.* All funds held by the County Treasurer hereunder on behalf of the District shall be invested by the County Treasurer or its agent in the County Investment Pool, any investment authorized pursuant to Sections 53601 and 53635 of the California Government Code, or in any Investment Agreement; provided that such agreements comply with the requirements of Section 148 of the Code, to the extent applicable to the related series or subseries of Bonds, and with the requirements of each rating agency then rating the Bonds necessary in order to maintain the then-current rating on the Bonds.

Subject to a determination by the Chief Business Officer, any Authorized District Officer may request the County Treasurer to invest funds held in an Interest and Sinking Fund of the District and in the Building Fund of the District in specific Investment Agreements. Pursuant to Section 5922 of the Government Code, the Board of Education has found and determined that the Investment Agreements will reduce the amount and duration of interest rate risk with respect to amounts invested pursuant to the Investment Agreements and are designed to reduce the amount or duration of payment, rate, spread or similar risk or result in a lower cost of borrowing when used in combination with the Bonds or enhance the relationship between risk and return with respect to investments of proceeds of the Bonds and funds held to pay the Bonds.

(c) *Excess Proceeds.* Any excess proceeds of the Bonds on deposit in the Building Fund not needed for the authorized purposes set forth herein for which the Bonds are being issued shall be transferred to the applicable Interest and Sinking Fund and applied to the payment of principal of, premium, if any, and interest on the Bonds; provided, however, that when all of the principal and interest on all of the Bonds have been paid, any balance then remaining in said fund shall be transferred to the general fund of the District as permitted and provided for in Section 15234 of the Education Code.

Section 14. Tax Covenant. The County acknowledges and relies upon the fact that the District has represented and covenanted that it shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on Tax-Exempt Bonds under Section 103 of the Code, and that it will comply with the requirements of each Tax Certificate of the District with respect to a series of the Bonds comprising Tax-Exempt Bonds, and further that such representation and covenant shall survive payment in full or defeasance of the Tax-Exempt Bonds.

Section 15. Limited Responsibility for Official Statement. Neither the Board of Supervisors nor any officer of the County has prepared or reviewed or will prepare or review the Official Statement of the District describing the Bonds, and this Board of Supervisors and the various officers of the County take no responsibility for the contents or distribution thereof; provided, however, that solely with respect to a section contained or to be contained therein describing the County's current portfolio holdings, and valuation procedures, as they may relate to funds of the District, the County Treasurer is hereby authorized and directed to prepare and review such information for inclusion in the Official Statement and in the preliminary Official Statement, and to certify to the District prior to or upon the issuance of each series of the Bonds that the information contained in such section does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading.

Section 16. Approval of Actions. The Chair, the Clerk, the County Auditor-Controller, the County Counsel, and the County Treasurer and the deputies and designees of any of them, are hereby authorized and directed to execute and deliver any and all certificates, representations and agreements, as may be acceptable to County Counsel, including signature certificates, no-litigation certificates, and other certificates proposed to be distributed in connection with each sale of Bonds, necessary and desirable to accomplish the transactions authorized herein.

Section 17. Severability. In the event any provision of this Resolution shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 18. Effective Date. This resolution shall take effect from and after its adoption.

The foregoing resolution was adopted on the _____ day of _____, 2024, by the Board of Supervisors of the County of Los Angeles and *ex officio* the governing body of all other special assessment and taxing districts, agencies and authorities for which the Board so acts.

JEFF LEVINSON, [Interim] Executive
Officer-Clerk of the Board of Supervisors of
the County of Los Angeles

By: _____
Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON, County Counsel

By: _____
Senior Deputy County Counsel

EXHIBIT A**FORM OF BOND**

Number: UNITED STATES OF AMERICA
R-__ STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

**LOS ANGELES UNIFIED SCHOOL DISTRICT
(COUNTY OF LOS ANGELES, CALIFORNIA)
20__ GENERAL OBLIGATION BONDS, SERIES __
(DEDICATED UNLIMITED *AD VALOREM* PROPERTY TAX BONDS)**

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Dated</u>	<u>CUSIP No.</u>
_____	_____%	_____	_____

Registered Owner: CEDE & CO.

Principal Amount: \$ _____

On behalf of the Los Angeles Unified School District, County of Los Angeles, State of California (herein called the "District"), the County of Los Angeles (the "County") hereby acknowledges itself obligated to and promises to pay, but only from taxes collected by the County for such purpose pursuant to Section 15250 of the California Education Code, to the Registered Owner identified above or registered assigns (the "Registered Owner"), on the Maturity Date set forth above or upon prior redemption hereof, the Principal Amount specified above in lawful money of the United States of America, and to pay interest thereon in like lawful money from the interest payment date next preceding the date of authentication of this Bond (unless this bond is authenticated as of a date during the period from the Record Date (as defined herein) next preceding any interest payment date to such interest payment date, inclusive, in which event it shall bear interest from such interest payment date, or unless this Bond is authenticated on or before _____ 15, 20__, in which event it shall bear interest from the date hereof); provided, that if, at the time of authentication of any Bond, interest is in default on any outstanding Bonds, this Bond shall bear interest from the interest payment date to which interest has previously been paid or made available for payment on the outstanding Bonds at the interest rate per annum stated above, payable commencing on _____ 1, 20__, and thereafter on January 1 and July 1 in each year, until payment of the principal amount hereof.

The principal hereof is payable to the Registered Owner hereof upon the surrender hereof at the principal corporate trust office of the paying agent/registrar and transfer agent of the District (the "Paying Agent"), initially U.S. Bank Trust Company, National Association, as the agent of the Treasurer and Tax Collector of the County of Los Angeles. The interest hereon is payable to the person whose name appears on the bond registration books of the Paying Agent as the Registered Owner hereof as of the close of business on the 15th day of the month preceding an interest payment date (the "Record Date"), whether or not such day is a business day, such interest

to be paid by check or draft mailed to such Registered Owner at the owner's address as it appears on such registration books, or at such other address filed with the Paying Agent for that purpose. Upon written request, given no later than the Record Date immediately preceding an interest payment date, of the owner of Bonds aggregating at least \$1,000,000 in principal amount, interest will be paid by wire transfer in immediately available funds to an account maintained in the United States as specified by the Registered Owner in such request. So long as Cede & Co. or its registered assigns shall be the Registered Owner of this Bond, payment shall be made in immediately available funds as provided in the Resolution hereinafter described.

This Bond is one of a duly authorized issue of bonds of like tenor (except for such variations, if any, as may be required to designate varying series, numbers, denominations, interest rates, maturities and redemption provisions), in the aggregate principal amount of \$_____, and designated as "Los Angeles Unified School District (County of Los Angeles, California) 20__ General Obligation Bonds, Series __ (Dedicated Unlimited *Ad Valorem* Property Tax Bonds)" (the "Bonds"). The Bonds were authorized by a vote of the voters voting at an election duly and legally called, held and conducted in the District on _____. The Bonds are issued and sold by the Board of Supervisors of the County of Los Angeles, State of California (the "Board of Supervisors") pursuant to and in conformity with the provisions of the Constitution and laws of the State of California and of a Resolution adopted by the Board of Supervisors on _____, 2024 (the "Resolution"). Capitalized undefined terms used herein have the meanings ascribed thereto in the Resolution.

The Bonds are issuable as fully registered bonds without coupons in the denomination of \$5,000 principal amount or any integral multiple thereof, provided that no Bond shall have principal maturing on more than one principal maturity date. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Resolution, Bonds may be exchanged for a like aggregate principal amount of Bonds of the same tenor and maturity of other authorized denominations.

This Bond is transferable by the Registered Owner hereof, in person or by attorney duly authorized in writing, at the principal corporate trust office of the Paying Agent, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized denomination or denominations of the same tenor, interest payments, and same aggregate principal amount will be issued to the transferee in exchange herefor.

The District and the Paying Agent may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the District and the Paying Agent shall not be affected by any notice to the contrary.

The Bonds are subject to redemption on the terms and subject to the conditions specified in the Resolution. If this Bond is called for redemption and payment is duly provided therefor, interest shall cease to accrue hereon from and after the date fixed for redemption.

All acts, conditions and things required by law to be done or performed precedent to and in the issuance of this Bond have been done and performed in conformity with the laws authorizing the issuance of this Bond; and that this Bond is in substantially the form prescribed by order of the

Board of Supervisors duly made and entered on its minutes. The Bonds represent an obligation of the District payable out of the related Interest and Sinking Fund of the District, and the money for the payment of principal hereof and premium, if any, and interest hereon, shall be raised by taxation upon the taxable property of the District.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Paying Agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

This Bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Paying Agent.

IN WITNESS WHEREOF, the County of Los Angeles has caused this Bond to be executed on behalf of the District and in their official capacities by manual or facsimile signatures of the Chair of the Board of Supervisors of the County and the Treasurer and Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Executive Officer-Clerk of the Board of Supervisors of the County, all as of the date set forth above.

COUNTY OF LOS ANGELES

Chair of the Board of Supervisors

Treasurer and Tax Collector

Countersigned:

[Interim] Executive Officer-Clerk
of the Board of Supervisors

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is one of the Bonds described in the within-mentioned Resolution and authenticated and registered on _____.

Treasurer and Tax Collector of the County of
Los Angeles, California,
as Paying Agent/Registrar and Transfer Agent

By: U.S. Bank Trust Company, National
Association, as agent

By: _____
Authorized Officer

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Paying Agent with full power of substitution in the premises.

I.D. Number

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Dated: _____

Signature Guarantee: _____
Note: Signature must be guaranteed by an eligible guarantor institution.

EXHIBIT B

FORM OF BOND PURCHASE AGREEMENT

\$(PRINCIPAL AMOUNT)
LOS ANGELES UNIFIED SCHOOL DISTRICT
(County of Los Angeles, California)
General Obligation Bonds, Series _ (202_)
(Dedicated Unlimited *Ad Valorem* Property Tax Bonds)

BOND PURCHASE AGREEMENT

[Sale Date]

County of Los Angeles
 437 Kenneth Hahn Hall of Administration
 Treasurer and Tax Collector
 500 West Temple Street
 Los Angeles, California 90012

Los Angeles Unified School District
 c/o Office of the Chief Business Officer
 333 S. Beaudry Avenue, 26th Floor
 Los Angeles, California 90017

Ladies and Gentlemen:

The undersigned, [Representatives], on their own behalf and as representatives (the “Representatives”) of the Underwriters identified on the signature page hereof (collectively, the “Underwriters”), hereby offer to enter into this Bond Purchase Agreement (the “Purchase Agreement”) with the County of Los Angeles, California (the “County”) and the Los Angeles Unified School District (the “District”), which, upon your acceptance hereof, will be binding upon the County, the District and the Underwriters. By execution of this Purchase Agreement, the County acknowledges the terms hereof and recognizes that it will be bound by certain of the provisions hereof, and to the extent binding on the County, acknowledges and agrees to such terms. This offer is made subject to the written acceptance of this Purchase Agreement by the County and the District and delivery of such acceptance to us at or prior to 11:59 PM, California Time, on the date hereof.

1. Purchase and Sale of the Bonds. (a) Upon the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriters hereby agree to purchase from the County for reoffering to the public, and the County hereby agrees to sell in the name and on behalf of the District to the Underwriters for such purpose, all (but not less than all) of the District’s \$(PA) General Obligation Bonds, Series __ (202_) (Dedicated Unlimited *Ad Valorem* Property Tax Bonds) [(Federally Taxable)] (the “Bonds”). The Bonds shall be issued in the form of current interest bonds in such principal amounts as set forth in Exhibit A hereto and shall be issued in fully registered form in the authorized denominations of \$5,000 or any integral multiple thereof. The Bonds shall bear interest payable from the date thereof and such interest shall be payable on each January 1 and July 1 to maturity, commencing July 1, 20__.

(b) The Underwriters shall purchase the Bonds at a price of \$[Purchase Price] (the “Purchase Price”) (which represents the aggregate principal amount of the Bonds, plus a net original issue premium of \$[Premium], and less Underwriters’ discount in the amount of \$[Discount]). From the Purchase Price for the Bonds, the Underwriters shall withhold and hereby agree to wire on the Closing Date (as defined below) \$[Costs of Issuance] in immediately available funds to U.S. Bank National Association, as costs administrator, to pay the costs of issuance of the Bonds as provided in Section 15 of this Purchase Agreement.

(c) Any authority, discretion, or other power conferred upon the Underwriters by this Purchase Agreement shall be exercised by the Representatives alone.

2. The Bonds. (a) The Bonds shall be dated their date of delivery, shall bear interest at the rates, shall mature in the years and amounts and shall have the redemption provisions as set forth in Exhibit A hereto. The Bonds shall otherwise be as described in, and shall be issued and secured pursuant to the provisions of (i) Section 1(b)(3) of Article XIII A of the California Constitution and Chapters 1 and 1.5 of Part 10 of Division 1 of Title 1 of the California Education Code, commencing with Section 15100 *et seq.* (collectively, the “Bond Law”), (ii) a Resolution of the Board of Education of the District (the “Board of Education”) adopted on [District Resolution Date] (the “District Resolution”), and (iii) a resolution of the Board of Supervisors of the County (the “Board of Supervisors”), adopted on [County Resolution Date], authorizing the issuance of the Bonds on behalf of the District and certain related documents and actions (the “County Resolution” and together with the District Resolution, the “Resolutions”). The Bonds were authorized under and pursuant to bond authorization approved by more than 55% of the voters of the District voting at elections held on November 4, 2008 (“Measure Q”), and November 3, 2020 (“Measure RR,” and together with Measure Q, the “Measures”). The proceeds of the Bonds will, after payment of costs of issuance therefor and capitalized interest relating thereto, fund certain school projects authorized by the Measures.

(b) Upon the written acceptance of this Purchase Agreement by the County and the District, the Representatives, on behalf of the Underwriters, shall deliver, within twenty-four (24) hours of such acceptance, by federal funds wire transfer (to the County’s account at a bank having an office located in the State of California (the “State”) and having a demand account relationship with the County and payable in immediately available funds), for the account of the County, the amount of \$[Good Faith Deposit], as a good-faith deposit (“Good Faith Deposit”) for the performance by the Underwriters of their obligations to accept and pay for the Bonds at Closing (as defined herein) in accordance with the provisions of this Purchase Agreement. Upon receipt, such amount shall be held by the County pending Closing (except as provided below), although the proceeds thereof may be invested by the County pending the Closing. At the Closing, the Underwriters shall pay or cause to be paid the Purchase Price of the Bonds, less the amount of such Good Faith Deposit, without accrued interest, and thereupon the County shall apply the amount of the Good Faith Deposit, to the payment of the balance of such Purchase Price. In the event of the County’s inability to deliver the Bonds at the Closing, or if the County or the District is unable to satisfy the conditions to the Underwriters’ obligations contained herein (unless such conditions are waived by the Underwriters), or if the Underwriters’ obligations shall be terminated for any reason permitted hereby, the County shall forthwith return the amount of the Good Faith Deposit, without accrued interest, to the Representatives immediately and, subject to Section 15 of this Purchase Agreement, such return shall constitute a full release and discharge of all claims

by the Underwriters against the County and the District arising out of the transactions contemplated by this Purchase Agreement. In the event that the Underwriters fail (other than for a reason permitted hereby) to accept and pay for the Bonds at the Closing as herein provided, the proceeds of the Good Faith Deposit, shall be retained and applied by the County and the District in full and complete liquidated damages (and not as a penalty) for such failure and as a discharge of all damages suffered on the part of the County and the District as a result of such failure.

(c) The Bonds shall be executed and delivered under and in accordance with the provisions of this Purchase Agreement, the Bond Law and the Resolutions. The Bonds shall be in definitive form, shall bear CUSIP numbers and shall be in fully registered form, registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC").

3. Use of Documents. The District and the County (as appropriate) hereby authorize the Underwriters to use, in connection with the offer and sale of the Bonds, the Resolutions, this Purchase Agreement, a Preliminary Official Statement and an Official Statement (both as defined herein) and all information contained herein and therein and all of the documents, certificates or statements furnished by the District or the County to the Underwriters in connection with the transactions contemplated by this Purchase Agreement.

4. Public Offering of the Bonds; Establishment of Issue Price. (a) The Representatives, on behalf of the Underwriters agree to make a bona fide initial public offering of all the Bonds at prices no higher than, or yields not lower than, those set forth on Exhibit A hereto. Subsequent to such initial public offering but subject to the provisions set forth below, the Underwriters reserve the right to lower such initial offering prices as the Underwriters deems necessary in connection with the marketing of the Bonds; provided, however, that the Underwriters shall not change the interest rates set forth in Exhibit A. Subject to the provisions set forth below, the Underwriters may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the initial public offering price or prices set forth on Exhibit A hereto. Subject to the provisions set forth below, the Underwriters also reserve the right to (i) over-allot or effect transactions which stabilize or maintain the market price of the Bonds at levels above those that might otherwise prevail in the open market and (ii) discontinue such stabilizing, if commenced, at any time without prior notice. The Representatives, on behalf of the Underwriters, agree to assist the District in establishing the issue price of the Bonds maturing on and after _____ (the "Tax-Exempt Bonds") and shall execute and deliver to the District at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representatives, the District and Bond Counsel (as defined herein), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Tax-Exempt Bonds. All actions to be taken by the District under this section to establish the issue price of the Tax-Exempt Bonds may be taken on behalf of the District by the District's municipal advisor, Public Resources Advisory Group (the "Municipal Advisor") and any notice or report to be provided to the District may be provided to the District's Municipal Advisor.

(b) Except as otherwise set forth in Exhibit A attached hereto, the District will treat the first (meaning single) price at which 10% of each maturity of the Tax-Exempt Bonds (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within

a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Agreement, the Representatives shall report to the District the price or prices at which the Underwriters have sold to the public each maturity of Tax-Exempt Bonds.

(c) The Representatives confirm that the Underwriters have offered the Tax-Exempt Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Tax-Exempt Bonds for which the Representatives represent that (i) the 10% test has been satisfied and (ii) the 10% test has not been satisfied and for which the District and the Representatives, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply, which will allow the District to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Tax-Exempt Bonds, the Underwriters will neither offer nor sell unsold Tax-Exempt Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the Underwriters have sold at least 10% of that maturity of the Tax-Exempt Bonds to the public at a price that is no higher than the initial offering price to the public.

[The District acknowledges that, in making the representation set forth in this subsection, the Representatives will rely on (i) the agreement of each Underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Tax-Exempt Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Tax-Exempt Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. The District further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Tax-Exempt Bonds.]

(d) The Representatives confirm that:

- (1) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the Representatives are a party) relating to the initial sale of the Tax-Exempt Bonds to the public, together with the related pricing wires,

contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A)(i) report the prices at which it sells to the public the unsold Tax-Exempt Bonds of each maturity allotted to it until it is notified by the Representatives that either the 10% test has been satisfied as to the Tax-Exempt Bonds of that maturity or all Tax-Exempt Bonds of that maturity have been sold to the public and (ii) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representatives and as set forth in the related pricing wires, (B) promptly notify the Representatives of any sale of the Tax-Exempt Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the sale of the Tax-Exempt Bonds to the public (each such term used as defined below), and (C) acknowledge that, unless advised by the Underwriter, dealer or broker-dealer, the Representative shall assume that each order submitted by the dealer or broker-dealer is a sale to the public; and

(2) any agreement among underwriters relating to the initial sale of the Tax-Exempt Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Tax-Exempt Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Tax-Exempt Bonds of each maturity allotted to it until it is notified by the Representatives or the Underwriter that either the 10% test has been satisfied as to the Tax-Exempt Bonds of that maturity or all Tax-Exempt Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representatives or the Underwriter and as set forth in the related pricing wires.

(e) The Underwriters acknowledge that sales of any Tax-Exempt Bonds to any person that is a related party to an Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(1) “public” means any person other than an underwriter or a related party;

(2) “underwriter” means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Tax-Exempt Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Tax-Exempt Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Tax-Exempt Bonds to the public);

(3) a purchaser of any of the Tax-Exempt Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation

or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(4) “sale date” means the date of execution of this Purchase Agreement by all parties.]

5. Review of Official Statement. (a) The Underwriters hereby represent that they have received and reviewed the official statement in preliminary form with respect to the Bonds, dated [POS Date] (the “Preliminary Official Statement”). The District represents that it has deemed the Preliminary Official Statement to be final as of its date, except for either revisions to or additions of the initial public offering prices, interest rates, yields, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, ratings, credit enhancement and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to Rule 15c2-12 of the Securities and Exchange Commission under the Securities and Exchange Act of 1934, as amended (“Rule 15c2-12”).

(b) The Underwriters agree that prior to the time the final official statement (the “Official Statement”) relating to the Bonds is available, the Underwriters will make available to any potential purchaser of the Bonds, upon the request of such potential purchaser, a copy of the most recent Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first class mail (or other equally prompt means) or electronic copy posted on an accessible website not later than the next business day following the date upon which each such request is received.

(c) The Underwriters agree to file the Official Statement with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system within one business day after receipt thereof from the District, but in no event later than the Closing Date (as defined below).

(d) References herein to the Preliminary Official Statement and the Official Statement include the cover page through all appendices, exhibits, reports and statements included therein or attached thereto, as the same may be amended or supplemented from time to time.

6. Closing. (a) At 8:30 a.m., California Time, on [Closing Date], or at such other time or on such other date as shall have been mutually agreed upon by the parties hereto (the “Closing,” or the “Closing Date”), the District will direct U.S. Bank National Association, as agent to the Treasurer and Tax Collector of the County (the “Treasurer”), as paying agent for the Bonds (the “Paying Agent”) to deliver to the Underwriters, through the facilities of DTC, or at such other place as the District and the Underwriters may mutually agree upon, the Bonds duly executed and in fully registered, book-entry form, and will cause the other documents hereinafter mentioned pertaining to the Bonds to be delivered at the offices of Hawkins Delafield & Wood LLP, Bond Counsel to the District (“Bond Counsel”), in Los Angeles, California, or at such other place as shall have been mutually agreed upon by the parties hereto.

(b) Upon fulfillment of all conditions to Closing herein, the Underwriters will accept such delivery and pay the Purchase Price thereof in immediately available funds (by check, wire transfer or such other manner of payment as the Representatives and the Treasurer shall reasonably

agree upon) to the order of the County and U.S. Bank National Association, as cost administrator, as provided by Section 1 hereof, less the Good Faith Deposit, as provided by Section 2 hereof.

7. Representations, Warranties and Agreements of the District. The District hereby represents, warrants and agrees with the Underwriters that:

(a) The District is a unified school district validly existing under the laws of the State, with the power to issue the Bonds pursuant to the Bond Law.

(b) (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the District has full legal right, power and authority to execute and deliver this Purchase Agreement and the Continuing Disclosure Certificate (as defined below), to adopt the District Resolution, to issue and to deliver the Bonds, and to perform its obligations under each such document or instrument (collectively, the “District Documents”), and to carry out and effectuate the transactions contemplated by the District Documents; (iii) the execution and delivery or adoption of, and the performance by the District of its obligations contained in, the Bonds and the other District Documents have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Purchase Agreement constitutes, and each of the Bonds, when issued, authenticated, delivered and sold to the Underwriters as provided herein, and each of the other District Documents, when duly executed and delivered, will constitute, a valid and legally binding obligation of the District, enforceable against the District in accordance with its terms; and (v) the District has duly authorized the consummation by it of all transactions contemplated by the District Documents.

(c) No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby, except for such actions as may be necessary to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriters may reasonably request, or which have not been taken or obtained; provided, however, that the District shall not be required to subject itself to service of process in any jurisdiction in which it is not so subject as of the date hereof.

(d) The District is not in breach of or in default under any applicable constitutional provision, law or administrative regulation of the State or the United States relating to the issuance of the Bonds or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute, in any manner which would adversely affect the transactions contemplated hereby, a default or event of default by the District under any of the foregoing.

(e) The issuance of the Bonds, the adoption, execution, delivery and performance of the District Documents, and the compliance with the provisions of the District Documents do not conflict with or result in on the part of the District a violation or breach of, or default under, any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, where such conflict, violation, breach or default, individually or in the aggregate, shall result in a material adverse change to the District that materially and adversely affects the ability of the Underwriters to market the Bonds or enforce contracts of sale on the Bonds.

(f) As of the time of acceptance hereof, except as provided in the Preliminary Official Statement and the Official Statement, no action, suit, proceeding, hearing or investigation is pending (in which service of process has been completed against the District) or, to the best knowledge of the District, threatened against the District: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices or the titles of the officials of the District to such offices; (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, or the levy of any taxes contemplated by the District Resolution, or in any way contesting or affecting the validity or enforceability of the Bonds or the other District Documents or contesting the powers of the District or its authority with respect to the Bonds or the other District Documents; (iii) contesting the completeness or accuracy of the Preliminary Official Statement; or (iv) in which a final adverse decision could (a) materially adversely affect the operations of the District or the consummation of the transactions contemplated by the District Documents, (b) declare this Purchase Agreement to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest paid on the Tax-Exempt Bonds from gross income for federal income tax purposes or the exemption of the interest paid on the Bonds from State personal income taxation.

(g) Between the date hereof and the Closing, without the prior written consent of the Representatives, the District will not have issued in the name of the District any bonds, notes or other obligations for borrowed money except for such borrowing as may be described in or contemplated by the Preliminary Official Statement and the Official Statement.

(h) The Preliminary Official Statement was as of its date and as of the date hereof (excluding information permitted to be omitted pursuant to Rule 15c2-12), and the Official Statement is, and at all times subsequent to the date of the Official Statement (or in the case of any amendment to the Official Statement pursuant to Section 7(l) of this Purchase Agreement, at the date of the delivery of the Official Statement, as amended) up to and including the Closing will be, true and correct in all material respects, and the Preliminary Official Statement contains and the Official Statement as of its date and up to and including the Closing will contain, no untrue statement of any material fact and as of its date and up to and including the Closing will not, omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which

they were made, not misleading. At the time of the Closing, there shall not have been any material adverse changes in the financial condition of the District since the date of the Official Statement.

(i) To assist the Underwriters in complying with Rule 15c2-12, the District will undertake, pursuant to the District Resolution and the Continuing Disclosure Certificate dated the Closing Date (the “Continuing Disclosure Certificate”), to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will be set forth in the Official Statement. Except as disclosed in the Preliminary Official Statement and the Official Statement, the District has not failed to comply in all material respects with any prior disclosure undertakings pursuant to Rule 15c2-12 in the last five years.

(j) Any certificates signed by any officer of the District and delivered to the Underwriters shall be deemed a representation and warranty by the District to the Underwriters, but not by the person signing the same in such person’s individual capacity, as to the statements made therein.

(k) Preparation and distribution of the Preliminary Official Statement and the Official Statement have been duly authorized by the District, and at the time of delivery of the Official Statement (or in the case of any amendment to the Official Statement pursuant to Section 7(l) of this Purchase Agreement, at the time of the delivery of the Official Statement, as amended) to the Underwriters and at all times subsequent thereto up to and including the Closing Date, the information contained therein (excluding the statements and information in APPENDIX C – “BOOK-ENTRY ONLY SYSTEM” and any information provided by the Underwriters in writing for inclusion in the Official Statement) will be true and correct in all material respects and such information will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(l) The District agrees that if at any time before the Closing any event occurs as a result of which the Official Statement as then in effect would include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, then the District shall promptly prepare or cause to be prepared and furnish (at the expense of the District) an amendment or supplement to the Official Statement that will correct such statement or omission. The District will advise the Underwriters promptly of any proposal to so amend or supplement the Official Statement and will effect such amendment or supplement in a form and manner approved by the Representatives.

(m) The audited financial statements of the District for the fiscal year ended June 30, 202_ (which is included as APPENDIX B to the Official Statement) were prepared in accordance with generally accepted accounting principles consistently applied and fairly present the financial position and results of operation of the District for the period and at the date set forth therein, and there has been no material adverse change in the business, affairs, financial position, results of operations or condition, financial or otherwise, of the

District since the date of such financial statements, except as otherwise disclosed in the Official Statement.

(n) The District Resolution has been duly adopted, has not been modified, repealed or rescinded in any respect, and is in full force and effect.

8. Representations, Warranties and Agreements of the County. The County hereby represents, warrants and agrees with the Underwriters that:

(a) The County has the power under the laws of the State to issue the Bonds pursuant to the Bond Law.

(b) (i) At or prior to the Closing, the County will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the County has full legal right, power and authority to execute and deliver this Purchase Agreement, to adopt the County Resolution, to issue and deliver the Bonds to the Underwriters on behalf of the District and to perform its obligations under each such document or instrument (collectively, the “County Documents”), and to carry out and effectuate the transactions contemplated by the County Documents; (iii) the execution and delivery or adoption of, and the performance by the County of its obligations contained in, the Bonds and the other County Documents have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Purchase Agreement constitutes, and each of the other County Documents, when duly executed and delivered in accordance with the County Resolution, will constitute, a valid and legally binding obligation of the County, enforceable against the County in accordance with its terms; and (v) the County has duly authorized the consummation by it of all transactions contemplated by the County Documents.

(c) No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby, except for such actions as may be necessary to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriters may reasonably request, or which have not been taken or obtained; provided, however, that the County shall not be required to subject itself to service of process in any jurisdiction in which it is not so subject as of the date hereof.

(d) To the best knowledge of the County, the County is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the County is a party or to which the County or any of its property or assets is otherwise subject, which breach or default would materially adversely affect the County’s ability to enter into or perform its obligations under this Purchase Agreement.

(e) To the best knowledge of the County, the issuance of the Bonds, the adoption, execution, delivery and performance of the County Documents, and the compliance with the provisions of the County Documents do not conflict with or result in on the part of the County a violation or breach of, or default under, any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the County is a party or to which the County or any of its property or assets is otherwise subject, where such conflict, violation, breach or default, individually or in the aggregate, shall result in a material adverse change to the County that materially and adversely affects the ability of the Underwriters to market the Bonds or enforce contracts of sale on the Bonds.

(f) As of the time of acceptance hereof, except as will be provided in the Official Statement, to the best knowledge of the County, no action, suit, proceeding, hearing or investigation is pending (in which service of process has been completed against the County) or threatened against the County: (i) in any way affecting the existence of the County or in any way challenging the respective powers of the several offices or the titles of the officials of the County to such offices; (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, or the levy of any taxes contemplated by the County Resolution, or in any way contesting or affecting the validity or enforceability of the Bonds or the County Documents or contesting the powers of the County or its authority with respect to the Bonds or the County Documents; or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the County or the consummation of the transactions contemplated by the County Documents or the Bonds or (b) declare the County Documents or the Bonds to be invalid or unenforceable in whole or in material part.

(g) Between the date hereof and the Closing, without the prior written consent of the Underwriters, the County will not have issued in the name and on behalf of the District any bonds, notes or other obligations for borrowed money except for such borrowing as may be described in or contemplated by the Official Statement.

(h) Any certificates signed by any officer of the County and delivered to the Underwriters shall be deemed a representation and warranty by the County to the Underwriters, but not by the person signing the same in such person's individual capacity, as to the statements made therein.

9. Covenants of the County and the District. The County and the District respectively covenant and agree with the Underwriters that:

(a) The County and the District will furnish such information, execute such instruments, and take such other action in cooperation with the Underwriters if and as the Underwriters may reasonably request in order to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions as the Underwriters may reasonably request; provided, however, that the District and the County shall not be required to consent to service of process in any jurisdiction in which they are not so subject as of the date hereof.

(b) The District hereby agrees to deliver or cause to be delivered to the Underwriters, not later than the earlier of (i) the third (3rd) business day preceding the Closing Date or (ii) the seventh (7th) business day following the date this Purchase Agreement is signed, the Official Statement substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Underwriters, the County and the District, (a) in “designated electronic format” (as defined in Rule G-32 of the Municipal Securities Rulemaking Board), and (b) in printed form in such reasonable quantities as may be requested by the Underwriters in order to permit the Underwriters to comply with paragraph (b)(4) of Rule 15c2-12 and with the rules of the Municipal Securities Rulemaking Board.

(c) The District hereby agrees to promptly notify the Underwriters of any event or occurrence that may affect the accuracy or completeness of any information set forth in the Official Statement relating to the District until the date which is twenty-five (25) days following the Closing.

(d) If at any time prior to the expiration of 25 days following the “end of the underwriting period” (as defined in Rule 15c2-12), any event known to the District or the County relating to or affecting the District, the County or the Bonds occurs which might cause the Official Statement to contain any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, the District or the County will promptly notify the Underwriters in writing of the circumstances and details of such event. If, as a result of such event or any other event, it is necessary, in the reasonable opinion of Orrick, Herrington & Sutcliffe LLP, Disclosure Counsel to the District (“Disclosure Counsel”), or the Representatives, to amend or supplement the Official Statement so that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, and if either shall have so advised the District, the District will forthwith cooperate with the Underwriters in the prompt preparation and furnishing to the Underwriters, at the expense of the District, of a reasonable number of copies of an amendment of or a supplement to the Official Statement, in form and substance satisfactory to the Underwriters, which will so amend or supplement the Official Statement so that, as amended or supplemented, it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The District and the County will presume that unless otherwise notified in writing by the Representatives, the end of the underwriting period will occur on the date of delivery of the Bonds.

(e) To assist the Underwriters in complying with Rule 15c2-12 and for the benefit of the holders and beneficial owners of the Bonds, the District will undertake to provide annual reports and notices of certain events pursuant to the Continuing Disclosure Certificate.

10. Representations, Warranties and Agreements of the Underwriters. The Underwriters represent to and agree with the District and the County that, as of the date hereof and as of the date of Closing:

(a) The Representatives are duly authorized and has been duly authorized by the Underwriters, pursuant to an agreement among the Underwriters (the “AAU”), to execute this Purchase Agreement, to act hereunder on behalf of the Underwriters and to take all actions, and waive any condition or requirement, required or permitted to be taken or waived hereunder by the Representatives or the Underwriters.

(b) Based on representations in the AAU, the Underwriters have, and have had, no financial advisory relationship (as such term is defined in California Government Code Section 53590) with the District or the County with respect to the Bonds, and no investment firm controlling, controlled by or under common control with any of the Underwriters has or has had any such financial advisory relationship (as such term is defined in California Government Code Section 53590).

(c) The Underwriters shall comply with all statutes, rules and regulations of all governmental entities in connection with the offering and sale of the Bonds.

11. Division of Responsibility Between District and County. It is specifically acknowledged and agreed by and between the District and the County that the County shall have no responsibility or liability to ensure or provide compliance with those provisions of this Purchase Agreement which are to be performed solely by the District and the District shall have no responsibility or liability to ensure or provide compliance with those provisions of this Purchase Agreement which are to be performed solely by the County.

12. Underwriters Not Acting as Agents, Advisors or Fiduciaries. The County and the District acknowledge and agree that:

(a) the Underwriters are not acting as municipal advisors within the meaning of Section 15B of the Securities and Exchange Act of 1934, as amended;

(b) the primary role of the Underwriters, as underwriters, is to purchase securities, for resale to investors, in an arm’s-length commercial transaction between the County, the District, and the Underwriters and the Underwriters have financial and other interests that differ from those of the County and the District;

(c) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriters are and have been acting solely as principals and are not acting as the agents, municipal advisors, financial advisors or fiduciaries of the County or the District, nor have the Underwriters assumed an advisory or fiduciary responsibility in favor of the County or the District;

(d) the only contractual obligations the Underwriters have to the County or the District with respect to the transaction contemplated hereby are set forth in this Purchase Agreement; and

(e) the County and the District have consulted their own legal, financial, municipal and other advisors to the extent they have deemed appropriate.

13. Conditions to Closing. The Underwriters have entered into this Purchase Agreement in reliance upon the representations and warranties of the County and the District contained herein and the performance by the District and the County of their respective obligations hereunder, both as of the date hereof and as of the date of Closing. The Underwriters' obligations under this Purchase Agreement are and shall be subject, at the option of the Underwriters, to the following further conditions at the Closing:

(a) The representations and warranties of the County and the District contained herein shall be true, complete and correct at the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriters at the Closing pursuant hereto shall be true, complete and correct on the date of the Closing; and the County and the District shall be in compliance with each of the respective agreements made by them in this Purchase Agreement.

(b) At the time of the Closing, (i) the District Documents and the County Documents shall be in full force and effect and the Resolutions and the Official Statement shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriters; (ii) all actions under the Bond Law which, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; (iii) the County and the District shall have adopted, and there shall be in full force and effect such additional resolutions, agreements, opinions and certificates (including with respect to the Tax-Exempt Bonds such certificates as may be required by regulations of the Internal Revenue Service in order to establish the tax-exempt character of the interest on the Tax-Exempt Bonds), as shall be satisfactory in form and substance to Bond Counsel to the District and to the Underwriters, and there shall have been taken in connection therewith and in connection with the execution and delivery of the Bonds all such actions as shall, in the reasonable opinion of each, be necessary in connection with the transactions contemplated hereby; (iv) all actions under the Resolutions which, in the opinion of Bond Counsel to the District, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; (v) the Bonds shall have been duly authorized, executed and delivered; and (vi) the District and the County shall perform or have performed all of their respective obligations required under or specified in the District Documents and the County Documents to be performed at or prior to the Closing.

(c) No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Purchase Agreement (and not reversed on appeal or otherwise set aside), or to the best knowledge of the County or the District, be pending (in which service of process has been completed against the County or the District) or threatened which has any of the effects described in Section 7. F. or Section 8. F. hereof or contests in any way the completeness or accuracy of either the Preliminary Official Statement or the Official Statement.

(d) Between the date hereof and the Closing, the market for or the market price or marketability of the Bonds or the ability of the Underwriters to enforce contracts for the sale of the Bonds at the initial offering prices set forth in the Official Statement, shall not have been materially adversely affected by reason of any of the following:

(1) legislation enacted by the Congress of the United States, or by the legislature of the State, or introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court of the United States or the State or by the United States Tax Court, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made:

(i) by or on behalf of the United States Treasury Department, or by or on behalf of the Internal Revenue Service or other federal or State authority, which would have the purpose or effect of changing, directly or indirectly, the federal income tax consequences with respect to the Tax-Exempt Bonds or State tax consequences of interest on obligations of the general character of the Bonds in the hands of the holders thereof; or

(ii) by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, to the effect that the Bonds, or obligations of the general character of the Bonds, including any and all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or that the Resolutions are not exempt from qualification under the Trust Indenture Act of 1939, as amended;

(2) the declaration of war or engagement in major military hostilities or escalation of hostilities by the United States or the occurrence of any other national or international emergency or calamity or crisis relating to the effective operation of the government or the financial community in the United States;

(3) the declaration of a general banking moratorium by federal, New York or State authorities having jurisdiction, or the general suspension of trading on any national securities exchange or fixing of minimum or maximum prices for trading or maximum ranges for prices for securities on any national securities exchange, whether by virtue or a determination by that exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction, or a material disruption in commercial banking or securities settlement or clearance services shall have occurred;

(4) the imposition by the New York Stock Exchange, other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds, or obligations of the general character of the Bonds, or securities generally, or the material increase of any such restrictions now in force;

(5) an order, decree or injunction of any court of competent jurisdiction, or order, filing, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws, as amended and then in effect or any proceeding shall have been commenced, against the District or the County, in connection with Bonds or obligations of the general character of the Bonds of the District or the County, by the Securities and Exchange Commission or other governmental agency having jurisdiction over the issue, offering or sale thereof;

(6) any rating of the Bonds has been downgraded, suspended or withdrawn by a national rating service that rated the Bonds or a negative qualification (e.g., “credit watch” or “negative outlook” designation) or other announcement has been made by a national rating service that rated the Bonds that the Bonds are under review without indication of a potentially favorable result, which, in the reasonable opinion of the Representatives, materially adversely affects the marketability or market price of the Bonds;

(7) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriters, makes untrue in any material adverse respect any statement or information set forth in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading; or

(8) except as disclosed in or contemplated by the Official Statement, any material adverse change in the affairs of the District.

(e) At or prior to the date of the Closing, the Underwriters shall have received the following documents, in each case dated as of the Closing Date unless otherwise specified herein and satisfactory in form and substance to the Underwriters:

(1) the approving opinion of Bond Counsel with respect to the Bonds, dated the Closing Date and addressed to the District, substantially in the form attached as APPENDIX D to the Preliminary Official Statement;

(2) a reliance letter from Bond Counsel to the effect that the Underwriters may rely upon the approving opinion of Bond Counsel described in E. (1) above;

(3) a supplemental opinion of Bond Counsel in a form acceptable to the Underwriters, dated the Closing Date and addressed to the Underwriters, to the effect that:

(i) assuming due authorization, execution and delivery by all the parties thereto, the Resolution, this Purchase Agreement and the Continuing Disclosure Certificate have each been duly authorized, executed and delivered by the respective parties thereto and constitute legal, valid and binding obligations of the District and are enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws affecting generally the enforcement of creditors' rights and except as their enforcement may be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases if equitable remedies are sought (provided that no opinion need be rendered regarding the adequacy of the Continuing Disclosure Certificate for purposes of the Rule) and by limitations on the enforcement of legal remedies against public agencies in the State;

(ii) the statements contained in the Official Statement under the captions "The Bonds" (excluding any and all information relating to The Depository Trust Company and its book-entry system and the County Treasury Pool set forth in Appendix F), "Security and Sources of Payment for the Bonds – General Description" and "Tax Matters," excluding any material that may be treated as included under such captions by cross-reference, to the extent they purport to summarize certain provisions of the Bonds, the Resolutions and the exclusion from gross income of interest on the Tax-Exempt Bonds for federal income tax purposes or the exemption of interest on the Bonds for State income tax purposes, fairly and accurately summarize the matters purported to be summarized thereto; and

(iii) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the County Resolution is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended;

(4) the Continuing Disclosure Certificate signed by an appropriate official of the District and in form and substance reasonably satisfactory to the Underwriters;

(5) a certificate signed by an appropriate official of the District to the effect that (i) such official is authorized to execute this Purchase Agreement, the Official Statement and the Continuing Disclosure Certificate; (ii) the representations, agreements and warranties of the District herein are true and correct as of the date of Closing; (iii) the District has complied with all the terms of the District Documents to be complied with by the District prior to or concurrently with the Closing and the District Documents are in full force and effect; (iv) no litigation is pending (with service of process having been accomplished) or, to the best of the District's knowledge, threatened (either in State or federal courts): (A) seeking to restrain or enjoin the execution, sale or delivery of any of the Bonds, (B) in any way contesting or affecting the authority for the execution, sale or delivery of the Bonds, the Official Statement, the Continuing Disclosure Certificate or this Purchase

Agreement, or (C) in any way contesting the existence or powers of the District; (v) such official has reviewed the Official Statement and on such basis certifies that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading; (vi) each of the conditions listed in Section 13 of this Purchase Agreement required to be satisfied by the District has been satisfied on the date thereof and the District is not aware of any other condition of this Purchase Agreement that has not been satisfied on the date thereof; and (vii) the Bonds being delivered on the date of the Closing to the Underwriters under this Purchase Agreement substantially conform to the descriptions thereof contained in the Resolutions, the Official Statement and this Purchase Agreement;

(6) a certificate signed by an appropriate official of the County to the effect that (i) such official is authorized to execute and to approve this Purchase Agreement; (ii) the representations, agreements and warranties of the County herein are true and correct as of the date of Closing; (iii) the County has complied with all the terms of the County Documents to be complied with by the County prior to or concurrently with the Closing; (iv) to the best of the County's knowledge, no litigation is pending (with service of process having been accomplished) or threatened (either in State or federal courts): (A) seeking to restrain or enjoin the execution, sale or delivery of any of the Bonds, (B) in any way contesting or affecting the authority for the execution, sale or delivery of the Bonds or this Purchase Agreement, or (C) in any way contesting the existence or powers of the County with respect to the Bonds; (v) each of the conditions listed in Section 13 of this Purchase Agreement required to be satisfied by the County has been satisfied on the date thereof and the County is not aware of any other condition of this Purchase Agreement that has not been satisfied on the date thereof; and (vii) the Bonds being delivered on the date of the Closing to the Underwriters under this Purchase Agreement substantially conform to the descriptions thereof contained in the County Resolution and this Purchase Agreement;

(7) a certificate of the Paying Agent, or its agent, as applicable, dated the date of the Closing, signed by a duly authorized officer of the Paying Agent, or its agent, as applicable, and in form and substance satisfactory to the Underwriters, to the effect that:

(i) to the best of such officer's knowledge, the representations and agreements of the Paying Agent in the Master Paying Agent Services Contract, dated as of [July 1, 2019] (the "Paying Agent Agreement"), between the County and the Paying Agent, are true and correct as of the date of the Closing;

(ii) the Paying Agent Agreement has been duly authorized, executed and delivered and, assuming due execution by the other parties thereto, is enforceable against the Paying Agent in accordance with its terms; and

- (iii) to the best of such officer's knowledge, no litigation is pending or threatened (either in State or federal courts) (A) seeking to restrain or enjoin the delivery by the Paying Agent of any of the Bonds, or (B) in any way contesting or affecting any authority of the Paying Agent for the delivery of the Bonds or the validity or enforceability of the Bonds or the Paying Agent Agreement;
- (8) a tax certificate of the District in form satisfactory to Bond Counsel with respect to the Tax-Exempt Bonds;
- (9) evidence satisfactory to the Underwriters that any ratings described in the Official Statement are in full force and effect as of the Closing Date;
- (10) the opinion of General Counsel to the District, addressed to the District, the County and the Underwriters, dated the Closing Date, to the effect that:
 - (i) the District is a unified school district validly existing under the Constitution and the laws of the State;
 - (ii) the District has the full right and lawful authority to enter into and perform its duties and obligations under the District Documents and to authorize the issuance and sale of the Bonds;
 - (iii) to the best knowledge of General Counsel to the District, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or public body, pending, or to such counsel's knowledge, threatened against the District contesting in any way the completeness or accuracy of the Official Statement or the due adoption of the District Resolution, and there is no breach or default by the District under any other instruments which is caused by the issuance of the Bonds or the execution and delivery of this Purchase Agreement or the Continuing Disclosure Certificate;
 - (iv) General Counsel to the District is not representing the District in connection with any litigation of any nature to restrain or enjoin the execution, delivery or performance of the District Documents, the Bonds or any of the proceedings taken with respect to the issuance of the Bonds, the application of monies to the payment of the Bonds or in any manner questioning the proceedings and authority under which the Bonds were authorized or challenging the validity of the Bonds, the existence or boundaries of the District or the title of the officials of the District who have acted with respect to the proceedings for the issuance of the Bonds on behalf of the District to their respective offices; and
 - (v) the Official Statement has been duly approved by the District;

(11) the opinion of County Counsel for the County (“County Counsel”), as counsel to the Board of Supervisors, addressed to the County, the District and the Underwriters, dated the Closing Date, to the effect that:

(i) the County is a political subdivision of the State, duly organized and validly existing under the Constitution and the laws of the State;

(ii) the County Resolution approving and authorizing the execution and delivery of this Purchase Agreement and the sale and issuance of the Bonds was duly adopted at a meeting of the Board of Supervisors, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting at the time of adoption of the County Resolution, and the County Resolution has not been modified, amended, rescinded or revoked and is in full force and effect on the date thereof;

(iii) to the best knowledge of County Counsel, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public authority or body, pending or threatened against the County in which service of process has been completed (a) affecting the existence of the County or the titles of its officers who have acted with respect to the proceedings for issuance and sale of the Bonds to their respective offices; (b) seeking to prohibit, restrain or enjoin the execution, delivery or performance of this Purchase Agreement or the issuance of the Bonds or in any way contesting or affecting the validity or enforceability of the Bonds or the County Documents; (c) contesting the powers of the County or its authority to enter into, adopt or perform its obligations under the County Documents; or (d) seeking to restrain or enjoin the levy or collection of tax revenues pledged for payment of the Bonds, or the application thereof to such payment; and

(iv) this Purchase Agreement has been duly authorized, executed and delivered by the County and the Bonds have been duly authorized by the County, executed by the County on behalf of the District and delivered by the County and, assuming due authorization, execution and delivery by the other parties thereto, this Purchase Agreement constitutes a legal, valid and binding obligation of the County enforceable against the County in accordance with its terms;

provided that any County Counsel opinions regarding the enforcement of the County Documents and the Bonds may be expressly limited by the effect of bankruptcy, insolvency or other laws affecting the enforcement of creditors’ rights generally and by the application of equitable principles if equitable remedies are sought and by the limitations on legal remedies imposed on actions against counties in the State;

(12) the opinion of [UC Counsel], counsel for the Underwriters (“Underwriters’ Counsel”), dated the date of Closing and addressed to the Underwriters, satisfactory in form and substance to the Underwriters;

(13) the letters of Disclosure Counsel substantially in the forms attached hereto as Exhibit C, subject to the satisfaction of the Underwriters, dated the date of Closing and addressed separately to the District and the Underwriters;

(14) a certificate, together with a fully executed copy of each of the District Resolution, of the Executive Officer of the Board of Education to the effect that:

(i) such copy is a true and correct copy of the District Resolution; and

(ii) that the District Resolution was duly adopted, has not been modified, amended, rescinded or revoked and is in full force and effect on the date of the Closing;

(15) an original or copy of the County Resolution, certified by the Executive Officer - Clerk of the Board of Supervisors;

(16) a certificate of the appropriate official of the District evidencing the District’s determination respecting the Preliminary Official Statement in accordance with Rule 15c2-12;

(17) a transcript of all proceedings relating to the authorization, issuance and delivery of the Bonds; and

(18) such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriters may reasonably request to evidence compliance (i) by the County, the District and the Paying Agent (and its agent, if applicable) with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the County and the District herein contained, and (iii) the due performance or satisfaction by the County, the District and the Paying Agent (and its agent, if applicable) at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by them.

If the County and/or the District shall be unable to satisfy the conditions to the Underwriters’ obligations contained in this Purchase Agreement or if the Underwriters’ obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be canceled by the Underwriters at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the County and the District in writing, or by telephone or electronic communication, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the County and the District hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriters may be waived by the Representatives in writing at their sole discretion.

14. Conditions to Obligations of the District. The performance by the County and the District of their obligations is conditioned upon (i) the performance by the Underwriters of their obligations hereunder and (ii) receipt by the District and the Underwriters of opinions and certificates being delivered at the Closing by persons and entities other than the County and the District.

15. Expenses. On the Closing Date, the Underwriters will wire \$_____ from the proceeds of the Bonds and as a portion of the Purchase Price of the Bonds as provided in Section 1 hereof to U.S. Bank National Association, as costs administrator, to be used to pay costs of issuance of the Bonds, including, but not limited to the following at the direction of the District: (i) the costs of the preparation and reproduction of the Resolutions; (ii) the fees and disbursements of Bond Counsel, Disclosure Counsel and the Municipal Advisor; (iii) the cost of the preparation, printing and delivery of the Bonds; (iv) the fees for Bond ratings, including all necessary expenses for travel; (v) the cost of the printing and distribution of the Preliminary Official Statement and the Official Statement, and any supplement or amendment thereto; (vi) costs, fees and expenses related to the presentation to investors; (vii) the initial fees of the Paying Agent; and (viii) all other fees and expenses incident to the issuance and sale of the Bonds or the performance of its obligations hereunder. All out-of-pocket expenses of the Underwriters, including California Debt and Investment Advisory Commission fees, CUSIP Service Bureau registration fees, Underwriters' Counsel fees, expenses for travel and other expenses of the Underwriters, shall be paid by the Underwriters out of Underwriters' discount.

16. Terms and Conditions of Bonds. By executing this Purchase Agreement, the Treasurer is exercising the authority granted to him under the County Resolution to determine the terms of the Bonds (which terms are set forth in Exhibit A hereto).

17. Notices. Any notice or other communication to be given under this Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing if to the County, to the Treasurer and Tax Collector of the County of Los Angeles at 437 Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, California 90012; if to the District, to the Chief Business Officer of the Los Angeles Unified School District, 333 S. Beaudry Avenue, 26th Floor, Los Angeles, California 90017, or if to the Representatives, to [Underwriter], [Address] Attention: _____.

18. Severability. In the event any provision of this Purchase Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

19. Parties in Interest; Survival of Representations and Warranties. This Purchase Agreement when accepted by the County and the District in writing as heretofore specified shall constitute the entire agreement among the County, the District and the Underwriters with respect to the transaction contemplated by this Purchase Agreement. This Purchase Agreement is made solely for the benefit of the County, the District and the Underwriters (including the successors or assigns of the Underwriters). No person shall acquire or have any rights hereunder or by virtue hereof. All the representations, warranties and agreements of the County and the District in this Purchase Agreement shall survive, unless waived by the Underwriters, regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriters, (b)

delivery of and payment by the Underwriters for the Bonds hereunder and (c) any termination of this Purchase Agreement.

20. Execution in Counterparts. This Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same document.

21. Applicable Law. This Purchase Agreement shall be interpreted, governed and enforced in accordance with the law of the State applicable to contracts made and performed in such State.

Very truly yours,

[Representatives] on their own behalf and as
representatives of _____

By: [Representative] as Representative

By: _____
Name:

Authorized Officer

The foregoing is hereby agreed to
and accepted as of the date first
above written:

COUNTY OF LOS ANGELES

By: _____
Chief Deputy Treasurer and Tax
Collector

Approved as to form:

DAWYN R. HARRISON
County Counsel

By: _____
Senior Deputy County Counsel

**LOS ANGELES UNIFIED SCHOOL
DISTRICT**

By: _____

EXHIBIT A

MATURITY SCHEDULES AND REDEMPTION PROVISIONS

\$[Principal Amount]
LOS ANGELES UNIFIED SCHOOL DISTRICT
(COUNTY OF LOS ANGELES, CALIFORNIA)
General Obligation Bonds, Series __ (20__)
(Dedicated Unlimited *Ad Valorem* Property Tax Bonds)

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>10% Test Satisfied*</u>	<u>10% Test Not Satisfied</u>	<u>Subject to Hold-The- Offering Price Rule</u>
<i>Taxable Bonds</i>							

Tax-Exempt Bonds

\$ _____ – _____ % Term Bonds due _____ 1, 20__ – Yield _____ % - Price _____
 [10% Test Satisfied*]

* At the time of the execution of this Purchase Agreement and assuming orders are confirmed immediately after the execution of this Purchase Agreement.

REDEMPTION PROVISIONS

[To come]

EXHIBIT B**FORM OF CERTIFICATE OF THE REPRESENTATIVES**

[REPRESENTATIVES]] have acted as the representative of the Underwriters listed in the Bond Purchase Agreement (collectively, the “Representative”) entered into in connection with the sale and issuance by the Los Angeles Unified School District (the “District”) of the Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Series _ (20__) (Dedicated Unlimited *Ad Valorem* Property Tax Bonds) maturing on the dates set forth on Schedule 1 hereto in the principal amount of \$_____ (the “Bonds”) being issued on the date hereof, and the Representatives hereby certify and represent on behalf of itself and such other Underwriters the following:

1. As of [Sale Date] (the “Sale Date”), all of the Bonds were the subject of a bona fide offering to the Public at the respective prices or yields set forth on the inside cover page of the District’s Official Statement in respect of the Bonds dated [Sale Date] (each, an “Initial Offering Price”), which are the same prices or yields shown on the final pricing wire for the offering of the Bonds attached hereto as Schedule 1.

2. As of the Sale Date, [except for the Maturities [**IDENTIFY UN/UNDERSOLD MATURITIES**] (the “Unsold Maturities”), shown on Schedule 2 attached hereto,] the first price at which 10 percent of each Maturity of the Bonds was sold by the Underwriters to the Public is set forth on Schedule 1.

3. [**HOLD THE PRICE - REPRESENTATIVES ALLOTTED UNSOLD MATURITIES**] On and following the Sale Date, with respect to the initial sales of the Unsold Maturities, the Representatives: (i) have retained the unsold principal amounts of the bonds of the Unsold Maturities as shown in Schedule 2 attached hereto and not allocated any such Unsold Maturities to any other Underwriter, and (ii) has neither offered nor sold any such Unsold Maturities to any person at a price that is higher or yield lower than the Initial Offering Price during the period starting on the Sale Date and ending on the earlier of the following: (a) the close of the fifth business day after the Sale Date, or (b) the date on which at least 10 percent of the bonds of the Unsold Maturity has been sold to the Public at a price that is at or below the Initial Offering Price. OR:

4. [**HOLD THE PRICE - SYNDICATE RETAINS BONDS**] On and following the Sale Date, with respect to the initial sales of the Unsold Maturities, the Underwriters have neither offered nor sold any Unsold Maturities to any person at a price higher than or a yield lower than the respective Initial Offering Price for a period of time starting on the Sale Date and ending on the earlier of the following: (a) the close of the fifth business day after the Sale Date, or (b) the date on which at least 10 percent of the bonds of the Unsold Maturity has been sold to the Public at a price that is at or below the Initial Offering Price.

5. The agreement among Underwriters, each selling group agreement and each retail distribution agreement (to which the Representatives are parties) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a

party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the Public the unsold Bonds of each Maturity allotted to it until it is notified by the Representative that at least 10 percent of such Maturity of the Bonds was sold by the Underwriters to the Public at a single price, and (B) with respect to the Unsold Maturities, if any, comply with the hold-the-offering-price rule, as described above, if and for so long as directed by the Representatives and as set forth in the related pricing wires.

6. The agreement among Underwriters relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the Public the unsold Bonds of each Maturity allotted to it until it is notified by the Underwriter that at least 10 percent of such Maturity of the Bonds was sold by the Underwriters to the Public at a single price, and (B) with respect to the Unsold Maturities, if any, comply with the hold-the-offering-price rule, as described above, if and for so long as directed by the Representative and as set forth in the related pricing wires.

For purposes of this Certificate, the following definitions apply:

- (a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.
- (c) *Related Party* means any entity if an Underwriter and such entity are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).
- (d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The Representatives understand that the foregoing information will be relied upon by the District with respect to certain of the representations set forth in the District's Tax Certificate and Agreement to which this certificate is included as Exhibit ____ and with respect to compliance with the federal income tax rules affecting the Bonds, and by Hawkins Delafield & Wood LLP, as bond counsel to the District, in connection with providing an opinion as to the exclusion from gross income of interest on the Bonds pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the District from time to time relating to the Bonds. The Representatives are certifying only as to facts in existence on the date hereof. Nothing herein represents the Representatives' interpretation of any laws; in particular the Treasury Regulations under the Code, or the application of any laws to these facts. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein. Although certain information furnished in this Certificate has been derived from other Underwriters and cannot be independently verified by us, we have no reason to believe it to be untrue in any material respect.

Dated: [Closing Date]

[REPRESENTATIVES]

By: _____

Name: _____

Title: _____

EXHIBIT C

FORM OF LETTERS OF DISCLOSURE COUNSEL

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Los Angeles Unified School District (the “District”) in connection with the issuance of its Bonds (defined herein), which are being issued pursuant to the laws of the State of California and the Resolution (defined herein). The District covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District and the Dissemination Agent for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 4 and 5 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Bonds” shall mean the General Obligation Bonds, Series QRR (2023) (Dedicated Unlimited *Ad Valorem* Property Tax Bonds).

“County” shall mean the County of Los Angeles, California.

“CUSIP Numbers” shall mean the Committee on Uniform Security Identification Procedure’s unique identification number for each public issue of a security.

“Dissemination Agent” shall mean Digital Assurance Certification, L.L.C., or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

“Disclosure Counsel” shall mean an attorney-at-law, or a firm of such attorneys, of nationally recognized standing in matters pertaining to the disclosure obligations under the Rule, duly admitted to the practice of law before the highest court of any state of the United States of America.

“EMMA System” shall mean the MSRB’s Electronic Municipal Market Access system, the current internet address of which is <http://emma.msrb.org>.

“Financial Obligation” shall mean, for purposes of the Listed Events set out in Section 6(b)(xv) and Section 6(b)(xvi), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include

municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Holder” shall mean either the registered owners of the Bonds, or if the Bonds are registered in the name of The Depository Trust Company or another recognized depository, any applicable participant in such depository system.

“Listed Events” shall mean any of the events listed in Section 6(b) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Disclosure Certificate.

“Official Statement” shall mean the Official Statement dated _____, 2024, with respect to the Bonds.

“Participating Underwriters” shall mean the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Resolution” shall mean collectively, the resolution adopted by the Board of Education of the District on _____, 2024, and a resolution adopted by the Board of Supervisors of the County on _____, 2024.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Transmission of Notices, Documents and Information. (a) Unless otherwise required by the MSRB, all notices, documents and information provided to the MSRB shall be provided to the EMMA System.

(b) All notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB.

Section 4. Provision of Annual Reports. (a) The District shall, or shall cause the Dissemination Agent to, not later than 240 days following the end of the District’s fiscal year (currently ending June 30), commencing with the report for the 2023-24 fiscal year (which is due not later than February 25, 2025), provide to the MSRB through its EMMA System an Annual Report which is consistent with the requirements of Section 5 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 5 of this Disclosure Certificate. If the District’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 6(c).

(b) Not later than thirty (30) days (not more than sixty (60) days) prior to the date on which the Annual Report is to be provided pursuant to subsection (a), the Dissemination Agent

shall give notice to the District that the Annual Report is so required to be filed in accordance with the terms of this Disclosure Certificate. Not later than fifteen (15) days prior to said date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If the District is unable to provide to the MSRB through its EMMA System an Annual Report by the date required in subsection (a), the Dissemination Agent shall send a timely notice of such fact to the MSRB through its EMMA System.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report to the EMMA System the date on which such Annual Report shall be due and notify the District of such date; and

(ii) (if the Dissemination Agent is other than the District) file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and that it was provided to the MSRB through the EMMA System.

Section 5. Content of Annual Reports. The District's Annual Report shall contain or include by reference the following:

(a) Audited financial statements of the District for the preceding fiscal year, prepared in accordance with the laws of the State of California and including all statements and information prescribed for inclusion therein by the Controller of the State of California. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 4 hereof, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) To the extent not included in the audited financial statements of the District, the Annual Report shall also include the following:

(i) Table [3] – “Historical Gross Assessed Valuation of Taxable Property” if and to the extent provided to the District by the County;

(ii) Table [5] – “Assessed Valuation and Parcels by Land Use”;

(iii) Table [6] – “Assessed Valuations of Single Family Homes per Parcel”;

(iv) Table [7] – “Largest Local Secured Taxpayers”;

(v) Table [9] – “Secured Tax Charges and Delinquencies,” if and to the extent provided to the District by the County;

(vi) Table [A-1] – “Average Daily Attendance”;

(vii) Table [A-4] – “District General Fund Budget” for the current fiscal year;

(viii) Table [A-20] – “Proposition BB (Election of 1997) Bonds,” if and only to the extent that bonds issued pursuant to Proposition BB or bonds that have refunded such bonds are outstanding;

(ix) Table [A-21] – “Measure K (Election of 2002) Bonds,” if and only to the extent that bonds issued pursuant to Measure K or bonds that have refunded such bonds are outstanding;

(x) Table [A-22] – “Measure R (Election of 2004) Bonds,” if and only to the extent that bonds issued pursuant to Measure R or bonds that have refunded such bonds are outstanding;

(xi) Table [A-23] – “Measure Y (Election of 2005) Bonds,” if and only to the extent that bonds issued pursuant to Measure Y or bonds that have refunded such bonds are outstanding;

(xii) Table [A-24] – “Measure Q (Election of 2008) Bonds,” if and only to the extent that bonds issued pursuant to Measure Q or bonds that have refunded such bonds are outstanding; and

(xiii) Table [A-25] – “Measure RR (Election of 2020) Bonds,” if and only to the extent that bonds issued pursuant to Measure RR or bonds that have refunded such bonds are outstanding.

(c) It shall be sufficient for purposes of Section 4 hereof if the District provides annual financial information by specific reference to documents (i) available to the public on the MSRB Internet Web site (currently, www.emma.msrb.org) or (ii) filed with the Securities and Exchange Commission. The District shall clearly identify each such other document so included by reference. The provisions of this Section 5(c) shall not apply to notices of Listed Events pursuant to Section 6 hereof.

(d) The descriptions contained in clause (b) above of financial information and operating data constituting to be included in the Annual Report are of general categories or types of financial information and operating data. When such descriptions include information that no longer can be generated because the operations to which it related have been materially changed or discontinued, or due to changes in accounting practices, legislative or organizational changes, a statement to that effect shall be provided in lieu of such information. Comparable information shall be provided if available.

Section 6. Reporting of Listed Events. (a) If a Listed Event occurs, the District shall provide or cause to be provided, in a timely manner not in excess of ten (10) Business Days of the District having notice of such Listed Event, notice of such Listed Event to (i) the EMMA System of the MSRB and (ii) the Dissemination Agent.

(b) Pursuant to the provisions of this Section 6, the District shall give, or cause to be given, notice of the occurrence of any of the following events (each, a “Listed Event”) with respect to the Bonds:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) modifications to rights of Holders, if material;
- (iv) bond calls, if material and tender offers;
- (v) defeasances;
- (vi) rating changes;
- (vii) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (Internal Revenue Service Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (viii) unscheduled draws on the debt service reserves reflecting financial difficulties;
- (ix) unscheduled draws on the credit enhancements reflecting financial difficulties;
- (x) release, substitution or sale of property securing repayment of the Bonds, if material;
- (xi) bankruptcy, insolvency, receivership or similar event of the District (such event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District);
- (xii) substitution of credit or liquidity providers, or their failure to perform;
- (xiii) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) appointment of a successor or additional Paying Agent or the change of name of a Paying Agent, if material;

(xv) incurrence of a Financial Obligation of the District, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material;

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties; and

(xvii) any amendment or waiver of a provision of this Disclosure Certificate.

The District intends to comply with the Listed Events described in Section 6(b)(xv) and Section 6(b)(xvi), and the definition of “Financial Obligation” in Section 1, with reference to the Rule, any other applicable federal securities laws and the guidance provided by the Securities and Exchange Commission in Release No. 34-83885, dated August 20, 2018 (the “2018 Release”), and any further amendments or written guidance provided by the Securities and Exchange Commission or its staff with respect to the amendments to the Rule effected by the 2018 Release. The District notes that items (viii), (ix), (x) and (xii) are not applicable to the Bonds.

(c) If the District determines that a Listed Event has occurred, the District shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to Section 3 hereof.

(d) If the Dissemination Agent has been instructed by the District to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB through its EMMA System.

(e) Notwithstanding the foregoing, notice of Listed Events described in subsections (b)(iv) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

Section 7. CUSIP Numbers. Whenever providing information to the Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements and notices of Listed Events, the District shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

Section 8. Termination of Reporting Obligation. (a) The District’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 6(c).

(b) This Disclosure Certificate, or any provision hereof, shall cease to be effective in the event that the District (1) delivers to the Dissemination Agent an opinion of Disclosure Counsel, addressed to the District and the Dissemination Agent, to the effect that those portions of the Rule which require this Disclosure Certificate, or such provision, as the case may be, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been

repealed, or otherwise, as shall be specified in such opinion, and (2) delivers copies of such opinion to the MSRB.

Section 9. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall be Digital Assurance Certification, L.L.C. If at any time there is no designated Dissemination Agent appointed by the District, or if the Dissemination Agent so appointed is unwilling or unable to perform the duties of the Dissemination Agent hereunder, the District shall be the Dissemination Agent and undertake or assume its obligations hereunder. The Dissemination Agent (other than the District) shall not be responsible in any manner for the content of any notice or report required to be delivered by the District pursuant to this Disclosure Certificate.

Section 10. Amendment; Waiver. (a) This Disclosure Certificate may be amended by the District without the consent of the holders of the Bonds (except to the extent required under clause (a)(iv)(2) below), if all of the following conditions are satisfied:

(i) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the District or the type of business conducted thereby;

(ii) this Disclosure Certificate as so amended would have complied with the requirements of the Rule as of the date of this Disclosure Certificate, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances;

(iii) the District shall have received an opinion of a nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the District, to the same effect as set forth in (a)(ii) above;

(iv) either (1) the District shall have received an opinion of a nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the District, to the effect that the amendment does not materially impair the interests of the holders of the Bonds or (2) is approved by the Holders of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Holders; and

(v) the District shall have delivered copies of such opinion and amendment to the MSRB through its EMMA system within ten (10) Business Days from the execution thereof.

(b) In addition to subsection 10(a) above, this Disclosure Certificate may be amended and any provision of this Disclosure Certificate may be waived, by written certificate of the District, without the consent of the holders of the Bonds, if all of the following conditions are satisfied:

(i) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date of this Disclosure Certificate which is applicable to this Disclosure Certificate;

(ii) the District shall have received an opinion of a nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the District, to the effect that performance by the District under this Disclosure Certificate as so amended or giving effect to such waiver, as the case may be, will not result in a violation of the Rule; and

(iii) the District shall have delivered copies of such opinion and amendment to the MSRB through its EMMA system.

(c) In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 6 hereof, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 11. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 12. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate, the Dissemination Agent may (and, at the request of any Participating Underwriters or the Holders or Beneficial Owners of at least 25% of aggregate principal amount of the Bonds then outstanding, shall) or any Holders or Beneficial Owners of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate; provided that any such action may be instituted only in the Superior Court of the State of California in and for the County of Los Angeles or in the U.S. District Court in the County of Los Angeles. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 13. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 14. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 15. Execution in Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same certificate.

Dated: _____, 2024

LOS ANGELES UNIFIED SCHOOL DISTRICT

By: _____
David D. Hart
Chief Business Officer

ACKNOWLEDGED AND AGREED TO BY:

DIGITAL ASSURANCE CERTIFICATION,
L.L.C., as Dissemination Agent

By: _____
Dissemination Agent

NEW ISSUE – BOOK-ENTRY ONLY

[DAC Logo]

RATINGS: Fitch: “[____]”

KBRA: ““[____]”

Moody’s: ““[____]”

See “MISCELLANEOUS – Ratings” herein.

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Bonds [maturing on and after July 1, 20[____]] (the “Tax-Exempt Bonds”) is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the [Tax-Exempt] Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the [Tax-Exempt Bonds] is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.]Hawkins Delafield & Wood LLP also is of the opinion that interest on the Bonds maturing on [____] 1, 20[____] (the “Federally Taxable Bonds”) is included in gross income for Federal income tax purposes pursuant to the Code.] In addition, in the opinion of Bond Counsel to the District, under existing statutes, interest on the Bonds is exempt from personal income taxes imposed by the State of California. See “TAX MATTERS” herein.

[\$[PAR]***LOS ANGELES UNIFIED SCHOOL DISTRICT****(County of Los Angeles, California)****[District
Logo]****General Obligation Bonds, Series [____] (20[____])****(Dedicated Unlimited *Ad Valorem* Property Tax Bonds)****[(Sustainability Bonds)]****[Verifiers
Logo]****Dated: Date of Delivery****Due: [July 1, as][As shown] herein**

The Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Series [____] (20[____]) (Dedicated Unlimited *Ad Valorem* Property Tax Bonds) [(Sustainability Bonds)] (the “Bonds”) are issued by the County of Los Angeles, California (the “County”), on behalf of the Los Angeles Unified School District (the “District”) to [finance certain school facilities projects, including funding capitalized interest on a portion of the Bonds] [and paying principal on the Federally Taxable Bonds], and to pay the costs of issuance of the Bonds, as more fully described herein. See “PLAN OF FINANCE.” The Bonds are being issued under the laws of the State of California (the “State”), the applicable authorizations received at elections held by the District as described herein, and pursuant to resolutions of the Board of Education of the District and the Board of Supervisors of the County.

The Bonds are general obligation bonds of the District secured by and payable from *ad valorem* property taxes to be levied within the District pursuant to the California Constitution and other State law. The Board of Supervisors of the County is empowered and is obligated to levy *ad valorem* property taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds, all as more fully described herein. See “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS.”

Interest on the [Tax-Exempt] Bonds is payable on each January 1 and July 1 to maturity, commencing [____] 1, 20[____]. [Interest on the Federally Taxable Bonds is payable at maturity.] Principal of the Bonds is payable in each of the years and in the amounts set forth on the inside front cover page hereof.

The Bonds will be issued in book-entry form only, in denominations of \$5,000 principal amount, or integral multiples thereof, and will be initially issued and registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”). DTC will act as securities depository for the Bonds. Owners will not receive certificates representing their interests in the Bonds. Payments of principal of, premium, if any, and interest on the Bonds will be made by U.S. Bank Trust Company, National Association, as agent to the Treasurer and Tax Collector of the County, as the initial paying agent, to DTC, which is obligated to remit such payments to its DTC Participants for subsequent disbursement to the beneficial owners of the Bonds. See APPENDIX C – “BOOK-ENTRY ONLY SYSTEM.”

The Bonds are subject to redemption prior to their respective stated maturity dates as described herein. See “THE BONDS – Redemption.”

[The Bonds have been designated as “Sustainability Bonds.” [Sustainability Reviewer] has provided an independent external review and opinion that the Bonds conform with the four core components of the International Capital Market Association Sustainability Bond Guidelines, and therefore qualify for Sustainability Bonds designation. For more information, see “DESIGNATION OF BONDS AS SUSTAINABILITY BONDS” herein and APPENDIX H – SUSTAINABILITY BONDS SECOND PARTY OPINION.”]

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR GENERAL REFERENCE ONLY. IT IS NOT INTENDED TO BE A SUMMARY OF THE SECURITY FOR OR TERMS OF THIS ISSUE. INVESTORS ARE ADVISED TO READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The Bonds will be offered when, as and if issued by the County on behalf of the District, and received by the Underwriters, subject to the approval as to their legality by Hawkins Delafield & Wood LLP, Los Angeles, California, Bond Counsel to the District, and certain other conditions. Certain legal matters will be passed upon for the District by the General Counsel to the District and by Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, Disclosure Counsel to the District, and for the Underwriters by [____], [____], [____]. The Bonds, in book-entry form, will be available for delivery through the facilities of DTC on or about [____], 2024.

[UNDERWRITERS TO COME]

Dated: _____, 2024

* Preliminary; subject to change.

**MATURITY DATES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL PUBLIC OFFERING
YIELDS, PRICES AND CUSIP NUMBERS***

\$(PAR)*
LOS ANGELES UNIFIED SCHOOL DISTRICT
(County of Los Angeles, California)
General Obligation Bonds, Series [] (20[])
(Dedicated Unlimited *Ad Valorem* Property Tax Bonds)
[(Sustainability Bonds)]

Base CUSIP[†] Number: 544647

\$ _____ Serial Bonds					
Maturity* [(July 1)]	Principal Amount	Interest Rate	Initial Public Offering Yield	Price	CUSIP[†] Suffix
<i>[Federally Taxable Bonds]</i>					
<i>[Tax-Exempt Bonds]</i>					

\$ _____ % Term [Tax-Exempt] Bonds due July 1, 20__; Yield _____%; Price: _____%; CUSIP[†] Suffix _____

\$ _____ % Term [Tax-Exempt] Bonds due July 1, 20__; Yield _____%; Price: _____%; CUSIP[†] Suffix _____

* Preliminary; subject to change.

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No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing.

The information contained herein has been obtained from sources that are believed to be reliable. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the District since the date hereof.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

THE BONDS HAVE NOT BEEN REGISTERED WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAVE THE RESOLUTIONS BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS.

When used in this Official Statement or in any continuing disclosure by the District, in any press release by the District or in any oral statement made with the approval of an authorized officer of the District, the words or phrases “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimate,” “project,” “forecast,” “expect,” “intend” and similar expressions identify “forward-looking statements.” Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

The District maintains a website at www.lausd.org. However, reference to such website address is for informational purposes only. Unless specified otherwise, such website and the information or links contained therein are not incorporated by reference herein, should not be relied upon in making an investment decision with respect to the Bonds, and are not part of this Official Statement for purposes of and as that term is defined in Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

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**LOS ANGELES UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION**

<u>District</u>	<u>Member</u>	<u>Term Ending</u>
5	Jackie Goldberg, President	December 16, 2024
3	Scott Schmerelson, Vice President	December 16, 2024
1	Dr. George J. McKenna III	December 16, 2024
2	Dr. Rocio Rivas	December 12, 2026
4	Nick Melvoin	December 12, 2026
6	Kelly Gonez	December 12, 2026
7	Tanya Ortiz Franklin	December 16, 2024

DISTRICT OFFICIALS

Alberto M. Carvalho, Superintendent
Jaime G. Torrens, Senior Advisor to the Superintendent
Pedro Salcido, Deputy Superintendent of Business Services and Operations
Devora Navera Reed, General Counsel
David D. Hart, Chief Business Officer
Nolberto Delgadillo, Deputy Chief Business Officer – Finance
Ernie Thomas, Controller
Timothy S. Rosnick, Director of Capital Planning and Budgeting

BOND COUNSEL

Hawkins Delafield & Wood LLP
Los Angeles, California

DISCLOSURE COUNSEL

Orrick, Herrington & Sutcliffe LLP
Los Angeles, California

MUNICIPAL ADVISOR

Public Resources Advisory Group
Los Angeles, California

PAYING AGENT

U.S. Bank Trust Company, National Association, as agent for the
Treasurer and Tax Collector of the County of Los Angeles
Los Angeles, California

SUSTAINABILITY BONDS EXTERNAL REVIEWER

[Sustainability Reviewer]
[_____, ____]

\$[PAR]*
LOS ANGELES UNIFIED SCHOOL DISTRICT
 (County of Los Angeles, California)
General Obligation Bonds, Series [] (20[])
(Dedicated Unlimited *Ad Valorem* Property Tax Bonds)
[(Sustainability Bonds)]

INTRODUCTION

This Introduction is not a summary of this Official Statement. It is only a brief description of, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and inside cover page, through the appendices hereto, and the documents summarized or described herein. The offering of the Bonds to potential investors is made only by means of the entire Official Statement. A full review should be made of the entire Official Statement.

General

This Official Statement, which includes the cover page through the appendices hereto, is provided to furnish information in connection with the sale of \$[PAR]* aggregate principal amount of Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Series [] (20[]) (Dedicated Unlimited *Ad Valorem* Property Tax Bonds) (Sustainability Bonds) (the “Bonds”) to be offered by the Los Angeles Unified School District (the “District”). [The Bonds maturing on and after July 1, 20[] are referred to herein as the “Tax-Exempt Bonds.” The Bonds maturing on [] 1, 20[] are referred to herein as the “Federally Taxable Bonds.”]

The Bonds are issued by the County of Los Angeles, California (the “County”), on behalf of the District pursuant to certain provisions of the California Education Code and other applicable law, the authorization received at certain elections held by the District as described herein, a resolution adopted by the Board of Education of the District (the “District Board”) on [], 2024 (the “District Resolution”), and a resolution adopted by the Board of Supervisors of the County on [], 2024 (the “County Resolution” and, together with the District Resolution, the “Resolutions”). The Bonds are being issued to finance certain school facilities projects, including funding capitalized interest on a portion of the Bonds [and paying principal on the Federally Taxable Bonds], and to pay the costs of issuance of the Bonds as more fully described herein. See “INTRODUCTION – Authority and Purpose for Issuance of the Bonds” and “PLAN OF FINANCE.”

THE BONDS ARE GENERAL OBLIGATION BONDS OF THE DISTRICT SECURED BY AND PAYABLE FROM *AD VALOREM* PROPERTY TAXES TO BE LEVIED UPON ALL PROPERTY SUBJECT TO TAXATION BY THE DISTRICT, WITHOUT LIMITATION AS TO RATE OR AMOUNT (EXCEPT AS TO CERTAIN PERSONAL PROPERTY WHICH IS TAXABLE AT LIMITED RATES). THE BONDS ARE NOT AN OBLIGATION OF THE COUNTY, THE STATE OF CALIFORNIA OR OF THE GENERAL FUND OF THE DISTRICT. SEE “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS.”

The District

The District, encompassing approximately 710 square miles, is located in the western section of the County in the State of California (the “State”). The District’s boundaries include virtually all of the City of Los Angeles (the “City”), all of the Cities of Cudahy, Gardena, Huntington Park, Lomita, Maywood,

* Preliminary; subject to change.

San Fernando, Vernon and West Hollywood, and portions of the Cities of Bell, Bell Gardens, Beverly Hills, Calabasas, Carson, Commerce, Culver City, Downey, Hawthorne, Inglewood, Long Beach, Lynwood, Montebello, Monterey Park, Rancho Palos Verdes, Rolling Hills Estates, Santa Clarita, Santa Monica, South Gate, and Torrance. In addition, the District provides services to several unincorporated areas of the County which include residential and industrial areas. The boundaries for the District are approximately 80% coterminous with the City, with the remaining 20% included in the smaller neighboring cities and unincorporated County areas described above. The District was formed in 1854 as the Common Schools for the City and became a unified school district in 1960.

The District is the largest public school district in the State and the largest self-governing public school district in the United States. [At the time of preparation of the District's second interim report for fiscal year 2023-24 (the "Fiscal Year 2023-24 Second Interim Report"), the transitional kindergarten ("TK") through 12th grade enrollment in the District for fiscal year 2023-24 was projected to be approximately 412,341 students, including those attending magnet, opportunity, and continuation schools and centers, locally-funded affiliated charter schools ("Affiliated Charter Schools"), and schools for people with disabilities. Such enrollment represents a decrease of 1,482 students or a decline of approximately 0.36% from the budgeted TK-12 enrollment in the District at the time of preparation of the District's original adopted budget for fiscal year 2023-24 (the "Fiscal Year 2023-24 Budget"). Such enrollment does not include students attending fiscally independent charter schools ("Fiscally Independent Charter Schools") that was budgeted at 108,702 students at the time of preparation of the Fiscal Year 2023-24 Budget. Based on enrollment projections at the time of preparation of the Fiscal Year 2023-24 Second Interim Report, the District was projecting enrollment to decline by 2.49% on average through fiscal year 2025-26. For more information regarding District enrollment and average daily attendance, see APPENDIX A – "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT GENERAL INFORMATION – Enrollment and Average Daily Attendance." See also APPENDIX A – "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT FINANCIAL INFORMATION – District Budget – *LACOE's Responses to Fiscal Year 2023-24 Budget*," for information regarding District operating deficits in relation to declining enrollment. As reflected in the District's Audited Annual Financial Report for fiscal year 2022-23, the District operated 1,238 schools and centers, which consisted of 434 elementary schools, 78 middle/junior high schools, 87 senior high schools, 59 options schools, 262 magnet centers, 67 magnet schools, 30 multi-level schools, 12 special education schools, 2 community adult schools, 7 regional occupational centers, 2 skills centers, 87 early education centers, 4 infant centers, 18 primary school centers, and 89 California State preschools in fiscal year 2022-23. As reflected in the District's Audited Annual Financial Report for fiscal year 2022-23, 51 of the District's schools were operated as Affiliated Charter Schools. In addition, as reflected in the District's Audited Annual Financial Report for fiscal year 2022-23, the District oversaw 224 Fiscally Independent Charter Schools within the District's boundaries. See APPENDIX A – "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – STATE FUNDING OF SCHOOL DISTRICTS – Charter School Funding."]

Additional information on the District is set forth in Appendices A and B. See APPENDIX A – "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION" and APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023." For specific information on the impact of the Coronavirus Disease 2019 ("COVID-19") pandemic (i) on the security and source of payment for the Bonds, see "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – Assessed Valuation of Property Within the District" and "– Tax Rates, Levies and Collections" and (ii) on the District's operations and finances, see APPENDIX A – "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – STATE FUNDING OF SCHOOL DISTRICTS – Infectious Disease Outbreak."

[For information regarding potential additional financings the District may undertake, see APPENDIX A – “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT FINANCIAL INFORMATION – Future Financings.”]

The District’s General Obligation Bond Program

Voters within the District have approved a total of \$27.605 billion of general obligation bonds in six separate bond elections since 1997, as delineated in Table 1 below, a portion of which are currently outstanding. Prior to the issuance of the Bonds, a total of \$18.906 billion of the approved general obligation bonds will have been issued, with \$8.699 billion remaining to be issued under the bond authorizations listed below (collectively, the “Authorizations”). See “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – The District’s General Obligation Bond Program and Bonding Capacity.”

TABLE 1
LOS ANGELES UNIFIED SCHOOL DISTRICT
General Obligation Bond Authorizations

Bond Authorization	Date Authorized by Voters	Percentage Approval⁽¹⁾	Amount Authorized (\$ Billions)	Amount Issued⁽²⁾ (\$ Billions)	Amount Unissued⁽²⁾ (\$ Billions)	Purposes
Proposition BB	April 8, 1997	71%	\$ 2.400	\$ 2.400	\$0.000	Health and safety improvements, computer technology and science labs, air conditioning and new construction
Measure K	November 5, 2002	68	3.350	3.350	0.000	New construction, acquisition, rehabilitation and upgrading of specifically identified school facilities
Measure R	March 2, 2004	63	3.870	3.870	0.000	New construction, acquisition, rehabilitation and upgrading of specifically identified school facilities, and installation and upgrading of information-technology infrastructure
Measure Y	November 8, 2005	66	3.985	3.985	0.000	New construction, acquisition, rehabilitation and upgrading of specifically identified school facilities, and installation and upgrading of information-technology infrastructure
Measure Q	November 4, 2008	69	7.000	4.276	2.724	New construction, acquisition, rehabilitation and upgrading of specifically identified school facilities, and installation and upgrading of information-technology infrastructure
Measure RR	November 3, 2020	71	<u>7.000</u>	<u>1.025</u>	<u>5.975</u>	New construction, acquisition, rehabilitation and upgrading of specifically identified school facilities, and implementing COVID-19 facility safety standards
Total			<u>\$27.605</u>	<u>\$18.906</u>	<u>\$8.699</u>	

⁽¹⁾ Measure K, Measure R, Measure Y, Measure Q and Measure RR were approved pursuant to the provisions of Proposition 39, which requires approval of at least 55% of voters voting on the proposition. Proposition BB was approved pursuant to the provisions of Proposition 46, which requires approval of at least two-thirds of voters voting on the proposition.

⁽²⁾ Amounts do not take into account the issuance of the Bonds. See also APPENDIX A – “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT FINANCIAL INFORMATION – District Debt – *General Obligation Bonds*” for the amounts of outstanding general obligation bonds under the referenced Authorizations. Excludes general obligation refunding bonds.

Source: Los Angeles Unified School District.

In addition to the bond proceeds from the six Authorizations referred to above, the District has received State-matching funds and other revenue sources to fund the general obligation bond program's various projects. The District may continue to receive other revenue sources, including State-matching funds; however, additional funding is not guaranteed. The District's general obligation bond program has completed all projects that enabled the District to operate all schools on a traditional two-semester calendar in the 2018-19 school year. [In addition, approximately 23,900 new school construction, rehabilitation, modernization and replacement projects, which are intended to upgrade facilities and improve the learning environment for students, have been completed.] The program includes, among other things, various school facilities improvements for computer technology, sustainability, information technology systems and school buses.

Authority and Purpose for Issuance of the Bonds

The Bonds are issued pursuant to provisions of Section 1(b)(3) of Article XIII A of the State Constitution, Chapters 1 and 1.5 of Part 10 of Division 1 of Title 1 of the California Education Code and other applicable law, the [Measure Q Authorization (defined below), the Measure RR Authorization (defined below), and the Resolutions. A portion of the proceeds of the Bonds attributable to the Measure Q Authorization (defined below) will, after payment of costs of issuance thereto, fund certain school projects (collectively, the "Measure Q Projects") approved by voters in the November 4, 2008 election approving Measure Q (the "Measure Q Authorization"). A portion of the proceeds of the Bonds attributable to the Measure RR Authorization (defined below) will, after payment of costs of issuance therefor, fund certain school projects (collectively, the "Measure RR Projects") approved by voters in the November 3, 2020 election approving Measure RR (the "Measure RR Authorization"). A portion of the proceeds of the Bonds is also expected to fund capitalized interest on a portion of the Bonds through [_____] 1, 20[_____] and pay principal on the Federally Taxable Bonds. See "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS." Measure Q and Measure RR are each referred to herein as a "Measure."]

Security and Source of Payment for the Bonds

The Bonds are payable from *ad valorem* property taxes to be levied within the District pursuant to the California Constitution, other State law and each Measure. The Board of Supervisors of the County is empowered and is obligated to levy *ad valorem* property taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds, all as more fully described herein. Such *ad valorem* property taxes are deposited in the related Interest and Sinking Fund of the District, which is established for the Bonds of the related Measure and held by the County and may only be applied to pay the principal of, redemption premium, if any, and interest on the Bonds of such Measure. Pursuant to the Resolutions, the term "Interest and Sinking Fund" means each interest and sinking fund of the District, designated to correspond to the applicable general obligation bonds or general obligation refunding bonds of the District and related voter-approved bond measure of the District established for such bonds and used only for payment of principal of and interest on such bonds.

Pursuant to the District Resolution, the District pledges and grants a lien on and security interest in, all revenues from the property taxes collected from the levy by the Board of Supervisors with respect to each voter-approved bond measure of the District for payment of bonds issued under such measure of the District and all amounts on deposit in any Interest and Sinking Fund of the District for the payment of the principal or redemption price of and interest on such bonds. The District Resolution provides that this pledge and grant is valid and binding from the date of adoption of the District Resolution for the benefit of the owners of such bonds and successors thereto. The District Resolution further provides that the property taxes and amounts held in each Interest and Sinking Fund of the District are immediately subject to this pledge and grant, and that this pledge and grant constitutes a lien and security interest which immediately

attaches to the property taxes and amounts held in such Interest and Sinking Fund of the District to secure the payment of such bonds and is effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge or grant, and without the need of any physical delivery, recordation, filing, or further act. The District Resolution provides that this pledge and grant is an agreement between the District and the owners of each series of Bonds and of each issue of outstanding general obligation bonds and general obligation refunding bonds to provide security for each series of Bonds and all such other general obligation bonds and general obligation refunding bonds of the District in addition to any statutory lien that may exist, and each such issue of general obligation bonds and general obligation refunding bonds of the District are or were issued to finance or refinance, as applicable, one or more of the projects specified in the applicable voter-approved measure and not to finance the general purposes of the District. In accordance with Section 15251 of the Education Code, such bonds are also automatically secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax for the applicable Measure. See “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS.”

Other Information

This Official Statement contains brief descriptions of, among other things, the District, the District’s general obligation bond program, the Resolutions and certain matters relating to the security and source of payment for the Bonds. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to documents are qualified in their entirety by reference to such documents. Copies of such documents are available for inspection at the District by request to the Office of the Chief Business Officer at (213) 241-7888 and, following delivery of the Bonds will be on file, as applicable, at the principal office of U.S. Bank Trust Company, National Association, as agent to the Treasurer and Tax Collector of the County, as paying agent (the “Paying Agent”), in Los Angeles, California.

PLAN OF FINANCE*

[A portion of the proceeds of the Bonds attributable to the Measure Q Authorization will be applied to fund the costs of various components of the Measure Q Projects in accordance with the ballot measure for the Measure Q Authorization. The Measure Q Authorization includes a number of specifically identified projects that can be funded with the proceeds of the Bonds attributable to the Measure Q Authorization, which was summarized to the District’s voters to include: repair/upgrade of aging/deteriorating classrooms, restrooms; upgrade fire/earthquake safety; reduce asbestos, lead paint, air pollution, water quality hazards; build/upgrade specialized classrooms students need to meet job/college requirements; and improve classroom Internet access.]

[A portion of the proceeds of the Bonds attributable to the Measure RR Authorization will be applied to fund the costs of various components of the Measure RR Projects in accordance with the ballot measure for the Measure RR Authorization. The Measure RR Authorization includes a number of specifically identified projects that can be funded with the proceeds of the Bonds attributable to the Measure RR Authorization, which was summarized to the District’s voters to include: update classrooms/labs/technology for 21st century learning; implement COVID-19 facility safety standards; address school facility inequities; reduce asbestos, earthquake and water quality hazards; and replace/renovate aging school classrooms/buildings.]

* Preliminary; subject to change.

A portion of the proceeds of the Bonds will also be used to pay the costs of issuance of the Bonds, including the underwriters' discount. Premium received from the Bonds will be used to pay capitalized interest on a portion of the Bonds and principal on the Federally Taxable Bonds.

DESIGNATION OF THE BONDS AS SUSTAINABILITY BONDS

[INFORMATION TO COME UPON SELECTION OF SUSTAINABILITY REVIEWER.]

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds with respect to the Bonds are as follows:

TABLE 2
ESTIMATED SOURCES AND USES OF FUNDS

Estimated Sources of Funds

Principal Amount

[Net] Original Issue [Premium/Discount]

Total Sources

Estimated Uses of Funds

Deposit to Building Fund

Deposit to Interest and Sinking Fund⁽¹⁾

Underwriters' Discount

Costs of Issuance⁽²⁾

Total Uses

⁽¹⁾ Expected to fund capitalized interest on a portion of the Bonds through [] 1, 20[][, and pay principal on the Federally Taxable Bonds].

⁽²⁾ Includes fees of Bond Counsel, Disclosure Counsel, Paying Agent, Municipal Advisor, rating agencies, and printer, and other miscellaneous expenses, including a portion of the election costs relating to Measure [].

THE BONDS

General Provisions

The Bonds will be dated their date of delivery, will be issued in book-entry form only, without coupons, in denominations of \$5,000 principal amount or any integral multiple thereof, and, when issued, will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository for the Bonds. Owners will not receive physical certificates representing their interest in the Bonds purchased, except in the event that use of the book-entry system for the Bonds is discontinued. Payments of principal of, premium, if any, and interest on the Bonds will be made by the Paying Agent to DTC, which is obligated in turn to remit such payments to its DTC Participants for subsequent disbursement to the beneficial owners of the Bonds. For information about the securities depository and DTC's book-entry system, see APPENDIX C – "BOOK-ENTRY ONLY SYSTEM."

The Bonds mature in the years and on the dates set forth on the inside front cover page hereof. Interest on the [Tax-Exempt] Bonds is payable on each January 1 and July 1 to maturity, commencing on [] 1, 20[] (each, [a][an] "[Tax-Exempt] Interest Payment Date"). Interest on the [Federally Taxable] Bonds is payable at maturity (the "Taxable Interest Payment Date" and together with the Tax-Exempt Interest Payment Dates, the "Interest Payment Dates"). Interest on the Bonds will be computed based on a 360-day year of twelve 30-day months. Each Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless it is authenticated as of a date during the period from

the 15th day of the calendar month immediately preceding such Interest Payment Date, inclusive, whether or not such day is a business day (each, a “Record Date”) to such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless it is authenticated on or before the Record Date preceding the first Interest Payment Date, in which event it shall bear interest from the date of delivery of the Bonds.

Redemption*

Optional Redemption. The Bonds maturing on or after July 1, 20__, are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after July 1, 20__, at a redemption price equal to the principal amount of such Bonds called for redemption, together with interest accrued thereon to the date of redemption, without premium.

Mandatory Sinking Fund Redemption. The Bonds maturing on July 1, 20__ are subject to mandatory sinking fund redemption on July 1 in each of the years and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed, together with interest accrued thereon to the date fixed for redemption, without premium:

Mandatory Sinking Fund Redemption Date (July 1)	Principal Amount to be Redeemed
	\$
†	
† Maturity.	

The principal amount to be redeemed in each year shown above will be reduced proportionately, or as otherwise directed by the District, in integral multiples of \$5,000 principal amount, by any portion of such term bonds optionally redeemed prior to the mandatory sinking fund redemption date.

The Bonds maturing on July 1, 20__ are subject to mandatory sinking fund redemption on July 1 in each of the years and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed, together with interest accrued thereon to the date fixed for redemption, without premium:

Mandatory Sinking Fund Redemption Date (July 1)	Principal Amount to be Redeemed
	\$
†	

* Preliminary; subject to change.

† Maturity.

The principal amount to be redeemed in each year shown above will be reduced proportionately, or as otherwise directed by the District, in integral multiples of \$5,000 principal amount, by any portion of such term bonds optionally redeemed prior to the mandatory sinking fund redemption date.

Selection of Bonds upon Redemption. If less than all of the Bonds, if any, are subject to such redemption and are called for redemption, such Bonds shall be redeemed as directed by the District, and if less than all of the Bonds of any given maturity are called for redemption, the portions of such Bonds of a given maturity to be redeemed shall be determined by lot in any manner deemed fair by the Paying Agent.

Notice of Redemption. Notice of any redemption of any Bonds is required to be mailed by the Paying Agent, postage prepaid, not less than twenty (20) nor more than sixty (60) days prior to the redemption date (i) by first class mail to the County and the respective Owners thereof at the addresses appearing on the bond registration books, and (ii) as may be further required in accordance with the Continuing Disclosure Certificate relating to the Bonds.

Each notice of redemption is required to contain the following: (i) the date of such notice; (ii) the name of the Bonds and the date of issue of such Bonds; (iii) the redemption date; (iv) the redemption price; (v) the dates of maturity or maturities of the Bonds to be redeemed; (vi) if less than all of the Bonds of any maturity are to be redeemed, the distinctive numbers of the Bonds of each maturity to be redeemed; (vii) in the case of Bonds redeemed in part only, the respective portions of the principal amount of the Bonds of each maturity to be redeemed; (viii) the CUSIP number, if any, of each maturity of Bonds to be redeemed; (ix) a statement that such Bonds must be surrendered by the Owners at the principal corporate trust office of the Paying Agent, or at such other place or places designated by the Paying Agent; (x) notice that further interest on such Bonds will not accrue after the designated redemption date; and (xi) in the case of a conditional notice, that such notice is conditioned upon certain circumstances and the manner of rescinding such conditional notice.

Effect of Notice. A certificate of the Paying Agent that the notice of redemption that has been given to Owners as herein provided shall be conclusive as against all parties. Neither the failure to receive the notice of redemption, nor any defect in such notice shall affect the sufficiency of the proceedings for the redemption of the Bonds called for redemption or the cessation of interest on the date fixed for redemption. When notice of redemption has been given substantially as provided for in the County Resolution, and when the redemption price of such Bonds called for redemption is set aside for the purpose as described in the County Resolution, the Bonds designated for redemption shall become due and payable on the specified redemption date and interest shall cease to accrue thereon as of the redemption date, and upon presentation and surrender of such Bonds at the place specified in the notice of redemption, such Bonds are required to be redeemed and paid at the redemption price thereof out of the money provided therefor. The Owners of such Bonds so called for redemption after such redemption date shall be entitled to payment thereof only from the related Interest and Sinking Fund of the District or the trust fund established for such purpose. All Bonds redeemed will be cancelled forthwith by the Paying Agent and will not be reissued.

Right to Rescind Notice. The District may rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the owners of the Bonds so called for redemption. Any optional redemption and notice thereof shall be rescinded if for any reason on the date fixed for redemption moneys are not available in the related Interest and Sinking Fund of the District or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of and premium, if any, and interest due on the Bonds called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the owner of any Bond of notice of such rescission

shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

Redemption Fund. Prior to or on the redemption date of any Bonds, there shall be available, in the related Interest and Sinking Fund of the District, or held in trust for such purpose as provided by law, monies for the purpose and sufficient to redeem, at the redemption prices as provided therefor, the Bonds designated in the notice of redemption. Such monies set aside for the Bonds are required to be applied on or after the redemption date solely for payment of principal of and premium, if any, and interest due on the Bonds to be redeemed upon presentation and surrender of such Bonds provided that all monies in the related Interest and Sinking Fund of the District shall be used for the purposes established and permitted by law. Any interest due on or prior to the redemption date shall be paid from the related Interest and Sinking Fund of the District, unless otherwise provided to be paid from such monies held in trust. If, after all of the Bonds have been redeemed and cancelled or paid and cancelled, there are monies remaining in the related Interest and Sinking Fund of the District or otherwise held in trust for the payment of the redemption price of such Bonds, the monies are required to be held in or returned or transferred to any Interest and Sinking Fund of the District for payment of any outstanding bonds of the District payable from such fund; provided, however, that if those monies are part of the proceeds of bonds of the District, the monies shall be transferred to the fund created for the payment of principal of and interest on such bonds. If no such bonds of the District are at such time outstanding, the monies shall be transferred to the general fund of the District as provided and permitted by law.

Defeasance and Unclaimed Moneys

Defeasance. If at any time the District pays or causes to be paid or there shall otherwise be paid to the Owners of any or all of the outstanding Bonds all or any part of the principal of and premium, if any, and interest on such Bonds at the times and in the manner provided in the County Resolution and in such Bonds, or as provided in the following paragraph, or as otherwise provided by law consistent herewith, then such Owners of such Bonds shall cease to be entitled to the obligation of the District as provided in the County Resolution, and such obligation and all agreements and covenants of the District and of the County to such Owners under the County Resolution and such Bonds shall thereupon be satisfied and discharged and shall terminate, except only that the District shall remain liable for payment of all principal of and premium, if any, and interest on such Bonds, but only out of monies on deposit in the related Interest and Sinking Fund of the District or otherwise held in trust for such payment; and provided further, however, that the provisions of the County Resolution, shall apply in all events. See “– Unclaimed Moneys” below.

The District may pay and discharge any or all of the Bonds by depositing in trust with the Paying Agent or an escrow agent, selected by the District, at or before maturity, money and/or Defeasance Securities (as defined herein), in an amount which will, together with the interest to accrue thereon and available monies then on deposit in the related Interest and Sinking Fund of the District, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates.

The term “Defeasance Securities” means (i) non-callable direct and general obligations of the United States of America (including state and local government series), or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including, in the case of direct and general obligations of the United States of America, evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations; provided that investments in such proportionate interests must be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are

held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; (ii) non-callable obligations of government sponsored agencies that are rated in one of the two highest rating categories assigned by Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P") or Moody's Investors Service ("Moody's"), but in each case the obligations are not guaranteed by a pledge of the full faith and credit of the United States of America; and (iii) Advance Refunded Municipal Securities (defined herein).

The term "Advance Refunded Municipal Securities" means any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local government unit of any such state (i) which are not callable prior to maturity or as to which irrevocable instructions have been given to the trustee, fiscal agent or other fiduciary for such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds or other obligations for redemption on the date or dates specified in such instructions, (ii) which are secured as to principal of, premium, if any, and interest by a fund consisting only of cash, direct United States or United States guaranteed obligations, or any combination thereof, which fund may be applied only to the payment of such principal of, premium, if any, and interest on such bonds or other obligations on the maturity date or dates thereof or the redemption date or dates specified in the irrevocable instructions referred to in clause (i) above, as appropriate, and (iii) as to which the principal of, premium, if any, and interest on the bonds and obligations of the character described in clause (i) above which have been deposited in such fund, along with any cash on deposit in such fund, have been verified by an independent certified public accountant as being sufficient to pay principal of, premium, if any, and interest on such bonds or other obligations on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in clause (i) above, as applicable.

Unclaimed Moneys. Any money held in any fund created pursuant to the County Resolution, or by the Paying Agent or an escrow agent in trust, for the payment of the principal of, premium, if any, and interest on the Bonds, and remaining unclaimed for two years after the principal of all of the Bonds has become due and payable (whether by maturity or upon prior redemption) shall be transferred to any Interest and Sinking Fund of the District for payment of any outstanding bonds of the District payable from that fund; or, if no such bonds of the District are at such time outstanding, the monies shall be transferred to the general fund of the District as provided and permitted by law.

SECURITY AND SOURCE OF PAYMENT FOR THE BONDS

General Description

The Bonds are payable from *ad valorem* property taxes to be levied within the District pursuant to the California Constitution and other State law. In order to provide sufficient funds for repayment of principal and interest when due on the Bonds, the Board of Supervisors of the County is empowered and is obligated to levy *ad valorem* property taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates). When collected, such *ad valorem* property taxes are required by law to be deposited in the related Interest and Sinking Fund of the District, which is established for the Bonds of the related Measure and held and maintained by the County and may only be applied to pay the principal of, redemption premium, if any, and interest on the Bonds of such Measure. Such taxes are in addition to but separate from other taxes levied upon property within the District that are deposited by the County in the General Fund of the District. The District does not receive such funds, nor are they available to pay any of the District's operating expenses.

Under California law, the District's funds are required to be held by the Treasurer and Tax Collector of the County (the "County Treasurer"). All funds held by the County Treasurer in each Interest and Sinking

Fund of the District are expected to be invested at the discretion of the County Treasurer on behalf of the District in such investments as are authorized by Section 53601 and following of the California Government Code and the investment policy of the County, as either may be amended or supplemented from time to time. See APPENDIX F – “THE LOS ANGELES COUNTY TREASURY POOL.”

Pledge of Tax Revenues

Pursuant to the District Resolution, the District pledges and grants a lien on and security interest in, all revenues from the property taxes collected from the levy by the Board of Supervisors with respect to each voter-approved bond measure of the District for payment of bonds issued under such measure of the District and all amounts on deposit in any Interest and Sinking Fund of the District for the payment of the principal or redemption price of and interest on such bonds. The District Resolution provides that this pledge and grant is valid and binding from the date of adoption of the District Resolution for the benefit of the owners of such bonds and successors thereto. The District Resolution further provides that the property taxes and amounts held in each Interest and Sinking Fund of the District are immediately subject to this pledge and grant, and this pledge and grant constitutes a lien and security interest which immediately attaches to the property taxes and amounts held in such Interest and Sinking Fund of the District to secure the payment of such bonds and is effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge or grant, and without the need of any physical delivery, recordation, filing, or further act. The District Resolution provides that this pledge and grant is an agreement between the District and the owners of the Bonds and of each issue of outstanding general obligation bonds and general obligation refunding bonds to provide security for the Bonds and all such other general obligation bonds and general obligation refunding bonds of the District in addition to any statutory lien that may exist, and each such issue of general obligation bonds and general obligation refunding bonds of the District are or were issued to finance or refinance, as applicable, one or more of the projects specified in the applicable voter-approved measure and not to finance the general purposes of the District. In accordance with Section 15251 of the Education Code, such bonds are also automatically secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax for the applicable Measure. See “ – Statutory Lien on Taxes (Senate Bill 222)” below.

The pledge of tax revenues provided for in the District Resolution specifies that said lien secures the Bonds and other bonds that may be issued in the future. Further, previous general obligation bonds of the District have been issued under resolutions which pledge tax revenues to secure the general obligation bonds and the general obligation refunding bonds issued thereunder and the District may provide for a similar pledge of tax revenues in resolutions adopted in the future that authorize general obligation bonds and general obligation refunding bonds. The District Resolution does not specify the relative priority of obligations so secured or a method of allocation in the event that the revenues received pursuant to the levy and collection of the tax are insufficient to pay all amounts then due and owing that are secured by the lien of the pledges.

Statutory Lien on Taxes (Senate Bill 222)

Pursuant to Section 53515 of the California Government Code (which became effective on January 1, 2016, as part of Senate Bill 222), all general obligation bonds issued by local agencies, including refunding bonds, will be secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax. California Education Code Section 15251 provides for a similar lien for bonds issued and sold by school districts (including the Bonds) pursuant to Chapter 1 of Part 10 of Division 1 of Title 1 of the California Education Code. Section 53515 of the California Government Code and Section 15251 of the California Education Code provide that the lien will automatically arise, without the need for any action or authorization by the local agency or its governing board, and will be valid and binding from the time the bonds are executed and delivered. Section 53515 and Section 15251 further provide that the revenues

received pursuant to the levy and collection of the tax will be immediately subject to the lien, and the lien will immediately attach to the revenues and be effective, binding and enforceable against the local agency or school district, as applicable, its successor, transferees and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for physical delivery, recordation, filing or further act.

This statutory lien, by its terms, secures not only the Bonds, but also any other bonds of the District payable, as to both principal and interest, from the proceeds of *ad valorem* property taxes that may be levied pursuant to paragraphs (2) and (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution. The statutory lien provision does not specify the relative priority of obligations so secured or a method of allocation in the event that the revenues received pursuant to the levy and collection of the tax are insufficient to pay all amounts then due and owing that are secured by the statutory lien.

California Constitutional and Statutory Provisions Relating to *Ad Valorem* Property Taxes

Article XIII A of the California Constitution. On June 6, 1978, California voters approved Proposition 13, adding Article XIII A to the California Constitution. Article XIII A limits the amount of any *ad valorem* property tax on real property to one percent of the full cash value thereof, except that additional *ad valorem* property taxes may be levied to pay debt service (i) on indebtedness approved by the voters prior to July 1, 1978, (ii) (as a result of an amendment to Article XIII A approved by California voters on June 3, 1986) on bonded indebtedness for the acquisition or improvement of real property that has been approved on or after July 1, 1978 by two-thirds of the voters voting on such indebtedness, and (iii) (as a result of a constitutional amendment approved by California voters on November 7, 2000) on bonded indebtedness incurred for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities, approved by 55 percent of the voters voting on the bond measure. Article XIII A effectively prohibits the levying of any other *ad valorem* property tax above the 1% limit except for taxes to support indebtedness approved by the voters as described above.

Article XIII A defines full cash value to mean “the county assessor’s valuation of real property as shown on the 1975-1976 tax bill under full ‘cash value,’ or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment.” Assessed value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or to reflect a reduction in the consumer price index or comparable data for the area under taxing jurisdiction, or may be reduced in the event of declining property value caused by substantial damage, destruction or other factors. As a result, property that has been owned by the same taxpayer for many years can have an assessed value that is much lower than the market value of the property. Similar property that has recently been acquired may have a substantially higher assessed value reflecting the recent acquisition price. Increases in assessed value in a taxing area due to the change in ownership of property may occur even when the rate of inflation or consumer price index do not permit an increase in assessed valuation of property that does not change ownership. Proposition 13 has had the effect of stabilizing assessed valuation such that it does not fluctuate as significantly as the market value of property, but instead gradually changes as longer owned residential properties are transferred and reassessed upon such transfer. On June 18, 1992, the United States Supreme Court issued a decision upholding the constitutionality of Article XIII A (*Nordlinger v. Hahn*, 112 S. Ct. 2326, 120 L. Ed. 2d 1 (1992)).

Article XIII A has subsequently been amended to permit reduction of the full cash value base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the full cash value base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways. Proposition 8, approved by the voters in November of 1978, provides for the enrollment of the lesser of the base year value or the market value of

real property, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property, or other factors causing a similar decline. In these instances, the market value is required to be reviewed annually until the market value exceeds the base year value. The assessed value increases to its pre-reduction level (escalated to the annual inflation rate of no more than two percent) following the year(s) for which the reduction is applied. Reductions in assessed value could result in a corresponding increase in the annual tax rate levied by the County to pay debt service on the Bonds.

Legislation Implementing Article XIII A. Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The one percent property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the two percent annual adjustment are allocated among the various jurisdictions in the “taxing area” based upon their respective “situation.” Any such allocation made to a local agency continues as part of its allocation in future years. All taxable property is shown at full assessed value on the tax rolls. Consequently, the one percent tax rate is expressed as \$1 per \$100 of taxable value.

Prospective purchasers of the Bonds should be aware that, notwithstanding any decrease in assessed valuation for any fiscal year, the County is required to levy sufficient taxes to pay debt service on the Bonds. The consequence of any decrease in assessed valuation is a corresponding increase in the tax rate on taxable property so that sufficient tax revenues may be collected from taxpayers to pay debt service on the Bonds in full when due.

Assessed Valuation of Property Within the District

General. As required by State law, the District uses the services of the County for the assessment and collection of taxes for District purposes. District taxes are collected at the same time and on the same tax rolls as are the County, the City of Los Angeles and other local agency and special district taxes.

State law exempts \$7,000 of the full cash value of an owner-occupied dwelling from property tax, but this exemption does not result in any loss of revenue to local entities, including the District, because an amount equivalent to the taxes which would have been payable on such exempt values is paid by the State to the County for distribution to local agencies. The County levies property taxes on behalf of taxing agencies in the County for each fiscal year on taxable real and personal property which is situated in the County as of the preceding January 1. However, upon a change in ownership of property or completion of new construction, State law permits the County to recognize changes in the assessed valuation of real property before the next regular assessment role is complete in order to levy taxes based on the new assessed value. In such instances, the property is reassessed and a supplemental tax bill is sent to the new owner based on the new value prorated for the balance of the tax year.

The fiscal year 2023-24 Assessment Roll for property within the District’s boundaries reflects an increase of approximately 5.96% in assessed value from the prior year. Under State law, in addition to reassessments requested by property owners pursuant to Proposition 8 when the current market value of property is less than assessed value as of January 1, the county assessor annually initiates reviews of property for reassessments due to decline-in-value. See “—*Appeals of Assessed Valuation; Blanket Reductions of Assessed Values*” below.

TABLE 3
LOS ANGELES UNIFIED SCHOOL DISTRICT
Historical Gross Assessed Valuation of Taxable Property⁽¹⁾
Fiscal Years 2009-10 through 2023-24
(\$ in thousands)

Fiscal Year	Secured⁽²⁾	Unsecured	Total⁽²⁾	Change From Prior Year	Percent Change
2009-10	\$451,127,882	\$23,849,409	\$474,977,291	\$187,493	--
2010-11	442,092,473	21,753,078	463,845,551	(11,131,740)	(2.34)%
2011-12	447,830,204	21,265,021	469,095,225	5,249,674	1.13
2012-13	458,767,053	21,308,439	480,075,492	10,980,267	2.34
2013-14	482,043,584	21,634,336	503,677,920	23,602,428	4.92
2014-15	510,371,502	22,562,705	532,934,207	29,256,287	5.81
2015-16	546,807,059	23,362,404	570,169,464	37,235,257	6.99
2016-17	581,473,213	24,495,794	605,969,007	35,799,543	6.28
2017-18	619,162,082	25,342,665	644,504,747	38,535,740	6.36
2018-19	665,355,078	27,377,547	692,732,625	48,227,878	7.48
2019-20	710,954,606	28,442,486	739,397,092	46,664,467	6.73
2020-21	759,004,739	28,679,270	787,684,010	48,286,918	6.53
2021-22	790,822,215	27,581,051	818,403,266	30,719,256	3.90
2022-23	848,435,713	29,196,328	877,632,041	59,228,775	7.24
2023-24	898,345,149	31,634,928	929,980,077	52,348,036	5.96

⁽¹⁾ Full cash value.

⁽²⁾ Includes utility valuations.

Source: California Municipal Statistics, Inc.

Assessed Valuation Reductions. Assessments may be adjusted during the course of the year when real property changes ownership or new construction is completed. Assessments may also be appealed by taxpayers seeking a reduction as a result of economic and other factors beyond the District’s control, such as a general market decline in property values, including potential market declines caused by the effects of a reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), pandemic, or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, drought, flood, landslide, liquefaction, levee failure, fire, toxic dumping, etc. When necessitated by changes in assessed value in the course of a year, taxes are pro-rated for each portion of the tax year. See also “—*Appeals of Assessed Valuation; Blanket Reductions of Assessed Values*” below.

Property values could be reduced by factors beyond the District’s control, including a depressed real estate market due to general economic conditions or other events. A pandemic, like the COVID-19 pandemic, may result in an economic recession or depression that causes a general market decline in property values therefore affecting the assessed value of property in the District. For more information on the impact of the COVID-19 pandemic, see APPENDIX A – “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – STATE FUNDING OF SCHOOL DISTRICTS – Infectious Disease Outbreak.” Events resulting in changing economic conditions may also alter the willingness or the ability of local taxpayers to pay *ad valorem* property taxes levied to repay the District’s general obligation bonds. The District cannot predict whether events that may result in changing economic conditions will occur or the extent that a change in economic conditions will impact assessed value of property in the District or the willingness or ability of local taxpayers to pay *ad valorem* property taxes.

Aside from economic conditions, property values could be reduced by natural or manmade disasters. In recent years, portions of California, including the County and adjacent counties, have experienced wildfires that have burned thousands of acres and destroyed thousands of homes and structures. Moreover, the District is located in a seismically active region. Active earthquake faults include the San Andreas Fault that runs throughout the County, the Palos Verdes fault that runs along the coast and through a small portion of the County, and other smaller faults including the Lower Elysian Park thrust, the Upper Elysian Park fault and Puente Hills blind thrust system. Furthermore, California has experienced severe drought conditions in recent years, but has most recently experienced periods of extreme precipitation. These and other extreme weather events are all effects of climate change. As greenhouse gas emissions continue to accumulate, climate change may intensify and increase the frequency of such extreme weather events. The District cannot predict the timing, extent, or severity of any potential natural or manmade disaster and its impact on property values in the District.

Prospective purchasers of the Bonds should be aware that, notwithstanding any decrease in assessed valuation for any fiscal year, the County is required to levy sufficient taxes to pay debt service on the Bonds. The consequence of any decrease in assessed valuation is a corresponding increase in the tax rate on taxable property so that sufficient tax revenues may be collected from taxpayers to pay debt service on the Bonds in full when due. However, increases in tax rates may impact the ability or willingness of taxpayers to pay their property taxes. See “– Tax Rates, Levies and Collections.”

Appeals of Assessed Valuation; Blanket Reductions of Assessed Values. There are two basic types of property tax assessment appeals provided for under State law. The first type of appeal, commonly referred to as a base year assessment appeal, involves a dispute on the valuation assigned by the assessor immediately subsequent to an instance of a change in ownership or completion of new construction. If the base year value assigned by the assessor is reduced, the valuation of the property cannot increase in subsequent years more than 2% annually unless and until another change in ownership and/or additional new construction or reconstruction activity occurs. Any base year appeal must be made within four years of the change of ownership or new construction date.

The second type of appeal, commonly referred to as a Proposition 8 appeal, can result if factors occur causing a decline in the market value of the property to a level below the property’s then current taxable value (escalated base year value). Pursuant to State law, a property owner may apply for a Proposition 8 reduction of the property tax assessment for such owner’s property by filing a written application with the appropriate county board of equalization or assessment appeals board. A property owner desiring a Proposition 8 reduction of the assessed value of such owner’s property in any one year must submit an application to the county assessment appeals board (the “Appeals Board”). Following a review of the application by the county assessor’s office, the county assessor may offer to the property owner the opportunity to stipulate to a reduced assessment, or may confirm the assessment. If no stipulation is agreed to, and the applicant elects to pursue the appeal, the matter is brought before the Appeals Board (or, in some cases, a hearing examiner) for a hearing and decision. The Appeals Board generally is required to determine the outcome of appeals within two years of each appeal’s filing date. Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which the written application is filed. The assessed value increases to its pre-reduction level (such pre-reduction level escalated by the annual inflation rate of no more than 2%) following the year for which the reduction application is filed. However, the county assessor has the power to grant a reduction not only for the year for which application was originally made, but also for the then current year and any intervening years as well. In practice, such a reduced assessment may and often does remain in effect beyond the year in which it is granted.

In addition, Article XIII A of the State Constitution provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. This measure is computed on a calendar year basis. According to representatives of the County assessor's office, the County has in the past, pursuant to Article XIII A of the State Constitution, ordered blanket reductions of assessed property values and corresponding property tax bills on single family residential properties when the value of the property has declined below the current assessed value as calculated by the County.

No assurance can be given that property tax appeals and/or blanket reductions of assessed property values will not significantly reduce the assessed valuation of property within the District in the future.

Assessed Valuation by Jurisdiction. The following Table 4 describes the percentage and value of the total assessed value of the property within the District's boundaries that resides in the various cities and unincorporated portions of the County, as well as the assessed value of property within the District relative to the County's assessed value, for fiscal year 2023-24.

TABLE 4
LOS ANGELES UNIFIED SCHOOL DISTRICT
Fiscal Year 2023-24 Assessed Valuation by Jurisdiction

Jurisdiction	Assessed Valuation in District	% of District	Assessed Valuation of Jurisdiction	% of Jurisdiction in District
City of Bell	\$1,898,648,181	0.20%	\$2,386,832,811	79.55%
City of Bell Gardens	64,627,089	0.01	2,357,100,409	2.74
City of Beverly Hills	206,172,057	0.02	44,985,003,719	0.46
City of Calabasas	750,267	0.00	10,384,929,447	0.01
City of Carson	18,971,870,845	2.04	21,126,060,071	89.80
City of Commerce	393,476,151	0.04	7,130,442,900	5.52
City of Cudahy	1,082,136,157	0.12	1,082,375,575	99.98
City of Culver City	62,179,384	0.01	16,462,393,824	0.38
City of Downey	676	0.00	14,983,555,256	0.00
City of Gardena	8,656,755,345	0.93	8,656,755,345	100.00
City of Hawthorne	898,857,307	0.10	10,842,229,863	8.29
City of Huntington Park	4,024,858,436	0.43	4,024,858,436	100.00
City of Inglewood	43,767,072	0.00	16,123,306,112	0.27
City of Lomita	3,090,826,491	0.33	3,090,826,491	100.00
City of Long Beach	467,031,174	0.05	75,868,478,130	0.62
City of Los Angeles	819,314,948,319	88.10	819,772,705,348	99.94
City of Lynwood	60,507,001	0.01	4,538,648,661	1.33
City of Maywood	1,331,533,103	0.14	1,331,533,103	100.00
City of Montebello	12,963,135	0.00	7,950,856,621	0.16
City of Monterey Park	302,702,231	0.03	9,715,095,200	3.12
City of Rancho Palos Verdes	1,592,479,481	0.17	16,396,993,841	9.71
City of Rolling Hills Estates	26,956,445	0.00	4,672,574,538	0.58
City of San Fernando	2,609,359,578	0.28	2,609,359,578	100.00
City of Santa Clarita	54,430	0.00	44,856,053,742	0.00
City of Santa Monica	1,109,849	0.00	48,958,244,546	0.00
City of South Gate	6,327,886,721	0.68	7,756,779,545	81.58
City of Torrance	60,748,689	0.01	38,198,891,637	0.16
City of Vernon	7,948,251,550	0.85	7,948,251,550	100.00
City of West Hollywood	16,955,678,507	1.82	16,955,678,507	100.00
Unincorporated Los Angeles County	33,572,941,168	3.61	137,490,774,283	24.42
Total District	\$929,980,076,839	100.00%		
Los Angeles County	\$929,980,076,839	100.00%	\$2,005,261,690,790	46.38%

Source: California Municipal Statistics, Inc.

Assessed Valuation by Land Use. The following Table 5 sets forth the assessed valuation by land use of property within the District in fiscal year 2023-24.

TABLE 5
LOS ANGELES UNIFIED SCHOOL DISTRICT
Local Secured Assessed Valuation and Parcels by Land Use
Fiscal Year 2023-24

	2023-24 Assessed Valuation⁽¹⁾	% of Total	No. of Parcels	% of Total
<u>Non-Residential:</u>				
Commercial/Office Building	\$150,905,944,798	16.80%	51,111	5.28%
Industrial	94,627,787,691	10.53	24,867	2.57
Recreational	2,635,325,413	0.29	1,234	0.13
Government/Social/Institutional	4,599,858,112	0.51	5,129	0.53
Miscellaneous	499,608,202	0.06	994	0.1
Subtotal Non-Residential	\$253,268,524,216	28.20%	83,335	8.61%
<u>Residential:</u>				
Single Family Residence	\$408,068,510,052	45.43%	578,883	59.83%
Condominium/Townhouse	80,954,041,301	9.01	138,017	14.27
Mobile Home Related	517,690,748	0.06	115	0.01
2-4 Residential Units	52,740,752,621	5.87	96,441	9.97
5+ Residential Units/Apartments	97,260,923,369	10.83	42,215	4.36
Miscellaneous Residential	53,660,212	0.01	320	0.03
Subtotal Residential	\$639,595,578,303	71.21%	855,991	88.48%
Vacant Parcels	\$5,369,854,036	0.60%	28,149	2.91%
Total	\$898,233,956,555	100.00%	967,475	100.00%

⁽¹⁾ Local Secured Assessed Valuation, excluding tax-exempt property.

Source: California Municipal Statistics, Inc.

Assessed Valuation of Single-Family Homes. The following Table 6 sets forth the distribution of single-family homes within the District within various assessed valuation ranges in fiscal year 2023-24.

TABLE 6
LOS ANGELES UNIFIED SCHOOL DISTRICT
Assessed Valuations of Single Family Homes Per Parcel
Fiscal Year 2023-24

	No. of Parcels	2023-24 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single-Family Residential	578,883	\$408,068,510,052	\$704,924	\$444,269

2023-24 Assessed Valuation	No. of Parcels ⁽¹⁾	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
\$0 - \$99,999	46,072	7.959%	7.959%	\$2,971,697,039	0.728%	0.728%
\$100,000 - \$199,999	64,820	11.197	19.156	9,924,757,997	2.432	3.160
\$200,000 - \$299,999	83,585	14.439	33.595	20,838,318,544	5.107	8.267
\$300,000 - \$399,999	68,324	11.803	45.398	23,794,903,026	5.831	14.098
\$400,000 - \$499,999	57,567	9.944	55.342	25,831,034,834	6.330	20.428
\$500,000 - \$599,999	49,439	8.540	63.883	27,109,248,408	6.643	27.071
\$600,000 - \$699,999	41,147	7.108	70.991	26,677,628,507	6.538	33.609
\$700,000 - \$799,999	32,051	5.537	76.528	23,972,795,061	5.875	39.484
\$800,000 - \$899,999	24,268	4.192	80.720	20,573,688,859	5.042	44.525
\$900,000 - \$999,999	17,693	3.056	83.776	16,763,609,387	4.108	48.633
\$1,000,000 - \$1,099,999	12,562	2.170	85.946	13,155,607,699	3.224	51.857
\$1,100,000 - \$1,199,999	9,592	1.657	87.603	11,010,712,840	2.698	54.556
\$1,200,000 - \$1,299,999	7,797	1.347	88.950	9,731,103,852	2.385	56.940
\$1,300,000 - \$1,399,999	7,181	1.240	90.191	9,675,405,438	2.371	59.311
\$1,400,000 - \$1,499,999	5,887	1.017	91.208	8,522,869,688	2.089	61.400
\$1,500,000 - \$1,599,999	5,151	0.890	92.097	7,968,768,045	1.953	63.353
\$1,600,000 - \$1,699,999	4,581	0.791	92.889	7,547,907,532	1.850	65.202
\$1,700,000 - \$1,799,999	3,886	0.671	93.560	6,796,839,459	1.666	66.868
\$1,800,000 - \$1,899,999	3,422	0.591	94.151	6,327,362,819	1.551	68.418
\$1,900,000 - \$1,999,999	3,118	0.539	94.690	6,078,345,159	1.490	69.908
\$2,000,000 - \$2,099,999	2,533	0.438	95.127	5,188,748,001	1.272	71.180
\$2,100,000 - \$2,199,999	2,186	0.378	95.505	4,696,463,036	1.151	72.330
\$2,200,000 - \$2,299,999	1,972	0.341	95.846	4,437,475,795	1.087	73.418
\$2,300,000 - \$2,399,999	1,758	0.304	96.149	4,131,607,664	1.012	74.430
\$2,400,000 - \$2,499,999	1,639	0.283	96.432	4,015,802,966	0.984	75.414
\$2,500,000 - \$2,599,999	1,404	0.243	96.675	3,577,290,317	0.877	76.291
\$2,600,000 - \$2,699,999	1,366	0.236	96.911	3,614,539,205	0.886	77.177
\$2,700,000 - \$2,799,999	1,253	0.216	97.127	3,441,950,720	0.843	78.020
\$2,800,000 - \$2,899,999	1,092	0.189	97.316	3,110,456,960	0.762	78.783
\$2,900,000 - \$2,999,999	1,053	0.182	97.498	3,103,766,802	0.761	79.543
\$3,000,000 and greater	14,484	2.502	100.000	83,477,804,393	20.457	100.000
Total	578,883	100.000%		\$408,068,510,052	100.000%	

⁽¹⁾ Improved single-family residential parcels. Excludes condominiums and parcels with multiple family units.

Source: California Municipal Statistics, Inc.

Largest Secured Taxpayers in the District. The following Table 7 sets forth the twenty taxpayers with the greatest combined ownership of secured taxable property in the District on the fiscal year 2023-24 tax roll, and the secured assessed valuation of all property owned by those taxpayers in all taxing jurisdictions within the District.

TABLE 7
LOS ANGELES UNIFIED SCHOOL DISTRICT
Largest Local Secured Taxpayers⁽¹⁾
Fiscal Year 2023-24

	Property Owner	Primary Land Use	2023-24 Assessed Valuation	% of Total⁽²⁾
1.	Universal Studios LLC	Movie Studio	\$3,119,828,062	0.35%
2.	Douglas Emmett LLC	Office Building	2,976,972,693	0.33
3.	Essex Portfolio LP	Apartments	2,702,864,870	0.30
4.	Rexford Industrial Realty LP	Industrial	2,285,203,101	0.25
5.	Century City Mall LLC	Shopping Center/Mall	1,110,574,262	0.12
6.	Next Century Partners LLC	Residential/Hotel	1,097,659,368	0.12
7.	FSP South Flower Street	Office Building	1,003,714,148	0.11
8.	CJDB LLC	Shopping Center/Mall	967,010,182	0.11
9.	Rochelle H. Sterling	Apartments	898,094,714	0.10
10.	Hanjin International Corp.	Hotel	891,027,387	0.10
11.	Anheuser Busch Commercial	Industrial	843,163,069	0.09
12.	One Hundred Towers LLC	Office Building	715,390,295	0.08
13.	Trizec 333 LA LLC	Office Building	701,018,682	0.08
14.	Onni Wilshire Courtyard LLC	Office Building	673,342,925	0.07
15.	Maguire Partners 355 S. Grand LLC	Office Building	655,596,686	0.07
16.	BRE HH Property Owner LLC	Office Building	650,561,002	0.07
17.	Olympic and Georgia Partners LLC	Hotel	625,519,745	0.07
18.	Tishman Speyer Archstone Smith	Apartments	623,996,307	0.07
19.	LA Live Properties LLC	Commercial	582,531,585	0.06
20.	Maguire Properties 555 W. Fifth	Office Building	574,760,357	0.06
			\$23,698,829,440	2.64%

⁽¹⁾ Excludes taxpayers with values derived from mineral rights or a possessory interest. Historically, among the top 10 taxpayers within the District are landowners with primary land use of oil and gas production, including Marathon Petroleum Corporation, Phillips 66 Company and Valero Energy Corporation, which are not reflected in the table above.

⁽²⁾ Local Secured Assessed Valuation, excluding tax-exempt property and utility valuations: \$898,233,956,555.

Source: California Municipal Statistics, Inc.

The more property (by assessed value) owned by a single taxpayer, the more tax collections are exposed to weakness, if any, in such taxpayer's financial situation and ability or willingness to pay property taxes in a timely manner. Furthermore, assessments may be appealed by taxpayers seeking a reduction as a result of economic and other factors beyond the District's control.

Tax Rates, Levies and Collections

General. Taxes are levied for each fiscal year on taxable real and personal property as of the preceding January 1. Real property that changes ownership or is newly constructed is revalued at the time the change occurs or the construction is completed. The current year property tax rate is applied to the reassessed value, and the taxes are then adjusted by a proration factor that reflects the portion of the remaining tax year for which taxes are due. The annual tax rate is based on the amount necessary to pay all

obligations payable from *ad valorem* property taxes and the assessed value of taxable property in a given year. Economic and other factors beyond the District's control, such as a general market decline in land values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), pandemic, or the complete or partial destruction of taxable property caused by natural or manmade disaster such as earthquake, drought, flood, fire, toxic dumping, etc., could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the annual tax rate to be levied to pay the principal of and interest on the District's outstanding general obligation bonds.

For assessment and collection purposes, property is classified as either "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing property (real or personal) the taxes on which are a lien sufficient, in the opinion of the County Assessor, to secure payment of the taxes. Other property is listed on the "unsecured roll."

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year, and become delinquent on December 10 and April 10, respectively. A penalty of 10% attaches immediately to all delinquent payments. Properties on the secured roll with respect to which taxes are delinquent become tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of a penalty of 1.5% per month to the time of redemption, plus costs and a redemption fee. If taxes are unpaid for a period of five years or more, the property is deeded to the State and then may be sold at public auction by the County Treasurer.

Property taxes on the unsecured roll are due in one payment on the January 1 lien date and become delinquent after August 31. A 10% penalty attaches to delinquent unsecured taxes. If unsecured taxes are unpaid at 5 p.m. on October 31, an additional penalty of 1.5% attaches to them on the first day of each month until paid. The County has four ways of collecting delinquent unsecured personal property taxes: (i) a civil action against the taxpayer; (ii) filing a judgment in the office of the County Clerk specifying certain facts in order to obtain a lien on certain property of the taxpayer; (iii) filing a certificate of delinquency for record in the County Recorder's office in order to obtain a lien on certain property of the taxpayer; and (iv) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee.

Proposition 13 and its implementing legislation impose the function of property tax allocation on counties in the State and prescribe how levies on countywide property values are to be shared with local taxing entities within each county. The limitations in Proposition 13, however, do not apply to *ad valorem* property taxes or special assessments to pay the interest and redemption charges on indebtedness, like the District's general obligation bonds, approved by the voters.

The County levies a 1% *ad valorem* property tax on behalf of all taxing agencies in the County. The taxes collected are allocated on the basis of a formula established by State law enacted in 1979. Under this formula, the County and all other taxing entities receive a base year allocation plus an allocation on the basis of "situated" growth in assessed value (new construction, change of ownership, inflation) prorated among the jurisdictions that serve the tax rate areas within which the growth occurs. Tax rate areas are specifically defined geographic areas, which were developed to permit the levying of taxes for less than county-wide or less than city-wide special and school districts. In addition, the County levies and collects additional approved property taxes and assessments on behalf of any taxing agency within the County.

State Government Code Sections 29100 through 29107 provide the procedures that all counties must follow for calculating tax rates. The secured tax levy within the District consists of the District's share of the 1% general *ad valorem* property and unitary taxes assessed on a County-wide basis and amounts

levied that are in excess of the 1% general *ad valorem* property taxes. These tax receipts are part of the District's operations. In addition, the secured tax levy also includes the amount for the District's share of special voter-approved *ad valorem* property taxes assessed on a District-wide basis, such as the *ad valorem* property taxes assessed for the District's general obligation bonds issued pursuant to the Authorizations and any related general obligation refunding bonds. *Ad valorem* property taxes levied for general obligation bonds are deposited with the County and may only be applied to pay the principal of, redemption premium, if any, and interest on the District's general obligation bonds and general obligation refunding bonds. The District does not receive such funds nor are they available to pay any of the District's operating expenses. In addition, the total secured tax levy includes special assessments, improvement bonds, supplemental taxes or other charges which have been assessed on property within the District. Since State law allows homeowners' exemptions (described above) and certain business exemptions from *ad valorem* property taxation, such exemptions are not included in the total secured tax levy. See also "– California Constitutional and Statutory Provisions Relating to *Ad Valorem* Property Taxes" above.

Further, State Education Code Section 15251 provides that all taxes levied with respect to general obligation bonds when collected will be paid into the county treasury of the county whose superintendent of schools has jurisdiction over the school district on behalf of which the tax was levied, to the credit of the debt service fund (or interest and sinking fund) of the school district, and will be used for the payment of the principal of and interest on the general obligation bonds and general obligation refunding bonds of the school district and for no other purpose. Accordingly, the County may not borrow or spend such amounts nor can the District receive such funds and use them for operating purposes.

Typical Tax Rate Area. The following Table 8 shows *ad valorem* property tax rates for the last five fiscal years in a typical Tax Rate Area of the District (TRA 0067). TRA 0067 comprises approximately 30.19% of the total fiscal year 2023-24 assessed value of the District.

TABLE 8
LOS ANGELES UNIFIED SCHOOL DISTRICT
Typical Tax Rates per \$100 of Assessed Valuation (TRA 0067)
Fiscal Years 2019-20 through 2023-24

	2019-20	2020-21	2021-22	2022-23	2023-24
General	1.000000%	1.000000%	1.000000%	1.000000%	1.000000%
Los Angeles Unified School District ⁽¹⁾	0.125520	0.139929	0.113228	0.121072	0.124219
Los Angeles Community College District ⁽¹⁾	0.027175	0.040162	0.043759	0.024882	0.060231
City of Los Angeles ⁽¹⁾	0.018084	0.016538	0.014721	0.016066	0.011448
Metropolitan Water District of Southern California ⁽²⁾	0.003500	0.003500	0.003500	0.003500	0.003500
Total	1.174279%	1.200129%	1.175208%	1.165520%	1.199398%

⁽¹⁾ Tax rate relates to bonds authorized by voters subsequent to the approval of Proposition 13.

⁽²⁾ Tax rate relates to bonds authorized by voters pursuant to a special election held in 1966 (prior to the approval of Proposition 13) in the service area of the Metropolitan Water District of Southern California.

Source: California Municipal Statistics, Inc.

Secured Tax Charges and Delinquencies. The following Table 9A sets forth the real property tax charges and corresponding delinquencies for the District's general obligation bond debt service levy, with respect to the property located in the District, for fiscal years 2013-14 through 2022-23. For reference and as an indication of comparative delinquency rates, Table 9B sets forth the real property tax charges and corresponding delinquencies for the portion of the County's 1% general fund levy that is allocated to the District, with respect to property located in the District for fiscal years 2013-14 through 2022-23. The portion of the County's 1% general fund levy that is allocated to the District is not pledged to and does not secure the repayment of the Bonds.

TABLE 9
LOS ANGELES UNIFIED SCHOOL DISTRICT
Secured Tax Charges and Delinquencies
Fiscal Years 2013-14 through 2022-23

A. District General Obligation Bond Debt Service Levy

Fiscal Year	Secured Tax Charge⁽¹⁾	Amount Delinquent June 30	Percentage Delinquent June 30
2013-14	\$707,334,806.26	\$11,937,445.89	1.69%
2014-15	752,855,468.94	13,128,310.26	1.74
2015-16	711,852,286.31	10,350,374.48	1.45
2016-17	762,676,169.42	10,152,397.66	1.33
2017-18	765,484,783.08	11,238,395.43	1.47
2018-19	826,147,438.29	13,737,180.29	1.66
2019-20	903,922,222.21	25,782,448.86	2.85
2020-21	1,072,754,468.10	22,715,092.01	2.12
2021-22	904,728,597.58	16,272,122.21	1.80
2022-23	1,033,041,998.26	20,269,504.57	1.96

B. 1% General Fund Apportionment Levy

Fiscal Year	Secured Tax Charge⁽²⁾	Amount Delinquent June 30	Percentage Delinquent June 30
2013-14	\$948,210,266.65	\$13,991,567.53	1.48%
2014-15	1,005,565,868.63	14,501,753.32	1.44
2015-16	1,078,286,485.58	15,318,415.41	1.42
2016-17	1,142,718,955.32	13,595,654.87	1.19
2017-18	1,222,916,327.88	15,217,873.23	1.24
2018-19	1,311,715,583.78	17,950,532.81	1.37
2019-20	1,405,968,051.67	31,757,910.59	2.26
2020-21	1,499,191,370.12	25,590,654.61	1.71
2021-22	1,556,962,602.77	24,377,000.99	1.57
2022-23	1,665,617,645.15	26,045,738.38	1.56

⁽¹⁾ District's general obligation bond debt service levy.

⁽²⁾ 1% General Fund apportionment. Excludes redevelopment agency impounds.

Source: California Municipal Statistics, Inc.

Property tax delinquencies may be impacted by economic and other factors beyond the District's control, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression could be caused by many factors outside the control of the District, including reduced consumer confidence, reduced real wages or reduced economic

activity as a result of a pandemic or natural or manmade disaster, such as earthquake, drought, flood, fire, toxic dumping. It is not possible for the District to make any representation regarding the extent to which an economic recession or depression could impact the ability or willingness of property owners within the District to pay property taxes in the future. For more information on the impact of the COVID-19 pandemic, see APPENDIX A – “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – STATE FUNDING OF SCHOOL DISTRICTS – Infectious Disease Outbreak.” If delinquencies increase substantially as a result of events outside the control of the District, the County does have the authority to increase allowances for annual reserves in the tax levy to avoid fluctuating tax levies.

The County Does Not Participate in a Teeter Plan. Certain counties in the State operate under a statutory program entitled Alternate Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “Teeter Plan”). Under the Teeter Plan local taxing entities receive 100% of their tax levies net of delinquencies, but do not receive interest or penalties on delinquent taxes collected by the county. The County has not adopted the Teeter Plan, and consequently the Teeter Plan is not available to local taxing entities within the County, such as the District. The District’s receipt of property taxes is therefore subject to delinquencies.

The District Participates in CSDTFA. The District is a member of the California Statewide Delinquent Tax Finance Authority (“CSDTFA”). CSDTFA is a joint exercise of powers agency formed for the purpose of purchasing delinquent *ad valorem* property taxes of its members in accordance with Section 6516.6 of the Government Code of the State of California. Historically, CSDTFA has from time to time purchased delinquent *ad valorem* property tax receivables related to the District’s share of the 1% general *ad valorem* property tax levy (not the additional *ad valorem* property tax levy for debt service on the District’s general obligation bonds) from the District. However, the District cannot predict whether CSDTFA will continue to make such purchases in the future. [CSDTFA purchased the District’s delinquent *ad valorem* property tax receivables related to the 1% general *ad valorem* property tax levy attributable to fiscal year 2022-23 from the District at a purchase price equal to 108% of such receivables and is expected to purchase the District’s delinquent *ad valorem* property tax receivables related to the 1% general *ad valorem* property tax levy attributable to fiscal year 2023-24 from the District at a substantially similar purchase price.] Any penalty charges collected with respect to such delinquencies will be retained by CSDTFA.

Aggregate Fiscal Year Debt Service

The following Table 11 sets forth the semi-annual debt service obligations in each fiscal year for all of the District's outstanding general obligation bonds, including the Bonds. For the semi-annual debt service obligations for the Bonds by measure, see APPENDIX G – "SEMI-ANNUAL DEBT SERVICE ON BONDS BY MEASURE." For more information on the District's outstanding general obligation bonds, see APPENDIX A – "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT FINANCIAL INFORMATION – District Debt."

Source: Los Angeles Unified School District.

The District's General Obligation Bond Program and Bonding Capacity

Voters within the District have approved a total of \$27.605 billion of general obligation bonds in six separate bond elections since 1997. See “INTRODUCTION – The District’s General Obligation Bond Program.” See also APPENDIX A – “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT FINANCIAL INFORMATION – District Debt” for additional information regarding the District’s outstanding general obligation bonds. Pursuant to Section 15106 of the Education Code, the District’s bonding capacity for general obligation bonds may not exceed 2.5% of taxable property value in the District as shown by the last equalized assessment of the County. The taxable property valuation in the District for fiscal year 2023-24 is \$929.98 billion, which results in a total current bonding capacity of approximately \$23.25 billion. The District’s available capacity for the issuance of new general obligation bonds is approximately \$12.53 billion (taking into account current outstanding debt before the issuance of the Bonds). The issuance of additional series of general obligation bonds, other than general obligation refunding bonds, in future fiscal years will depend upon, among other things, the assessed valuation of property within the District’s boundaries, as determined by the District’s analysis of information from, among other sources, the Office of the County Assessor. See “– California Constitutional and Statutory Provisions Relating to *Ad Valorem* Property Taxes” above and APPENDIX A – “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT FINANCIAL INFORMATION – Future Financings – General Obligation Bonds.”

Overlapping Debt Obligations

Set forth in Table 12 on the following page is the report prepared by California Municipal Statistics Inc. on [____], 2024, which provides information with respect to direct and overlapping debt within the District as of [____], 2024 (the “Overlapping Debt Report”). The Overlapping Debt Report is included for general information purposes only. The District has not reviewed the Overlapping Debt Report for completeness or accuracy and makes no representations in connection therewith. The Overlapping Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

The first column in Table 12 names each public agency which has outstanding debt as of the date of the report and whose territory overlaps the District in whole or in part. Column 2 shows the percentage of each overlapping agency’s assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in Table 12) produces the amount shown in column 3, which is the apportionment of each overlapping agency’s outstanding debt to taxable property in the District.

TABLE 12
LOS ANGELES UNIFIED SCHOOL DISTRICT
Schedule of Direct and Overlapping Bonded Debt
As of [____], 2024 [TO BE UPDATED PRIOR TO POS POSTING]

2023-24 Assessed Valuation: \$929,980,076,839

	<u>% Applicable</u>	<u>Debt [____]/1/24</u>
<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>		
Metropolitan Water District		
Los Angeles Community College District		
Pasadena Area Community College District		
Los Angeles Unified School District		(1)
City of Los Angeles		
Other Cities		
City Community Facilities Districts		
Other City and Special District 1915 Act Bonds		
TOTAL GROSS DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		_____
Less: Los Angeles Unified School District General Obligation Bonds, Election of 2005, Series J (2010) Qualified School Construction Bonds and Election of 2005, Series H (2009) Qualified School Construction Bonds: Amount accumulated in Interest and Sinking Fund and Set Asides for Repayment		(2)
TOTAL NET DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		_____
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
Los Angeles County General Fund Obligations		
Los Angeles County Superintendent of Schools Certificates of Participation		
Pasadena Area Community College District Certificates of Participation		
Los Angeles Unified School District Certificates of Participation		[(3)]
City of Los Angeles General Fund Obligations		
Other City General Fund and Pension Obligation Bonds		
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		_____
Less: City supported obligations		
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		_____
<u>OVERLAPPING TAX INCREMENT DEBT:</u>		
City of Los Angeles Redevelopment Agency (Successor Agency)		
Other Redevelopment Agencies (Successor Agency)		
TOTAL OVERLAPPING TAX INCREMENT DEBT		_____
GROSS COMBINED TOTAL DEBT		[(4)]
NET COMBINED TOTAL DEBT		

Ratios to 2023-24 Assessed Valuation:

Direct Debt (\$[____])	[____]%
Net Direct Debt (\$[____]).....	[____]%
Total Gross Overlapping Tax and Assessment Debt.....	[____]%
Total Net Overlapping Tax and Assessment Debt	[____]%
Gross Combined Direct Debt (\$[____]).....	[____]%
Net Combined Direct Debt (\$[____])	[____]%
Gross Combined Total Debt	[____]%
Net Combined Total Debt.....	[____]%

Ratios to Redevelopment Incremental Valuation (\$[____]):

Total Overlapping Tax Increment Debt	[____]%
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(1) Excludes the Bonds.

(2) Set aside amount through [fiscal year 2022-23].

[(3)] [FN to come re concurrent transactions.]

[(4)] Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

TAX MATTERS

[Tax-Exempt Bonds]

Opinion of Bond Counsel. In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the District (“Bond Counsel”), under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Tax-Exempt Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the [Tax-Exempt] Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the [Tax-Exempt] Bonds is included in calculating the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the District and others in connection with the [Tax-Exempt] Bonds, and Bond Counsel has assumed compliance by the District with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the [Tax-Exempt] Bonds from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel, under existing statutes, interest on the [Tax-Exempt] Bonds is exempt from personal income taxes imposed by the State of California.

Bond Counsel expresses no opinion as to any other Federal, state or local tax consequences arising with respect to the [Tax-Exempt] Bonds, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding Federal, state or local tax matters, including, without limitation, exclusion from gross income for Federal income tax purposes of interest on the [Tax-Exempt] Bonds.

Certain Ongoing Federal Tax Requirements and Covenants. The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the [Tax-Exempt] Bonds in order that interest on the [Tax-Exempt] Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the [Tax-Exempt] Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the Federal government. Noncompliance with such requirements may cause interest on the [Tax-Exempt] Bonds to become included in gross income for Federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The District has covenanted to comply with certain applicable requirements of the Code to assure the exclusion of interest on the [Tax-Exempt] Bonds from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences. The following is a brief discussion of certain collateral Federal income tax matters with respect to the [Tax-Exempt] Bonds. It does not purport to address all aspects of Federal taxation that may be relevant to a particular owner of a [Tax-Exempt] Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the Federal tax consequences of owning and disposing of the [Tax-Exempt] Bonds.

Prospective owners of the [Tax-Exempt] Bonds should be aware that the ownership of such obligations may result in collateral Federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for Federal income tax purposes. Interest on the [Tax-Exempt] Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount. “Original issue discount” (“OID”) is the excess of the sum of all amounts payable at the stated maturity of a [Tax-Exempt] Bond (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the “issue price” of a maturity (a bond with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the [Tax-Exempt] Bonds. In general, the issue price for each maturity of [Tax-Exempt] Bonds is expected to be the initial public offering price set forth on the cover page of the Official Statement. Bond Counsel further is of the opinion that, for any [Tax-Exempt] Bonds having OID (a “Discount Bond”), OID that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the [Tax-Exempt] Bonds.

In general, under Section 1288 of the Code, OID on a Discount Bond accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Bond. An owner’s adjusted basis in a Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such [Tax-Exempt] Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Bond even though there will not be a corresponding cash payment.

Owners of Discount Bonds should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Bonds.

Bond Premium. In general, if an owner acquires a [Tax-Exempt] Bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the [Tax-Exempt] Bond after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “bond premium” on that [Tax-Exempt] Bond (a “Premium Bond”). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner’s yield over the remaining term of the Premium Bond determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost. Owners of any

Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for Federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership and amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

Information Reporting and Backup Withholding. Information reporting requirements apply to interest paid on tax-exempt obligations, including the [Tax-Exempt] Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification,” or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a [Tax-Exempt] Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the [Tax-Exempt] Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner’s Federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous. Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the [Tax-Exempt] Bonds under Federal or state law or otherwise prevent beneficial owners of the [Tax-Exempt] Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the [Tax-Exempt] Bonds.

Prospective purchasers of the [Tax-Exempt] Bonds should consult their own tax advisors regarding the foregoing matters.

The proposed form of the opinion of Hawkins Delafield & Wood LLP relating to the [Tax-Exempt] Bonds is set forth in APPENDIX D — “PROPOSED FORM OF OPINION OF BOND COUNSEL.”

[Federally Taxable Bonds]

General. In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the District, interest on the Federally Taxable Bonds (i) is included in gross income for Federal income tax purposes pursuant to the Code and (ii) is exempt, under existing statutes, from personal income taxes imposed by the State of California.

The following discussion is a summary of the principal United States Federal income tax consequences of the acquisition, ownership and disposition of the Federally Taxable Bonds by original purchasers of the Federally Taxable Bonds who are U.S. Holders (as defined below). This summary is based on the Code, Treasury regulations, revenue rulings and court decisions, all as now in effect and all subject to change at any time, possibly with retroactive effect. This summary assumes that the Federally Taxable Bonds will be held as “capital assets” under the Code, and it does not discuss all of the United States Federal income tax consequences that may be relevant to a U.S. Holder in light of its particular circumstances or to U.S. Holders subject to special rules, such as insurance companies, financial institutions, tax-exempt organizations, dealers in securities or foreign currencies, persons holding the Federally Taxable Bonds as a position in a “hedge” or “straddle” for United States Federal income tax purposes, U.S. Holders whose

functional currency (as defined in Section 985 of the Code) is not the United States dollar, U.S. Holders who acquire Federally Taxable Bonds in the secondary market, or individuals, estates and trusts subject to the tax on unearned income imposed by Section 1411 of the Code. Each prospective purchaser of the Federally Taxable Bonds should consult with its own tax advisor concerning the United States Federal income tax and other tax consequences to it of the acquisition, ownership and disposition of the Federally Taxable Bonds as well as any tax consequences that may arise under the laws of any state, local or foreign tax jurisdiction.

Certain taxpayers that are required to prepare certified financial statements and file such financial statements with certain regulatory or governmental agencies may be required to recognize income, gain and loss with respect to the Federally Taxable Bonds at the time that such income, gain or loss is taken into account on such financial statements instead of under the rules described below. In addition, for tax years beginning after December 31, 2022, interest on the Federally Taxable Bonds is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

As used herein, the term “U.S. Holder” means a beneficial owner of a Federally Taxable Bond that is for United States Federal income tax purposes (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate the income of which is subject to United States Federal income taxation regardless of its source or (iv) a trust whose administration is subject to the primary jurisdiction of a United States court and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust.

U.S. Holders—Interest Income. Interest and original issue discount (as defined below) on the Federally Taxable Bonds are included in gross income for United States Federal income tax purposes.

Original Issue Discount. For United States Federal income tax purposes, a Federally Taxable Bond will be treated as issued with original issue discount (“OID”) if the excess of a Federally Taxable Bond’s “stated redemption price at maturity” over its “issue price” equals or exceeds a statutorily determined de minimis amount. The “issue price” of each Federally Taxable Bond in a particular issue equals the first price at which a substantial amount of such Federally Taxable Bond is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The “stated redemption price at maturity” of a Federally Taxable Bond is the sum of all payments provided by such Federally Taxable Bond other than “qualified stated interest” payments. The term “qualified stated interest” generally means stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate. In general, if the excess of a Federally Taxable Bond’s stated redemption price at maturity over its issue price is less than 0.25 percent of the Federally Taxable Bond’s stated redemption price at maturity multiplied by the number of complete years to its maturity (the “de minimis amount”), then such excess, if any, constitutes de minimis OID, and the Federally Taxable Bond is not treated as being issued with OID and all payments of stated interest (including stated interest that would otherwise be characterized as OID) is treated as qualified stated interest, as described below.

Payments of qualified stated interest on a Federally Taxable Bond are taxable to a U.S. Holder as ordinary interest income at the time such payments are accrued or are received in accordance with the U.S. Holder’s regular method of tax accounting. A U.S. Holder of a Federally Taxable Bond having a maturity of more than one year from its date of issue generally must include OID in income as ordinary interest as it accrues on a constant-yield method in advance of receipt of the cash payments attributable to such income, regardless of such U.S. Holder’s regular method of tax accounting. The amount of OID included in income by the U.S. Holder of a Federally Taxable Bond is the sum of the daily portions of OID with respect to such Federally Taxable Bond for each day during the taxable year (or portion of the taxable year) on which such

U.S. Holder held such Federally Taxable Bond. The daily portion of OID on any Federally Taxable Bond is determined by allocating to each day in any “accrual period” a ratable portion of the OID allocable to the accrual period. All accrual periods with respect to a Federally Taxable Bond may be of any length and the accrual periods may vary in length over the term of the Federally Taxable Bond, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the first or final day of an accrual period. The amount of OID allocable to an accrual period is generally equal to the difference between (i) the product of the Federally Taxable Bond’s “adjusted issue price” at the beginning of such accrual period and such Federally Taxable Bond’s yield to maturity (determined on the basis of compounding at the close of each accrual period and appropriately adjusted to take into account the length of the particular accrual period) and (ii) the amount of any qualified stated interest payments allocable to such accrual period. The “adjusted issue price” of a Federally Taxable Bond at the beginning of any accrual period is the issue price of the Federally Taxable Bond plus the amount of accrued OID includable in income for all prior accrual periods minus the amount of any prior payments on the Federally Taxable Bond other than qualified stated interest payments. The amount of OID allocable to an initial short accrual period may be computed using any reasonable method if all other accrual periods other than a final short accrual period are of equal length. The amount of OID allocable to the final accrual period is the difference between (i) the amount payable at the maturity of the Federally Taxable Bond (other than a payment of qualified stated interest) and (ii) the Federally Taxable Bond’s adjusted issue price as of the beginning of the final accrual period. Under the OID rules, U.S. Holders generally will have to include in income increasingly greater amounts of OID in successive accrual periods.

A U.S. Holder may elect to include in gross income all interest that accrues on a Federally Taxable Bond using the constant-yield method described immediately above under the heading “Original Issue Discount,” with the modifications described below. For purposes of this election, interest includes, among other things, stated interest, OID and de minimis OID, as adjusted by any amortizable bond premium described below under the heading “Bond Premium”. In applying the constant-yield method to a Federally Taxable Bond with respect to which this election has been made, the issue price of the Federally Taxable Bond will equal its cost to the electing U.S. Holder, the issue date of the Federally Taxable Bond will be the date of its acquisition by the electing U.S. Holder, and no payments on the Federally Taxable Bond will be treated as payments of qualified stated interest. The election will generally apply only to the Federally Taxable Bond with respect to which it is made and may not be revoked without the consent of the Internal Revenue Service. If this election is made with respect to a Federally Taxable Bond with amortizable bond premium, then the electing U.S. Holder will be deemed to have elected to apply amortizable bond premium against interest with respect to all debt instruments with amortizable bond premium (other than debt instruments the interest on which is excludable from gross income) held by the electing U.S. Holder as of the beginning of the taxable year in which the Federally Taxable Bond with respect to which the election is made is acquired or thereafter acquired. The deemed election with respect to amortizable bond premium may not be revoked without the consent of the Internal Revenue Service.

U.S. Holders of any Federally Taxable Bonds issued with OID should consult their own tax advisors with respect to the treatment of OID for Federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, and disposition of Federally Taxable Bonds.

Acquisition Discount on Short-Term Federally Taxable Bonds. Each U.S. Holder of a Federally Taxable Bond with a maturity not longer than one year (a “Short-Term Federally Taxable Bond”) is subject to rules of Sections 1281 through 1283 of the Code, if such U.S. Holder is an accrual method taxpayer, bank, regulated investment company, common trust fund or among certain types of pass-through entities, or if the Short-Term Federally Taxable Bond is held primarily for sale to customers, is identified under Section 1256(e)(2) of the Code as part of a hedging transaction, or is a stripped bond or coupon held by the person responsible for the underlying stripping transaction. In any such instance, interest on, and “acquisition discount” with respect to, the Short-Term Federally Taxable Bond accrue on a ratable (straight-

line) basis, subject to an election to accrue such interest and acquisition discount on a constant-interest-rate basis using daily compounding. “Acquisition discount” means the excess of the stated redemption price of a Short-Term Federally Taxable Bond at maturity over the U.S. Holder’s tax basis therefor.

A U.S. Holder of a Short-Term Federally Taxable Bond not described in the preceding paragraph, including a cash-method taxpayer, must report interest income in accordance with the U.S. Holder’s regular method of tax accounting, unless such U.S. Holder irrevocably elects to accrue acquisition discount currently.

Bond Premium. In general, if a U.S. Holder acquires a Federally Taxable Bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Federally Taxable Bond after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “bond premium” on that Federally Taxable Bond (a “Taxable Premium Bond”). In general, if a U.S. Holder of a Taxable Premium Bond elects to amortize the premium as “amortizable bond premium” over the remaining term of the Taxable Premium Bond, determined based on constant yield principles (in certain cases involving a Taxable Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the highest yield on such bond), the amortizable premium is treated as an offset to interest income; the U.S. Holder will make a corresponding adjustment to such U.S. Holder’s basis in the Taxable Premium Bond. Any such election applies to all debt instruments of the U.S. Holder (other than tax-exempt bonds) held at the beginning of the first taxable year to which the election applies and to all such debt instruments thereafter acquired, and is irrevocable without the Internal Revenue Service’s consent. A U.S. Holder of a Taxable Premium Bond that so elects to amortize bond premium does so by offsetting the qualified stated interest allocable to each interest accrual period under the U.S. Holder’s regular method of Federal tax accounting against the bond premium allocable to that period. If the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is treated as a bond premium deduction under Section 171(a)(1) of the Code, subject to certain limitations. If a Taxable Premium Bond is optionally callable before maturity at a price in excess of its stated redemption price at maturity, special rules may apply with respect to the amortization of bond premium. Under certain circumstances, the U.S. Holder of a Taxable Premium Bond may realize a taxable gain upon disposition of the Taxable Premium Bond even though it is sold or redeemed for an amount less than or equal to the U.S. Holder’s original acquisition cost.

U.S. Holders of any Taxable Premium Bonds should consult their own tax advisors with respect to the treatment of bond premium for Federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, and disposition of Taxable Premium Bonds.

U.S. Holders—Disposition of Federally Taxable Bonds. Except as discussed above, upon the sale, exchange, redemption, or other disposition (which would include a legal defeasance) of a Federally Taxable Bond, a U.S. Holder generally will recognize taxable gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued interest not previously includable in income) and such U.S. Holder’s adjusted tax basis in the Federally Taxable Bond. A U.S. Holder’s adjusted tax basis in a Federally Taxable Bond generally will equal such U.S. Holder’s initial investment in the Federally Taxable Bond, increased by any OID included in the U.S. Holder’s income with respect to the Federally Taxable Bond and decreased by the amount of any payments, other than qualified stated interest payments, received and bond premium amortized with respect to such Federally Taxable Bond. Such gain or loss generally will be long-term capital gain or loss if the Federally Taxable Bond was held for more than one year.

U.S. Holders—Defeasance. U.S. Holders of the Federally Taxable Bonds should be aware that, for Federal income tax purposes, the deposit of moneys or securities in escrow in such amount and manner as to cause the Federally Taxable Bonds to be deemed to be no longer outstanding under the Resolutions (a “defeasance”), could result in a deemed exchange under Section 1001 of the Code and a recognition by such owner of taxable income or loss, without any corresponding receipt of moneys. In addition, for Federal income tax purposes, the character and timing of receipt of payments on the Federally Taxable Bonds subsequent to any such defeasance could also be affected. U.S. Holders of the Federally Taxable Bonds are advised to consult with their own tax advisors regarding the consequences of a defeasance for Federal income tax purposes, and for state and local tax purposes.

U.S. Holders—Backup Withholding and Information Reporting. In general, information reporting requirements will apply to non-corporate U.S. Holders with respect to payments of principal, payments of interest, and the accrual of OID on a Federally Taxable Bond and the proceeds of the sale of a Federally Taxable Bond before maturity within the United States. Backup withholding at a rate provided for in the Code will apply to such payments and to payments of OID unless the U.S. Holder (i) is a corporation or other exempt recipient and, when required, demonstrates that fact, or (ii) provides a correct taxpayer identification number, certifies under penalties of perjury, when required, that such U.S. Holder is not subject to backup withholding and has not been notified by the Internal Revenue Service that it has failed to report all interest and dividends required to be shown on its United States Federal income tax returns.

Any amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes over-withholding, would be allowed as a refund or a credit against such beneficial owner’s United States Federal income tax provided the required information is furnished to the Internal Revenue Service.

Miscellaneous. Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Federally Taxable Bonds under state law and could affect the market price or marketability of the Federally Taxable Bonds.

Prospective purchasers of the Federally Taxable Bonds should consult their own tax advisors regarding the foregoing matters.

The proposed form of the opinion of Hawkins Delafield & Wood LLP relating to the Federally Taxable Bonds is set forth in APPENDIX D — “PROPOSED FORM OF OPINION OF BOND COUNSEL.”]

LEGAL MATTERS

Possible Limitations on Remedies; Bankruptcy

[General. State law contains certain safeguards to protect the financial solvency of school districts. See APPENDIX A – “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – STATE FUNDING OF SCHOOL DISTRICTS.” If the safeguards are not successful in preventing a school district from becoming insolvent, the State Superintendent of Public Instruction (the “State Superintendent”), operating through an administrator appointed by the State Superintendent, may be authorized under State law to file a petition under Chapter 9 of the United States Bankruptcy Code (the “Bankruptcy Code”) on behalf of the school district for the adjustment of its debts, assuming that the school district meets certain other requirements contained in the Bankruptcy Code necessary for filing a petition under Chapter 9 of the Bankruptcy Code. School districts are not themselves authorized to file a bankruptcy proceeding, and they are not subject to involuntary bankruptcy.

Bankruptcy courts are courts of equity and as such have broad discretionary powers. If the District were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, then the “automatic stay” provisions of the Bankruptcy Code would prohibit the parties from taking any action to collect any amount from the District or the County (including *ad valorem* property tax revenues) or to enforce any obligation of the District or the County, without the bankruptcy court’s permission. In such a proceeding, as part of its plan of adjustment in bankruptcy, the District may be able to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Bonds and other transaction documents related to the Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable. In addition, in such a proceeding, as part of such a plan, the District may be able to eliminate the obligation of the County to raise taxes if necessary to pay the Bonds. There also may be other possible effects of a bankruptcy of the District that could result in delays or reductions in payments on the Bonds, or other losses on the Bonds. Moreover, regardless of any specific adverse determinations in any District bankruptcy proceeding, the existence of a District bankruptcy proceeding could have an adverse effect on the liquidity and market price of the Bonds.

As stated above, if a school district were to go into bankruptcy, the bankruptcy petition would be filed under Chapter 9 of the Bankruptcy Code. Chapter 9 provides that it does not limit or impair the power of a state to control, by legislation or otherwise, a municipality of or in such state in the exercise of the political or governmental powers of such municipality, including expenditures for such exercise. For purposes of Chapter 9, a school district is a municipality. State law provides that the *ad valorem* property taxes levied to pay the principal and interest on the Bonds shall be used for the payment of principal and interest of the District’s general obligation bonds and for no other purpose. If this restriction on the expenditure of such *ad valorem* property taxes is respected in a bankruptcy case, then the *ad valorem* property tax revenue could not be used by the District for any purpose other than to make payments on the Bonds. It is possible, however, that a bankruptcy court could conclude that the restriction should not be respected.

Statutory Lien. Pursuant to the California Government Code, all general obligation bonds issued by local agencies, including the Bonds and refunding bonds, are secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax and the lien automatically arises, without the need for any action or authorization by the local agency or its governing board, and is valid and binding from the time the bonds are executed and delivered. See “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – Statutory Lien on Taxes (Senate Bill 222).” Although a statutory lien would not be automatically terminated by the filing of a Chapter 9 bankruptcy petition by the District, the automatic stay provisions of the Bankruptcy Code would apply, preventing bondholders from enforcing their rights to payment from such tax collections without permission of the bankruptcy court, and payments that become due and owing on the Bonds during the pendency of the Chapter 9 proceeding could be delayed.

Special Revenues. If the *ad valorem* property tax revenues that are pledged to the payment of the Bonds (see “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – Pledge of Tax Revenues”) are determined to be “special revenues” within the meaning of the Bankruptcy Code, then the application in a manner consistent with the Bankruptcy Code of the pledged *ad valorem* property tax revenues that are collected after the date of the bankruptcy filing should not be subject to the automatic stay. “Special revenues” are defined to include, among others, taxes specifically levied to finance one or more projects or systems of the debtor, but excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the debtor. The District has specifically pledged the *ad valorem* property taxes for payment of the Bonds. State law prohibits the use of the tax proceeds for any purpose other than payment of the general obligation bonds (including general obligation refunding bonds) and the original bond proceeds can only be used to fund the acquisition or improvement of real property and other capital expenditures included in the proposition. However, there is no binding judicial precedent dealing with the treatment in bankruptcy proceedings of *ad valorem* property tax revenues collected for the payment of

bonds in California, and no assurance can be given that a bankruptcy court will hold that the *ad valorem* property tax revenues are special revenues within the meaning of the Bankruptcy Code.

The Bankruptcy Code provides that there is no stay of application of pledged special revenues to payment of indebtedness secured by such revenues. The United States Court of Appeals for the First Circuit, in cases arising out of the insolvency proceedings of Puerto Rico, has held that this provision permits voluntary payments of debt service by the issuer of bonds backed by special revenues, but does not permit the bondholders to compel the issuer to make payments of debt service from special revenues. If this decision is followed by other courts, the holders of the Bonds may be prohibited from taking any action to require the District or the County to make payments on the Bonds, unless the bankruptcy court's permission is obtained. This could result in substantial delays in payments on the Bonds.

In addition, even if the *ad valorem* property tax revenues are determined to be "special revenues," the Bankruptcy Code provides that special revenues can be applied to necessary operating expenses of the project or system, before they are applied to other obligations. This rule applies regardless of the provisions of the transaction documents. Thus, a bankruptcy court could permit the District to use the *ad valorem* property tax revenues to pay necessary operating expenses of the District and its schools, before the remaining revenues are paid to the owners of the Bonds.

Possession of Tax Revenues; Remedies. If the District goes into bankruptcy and the District or the County has possession of tax revenues (whether collected before or after commencement of the bankruptcy), and if the District or the County, as applicable, does not voluntarily pay such tax revenues to the owners of the Bonds, it is not entirely clear what procedures the owners of the Bonds would have to follow to attempt to obtain possession of such tax revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful. A similar risk would exist if the County goes into bankruptcy and has possession of tax revenues (whether collected before or after commencement of the bankruptcy). The United States Court of Appeals for the First Circuit, in another case arising out of the insolvency proceedings of Puerto Rico, has held that the Bankruptcy Code prohibits the bankruptcy court from requiring a governmental debtor to apply revenues in accordance with applicable non-bankruptcy law. In yet another case arising out of the insolvency proceedings of Puerto Rico, the United States Court of Appeals for the First Circuit has held that creditors cannot bring suit in a non-bankruptcy court to compel the governmental debtor to comply with non-bankruptcy law without first obtaining the permission of the bankruptcy court, and that the bankruptcy court has discretion as to whether to provide permission.

Opinion of Bond Counsel Qualified by Reference to Bankruptcy, Insolvency and Other Laws Relating to or Affecting Creditor's Rights. The proposed form of opinion of Bond Counsel, included as Appendix D, is qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor's rights.]

Amounts Held in County Treasury Pool

The County on behalf of the District is expected to be in possession of the annual *ad valorem* property taxes and certain funds to repay the Bonds and may invest these funds in the County's Treasury Pool, as described in Appendix F – "THE LOS ANGELES COUNTY TREASURY POOL." Should those investments suffer any losses, there may be delays or reductions in payments on the Bonds.

Legality for Investment in the State

Under provisions of the State Financial Code, the Bonds are legal investments for commercial banks in the State to the extent that the Bonds, in the informed opinion of said bank, are prudent for the

investment of funds of depositors, and, under provisions of the California Government Code, are eligible for security for deposits of public moneys in the State.

Continuing Disclosure

The District has covenanted for the benefit of the holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the District (the “Annual Report”) for each fiscal year by not later than 240 days following the end of the District’s fiscal year (currently ending June 30), commencing with the Annual Report for fiscal year 2023-24, and to provide notices of the occurrence of certain specified events (collectively, the “Listed Events”). The information to be contained in the Annual Report and in a notice of a Listed Event is set forth in Appendix E – “FORM OF CONTINUING DISCLOSURE CERTIFICATE.” The District will provide or cause to be provided the Annual Report and such notices to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system in the manner prescribed by the Securities and Exchange Commission (“SEC”). Copies of the District’s annual reports and notices of Listed Event filings are available at the website of Digital Assurance Certification, L.L.C. (“DAC”), www.dacbond.com, and at the website of the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (“EMMA”) system, emma.msrb.org. The information presented on these websites is not incorporated by reference in this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds. These covenants have been made in order to assist the Underwriters (defined herein) in complying with SEC Rule 15c2-12(b)(5) (the “Rule”).

Due to the impact of COVID-19 on California school district operations during fiscal year 2019-20, California Senate Bill 98 extended the deadline for school districts to file their audited financial statements for fiscal year 2019-20 with the State to March 31, 2021. As a result, at the time of filing the District’s Annual Report for fiscal year 2019-20, the District’s audited financial statements for fiscal year 2019-20 were not yet available. The District’s audited financial statements for fiscal year 2019-20 were subsequently filed to EMMA on March 30, 2021. Additionally, within the past five years, certain of the District’s annual report and Listed Events filings required in connection with its prior continuing disclosure undertakings were not properly linked to all CUSIP numbers for the District’s outstanding bonds.

Certain Legal Matters

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Hawkins Delafield & Wood LLP, Los Angeles, California, Bond Counsel to the District, and certain other conditions. A complete copy of the proposed form of opinion of Bond Counsel with respect to the Bonds is contained in Appendix D. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will also be passed upon for the District by its General Counsel and by the District’s Disclosure Counsel, Orrick, Herrington & Sutcliffe LLP, Los Angeles, California (“Disclosure Counsel”), and for the Underwriters by their counsel, [____], [____], [____] (“Underwriters’ Counsel”).

Each of Bond Counsel, Disclosure Counsel, and Underwriters’ Counsel will receive compensation contingent upon the sale and delivery of the Bonds. From time to time, Bond Counsel and Disclosure Counsel each may represent one or more of the Underwriters in matters unrelated to the District or the Bonds.

FINANCIAL STATEMENTS

The District’s Audited Annual Financial Report for fiscal year ended June 30, 2023, including its general purpose financial statements for the fiscal year ended June 30, 2023, is included as Appendix B. The basic financial statements of the District for the fiscal year 2022-23 have been audited by Simpson &

Simpson, independent certified public accountants, as stated in their report appearing in Appendix B. The District has not requested nor has the District obtained the consent of Simpson & Simpson to the inclusion of its report in Appendix B. Simpson & Simpson has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Simpson & Simpson has not been requested to perform and has not performed any procedures relating to the Official Statement.

LITIGATION

There is no litigation pending against the District or, to the knowledge of its respective executive officers, threatened, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Bonds or in any way contesting or affecting the validity of the Bonds or the Authorizations or any proceedings of the District taken with respect to the issuance or sale thereof, or the levy or application of *ad valorem* property taxes for the payment of principal of and interest on the Bonds or the use of the proceeds of the Bonds. There are no pending lawsuits that, in the opinion of the District's General Counsel, challenge the validity of the Bonds, the existence of the District, or the title of the executive officers to their respective offices. There are a number of lawsuits and claims pending against the District. See APPENDIX A – "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT FINANCIAL INFORMATION – Risk Management and Litigation." In the opinion of the District, the outcome of the presently pending suits and claims will not materially impair the District's repayment of the Bonds.

MISCELLANEOUS

Ratings

Fitch Ratings, Inc. ("Fitch"), Kroll Bond Rating Agency, LLC ("KBRA"), and Moody's Investors Service Inc. ("Moody's") have assigned their municipal bond ratings of "[]," "[]," and "[]," respectively, to the Bonds, which may include information that has not been included in this Official Statement. The District has furnished to each rating agency certain materials and information with respect to itself and the Bonds. Generally, rating agencies base their ratings on such information and materials and on their own investigations, studies and assumptions. Each rating reflects only the view of the respective rating agency, and any explanation of the significance of such rating may be obtained only from the issuing rating agency furnishing the same, at the following addresses: Fitch Ratings, Inc., 33 Whitehall Street, New York, New York 10004, telephone: (212) 908-0800, Kroll Bond Rating Agency, LLC, 805 Third Avenue, 29th floor, New York, New York 10022, telephone: (212) 702-0707, and Moody's Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, telephone: (212) 533-0300. There is no assurance that any such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of any such rating may have an adverse effect on the market price of the Bonds.

Municipal Advisor

The District has retained Public Resources Advisory Group, as Municipal Advisor (the "Municipal Advisor") in connection with the issuance of the Bonds and certain other financial matters. The Municipal Advisor has not been engaged, nor has it undertaken, to audit, authenticate or otherwise verify the information set forth in this Official Statement, or any other related information available to the District, with respect to accuracy and completeness of disclosure of such information. The Municipal Advisor has reviewed this Official Statement but makes no guaranty, warranty or other representation respecting accuracy and completeness of the information contained in this Official Statement. The Municipal Advisor will receive compensation from the District contingent upon the sale and delivery of the Bonds.

Underwriting

The Bonds are being purchased by [____], on behalf of a syndicate that also includes the other underwriters set forth on the cover hereof (collectively, the “Underwriters”). The Underwriters have agreed to purchase the Bonds at the purchase price of \$_____ (which amount is equal to the aggregate principal amount of the Bonds, [plus/less] [an][a net] original issue [premium/discount] of \$_____, less an Underwriters’ discount of \$_____), pursuant to a Bond Purchase Agreement, dated _____, 2024 (the “Purchase Agreement”), by and among the Underwriters, the County and the District, relating to the Bonds. Pursuant to the Purchase Agreement, the Underwriters will purchase all of the Bonds if any are purchased.

The Underwriters may offer and sell the Bonds to certain securities dealers and dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page of this Official Statement. The public offering prices may be changed from time to time by the Underwriters.

The Underwriters have provided the following paragraphs for inclusion in the section “MISCELLANEOUS – Underwriting.” No representation is made by the District as to the accuracy, completeness or adequacy of such information.

Certain of the Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, the Underwriters and their affiliates may have certain creditor and/or other rights against the District and its affiliates in connection with such activities. In the various course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the District. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

[UW DISTRIBUTION LANGUAGE TO COME.]

Additional Information

The purpose of this Official Statement is to provide information to prospective buyers of the Bonds. Quotations from and summaries of the Bonds, the Resolutions, and the constitutional provisions, statutes and other documents described herein do not purport to be complete, and reference is made to said documents, constitutional provisions and statutes for full and complete statements of their provisions. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not a contract or agreement between the District and the purchasers or owners of any of the Bonds.

Execution and Delivery

The District has duly authorized the execution and delivery of this Official Statement.

LOS ANGELES UNIFIED SCHOOL DISTRICT

By: _____
Chief Business Officer

APPENDIX A

**DISTRICT FINANCIAL INFORMATION AND
REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION**

APPENDIX B

**AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT
FOR FISCAL YEAR ENDED JUNE 30, 2023**

APPENDIX C

BOOK-ENTRY ONLY SYSTEM

THE INFORMATION IN THIS APPENDIX C CONCERNING THE DEPOSITORY TRUST COMPANY AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE DISTRICT AND THE UNDERWRITERS BELIEVE TO BE RELIABLE, BUT THE DISTRICT AND THE UNDERWRITERS TAKE NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS THEREOF. THERE CAN BE NO ASSURANCE THAT THE DEPOSITORY TRUST COMPANY WILL ABIDE BY ITS PROCEDURES OR THAT SUCH PROCEDURES WILL NOT BE CHANGED FROM TIME TO TIME.

The Depository Trust Company (“DTC”) will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered security certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest security depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. Information on these websites is not incorporated herein by reference.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds are to be redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and other payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the District subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and other payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor depository is not obtained, security certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC and the requirements of the Resolution with respect to certificated Bonds will apply.

THE DISTRICT, THE COUNTY, THE PAYING AGENT, THE MUNICIPAL ADVISOR, AND THE UNDERWRITERS CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (1) PAYMENTS OF PRINCIPAL OF AND INTEREST ON THE BONDS (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE BONDS OR (III) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

NEITHER THE DISTRICT, THE COUNTY, THE PAYING AGENT, THE MUNICIPAL ADVISOR, NOR THE UNDERWRITERS WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OR COMPLETENESS OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC, (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST ON THE BONDS, (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS UNDER THE TERMS OF THE RESOLUTION, OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS OWNER OF THE BONDS.

APPENDIX D**PROPOSED FORM OF OPINION OF BOND COUNSEL**

Upon issuance of the Bonds, Hawkins Delafield & Wood LLP, Los Angeles, California, Bond Counsel to the Los Angeles Unified School District, will render its approving opinion with respect to the Bonds in substantially the following form:

APPENDIX E
FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX F

THE LOS ANGELES COUNTY TREASURY POOL

The Treasurer and Tax Collector of the County of Los Angeles (the “Treasurer”) manages, in accordance with California Government Code Section 53600 et seq., funds deposited with the Treasurer by County school and community college districts, various special districts and some cities. State law generally requires that all moneys of the County, school districts and certain special districts be held in the County’s Treasury Pool (the “Treasury Pool”) as described below. The composition and value of investments under management in the Treasury Pool vary from time to time, depending on the cash flow needs of the County and the other public agencies invested in the Treasury Pool, the maturity or sale of investments, purchase of new securities and fluctuations in interest rates generally. Additionally, the Treasurer, with the consent of the Board of Supervisors of the County of Los Angeles (the “County”), may change the County investment policy at any time. Therefore, there can be no assurance that the values of the various investments in the Treasury Pool will not vary significantly from the values described herein. Neither the District, the Municipal Advisor nor the Underwriters make any representation as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained herein is correct as of any time subsequent to its date. The Treasurer maintains a website, the address of which is <https://ttc.lacounty.gov/monthly-reports/>, on which the Treasurer periodically places information relating to the Treasury Pool. However, the information presented there is not part of this Official Statement, is not incorporated by reference herein and should not be relied upon in making an investment decision with respect to the Bonds.

The County of Los Angeles Pooled Surplus Investments
[TO BE UPDATED PRIOR TO POS POSTING]

The Treasurer and Tax Collector (the “Treasurer”) of the County of Los Angeles (the “County”) has the delegated authority to invest funds on deposit in the County Treasury (the “Treasury Pool”). As of February 29, 2024, investments in the Treasury Pool were held for local agencies including school districts, community college districts, special districts and discretionary depositors such as cities and independent districts in the following amounts:

Local Agency	Invested Funds (in billions)
County of Los Angeles and Special Districts	\$22.953
Schools and Community Colleges	29.866
Discretionary Participants	3.712
Total	<u>\$56.531</u>

The Treasury Pool participation composition is as follows:

Non-discretionary Participants	93.43%
Discretionary Participants:	
Independent Public Agencies	6.44%
County Bond Proceeds and Repayment Funds	0.13%
Total	<u>100.00%</u>

Decisions on the investment of funds in the Treasury Pool are made by the County Investment Officer in accordance with established policy, with certain transactions requiring the Treasurer’s prior approval. In Los Angeles County, investment decisions are governed by Chapter 4 (commencing with

Section 53600) of Part 1 of Division 2 of Title 5 of the California Government Code, which governs legal investments by local agencies in the State of California, and by a more restrictive Investment Policy developed by the Treasurer and adopted by the Los Angeles County Board of Supervisors on an annual basis. The Investment Policy adopted on March 21, 2023, reaffirmed the following criteria and order of priority for selecting investments:

1. Safety of Principal
2. Liquidity
3. Return on Investment

The Treasurer prepares a monthly Report of Investments (the “Investment Report”) summarizing the status of the Treasury Pool, including the current market value of all investments. This report is submitted monthly to the Board of Supervisors. According to the Investment Report dated April 1, 2024, the February 29, 2024 book value of the Treasury Pool was approximately \$56.531 billion, and the corresponding market value was approximately \$54.130 billion.

An internal controls system for monitoring cash accounting and investment practices is in place. The Treasurer’s Compliance Auditor, who operates independently from the Investment Officer, reconciles cash and investments to fund balances daily. The Compliance Auditor’s staff also reviews each investment trade for accuracy and compliance with the Board adopted Investment Policy. On a quarterly basis, the County’s outside independent auditor (the “External Auditor”) reviews the cash and investment reconciliations for completeness and accuracy. Additionally, the External Auditor reviews investment transactions on a quarterly basis for conformance with the approved Investment Policy and annually accounts for all investments.

The following table identifies the types of securities held by the Treasury Pool as of February 29, 2024:

Type of Investment	% of Pool
Certificates of Deposit	4.07%
U.S. Government and Agency Obligations	69.37
Bank Acceptances	0.00
Commercial Paper	26.47
Municipal Obligations	0.07
Corporate Notes & Deposit Notes	0.02
Repurchase Agreements	0.00
Asset Backed Instruments	0.00
Other	0.00
	<u>100.00%</u>

The Treasury Pool is highly liquid. As of February 29, 2024, approximately 33.28% of the investments mature within 60 days, with an average of 705 days to maturity for the entire portfolio.

APPENDIX G**SEMI-ANNUAL DEBT SERVICE ON THE BONDS BY MEASURE**

The following table sets forth the semi-annual debt service obligations for the Bonds by measure.

**LOS ANGELES UNIFIED SCHOOL DISTRICT
SEMI-ANNUAL DEBT SERVICE SCHEDULE SHOWING BONDS BY MEASURE**

**[APPENDIX H
SUSTAINABILITY BONDS SECOND PARTY OPINION]**

APPENDIX A**DISTRICT FINANCIAL INFORMATION AND
REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION**

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This Appendix A provides information concerning the operations and finances of the Los Angeles Unified School District (the “District”) and certain demographic information in the area covered by the District. The [Refunding] Bonds are general obligation bonds of the District, secured and payable from ad valorem property taxes assessed on taxable properties within the District and are not an obligation of the County (defined herein) or of the general fund of the District. See “SECURITY AND SOURCE OF PAYMENT FOR THE [REFUNDING] BONDS” in the forepart of this Official Statement. See also “GLOSSARY OF CERTAIN TERMS AND ABBREVIATIONS” herein for a description of certain terms and abbreviations used in this Appendix A.

***[DISTRICT AND OTHER INCLUDED INFORMATION TO BE UPDATED
AS AND WHEN NEW INFORMATION BECOMES AVAILABLE.]***

DISTRICT GENERAL INFORMATION

District Boundaries

The District, encompassing approximately 710 square miles, is located in the western section of the County of Los Angeles (the “County”) in the State of California (the “State”). The District’s boundaries include virtually all of the City of Los Angeles (the “City”), all of the Cities of Cudahy, Gardena, Huntington Park, Lomita, Maywood, San Fernando, Vernon and West Hollywood, and portions of the Cities of Bell, Bell Gardens, Beverly Hills, Calabasas, Carson, Commerce, Culver City, Downey, Hawthorne, Inglewood, Long Beach, Lynwood, Montebello, Monterey Park, Rancho Palos Verdes, Rolling Hills Estates, Santa Clarita, Santa Monica, South Gate, and Torrance. In addition, the District provides services to several unincorporated areas of the County, which include residential and industrial areas. The boundaries for the District are approximately 80% coterminous with the City, with the remaining 20% included in the smaller neighboring cities and unincorporated County areas described above. The District was formed in 1854 as the Common Schools for the City and became a unified school district in 1960.

District Governance; Senior Management

District Board. The District is governed by a seven-member Board of Education (the “District Board”), each member of which is a voting member and elected by voters within such member’s designed district. The members of the District Board are elected to four-year terms in alternate slates of three and four, with elections held every two years. In an election year, if a candidate receives a majority of the votes cast for a District Board seat in the primary election, that candidate is elected to the office. In the event no candidate receives a majority of the votes cast for a District Board seat, there is a runoff election at the general election between the two candidates receiving the highest number of votes for the seat in the primary election. The current members of the District Board along with their district and term are set forth below.

District	Member	Term Ending
5	Jackie Goldberg, President	December 16, 2024
3	Scott Schmerelson, Vice President	December 16, 2024
1	Dr. George J. McKenna III	December 16, 2024
2	Dr. Rocio Rivas	December 12, 2026
4	Nick Melvoin	December 12, 2026
6	Kelly Gonez	December 12, 2026
7	Tanya Ortiz Franklin	December 16, 2024

The District Board seats in the odd-numbered districts are up for election in 2024. The incumbent members of the District Board for district 3, Scott Mark Schmerelson, and district 7, Tanya Ortiz Franklin, ran in the March 2024 primary election to remain on the District Board. The incumbent members of the

District Board for district 1, George McKenna, and district 5, Jackie Goldberg, did not run to remain on the District Board. At the primary election held on March 5, 2024, Tanya Ortiz Franklin received a majority of the votes for the district 7 District Board seat and was re-elected to such seat. The remaining District Board seats (districts 1, 3 and 5) will have runoff elections in the general election on November 5, 2024. The district 1 runoff will be between Sherlett Hendy Newbill and Khallid A. Al-Alim; the district 3 runoff will be between Scott Mark Schmerelson and Dan Chang; and the district 5 runoff will be between Karla Griego and Graciela “Grace” Ortiz.

Superintendent. The chief executive officer of the District, appointed by the District Board to manage the day-to-day operations of the District, is the Superintendent of Schools (the “Superintendent”). The District Board appointed Alberto M. Carvalho to serve as the Superintendent effective February 2022.

Strategic Plan. On June 21, 2022, the District Board unanimously adopted a strategic plan for the next four years (the “2022-26 Strategic Plan”) that focuses on the goal of ensuring that all District students graduate “ready for the world” and prepared to thrive in college, career, and life. The 2022-26 Strategic Plan revolves around five pillars, each consisting of four priorities, that represent critical areas the District will focus on: academic excellence; joy and wellness; engagement and collaboration; operational effectiveness; and investing in staff.

Pursuant to the 2022-26 Strategic Plan, the first pillar of “Academic Excellence” prioritizes improving student outcomes through high-quality instruction, delivering enriching experiences to instill lifelong learning, eliminating opportunity gaps, and encouraging multiple paths for college and career readiness. The second pillar of “Joy and Wellness” prioritizes creating welcoming and inclusive learning environments, addressing student well-being through health, nutrition, and wellness services, cultivating strong social-emotional skills, and ensuring outstanding attendance to achieve consistent learning. The third pillar of “Engagement and Collaboration” prioritizes strengthening relationships between students, families, and schools, providing accessible information to the community, leading on local, state, and national levels, and honoring the perspectives of students. The fourth pillar of “Operational Effectiveness” prioritizes developing data-driven decision-making, modernizing facilities and technological infrastructure, sustainably implementing school and District budgets, and making the District a district of choice of families. The fifth pillar of “Investing in Staff” prioritizes recruiting and retaining a diverse workforce, providing rigorous and relevant professional learning, cultivating staff wellness, and maintaining consistent and high performance standards.

The District developed an Implementation Guide for the 2022-26 Strategic Plan with actions and practices for practitioners to implement in schools and classrooms. Pursuant to the 2022-26 Strategic Plan, the District intends to, among other endeavors, ensure processes and systems are in alignment by reviewing budgets, updating reporting structures, offering professional development for school and central office staff, and providing additional support for aligning school-level plans to the 2022-26 Strategic Plan. Furthermore, to ensure the 2022-26 Strategic Plan remains on track, the District is regularly engaging with the community to solicit feedback on its actions and expenditures, and has established districtwide systems to monitor progress of ongoing implementation, as well progress toward achieving its targets for success – at both the central-office and school-site levels.

Regions. In addition to the Superintendent of the District, the District organizes its schools into four (formerly six) geographically-based regions (each, a “Region”). Each Region has a separate superintendent to oversee the schools in the related area of the District. The current Region Superintendents are Dr. David Baca (North), Andre Spicer (South), José P. Huerta (East), and Dr. Denise Collier (West).

Biographies. Brief biographical information for Superintendent Alberto M. Carvalho and other senior management of the District is set forth below.

Alberto M. Carvalho, Superintendent. Alberto M. Carvalho has served as Superintendent of the District, the nation's largest self-governing public school district, since February 2022. He was selected by the District Board in a unanimous vote following a comprehensive community engagement process and a nationwide search.

During his 14-year tenure as Superintendent of Miami-Dade County Public Schools ("M-DCPS"), Superintendent Carvalho garnered local, state, national and international recognition. His honors include Florida's 2014 Superintendent of the Year; the 2014 National Superintendent of the Year; the 2016 winner of the Harold W. McGraw Prize in Education; the 2018 National Urban Superintendent of the Year; the 2019 National Association for Bilingual Education (NABE) Superintendent of the Year Award; making him the most accomplished Superintendent in America's history.

Superintendent Carvalho currently serves on the National Assessment Governing Board, appointed by the U.S. Secretary of Education. He also serves as a committee member for the National Academies of Science, Engineering, and Medicine and as an Advisory Committee Member to the Harvard Program on Education Policy and Governance. Superintendent Carvalho is a dedicated member of the National Board of Directors for Common Threads and the Posse Foundation.

Under his tenure, M-DCPS became one of the nation's highest-performing urban school systems, receiving systemwide accreditation from AdvancEd in 2014. M-DCPS was named as the 2014 College Board Advanced Placement Equity and Excellence District of the Year and the 2012 winner of the Broad Prize for Urban Education. He is now seeking to elevate the District to the premier spot in American urban education.

Superintendent Carvalho has been awarded many honorary degrees. He has been honored by the President of Portugal with the "Ordem de Mérito Civil," by Mexico with the "Ohtli Award" and was awarded the Official Cross of the Orden de Isabel la Católica (Order of Isabella the Catholic) on behalf of King Felipe VI of Spain.

Jaime G. Torrens, Senior Advisor to the Superintendent. Mr. Torrens, Senior Advisor to the Superintendent of the District, is responsible for assisting and supporting the Superintendent in the overall operation of the largest self-governing public school district in the nation.

Mr. Torrens previously served as Deputy Superintendent and Chief of Staff for M-DCPS where he oversaw a broad portfolio of functional areas. Among other duties, he led the M-DCPS' response and recovery related to COVID-19 (as defined herein).

As Chief Facilities Officer for over 12 years he was responsible for all aspects of facilities planning, construction, maintenance, operations and inspections at the fourth largest school system in the nation. As a member of the Superintendent's Cabinet, he directed a staff of 1,000 professional and technical personnel responsible for all aspects of 3,100 buildings comprising 45 million square feet on over 400 school campuses and ancillary facilities.

Mr. Torrens also led the implementation of M-DCPS' \$1.2 billion General Obligation Bond program approved by voters in 2012 to renovate, construct and modernize school facilities throughout Miami-Dade County. This extensive capital improvement program included instructional technology upgrades at every school to provide equity throughout all campuses. Concurrently, he helped launch a comprehensive business development program which drastically expanded participation of small, minority and women-owned businesses that had been historically underrepresented in the construction industry.

Mr. Torrens served M-DCPS in various positions of increasing responsibility related to facilities management and district/emergency operations. He led M-DCPS' infusion of sustainability principles into design criteria and specifications for capital projects, implemented the Guaranteed Energy Performance Contracting Program and opened the first Gold Certified comprehensive high school under the LEED for Schools Program.

Mr. Torrens holds a Master of Science in Management Information Systems and a Bachelor of Science in Electrical Engineering from Florida International University, and he is a LEED Accredited Professional.

Mr. Pedro Salcido, Deputy Superintendent of Business Services and Operations. Since joining the District in 2012, Pedro Salcido has served in a variety of roles. Appointed in November 2022, he is currently the Deputy Superintendent of Business Services and Operations overseeing the critical work and divisions that enable the District to run, including school operations, food services, transportation, finance, information technology, facilities, medical services, and procurement. Current strategic initiatives under his purview include closing the digital divide, school bus electrification and systems modernization, healthier and more appealing school meals, wireless network modernization, school building modernization projects, and zero-based budgeting.

Prior to becoming Deputy Superintendent of Business Services and Operations, Mr. Salcido served as the Chief of Staff, managing all District academic and nonacademic operations and activities, while also serving as the Superintendent's principal liaison to the District Board. He oversaw the execution of all District policies and was instrumental in the development of Superintendent Carvalho's 100-Day Plan and 2022-26 Strategic Plan. Mr. Salcido has a demonstrated track record in expanding equitable programmatic and financial practices. Most notably, he served as the leading staff member who developed and implemented the District's Student Equity Needs Index (SENI), an equity-based funding allocation that today has grown to distribute nearly \$700 million to the neediest schools in the District.

Mr. Salcido also served as the District's Senior Executive Director of Finance and Policy, and the Director of Government Relations during which he managed state, federal and local advocacy efforts and supervised internal and external efforts related to finance, labor negotiations and general board policies. Moreover, for five years, he led the work on the initial development and implementation of the District's Local Control and Accountability Plan ("LCAP"), the result of which was the establishment of a system of common accountability and budget alignment with the LCAP Scorecard and broad community engagement efforts.

As a first-generation Mexican American son of immigrants and a first-generation high school and college graduate, Mr. Salcido often relies on his own lived experiences to connect with both the educational and personal experiences of the students we serve. He seeks to listen often to the perspectives of staff, students, and families to effectively contribute to the decisions that shape the daily experiences of Los Angeles students and families. Mr. Salcido holds a Master's in Public Administration from the University of Southern California and holds dual degrees in Politics and Latin American Studies from the University of California, Santa Cruz.

Devora Navera Reed, General Counsel. Devora Navera Reed serves as the General Counsel for the District. She has been serving the District since 2006 and previously held the position of Chief Education and Legal Services Counsel. Ms. Navera Reed oversaw legal issues and litigation in areas dealing with special education, school law and operations, charter schools, equity and access, and constitutional issues, to name a few. As General Counsel for the District, Ms. Navera Reed is responsible for administering and overseeing the legal activities of the District's legal staff and outside legal firms. In addition, she advises the District Board, Superintendent, and senior leadership related to matters of major importance to the

District. Prior to joining the District in 2006, Ms. Navera Reed served as an attorney for the Children’s Law Center of Los Angeles for nearly a decade, where she represented and advocated for children in dependency court and the foster care system. In addition to her legal responsibilities, Ms. Navera Reed serves as a board member of the California Minority Counsel Program promoting diversity, equity and inclusion in the legal field. Ms. Navera Reed earned a Bachelor of Arts from the University of Southern California in 1992 and a Juris Doctorate degree from the University of San Francisco School of Law in 1996.

David D. Hart, Chief Business Officer. Mr. Hart began serving as the District’s Chief Business Officer in January 2020. Before coming to the District, Mr. Hart served as the Chief Financial Officer of the Cherry Creek School District for approximately three years – the last 18 months of which he also served as Cherry Creek’s Chief Operating Officer. Before joining Cherry Creek, Mr. Hart was a Director at The PFM Group for nearly two years and a Senior Vice President in Public Finance at D.A. Davidson & Co. for approximately a year. Prior to that time, Mr. Hart served as the Chief Financial Officer for Denver Public Schools for four years and as Chief Financial Officer of the Douglas County School District for three years. He has also served as Manager of Revenue for the City and County of Denver, as Treasurer for the City and County of Denver and as Budget Director for the Douglas County School District. Mr. Hart attended the University of Colorado at Denver, where he received his Master of Public Administration: Policy Analysis and Evaluation.

Nolberto Delgadillo, Deputy Chief Business Officer – Finance. Mr. Delgadillo joined the District in July 2023, taking on the role to support the District’s fiscal strategy. He came to the District from Portland Public Schools (Oregon) where he served as Chief Financial Officer. Prior to his time at Portland Public Schools he served in the same role for Tulsa Public Schools (Oklahoma). Mr. Delgadillo has a track record for being responsible for ensuring that school district funds are managed responsibly and reported accurately while leading the full spectrum of financial services. Before his time with Tulsa Public Schools, Mr. Delgadillo served as Chief Operations Officer in Los Angeles, at the LA Promise Fund. He also previously supported finance operations at Green Dot Public Schools (California). Mr. Delgadillo also spent over 12 years in the health care sector. He is a graduate from the University of Southern California earning degrees in Chemistry and Spanish and earning an MBA from Loyola Marymount University. He also completed a two-year program through The Broad Center, earning a Master’s in Educational Leadership.

Ernie Thomas, Controller. Mr. Thomas joined the District in January 2024 from a national non-profit organization focused on education where he served for a decade, first as Controller and eventually as Treasurer and Controller for the last six years. He previously served as Corporate Controller for a community sector organization for two years. Prior to that, he served as Vice President at National Community Renaissance for a year. Before that, Mr. Thomas served at an entertainment company for over a decade, where he first held the position of Controller for three years, and then Chief Financial Officer for the last nine years. Mr. Thomas was also an auditor at Authur Andersen & Co. and is a Certified Public Accountant (inactive). Mr. Thomas graduated from UCLA with a Bachelor of Arts degree in Economics.

Timothy S. Rosnick, Director of Capital Planning and Budgeting. Mr. Rosnick joined the District in October 2006 and served as the District’s Director of Accounting Controls from October 2006 through June 2007 and the Director of Treasury and Accounting Controls from July 2007 through June 2008. Mr. Rosnick served as the District’s Controller from June 2008 through June 2011 and served as the District’s Deputy Controller from June 2011 through September 2023. Mr. Rosnick became Director of Capital Planning and Budgeting in September 2023. Prior to joining the District, Mr. Rosnick served as an Administrator at the Orange County Department of Education and as a Financial Officer with LACOE. Mr. Rosnick graduated from the University of Washington with a Bachelor of Arts degree with Distinction in Economics and received a Master of Business Administration degree from the University of Texas at Austin. Mr. Rosnick is a member of the Government Finance Officers Association and the CFA Institute.

School Facilities

The District is the largest public school district in the State and the largest self-governing public school district in the United States. As reflected in the District’s Audited Annual Financial Report for fiscal year 2022-23, the District operated 1,238 schools and centers in fiscal year 2022-23, which consisted of 434 elementary schools, 78 middle/junior high schools, 87 senior high schools, 59 options schools, 262 magnet centers, 67 magnet schools, 30 multi-level schools, 12 special education schools, 2 community adult schools, 7 regional occupational centers, 2 skills centers, 87 early education centers, 4 infant centers, 18 primary school centers, and 89 California State preschools in fiscal year 2022-23. As reflected in the District’s Audited Annual Financial Report for fiscal year 2022-23, 51 of the District’s schools were operated as locally-funded affiliated charter schools (“Affiliated Charter Schools”). In addition, as reflected in the District’s Audited Annual Financial Report for fiscal year 2022-23, the District oversaw 224 fiscally independent charter schools (“Fiscally Independent Charter Schools”) within the District’s boundaries in fiscal year 2022-23. See “STATE FUNDING OF SCHOOL DISTRICTS – Charter School Funding.”

Enrollment and Average Daily Attendance

At the time of preparation of the District’s second interim report for fiscal year 2023-24 (the “Fiscal Year 2023-24 Second Interim Report”), the transitional kindergarten (“TK”) through 12th grade enrollment in the District for fiscal year 2023-24 was projected to be approximately 412,341 students, including those attending magnet, opportunity, and continuation schools and centers, Affiliated Charter Schools, and schools for people with disabilities. Such enrollment represents a decrease of 1,482 students or a decline of approximately 0.36% from the budgeted TK-12 enrollment in the District at the time of preparation of the District’s original adopted budget for fiscal year 2023-24 (the “Fiscal Year 2023-24 Budget”). Such enrollment does not include students attending Fiscally Independent Charter Schools that was budgeted at 108,702 students at the time of preparation of the Fiscal Year 2023-24 Budget. Based on enrollment projections at the time of preparation of the Fiscal Year 2023-24 Second Interim Report, the District was projecting enrollment to decline by 2.49% on average through fiscal year 2025-26. For information regarding District operating deficits in relation to declining enrollment, see “DISTRICT FINANCIAL INFORMATION – District Budget – LACOE’s Response to Fiscal Year 2023-24 Budget.” While the District expects enrollment to continue to decline, the District’s projected enrollment declines are subject to change as conditions change and more data becomes available throughout the fiscal year. The District attributes declining enrollment to, among other things, the reduced birth rate in the County, increased costs of living and housing costs in southern California, declining immigration trends in the Los Angeles area, and residual impacts of the Coronavirus Disease 2019 (“COVID-19”) pandemic. The District’s Strategic Enrollment & Program Planning Office continues to lead coordination of District-wide enrollment efforts by utilizing data-driven decision-making to expand successful district programs, improve marketing and outreach to communities, implement student retention and matriculation strategies, and streamline TK-12 pathways and programs.

As a result of declining enrollment in District schools, the District’s annual average daily attendance (“ADA”) has declined in recent years and is expected to further decline in fiscal years 2023-24 through 2025-26 based on projections contained in the Fiscal Year 2023-24 Second Interim Report. To ensure funding stability regardless of instructional model in light of the COVID-19 pandemic, the State budget for fiscal year 2020-21 included a hold-harmless provision for the purpose of calculating apportionments in fiscal year 2020-21, and it provided that average daily attendance for fiscal year 2020-21 was based on fiscal year 2019-20 (specifically, the period July 1, 2019 through February 29, 2020). Although the State budget for fiscal year 2021-22 did not include an extension of the ADA hold-harmless provision in fiscal year 2021-22, school districts with enrollment declines in fiscal year 2021-22, like the District, retained the ability to receive their apportionment based on the higher of their fiscal year 2019-20 or fiscal year 2021-22 ADA as provided under the Local Control Funding Formula (the “LCFF”). See

“STATE FUNDING OF SCHOOL DISTRICTS – Local Control Funding Formula.” In light of pervasive declining enrollment throughout nearly all school districts in the State, the Governor’s State budget for fiscal year 2022-23 revised the LCFF calculation beginning with fiscal year 2022-23 to consider the greater of a school district’s current fiscal year, prior fiscal year, or the average of three prior fiscal years’ ADA to allow school districts more time to adjust to enrollment-related LCFF funding declines. For purposes of fiscal year 2021-22, if a school district could demonstrate it provided independent study offerings to students in fiscal year 2021-22, such school district could consider the greater of its fiscal year 2021-22 ADA or its fiscal year 2021-22 enrollment adjusted for pre-COVID-19 absence rates. Such adjustment was applicable to fiscal year 2021-22 for purposes of calculating a school district’s prior year ADA or the average of three prior years’ ADA in fiscal year 2022-23 and beyond in accordance with the amendments made in connection with the Governor’s State budget for fiscal year 2022-23. The following Table A-1 sets forth the District’s actual and funded ADA for fiscal years 2014-15 through 2023-24. As reflected in Table A-1, the District’s funded ADA for fiscal years 2014-15 through 2021-22 was based largely on actual prior year ADA for the second period of attendance (“P-2”) for traditional TK-12 students, but current year P-2 ADA for students attending Affiliated Charter Schools. For fiscal years 2022-23 and 2023-24, the District’s funded ADA was based largely on the average of three prior fiscal years’ P-2 ADA for traditional TK-12 students, as adjusted in accordance with the COVID-19 ADA relief measures, but current year P-2 ADA for students attending Affiliated Charter Schools. As is shown in Table A-1, the revised LCFF calculation allowing the greater of a school district’s current fiscal year, prior fiscal year, or the average of three prior fiscal years’ ADA delays, but does not eliminate, the effects of enrollment declines on LCFF funding, such effects to eventually be felt as higher attendance levels from earlier years continue phasing out of the District’s average.

TABLE A-1
LOS ANGELES UNIFIED SCHOOL DISTRICT
Average Daily Attendance
Fiscal Years 2014-15 through 2023-24⁽¹⁾

Fiscal Year	Actual ADA			Funded ADA
	TK-12⁽²⁾	Affiliated Charter Schools⁽³⁾	Total	Total
2014-15	476,285	39,944	516,229	524,591 ⁽⁷⁾
2015-16	463,735	39,632	503,367	512,625 ⁽⁷⁾
2016-17	450,713	41,143	491,856	500,648 ⁽⁷⁾
2017-18	438,359	40,232	478,591	483,710 ⁽⁷⁾
2018-19	415,100	38,910	454,010	470,127 ⁽⁷⁾
2019-20 ⁽⁴⁾	413,965	40,940	454,905	454,792 ⁽⁷⁾
2020-21 ⁽⁵⁾	N/A	N/A	N/A	455,356 ⁽⁷⁾
2021-22	345,896	35,043	380,939	449,912 ⁽⁷⁾
2022-23	348,544	35,466	384,010	434,269 ⁽⁸⁾
2023-24 ⁽⁶⁾	337,884	34,579	372,463	410,586 ⁽⁸⁾

⁽¹⁾ Data may differ from other District disclosures because adjustments were made in certain fiscal years due to additional attendance for non-public students, corrected attendance reports for District students, and/or audit findings.

⁽²⁾ Includes non-public school special education students and District students attending schools operated by the County.

⁽³⁾ Includes charter schools that are fiscally-affiliated with the District.

⁽⁴⁾ Condensed reporting period. Does not reflect actual student attendance after February 29, 2020 due to the COVID-19 pandemic.

⁽⁵⁾ Attendance reporting not required for fiscal year 2020-21. The fiscal year 2020-21 State budget included a hold harmless provision for the purpose of calculating apportionments under LCFF in fiscal year 2020-21, providing that ADA for fiscal year 2020-21 was based on ADA for fiscal year 2019-20 (specifically, the period July 1, 2019 through February 29, 2020), as discussed in more detail above.

⁽⁶⁾ Funded ADA, as reflected in the Fiscal Year 2023-24 Second Interim Report.

⁽⁷⁾ Funded ADA is based largely on actual prior year P-2 ADA for TK-12 and current year P-2 ADA for Affiliated Charter Schools. For more information, see the discussion of ADA funding in the paragraph immediately preceding this table.

⁽⁸⁾ Funded ADA is based largely on the average of three prior fiscal years' P-2 ADA for TK-12, as adjusted in accordance with the COVID-19 ADA relief measures, and current year P-2 ADA for Affiliated Charter Schools. For more information, see the discussion of ADA funding in the paragraph immediately preceding this table.

Sources: Los Angeles Unified School District Audited Annual Financial Report for fiscal year 2021-22 (actual ADA for fiscal years 2012-13 through 2021-22); unaudited actuals reports for fiscal years 2012-13 through 2022-23 (funded ADA for fiscal years 2012-13 through 2022-23; actual ADA for fiscal year 2022-23); Fiscal Year 2023-24 Second Interim Report (funded ADA for fiscal year 2023-24).

Cybersecurity

The District collects, processes, and distributes protected and personal information on students, staff, parents, and contractors. The size of the District's information assets creates a target-rich environment for a variety of threats such as cyber criminals and natural disasters. In 2019, the District experienced a cyberattack that resulted in unauthorized access to a limited number of student records; the software vulnerability was resolved the same day it was discovered. In March 2020, in response to the COVID-19 pandemic, the District rapidly implemented new remote learning and remote working capabilities, which increased the District's cyberattack surface area. The District implemented additional layers of technical and administrative controls to mitigate remote access risks. In August 2022, a Data Center power outage triggered by a failed electrical transformer owned by Los Angeles Department of Water and Power, resulted in temporary unavailability of some information systems. The District mitigated the risk by increasing electrical line and backup power capacity and successfully performing functional load tests.

On September 3, 2022, the District became aware of a cyberattack on its information technology assets and proactively suspended network traffic in and out of its data centers. In response to such incident, the District swiftly activated its incident response protocol and commenced an investigation with support from Kroll, LLC, an outside cybersecurity firm, to assist with containment, remediation, and forensic

analysis. The Microsoft Detection and Response Team also assisted with the forensic investigation. The District also notified local and federal law enforcement agencies and continues to support their ongoing investigations. The District has identified, contained, and remediated the ransomware, and it has not found evidence of additional malware related to the cyberattack or any other persistent malicious activity on its network or systems.

The District's investigation of the incident determined that on or about July 31, 2022, the threat actor began conducting digital monitoring of the District's environment remotely using a contractor account to gain unauthorized access to systems. The District did not pay a ransom to the threat actor in connection with the incident. The threat actor posted approximately 500 gigabytes of data it stole from the District to its "leak site" on the dark web. Most of the files exfiltrated by the threat actor were located on the District's facilities servers and systems. The District provided required notifications to those individuals and entities with personal information included among those materials posted by the threat actor. This included employees, former employees, job applicants, and employees and contractors of facilities services division vendors who had personally identifiable information posted. The District offered credit monitoring services to such individuals. Notifications were also provided to individuals, including students and employees, who had personal "medical information" posted in the form of positive COVID-19 test results collected through the District's COVID-19 testing program, and to individuals, mostly former students, who had information contained in student assessment reports, most of which was dated, posted.

As a result of the incident, the District initially restricted access to its servers and systems, including access to user accounts, email, and software applications. Many operations and processes that were automated or facilitated by technology had to be completed manually, and some still remain manual at this time. Nonetheless, school sites remained operational. Most servers and systems were gradually restored within days as they were determined to be safe, with the District's most critical systems being restored first. The District restored certain impacted systems from backups and continues to work to rebuild others. While the District maintains cyber liability insurance, not all costs incurred are covered thereunder, and certain covered costs, which continue to be identified and calculated may ultimately exceed applicable coverage limits. Further, the District is planning to implement various security enhancements in light of the incident, but the District cannot currently predict the total cost of such enhancements.

Three related lawsuits relating to the incident remain pending against the District, which were filed on behalf of individuals allegedly impacted by the cyberattack, and unidentified classes of others impacted. At this early stage, the District cannot predict the outcome or any potential financial impact that may result from such litigation. Further, the District cannot predict whether any other claims or litigation will be filed or estimate any potential financial impact that may result. For more information about the existing lawsuits, see "DISTRICT FINANCIAL INFORMATION – Risk Management and Litigation."

The District has implemented several protective measures with respect to access requirements to its systems to reduce the likelihood of a similar incident from occurring in the future. The District established an Independent Information Technology Task Force comprised of cybersecurity experts from private and public sectors to develop a set of recommendations to further strengthen the District's cybersecurity. The District has augmented its cybersecurity team, retained cybersecurity service providers, and implemented additional security controls and monitoring of its systems.

To minimize the impact and frequency of cybersecurity incidents, the District previously hired a Director of Information Technology Security in 2016 to develop and implement a risk-based information security management program ("ISMP"). The ISMP is designed to protect the confidentiality, integrity, and availability of information assets managed by the District's Information Technology Division and comply with all applicable information protection regulations including the Family Educational Rights and Privacy Act, Children's Internet Protection Act, and the Health Insurance Portability and Accountability Act. The

ISMP includes a number of technical, administrative, and physical security safeguards that take into account the District's unique threats and vulnerabilities. Safeguards include, but are not limited to, policies that require employees, students, and parents to acknowledge their obligation to protect District information, cybersecurity training for employees, next generation network security technologies, access control systems, and cyber liability insurance. The District and its third-party IT vendors are required to carry cyber liability insurance to offset the cost of business disruptions caused by cybersecurity incidents.

No assurance can be made in any networked environment that a future cyberattack or natural disaster would not compromise the confidentiality, integrity or availability of District information assets. The only viable mitigation of cybersecurity risks is a layered defense strategy. The District implements layered defenses as a principal driver of its information security program and continuously monitors the effectiveness of the program to proactively modify it when the cyberattack landscape changes.

The District relies on other entities and service providers in the course of operating the District, including the County with respect to the levy and collection of *ad valorem* property taxes and its servers and systems for accounting and other matters, as well as other trustees, fiscal agents, dissemination agents and project management firms. No assurance can be given that future cyber threats and attacks against third party entities or service providers will not directly or indirectly impact the District or the owners of the [Refunding] Bonds, including the possibility of impacting the timely payments of debt service on the [Refunding] Bonds or timely filings pursuant to the District's continuing disclosure undertakings.

STATE FUNDING OF SCHOOL DISTRICTS

General

School districts in the State receive operating revenues from federal, State and local sources, including appropriations from the State's general fund and local property taxes derived from a school district's share of the 1% *ad valorem* property tax. School districts also currently receive revenues from the State attributable to temporary tax increases implemented by Proposition 30 (defined herein). In connection with voter approval of Proposition 55 (defined herein), certain of such temporary tax increases were extended by twelve years through 2030. See "CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS – Proposition 30" herein. School districts, such as the District, may be eligible for other special categorical funding, including funding for certain State and federal programs. The amount of categorical funding appropriated to a school district may vary significantly from other school districts and yearly. At the time of preparation of the Fiscal Year 2023-24 Second Interim Report, the District projected to receive approximately 60.42% of District General Fund revenues from funds of or controlled by the State. As a result, decreases in State revenues, or in State legislative appropriations made to fund education, may significantly affect District operations. For more information regarding the District's funding for fiscal year 2023-24, see "– State Budget Act – 2023-24 *State Budget*," "– State Budget Act – Proposed 2024-25 *State Budget*," "– Local Control Funding Formula" and "DISTRICT FINANCIAL INFORMATION – District Budget" herein.

Article XVI of the State Constitution requires that from all State revenues, there first be set apart the moneys to be applied by the State for support of the public school system and public institutions of higher education. See "CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS – Constitutionally Required Funding of Education" herein. The State Legislature and the Governor approve the State's authorized appropriations for school districts each fiscal year in connection with the adoption of the State Budget Act (defined herein). Proposition 98 ("Proposition 98"), approved in November 1988 as a combined initiative constitutional amendment and statute called the

“Classroom Instructional Improvement and Accountability Act,” provides the minimum funding formula for school districts. See “CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS – Proposition 98” herein. Under Proposition 98 (as modified by Proposition 111, which was enacted on June 5, 1990), there are currently three tests which determine the minimum level of K-14 funding. See “CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS” and “STATE FUNDING OF SCHOOL DISTRICTS– Local Control Funding Formula” herein. Proposition 98 permits the State Legislature, by two-thirds vote of both houses and with the Governor’s concurrence, to suspend the K-14 schools’ minimum funding formula for a one-year period. The amount of suspension is required to be repaid according to a specified State Constitutional formula, thereby restoring Proposition 98 funding to the level that would have been required in the absence of such suspension.

The actual appropriations and the timing of such appropriations are subject to, among other things, the estimated amount of State general fund revenues during the fiscal year and subsequent changes in State law. At times since the implementation of Proposition 98, the State has also sought to preserve general fund cash while avoiding increases in the base guaranteed amount through various mechanisms: by treating any excess appropriations as advances against subsequent years’ Proposition 98 minimum funding levels rather than current year increases; by deferring apportionments of Proposition 98 funds from one fiscal year to the next, as the State did in fiscal years 2019-20 and 2020-21; by suspending Proposition 98, as the State did in fiscal year 2004-05, fiscal year 2010-11, fiscal year 2011-12 and fiscal year 2012-13; and by proposing to amend the State Constitution’s definition of the guaranteed amount and settle-up requirement under certain circumstances. For more information on the Proposition 98 minimum guarantee under the 2023-24 State Budget, see “– State Budget Act – 2023-24 State Budget” herein. For a description and an analysis of the Governor’s proposed use of amounts in the Proposition 98 Rainy Day Fund (defined below) as a budget solution in the Proposed 2024-25 State Budget in relation to the Proposition 98 minimum guarantee and concerns expressed by the Legislative Analyst’s Office with respect to such use, see also “–The State Budget Process – State Budget Act – *Proposed 2024-25 State Budget*” and “–The State Budget Process – State Budget Act – *LAO Analysis of the Proposed 2024-25 State Budget*” herein.

Since fiscal year 2013-14, the amount of funds an individual school district receives from State revenues depends on the amount of revenues the State calculates that the school district should receive based on the LCFF, less the amount the school district derives from such school district’s share of the 1% *ad valorem* property tax. See “– Local Control Funding Formula” and “CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS – Constitutionally Required Funding of Education” herein.

The State Budget Process

The State’s fiscal year begins on July 1 and ends on June 30. According to the State Constitution, the Governor of the State (the “Governor”) is required to propose a budget for the next fiscal year (the “Governor’s Budget”) to the State Legislature no later than January 10 of each year. State law requires the Governor to update the Governor’s Budget projections and budgetary proposals by May 14 of each year (the “May Revision”). Proposition 25, which was adopted by voters in the State at an election held on November 2, 2010, amended the State Constitution such that a final budget must be adopted by a simple majority vote of each house of the State Legislature by no later than June 15 and the Governor must sign the adopted budget by no later than June 30. The budget becomes law upon the signature of the Governor (the “State Budget Act”).

Under State law, the annual proposed Governor’s Budget cannot provide for projected expenditures in excess of projected revenues and balances available from prior fiscal years. Following the submission of the Governor’s Budget, the State Legislature takes up the proposal. Under the State Constitution, money may be drawn from the State Treasury only through an appropriation made by law. The primary source of the annual expenditure authorizations is the State Budget Act, as approved by the State Legislature and signed by the Governor. The Governor may reduce or eliminate specific line items in the State Budget Act or any other appropriations bill without vetoing the entire bill. Such individual line-item vetoes are subject to override by a two-thirds majority vote of each House of the State Legislature. Appropriations also may be included in legislation other than the State Budget Act. Bills containing appropriations (except for K-14 education) must be approved by a two-thirds majority vote in each House of the State Legislature and be signed by the Governor. Bills containing K-14 education appropriations require only a simple majority vote. Continuing appropriations, available without regard to fiscal year, may also be provided by statute or the State Constitution. Funds necessary to meet an appropriation need not be in the State Treasury at the time such appropriation is enacted; revenues may be appropriated in anticipation of their receipt. However, delays in the adoption of a final State budget in any fiscal year may affect payments of State funds during such budget impasse. See “– State Funding of Schools Without a State Budget” herein for a description of payments of appropriations during a budget impasse.

The description above and below of the State’s budget has been obtained from publicly available information which the District believes to be reliable; however, the District, its counsel (including Bond Counsel and Disclosure Counsel), the Municipal Advisor, the Underwriters and their counsel do not guarantee the accuracy or completeness of this information and have not independently verified such information. Additional information regarding State budgets is available at various State-maintained websites, including www.dof.ca.gov. The website is not incorporated herein by reference and the District, its counsel (including Bond Counsel and Disclosure Counsel), the Municipal Advisor, the Underwriters and their counsel do not make any representation as to the accuracy of the information provided therein.

State Budget Act

2023-24 State Budget. The Governor signed the fiscal year 2023-24 State budget on June 27, 2023, which was amended through a series of legislative bills (as amended, the “2023-24 State Budget”). The discussion below describes the 2023-24 State Budget. However, the 2023-24 State Budget was enacted based on then available information and a multitude of assumptions and expectations, including State revenue projections. Achievement of certain results or other expectations contained in the 2023-24 State Budget involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described therein to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. See “– State Budget Act – Proposed 2024-25 State Budget” and “– State Budget Act – LAO Analysis of the Proposed 2024-25 State Budget” herein, for more current State budget information as well as a discussion of certain instances where expectations expressed in the 2023-24 State Budget were different than actual results.

As enacted, the 2023-24 State Budget reflected a downturn in revenues and slower revenue growth than previous projections due to the declining stock market, high inflation, rising interest rates and layoffs in high-wage sectors. It provided that the 2023-24 State Budget was able to address the shortfall with balanced solutions that would protect core State programs and services by paying down the State’s debt and using one-time surplus funds on one-time commitments. The 2023-24 State Budget included a package of solutions to bridge an approximately \$31.7 billion then-projected shortfall while avoiding what it described as deep and damaging program cuts. Specifically, the 2023-24 State Budget shifted approximately \$9.3 billion of spending commitments from the State’s general fund to other funds, reduced or pulled back approximately \$8.1 billion in previously approved State general fund spending, delayed approximately \$7.9 billion in spending across multiple years, included approximately \$6.1 billion in

additional revenue, primarily from the Managed Care Organization tax as well as internal borrowing from special fund balances not projected for programmatic purposes, and built in approximately \$340.0 million in trigger reductions that were then projected to be restored in the then proposed State budget for fiscal year 2024-25, assuming sufficient funds. The 2023-24 State Budget provided that it avoids new significant ongoing commitments and maintains fiscal discipline by setting aside a record \$37.8 billion in total budgetary reserves. The 2023-24 State Budget noted that a tax filing delay due to unprecedented storms in fiscal year 2022-23 had delayed the then projected receipt of \$42.0 billion in State tax receipts to October 2023, including \$28.4 billion from personal income tax and \$13.3 billion from corporation tax, representing nearly one-fourth of the fiscal year 2022-23 total then projected personal income tax, and nearly one-third of the fiscal year 2022-23 then projected corporation tax.

The 2023-24 State Budget projected total resources available in fiscal year 2022-23 of approximately \$260.9 billion, including revenues and transfers of approximately \$205.1 billion and a prior year balance of approximately \$55.8 billion, and total expenditures in fiscal year 2022-23 of approximately \$234.6 billion. The 2023-24 State Budget projected total resources available for fiscal year 2023-24 of approximately \$235.0 billion, inclusive of revenues and transfers of approximately \$208.7 billion and a prior year balance of approximately \$26.4 billion. The 2023-24 State Budget projected total expenditures in fiscal year 2023-24 of approximately \$225.9 billion, inclusive of non-Proposition 98 expenditures of approximately \$147.5 billion and Proposition 98 expenditures of approximately \$78.4 billion. Citing revenue risks and uncertainties, the 2023-24 State Budget included a historic level of reserves as an important resiliency tool, setting aside a total of \$37.8 billion in fiscal year 2023-24 and allocated reserves as follows: approximately \$22.3 billion in the State Rainy Day Fund (the “State Rainy Day Fund”) for fiscal emergencies, approximately \$10.8 billion in the Public School System Stabilization Account (the “Proposition 98 Rainy Day Fund”), approximately \$900.0 million in the Safety Net Reserve (the “Safety Net Reserve”), and approximately \$3.8 billion to the State’s Special Fund for Economic Uncertainties (the “State Special Fund for Economic Uncertainties”). In addition, the 2023-24 State Budget allocated approximately \$5.3 billion of the State general fund’s then projected fund balance in fiscal year 2023-24 to the State’s Reserve for Liquidation of Encumbrances. The 2023-24 State Budget provided that the State Rainy Day Fund would be at its constitutional maximum of 10% of State general fund revenues.

The 2023-24 State Budget included total funding of \$129.2 billion for all K-12 education programs, including \$79.5 billion from the State’s general fund and \$49.7 billion from other funds. The 2023-24 State Budget reflected significant Proposition 98 funding that was to provide increased support for core programs such as the LCFF, special education, transitional kindergarten, nutrition, and preschool.

Certain budgeted programs and adjustments for K-12 education set forth in the 2023-24 State Budget included the following:

- Proposition 98 Minimum Guarantee. The 2023-24 State Budget reflected Proposition 98 funding levels of \$110.6 billion in fiscal year 2021-22, \$107.4 billion in fiscal year 2022-23, and \$108.3 billion in fiscal year 2023-24. The 2023-24 State Budget provided that such funding represented approximately 38.5% of the State’s general fund revenues, plus local property tax revenues. To accommodate enrollment increases related to the expansion of transitional kindergarten, the 2023-24 State Budget increased the funding level from approximately 38.2% to approximately 38.5% to increase the percentage of State general fund revenues due to the minimum guarantee.
- Proposition 98 Rainy Day Fund (Public School System Stabilization Account). The 2023-24 State Budget included payments required to be made to the Proposition 98 Rainy Day Fund in fiscal years 2021-22 through 2023-24 for a total expected account balance of \$10.8 billion at the end of fiscal year 2023-24. The 2023-24 State Budget indicated that the expected balance of approximately \$9.9 billion in fiscal year 2022-23 would trigger the cap on school district reserves

beginning in fiscal year 2023-24. See “– Limitations on School District Reserves” and “CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2 – SB 751” herein.

- Local Control Funding Formula. The 2023-24 State Budget included a LCFF cost-of-living adjustment (“COLA”) of 8.22%, which is the largest COLA in the history of LCFF. The 2023-24 State Budget provided approximately \$556.3 million ongoing Proposition 98 general fund resources to reflect the COLA for specified categorical programs. The 2023-24 State Budget provided that the COLA, when combined with projected declining enrollment adjustments, increased the year-over-year projected discretionary funds available to local education agencies by approximately \$3.4 billion. The 2023-24 State Budget also reflected the utilization of approximately \$1.6 billion one-time Proposition 98 State general fund resources to support the overall costs of the LCFF in fiscal year 2023-24, and provided an increase of approximately \$80.0 million ongoing Proposition 98 State general fund resources to support county offices of education serving students in juvenile court and other alternative school settings.
- Accountability Improvements and Equity Multiplier. The 2023-24 State Budget indicated that it reflects a comprehensive package to support accountability and a continuous improvement system to ensure student group and school site equity gaps within a local education agency are identified and addressed through the Local Control and Accountability Plan. To complement these efforts, the 2023-24 State Budget provided approximately \$300.0 million ongoing Proposition 98 State general fund resources to establish an Equity Multiplier as an add-on to the LCFF to accelerate gains in closing opportunity and outcome gaps, and approximately \$2.0 million ongoing Proposition 98 general fund resources to support the critical work of the new Equity Leads within the statewide system of support.
- Literacy. The 2023-24 State Budget provided approximately \$250.0 million one-time Proposition 98 general fund resources to build upon the existing Literacy Coaches and Reading Specialists Grant Program, which funds high-poverty schools to train and hire literacy coaches and reading specialists for one-on-one and small group intervention for struggling readers.
- State Preschool Program. The 2023-24 State Budget included the following set asides to fund any adjustments related to reimbursement for preschool providers: approximately \$343.1 million in Proposition 98 general fund resources and \$20,000 in non-Proposition 98 general fund resources from fiscal year 2022-23; approximately \$369.3 million in Proposition 98 general fund resources and \$126.1 million in general fund resources from fiscal year 2023-24; and approximately \$445.7 million in Proposition 98 general fund resources and \$186.5 million in general fund resources from fiscal year 2024-25. Consistent with this approach, the 2023-24 State Budget suspended the annual COLA applicable to the State Preschool Program in fiscal years 2023-24 and 2024-25.

The 2023-24 State Budget reallocated approximately \$4.4 million non-Proposition 98 general fund resources and approximately \$5.3 million Proposition 98 general fund resources from the 2022-23 State budget to continue to waive family fees from July 1, 2023 through September 30, 2023, and provided approximately \$112.0 million in available federal funds to provide temporary stipends for State Preschool Program employees.

- Transitional Kindergarten. The 2023-24 State Budget provided approximately \$357.0 million in ongoing Proposition 98 general fund resources for fiscal year 2022-23 to support the first year of expanded eligibility for transitional kindergarten to all children turning five-years-old between September 2 and February 2. The 2023-24 State Budget also provided approximately \$283.0

million in Proposition 98 general fund resources to provide one additional certificated or classified staff person in each transitional kindergarten classroom. Additionally, the 2023-24 State Budget provided approximately \$597.0 million in ongoing Proposition 98 general fund resources beginning in fiscal year 2023-24 to support the second year of expanded eligibility for transitional kindergarten to all children turning five-years-old between September 2 and April 2. The 2023-24 State Budget also provided approximately \$165.0 million in Proposition 98 general fund resources to support the second year of adding one additional certificated or classified staff person in each transitional kindergarten classroom.

- Arts, Music, and Instructional Materials Discretionary Block Grant. The 2023-24 State Budget decreased one-time Proposition 98 general fund support for the Arts, Music, and Instructional Materials Block Grant by approximately \$200.0 million, reducing total one-time program support from approximately \$3.5 billion to approximately \$3.3 billion. The Arts and Music in Schools: Funding Guarantee and Accountability Act (Proposition 28) will provide approximately \$938.0 million ongoing Proposition 98 general fund resources beginning in fiscal year 2023-24.
- Learning Recovery Emergency Block Grant. The 2023-24 State Budget delays approximately \$1.1 billion one-time Proposition 98 general fund resources for the Learning Recovery Emergency Block Grant to fiscal years 2025-26, 2026-27, and 2027-28.
- Zero-Emission School Buses. The 2023-24 State Budget delayed approximately \$1.0 billion one-time Proposition 98 general fund resources to support greening school bus fleets through programs operated by the California Air Resources Board and the California Energy Commission to fiscal years 2024-25 and 2025-26.
- California Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program (the “Full-Day Kindergarten Facilities Grant Program”). The 2022-23 State budget included \$100.0 million one-time general fund resources and reflected an additional \$550.0 million in fiscal year 2023-24 to support the Full-Day Kindergarten Facilities Grant Program. The 2023-24 State Budget delayed the planned \$550.0 million investment for this program to fiscal year 2024-25.
- School Facility Program. The 2023-24 State Budget provided approximately \$2.0 billion one-time general fund resources, which is \$100.0 million less than previously planned, to support the School Facility Program in fiscal year 2023-24.
- Nutrition. The 2023-24 State Budget provided an additional \$154.0 million in ongoing Proposition 98 general fund resources and an additional \$110.0 million one-time Proposition 98 general fund resources to fully fund the universal school meals program in fiscal years 2022-23 and 2023-24.
- Bipartisan Safer Communities Act, Stronger Connections Program. The 2023-24 State Budget provided approximately \$119.6 million in one-time federal funds to support local education activities related to improving school climate and safety through the Stronger Connections Program.
- Charter School Facility Grant Program. Consistent with the 2022-23 State budget, the 2023-24 State Budget provided a one-time investment of \$30.0 million Proposition 98 general fund resources to support eligible facilities costs.

The complete 2023-24 State Budget is available from the California Department of Finance website at www.dof.ca.gov or www.ebudget.ca.gov. The District can take no responsibility for the continued

accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

Proposed 2024-25 State Budget. The Governor released the fiscal year 2024-25 proposed State budget (the “Proposed 2024-25 State Budget”) on January 10, 2024, which provides that it maintains the State’s fiscal stability using some of the money saved in historic budget reserves. The Proposed 2024-25 State Budget notes that the estimated \$37.9 billion budget shortfall poses a substantial challenge and is rooted in two separate but related developments during fiscal years 2022-23 and 2023-24 – the substantial decline in the stock market that drove down revenues in fiscal year 2022-23 and the unprecedented delay in critical income tax collections in fiscal year 2023-24. The Governor’s proposed budgets in January and May 2023 warned of this increased budgetary uncertainty, and in June 2023, the State passed a budget that planned accordingly, setting aside record reserves of just under \$38.0 billion. The Proposed 2024-25 State Budget provides that it solves for last fiscal year’s shortfall while adjusting State spending to ensure continued fiscal stability in future fiscal years.

The Proposed 2024-25 State Budget provides that the stock market recovery and improved economic growth support its forecast assumptions that revenue growth will resume in fiscal year 2023-24 following the steep correction in fiscal year 2022-23, with potential upside through fiscal year 2024-25 if the markets continue to outperform the forecast. In addition, it provides that the Federal Reserve has indicated it intends to cut interest rates throughout 2024, which may stimulate real estate transactions and other sectors of State’s economy. However, the Proposed 2024-25 State Budget provides that several risk factors such as a significant financial shock from tightening financial conditions, stock market and asset price volatility, and declines and geopolitical turmoil, could negatively impact the economy going forward. The Proposed 2024-25 State Budget provides that even after the proposed withdrawals from State reserves, total reserves in fiscal year 2024-25 will remain substantial at \$18.4 billion. This includes \$11.1 billion in the State Rainy Day Fund, \$3.9 billion in the Proposition 98 Rainy Day Fund, and \$3.4 billion in the State Special Fund for Economic Uncertainties.

The Proposed 2024-25 State Budget incorporates the following measures to close the budgetary shortfall in fiscal year 2024-25:

- \$13.1 billion in budget withdrawals from the State’s reserves, including \$10.4 billion from the mandatory State Rainy Day Fund and Transfer Suspension, \$1.8 billion from the discretionary State Rainy Day Fund, and \$900.0 million from the Safety Net Reserve.
- \$8.5 billion in various budget spending reductions, including, but not limited to, \$500.0 million in reductions to the School Facilities Aid Program and \$494.0 million in reductions to the Student Housing Revolving Loan Fund Program.
- \$5.7 billion in support from revenue sources and internal borrowing from special funds.
- \$5.1 billion in delayed budgetary funding for multiple items spread across a three-year period, beginning in fiscal year 2025-26, including but not limited to, a \$550.0 million funding delay to the Full-Day Kindergarten Facilities Grant Program.
- \$3.4 billion in budget fund shifts of certain expenditures from the State general fund to other funds, including, but not limited to, a \$1.3 billion reduction on State plans retirement contributions using Proposition 2 debt repayment funding.
- \$2.1 billion in funding deferrals to fiscal year 2025-26.

In addition to the budgetary measures listed above, the Proposed 2024-25 State Budget includes withdrawals from the Proposition 98 Rainy Day Fund of \$5.7 billion to maintain support for local educational agencies and community college districts. However, see “– *LAO Analysis of the Proposed 2024-25 State Budget*” below, for an analysis of the Governor’s proposed use of amounts in the Proposition 98 Rainy Day Fund as a budget solution in the Proposed 2024-25 State Budget in relation to the Proposition 98 minimum guarantee.

The Proposed 2024-25 State Budget estimates total resources available in fiscal year 2023-24 of approximately \$238.9 billion, including revenues and transfers of approximately \$196.9 billion and a prior year balance of approximately \$42.1 billion, and total expenditures in fiscal year 2023-24 of approximately \$230.9 billion. The Proposed 2024-25 State Budget projects total resources available for fiscal year 2024-25 of approximately \$222.7 billion, inclusive of revenues and transfers of approximately \$214.7 billion and a prior year balance of approximately \$8.0 billion. The Proposed 2024-25 State Budget projects total expenditures in fiscal year 2024-25 of approximately \$208.7 billion, inclusive of non-Proposition 98 expenditures of approximately \$131.8 billion and Proposition 98 expenditures of approximately \$76.9 billion. The Proposed 2024-25 State Budget includes approximately \$29.0 billion in reserves in fiscal year 2024-25 and allocates reserves as follows: approximately \$11.1 billion in the State Rainy Day Fund for fiscal emergencies, approximately \$3.9 billion in the Proposition 98 Rainy Day Fund, approximately \$10.6 million in the Reserve for Liquidation and Encumbrances, and approximately \$3.4 billion in the State Special Fund for Economic Uncertainties.

The Proposed 2024-25 State Budget includes total funding of approximately \$126.8 billion for all K-12 education programs, including approximately \$76.4 billion from the State’s general fund and approximately \$50.4 billion from other funds. Per-pupil funding totals \$17,653 per pupil in Proposition 98 funding and \$23,519 per pupil when accounting for all funding sources. However, see “– *LAO Analysis of the Proposed 2024-25 State Budget*” below, for an assessment of the Governor’s proposed K-12 education funding.

Certain budgeted programs and adjustments for K-12 education set forth in the Proposed 2024-25 State Budget include the following:

- Proposition 98 Minimum Guarantee. The revised estimates of State general fund revenues in the Proposed 2024-25 State Budget result in notable adjustments to the Proposition 98 minimum guarantee, resulting in funding estimates of approximately \$98.3 billion in fiscal year 2022-23, \$105.6 billion in fiscal year 2023-24, and \$109.1 billion in fiscal year 2024-25, representing a three-year decrease in the minimum guarantee of approximately \$11.3 billion over the level funded in the 2023-24 State Budget. Recognizing that the delay in the State tax filing deadline in fiscal year 2022-23 impacted State revenue projections for fiscal year 2022-23 available at the time the 2023-24 State Budget was enacted, the Proposed 2024-25 State Budget proposes statutory changes to address approximately \$8.0 billion of this decrease to avoid impacting existing school district and community college district budgets.
- Proposition 98 Rainy Day Fund. The 2023-24 State Budget projected a total balance of \$10.8 billion in the Proposition 98 Rainy Day Fund. The Proposed 2024-25 State Budget reflects revised fiscal year 2022-23 and 2023-24 payments, and a fiscal year 2024-25 payment, of approximately \$339.0 million, \$288.0 million, and \$752.0 million, respectively, into the Proposition 98 Rainy Day Fund, and withdrawals of approximately \$3.0 billion in fiscal year 2023-24 and \$2.7 billion in fiscal year 2024-25, for a total revised account balance of more than \$3.8 billion at the end of fiscal year 2024-25. There is a cap of 10% on school district reserves in fiscal years immediately succeeding those in which the balance in the Proposition 98 Rainy Day Fund is equal to or greater than 3% of the total K-12 share of the Proposition 98 minimum guarantee. See “STATE FUNDING OF SCHOOL

DISTRICTS – Limitations on School District Reserves” and “CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2 – *SB 751*” herein. The Proposed 2024-25 State Budget provides that the balance of \$5.7 billion in the Proposition 98 Rainy Day Fund in fiscal year 2023-24 continues to trigger school district reserve caps in fiscal year 2024-25.

- Local Control Funding Formula. The Proposed 2024-25 State Budget includes a LCFF COLA of approximately 0.76%, down from the 3.94% COLA estimated at the time of the enactment of the 2023-24 State Budget. The 2023-24 State Budget provides that, when combined with population growth adjustments, this will result in a decrease of approximately \$1.4 billion in discretionary funds for local educational agencies. To fully fund this increase and to maintain the level of current year principal apportionments, the Proposed 2024-25 State Budget proposes withdrawing approximately \$2.8 billion from the Proposition 98 Rainy Day Fund to support ongoing LCFF costs in fiscal year 2023-24, withdrawing approximately \$2.2 billion from the Proposition 98 Rainy Day Fund to support ongoing LCFF costs in fiscal year 2024-25, and using available reappropriation and reversion funding totaling \$38.6 million to support ongoing LCFF costs in fiscal year 2024-25.
- Local Property Tax Adjustments. The Proposed 2024-25 State Budget includes decreases of Proposition 98 general fund resources for school districts and county offices of education of \$113.0 million and \$996.0 million, respectively, in fiscal year 2023-24 and fiscal year 2024-25, as a result of increased offsetting property taxes.
- Instructional Continuity. To provide students with needed instructional continuity including when facing challenges such as severe climate events, illness, or other barriers that impact attendance, the Proposed 2024-25 State Budget proposes statutory changes to allow local educational agencies to provide attendance recovery opportunities to students to make up lost instructional time, thereby offsetting student absences, and mitigating learning loss and chronic absenteeism, as well as related fiscal impacts.
- California State Preschool Program. To support reimbursement rate increases previously supported by available one-time federal stimulus funding, the Proposed 2024-25 State Budget includes \$53.7 million in general fund resources. These resources are in addition to approximately \$140.6 million in general fund resources and \$206.3 million in Proposition 98 general fund resources identified in the 2023-24 State Budget.
- Teacher Preparation and Professional Development. To support training for educators to administer literacy screenings, the Proposed 2024-25 State Budget proposes \$25.0 million in ongoing Proposition 98 general fund resources through the K-12 Mandate Block Grant.

To further assist educators in teaching mathematics aligned to the State Board of Education’s newly adopted Mathematics Framework, the Proposed 2024-25 State Budget proposes \$20.0 million in one-time Proposition 98 general fund resources for a county office of education to work with the University of California Subject Matter Projects, as well as other well-qualified governmental or non-profit providers, to develop and provide training for mathematics coaches and leaders who can in turn provide training and support to math teachers to deliver high-quality instruction.

The Proposed 2024-25 State Budget also proposes to make statutory changes to focus the use of unexpended allocated Learning Recovery Emergency Block Grant funds on actions to address the needs of students most impacted by learning loss, based on an assessment of needs and incorporated into the existing Local Control and Accountability Plan (LCAP) development process, and to

clarify that the allowable uses of such grant funds include professional development aligned to the new Mathematics Framework.

- School Facility Program. The Kindergarten through Community College Public Education Facilities Bond Act of 2016 (Proposition 51), approved by voters in November 2016, authorized \$9.0 billion in State general obligation bonds to support K-12 and community college school facilities construction. With Proposition 51 bond authority funds nearly exhausted, the 2022-23 State budget and 2023-24 State Budget provided approximately \$1.3 billion in one-time general fund resources and \$2.0 billion in one-time general fund resources, respectively, for the School Facility Program, for K-12 school facilities construction. To address the projected budget shortfall, the Proposed 2024-25 State Budget adjusts a planned fiscal year 2024-25 investment for the School Facility Program from \$875.0 million to \$375.0 million in one-time general fund resources.
- Full-Day Kindergarten Facilities Grant Program. The Full-Day Kindergarten Facilities Grant Program supports the construction of new school facilities or retrofitting existing school facilities for the purpose of providing transitional kindergarten, full-day kindergarten, or preschool classrooms. The 2022-23 State budget included \$100.0 million in one-time general fund resources for the Full-Day Kindergarten Facilities Grant Program, and the 2023-24 State Budget reflected an additional \$550.0 million in fiscal year 2024-25 to support the Full-Day Kindergarten Facilities Grant Program. To address the projected budget shortfall, the Proposed 2024-25 State Budget delays the fiscal year 2024-25 planned investment of \$550.0 million to fiscal year 2025-26.
- Zero-Emission School Buses. The Proposed 2024-25 State Budget maintains \$500.0 million one-time Proposition 98 general fund resources to support greening school bus fleets through programs operated by the California Air Resources Board and the California Energy Commission in fiscal year 2024-25.
- Nutrition. The Proposed 2024-25 State Budget includes an increase of \$122.2 million in ongoing Proposition 98 general fund resources to fully fund the universal school meals program in fiscal year 2024-25.

The complete Proposed 2024-25 State Budget is available from the California Department of Finance website at www.dof.ca.gov or www.ebudget.ca.gov. The District can take no responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

LAO Analysis of the Proposed 2024-25 State Budget. The Legislative Analyst’s Office (“LAO”), a nonpartisan State office which provides fiscal and policy information and advice to the State legislature, released its report on the Proposed 2024-25 State Budget entitled “The 2024-25 Budget: Proposition 98 and K-12 Education” on February 15, 2024 (the “2024-25 Proposed Budget Analysis”). In the 2024-25 Proposed Budget Analysis, the LAO assesses changes related to the Proposition 98 Rainy Day Fund and Proposition 98 minimum guarantee and analyzes the major proposals for K-12 education.

The LAO notes that Proposition 98 sets aside a minimum amount of funding for schools based upon a set of constitutional formulas. Due to reductions in State revenue and the delayed deadline for personal income and corporation tax payments, the Proposed 2024-25 State Budget estimates the funding requirement to be down significantly over the fiscal years 2022-23 through 2024-25. Specifically, the delayed payments show that State tax collections for fiscal year 2022-23 were nearly \$26.0 billion lower than the levels the State estimated in June 2023. The Proposed 2024-25 State Budget revised the estimate of the Proposition 98 minimum guarantee down nearly \$9.1 billion for fiscal year 2022-23. The LAO observes that the reduction in the guarantee primarily reflects the significant drop in general fund revenue,

but is offset slightly by a small increase in property tax revenue. The downward revision is the largest reduction to the guarantee in a prior year since the passage of Proposition 98 in 1988. By contrast, previous downward revisions to the prior-year guarantee have never been larger than a couple hundred million dollars. The LAO notes that nearly half of the increase, however, is due to two special adjustments. First, the State adjusts the guarantee up by more than \$930.0 million to account for the arts education program established by Proposition 28 in the year 2022. Second, it makes a further upward adjustment of more than \$630.0 million to account for the continued expansion of eligibility for transitional kindergarten. The LAO estimates the Proposition 98 guarantee is \$7.7 billion lower than the Proposed 2024-25 State Budget level over the period. Specifically, estimates are \$5.2 billion lower in fiscal year 2023-24 and \$2.5 billion lower in fiscal year 2024-25.

The Proposed 2024-25 State Budget anticipates a rapid recovery and assumes an 8.0% increase in general fund revenue relative to the lower fiscal year 2022-23 level, including a 12.0% increase in personal income tax receipts. The Proposed 2024-25 State Budget anticipates a relatively strong rebound in general fund revenue for fiscal year 2023-24, but the State tax collections through January 2024 point to continuing weakness. Tax receipts from regular income tax withholding (the largest portion of the personal income tax) came in \$1.0 billion or 11.0% below the estimates in the Proposed 2024-25 State Budget. Receipts from the quarterly estimated payments were even worse, coming in \$3.0 billion or 27.0% below the budget estimate. Based on the recent tax collection data, the LAO sees a high level of downside risk to the revenue estimates in the Proposed 2024-25 State Budget. Specifically, LAO's updated estimate of general fund revenue (released in February 2024) is \$15.3 billion lower than the Proposed 2024-25 State Budget estimates for fiscal year 2023-24 and \$8.4 billion lower for fiscal year 2024-25. The LAO notes that there is low probability that revenues will approach the levels in the Proposed 2024-25 State Budget. The LAO estimates that the lower general fund revenue reduce the guarantee by nearly 40 cents for each dollar of lower revenue. Increases in local property tax, however, increase the Proposition 98 minimum guarantee on a dollar-for-dollar basis.

LAO's estimates of property tax revenue are somewhat higher than the levels in the Proposed 2024-25 State Budget. The LAO observes that the most important factor affecting local property tax revenue is the rate of growth in assessed property values. The Proposed 2024-25 Proposed Budget estimates assessed values will grow 5.1% in fiscal year 2023-24 and 4.7% in fiscal year 2024-25. The LAO observes that this growth assumption is somewhat below the historical average of about 5.5%. Accounting for all of the factors, the overall increase in local property tax revenue is about 4.0% in each year. The Proposed 2024-25 State Budget forecasts Proposition 98 guarantee to grow to \$111.9 billion in fiscal year 2025-26, an increase of \$2.8 billion or 2.6% from the fiscal year 2024-25 level. The LAO observes that approximately \$1.1 billion of this increase in the guarantee is attributable to an adjustment for transitional kindergarten. Most notably, recent data from the Board of Equalization show that assessed property values grew nearly 6.7% in fiscal year 2023-24, compared with the estimate of 5.1% in the Proposed 2024-25 State Budget.

The LAO emphasizes that the Proposed 2024-25 State Budget's largest solution is a funding maneuver that would move some prior-year school spending to the non-Proposition 98 side of the budget and delay budgetary recognition of the expenditure for several years. In effect, the State would be using its cash resources to finance payments to schools that exceed the Proposition 98 guarantee in the prior year and creating an internal obligation to recognize the underlying budgetary cost at some point in the future. Unlike a traditional loan, however, the State would not score this mechanism as borrowing, make payments to an external creditor, or accrue any interest. The Proposed 2024-25 State Budget also proposes a \$4.9 billion discretionary withdrawal to cover school spending that would otherwise exceed the minimum guarantee. Of this amount, the budget would use \$2.8 billion for LCFF in fiscal year 2023-24 and \$2.1 billion for LCFF in fiscal year 2024-25. These withdrawals would leave \$3.9 billion in the reserve for future use. This balance exceeds the threshold triggering the cap on local school district reserves, meaning the cap would remain operative for at least another year. Furthermore, most of the school districts will experience

funding declines in fiscal year 2024-25 as their higher attendance levels from earlier years continue phasing out of their average. The Proposed 2024-25 State Budget estimates this phaseout will reduce LCFF statewide by \$2.0 billion or 2.6%. Partially offsetting this reduction, the Proposed 2024-25 State Budget estimates an LCFF increase of \$796.0 million related to the expansion of transitional kindergarten. This increase consists of \$635.0 million for base, supplemental, and concentration grant funding generated by students who are newly eligible in fiscal year 2024-25 and \$161.0 million to support lower staffing ratios for these students. Accounting for the attendance phaseout and the expansion of transitional kindergarten, the overall reduction in LCFF costs is \$1.2 billion.

The LAO notes that the Proposed 2024-25 State Budget recognizes the budget problem and introduces a few reasonable ideas. Most notably, the inclination to access funds in the Proposition 98 Rainy Day Fund and identify savings in the State Preschool program. However, the LAO expresses major concerns with the proposal to allow schools to keep cash disbursements above the minimum guarantee without recognizing the budgetary cost of those payments. According to the LAO, this proposal creates a new type of budget solution: effectively, an interest-free loan from the State's cash resources and, as such, it sets a problematic precedent. If the State legislature were to avoid the funding maneuver entirely and reduce funding to LAO's lower estimates of the guarantee, the State would need to identify a total of \$14.0 billion in reductions or solutions affecting schools. Discretionary withdrawals from the Proposition 98 Rainy Day Fund as a one-time solution is contingent upon the State Governor declaring a budget emergency and the State legislature enacting a law authorizing the withdrawal. The LAO shares the view that a reserve withdrawal is warranted but has concerns about the way the Proposed 2024-25 State Budget would use these funds. The Proposed 2024-25 State Budget would use reserves to cover costs in fiscal years 2023-24 and 2024-25, including to free-up funding for spending increases. Using reserve withdrawals to support new spending seems contrary to the core purpose of the reserve—protecting existing programs—and diminishes an important tool that could mitigate the prior-year shortfall. The LAO notes that the reduction for State preschool program is reasonable, however, if program enrollment increases, the costs associated with providing certain payments in fiscal year 2024-25 will increase. Additionally, the Proposed 2024-25 State Budget funds the full COLA in fiscal year 2024-25 even though the guarantee cannot even support existing program costs. The LAO estimates that if the State had reduced the COLA rate for fiscal year 2023-24, it would face little or no ongoing shortfall in fiscal year 2024-25.

The LAO has offered recommendations to address the budget shortfall. The LAO recommends that the State legislature should prioritize core school programs but also promote stability for the budget moving forward. Taking this approach would require the State legislature to make some difficult choices this year but offers substantial advantages. The LAO notes that the Proposed 2024-25 State Budget proposed funding maneuver is bad fiscal policy, sets a problematic precedent, and creates a binding obligation on the State that will worsen future deficits and require more difficult decisions. The LAO strongly recommends the State legislature to reject the funding maneuver. The LAO recommends that the State legislature should begin identifying alternative reductions and solutions it would need to balance the budget. Specifically, the LAO recommends the following one-time and ongoing spending solutions:

- Build a budget that (a) contains a discretionary reserve withdrawal and (b) directs the entire withdrawal toward addressing the shortfall in fiscal year 2022-23. To the extent the State is required to withdraw any funds that remain in the reserve after covering the shortfall in fiscal year 2022-23, the LAO recommends directing those funds toward existing program costs that would otherwise exceed the guarantee in fiscal year 2023-24.
- Reject all of the one-time increases proposed in the Proposed 2024-25 State Budget to achieve savings of \$599.0 million.

- Review existing grants with unallocated funding and reduce or eliminate any grants that do not represent highest priorities. The LAO recommends that one reasonable starting point would be to rescind some of the funding for community schools.
- For a few ongoing programs, the State likely could make one-time reductions that school districts could accommodate by drawing upon unspent carryover funding. Two of the programs for which the LAO anticipates school districts have unspent funds available are Expanded Learning Opportunities Program (“ELOP”) and the Special Education Early Intervention Grant.
- Zero out the COLA for the upcoming year. Rejecting the COLA would reduce the ongoing shortfall by \$628.0 million and help the state avoid committing to an ongoing spending level it would have difficulty maintaining in the future.
- Reject most other ongoing increases in the Proposed 2024-25 State Budget, including the increases for school meals and the funding for literacy screeners.
- Plan to adopt lower LCFF cost estimates than the Proposed 2024-25 State Budget anticipates for fiscal years 2023-24 and 2024-25 and use updated data to calibrate estimates. Related to these recommendations, the LAO recommends ensuring the estimates account for the interaction between the expansion of transitional kindergarten and the three-year rolling average attendance calculation. Under LAO’s latest estimates, the overall cost of LCFF would be \$1.8 billion lower across fiscal years 2023-24 and 2024-25.
- Explore changes to ongoing programs that could generate additional savings. The LAO outlines options for reducing costs in five large programs: ELOP allocations, State Preschool program, School Nutrition program, School Transportation program and Transitional Kindergarten Staffing Add-On program.
- Eliminate or scale back by revisiting three LCFF add-ons that provide additional funding for certain districts based on historical factors to reduce historical funding inequities among school districts, simplify the LCFF, and provide ongoing savings. The LAO profiles three such add-ons: Targeted Instructional Improvement Block Grants, Minimum State Aid and Economic Recovery Targets.

Governor and Legislature Early Action Agreement. On April 4, 2024, the Governor and the State Legislature agreed to an early action budget package (the “Early Action Agreement”) to reduce the existing shortfall in the Proposed 2024-25 State Budget, to be addressed in the final budget for fiscal year 2024-25, by approximately \$17.3 billion. The Early Action Agreement consists of a mix of budgetary actions, including \$3.6 billion in budgetary reductions (primarily to one-time funding), \$5.2 billion in revenue and borrowing, \$5.2 billion in delays and deferrals, and \$3.4 billion in shifts of costs from the general fund to other State funds. With respect to the budgeted programs for K-12 education, the Early Action Agreement includes a \$500.0 million reduction to the School Facility Aid Program and a \$550.0 million funding delay with respect to the Full-Day Kindergarten Facilities Grant Program. On April 11, 2024, the Early Action Agreement was passed by the State Legislature. The Early Action Agreement does not address the Proposition 98 funding maneuver proposed in the Proposed 2024-25 State Budget. The Early Action Agreement is available from the State of California website at www.ca.gov. The District can take no responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

Changes in State Budget. The final fiscal year 2024-25 State budget, which requires approval by a majority vote of each house of the State Legislature, may differ substantially from the Proposed 2024-25 State Budget. In May 2024, the Governor will revise the Proposed 2024-25 State Budget based on updated information available at such time. Such revision in May 2024 may also differ substantially from the Proposed 2024-25 State Budget. The final fiscal year 2024-25 State budget may be affected by national and State economic conditions and other factors which the District cannot predict. Accordingly, the District cannot provide any assurances that there will not be any changes in the final fiscal year 2024-25 State budget from the Proposed 2024-25 State Budget. The District cannot predict the impact that the final fiscal year 2024-25 State budget, or subsequent budgets, will have on its finances and operations.

Future Budgets and Budgetary Actions. The District cannot predict what future actions will be taken by the State Legislature and the Governor to address changing State revenues and expenditures or the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors beyond the District's ability to predict or control. Certain actions could result in a significant shortfall of revenue and cash and could impair the State's ability to fund schools during fiscal year 2023-24 and in future fiscal years. Certain factors, like an economic recession, could result in State budget shortfalls in any fiscal year and could have a material adverse financial impact on the District. As the [Refunding] Bonds are payable from *ad valorem* property taxes, the 2023-24 State Budget is not expected to have a material impact on the payment of the [Refunding] Bonds.

Additional Information. Information about the State budget and State spending for education is regularly available at various State-maintained websites. Text of the State budget may be found at the website of the Department of Finance, www.dof.ca.gov, under the heading "California Budget." Various analyses of the budget may be found at the website of the LAO at www.lao.ca.gov. In addition, various State official statements, many of which contain a summary of the current and past State budgets and the impact of those budgets on school districts in the State, may be found via the website of the State Treasurer, www.treasurer.ca.gov. The information presented in these websites is not incorporated by reference in this Official Statement.

State Funding of Schools Without a State Budget

Although the State Constitution requires that the State Legislature adopt a budget for the State by June 15 of the prior fiscal year and that the Governor sign a budget by June 30, this deadline has been missed from time to time. Delays in the adoption of a Budget Act in any fiscal year could impact the receipt of State funding by the District. On May 29, 2002, the California Court of Appeal for the Second District decided the case of *Howard Jarvis Taxpayers Association, et al. v. Kathleen Connell* (as Controller of the State of California), et al. (also referred to as *White v. Davis*) ("Connell"). The California Court of Appeal concluded that, absent an emergency appropriation, the State Controller may authorize the payment of State funds during a budget impasse only when payment is either (i) authorized by a "continuing appropriation" enacted by the State Legislature, (ii) authorized by a self-executing provision of the State Constitution, or (iii) mandated by federal law. The Court of Appeal specifically concluded that the provisions of Article XVI, Section 8 of the State Constitution—the provision establishing minimum funding of K-14 education enacted as part of Proposition 98—did not constitute a self-executing authorization to disburse funds, stating that such provisions merely provide formulas for determining the minimum funding to be appropriated every budget year but do not appropriate funds. Nevertheless, the State Controller has concluded that the provisions of the State Education Code establishing K-12 and county office of education revenue limit funding (the predecessor to the LCFF) do constitute continuing appropriations enacted by the State Legislature and, therefore, has indicated that State payments of such amounts would continue during a budget impasse. The State Controller, however, has concluded that K-12 categorical programs are not authorized pursuant to a continuing appropriation enacted by the State Legislature and, therefore, cannot

be paid during a budget impasse. To the extent the Connell decision applies to State payments reflected in the District's budget, the requirement that there be either a final budget bill or an emergency appropriation may result in the delay of some payments to the District while such required legislative action is delayed, unless the payments are self-executing authorizations, continuing appropriations or are subject to a federal mandate. However, the District does not expect any delays in payments from the State to adversely affect its ability to pay the principal of and interest on the [Refunding] Bonds described in the forepart of this Official Statement, which are payable from voter-approved *ad valorem* property taxes.

Local Control Funding Formula

General. Funding for school districts, charter schools and county offices of education in connection with the LCFF includes State apportionments for general operating costs ("State Aid") and funding for categorical programs. During fiscal year 2022-23, approximately 55.99% of the District's General Fund revenues were pursuant to the LCFF. At the time of preparation of the Fiscal Year 2023-24 Second Interim Report, the District projected that approximately 60.48% of the District's fiscal year 2023-24 General Fund revenues will consist of funds determined under the LCFF. For fiscal years 2020-21 through 2023-24, LCFF revenues comprise a lower percentage of the District's total General Fund revenues as a result of increases in one-time federal funding for COVID-19 relief. The following Table A-2 sets forth the percentage of the District's General Fund revenues that are derived from revenues under the LCFF, federal revenues, other State revenues and other local revenues for fiscal years 2019-20 through 2023-24.

TABLE A-2

LOS ANGELES UNIFIED SCHOOL DISTRICT
General Fund Revenue Sources
Percentage of Total District General Fund Revenues⁽¹⁾
Fiscal Years 2019-20 through 2023-24

Revenue Source	Fiscal Year 2019-20	Fiscal Year 2020-21	Fiscal Year 2021-22	Fiscal Year 2022-23	Fiscal Year 2023-24 ⁽²⁾
LCFF	74.47%	64.68%	62.42%	55.99%	60.48%
Federal Revenues	8.31	19.15	19.13	19.57	19.05
Other State Revenues	14.98	13.99	18.08	22.77	15.36
Other Local Revenues	2.24	2.18	0.37	1.67	5.12

⁽¹⁾ Sum of percentages may not equal 100% due to rounding.

⁽²⁾ Projected. For more information regarding State funding during fiscal year 2023-24, including information about the establishment of an Equity Multiplier as an add-on to the LCFF in the 2023-24 State Budget and impacts on the Fiscal Year 2023-24 Budget, see "– State Budget Act – 2023-24 State Budget" and "DISTRICT FINANCIAL INFORMATION – District Budget – Revisions to Fiscal Year 2023-24 Budget."

Sources: Audited Annual Financial Report for fiscal years 2019-20 through 2022-23; Fiscal Year 2023-24 Second Interim Report for fiscal year 2023-24.

The LCFF allocates State funding based on a school district's demographics. Each school district receives a base grant (the "Base Grant") per ADA in an amount determined by the State. The Governor's State budget for fiscal year 2022-23 revised the LCFF calculation beginning with fiscal year 2022-23 to consider the greater of a school district's current fiscal year, prior fiscal year, or the average of three prior fiscal years' ADA. See "DISTRICT GENERAL INFORMATION – Enrollment and Average Daily Attendance." Pursuant to the LCFF, each local education agency ("LEA") is required to, among other things, show progress toward an average class enrollment of no more than 24 pupils in kindergarten through grade 3, unless the LEA has entered into a collective bargaining agreement specifying an annual alternative average class enrollment in those grades for each school. Accordingly, the LCFF includes an adjustment to the Base Grant for kindergarten through grade 3 (the "K-3 Grade Span Adjustment") of approximately 10.4% in order to cover the costs associated with class size reduction. In addition, the LCFF includes an

adjustment to the Base Grant for grades 9 through 12 of approximately 2.6% to cover the costs of, among other things, providing career technical education.

Based on the ADA of the given demographic classification, school districts are eligible to receive a 20% supplemental grant (the “Supplemental Grant”) for students classified as English learners (“EL”), students eligible to receive a free or reduced-price meal (“FRPM”), and students classified as foster youth (“LI”). The State expects the Supplemental Grants to reflect the additional costs associated with the education of EL, FRPM and LI students. In addition, school districts are eligible to receive a concentration grant (the “Concentration Grant”) if the school district has a significant concentration of students classified as EL, FRPM or LI (collectively, “Unduplicated Pupils”). The LCFF uses an unduplicated student count to determine the amount of the Supplemental Grant and Concentration Grant authorized for a school district. A school district may only count a student one time if such student is classified in more than one of the EL, FRPM and LI categories. In the event the percentage of Unduplicated Pupils exceeds 55% of a school district’s total enrollment, the LCFF provides additional funding to the school district through a Concentration Grant. The Concentration Grant will be an amount equal to an additional 65% of the school district’s adjusted Base Grant, which includes the cost of living adjustment and grade span adjustments, if any, for each Unduplicated Pupil above the 55% threshold.

Starting with the 2023-24 fiscal year, an additional Equity Multiplier was added for LEAs who qualify by having both (1) a prior year nonstability rate of greater than 25% and (2) a prior year socioeconomically disadvantaged pupil rate of greater than 70%. The nonstability rate refers to the percentage of students who do not complete the year due to factors like expulsion or other reason without stable subsequent enrollment at another school. The socioeconomically disadvantaged pupil rate refers to the percentage of students who (i) do not have a parent with a high school diploma, (ii) are eligible for free or reduced-price meals, (iii) are migratory, (iv) are homeless youth, (v) are foster youth or (vi) are enrolled in a county juvenile court school. Every year, the state will allocate \$300 million to the qualifying LEAs on a per-unit basis based on the LEA’s prior year adjusted cumulative enrollment, but each qualifying school will receive at least \$50,000. The Equity Multiplier revenue must be used for evidence-based services and support for pupils.

The Base Grants are based on four uniform, grade-span base rates. For fiscal year 2023-24, the LCFF provided to school districts and charter schools: (a) a Base Grant for each LEA equivalent to \$10,951 per ADA for kindergarten through grade 3; (b) a Base Grant for each LEA equivalent to \$10,069 per ADA for grades 4 through 6; (c) a Base Grant for each LEA equivalent to \$10,367 per ADA for grades 7 and 8; (d) a Base Grant for each LEA equivalent to \$12,327 per ADA for grades 9 through 12. The Base Grant amount for fiscal year 2023-24 includes a COLA of 8.22%. The amount of actual funding allocated to the Base Grant, Supplemental Grants and Concentration Grants is subject to the discretion of the State.

Since the full implementation of the LCFF in fiscal year 2018-19, there is no longer a gap between a school district’s prior year funding and the target amount of funding under the LCFF for the current year. Further, there is no longer a difference between the District’s target entitlement under the LCFF – the amount available once the LCFF is fully funded – and the District’s transition entitlement. In fiscal year 2018-19, the District reached its target entitlement for the District and the Affiliated Charter Schools, such that there is no transition entitlement for the District and the Affiliated Charter Schools. Accordingly, the District’s historically significant increases in LCFF funding from year to year are not reflective of the District’s current and expected LCFF funding since the LCFF is fully funded.

The difference between the amount a school district or charter school would have received under the old funding system and the estimated amount it would receive for LCFF funding at full implementation, based on certain criteria is referred to as the “Economic Recovery Target.” Only school districts and charter schools that were at, or below, the 90th percentile of per-pupil funding rates of school districts under the

pre-fiscal year 2013-14 funding system, as determined at the certification of the State's second principal apportionment in fiscal year 2013-14, are eligible for Economic Recovery Target payments. Based on this criteria, the District is not entitled to receive Economic Recovery Target funding. However, certain of the District's Affiliated Charter Schools are entitled to the Economic Recovery Target funding and received \$990,310, collectively, in fiscal year 2022-23, and will receive the same amount, collectively, in fiscal year 2023-24.

The District has the largest ADA in the State. See "DISTRICT GENERAL INFORMATION – Enrollment and Average Daily Attendance" herein. In addition, the District's ADA includes a significant number of students classified as Unduplicated Pupils. Accordingly, the District expects to receive more LCFF funding than other school districts in the State. The Fiscal Year 2023-24 Second Interim Report projects that approximately 85.67% of students attending non-charter schools of the District will be classified as Unduplicated Pupils under the LCFF during fiscal year 2023-24. The percentage of students classified as Unduplicated Pupils is based on a three-year rolling average. The District's calculation of ADA with respect to Unduplicated Pupils, which is used to determine Supplemental and Concentration Grant revenues, is subject to adjustment upon review thereof by the District's independent auditor.

The following Table A-3 sets forth the District's Base Grant per ADA for fiscal years 2014-15 through 2023-24 under the LCFF.

TABLE A-3
LOS ANGELES UNIFIED SCHOOL DISTRICT
Adjusted Base Grant Per Average Daily Attendance
Fiscal Years 2014-15 through 2023-24

<u>Fiscal Year</u>	<u>Grades K-3</u>	<u>Grades 4-6</u>	<u>Grades 7-8</u>	<u>Grades 9-12</u>
2014-15	\$7,740	\$7,116	\$7,328	\$8,712
2015-16	7,820	7,189	7,403	8,801
2016-17	7,820	7,189	7,403	8,801
2017-18	7,941	7,301	7,518	8,939
2018-19 ⁽¹⁾	8,235	7,571	7,796	9,269
2019-20	8,503	7,818	8,050	9,572
2020-21	8,503	7,818	8,050	9,572
2021-22	8,934	8,214	8,458	10,057
2022-23	9,520	8,754	9,013	10,716
2023-24	10,951	10,069	10,367	12,327

⁽¹⁾ LCFF was fully funded in fiscal year 2018-19.

Sources: Los Angeles Unified School District Comprehensive Annual Financial Report for fiscal years 2014-15 and 2015-16; the District for fiscal years 2016-17 through 2022-23; and Fiscal Year 2023-24 Second Interim Report for fiscal year 2023-24.

Local Control and Accountability Plan. Pursuant to the LCFF, since July 1, 2014, school districts, county offices of education and charter schools have been required to develop, adopt and annually update a three-year LCAP. The LCAP is required to identify goals and measure progress for student subgroups across multiple performance indicators. The Education Code requires each school district to file with the county superintendent of schools such school district's LCAP or annual update thereof not later than five days after its adoption. On or before August 15 of each year, the county superintendent of schools may seek clarification, in writing, from the governing board of such school district about the contents of the LCAP. The school district has the opportunity to respond to such request and the county superintendent is authorized to submit recommendations for amendments to the LCAP. On or before October 8 of each year,

the county superintendent of schools is required to approve each school district's LCAP pending a determination that the school district has adhered to the template adopted by the State Board of Education, the school district's budget includes expenditures sufficient to implement the specific actions and strategies included in the LCAP based on projected costs, and the school district has adhered to the Education Code with respect to funds apportioned for Unduplicated Pupils.

The State's priorities for each LCAP include, among other things, compliance with requirements with respect to appropriateness of teacher assignments, ensuring that teachers are fully credentialed in the subject areas and for the pupils they are teaching, and ensuring that every pupil in the school district has sufficient access to the standards-aligned instructional materials as determined in accordance with the Education Code. In addition, school facilities are to be maintained in good repair. The State requires proper implementation of the academic content and performance standards adopted by the State Board of Education and will measure parental involvement (e.g., efforts to seek input from parents or guardians regarding decisions for the district and the school site), pupil achievement (e.g. performance on Statewide assessments, the academic performance index, readiness for college or career technical education, progress towards English proficiency, performance on advance placement examinations), pupil engagement (e.g., school attendance rates, chronic absenteeism rates, middle school dropout rates, high school dropout and graduation rates, pupil suspension and expulsion rates, etc.), access and enrollment in a broad course of study including the core subject areas and programs and services developed and provided to Unduplicated Pupils, and pupil outcomes in the subject areas comprising a broad course of study.

In November 2014, the State Board of Education adopted final regulations to govern the expenditure of the Supplemental Grant and Concentration Grant funding. These regulations require school districts, county offices of education, and charter schools to increase and improve services for Unduplicated Pupils and provide authority for school districts to spend funds school-wide when significant populations of Unduplicated Pupils attend a school. Pursuant to the regulations, LEAs are required to obtain input from parents of students and the general public in connection with the development, revision and updates of LCAPs. In addition, the regulations require County superintendents to review school district LCAPs and require county offices of education to provide technical assistance if they disapprove an LCAP. The Education Code grants the State Superintendent of Public Instruction authority to intervene if a school district or charter school fails to show improvement across multiple subgroups in three out of four consecutive years.

Infectious Disease Outbreak

In general, the outbreak of a highly contagious disease or epidemic disease could harm the District's financial results or result in a temporary shutdown of the District's facilities. As discussed above, school districts in California are funded based on the LCFF, which allocates a base grant per unit of average daily attendance with additional supplemental grants based on certain factors. Thus, a temporary shutdown of a school or an entire school district would reduce the average daily attendance and could impact the funding a school district receives unless the State legislature or California Department of Education takes action to exclude such days from the calculations for funding purposes. Further, any impact on the State's tax and other revenue receipts as a result of a highly contagious or epidemic disease may in turn impact other educational funding that the District receives from the State. "– State Budget Act – *Future Budgets and Budgetary Actions.*" In addition, the District may incur increased operational costs to conduct distance learning or to clean, sanitize and maintain its facilities either before or after an outbreak of an infectious disease.

COVID-19 Background. The outbreak of the respiratory disease caused by COVID-19 was previously declared a pandemic by the World Health Organization, a national emergency by former President Trump and a state of emergency by the Governor of the State. The national and public health

emergency declarations ended on May 11, 2023. Additionally, the Governor of the State issued a proclamation terminating the State's COVID-19 state of emergency on February 28, 2023.

Federal Response. On March 13, 2020, former President Trump declared a nationwide emergency pursuant to Section 501(b) of the Stafford Act, regarding the COVID-19 pandemic. On March 22, 2020, former President Trump approved the Major Disaster Declaration for the State of California, authorizing federal emergency aid related to COVID-19 administered through the Federal Emergency Management Agency ("FEMA"). As a result, local educational agencies were permitted to submit a request for FEMA public assistance through the California Office of Emergency Services for reimbursement of certain costs incurred as a result of COVID-19. The District submitted all requests for FEMA public assistance for eligible cleaning, sanitation, COVID-19 testing, vaccination, and meal programs expenses incurred through June 30, 2023. As of February 29, 2024, the District has received \$344.7 million for testing and miscellaneous response costs. In addition, the District received four obligation letters from FEMA totaling \$159.6 million for testing, vaccinations and miscellaneous response costs. The District is working to maximize its reimbursement from FEMA and anticipates that a significant majority of the amount of assistance requested from FEMA will ultimately be deemed eligible and reimbursed.

On March 27, 2020, the U.S. House of Representatives approved and former President Trump signed into law the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"). The CARES Act provided \$30 billion to education, specifically \$3 billion allocated to state governors to be used at their discretion to address the emergency, \$13.5 billion for K-12 education, and \$14.25 billion for postsecondary institutions. School districts are able to use their share of the \$13.5 billion K-12 education allocation under the CARES Act, which was based on the proportion of Title I funding received for the then most recent fiscal year, for purposes authorized by federal law and other specified uses. The District received approximately \$858.1 million in funding under the CARES Act, which is the full amount allocated to the District under the CARES Act and included approximately \$289.7 million from the Elementary and Secondary School Emergency Relief Fund (the "ESSER") provided directly from the federal government to the District, and amounts allocated by the State of California through its Learning Loss Mitigation Fund, including approximately \$488.6 million from the Coronavirus Relief Fund (the "CRF") provided from CARES Act funding, approximately \$31.9 million from the Governor's Emergency Education Relief Fund (the "GEER") provided from CARES Act funding, and approximately \$47.9 million from the State's general fund. The District has also received approximately \$22.0 million in supplemental reimbursements at a rate of 75 cents per meal for meals served to students between March 2020 and August 2020; a portion of such funding was provided by federal sources under the CARES Act and the other portion of such funding was provided by State funds. In addition, the District has been awarded approximately \$6.0 million in grant funds by the State under the California Community Schools Partnership Program for expenditures relating to the District's community schools. As of June 30, 2023, the District has received all \$6.0 million of such grant funding.

On December 27, 2020, the Consolidated Appropriations Act of 2021 ("HR 133") was enacted, which includes a \$900 billion COVID-19 relief package. HR 133 provided approximately \$81.9 billion to education, specifically about \$4.1 billion allocated to state governors to be used at their discretion to address the emergency, of which approximately \$2.75 billion was reserved for private K-12 education, about \$54.3 billion for K-12 education, around \$22.7 billion for postsecondary institutions, and about \$819 million for outlying areas and Bureau of Indian Affairs schools. School districts are able to use their share of the approximately \$54.3 billion K-12 education allocation under HR 133, which was based on the proportion of Title I funding received for the then most recent fiscal year, for purposes authorized by federal law and other specified uses. Pursuant to HR 133, \$154 million was allocated to the State in the form of funding for public schools from the GEER (the "GEER II"), and the State ultimately incorporated such funds into the expanded learning opportunity grant funding discussed below. In addition, pursuant to HR 133, the District is eligible to receive approximately \$1.15 billion in funding from the ESSER (the "ESSER II") for eligible

expenditures obligated through September 30, 2023. The District has received all \$1.15 billion in ESSER II funding as of June 30, 2023. In addition, under HR 133, the District received a one-time child development stipend of approximately \$4 million for costs associated with childcare programs.

On March 11, 2021, the American Rescue Plan Act of 2021 (“HR 1319”), a \$1.9 trillion COVID-19 relief package, was enacted. HR 1319 provided approximately \$165.15 billion to education, specifically about \$122.8 billion to public K-12 education, around \$2.75 billion to private K-12 education and about \$39.6 billion to postsecondary institutions. Of the approximately \$122.8 billion in K-12 funding, about \$7.2 billion was set aside for purchasing technology to support digital learning and around \$800 million is set aside for supporting homeless students. HR 1319 allocated K-12 funding to states and school districts according to the proportion of Title I funding received for the then most recent fiscal year. It further stipulated that of the K-12 funds received by states, 90% must be distributed to local educational agencies, 5% must be used to address learning loss, 1% must be used for summer enrichment programs and 1% must be used for comprehensive afterschool programs, and of the K-12 funds received directly by school districts, 20% must be used to address learning loss. Pursuant to HR 1319, the District expects to receive approximately \$2.6 billion in additional funding from the ESSER (the “ESSER III”) for expenditures obligated through September 30, 2024. As of February 29, 2024, the District has received approximately \$2.1 billion in ESSER III funding. Pursuant to HR 1319, the District also may receive up to \$281.6 million from the amounts dedicated to technology and digital learning (the “Emergency Connectivity Fund”). As of February 29, 2024, the District has received approximately \$50.4 million of funding from the Emergency Connectivity Fund.

Pursuant to a grant from the U.S. Department of Health and Human Services, LACOE received funding for COVID testing to allocate to school districts within its jurisdiction. Accordingly, the District was allocated approximately \$82.2 million in funding for COVID testing expenses during fiscal year 2021-22, all of which the District received during fiscal year 2021-22.

State Legislation Relating to School Districts. On March 17, 2020, the Governor signed Senate Bill 117 (“SB 117”) as urgency legislation effective immediately. For purposes of school district funding for fiscal year 2019-20, SB 117 limited the average daily attendance reported to the California Department of Education to include the full school months from July 1, 2019, to February 29, 2020. This condensed ADA period applied to school districts that complied with Executive Order N-26-20. SB 117 further states the intent of the State Legislature is that a school district’s employees and contractors be paid during the period of a school closure due to COVID-19. SB 117 also waived instructional time penalties that would otherwise accrue, as long as the school district superintendent, county superintendent or charter school administrator certify that the closure due to COVID-19 caused the school district to fall below applicable instructional time requirements. SB 117 also included \$100 million in additional funding to school districts for certain costs incurred as a result of COVID-19. The District received approximately \$7.9 million, which includes amounts for Affiliated Charter Schools, from such additional State funding in fiscal year 2019-20.

The Governor signed Assembly Bill 86 (“AB 86”) into law on March 5, 2021. AB 86 provided approximately \$6.6 billion to local educational agencies to encourage a return to in-person education, with a focus on students who are younger (TK-2) and most disproportionately impacted by the COVID-19 pandemic. Funding was distributed as follows: \$725 per student, an additional \$1,000 per homeless student, and funds remaining after these apportionments are distributed proportionally based on LCFF. \$2 billion was set aside as incentive for school districts that return to in-person instruction by March 31, 2021 for at least TK-2 and ramping up to include higher grades if county transmission rates allow. Beginning April 1, 2021, school districts’ apportioned incentive funding was reduced by 1% for every academic calendar day they do not offer in-person education until May 15, 2021, after which school districts forfeit their entire apportionment of incentive funding. AB 86 allocated approximately \$4.6 billion to local educational agencies to support expanded learning opportunities that target learning loss resulting from the COVID-19

pandemic. School districts must implement learning recovery programs that include, at minimum, supplemental instruction, resources for social and emotional well-being and meal programs. AB 86 also established reporting requirements to monitor COVID-19 cases and in-person education status and apportioned \$25 million to the State's "Safe Schools For All Team" to provide technical assistance, community engagement, oversight and accountability to school districts. AB 86 further set aside 10% of the State's vaccine supply for childcare and TK-12 education staff. Pursuant to AB 86, the District expects to receive approximately \$572.5 million in additional funding following its reopening of schools for in-person hybrid instruction throughout April 2021. As of February 29, 2024, the District has received approximately \$561.7 million in such funding.

The Governor signed Assembly Bill 130 ("AB 130") into law on July 9, 2021. Pursuant to AB 130, the District received approximately \$243.2 million in funding in fiscal year 2021-22 and is eligible for \$457.10 million per year thereafter for the operation of afterschool and summer school enrichment programs through the Expanded Learning Opportunities Program. In addition, pursuant to AB 130, the District received an additional \$45.7 million in funding through the Special Education Learning Recovery Support program and approximately \$10.1 million for dispute prevention and dispute resolution. While the Expanded Learning Opportunities Program is not a traditional one-time COVID relief funding source like the other COVID relief funding discussed above, it is part of the State's on-going response to educational challenges exacerbated by the COVID-19 pandemic.

As of February 29, 2024, in aggregate from federal and State funding sources described above from fiscal year 2019-20 through fiscal year 2023-24, the District expects to receive approximately \$5.6 billion in COVID-19 relief funding, which does not include the funding that the District received through the Expanded Learning Opportunities Program in fiscal year 2021-22 or the funds that the District expects to receive through the Expanded Learning Opportunities Program on an ongoing basis. As of February 29, 2024, the District has received approximately \$4.8 billion in such COVID-19 relief funding, which does not include any funds received through the Expanded Learning Opportunities Program.

District Response. As a result of the outbreak of COVID-19, on March 10, 2020, the District Board declared that emergency conditions exist throughout the District and authorized the Superintendent to take any and all actions necessary to ensure the health and safety of students and staff. Under such authority, the Superintendent closed all schools within the District for in-person instruction effective March 16, 2020. The District implemented a distance learning model for the remainder of the 2019-20 school year.

The District utilized the distance learning model for much of the 2020-21 school year, which commenced on August 18, 2020, given the ongoing COVID-19 pandemic. However, the District began reopening schools for in-person hybrid instruction the week of April 12, 2021, starting with 61 elementary schools and 11 early education centers. The remaining elementary schools and early education centers reopened for in-person hybrid instruction the week of April 19, 2021, and middle schools and high schools reopened for in-person hybrid instruction the week of April 26, 2021. Distance learning also remained available to students throughout the 2020-21 school year. To ensure that the reopening was as safe as possible for students, employees, and the communities, the District published its COVID-19 Containment, Response and Control Plan in February 2021, which details plans, practices and health and safety protocols for reopening schools and is available on the District's website. The District also offered vaccinations to all District employees, administered vaccinations at multiple school sites, and operated a mass vaccination center at Hollywood Park to serve its employees and charter school employees. Baseline COVID-19 testing and subsequent periodic testing on a weekly basis was made available to all students and staff located at school facilities.

The District fully opened its school facilities to full-time in-person instruction at the outset of the 2021-22 school year. The District operates an independent study program for students who do not want to

return to in-person instruction. Beginning in October 2021, the District required all employees to be vaccinated against COVID-19, but on September 26, 2023, the Board of Education rescinded that requirement. During the 2021-22 school year, the District conducted weekly testing of all staff and students for COVID-19. During the 2022-23 school year, the District no longer required weekly testing, but provided rapid antigen tests for symptomatic and exposed students and staff. The District continues to implement strict health and safety measures to ensure the safety of its staff and students.

In response to the COVID-19 pandemic, the District incurred costs totaling approximately \$5.1 billion from March 2020 through February 29, 2024, including costs associated with instructional connectivity, learning lost mitigation, meals, cleaning and protective equipment, COVID-19 testing, and business continuity and connectivity. As a result of the COVID-19 pandemic, the District currently projects approximately \$915.6 million in COVID-19 related costs associated with operating schools during the 2023-24 school year. More specifically, based on the Fiscal Year 2023-24 Second Interim Report, the District projects (1) approximately \$23.3 million in costs associated with strategies for continuous and safe in-person learning; (2) approximately \$246.4 million in costs associated with addressing lost instructional time; and (3) approximately \$645.9 million in costs for addressing additional district priorities. For more information on the District's COVID-19 relief funding expectations for fiscal year 2023-24, see "DISTRICT FINANCIAL INFORMATION – District Budget."

While the State and federal one-time COVID-19 relief funding discussed above has provided and will continue to provide some immediate relief to school districts, including the District, the long-term impacts of the COVID-19 outbreak on the District's operations and finances are not fully known as the situation continues to evolve. The District cannot predict whether similar legislation would be enacted in the event the outbreak severity of COVID-19 returns or a similar or other outbreak of a highly contagious disease or epidemic disease were to occur in the future.

Charter School Funding

A charter school is a public school authorized by a school district, county office of education or the State Board of Education. State law requires that charter petitions be approved if they comply with the statutory criteria. The District has certain fiscal oversight and other responsibilities with respect to both Affiliated Charter Schools and Fiscally Independent Charter Schools located in the District geographic boundaries. However, Fiscally Independent Charter Schools are separate LEAs and receive revenues directly from the State. Affiliated charter schools receive their funding from the District and are included in the District's budgets and audit reports. Information regarding enrollment, ADA, budgets and other financial information relating to Fiscally Independent Charter Schools is not included in the District's audit reports or in this Official Statement unless otherwise noted.

Pursuant to the LCFF, Fiscally Independent Charter Schools and Affiliated Charter Schools will receive a Base Grant per ADA and are eligible to receive Supplemental Grants, Concentration Grants and Equity Multiplier funds. See "– Local Control Funding Formula" herein. In fiscal year 2023-24, the District operates 51 Affiliated Charter Schools and oversees 221 Fiscally Independent Charter Schools within the District boundaries. The fiscal year 2023-24 funded ADA of the Affiliated Charter Schools and the Fiscally Independent Charter Schools is anticipated to be approximately 34,658 and 101,678, respectively. An increase in the number of Fiscally Independent Charter Schools within the boundaries of a school district or an increase in the number of students transferring to a Fiscally Independent Charter School or an Affiliated Charter School from a traditional school within a school district may cause a net reduction in the District's ADA.

Limitations on School District Reserves

Unless a school district is granted an exemption by its county superintendent of schools, amounts in its reserves may not exceed the limitations set forth in the Education Code once certain conditions precedent are met. Pursuant to Section 42127.01 of the Education Code, in a fiscal year immediately after a fiscal year in which the amount of moneys in the Proposition 98 Rainy Day Fund is equal to or exceeds 3% of the combined total of State general fund revenues appropriated for school districts and allocated local proceeds of taxes for that fiscal year, a school district budget that is adopted or revised shall not contain a combined assigned or unassigned ending general fund balance that is in excess of 10% of total General Fund expenditures and other financing uses. A county superintendent of schools may grant a school district under its jurisdiction an exemption from the reserves limitation for up to two consecutive fiscal years within a three-year period if the school district provides documentation indicating that extraordinary fiscal circumstances, including, but not limited to, multiyear infrastructure or technology projects, substantiate the need for a combined assigned or unassigned ending general fund balance that is in excess of the reserves limitation. The limitation applies once the Superintendent of Public Instruction notifies school districts and county offices of education that the conditions precedent are met. The Superintendent of Public Instruction is also required to notify school districts and county offices of education when those conditions no longer exist.

The State-imposed minimum recommended reserve for the District is accounted for in the District's reserve for economic uncertainties. Payments allocated to the Proposition 98 Rainy Day Fund by the State in fiscal years 2021-22 and 2022-23 triggered certain limitations on school district reserves under the Education Code in fiscal years 2022-23 and 2023-24. In fiscal years 2022-23 and 2023-24, the District Board has committed funds comprising portions of the General Fund ending balance to (1) proportionality resources that are allocated to schools to increase or improve services for low income, English language learner, and foster youth students, (2) the primary promise program for elementary school students to build a foundation in literacy, math, and critical thinking skills, (3) inflation protection, and (4) financial obligations pursuant to labor agreements. At the time of preparation of the 2023-24 Second Interim Report, the District's assigned and unassigned ending General Fund balance for fiscal year 2023-24 did exceed 10% of the total General Fund expenditures and other financing uses. However, the reserve cap is not checked for compliance at interim reporting periods; it is checked at budget adoption and at the reporting of unaudited actuals. Should the District appear to exceed the reserve cap at the time of preparation of the District's fiscal year 2023-24 unaudited actuals, the District would take appropriate action to ensure compliance.

Even with the Governor's proposed withdrawals in fiscal years 2023-24 and 2024-25 in the Proposed 2024-25 State Budget (see " – Proposed 2024-25 State Budget"), the Proposed 2024-25 State Budget indicates the projected balance of \$5.7 billion in the Proposition 98 Rainy Day Fund in fiscal year 2023-24 continues to trigger school district reserve limitations in fiscal year 2024-25.

DISTRICT FINANCIAL INFORMATION

District Financial Policies and Related Practices

General. The District has three key financial policies: a budget and finance policy (the "Budget and Finance Policy"), a debt management policy (the "Debt Management Policy") and an investment policy (the "Investment Policy").

Budget and Finance Policy. The District has adopted a Budget and Finance Policy pursuant to which the District creates and funds reserves for operating purposes (collectively, the "Operating Reserves") and liability management purposes (collectively, the "Liability Reserves"). The Budget and

Finance Policy reflects reserve categories promulgated by the Government Accounting Standards Board (“GASB”) and incorporates certain reserve categories established by the District. See “STATE FUNDING OF SCHOOL DISTRICTS – Limitations on School District Reserves” herein.

Operating Reserves. The District uses the Operating Reserves to manage its budget for each fiscal year. A portion of the District’s authorized appropriations are set aside in the Operating Reserves. The District generally appropriates amounts from the General Fund based on the amount estimated in its budget. However, the District may appropriate funds from unspent balances within the Operating Reserves, if necessary. Accordingly, the District uses the Operating Reserves to ensure that appropriations reflect the District’s actual General Fund expenditures. The current Operating Reserves include nonspendable reserves, restricted reserves, committed reserves, assigned reserves, and unassigned reserves, the latter of which includes the District’s reserve for economic uncertainties. Pursuant to the California Code of Regulations, school districts with an ADA between 30,001 and 400,000 students, such as the District, must maintain a reserve for economic uncertainties of 2% of General Fund appropriations.

Pursuant to the Budget and Finance Policy, the District’s total General Fund balance may not be less than an amount equal to 5% of total General Fund expenditures and net transfers out during a fiscal year (the “5% Minimum Reserve Threshold”). In addition, the Budget and Finance Policy requires the projected General Fund balance to satisfy the 5% Minimum Reserve Threshold in each of the two subsequent fiscal years which the District includes in its interim financial reports. In the event that the District’s estimates indicate that the total General Fund balance will not satisfy the 5% Minimum Reserve Threshold in any of the current fiscal year or two subsequent fiscal years, the Budget and Finance Policy directs the District to develop and implement budget proposals to restore reserve balances to the 5% Minimum Reserve Threshold.

Based on the Fiscal Year 2023-24 Second Interim Report, the District’s Operating Reserves are expected to satisfy both the 5% Minimum Reserve Threshold and the 2% statutory reserve requirement for fiscal years 2023-24, 2024-25 and 2025-26. Unlike the 5% Minimum Reserve Threshold, the 2% statutory reserve requirement is based on the unrestricted and unassigned ending fund balance (including the reserve for economic uncertainties) only and does not take into account the restricted, committed, or assigned ending fund balances. See “– District Budget – Fiscal Year 2023-24 Second Interim Report” herein.

Liability Reserves. Pursuant to the Budget and Finance Policy, the District must establish several Liability Reserves, including a self-insurance reserve, a workers’ compensation reserve (the “Workers’ Compensation Fund”), a health and welfare reserve (the “Health and Welfare Benefits Fund”), an other-post-employment benefits (“OPEB”) reserve (the “OPEB Trust Fund”), and a pension (CalSTRS and CalPERS) reserve (the “Pension Reserve”).

The amount required to be on deposit in the Workers’ Compensation Fund is established with information from an independent actuary. The District determines the annual budget for workers’ compensation by reviewing the amount necessary to fund its outstanding workers’ compensation liability to the actuarially recommended level based on the central estimate approach and by additionally calculating the amount necessary for claims and operation of the Workers’ Compensation Fund. The District uses the difference of the current fiscal year’s central estimate versus that from the previous fiscal year to establish the amount necessary to fund projected liabilities. With respect to funding claims activity, the amount required to be on deposit in the Workers’ Compensation Fund is based on the anticipated increase in claims cost in the current fiscal year versus the prior fiscal year. Such amount is generally higher than the amount recommended in the actuarial report. See “– Risk Management and Litigation” herein.

The District Board approved the creation of an irrevocable trust for its OPEB liability (the “OPEB Trust Fund”) in May 2014. The Budget and Finance Policy directs the District, subject to approval by the

District Board, to make annual contributions to the OPEB Trust Fund when the balance in the General Fund exceeds the 5% Minimum Reserve Threshold to the extent possible. In the event that the unrestricted portion of the General Fund is above 5% of the unrestricted revenues (after the annual OPEB contribution has been determined), the Budget and Finance Policy directs the District to make an additional contribution from the assigned OPEB reserve to the OPEB Trust Fund. See “– Other Postemployment Benefits” herein. As of June 30, 2023, the net position of the OPEB Trust Fund was approximately \$499.9 million. This amount does not reflect the \$33.3 million contribution designated for internal purposes as a fiscal year 2022-23 contribution but not deposited into the OPEB Trust Fund until August 11, 2023 or the monthly amounts totaling \$17.6 million deposited into the OPEB Trust Fund from September 2023 through April 2024, which monthly deposits are expected to continue through June 2024 with an additional \$35 million expected to be deposited into the OPEB Trust Fund.

The Health and Welfare Benefits Fund is used to pay all health and welfare payments for active employees and retirees. The District determines funding of the Health and Welfare Benefits Fund based on the applicable health benefits agreement for each of the applicable years. See “– Employees and Labor Relations – *Negotiations Regarding Labor Contracts*” herein. As of June 30, 2023, the net position of the Health and Welfare Benefits Fund was approximately \$107.7 million.

Budgeting Practices. Beginning in fiscal year 2022-23, the District implemented new budgeting practices. As part of such new budgeting practices, the District prepares quarterly budget to actuals analysis for various departments to inform internal budget adjustments or reallocations that may occur throughout the fiscal year. Such new budgeting practices also include zero-based budgeting that involves developing a new budget each fiscal year, as opposed to starting with the previous fiscal year’s budget and making adjustments, in order to ensure that all expenses are justified for the new fiscal year. As part of the development of the Fiscal Year 2023-24 Budget, zero-based budgeting was implemented in certain departments, including Information Technology Services, Procurement Services, Maintenance and Operations, and Federal and State Education Programs. In the development of the District’s fiscal year 2024-25 budget, the District is implementing zero-based budgeting in additional departments, including Early Childhood Education, Transportation Services, Food Services, and Multilingual and Multicultural Education. The District plans to continue phasing in zero-based budgeting to additional departments over time.

Debt Management Policy. The Debt Management Policy establishes formal guidelines for the issuance and management of the District’s debt and other financial obligations. The Debt Management Policy establishes targets and ceilings for certificates of participation (“COPs”) and unhedged variable rate exposure and sets forth benchmark debt ratios that include both COPs and the District’s general obligation bonds. The Debt Management Policy also requires the District to annually publish a comprehensive debt report that, among other things, provides information on tax rates related to the District’s general obligation bonds and credit factors that reflect the District’s ratings.

The Debt Management Policy is required to be reviewed annually. The current Debt Management Policy was approved by the District Board on June 13, 2023. The District is in compliance with the Debt Management Policy. The Debt Management Policy establishes a ceiling of 2.0% for the ratio of COPs gross annual debt service to District General Fund expenditures. The District Board may increase the target at the time a new debt issuance is proposed, but such authority is not intended to exceed the ceiling established in the Debt Management Policy. As of March 1, 2024, the maximum fiscal year COPs debt service was approximately 0.43% of the District’s General Fund budgeted expenditures for fiscal year 2023-24. As of March 1, 2024, the District has outstanding COPs in the aggregate principal amount of approximately \$471.6 million. (See “– District Debt – *Certificates of Participation*” for more information.) The Debt Management Policy limits unhedged variable rate debt to \$100 million and requires reporting of the debt ratios and benchmarks. The District currently has no variable interest rate exposure.

Investment Policy. The foremost objective of the District's Investment Policy is safety. In addition, the Investment Policy directs the District to invest public funds in a manner that will maximize the investment return on all of its funds with maximum security while meeting the daily cash flow demands of each portfolio of the District and conforming to all federal, State, and local statutes governing the investment of public funds. Further, the Investment Policy directs that all investments of the District be undertaken to ensure the preservation of capital in the overall portfolio. To attain this objective, the District may diversify its investments by investing funds among a variety of securities offering independent returns. In addition, the Investment Policy requires the District's investment portfolios remain sufficiently liquid to enable the District to meet its operating requirements and be structured to attain a maximum return commensurate with its investment risk constraints and the cash flow characteristics of each portfolio. The District is in compliance with the Investment Policy.

The District's operating funds and all of the debt service funds maintained for repayment of general obligation bonds are deposited in the County Treasury Pool in accordance with State law and managed pursuant to the County's Investment Policy, a copy of which can be found at <http://ttc.lacounty.gov/>. Such website is not incorporated herein by reference and the District, its counsel (including Bond Counsel and Disclosure Counsel), the Municipal Advisor, the Underwriters and their counsel do not make any representation as to the accuracy of the information provided therein. See APPENDIX F – "THE LOS ANGELES COUNTY TREASURY POOL." However, with the concurrence of the County's Treasurer and Tax Collector, the District may direct the investment of funds in certain of its operating funds and debt service funds so long as such direction complies with both the County's investment policy and the District's Investment Policy. In addition, the District can direct the investment of indentured funds held by third party trustees with regard to certain issuances of COPs pursuant to a prescribed list of permitted investments.

Significant Accounting Policies, System of Accounts and Audited Financial Statements

The CDE imposes by law uniform financial reporting and budgeting requirements for K-12 school districts. Financial transactions are accounted for in accordance with the California School Accounting Manual. The District uses fund accounting and maintains governmental funds, proprietary funds and fiduciary funds. The General Fund is the chief operating fund of the District. For a description of the other major funds of the District, see the description thereof contained in APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023." Note 1 to such audited financial statements sets forth significant accounting policies that the District follows. Simpson & Simpson Certified Public Accountants ("Simpson"), Los Angeles, California, served as independent auditor to the District for its audited financial statements for fiscal year 2021-22. Simpson has not been requested to consent to the use or to the inclusion of its reports in this Official Statement, and it has not audited or reviewed this Official Statement. The District's audited financial statements for the fiscal year ended June 30, 2023, are included as Appendix B to this Official Statement. The complete audited financial statements of the District, including the notes thereto, are an integral part of this Official Statement.

Typically, the District is required to file its audited financial statements for the preceding fiscal year with the State Controller's Office, the CDE and the County Superintendent of Schools by December 15 of each year. During the last five years, the District timely filed its audited financial reports with the State Controller's Office, the CDE, and LACOE pursuant to the Education Code and any applicable legislation amending the filing deadline thereof by the respective deadlines therefor.

The audited financial statements for fiscal year 2022-23 include certain audit findings and questioned costs. With respect to the audited financial statements for fiscal year 2022-23, Simpson identified 18 audit findings and questioned costs totaling approximately \$808.5 million. For detailed information regarding such findings and questioned costs, see Appendix B. Notably, in fiscal year 2022-23

– like fiscal year 2020-21 and fiscal year 2021-22 – the District did not meet the minimum threshold of General Fund spending on classroom teacher salaries and benefits in accordance with Education Code Section 41372. Under Education Code Section 41372, a unified school district, like the District, is required to spend a minimum of 55% of its General Fund resources on classroom salaries and benefits. In fiscal year 2022-23, the District spent approximately 47.05% of its General Fund resources on classroom salaries and benefits, which is approximately 7.95% or \$687.6 million below such minimum threshold set forth in the Education Code. Such discrepancy is the result of the COVID-19 pandemic that caused the District to spend significant General Fund revenues on COVID-19 related expenses that were non-classroom teacher salaries and benefits. In each of fiscal year 2020-21 and fiscal year 2021-22, the District Board approved the submission of a waiver request to the County Superintendent, and each was approved by the County Superintendent. The District expects to submit a waiver request with respect to fiscal year 2022-23 to the County Superintendent.

In addition, the audited financial statements for fiscal year 2022-23 included a finding that the District did not meet the minimum instructional minute and instructional day requirements of Education Code Sections 46207 and 46207 due to a work stoppage in March 2023 which resulted in the closure of all District schools for three days. The District offered 177 instructional days in sampled schools, not the minimum 180-day requirement. All the sampled schools not meeting the minimum number of instructional minutes (64,800 instructional minutes) were high schools. The calculated penalty for both the instructional days and the instructional time amounted to approximately \$110.96 million. The District expects to file for a waiver and, to comply with the conditions for the penalty waiver, the District is offering 183 instructional days for the 2023-24 and 2024-25 school years, with comprehensive high schools offering over 66,000 annual instructional minutes for each of the school years. See “– Employees and Labor Relations – *Negotiations Regarding Labor Contracts*” for a discussion of the District’s agreements relating to the instructional calendar for fiscal years 2023-24 and 2024-25 and the provision of three additional instructional days to make up for lost instructional days in March 2023. A similar finding regarding instructional minutes was made with respect to the District’s Affiliated Charter Schools in the audited financial statements for fiscal year 2022-23.

Copies of the District’s audited financial statements as well as budgets and interim financial reports may be obtained from the website of the District: **www.lausd.org**. The website is not incorporated herein by reference and the District, its counsel (including Bond Counsel and Disclosure Counsel), the Municipal Advisor, the Underwriters and their counsel do not make any representation as to the accuracy of the information provided therein.

District Budget

General School District Budget Process and Oversight. State law requires that each school district maintain a balanced budget in each fiscal year. The California Department of Education imposes a uniform budgeting and accounting format for school districts. Under current law, a school district governing board must adopt and file with the county superintendent of schools a budget by July 1 in each fiscal year. The District is under the jurisdiction of the County of Los Angeles Superintendent of Schools.

The county superintendent of schools must approve, conditionally approve, or disapprove the adopted budget for each school district by September 15 in accordance with the Education Code. The county superintendent of schools is required to examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance with the established standards. The county superintendent of schools is also required to determine whether the adopted budget will allow the school district to meet its financial obligations during the fiscal year and is consistent with a financial plan that will enable the school district to satisfy its multiyear financial commitments. The Education Code directs the county superintendent of

schools to disapprove any school district budget if it determines that the budget does not include expenditures necessary to implement an LCAP or an annual update to the LCAP. See “STATE FUNDING OF SCHOOL DISTRICTS – Local Control Funding Formula – *Local Control and Accountability Plan*” herein for more information about LCAP.

In the event that the county superintendent of schools conditionally approves or disapproves the school district’s budget, the county superintendent of schools will submit to the governing board of the school district no later than September 15 of such year recommendations regarding revisions of the budget and the reasons for the recommendations, including, but not limited to, the amounts of any budget adjustments needed before the county superintendent of schools can approve that budget. In addition, school districts must make available for public review any revisions to revenues and expenditures that it has made to its budget to reflect the funding made available by the State Budget Act (defined herein) not later than 45 days after the enactment of the State Budget Act.

The governing board of the school district, together with the county superintendent of schools, must review and respond to the recommendations of the county superintendent of schools before October 8 at a regular meeting of the governing board of the school district. The county superintendent of schools will examine and approve or disapprove of the revised budget by November 8 of such year. If the county superintendent of schools disapproves a revised budget, the county superintendent of schools will call for the formation of a budget review committee. By December 31 of each year, every school district must have an adopted budget, or the county superintendent of schools may impose a budget and will report such school district to the State Legislature and the Department of Finance. In prior years, LACOE has granted a conditional approval to certain of the District’s budgets pending, among other things, approval of the District’s LCAP, information regarding collective bargaining and other budgetary considerations. However, in the last ten years, LACOE has not disapproved any budget submitted to it by the District. LACOE approved the Fiscal Year 2023-24 Budget, including the District’s revisions to the Fiscal Year 2023-24 Budget approved by the District Board on August 22, 2023. See “– *Fiscal Year 2023-24 Budget*,” “– *Revisions to Fiscal Year 2023-24 Budget*” and “– *LACOE’s Response to Fiscal Year 2023-24 Budget*” below.

Subsequent to approval, the county superintendent of schools will monitor each school district under its jurisdiction throughout the fiscal year pursuant to its adopted budget to determine on an ongoing basis if the school district can meet its current or subsequent year financial obligations. If the county superintendent of schools determines that a school district cannot meet its current or the subsequent year’s obligations, the county superintendent of schools will notify the school district’s governing board, the Superintendent of Public Instruction and the president of the State board (or the president’s designee) of the determination and take at least one of the following actions, and all actions that are necessary to ensure that the school district meets its financial obligations: (a) develop and impose, after also consulting with the Superintendent of Public Instruction and the school district’s governing board, revisions to the budget that will enable the school district to meet its financial obligations in the current fiscal year, (b) stay or rescind any action inconsistent with the ability of the school district to meet its obligations for the current or subsequent fiscal year, (c) assist in developing, in consultation with the school district’s governing board, a financial plan that will enable the school district to meet its future obligations, (d) assist in developing, in consultation with the school district’s governing board, a budget for the subsequent fiscal year and (e) as necessary, appoint a fiscal advisor to perform the aforementioned duties. The county superintendent of schools will also make a report to the Superintendent of Public Instruction and the president of the State board or the president’s designee about the financial condition of the school district and the remedial actions proposed by the county superintendent of schools. However, the county superintendent of schools may not abrogate any provision of a collective bargaining agreement that was entered into prior to the date upon which the county superintendent of schools assumed authority.

Fiscal Stabilization Plan. While LACOE and the District will partner to implement actions necessary to stabilize and improve the financial condition of the District as and when needed, LACOE has not required nor has the District implemented a fiscal stabilization plan since 2019 in light of the District’s positive certification on its recent interim reports. In the event that the District’s financial condition were to change in future fiscal years, LACOE may require the District to implement a fiscal stabilization plan to stabilize and improve the financial condition of the District.

Fiscal Year 2023-24 Budget. The Fiscal Year 2023-24 Budget was adopted by the District Board on June 20, 2023. The Fiscal Year 2023-24 Budget was developed with the assumptions contained in the Governor’s May revision to the proposed fiscal year 2023-24 State Budget, which were revised in the 2023-24 State Budget.

The Fiscal Year 2023-24 Budget projects a General Fund beginning balance of approximately \$5.18 billion, total budgeted revenues of \$10.53 billion, total budgeted expenditures of \$11.64 billion, budgeted other financing sources and uses of \$2.82 million, and a budgeted ending balance of \$4.07 billion. The Fiscal Year 2023-24 Budget projects that its budgeted General Fund ending balance of \$4.07 billion is expected to consist of approximately \$233.45 million for the mandatory reserve for economic uncertainties, \$43.00 million of non-spendable revolving cash, stores, and prepaid expenditures, \$1.26 billion of restricted ending balances, \$1.97 billion of committed ending balances, \$451.87 million of assigned ending balances, and \$113.70 million of undesignated and unassigned ending balances.

The Fiscal Year 2023-24 Budget includes certain assumptions and policies, including:

- a COLA of 8.22% for the LCFF;
- 8.22% statutory COLA for selected categorical programs outside of LCFF and Special Education;
- LCFF-funded ADA of 375,903.74 for non-charter schools, which is based on the average of 3 prior year’s ADA, and 34,020.45 for Affiliated Charter Schools, which is based on projected fiscal year 2023-24 ADA; the percentage of ADA to enrollment is 90%;
- estimated unduplicated pupil count and three-year rolling average unduplicated pupil percentage of 325,422 and 85.93%, respectively, for non-charter schools (including County Program students) and 17,663 and 46.93%, respectively, for Affiliated Charter Schools;
- an LCFF allocation of \$1.25 billion from the Education Protection Account (the “Education Protection Account”) established by Proposition 30 (defined herein) to be spent for instruction;
- LCFF supplemental and concentration expenditure of \$1.60 billion;
- no LCFF Equity Multiplier revenue;
- State Special Education funding reflects increased base rate of \$887 per ADA;
- lottery unrestricted rate per ADA is estimated at \$170 per ADA and restricted rate per ADA is estimated at \$67 per ADA;
- receipt of approximately \$1.8 billion in fiscal year 2022-23 from HR 1319 - Elementary and Secondary School Emergency Relief (ESSER) III, which is a one-time COVID-19 resource, and approximately \$579.9 million in fiscal year 2022-23 from Expanded Learning Opportunities Program;

- receipt of approximately \$68.9 million from HR 133 - Elementary and Secondary School Emergency Relief (ESSER) II and receipt of approximately \$881.6 million from HR 1319 - Elementary and Secondary School Emergency Relief (ESSER) III in fiscal year 2023-24, which the District anticipates using for schools, operations, and continuity of learning in fiscal year 2023-24;
- receipt of approximately \$457.1 million from the ELOP in fiscal year 2023-24, which the District anticipates using, together with approximately \$456.4 million in ELOP funds carried over from fiscal year 2022-23, for expanded learning opportunities;
- a net enrollment decline of 8,453 from fiscal year 2022-23 for non-charter and Affiliated Charter Schools;
- an enrollment decline of approximately 1,759 students for Fiscally Independent Charter Schools;
- certificated and classified salaries include bargaining unit agreements with SEIU Local 99, AALA (Unit J – Classified Managers), and UTLA;
- funding for employee health and medical benefits at the per participant rate set forth in the Health and Welfare Agreement (defined herein);
- a contribution to the OPEB Trust Fund of \$211 million from all funds of the District for fiscal year 2023-24;
- a contribution rate for CalSTRS (defined herein) for fiscal year 2023-24 of 19.10%;
- an increase of 1.31% of the CalPERS (defined herein) employer contribution rate for fiscal year 2023-24 from 25.37% to 26.68%;
- a California consumer price index of 3.54% on other operating expenditures, except utilities which is projected to decline by 5.76% as a result of shifting from 24-hour HVAC to occupancy-based usage;
- ongoing and major maintenance resources of \$310.6 million, which constitutes approximately 3% of the District's budgeted General Fund expenditures and other financing uses, excluding CALSTRS on-behalf payments made by the State and COVID-19 expenditures from certain one-time funds related to ESSER II and ESSER III;
- support to the cafeteria program and child development from the General Fund of \$11.6 million and \$1.5 million, respectively, in fiscal year 2023-24;
- a contribution from all funds of the District of \$120.0 million to the Workers' Compensation Fund and inclusion of the total Workers' Compensation actuarially-determined funded liability of \$463.2 million;
- inclusion of general obligation bonds and COPs (defined herein) proceeds, debt service and other interfund transfer expenditures and revenues in fiscal year 2023-24;
- a reserve for economic uncertainties totaling \$233.5 million, which reflects the statutory 2% budgeted expenditure requirement and other financing uses;

- inclusion of beginning balances in the General Fund and other funds for fiscal year 2023-24, reflecting the updated estimated ending balance as of June 30, 2023, which includes expenditures related to COVID-19;
- estimated ending balances for the General Fund and other funds for fiscal year 2023-24, which reflect the difference between the estimated revenue and expenditure levels for fiscal year 2023-24;
- commitment of portions of the General Fund ending balances to meet the 10% limitation on reserves (calculated based on assigned and unassigned balances) (see “STATE FUNDING OF SCHOOL DISTRICTS – Limitations on School District Reserves” for more information);
- release of committed fund balance of \$300 million originally committed to Student Equity Needs Index (SENI), as approved by the District Board on May 9, 2023. SENI, funded at \$700 million, is intended to be funded with a combination of sources including, but not limited to, supplemental and concentration funds and the proposed equity multiplier;
- authority to transfer amounts, as necessary, to implement technical adjustments related to the Fiscal Year 2023-24 Budget;
- authority to implement new revenues for fiscal year 2023-24, if any, and increase budgeted appropriations accordingly; and
- a transfer from the Community Redevelopment Agency Fund to repay the General Fund in the amount of \$30 million initially paid for the ongoing and major maintenance resources.

Revisions to Fiscal Year 2023-24 Budget. The Fiscal Year 2023-24 Budget was developed with the assumptions contained in the Governor’s May revision to the proposed fiscal year 2023-24 State Budget, which were revised in the 2023-24 State Budget. On August 22, 2023, the District Board approved revisions to the Fiscal Year 2023-24 Budget that reflect the enacted 2023-24 State Budget as well as other significant changes affecting the District’s finances since the adoption of the Fiscal Year 2023-24 Budget, including impacts of certain completed labor negotiations. Significant approved revisions to the Fiscal Year 2023-24 Budget included:

- In June 2023, reopener negotiations concluded with CSEA with respect to employee bargaining Unit D – Technical and Business Services. As a result of such agreement, the District budgeted an increase in fiscal year 2023-24 expenditures of approximately \$67.07 million (all funds), of which approximately \$45.20 million relate to the District’s General Fund. Of such amounts, approximately \$37.14 million (all funds) of such expenditures (\$23.78 million related to the District’s General Fund) reflect expenditures accrued to fiscal years 2021-22 and 2022-23 but are to be paid in fiscal year 2023-24. For information regarding the negotiated terms of the agreement reached, see “– Employee and Labor Relations – *Negotiations Regarding Labor Contracts*” below.
- In June 2023, contract negotiations concluded with LASPA with respect to employee bargaining Unit A – School Police. As a result of such agreement, the District budgeted an increase in fiscal year 2023-24 expenditures of approximately \$7.27 million (all funds), of which approximately \$6.60 million relate to the District’s General Fund. Of such amounts, approximately \$2.26 million (all funds) of such expenditures (\$2.09 million related to the District’s General Fund) reflect expenditures accrued to fiscal year 2022-23 but are to be paid in fiscal year 2023-24. For information regarding the negotiated terms of the agreement reached, see “– Employee and Labor Relations – *Negotiations Regarding Labor Contracts*” below.

- In June 2023, contract negotiations concluded with LASPMA with respect to employee bargaining Unit H – School Police Management. As a result of such agreement, the District budgeted an increase in fiscal year 2023-24 expenditures of approximately \$1.98 million (all funds), of which approximately \$1.96 million relate to the District’s General Fund. Of such amounts, approximately \$643,397 (all funds) of such expenditures (\$637,352 related to the District’s General Fund) reflect expenditures accrued to fiscal year 2022-23 but to be paid in fiscal year 2023-24. For information regarding the negotiated terms of the agreement reached, see “– Employee and Labor Relations – *Negotiations Regarding Labor Contracts*” below.
- In June 2023, contract negotiations concluded with “Trades” union with respect to employee bargaining Unit E. As a result of such agreement, the District budgeted an increase in fiscal year 2023-24 expenditures of approximately \$70.23 million (all funds), of which approximately \$65.95 million relate to the District’s General Fund (\$65.83 million of which relate to restricted funds in the District’s General Fund). Of such amounts, approximately \$34.58 million (all funds) of such expenditures (\$32.58 million related to the District’s General Fund) reflect expenditures accrued to fiscal years 2021-22 and 2022-23 but are to be paid in fiscal year 2023-24. For information regarding the negotiated terms of the agreement reached, see “– Employee and Labor Relations – *Negotiations Regarding Labor Contracts*” below.
- In June 2023, the District entered into a memorandum of understanding with SEIU and UTLA modifying the three-year tentative instructional calendar approved by the District Board on March 27, 2023, to a two-year instructional calendar (fiscal years 2023-24 and 2024-25). As a result of such agreement, the District budgeted an increase in fiscal year 2023-24 expenditures of approximately \$93.15 million (all funds), of which approximately \$85.70 million relate to the District’s General Fund. For information regarding the negotiated terms of the agreement reached, see “– Employee and Labor Relations – *Negotiations Regarding Labor Contracts*” below.
- The 2023-24 State Budget provides approximately \$300.00 million ongoing Proposition 98 State general fund resources to establish an Equity Multiplier as an add-on to the LCFF to accelerate gains in closing opportunity and outcome gaps. As a result, the District budgeted approximately \$26.9 million of additional general fund revenue in fiscal year 2023-24 to be placed in assigned ending balance.
- The 2023-24 State Budget decreases or delays one-time Proposition 98 general fund support for the Arts, Music, and Instructional Materials Block Grant and the Learning Recovery Emergency Block Grant. However, the reductions to these grants are lower compared to the reductions proposed in the Governor’s May revision to the proposed fiscal year 2023-24 State Budget, which provides the District with amounts of approximately \$114 million and \$86 million, respectively, to be used as a budget balancing solution in fiscal year 2025-26 and help fund existing labor costs.
- Consistent with State law requirements, the amounts required to be budgeted for the District’s Routine Restricted Maintenance Account (3% of General Fund expenditures) and the District’s reserve for economic uncertainties (2% of General Fund appropriations for school districts, such as the District, with ADA between 30,001 and 400,000 students) are adjusted to reflect the revisions to the Fiscal Year 2023-24 Budget, which, as so adjusted, are budgeted at \$314.72 million (originally budgeted at \$310.55 million) and \$236.23 million (originally budgeted at \$233.45 million), respectfully.

At the time of the adoption of the Fiscal Year 2023-24 Budget revisions, the District recognized that it continues to have a structural deficit whereby in-year expenditures exceed in-year revenues; revenues continue to be impacted by declining enrollment and expenditures have not been reduced commensurately.

As a result, the Fiscal Year 2023-24 Budget revisions included the use of one-time State funding as well as the draw down of one-time committed ending fund balances over the multi-year projections as balancing solutions. The draw down of one-time committed ending fund balances consist of (i) for fiscal year 2023-24, the draw down of \$77 million committed unrestricted General Fund amounts previously designated to be contributed to the OPEB Trust Fund in fiscal year 2023-24 but released when restricted General Fund dollars and other District funds were allocated to contribute their respective shares to the District's \$211 million fiscal year 2023-24 budgeted contribution to the OPEB Trust Fund (see "DISTRICT FINANCIAL INFORMATION – Other Postemployment Benefits"), and (ii) for fiscal year 2024-25, the draw down of \$211 million committed unrestricted General Fund amounts previously designated to be contributed to the OPEB Trust Fund in fiscal year 2024-25. As a result of the Fiscal Year 2023-24 Budget revisions, the District's unrestricted/unassigned General Fund ending balance reserve percentage was then estimated to drop from 4.44% in fiscal year 2022-23 (the same as originally projected at the time of preparation of the Fiscal Year 2023-24 Budget) to 2.21% in fiscal year 2025-26 (originally projected at 2.19% at the time of preparation of the Fiscal Year 2023-24 Budget). The District recognized at the time of the adoption of the Fiscal Year 2023-24 Budget revisions that, in the absence of further balancing solutions, the cost of labor agreements with bargaining units that had not settled as of the time of the adoption of the revisions shall further lower the unrestricted/unassigned General Fund ending balances. Moreover, the District recognized that the uncertainty with the national and state economy brought about by the delayed tax receipts due to the postponement of federal and California tax filings until October 2023, interest rate hikes, and the prospect of a potential recession were risk factors that could affect the District's financial condition. For more information on recent bargaining unit agreements, see "– Employees and Labor Relations." See also "– *Second Interim Financial Report for Fiscal Year 2023-24.*"

LACOE's Response to Fiscal Year 2023-24 Budget. In its September 2023 letter to the District, LACOE approved the Fiscal Year 2023-24 Budget. LACOE noted that the District projected an operating deficit in its unrestricted General Fund in fiscal year 2023-24 and projected ongoing unrestricted General Fund operating deficits in fiscal years 2024-25 and 2025-26 primarily due to declining enrollment and ADA, resulting in reduced LCFF revenues, increased salary and health and welfare contributions as a result of recently settled multi-year bargaining unit agreements and increased contributions to restricted programs. As LACOE explained more specifically, the Fiscal Year 2023-24 Budget reflected a loss in funded ADA of approximately 42,306 from fiscal year 2023-24 to fiscal year 2025-26, which will impact the LCFF revenue received by the District (even with the change in the LCFF to allow for a calculation based on the average of three prior years' ADA). LACOE also pointed out that as of the preparation of the Fiscal Year 2023-24 Budget, some labor negotiations for fiscal year 2023-24 were unsettled and some labor agreements had not yet been calculated and incorporated into projected salary and benefit expenditures, so any potential financial impacts as a result of such labor negotiations were not reflected in the Fiscal Year 2023-24 Budget. For more information on revisions to the Fiscal Year 2023-24 Budget relating to labor negotiations, see "– *Revisions to Fiscal Year 2023-24 Budget.*" For more information on recent bargaining unit agreements, see "– *Employees and Labor Relations.*" See also "– *Second Interim Financial Report for Fiscal Year 2023-24.*"

District General Fund Budgets and Audited Actuals. The following Table A-4 sets forth the District's Final Adopted Budgets for the District General Fund, inclusive of regular and specially funded programs, for fiscal years 2019-20 through 2023-24 and the actual results for fiscal years 2019-20 through 2022-23. The budgeted beginning balance for each fiscal year reflects the estimated ending balance for the prior fiscal year based upon information as of the budget adoption date. Accordingly, the budgeted ending balance for a fiscal year and the subsequent budgeted beginning balance may differ from the actual ending balance and actual beginning balance.

TABLE A-4

LOS ANGELES UNIFIED SCHOOL DISTRICT
District General Fund Budget for Fiscal Years 2019-20 through 2023-24
Audited Actuals for Fiscal Years 2019-20 through 2022-23⁽¹⁾⁽²⁾⁽³⁾
(\$ in millions)

	Final Adopted Budget <u>2019-20</u>	Audited Actuals <u>2019-20</u>	Revised Adopted Budget <u>2020-21⁽⁴⁾</u>	Audited Actuals <u>2020-21</u>	Final Adopted Budget <u>2021-22</u>	Audited Actuals <u>2021-22</u>	Final Adopted Budget <u>2022-23</u>	Audited Actuals <u>2022-23</u>	Final Adopted Budget <u>2023-24⁽⁵⁾</u>
Beginning Balance	\$2,010.8	\$2,216.9	\$1,866.7	\$2,049.5	\$2,714.4	\$2,855.3	\$3,567.6	\$3,328.3	\$5,179.3
Revenue									
State Apportionment	\$4,364.8	\$4,264.8	\$4,122.2	\$4,133.6	\$4,357.5	\$4,487.2	\$4,573.8	\$4,844.3	\$5,080.1
Property Taxes	<u>1,222.5</u>	<u>1,388.6</u>	<u>1,407.7</u>	<u>1,522.3</u>	<u>1,466.2</u>	<u>1,551.0</u>	<u>1,511.6</u>	<u>1,749.9</u>	<u>1,658.2</u>
Total LCFF	<u>5,587.4</u>	<u>5,653.4</u>	<u>5,529.9</u>	<u>5,655.9</u>	<u>5,823.7</u>	<u>6,038.2</u>	<u>6,085.4</u>	<u>6,594.2</u>	<u>6,738.3</u>
Federal	767.8	631.1	1,576.6	1,674.4	4,446.0	1,850.5	2,823.3	2,304.2	1,840.5
Other State	873.5	1,137.0	963.1	1,223.8	1,374.3	1,748.8	1,717.9	2,681.9	1,678.0
Other Local	<u>142.4</u>	<u>170.1</u>	<u>142.5</u>	<u>190.8</u>	<u>132.5</u>	<u>35.5</u>	<u>168.1</u>	<u>196.2</u>	<u>274.2</u>
Total Revenue	<u>\$7,371.0</u>	<u>\$7,591.6</u>	<u>\$8,212.1</u>	<u>\$8,745.0</u>	<u>\$11,776.5</u>	<u>\$9,672.9</u>	<u>\$10,794.7</u>	<u>\$11,776.5</u>	<u>\$10,531.0</u>
Total Beginning Balance and Revenue	<u>\$9,381.8</u>	<u>\$9,808.5</u>	<u>\$10,078.8</u>	<u>\$10,794.5</u>	<u>\$14,490.9</u>	<u>\$12,528.2</u>	<u>\$14,362.3</u>	<u>\$15,104.8</u>	<u>\$15,710.3</u>
Expenditures									
Certificated Salaries	\$3,008.7	\$2,998.9	\$3,252.1	\$3,086.7	\$3,411.4	\$3,379.8	\$3,772.5	\$3,474.9	\$3,730.4
Classified Salaries	986.1	1,077.6	1,073.5	1,159.8	1,107.2	1,257.2	1,260.8	1,346.1	1,434.0
Employee Benefits	2,172.6	2,300.9	2,169.1	2,151.4	2,437.6	2,370.1	2,798.4	2,592.9	2,820.2
Books and Supplies	698.5	267.0	1,001.9	621.3	1,638.0	479.4	2,793.8	670.5	1,893.1
Other Operating Expenses	862.0	975.0	893.4	1,067.8	1,076.5	1,726.4	1,045.9	1,272.1	1,718.5
Capital Outlay	101.4	128.1	81.5	95.7	54.3	94.9	17.9	111.1	53.6
Debt Service	0.5	0.3	0.4	0.1	0.3	5.7	0.1	22.4	4.8
Other Outgo	7.7	5.6	7.7	5.5	7.7	5.5	5.3	6.9	5.8
Transfers of Indirect Cost	<u>(27.3)</u>	<u>(23.2)</u>	<u>(27.0)</u>	<u>(22.3)</u>	<u>(31.6)</u>	<u>(24.9)</u>	<u>(30.4)</u>	<u>(24.0)</u>	<u>(20.0)</u>
Total Expenditures	<u>\$7,810.3</u>	<u>\$7,730.3</u>	<u>\$8,452.7</u>	<u>\$8,166.0</u>	<u>\$9,701.5</u>	<u>\$9,294.1</u>	<u>\$11,664.3</u>	<u>\$9,472.9</u>	<u>\$11,640.2</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(439.3)	(138.7)	(240.6)	579.0	2,075.0	378.9	(869.6)	2,303.6	(1,109.2)
Total Other Financing Sources (Uses)	(36.5)	(28.7)	286.6	226.8	(25.1)	94.2	4.6	76.3	2.8
Change in Fund Balance	(475.7)	(167.4)	46.0	805.8	2,049.9	473.0	(865.0)	2,379.9	(1,106.4)
Ending Balance	<u>\$1,535.1</u>	<u>\$2,049.5</u>	<u>\$1,912.7</u>	<u>\$2,855.3</u>	<u>\$4,764.3</u>	<u>\$3,328.3</u>	<u>\$2,702.6</u>	<u>\$5,708.2</u>	<u>\$4,072.9</u>

TABLE A-4

LOS ANGELES UNIFIED SCHOOL DISTRICT
District General Fund Budget for Fiscal Years 2019-20 through 2023-24
Audited Actuals for Fiscal Years 2019-20 through 2022-23⁽¹⁾⁽²⁾⁽³⁾

(Continued)
(\$ in millions)

Fund Balance⁽⁶⁾

Nonspendable	\$ 27.6	\$ 37.7	\$ 27.3	\$ 58.0	\$ 37.7	\$ 48.0	\$ 46.6	\$ 47.5	\$ 43.0
Restricted	56.7	103.9	55.2	200.0	2,731.6	544.3	208.6	1,843.0	1,258.0
Committed	87.6	87.6	--	--	--	--	1,491.3	2,920.9	1,972.8
Assigned	618.0	1,248.9	568.2	1,064.1	592.1	1,596.0	351.6	510.9	451.9
Reserved for Economic Uncertainties	79.0	79.0	85.2	92.0	97.7	199.9	234.1	238.8	233.5
Undesignated/Unassigned	<u>666.3</u>	<u>492.4</u>	<u>1,176.8</u>	<u>1,441.3</u>	<u>1,305.3</u>	<u>940.2</u>	<u>370.4</u>	<u>147.1</u>	<u>113.7</u>
	<u>\$1,535.1</u>	<u>\$2,049.5</u>	<u>\$1,912.7</u>	<u>\$2,855.3</u>	<u>\$4,764.3</u>	<u>\$3,328.3</u>	<u>\$2,702.6</u>	<u>\$5,708.2</u>	<u>\$4,072.9</u>

⁽¹⁾ Totals may not equal sum of component parts due to rounding.

⁽²⁾ Includes the Regular Program and the Specially-Funded Programs.

⁽³⁾ Amounts set forth in Table A-4 reflect the "Estimated Amounts" in the District's budget for the respective fiscal year rather than the "Authorized Amount." Pursuant to the Education Code, school districts may not spend more than Authorized Amount in the Final Adopted Budget as adjusted during the fiscal year.

⁽⁴⁾ The District's original budget for fiscal year 2020-21 was adopted by the District Board on June 30, 2020. On August 25, 2020, the District Board adopted a revised budget for fiscal year 2020-21, which reflects the revised assumptions contained in the Governor's fiscal year 2020-21 State budget. Figures are based on the revised budget for fiscal year 2020-21.

⁽⁵⁾ For significant revisions to the Fiscal Year 2023-24 Budget approved by the District Board on August 22, 2023, see "-- District Budget -- *Revisions to Fiscal Year 2023-24 Budget*" above. In addition, for a discussion of pending labor agreements not reflected in the Fiscal Year 2023-24 Budget and not included in Fiscal Year 2023-24 Budget revisions approved by the District Board on August 22, 2023, see "-- Employee and Labor Relations -- *Negotiations Regarding Labor Contracts*" below.

⁽⁶⁾ The nonspendable, restricted, committed, assigned, reserved for economic uncertainties and undesignated/unassigned general fund balances in millions of dollars for fiscal years 2013-14 through 2018-19 are as follows: \$19.6, 192.9, --, 336.4, 65.4 and 85.9, respectively, for fiscal year 2013-14; \$20.7, 126.5, --, 418.4, 65.4 and 188.8, respectively, for fiscal year 2014-15; \$31.1, 182.8, 218.3, 558.7, 72.4 and 247.0, respectively, for fiscal year 2015-16; \$23.5, 163.1, --, 783.9, 73.4, and 721.3, respectively, for fiscal year 2016-17; \$27.6, 135.8, --, 1,057.4, 75.4, and 714.7, respectively, for fiscal year 2017-18; and \$27.3, 114.6, 174.6, 916.1, 75.6, and 908.6, respectively, for fiscal year 2018-19.

Sources: Los Angeles Unified School District's Final Adopted Budgets for fiscal years 2019-20 through 2023-24; Audited Annual Financial Report for fiscal years 2019-20 through 2022-23.

Historical Review of District General Fund Actual Revenues and Expenditures. The following Table A-5 sets forth the District's total revenues, total expenditures and the difference reflected in the actual results for fiscal years 2003-04 through 2022-23.

TABLE A-5

LOS ANGELES UNIFIED SCHOOL DISTRICT
Historical Review of District General Fund Audited Revenues and Expenditures for
Fiscal Years 2003-04 through 2022-23
(\$ in millions)

Fiscal Year	Total Revenues⁽¹⁾	Total Expenditures⁽²⁾	Difference
2003-04	\$ 5,881.69	\$ 6,136.75	\$ (255.06)
2004-05	6,461.93	6,436.35	25.58
2005-06	6,572.70	6,487.75	84.95
2006-07	6,994.08	6,733.36	260.72
2007-08	6,954.29	6,992.29	(38.00)
2008-09	6,764.50	6,671.80	92.70
2009-10	6,302.12	6,389.17	(87.05)
2010-11	6,428.93	6,193.37	235.56
2011-12	5,919.59	5,998.31	(78.72)
2012-13	5,722.96	5,955.05	(232.09)
2013-14	5,896.35	5,788.82	107.53
2014-15	6,452.84	6,333.28	119.56
2015-16	7,213.53	6,723.15	490.38
2016-17	7,292.27	6,837.31	454.96
2017-18	7,308.08	7,062.45	245.63
2018-19	7,788.71	7,582.63	206.08
2019-20	7,613.72	7,781.09	(167.37)
2020-21	9,010.00	8,204.19	805.82
2021-22	9,781.49	9,308.46	473.03
2022-23	11,868.39	9,488.47	2,379.92 ⁽³⁾

⁽¹⁾ Includes Other Financing Sources.

⁽²⁾ Includes Other Financing Uses.

⁽³⁾ See “— *Second Interim Financial Report for Fiscal Year 2023-24*,” for a discussion of the use of the projected unrestricted unassigned/unappropriated components of the fiscal year 2023-24 General Fund ending balance to balance future budgets.
Sources: Audited Annual Financial Report for fiscal years 1999-00 through 2022-23.

District Interim Financial Reports. A State law adopted in 1991 (known as “A.B. 1200”) imposed financial reporting requirements on school districts and established guidelines for emergency State aid apportionments. Under the provisions of A.B. 1200 and the Education Code (Section 42100 *et. seq.*), each school district is required to file two interim certifications with the county superintendent of schools (on December 15, for the period ended October 31, and by mid-March for the period ended January 31) as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent fiscal year. The county superintendent of schools reviews the certification and issues either a positive, negative or qualified certification. In the past five fiscal years, the District has received a qualified certification for its first and second interim reports for fiscal year 2018-19 and its first interim report for fiscal year 2021-22.

A positive certification is assigned to any school district that, based on then current projections, will meet its financial obligations for the current fiscal year and the subsequent two fiscal years. A negative certification is assigned to any school district that, based on then current projections, will be unable to meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal year. A qualified certification is assigned to any school district that, based on then current projections, may not meet its

financial obligations for the current fiscal year or the two subsequent fiscal years. A certification may be revised to a negative or qualified certification by the county superintendent of schools, as appropriate. A school district that receives a qualified or negative certification for its second interim report must provide to the county superintendent of schools, the State Controller and the Superintendent no later than June 1, financial statement projections of the school district's fund and cash balances through June 30 for the period ending April 30. Any school district that receives a qualified or negative certification in any fiscal year may not issue, in that fiscal year or in the next succeeding fiscal year, certificates of participation, tax and revenue anticipation notes, revenue bonds or any other debt instruments that do not require the approval of the voters of the school district, unless the county superintendent of schools determines that the school district's repayment of indebtedness is probable.

For school districts under fiscal distress, the county superintendent of schools is authorized to take a number of actions to ensure that the school district meets its financial obligations, including budget revisions. However, the county superintendent of schools is not authorized to approve any diversion of revenue from *ad valorem* property taxes levied to pay debt service on district general obligation bonds. A school district that becomes insolvent may, upon the approval of a fiscal plan by the county superintendent of schools, request an emergency appropriation from the State, in which case the county superintendent of schools, the Superintendent of Public Instruction and the president of the State board or the president's designee will appoint a trustee to serve the school district until it has adequate fiscal systems and controls in place. The acceptance by a school district of an emergency apportionment exceeding 200% of the reserve recommended for that school district constitutes an agreement that the county superintendent of schools will assume control of the school district in order to ensure the school district's return to fiscal solvency.

In the event the State elects to provide an emergency apportionment to a school district, such apportionment will constitute an advance payment of apportionments owed to the school district from the State School Fund and the Education Protection Account. The emergency apportionment may be accomplished in two ways. First, a school district may participate in a two-part financing in which the school district receives an interim loan from the State general fund, with the agreement that the school district will subsequently enter into a lease financing with the California Infrastructure and Economic Development Bank for purposes of financing the emergency apportionment, including repaying such amounts advanced to the State general fund. State law provides that so long as bonds from such lease financing are outstanding, the recipient school district (via its administrator) cannot file for bankruptcy. As an alternative, a school district may receive an emergency apportionment from the State general fund that must be repaid in 20 years. Each year, the Superintendent of Public Instruction will withhold from the apportionments to be made to the school district from the State School Fund and the Education Protection Account an amount equal to the emergency apportionment repayment that becomes due that year. The determination as to whether the emergency apportionment will take the form of a lease financing or an emergency apportionment from the State general fund will be based upon the availability of funds within the State general fund.

Second Interim Financial Report for Fiscal Year 2023-24. Like the District's First Interim report for fiscal year 2023-24 (the "Fiscal Year 2023-24 First Interim Report"), the District submitted the Fiscal Year 2023-24 Second Interim Report to LACOE with a positive certification. Based on the Fiscal Year 2023-24 Second Interim Report, the District expects to meet its financial commitments and satisfy the 5% Minimum Reserve Threshold and the 2% statutory reserve requirement for fiscal years 2023-24, 2024-25 and 2025-26. However, the Fiscal Year 2023-24 Second Interim Report provides that the District continues to be challenged with deficit spending wherein expenditures are greater than projected revenues, and projects deficits in fiscal years 2024-25 and 2025-26 of \$1,589.6 million and \$94.5 million, respectively.

The Fiscal Year 2023-24 Second Interim Report provides that the District's practice of using one-time/non-recurring resources for ongoing expenses is not consistent with prevailing best practices and has drawn comments from LACOE. See "DISTRICT FINANCIAL INFORMATION – District Budget – LACOE's Response to Fiscal Year 2023-24 Budget," for LACOE's review of the District's Fiscal Year

2023-24 Budget and discussion of the District's operating deficits and the contributing factors to such deficits, which include declining enrollment, resulting reductions in LCFF revenue, and increased salary and health and welfare contributions as a result of recently settled multi-year bargaining unit agreements. See also "DISTRICT GENERAL INFORMATION – Enrollment and Average Daily Attendance" for a discussion of the District's enrollment and ADA, including information about the District's declining ADA over the last ten years, and "DISTRICT FINANCIAL INFORMATION – Employee and Labor Relations – *Negotiations Regarding Labor Contracts*" for information regarding recently settled multi-year bargaining unit agreements.

The Fiscal Year 2023-24 Second Interim Report projects a General Fund ending balance of \$6,272.9 million for fiscal year 2023-24, consisting of a projected unrestricted General Fund ending balance of \$4,441.6 million and a projected restricted General Fund ending balance of \$1,831.3 for fiscal year 2023-24. The projected Fiscal Year 2023-24 unrestricted General Fund ending balance consists of non-spendable, committed, assigned, unassigned reserve for economic uncertainties and unassigned/unappropriated components in the amounts of \$47.9 million, \$2,902.7 million, \$441.6 million, \$244.9 million and \$804.5 million, respectively. The Fiscal Year 2023-24 Second Interim Report indicates that the unrestricted unassigned/unappropriated General Fund amounts are expected to be used to balance future year budgets, and the Fiscal Year 2023-24 Second Interim Report projects a fiscal year 2025-26 unrestricted General Fund ending balance of \$2,757.6 million, with the unassigned/unappropriated portion of such fiscal year 2025-26 ending balance projected to be \$72.2 million. The projected Fiscal Year 2023-24 restricted General Fund ending balance represents projected unspent balances from legally restricted funding sources. This is comprised primarily of State grants such as the Learning Recovery Emergency Block Grant, the Arts, Music and Instructional Materials Discretionary Block Grant, the Expanded Learning Opportunities Program, the Educator Effectiveness, and Literacy Coaches and Reading Specialists Grant Program.

The Fiscal Year 2023-24 Second Interim Report acknowledges the Proposed 2024-25 State Budget projected a state-wide budget shortfall of \$37.9 billion and that the Governor proposes a COLA for fiscal year 2024-25 of 0.76%, down from the 3.94% COLA estimated at the time of the enactment of the 2023-24 State Budget. The Fiscal Year 2023-24 Second Interim Report further acknowledges LAO's warning of worsening budget conditions ahead as the State's year-to-date revenue receipts are falling below forecasts and that there have been a wide disparity of revenue estimates between the LAO and the California Department of Finance. See "STATE FUNDING OF SCHOOL DISTRICTS – State Budget Act – *Proposed 2024-25 State Budget*" and "– State Budget Act – *LAO Analysis of the Proposed 2024-25 State Budget*." In May 2024, the Governor will revise the Proposed 2024-25 State Budget based on updated information available at such time. Such revision may differ substantially from the Proposed 2024-25 State Budget, and could result in even further negative impacts to State K-12 education funding in fiscal year 2024-25. The District cannot predict the impact that the final fiscal year 2024-25 State budget, or subsequent budgets, will have on its finances and operations.

The District revises its projections of revenues, expenditures, and ending fund balances contained in the Fiscal Year 2023-24 Budget as more financial data becomes available throughout the fiscal year. The Fiscal Year 2023-24 Second Interim Report reflects the District's projected actuals for fiscal year 2023-24 for the period from July 1, 2023 through January 31, 2024 and projections for the period from February 1, 2024 through June 30, 2024. It also reflects multi-year projections through fiscal year 2025-26. The Fiscal Year 2023-24 Second Interim Report, which was approved by the District Board on March 12, 2024, is also included in the table that follows and described throughout this Appendix A. The achievement of certain results or other expectations contained in the Fiscal Year 2023-24 Second Interim Report involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described therein to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. All projections, forecasts, assumptions, expressions of opinions, estimates, and other forward-looking statements contained in the Fiscal Year 2023-24 Second Interim Report are expressly qualified in their entirety by the foregoing and the other cautionary statements.

The following Table A-6 sets forth budgeted revenues and expenditures and projected year-end amounts, including projected and year-end General Fund Balances, as reported in the Fiscal Year 2023-24 Budget and the Fiscal Year 2023-24 Second Interim Report.

TABLE A-6

LOS ANGELES UNIFIED SCHOOL DISTRICT
District General Fund Summary of Fund Balances, Revenues and Expenditures
Fiscal Year 2023-24
(\$ in millions)

	Fiscal Year 2023-24 Final Adopted Budget (June 2023)	Fiscal Year 2023-24 Second Interim Report (March 2024)⁽¹⁾
Beginning Balance	\$5,179.3	\$5,708.3 ⁽²⁾
Revenues	10,531.0	11,123.3
Expenditures	11,640.2	10,567.4
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources and Uses	(1,109.2)	555.9
Other Financings Sources/Uses	2.8	8.7
Ending Balance	\$4,072.9	\$6,272.9

⁽¹⁾ Reflects the District's unaudited actuals for fiscal year 2023-24 for the period from July 1, 2023 through January 31, 2024 and projections for the period from February 1, 2024 through June 30, 2024.

⁽²⁾ Beginning balance reflects the District's audited actuals for fiscal year 2022-23.

Sources: Los Angeles Unified School District Fiscal Year 2023-24 Final Adopted Budget; Fiscal Year 2023-24 Second Interim Report.

LACOE's Review of Fiscal Year 2023-24 Second Interim Report. In its April 2024 letter to the District, LACOE concurred with the District's positive certification on the Fiscal Year 2023-24 Second Interim Report. LACOE pointed out that the Fiscal Year 2023-24 Second Interim Report projected operating deficits in fiscal years 2024-25 and 2025-26, emphasizing the erosion of projected General Fund balances. LACOE acknowledged that the Fiscal Year 2023-24 Second Interim Report projected maintaining the required level of reserves but recommended that the District monitor causes for deficit spending to prevent additional fund balance erosion. LACOE also indicated that the Fiscal Year 2023-24 Second Interim Report reflected declining enrollment and funding under LCFF based on three-year average daily attendance for fiscal years 2023-24, 2024-25 and 2025-26, and highlighted the impacts of declining enrollment, emphasizing that continued declines in enrollment and attendance will result in a loss of revenue for the District in future years. LACOE recommended the District carefully monitor its enrollment and attendance trends and adjust financial projections for the current and subsequent fiscal years accordingly to reflect the resulting impact. LACOE also indicated that staffing needs and facilities planning should also be assessed and adjusted based on the projected rate of decline in enrollment.

Employees and Labor Relations

General. The District has twelve bargaining units with existing contracts. The largest bargaining unit among the District's employees is United Teachers Los Angeles ("UTLA"), which is comprised of among other employees, teachers, counselors, adviser, nurses, psychologists, and social workers. In addition, certain employees are not represented by a formal bargaining unit (the "District Represented

Employees”). The following Table A-7 sets forth the number of members of each bargaining unit as of April 1, 2024, and the expiration dates of the existing or successor labor agreements with each of the District’s employee bargaining units.

TABLE A-7
LOS ANGELES UNIFIED SCHOOL DISTRICT
Employee Bargaining Units and Contract Expiration Dates
As of April 1, 2024

Employee Bargaining Unit	Members	Contract Expiration Date (June 30)
Associated Administrators of Los Angeles (“AALA”) (Certificated)	3,060	2025
Unit A (School Police)	234	2025
Unit B (Instructional Aides)	13,251	2024
Unit C (Operations – Support Services)	8,505	2024
Unit D (Office – Technical and Business Services)	4,582	2026
Unit E (Skilled Crafts)	1,365	2025
Unit F (Teacher Assistants)	1,657	2024
Unit G (Playground Aides)	6,800	2024
Unit H (Sergeants and Lieutenants)	54	2025
Unit J (Classified Management)	416	2025
Unit S (Classified Supervisors)	3,283	2024
United Teachers Los Angeles	36,760	2025
District Represented Employees ⁽¹⁾	548	N/A

⁽¹⁾ District-represented employees include employees that are not represented by a union due to their designation as management, confidential or unrepresented employees. Does not include unrepresented seasonal employees or employees in positions not yet assigned to a union.

Source: Los Angeles Unified School District Office of Labor Relations.

Negotiations Regarding Labor Contracts. The United Teachers Los Angeles (“UTLA”) and the District reached a three-year agreement for fiscal years 2022-23 through 2024-25 (the “UTLA Agreement”). For fiscal year 2022-23, the UTLA Agreement provides for a 3% on schedule retroactive wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2022, and a 4% on schedule retroactive wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2023. For fiscal year 2023-24, the UTLA Agreement provides for a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2023, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2024. For fiscal year 2024-25, the UTLA Agreement provides for a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2024, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2025. In addition, the UTLA Agreement (a) provides for certain on schedule salary increases for certain employee groups, including special and early education teachers, nurses and table employees, (b) provides for academic class size reduction in certain schools, (c) for adjustments in staffing ratios for counselors, pupil services and attendance counselors (PSA) and psychiatric social workers (PSW), (d) provides for additional funding for certain community schools, (e) for additional community school coach positions, and (f) includes differential pay increases for certain positions and programs. There are no reopeners provided for in the UTLA Agreement. The financial impacts of the UTLA Agreement are incorporated as expenditures in the Fiscal Year 2023-24 Budget. UTLA and the District are expected to begin successor negotiations for a three-year agreement for fiscal years 2025-26 through 2027-28 after January 1, 2025.

SEIU Local 99 (Units B, C, F and G) and the District reached a one-year agreement for fiscal year 2020-21, and a three-year agreement for fiscal years 2021-22 through 2023-24 (collectively, the “SEIU Agreements”). Under the SEIU Agreements, (a) based on the salary table effective July 1, 2021, all SEIU bargaining unit members will receive a 6% on-schedule wage increase applied to all pay scale groups and levels of the base salary tables; (b) based on the salary table effective July 1, 2022, all SEIU bargaining unit members will receive a 7% on-schedule wage increase applied to all pay scale groups and levels of the base salary tables; (c) based on the salary table effective July 1, 2023, all SEIU bargaining unit members will receive a 7% on-schedule wage increase applied to all pay scale groups and levels of the base salary tables, and (d) based on the salary table effective January 1, 2024, there will be a \$2.00 per hour on-schedule wage increase applied to all pay scale groups and levels of the base salary table. In addition, the SEIU Agreements (a) provide for the funding an Education and Professional Development Fund in the amount of \$3 million, (b) effective January 1, 2024, make employees assigned 4 hours per day or 80 hours per month, with respect to Units F and G, eligible (along with eligible dependents) to enroll in certain low cost health insurance plans or receive a cash amount if the employee opts out, and (c) include certain pay differentials and one-time pay increases. There are no reopeners provided for in the SEIU Agreements. The financial impacts of the SEIU Agreements are incorporated as expenditures in the Fiscal Year 2023-24 Budget. SEIU Local 99 (Units B, C, F and G) and the District are set to begin successor negotiations for a three-year agreement for fiscal years 2024-25 through 2026-27 in April 2024.

AALA (Certificated Administrators) and the District reached a three-year agreement for fiscal years 2022-23 through 2024-25 (the “AALA (Certificated Administrators) Agreement”) with on schedule salary increases to be applied to the AALA (Certificated Administrators) master salary table comparable to the increases provided to UTLA in the UTLA Agreement. There are no reopeners provided for in the AALA (Certificated Administrators) Agreement. As a result of such agreement, the District anticipates an increase in fiscal year 2023-24 expenditures of approximately \$87.07 million (all funds), of which approximately \$81.10 million relate to the District’s general fund. Of such amounts, approximately \$25.07 million (all funds) of such expenditures (\$23.36 million related to the District’s general fund) reflect expenditures attributable to fiscal year 2022-23 and are to be paid in fiscal year 2023-24. Due to the timing of such agreement, the financial impacts of the agreement are not incorporated into the Fiscal Year 2023-24 Budget. The additional expenditures associated with the AALA (Certificated Administrators) Agreement are reflected in the Fiscal Year 2023-24 Second Interim Report. AALA (Certificated Administrators) and the District are expected to begin successor negotiations for a three-year agreement for fiscal years 2025-26 through 2027-28 after January 1, 2025.

CSEA (Unit D – Technical and Business Services) and the District have reached a three-year agreement for fiscal years 2023-24 through 2025-26 (the “CSEA Agreement”). The CSEA Agreement provides for one reopener for fiscal year 2024-25 and fiscal year 2025-26. Based on the salary table effective July 1, 2023, all CSEA bargaining unit members will receive a 7% on-schedule wage increase applied to all pay scale groups and levels of the base salary tables, and based on the salary table effective January 1, 2024, there will be a \$2.00 per hour on-schedule wage increase applied to all pay scale groups and levels of the base salary table. The CSEA Agreement also provides for an increase to \$22.52 effective January 1, 2024, for the classifications of Office Technician, Parent Education Support Assistant, Parent Resource Assistant, Microfilm Operator, Clerk, and Student Integration Helper. As a result of such agreement, the District anticipates an increase in fiscal year 2023-24 expenditures of approximately \$43.50 million (all funds), of which approximately \$37.01 million relate to the District’s general fund. Due to the timing of such agreement, the financial impacts of the agreement are not incorporated into the Fiscal Year 2023-24 Budget. The additional expenditures associated with the CSEA Agreement are reflected in the Fiscal Year 2023-24 Second Interim Report.

Under the District’s prior agreement with CSEA (Unit D – Technical and Business Services) for fiscal years 2020-21 through 2022-23 (the “Prior CSEA Agreement”), reopeners for three articles – wages and salaries, vacation, and telecommuting – were provided for, and CSEA requested reopener negotiations with respect to fiscal years 2021-22 and 2022-23. In June 2023, reopener negotiations concluded with

CSEA under the Prior CSEA Agreement. For fiscal year 2021-22, the reopener agreement provides for a 1% on schedule retroactive wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2021. This 1% is in addition to the 5% previously applied under the CSEA Agreement to all pay scale groups and levels of the base salary table for fiscal year 2021-22, for a total of 6%. For fiscal year 2022-23, the reopener agreement provides for a 7% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2023. The reopener agreement also included one-time retention and appreciation bonuses. Due to the timing of the reopener agreement, the financial impacts of the agreement are not incorporated into the Fiscal Year 2023-24 Budget. Such impacts were incorporated as expenditures in revisions to the Fiscal Year 2023-24 Budget approved by the District Board on August 22, 2023. For information regarding the expected impacts to the Fiscal Year 2023-24 Budget, see “– District Budget – *Revisions to Fiscal Year 2023-24 Budget*” above. CSEA (Unit D – Technical and Business Services) and the District are expected to begin successor negotiations for a three-year agreement for fiscal years 2026-27 through 2028-29 after January 1, 2026.

Teamsters (Unit S – Classified Supervisors) and the District reached a three-year agreement for fiscal years 2021-22 through 2023-24 (the “Teamsters Agreement”). Under the Teamsters Agreement (a) based on the salary table effective July 1, 2021, all Teamsters bargaining unit members will receive a 1% on-schedule wage increase applied to all pay scale groups and levels of the base salary tables (which is in addition to the 5% increase previously agreed to and applied); (b) based on the salary table effective July 1, 2022, all Teamsters bargaining unit members will receive a 7% on-schedule wage increase applied to all pay scale groups and levels of the base salary tables; (c) based on the salary table effective July 1, 2023, all Teamsters bargaining unit members will receive a 7% on-schedule wage increase applied to all pay scale groups and levels of the base salary tables, and (d) based on the salary table effective January 1, 2024, there will be a \$2.00 per hour on-schedule wage increase applied to all pay scale groups and levels of the base salary table. As a result of such agreement, the District anticipates an increase in fiscal year 2023-24 expenditures of approximately \$90.43 million (all funds), of which approximately \$61.51 million relate to the District’s general fund. Of such amounts, approximately \$31.61 million (all funds) of such expenditures (\$21.38 million related to the District’s general fund) reflect expenditures attributable to fiscal year 2022-23 and are to be paid in fiscal year 2023-24. Due to the timing of such agreement, the financial impacts of the agreement are not incorporated into the Fiscal Year 2023-24 Budget. The additional expenditures associated with the Teamsters Agreement are reflected in the Fiscal Year 2023-24 Second Interim Report. Teamsters (Unit S – Classified Supervisors) and the District are in successor negotiations for a three-year agreement for fiscal years 2024-25 through 2026-27.

LASPA (Unit A – School Police) and the District reached a three-year agreement for fiscal years 2022-23 through 2024-25 (the “LASPA Agreement”). The LASPA Agreement provides, with respect to sworn officers, (a) for fiscal year 2022-23, a 3% retroactive on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2022, and a 4% retroactive on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2023; (b) for fiscal year 2023-24, a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2023, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2024; and (c) for fiscal year 2024-25, a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2024, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2025. The LASPA Agreement provides, with respect to school safety officers, (a) for fiscal year 2022-23, a 7% retroactive on schedule wage increase applied to the base salary tables effective July 1, 2022; (b) for fiscal year 2023-24, a 7% on schedule wage increase applied to the base salary tables effective July 1, 2023; and (b) for a Step 1 an increase to \$22.53 effective January 1, 2024, with the subsequent Steps applied accordingly. The classification of school safety officer is not included in the on-schedule fiscal year 2024-25 wage increase as the additional increase is being provided on January 1, 2024. There are no reopeners provided for in the LASPA Agreement. The financial impacts of the LASPA Agreement are not incorporated into the Fiscal Year 2023-24 Budget. Such impacts were incorporated as expenditures in revisions to the Fiscal Year 2023-24 Budget approved by the District Board

on August 22, 2023. For information regarding the expected impacts to the Fiscal Year 2023-24 Budget, see “– District Budget – *Revisions to Fiscal Year 2023-24 Budget*” above. LASPA and the District are currently in dispute over LASPA’s assertion that they are entitled to a \$1.00 per hour increase for fiscal year 2019-20. LASPA (Unit A – School Police) and the District are expected to begin successor negotiations for a three-year agreement for fiscal years 2025-26 through 2027-28 after January 1, 2025.

LASPMA (Unit H – School Police Management) and the District reached a three-year agreement for fiscal years 2022-23 through 2024-25 (the “LASPMA Agreement”). For fiscal year 2022-23, the LASPMA Agreement provides for a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2022, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2023. For fiscal year 2023-24, the LASPMA Agreement provides for a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2023, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2024. For fiscal year 2024-25, the LASPMA Agreement provides for a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2024 and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2025. There are no reopeners provided for in the LASPMA Agreement. The financial impacts of the LASPMA Agreement are not incorporated into the Fiscal Year 2023-24 Budget. Such impacts were incorporated as expenditures in revisions to the Fiscal Year 2023-24 Budget approved by the District Board on August 22, 2023. For information regarding the expected impacts to the Fiscal Year 2023-24 Budget, see “– District Budget – *Revisions to Fiscal Year 2023-24 Budget*” above. LASPMA (Unit H – School Police Management) and the District are expected to begin successor negotiations for a three-year agreement for fiscal years 2025-26 through 2027-28 after January 1, 2025.

“Trades” (Unit E) and the District reached agreements for fiscal years 2020-21 and 2021-22 and for fiscal years 2022-23 through 2024-25 (the “Trades Agreements”). With respect to fiscal years 2020-21 and 2021-22, the Trades Agreements provide for a 5% on schedule retroactive wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2021. The Trades Agreements also provide for (a) one-time payments to certain employees that were employed during fiscal years 2020-21 and 2021-22 and did not receive an increase to their base salary in the fiscal year 2019-20 reopener, and (b) retention and appreciation bonuses for fiscal year 2021-22. With respect to fiscal years 2022-23 through 2024-25, the Trades Agreements provide (a) for fiscal year 2022-23, a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2022, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2023; (b) for fiscal year 2023-24, a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2023, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2024; and (c) for fiscal year 2024-25, a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2024, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2025. During the term of the Trades Agreements for fiscal years 2022-23 through 2024-25, the District and Trades have agreed to reopen on two items – health and welfare and deferred compensation, but have not begun negotiations. The financial impacts of the Trades Agreements are not incorporated into the Fiscal Year 2023-24 Budget. Such impacts (other than agreed upon reopeners to be negotiated) were incorporated as expenditures in revisions to the Fiscal Year 2023-24 Budget approved by the District Board on August 22, 2023. For information regarding the expected impacts to the Fiscal Year 2023-24 Budget, see “– District Budget – *Revisions to Fiscal Year 2023-24 Budget*” above. “Trades” (Unit E) and the District are expected to begin successor negotiations for a three-year agreement for fiscal years 2025-26 through 2027-28 after January 1, 2025.

AALA (Unit J – Classified Managers) and the District reached a three-year agreement for fiscal years 2022-23 through 2024-25 (the “AALA Agreement”). The AALA Agreement provides (a) for fiscal year 2022-23, a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary

tables effective July 1, 2022, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2023; (b) for fiscal year 2023-24, a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2023, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2024; and (c) for fiscal year 2024-25, a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2024, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2025. There are no reopeners provided for in the AALA Agreement. The financial impacts of the AALA Agreement are incorporated as expenditures in the Fiscal Year 2023-24 Budget. AALA (Unit J – Classified Managers) and the District are expected to begin successor negotiations for a three-year agreement for fiscal years 2025-26 through 2027-28 after January 1, 2025.

Employees that are classified as “District-represented” are not in a formal bargaining unit. In alignment with District Board-approved labor agreements discussed above, District-represented employees will receive comparable compensation adjustments. District-represented employees as well as employees in positions that have not yet been assigned a union, totaling approximately 2,200 positions, with salaries within the range of union-represented classifications, will receive a 21% wage increase, beginning with 3% effective July 1, 2022; 4% on January 1, 2023; 3% on July 1, 2023; 4% on Jan. 1, 2024; 3% on July 1, 2024; and 4% on Jan. 1, 2025. District-represented employees, totaling approximately 87 positions, with salaries outside of the range of union-represented classifications, will receive a 15% wage increase, beginning with 3% effective July 1, 2022; 4% on January 1, 2023; 2% on July 1, 2023; 2% on Jan. 1, 2024; 2% on July 1, 2024; and 2% on Jan. 1, 2025. As a result of such agreement, the District anticipates an increase in fiscal year 2023-24 expenditures of approximately \$30.0 million (all funds), of which approximately \$25.6 million relate to the District’s general fund. Of such amounts, approximately \$8.6 million (all funds) of such expenditures (\$7.3 million related to the District’s general fund) reflect expenditures attributable to fiscal year 2022-23 and are to be paid in fiscal year 2023-24. Due to the timing of such agreement, the financial impacts of the agreement are not incorporated into the Fiscal Year 2023-24 Budget. The additional expenditures associated with the District-represented agreement are reflected in the Fiscal Year 2023-24 Second Interim Report.

The District entered a memorandum of understanding with SEIU and UTLA modifying the three-year tentative instructional calendar approved by the District Board on March 27, 2023, to a two-year instructional calendar (fiscal years 2023-24 and 2024-25). The memorandum of understanding maintains a three-week (15 days) winter break, provides for three additional instructional days to make up for lost instructional days in March 2023, and provides for instruction, enrichment, nutrition and child supervision through a voluntary winter recess academy in each such fiscal year. The financial impacts of the memorandum of understanding with SEIU and UTLA are not incorporated into the Fiscal Year 2023-24 Budget. Such impacts were incorporated as expenditures in revisions to the Fiscal Year 2023-24 Budget approved by the District Board on August 22, 2023. For information regarding the expected impacts to the Fiscal Year 2023-24 Budget, see “– District Budget – *Revisions to Fiscal Year 2023-24 Budget*” above. Subsequently, on December 11, 2023, the District entered a memorandum of understanding with CSEA with the same provisions outlined above in the SEIU and UTLA instructional calendar memorandum of understanding. As a result of such agreement, the District budgeted an increase in fiscal year 2023-24 expenditures of approximately \$0.28 million, all of which relate to the District’s General Fund. The additional expenditures associated with the memorandum of understanding with CSEA are reflected in the Fiscal Year 2023-24 Second Interim Report.

Health and Welfare Agreement. On October 5, 2023, the District reached a two-year agreement (the “Health and Welfare Agreement”) with all of its bargaining units for calendar years 2024 and 2025 to continue providing health and welfare benefits for active employees and retirees at no additional cost to participants. Under the Health and Welfare Agreement, the District will make contributions to fully fund the per-participant actual costs of current health and welfare benefits, including administrative cost, for the 2024 and 2025 calendar years. This is exclusive of any plan design changes that increase benefit costs and

is different than previous agreements where the District's obligation was to pay a fixed dollar amount for each participant category. The Health and Welfare Agreement also provides that any unspent health care reserve funds held pursuant to the District's prior health and welfare agreements will be maintained as reserves for the term of the Health and Welfare Agreement and used to improve or adjust health care plan designs as agreed to from time to time by the parties and approved by the District Board. As of June 30, 2022 and June 30, 2023, the District had \$64.6 million and \$107.7 million (unaudited), respectively, in health care reserves. Future District health and welfare contributions are subject to negotiations for a successor agreement. It is anticipated that such negotiations will commence in 2024.

The District anticipates an increase in fiscal year 2023-24 expenditures related to the Health and Welfare Agreement of approximately \$106.4 million (all funds), of which approximately \$94.2 million relate to the District's general fund. Due to the timing of such agreement, the financial impacts of the agreement are not incorporated into the Fiscal Year 2023-24 Budget. The additional expenditures associated with the Health and Welfare Agreement are reflected in the Fiscal Year 2023-24 Second Interim Report.

Reduction in Force and Release Notices. In general, pursuant to Sections 44949 and 44951 of the Education Code, the District must give written notice to a certificated employee no later than March 15 if such certificated employee is to be released or reassigned for the ensuing school year. Similarly, pursuant to Section 45117 of the Education Code, the District must give written notice to a classified employee no later than March 15 if such classified employee is to be laid off for the ensuing school year. Further, pursuant to Sections 44955.5 and 45117(d) of the Education Code (as applicable), the District Board has the authority to terminate the services of certificated and classified employees between the period commencing five days after the enactment of the annual State Budget Act and August 15 of the fiscal year to which the State Budget Act applies if the District's LCFF apportionment per unit of ADA has not increased by at least 2% for such fiscal year. To provide flexibility in the event budget reductions are necessary in a given fiscal year, the District Board may approve the use of reduction in force and release notices for a portion of its certificated and classified employees. There were no such notices approved by the District Board prior to March 15, 2024, for the ensuing 2024-25 school year.

Retirement Systems

General. The District currently participates in CalSTRS, CalPERS and PARS (defined herein). The amounts of the District's contributions to CalSTRS, CalPERS and PARS are subject to, among other things, modifications to or approvals of collective bargaining agreements and any changes in actuarial assumptions used by CalSTRS, CalPERS and PARS.

The information set forth below regarding CalSTRS and CalPERS and their respective actuarial valuations and comprehensive annual financial reports has been obtained from publicly available sources and has not been independently verified by the District and is not guaranteed as to the accuracy or completeness thereof by or to be construed as a representation by the District. Furthermore, the summary data below should not be read as current or definitive, as recent gains or losses on investments made by the retirement systems generally may have changed the unfunded actuarial accrued liabilities stated below.

The following Table A-8 sets forth the District's aggregate contributions to CalSTRS, CalPERS and PARS, inclusive of employee contributions to CalPERS paid by the District, for fiscal years 2019-20 through 2022-23 and the budgeted contribution for fiscal year 2023-24 and these contributions as a percentage of the District's Total Governmental Funds expenditures for fiscal years 2019-20 through 2023-24. See Table A-9 "Annual Regular CalSTRS Contributions," Table A-11 "Annual CalPERS Regular Contributions" and Table A-14 "Annual PARS Contribution." See also the District's financial statements for fiscal year 2022-23 contained in APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023."

TABLE A-8

LOS ANGELES UNIFIED SCHOOL DISTRICT
Aggregate Employer Contributions to CalSTRS, CalPERS and PARS
Fiscal Years 2019-20 through 2023-24
(\$ in millions)

Fiscal Year	District Contributions⁽¹⁾	District Contribution as Percentage of Total Governmental Funds Expenditures
2019-20	\$755.33	7.35%
2020-21	762.30	7.06
2021-22	869.20	7.12
2022-23	1,040.37	8.36
2023-24 ⁽²⁾	1,174.30	7.83

⁽¹⁾ Reflects data for all District Funds, including the District's General Fund. Excludes on-behalf payments from the State to CalSTRS and CalPERS.

⁽²⁾ Budgeted in Fiscal Year 2023-24 Budget. Amounts do not reflect labor agreements not reflected in Fiscal Year 2023-24 Budget. For significant revisions to the Fiscal Year 2023-24 Budget approved by the District Board on August 22, 2023, see “– District Budget – *Revisions to Fiscal Year 2023-24 Budget*” above. In addition, for a discussion of pending labor agreements not reflected in the Fiscal Year 2023-24 Budget and not included in Fiscal Year 2023-24 Budget revisions approved by the District Board on August 22, 2023, see “– Employee and Labor Relations – *Negotiations Regarding Labor Contracts*” above.

Sources: Audited Annual Financial Report for fiscal years 2019-20 through 2022-23; Fiscal Year 2023-24 Budget; and the District for the percentage of Total Governmental Funds Expenditures.

California State Teachers' Retirement System. CalSTRS is a defined benefit plan that covers all full-time certificated District employees and some classified District employees, which are District employees employed in a position that does not require a teaching credential from the State. Benefit provisions are established by State legislation in accordance with the State Teachers' Retirement Law. CalSTRS is operated on a Statewide basis and, based on publicly available information, has substantial unfunded liabilities. Additional funding of CalSTRS by the State and the inclusion of adjustments to such State contributions based on consumer price changes were provided for in 1979 Statutes, Chapter 282. Copies of the CalSTRS' comprehensive annual financial report may be obtained from CalSTRS, P.O. Box 15275, Sacramento, California 95851-0275. The information presented in these reports is not incorporated by reference in this Official Statement.

Member benefits are determined pursuant to the Education Code and are generally based on a member's age, final compensation and years of credited service. Members are 100% vested in retirement benefits after five years of credited service and are eligible for “normal” retirement at age 60 and for early retirement at age 55 or at age 50 with 30 years of credited service. The normal retirement benefit is 2% of final compensation (as defined in the Education Code) for each year of credited service (up to 2.4% of final compensation for members retiring after age 60), and members who retire on or after January 1, 2011 with 30 or more years of service by December 31, 2010 receive monthly bonus payments of up to \$400 per month. Members hired on or after January 1, 2013 who retire at age 62 are eligible for a benefit equal to 2% of final compensation for each year of credited service (up to 2.4% of final compensation for members retiring after age 62). Benefits include a 2% cost of living increase (computed on a simple, non-compounded, basis based on the initial allowance) on each September 1 following the first anniversary of the effective date of the benefit. See “– *California Public Employees' Pension Reform Act of 2013*” herein and Note 9 set forth in APPENDIX B – “AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023.”

Funding; Contributions. The CalSTRS defined benefit plan (the “DB Plan”) is funded through a combination of investment earnings and statutorily set contributions from members of CalSTRS, the participating employers (including the District) and the State. Prior to fiscal year 2014-15, the statutorily-set rate did not vary annually to adjust for funding shortfalls or actuarial surpluses. As a result, the combined

employer, employee and State contributions to the DB Plan were not sufficient to pay actuarially required amounts. To address the shortfall, Assembly Bill 1469 (“AB 1469”), signed into law by the Governor as part of the State budget for fiscal year 2014-15, increased member, employer and State contributions as part of a plan to eliminate by June 30, 2046, CalSTRS’ unfunded liability for service credited to members of the CalSTRS defined benefit program before July 1, 2014.

Pursuant to AB 1469, since fiscal year 2021-22, the State Teachers’ Retirement Board is authorized to modify the percentages paid by employers and employees to eliminate by June 30, 2046, CalSTRS’ unfunded liability for service credited to members of the CalSTRS defined benefit program before July 1, 2014, based upon actuarial recommendations and subject to certain limitations. The State Teachers’ Retirement Board may not increase the employer contribution rate by more than 1% in any fiscal year up to a maximum contribution rate of 20.25%. The State Teachers’ Retirement Board may also adjust the State’s contribution rate by a maximum of 0.5% from year to year, based on the funding status of the CalSTRS actuarially determined unfunded liability. A decrease in investment earnings may result in increased employer contribution rates in order to timely eliminate by June 30, 2046, CalSTRS’ unfunded liability for service credited to members of the CalSTRS defined benefit program before July 1, 2014, based upon actuarial recommendations. The District cannot predict the impact of State, national, and international events on investment earnings and contribution rates or the amount the District will be required to pay for pension related costs in future fiscal years.

The State is not an employer (with certain limited exceptions) in any of the CalSTRS programs but contributes to the DB Plan and a supplemental benefits maintenance account pursuant to provisions of the Education Code. For fiscal year 2022-23, the State contributed 8.328% of members’ annual earnings to the DB Plan and an additional 2.5% of member earnings into the CalSTRS supplemental benefit maintenance account, which is used to maintain the purchasing power of benefits. The State’s contribution rate for fiscal year 2023-24 will remain at 8.328% of members’ annual earnings to the DB Plan and an additional payment of 2.5% of member earnings into the CalSTRS supplemental benefit maintenance account.

The District’s employer contribution rate for fiscal year 2022-23 was 19.10% of covered payroll. The District’s employer contribution rate for fiscal year 2023-24 will remain at 19.10% of covered payroll. The District’s employer contribution rate is inclusive of the employer base contribution of 8.25% of payroll provided by the Education Code.

The employee contribution rate for CalSTRS members first hired on or before December 31, 2012 to perform CalSTRS creditable activities (i.e., CalSTRS 2% at 60 members) was 10.25% for fiscal years 2016-17 through 2022-23 and will remain at 10.25% for fiscal year 2023-24. The employee contribution rate for CalSTRS members first hired on or after January 1, 2013 to perform CalSTRS creditable activities (i.e., CalSTRS 2% at 62 members) was 9.205% for fiscal years 2016-17 and 2017-18, 10.205% for fiscal years 2018-19 through 2022-23, and will remain at 10.205% for fiscal year 2023-24.

The following Table A-9 sets forth the District’s regular annual contributions to CalSTRS for fiscal years 2019-20 through 2022-23 and the budgeted contribution for fiscal year 2023-24 and such contributions as a percentage of the District’s Total Governmental Funds expenditures for fiscal years 2019-20 through 2023-24. The District has always paid all required CalSTRS annual contributions. As of June 30, 2023, 37,684 District employees were members of CalSTRS.

TABLE A-9

LOS ANGELES UNIFIED SCHOOL DISTRICT
Annual Regular CalSTRS Contributions
Fiscal Years 2019-20 through 2023-24
(\$ in millions)

Fiscal Year	CalSTRS Employer Rate	District Contributions⁽¹⁾	District Contribution as Percentage of Total Governmental Funds Expenditures
2019-20	17.10%	\$509.0	4.95%
2020-21	16.15	497.7	4.61
2021-22	16.92	563.9	4.62
2022-23	19.10	663.9	5.33
2023-24 ⁽²⁾	19.10	728.3	4.86

⁽¹⁾ Reflects data for all District Funds, including the District's General Fund. Excludes on-behalf payments from the State to CalSTRS.

⁽²⁾ Budgeted in Fiscal Year 2023-24 Budget. Amounts do not reflect labor agreements not reflected in the Fiscal Year 2023-24 Budget. For significant revisions to the Fiscal Year 2023-24 Budget approved by the District Board on August 22, 2023, see "– District Budget – *Revisions to Fiscal Year 2023-24 Budget*" above. In addition, for a discussion of pending labor agreements not reflected in the Fiscal Year 2023-24 Budget and not included in Fiscal Year 2023-24 Budget revisions approved by the District Board on August 22, 2023, see "– Employee and Labor Relations – *Negotiations Regarding Labor Contracts*" above.

Sources: Audited Annual Financial Report for fiscal years 2019-20 through 2022-23; Fiscal Year 2023-24 Budget; and the District for the percentage of Total Governmental Funds Expenditures.

Actuarial Valuation. The State Teachers' Retirement Board has sole authority to determine the actuarial assumptions and methods used for the valuation of the DB Plan. CalSTRS actuarial consultant (the "Actuarial Consultant") determines the actuarial value of the DB Plan's assets by using a one-third smoothed recognition method of the difference between the actual market value of assets to the expected actuarial value of assets. Accordingly, the actuarial value of assets will not reflect the entire impact of certain investment gains or losses on an actuarial basis as of the date of the valuation or legislation enacted subsequent to the date of the valuation.

The actuarial valuation for the entire CalSTRS defined benefit program as of June 30, 2022 (the "2022 CalSTRS Actuarial Valuation") showed an estimated unfunded actuarial liability of \$88.55 billion, a decrease of approximately \$1.17 billion from the June 30, 2021 valuation. Such estimated unfunded actuarial liability was projected to increase in the June 30, 2021 valuation, which projected an unfunded actuarial liability of \$89.80 billion as of June 30, 2022. The actual unfunded actuarial liability as of June 30, 2022 represents a net actuarial gain of approximately \$1.25 billion. Such net actuarial gain is due primarily to member salary increases being more than assumed and market value returns (estimated at negative 2.40%) being less than assumed (7.00%). The funded ratios of the actuarial value of valuation assets over the actuarial accrued liabilities as of June 30, 2022 and June 30, 2021, based on the actuarial assumptions, were approximately 74.40% and 73.00%, respectively. According to the 2022 CalSTRS Actuarial Valuation, the funded ratio increased by 1.40% during the past year. As described in the 2022 CalSTRS Actuarial Valuation, the increase in the funded ratio is primarily due to the recognition of deferred investment gains from prior fiscal years that were used to offset the reported negative 2.40% return on investments on the market value of assets for fiscal year 2021-22, which is CalSTRS' first negative return on investments since fiscal year 2008-09. Other factors contributing to such increase include the additional State contributions made in the prior fiscal years and contributions to pay down the unfunded actuarial liability under the State Teachers' Retirement Board's valuation policy. Persistent negative returns on investments may result in increased employer contribution rates above the current level of expected increases. The District cannot predict the impact of State, national, and international events on investment returns and employer contribution rates or the amount the District will be required to pay for pension related

costs. Accordingly, there can be no assurances that the District's required contributions to CalSTRS will not increase in the future, subject to the limitations of AB 1469.

The following are certain of the actuarial assumptions set forth in the 2022 CalSTRS Actuarial Valuation: measurement of accruing costs by the "Entry Age Normal Actuarial Cost Method," an assumed 7.00% investment rate of return for measurements subsequent to June 30, 2016, 3.00% interest on member accounts, 3.50% projected wage growth, and 2.75% projected inflation and demographic assumptions relating to mortality rates, length of service, rates of disability, rates of withdrawal, probability of refund, and merit salary increases. Future estimates of the actuarial unfunded liability may change due to market performance, legislative actions and other experience that may differ from the actuarial assumptions used for the CalSTRS valuation. The 2022 CalSTRS Actuarial Valuation also assumes that all members hired on or after January 1, 2013 are subject to the provisions of PEPPRA (as defined herein). See "*California Public Employees' Pension Reform Act of 2013*" below for a discussion of the pension reform measure signed by the Governor in September 2012 expected to help reduce future pension obligations of public employers with respect to employees hired on or after January 1, 2013.

The CalSTRS Comprehensive Annual Financial Report for fiscal year 2021-22 (the "2021-22 CalSTRS CAFR") states that during fiscal year 2021-22, CalSTRS included 38,528 covered employees of the District in its State Teachers' Retirement Program and 3,485 covered employees of the District in its tax-deferred defined contribution plans under Sections 403(b) and 457 of the Internal Revenue Code (the "Pension2 Program"). Accordingly, covered employees of the District represented approximately 7.60% and 11.80% of covered employees in the State Teachers' Retirement Program and Pension2 Program, respectively.

The UAAL and funded status of the CalSTRS pension fund as of June 30 of fiscal years ended June 30, 2018, through June 30, 2022, are set forth in the following Table A-10. The fair market value of the CalSTRS pension fund as of June 30, 2021, and June 30, 2022, was approximately \$271.95 billion and \$260.29 billion, respectively, based on total system assets less amounts allocable to the CalSTRS Supplemental Benefits Maintenance Account Reserve. The individual funding progress for the District and the District's proportionate share of CalSTRS' net pension liability is set forth in the District's audited financial statements. See "*Pension Accounting and Financial Reporting Standards*" herein and Note 9 set forth in APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023."

TABLE A-10

**Actuarial Value of CalSTRS Defined Benefit Program
Valuation Dates June 30, 2018 through June 30, 2022
(\$ in billions)**

Valuation Date (June 30)	Actuarial Obligation	Actuarial Value of Assets⁽¹⁾	Market Value of Assets	Unfunded Actuarial Obligation	Funded Ratio (Actuarial Value)	Funded Ratio (Fair Market Value)
2018	\$297.603	\$190.451	\$211.367	\$107.2	64.0%	65.7%
2019	310.719	205.016	225.466	105.7	66.0	67.0
2020	322.127	216.252	233.253	105.9	67.1	66.5
2021	332.082	242.363	292.980	89.7	73.0	81.9
2022	346.089	257.537	283.340	88.6	74.4	75.2

⁽¹⁾ Actuarial Value of Assets does not include amounts allocable to the CalSTRS Supplemental Benefits Maintenance Account Reserve which was approximately \$15.76 billion as of June 30, 2018, \$17.38 billion as of June 30, 2019, \$19.13 billion as of June 30, 2020, \$21.03 billion as of June 30, 2021, and \$23.05 billion as of June 30, 2022.

Sources: California State Teachers' Retirement System Defined Benefit Program Actuarial Valuations as of June 30, 2018 through June 30, 2022.

District Proportionate Share. As of June 30, 2023, the District's proportionate share of CalSTRS' net pension liability was approximately \$3.9 billion, based on a discount rate of 7.10%. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the fiscal year 2021-22 employer contributions calculated by CalSTRS with consideration given to separately financed and irregular employer contributions relative to the projected contributions of all participating employer and non-employer contributing entities. At June 30, 2022, the District's proportionate rate was 5.497%. The District's proportionate share of the CalSTRS net pension liability was projected to be approximately \$1.60 billion if the discount rate was increased to 8.1% and approximately \$6.5 billion if the discount rate was decreased to 6.1%. See Note 9(b) of the District's financial statements in APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023."

California Public Employees' Retirement System. CalPERS is a defined benefit plan that covers classified personnel who work four or more hours per day. CalPERS is operated on a Statewide basis and, based on publicly available information, has significant unfunded liabilities. CalPERS issues a comprehensive annual financial report and actuarial valuations that include financial statements and required supplementary information. Copies of the CalPERS CAFR and actuarial valuations may be obtained from the CalPERS Financial Services Division, P.O. Box 942703, Sacramento, California 94229-2703. The information set forth therein is not incorporated by reference in this Official Statement. Benefit provisions are established by State legislation in accordance with the Public Employees' Retirement Law and are generally based on a member's age, final compensation, and years of credited service. For a description of member benefits for both the Safety Plan and Miscellaneous Plan of the District administered by CalPERS, see Note 9(a) set forth in APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023."

Funding; Contributions. All qualifying classified employees of K-12 school districts in the State are members in CalPERS. All school districts contributing to CalPERS participate in the same plan and share the same contribution rate in each year. However, unlike contributions to CalSTRS, which incrementally increase at statutorily set rates, school districts' contributions to CalPERS fluctuate each year and include a normal cost component and a component equal to an amortized amount of the unfunded liability of CalPERS. Accordingly, the District cannot provide any assurances that the District's required contributions to CalPERS in future years will not significantly vary from any current projected levels of contributions to CalPERS.

CalPERS is funded by employee contributions and investment earnings, with the balance of the funding provided by employer contributions. School districts' contributions decrease when investment earnings rise and increase when investment earnings decline. As a result, declines in investment earnings may result in substantial increases in school district contributions. The District cannot make any predictions as to the effect of State, national or international events on investment earnings and school district contributions. Participating employees enrolled in CalPERS prior to January 1, 2013 contribute 7.00% of their respective salaries, while participating employees enrolled after January 1, 2013 contribute the higher of fifty percent of normal costs of benefits or an actuarially determined rate of 8.00% in fiscal year 2022-23, which will remain at 8.00% in fiscal year 2023-24. School districts are required to contribute to CalPERS at an actuarially determined rate, which was originally 20.733% and 22.68% of eligible salary expenditures for fiscal years 2019-20 and 2020-21, respectively. However, the employer contribution rate for fiscal year 2019-20 was reduced to 19.721% as a result of the State's buydown of employer contribution rates in fiscal year 2019-20. Similarly, the fiscal year 2020-21 State budget allocated funding to buy down employer contribution rates in fiscal years 2020-21 and 2021-22 to approximately 20.70% and 22.91%, respectively. The actuarially determined rate for employer contributions was 25.37% for fiscal year 2022-23 and is 26.68% for fiscal year 2023-24. For a description of employer and member contribution rates, see Note 9(a) set forth in APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023."

The following Table A-11 sets forth the District's employer contribution rates, regular annual contributions, inclusive of employee contributions paid by the District to CalPERS for fiscal years 2019-2020 through 2022-23, and the budgeted contribution for fiscal year 2023-24, and such contributions as a percentage of the District's Total Governmental Funds expenditures for fiscal years 2019-20 through 2023-24. The District has always paid all required CalPERS annual contributions. As of June 30, 2023, 29,689 District employees were members of CalPERS.

TABLE A-11
LOS ANGELES UNIFIED SCHOOL DISTRICT
Annual CalPERS Regular Contributions
Fiscal Years 2019-20 through 2023-24
(\$ in millions)

Fiscal Year	CalPERS Employer Rate (Miscellaneous)	CalPERS Employer Rate (Safety)	District Contributions⁽¹⁾	District Contribution as Percentage of Total Governmental Funds Expenditures
2019-20	19.721%	43.059%	\$239.1	2.33%
2020-21	20.700	47.268	257.3	2.38
2021-22	22.910	48.900	298.4	2.44
2022-23	25.370	50.130	370.3	2.98
2023-24 ⁽²⁾	26.680	53.680	436.9	2.91

⁽¹⁾ Reflects data for all District Funds, including the District's General Fund.

⁽²⁾ Budgeted in Fiscal Year 2023-24 Budget. Amounts do not reflect labor agreements not reflected in the Fiscal Year 2023-24 Budget. For significant revisions to the Fiscal Year 2023-24 Budget approved by the District Board on August 22, 2023, see "– District Budget – Revisions to Fiscal Year 2023-24 Budget" above. In addition, for a discussion of pending labor agreements not reflected in the Fiscal Year 2023-24 Budget and not included in Fiscal Year 2023-24 Budget revisions approved by the District Board on August 22, 2023, see "– Employee and Labor Relations – Negotiations Regarding Labor Contracts" above.

Sources: Audited Annual Financial Report for fiscal years 2019-20 through 2022-23; Fiscal Year 2023-24 Budget and District Budget Services and Financial Planning Division Financial Guide No. 1, dated May 19, 2023 for fiscal year 2023-24; and the District for the percentage of Total Governmental Funds Expenditures.

Actuarial Valuation. Since the June 30, 2015, valuation, CalPERS has employed an amortization and smoothing policy that apportions all gains and losses over a fixed 30-year period with the increases or decreases in the rate spread directly over a five-year period. In contrast, the previous policy spread investment returns over a 15-year period with experience gains and losses spread over a rolling 30-year period. The amounts of the pension/award benefit obligation or UAAL will vary from time to time depending upon actuarial assumptions, and actual rates of return on investments, salary scales, and levels of contribution. See Table A-12 – "Actuarial Value of Schools Portion of CalPERS – Historical Funding Status" herein.

The CalPERS Schools Pool Actuarial Valuation as of June 30, 2022 (the "2022 CalPERS Schools Pool Actuarial Valuation"), was released in September 2023, and such valuation reported an actuarial accrued liability of approximately \$116.98 billion with the market value of assets at approximately \$79.39 billion, and a funded status of approximately 67.90%. From June 30, 2021, to June 30, 2022, the funded status of the CalPERS Schools Pool decreased by approximately 10.40%, and the unfunded accrued liability increased by approximately \$13.61 billion, largely due to the difference between the expected and actual rate of return on investments.

CalPERS reported a negative 6.10% net return on investments for fiscal year 2021-22, which is CalPERS' first negative return on investments since fiscal year 2008-09. The negative 6.10% net return on investments was less than the assumed annual rate of return on investments of 6.80%. Such negative return generated an actuarial investment loss of approximately \$12.40 billion, which will be amortized over 20 years with a five-year phase in, increasing the component of the expected employer contribution rate related

to the unfunded liability contribution in fiscal year 2023-24 by 1.69% of payroll. The 2022 CalPERS Schools Pool Actuarial Valuation reports that the employer contribution rates for fiscal years 2024-25, 2025-26, 2026-27, 2027-28 and 2028-29 are projected to be 27.80%, 28.50%, 28.90%, 30.30% and 30.10%, respectively. Such projections assume that all actuarial assumptions will be realized, including net investment returns in such fiscal years of 6.80%, and that no further changes to assumptions, contributions, benefits or funding will occur during such fiscal years. Persistent negative returns on investments may result in increased employer contribution rates above the current level of expected increases reflected in the 2022 CalPERS Schools Pool Actuarial Valuation. The District cannot predict the impact of State, national, and international events on investment returns and employer contribution rates. Accordingly, there can be no assurances that the District's required contributions to CalPERS will not significantly increase in the future.

The 2022 CalPERS Schools Pool Actuarial Valuation as summarized assumes, among other things, 2.30% price inflation, 2.80% wage inflation and payroll growth of 2.80% compounded annually. The 2022 CalPERS Schools Pool Actuarial Valuation as summarized reflects a discount rate of 6.80% compounded annually (net of administrative expenses) as of June 30, 2022. The CalPERS Board of Administration adopted new demographic assumptions on November 17, 2021, including a reduction in the discount rate from 7.00% as of June 30, 2020, to 6.80% as of June 30, 2021, a reduction in the inflation assumption from 2.50% as of June 30, 2020 to 2.30% as of June 30, 2021, and an increase in payroll growth from 2.75% as of June 30, 2020 to 2.80% as of June 30, 2021. Such assumption changes result in increases in both the normal cost and unfunded liabilities contributions to be paid in the future. The actuarial funding method used in the 2022 CalPERS Schools Pool Actuarial Valuation is the "Entry Age Normal Cost Method."

The UAAL and funded status of the Schools portion of CalPERS as of June 30 of fiscal years ended June 30, 2018 through June 30, 2022 are set forth in the following Table A-12.

TABLE A-12
Actuarial Value of Schools Portion of CalPERS
Historical Funding Status
Valuation Dates June 30, 2018 through June 30, 2022
(\$ in millions)

Valuation Date (June 30)	Actuarial Accrued Liabilities	Market Value of Assets (MVA)	Funded Status (MVA)	Unfunded Liabilities/ (Surplus) (MVA)	Projected Payroll for Determining Contributions	Unfunded Liability/ (Surplus) as a % of Payroll
2018	\$92,071	\$64,846	70.4%	\$27,225	\$14,234	191.3%
2019	99,528	68,177	68.5	31,351	14,844	211.2
2020	104,062	71,400	68.6	32,662	15,295	213.6
2021	110,507	86,519	78.3	23,988	15,181	158.0
2022	116,982	79,386	67.9	37,596	16,731	224.7

Source: CalPERS Schools Pool Actuarial Valuation as of June 30, 2022.

District Proportionate Share. As of June 30, 2023, the District reported a net pension liability of \$2.7 billion for its proportionate share of the net pension liability of the Miscellaneous Plan. The net pension liability of the Miscellaneous Plan was measured by CalPERS as of June 30, 2022, and the total pension liability for the Miscellaneous Plan used to calculate the net pension liability was determined by CalPERS pursuant to an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The District's proportion of the net pension liability was based on the fiscal year 2021-22 employer contributions calculated by CalPERS. As of June 30, 2023, the District's proportion of the CalPERS net pension liability was approximately 7.82%. See "– Pension Accounting and Financial Reporting Standards" herein and Note 9(a) to the audited financial statements of the District contained in

APPENDIX B – “AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023.”

Safety Plan Actuarial Valuation; Net Pension Liability. The CalPERS Safety Plan of the Los Angeles Unified School District (Employer # 3614620780) Annual Valuation Report as of June 30, 2022 uses the “Entry Age Normal Cost Method” as the actuarial funding method and assumes, among other things, a 6.8% investment rate of return (net of administrative expenses), projected annual salary increases based on category, entry age, and duration of service, projected inflation of 2.30% and projected payroll growth of 2.80%. The UAAL and funded status of the District’s Safety Plan, which is an individual component of CalPERS, as of June 30 of fiscal years ended June 30, 2018 through June 30, 2022, are set forth in the following Table A-13. As of June 30, 2023, the District’s net pension liability under the CalPERS Safety plan was \$118.2 million. The net pension liability of the CalPERS Safety plan is measured as of June 30, 2022, using an annual actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, using standard update procedures. See Note 9(a) to the audited financial statements of the District contained in APPENDIX B – “AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023.”

TABLE A-13

**CalPERS Actuarial Value of LAUSD Safety Plan⁽¹⁾
Historical Funding Status
Valuation Dates June 30, 2018 through June 30, 2022
(\$ in millions)**

Valuation Date (June 30)	Accrued Liability	Market Value of Assets⁽²⁾	Unfunded Liability	Funded Ratio	Annual Covered Payroll
2018	\$414.6	\$301.3	\$113.3	72.7%	\$32.2
2019	438.7	320.7	118.0	73.1	33.7
2020	459.1	335.9	123.2	73.2	33.3
2021	479.3	412.9	66.4	86.1	26.2
2022	508.4	377.1	131.3	74.2	23.5

⁽¹⁾ Reflects information relating to the District’s Safety Plan and does not include information relating to the Miscellaneous Plan. Actuarial information relating to the historical funding status of the District’s Miscellaneous Plan is not available from CalPERS as a separate report but is incorporated in the combined schools portion of CalPERS’ pension fund as set forth in Table A-12 above.

⁽²⁾ CalPERS no longer uses an actuarial value of assets and only uses the market value of assets.

Source: CalPERS Safety Plan of the Los Angeles Unified School District (Employer # 3614620780) Annual Valuation Report as of June 30, 2022.

Public Agency Retirement System. On July 1, 1992, the District joined the Public Agency Retirement System (“PARS”), a multiple-employer retirement trust. This defined contribution plan covers the District’s part-time, seasonal, temporary and other employees not otherwise covered by CalPERS or CalSTRS, but whose salaries would otherwise be subject to Social Security tax. Benefit provisions and other requirements are established by District management based on agreements with various bargaining units. The District is unable to predict the amount of the contributions which the District may be required to make to PARS in the future. Accordingly, there can be no assurances that the District’s required contributions to PARS will not significantly increase in the future above current levels. The District has always paid all required PARS annual contributions.

The following Table A-14 sets forth the District's annual contributions to PARS for fiscal years 2019-20 through 2022-23 and the budgeted annual contribution to PARS for fiscal year 2023-24, and the contributions as a percentage of the District's Total Governmental Funds expenditures for fiscal years 2019-20 through 2023-24. As of June 30, 2023, 55,381 active District employees were members of PARS.

TABLE A-14

LOS ANGELES UNIFIED SCHOOL DISTRICT
Annual PARS Contribution
Fiscal Years 2019-20 through 2023-24
(\$ in millions)

Fiscal Year	District Contributions⁽¹⁾⁽²⁾	District Contribution as Percentage of Total Governmental Funds Expenditures
2019-20	\$7.2	0.07%
2020-21	7.3	0.07
2021-22	6.9	0.06
2022-23	6.2	0.05
2023-24 ⁽³⁾	9.1	0.06

⁽¹⁾ Reflects payments to PARS for pension costs associated with the District's regular and specially funded programs.

⁽²⁾ Includes amounts related to prior years' PARS contributions.

⁽³⁾ Budgeted in Fiscal Year 2023-24 Budget. Amounts do not reflect labor agreements not reflected in the Fiscal Year 2023-24 Budget. For significant revisions to the Fiscal Year 2023-24 Budget approved by the District Board on August 22, 2023, see "– District Budget – *Revisions to Fiscal Year 2023-24 Budget*" above. In addition, for a discussion of pending labor agreements not reflected in the Fiscal Year 2023-24 Budget and not included in Fiscal Year 2023-24 Budget revisions approved by the District Board on August 22, 2023, see "– Employee and Labor Relations – *Negotiations Regarding Labor Contracts*" above.

Sources: Audited Annual Financial Report for fiscal years 2019-20 through 2022-23; Fiscal Year 2023-24 Budget; and the District for the percentage of Total Governmental Funds Expenditures.

California Public Employees' Pension Reform Act of 2013. In September 2012, the Governor approved Assembly Bill 340, the California Public Employees' Pension Reform Act of 2013 ("PEPRA"). Among other things, PEPRA establishes new retirement formulas for employees hired on or after January 1, 2013 ("PEPRA Employees") and prohibits public employers from offering defined benefit pension plans to PEPRA Employees that exceed the benefits provided thereunder. PEPRA increases the retirement age for new State, school, city and local agency employees depending on job function and limits the annual CalPERS and CalSTRS pension benefit payouts. PEPRA applies to all public employers except the University of California, charter cities and charter counties. However, PEPRA is applicable to those entities which contract with CalPERS.

PEPRA mandates equal sharing of normal costs between a contracting agency or school employer and their employees and that employers not pay any of the required employee contribution. However, PEPRA limits the contribution to an amount not in excess of 8% of pay for local miscellaneous or school members, not more than 12% of pay for local police officers, local firefighters, and county peace officers, and not more than 11% of pay for all local safety members. PEPRA requires employers to complete a good faith bargaining process as required by law prior to implementing changes regarding the contribution requirements. The contribution requirements of PEPRA went into effect on January 1, 2018. See "– *California State Teachers' Retirement System*" and "– *California Public Employees' Retirement System*" herein.

In addition, PEPRA amends existing laws to redefine final compensation for purposes of pension benefits for PEPRA Employees. Further, PEPRA permits certain public employers who have offered a lower defined benefit retirement plan before January 1, 2013 to continue to offer such plan to PEPRA Employees. However, if a public employer adopts a new defined benefit plan on or after January 1, 2013,

such plan will be subject to PEPPRA requirements unless, among other things, its retirement system's chief actuary and retirement board certify that the new plan is not riskier or costlier to the public employer than the defined benefit formula required under PEPPRA.

Pension Accounting and Financial Reporting Standards. In 2012, the Governmental Accounting Standards Board issued Governmental Accounting Standards Board Statement No. 68 – “Accounting And Financial Reporting For Pensions” (“GASB 68”), which revises and establishes new financial reporting requirements for most public employers, such as the District, that provide pension benefits to their employees. GASB 68, among other things, requires public employers providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability and provides greater guidance on measuring the annual costs of pension benefits, including thorough guidelines on projecting benefit payments, use of discount rates and use of the “entry age” actuarial cost allocation method. GASB 68 also enhances accountability and transparency through revised and new note disclosures and required supplementary information. GASB 68 became effective for the financial statements of plan employers, including the District's financial statements, commencing the fiscal year ended June 30, 2015.

Pursuant to GASB 68, CalSTRS and CalPERS will use a new blended rate that reflects a long-term rate of return on plan assets, which reflects a pension fund's long-term investment strategy, and a high-quality, non-taxable municipal bond index rate, to account for the potential need to borrow funds to pay pension benefits after net assets have been fully depleted. CalSTRS has cautioned that use of the new, blended discount rate may cause the financial statements of plans, such as CalSTRS, to reflect an increased unfunded liability.

Other Postemployment Benefits

General. In addition to employee health care costs, the District provides post-employment health care benefits (“OPEB”) in accordance with collective bargaining agreements and the health benefits agreement. The District's OPEB consists of post-employment benefits for health, prescription drug, dental, and vision coverage for retirees and their dependents. As of June 30, 2023, there were approximately 59,010 active employees who meet the eligibility requirements for OPEB benefits, 40,013 inactive employees or beneficiaries currently receiving benefits, and 139 inactive employees entitled to but not yet receiving benefits, for a total of 99,162 current and former employees entitled to receive benefits under the District's OPEB plan. Historically, the District has funded these benefits on a pay-as-you-go basis, paying an amount in each fiscal year equal to the benefits distributed or disbursed in that fiscal year. Beginning in fiscal year 2013-14, the District's policy, subject to District Board approval, is to prefund a portion of its OPEB costs for employees, retirees and their beneficiaries by allocating funds for the express purpose of funding future other postemployment benefit costs to the extent possible. See “– District Financial Policies and Related Practices – *Budget and Finance Policy* – Liability Reserves” herein. The District Board approved the creation of the OPEB Trust Fund in May 2014.

As of April 15, 2024, the District has contributed approximately \$548.3 million to the OPEB Trust Fund, inclusive of the District's contributions of \$60 million in July 2014, \$30 million in September 2014, \$45 million in September 2015, \$6 million in March 2016, \$78 million in October 2016, \$120 million in October 2017, \$33.3 million in August 2023, \$52.8 million in September 2023, and \$17.6 million in each of October 2023, November 2023, December 2023, January 2024, February 2024, March 2024 and April 2024. The District did not contribute to the OPEB Trust Fund in fiscal years 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23. At the time of preparation of the District's Fiscal Year 2022-23 Estimated Actuals, it was expected that the District would contribute \$141.00 million to the OPEB Trust Fund in fiscal year 2022-23. However, after the preparation of the 2022-23 Estimated Actuals in connection with the approval of the Fiscal Year 2023-24 Budget, the fiscal year 2022-23 contribution was reduced by \$107.7 million and the transfer of the remaining \$33.3 million contribution was delayed until fiscal year 2023-24. Thus, although the District designated the \$33.3 million contribution as a fiscal year 2022-23 contribution for internal purposes, there was no transfer of funds to the OPEB Trust Fund in fiscal year 2022-23. As

indicated above, the \$33.3 million was deposited in the OPEB Trust Fund in August 2023. Based on the Fiscal Year 2023-24 Budget, the District has budgeted to contribute \$244.3 million from all funds of the District (not just the General Fund) to the OPEB Trust Fund in fiscal year 2023-24, \$209.3 million of which has been deposited in the OPEB Trust Fund as of April 15, 2024. The District expects to deposit the remaining \$35 million budgeted for fiscal year 2023-24 in May and June of 2024 in the amounts of \$17.6 million and \$17.4 million, respectively.

In the June 2023 Actuarial Valuation Report Postretirement Health Benefits as of the June 30, 2022, measurement date for fiscal year 2022-23 (the “2022 Actuarial Valuation”), Aon Hewitt indicated that based on the District’s current funding policy, projected cash flows, and the assumed asset return, the assets in the OPEB Trust Fund are projected to be depleted in fiscal year 2035-36 if such assets were drawn upon to pay benefits as they come due without the District funding such benefits on a pay-as-you-go basis. The year of depletion was projected to be fiscal year 2029-30 in the District’s fiscal year audited financial statements. See Note 9 to the audited financial statements of the District contained in APPENDIX B – “AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023.”

The following Table A-15 sets forth the District’s funding of other postemployment benefits for fiscal years 2019-20 through 2022-23, the budgeted contribution for fiscal year 2023-24, and the contributions as a percentage of the District’s Total Governmental Funds expenditures for fiscal years 2019-20 through 2023-24. In addition, Table A-15 sets forth the District’s contribution to the OPEB Trust for fiscal years 2019-20 through 2023-24.

TABLE A-15

LOS ANGELES UNIFIED SCHOOL DISTRICT
Expenditures for Other Postemployment Benefits
Fiscal Years 2019-20 through 2023-24
(\$ in millions)

Fiscal Year	Pay-as-You-Go Amount	OPEB Trust Fund Contribution⁽²⁾	Total Amount	Expenditure as Percentage of Total Governmental Funds Expenditures
2019-20	\$221.2	\$0.0	\$221.2	2.15%
2020-21	231.2	0.0	231.2	2.14
2021-22	231.1	0.0	231.1	1.89
2022-23	235.9	0.0 ⁽³⁾	235.9	1.90
2023-24 ⁽¹⁾	198.0	244.3 ⁽⁴⁾	442.3	2.95

⁽¹⁾ Budgeted.

⁽²⁾ As of April 15, 2024, the District has contributed approximately \$548.3 million to the OPEB Trust Fund, inclusive of the District’s contributions of \$60 million in July 2014, \$30 million in September 2014, \$45 million in September 2015, \$6 million in March 2016, \$78 million in October 2016, \$120 million in October 2017, \$33.3 million in August 2023, \$52.8 million in September 2023, and \$17.6 million in each of October 2023, November 2023, December 2023, January 2024, February 2024, March 2024 and April 2024.

⁽³⁾ At the time of preparation of the Fiscal Year 2022-23 Estimated Actuals, the net position of the OPEB Trust Fund for fiscal year 2022-23 was estimated at approximately \$628.8 million. This amount reflected a District fiscal year 2022-23 contribution of \$141.0 million to the OPEB Trust Fund. However, after the preparation of the 2022-23 Estimated Actuals in connection with the approval of the Fiscal Year 2023-24 Budget, the fiscal year 2022-23 contribution was reduced by \$107.7 million, and the transfer of the remaining \$33.3 million contribution was delayed until fiscal year 2023-24. Thus, although the District designated the \$33.3 million contribution as a fiscal year 2022-23 contribution for internal purposes, there was no transfer of funds to the OPEB Trust Fund in fiscal year 2022-23. As of June 30, 2023, the adjusted net position of the OPEB Trust Fund for fiscal year 2022-23 is \$499.9 million, which reflects the changes described above as well as unrealized gains/losses due to market fluctuations.

⁽⁴⁾ The \$244.3 million includes \$33.3 million the District, for internal purposes, designated as a fiscal year 2022-23 contribution. As of April 15, 2024, \$209.3 million of the \$244.3 million budgeted amount has been deposited in the OPEB Trust Fund, including the \$33.3 million designated as a fiscal year 2022-23 contribution. The District expects to deposit the remaining \$35 million budgeted for fiscal year 2023-24 in May and June of 2024 in the amounts of \$17.6 million and \$17.4 million, respectively.

Sources: Audited Annual Financial Reports for fiscal years 2019-20 through 2022-23; Fiscal Year 2023-24 Budget; and the District for the percentage of Total Governmental Funds Expenditures.

Postemployment Benefits Other Than Pensions Accounting and Financial Reporting Standards.

In June 2015, the GASB issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (“GASB 75”), which revised and established new accounting and financial reporting requirements for state and local governments, such as the District, that offer OPEB to employees. Pursuant to GASB 75, net OPEB liabilities are required to be recognized in the financial statements for such state and local governments. In addition, GASB 75 provides additional guidance with respect to recognizing and measuring liabilities, deferred outflows and inflows of resources, and expense/expenditures. GASB 75 directs the use of “entry age normal” as the actuarial cost allocation method to be used and the various procedures, assumptions and discount rates to be used in connection with the calculation of liabilities. In connection therewith, states and local governments that do not pre-fund their respective OPEB obligations may report increased liabilities. GASB 75, among other things, requires additional note disclosures and the presentation of required supplementary information in financial statements. GASB 75 was implemented in the District’s audited financial statements beginning in fiscal year 2017-18.

The District’s net OPEB liability takes into consideration the adoption of GASB 75, under which the District is required to recognize in full its total net OPEB liability rather than on an incremental basis. Over the past few years, the District has taken steps to (i) reduce its OPEB liability through a more cost-effective healthcare plan and (ii) pre-fund its OPEB liability by making deposits from time to time to an irrevocable trust when its reserves exceed the 5% Minimum Reserve Threshold, subject to District Board approval.

Changes in Net OPEB Liability. The District’s net OPEB liability has fluctuated over time based on a variety of factors, including changes in healthcare plans and actuarial assumptions and the funded status of the OPEB Trust. In the 2022 Actuarial Valuation, the District’s actuary, Aon Hewitt, points out that a byproduct of the GASB 75 standards is the potential for increased volatility of results from year to year, which the District has experienced since the implementation of GASB 75. In January 2019, the District implemented a less costly healthcare plan, the Anthem Preferred PPO (50 state Medicare Advantage Plan) (the “Anthem PPO”), which replaced the United HealthCare Group Medicare Advantage Plan and the Anthem Blue Cross Medicare (EPO) plan. The implementation of the Anthem PPO together with certain updated actuarial assumptions resulted in a significant reduction in the District’s net OPEB liability from \$14.97 billion as of June 30, 2018 (prior to the Anthem PPO implementation) to \$11.18 billion as of June 30, 2019 (after the Anthem PPO implementation) to \$8.58 billion as of June 30, 2020 (based on further revised actuarial assumptions). However, the District’s net OPEB liability as of June 30, 2021 increased to \$11.06 billion and then decreased to \$10.19 billion as of June 30, 2022 based on certain changes in actuarial assumptions described in more detail below. See “– 2021 Actuarial Valuation” below for more information. As of June 30, 2023, the District’s net OPEB liability has further decreased to \$8.48 billion also based on certain changes in actuarial assumptions also described in more detail below. See “– 2022 Actuarial Valuation” below for more information.

2021 Actuarial Valuation. The District’s net OPEB liability decreased by nearly \$1 billion from \$11.06 billion as of June 30, 2021 to \$10.19 billion as of June 30, 2022. According to the March 2022 Actuarial Valuation Report Postretirement Health Benefits as of the June 30, 2021 measurement date for fiscal year 2021-22 (the “2021 Actuarial Valuation”), such decrease in net OPEB liability is primarily due to the healthcare experience gain reflected in the 2021 Actuarial Valuation as there were no other significant adjustments in actuarial assumptions from the Actuarial Valuation Report Postretirement Health Benefits as of the June 30, 2020 measurement date for fiscal year 2020-21 (the “2020 Actuarial Valuation”), prepared for the District by Aon Hewitt. The 2021 Actuarial Valuation reflects updated financial information for fiscal year 2021-22 and is based on the census data, actuarial assumptions, and plan provisions used in the 2020 Actuarial Valuation with the following changes:

- Assets: \$542,828,439 as of June 30, 2021 measurement date

- Municipal Bond Rate: 2.16% as of June 30, 2021, based on the *Bond Buyer* General Obligation Bond 20-Bond Municipal Bond Index
- Expected Long-Term Return on Assets: 7.00% as of June 30, 2021, based on District's revised expectations for certain asset allocations
- Discount Rate: 2.20% as of June 30, 2021, after reassessment based on updated assets and municipal bond rate as of June 30, 2021

2022 Actuarial Valuation. The District's net OPEB liability decreased by approximately \$1.70 billion from \$10.19 billion as of June 30, 2022 to \$8.48 billion as of June 30, 2023. According to the 2022 Actuarial Valuation, the 150-basis point increase in the discount rate from the 2021 Actuarial Valuation has a considerable impact in the 2022 Actuarial Valuation, decreasing the value of liabilities by more than 20%. As explained in the 2022 Actuarial Valuation, such impact, which is somewhat offset by low asset returns as of the measurement date, decreases the net OPEB liability and the OPEB expense for fiscal year 2022-23. The 2022 Actuarial Valuation reflects updated financial information for fiscal year 2022-23 and is based on the census data, actuarial assumptions, and plan provisions used in the 2021 Actuarial Valuation with the following changes:

- Assets: \$469,939,493 as of June 30, 2022, measurement date
- Municipal Bond Rate: 3.54% as of June 30, 2022, based on the *Bond Buyer* General Obligation Bond 20-Bond Municipal Bond Index
- Contributions: Additional contribution of \$211 million to OPEB Trust scheduled to be made for fiscal years ending 2023, 2024 and 2025. The District currently budgets to contribute \$244.3 million in fiscal year 2023-24, \$33.3 million of which the District, for internal purposes, designated as a fiscal year 2022-23 contribution.
- Expected Long-Term Return on Assets: 6.10% as of June 30, 2022, based on District's revised expectations for certain asset allocations
- Discount Rate: 3.70% as of June 30, 2022, after reassessment based on updated assets and municipal bond rate as of June 30, 2022

The following Table A-16 shows the impact of the changes to the actuarial assumptions in the 2022 Actuarial Valuation on the District's Net OPEB Liability for the fiscal year ending June 30, 2023 compared to fiscal year June 30, 2022 that was based on the 2021 Actuarial Valuation.

TABLE A-16
LOS ANGELES UNIFIED SCHOOL DISTRICT
NET OPEB LIABILITY
As of June 30, 2022 and June 30, 2023
(\$ in billions)

	Fiscal Year Ending June 30, 2022	Fiscal Year Ending June 30, 2023
(1) OPEB Liability		
(a) Retired Participants and Beneficiaries		
Receiving payment	\$ 3.019	\$2.755
(b) Active Participants	7.710	6.197
(c) Total	10.729	8.952
(2) Plan Fiduciary Net Position	0.543	0.470
(3) Net OPEB Liability	10.186	8.482
(4) Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	5.06%	5.25%
(5) Deferred Outflow of Resources for Contributions Made After Measurement Date	\$0.231	-

Source: 2022 Actuarial Valuation.

The District cannot predict the impact future changes in healthcare plans and actuarial assumptions and the funded status of the OPEB Trust will have on the District's net OPEB liability.

For more information on the District's OPEB plan, OPEB liability and related assumptions for fiscal year ended June 30, 2023, see Note 9 to the audited financial statements of the District contained in APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023" attached hereto.

Risk Management and Litigation

General. The District maintains various excess property, casualty and fidelity insurance programs, which are self-insured, with varying self-insured retentions. The District's excess property coverage is provided currently through its membership in the Public Entity Property Insurance Program ("PEPIP"), an insurance pool comprised of certain cities, counties and school districts. The District maintains excess property insurance on all District facilities under a combination of self-insurance retentions and varying sublimits through the excess insurance policies of PEPIP. The current self-insured retention for fire loss damage for excess property coverage is \$2,500,000 per occurrence and the aggregate policy limit is \$500 million. The District maintains what it considers to be adequate reserves to cover losses within the self-insurance retention. District General Fund resources are used to pay for property loss insurance and uninsured repairs for property damage. In addition to the above excess property policies, the District purchases a separate boiler and machinery policy with \$100 million in occurrence limits and a Fidelity crime coverage with \$15 million in occurrence limits.

Excess property insurance is maintained through a combination of excess policies with an occurrence limit of \$500 million. General liability insurance currently provides \$30 million coverage above a \$5 million self-insurance retention. The District expects to be reimbursed for settlements from its insurance carriers. The District maintains reserves at the level recommended by an independent actuarial analysis, which it believes are adequate to cover losses within the self-insured retention.

Prior to fiscal year 2013-14, the District's liability coverage generally included coverage for sexual misconduct and molestation with some limited exceptions as described herein with respect to Assembly

Bill 218. See “– *Sexual Misconduct Cases* – Assembly Bill 218 and Related Claims” herein. Liability coverage beginning in fiscal year 2013-14 did not include this coverage because the District determined that it is not available at reasonable rates from any insurance provider. In March 2014, the District Board approved a joint powers authority agreement by and between the District and the Los Angeles Trust Children’s Health Inc. to establish the Los Angeles Unified School District Risk Management Authority (the “Risk Management Authority”) which became effective July 1, 2014. The Risk Management Authority allows the District to purchase reinsurance for excess liability coverage for incidents such as sexual misconduct and molestation, to the extent such coverage is available. The Risk Management Authority was capitalized by the District and provides an insurance program for the District and the Los Angeles Trust Children’s Health Inc. The Risk Management Authority allows the District to purchase reinsurance for excess liability coverage which is not presently available to self-insured public agencies such as the District. See “– *Sexual Misconduct Cases*” herein. Sexual misconduct and molestation coverage is maintained with a limit of \$15 million above a \$5 million self-insurance retention.

The District believes that the amounts currently reserved for potential liabilities attributable to claims of wrongful death, catastrophic injury and sexual misconduct are adequate. See “– *Wrongful Death Cases*,” “– *Catastrophic Injury Cases*” and “– *Sexual Misconduct Cases*” herein. The District will increase the expenditures projected in its budget and interim financial reports if necessary and only to the extent that the District’s liabilities exceed the amount budgeted for self-insurance or current excess liability coverage. The District expects that such an increase will occur if claims relating to wrongful death, catastrophic injury or sexual misconduct by former and suspended District employees exceed the amount reserved for settlements and monetary damages to date. Such liabilities could decrease the District’s net position as of June 30, 2024 from the amount set forth in the District’s financial statements for fiscal year 2022-23. See APPENDIX B – “AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023.”

Liabilities for loss and loss adjustment expenses under each of the District’s insurance programs include the accumulation of estimates for losses reported prior to the balance sheet date, estimates of losses incurred but not reported and estimates of expenses for investigating and adjusting reported and unreported losses. Such liabilities are estimates of the future expected settlements and are based upon analysis of historical patterns of the number of incurred claims and their values. The District believes that, given the inherent variability in any such estimates, the aggregate liabilities are within a reasonable range of adequacy. Individual reserves are continually monitored and reviewed, and, as settlements are made or reserves adjusted, differences are reflected in current operations. See APPENDIX B – “AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023.”

Workers’ Compensation. The District is self-insured for its Workers’ Compensation Program. A separate fund is used to account for amounts set aside to pay claims incurred and related expenditures under the Workers’ Compensation Program. The amount to be deposited in the Workers’ Compensation Fund is established with information from an independent actuary. The District maintains at a minimum the actuarially required deposit in its Workers’ Compensation Fund in accordance with its policy. See “– District Financial Policies and Related Practices – *Budget and Finance Policy* – Liability Reserves” herein. The District’s “Actuarial Study of Workers’ Compensation Program” as of December 31, 2021, recommended a minimum funding level of approximately \$122.5 million for fiscal year 2022-23. The “Actuarial Study of Workers’ Compensation Program” as of December 31, 2022, recommends a minimum funding level of approximately \$110.7 million for fiscal year 2023-24 and approximately \$106.8 million for fiscal year 2024-25. As of June 30, 2023, the total revenues in the District’s Workers’ Compensation Fund (operating revenues and nonoperating revenues) was \$150.5 million, which reflects a negative year-end accounting adjustment of \$6.8 million to recognize the unrealized loss for the District’s cash deposited in the County Treasury Pool.

Additionally, the District’s actuarially determined total liability for the Workers’ Compensation Program is fully funded. The District’s most recent “Actuarial Study of Workers’ Compensation Program”

as of December 31, 2022 reflected total expected losses of approximately \$334.6 million (at a 4.0% interest rate) as of June 30, 2023 plus an additional amount of approximately \$24.6 million in estimated outstanding unallocated loss adjustment expenses (at a 4.0% interest rate) to create a total liability of approximately \$359.2 million as of June 30, 2023. The District has approximately \$635.5 million in cash available in the Workers' Compensation Fund as of June 30, 2023, which exceeds the amount necessary to fund the District's actuarially determined liability.

The following Table A-17 sets forth the actuary's recommended minimum funding levels for workers' compensation set forth in the actuarial report as of December 31, 2020, December 31, 2021 and the most recent actuarial report covering the period as of December 31, 2022.

TABLE A-17

LOS ANGELES UNIFIED SCHOOL DISTRICT
Recommended Minimum Funding Levels
Workers' Compensation
Fiscal Years 2021-22 through 2025-26
(\$ in millions)

Fiscal Year	Present Value of Projected Ultimate Losses (Discounted at 3.5% Unless Otherwise Noted)	Budgeted Expenses for Claims Handling and Administration	Recommended Minimum Funding Level
2021-22	\$102.20 ⁽¹⁾	\$17.57	\$119.77
2022-23	104.64 ⁽¹⁾	17.83	122.47
2023-24	92.31	18.40	110.71
2024-25	87.82	19.00	106.82
2025-26	88.51	19.60	108.11

⁽¹⁾ Discounted at 1.5%

Source: Los Angeles Unified School District Actuarial Study of Workers' Compensation Program as of December 31, 2020 for fiscal year 2021-22; Los Angeles Unified School District Actuarial Study of Workers' Compensation Program as of December 31, 2021 for fiscal years 2022-23; Los Angeles Unified School District Actuarial Study of Workers' Compensation Program as of December 31, 2022 for fiscal years 2023-24 through 2025-26.

The following Table A-18 sets forth information on changes in the Workers Compensation Program's liabilities from fiscal years 2018-19 through 2022-23. The District uses separate funds to account for amounts set aside to pay claims incurred and related expenditures under the respective insurance programs. See "– District Financial Policies and Related Practices – *Budget and Finance Policy* – Liability Reserves" herein and Note 10 in the audited financial statements for fiscal year 2022-23 set forth in APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023."

TABLE A-18

LOS ANGELES UNIFIED SCHOOL DISTRICT
Workers' Compensation Claims Paid
Fiscal Years 2018-19 through 2022-23
(\$ in millions)

Fiscal Year	Liability: Beginning of fiscal year	Current Year Claims and Changes in Estimates	Claims Paid	Liability: End of fiscal year
2018-19	\$455.4	\$85.1	\$(97.9)	\$442.7
2019-20	442.7	124.5	(87.2)	480.0
2020-21	480.0	3.1	(79.4)	403.6
2021-22	403.6	52.4	(72.6)	383.5
2022-23	383.5	56.6	(80.9)	359.2

Sources: Audited Annual Financial Report for fiscal years 2018-19 through 2022-23.

Pollution Legal Liability Policy. The District purchased a pollution legal liability (“PLL”) policy through Allied World National Assurance Company with coverage of \$10.0 million per incident and \$10.0 million in aggregate, effective May 1, 2023 to May 1, 2026.

Owner-Controlled Insurance Program. The District has arranged for its construction projects to be insured under its owner-controlled insurance program (“OCIP”). An OCIP is a single insurance program that insures the District, the District Board, all enrolled contractors, and enrolled subcontractors, and other designated parties for work performed at project sites. The District pays the insurance premiums for the OCIP coverages and requires each eligible bidder to exclude from its bid price the cost of insurance coverage. The exclusion of the cost of insurance premiums from each bid is intended to result in lower overall bids for projects, which would in turn lower the contract award amount and general obligation bond and other funds spent. In addition, the District may be able to pay a lower overall insurance cost than a single contractor because of the economies of scale gained by the purchase of an OCIP.

Litigation Regarding Insurance Providers. In September 2015, the District filed a lawsuit entitled *Los Angeles Unified School District v. ACE et al.* (the “Miramonte Coverage Action”), in Los Angeles County Superior Court seeking more than \$200 million in damages from twenty-seven of the District’s current and former insurance providers who failed to fund the defense and reimburse the District for settlement amounts paid by the District in connection with claims by hundreds of students and parents alleging that negligent hiring, supervision, and retention of former teachers Mark Berndt and Martin Springer at Miramonte Elementary School resulted in sexual abuse of the students. In April 2017, the District filed a second lawsuit in Los Angeles County Superior Court entitled *Los Angeles Unified School District vs. AIU Insurance Company, et. al.* (the “Telfair Coverage Action”), seeking more than \$40 million in damages from eight of the District’s current and former insurance providers in connection with the lawsuits filed against the District alleging that negligence of its employees in hiring, retaining, and supervising Paul Chapel resulted in sexual abuse of approximately twenty students at Telfair Elementary School. In August 2017, the District filed a third lawsuit in Los Angeles County Superior Court entitled *Los Angeles Unified School District v. Allied World et al.* (the “De La Torre Coverage Action”), seeking more than \$60 million in damages from seven of the District’s current and former insurance providers who failed to fund the defense and reimburse the District for settlement amounts paid by the District in connection with claims by over twenty students and their parents alleging that negligent hiring, supervision, and retention of former teacher Robert Pimentel at De La Torre Elementary School resulted in sexual abuse of the students. The District has not been reimbursed by any of the defendants for amounts expended in conjunction with resolving the underlying sexual abuse litigation described in this section. While no insurer agreed to pay any of the District’s defense costs before the coverage actions were filed, rulings obtained in the Miramonte Coverage Action have forced AIG to reimburse the District for over \$21 million in defense

costs. Further, the District has alleged that the insurance providers have not only breached their respective insurance obligations owed to the District in connection with underlying litigation, but also breached the implied covenant of good faith and fair dealing. The District and the insurers continue to discuss terms for a mediation of all three coverage cases. In 2021, following a bench trial, the court found that the insurer breached its duty to indemnify the District under one insurance policy at issue in the Miramonte Coverage Action for its settlements of the underlying claims. The District is considering its options with respect to additional motion practice and appellate review.

On November 4, 2020, the District filed two new lawsuits against its insurers, *LAUSD v. Starr Indemnity & Liability Co., et al.* and *LAUSD v. Ins. Co. of the State of Pennsylvania, et al.*, in which it is seeking more than \$25 million and \$8 million, respectively, in settlement reimbursements plus defense costs relating to underlying litigation involving the alleged abuse of multiple students at Franklin High School and Cahuenga High School. The District cannot predict the final outcome of or remedy imposed by any court with respect to these complaints or the amounts, if any, by which any of the insurance providers will reimburse the District for settlements and defense costs in the underlying litigation matters. In 2021, the District moved for summary adjudication to establish that the Insurance Company of State of Pennsylvania (an AIG Co.) had breached its duty to defend the District under a 2002-2003 insurance policy, which the court denied. The District is considering its options with respect to additional motion practice and appellate review.

On September 29, 2022, the District filed a new lawsuit against its insurers, *LAUSD v. Everest National Insurance Company, et al.*, in which it is seeking more than \$11 million in settlement reimbursements plus defense costs relating to underlying litigation involving the alleged abuse of multiple students at El Sereno Elementary School. One insurer has reimbursed some, but not all, of the District's defense costs in connection with the underlying litigation. The District cannot predict the final outcome of or remedy imposed by any court with respect to this complaint or the amount, if any, by which any of the insurance providers will reimburse the District for settlements and defense costs in the underlying litigation.

Wrongful Death Cases. In August 2020, the mother of a Normandie Avenue Elementary School student filed a lawsuit seeking unspecified damages in excess of \$1,000,000 against the District for the alleged wrongful death of her son on December 26, 2019, after he died from injuries sustained while at a District employee's home, during the employee's non-working hours and when school was out for winter break. The death was later ruled a homicide and the employee was subsequently criminally convicted. A jury trial in the matter commenced on July 31, 2023, in the Van Nuys Courthouse of the Los Angeles Superior Court and on August 10, 2023, the jury found the District 90% at fault and awarded plaintiff \$30 million. On October 17, 2023, the District brought a motion for a new trial which the Court denied. On November 8, 2023, the District filed its Notice of Appeal and will seek to overturn the verdict based on a number of grounds that the District believes to have strong merit. Should the District's appeal be unsuccessful, thus obligating the District to pay its share of the judgment (\$27 million), the District's expected share will be \$5 million (self-insured retention amount) and the balance of the judgment would be expected to be covered by the District's reinsurers through the Risk Management Authority. The District is expected to file and serve its opening brief with respect to the appeal by May 2024.

In September 2022, a Helen Bernstein High School student was found deceased in a school bathroom after normal school hours from a Fentanyl drug overdose. The deceased student's friend was found in the courtyard of the school and survived after a hospital stay. On December 12, 2022, the deceased student's mother filed a complaint in the Los Angeles Superior Court against the District, seeking unspecified damages for negligence and wrongful death. Trial is currently scheduled for June 10, 2024. On October 13, 2023, a complaint was filed on behalf of the deceased student's friend against the District in the Los Angeles Superior Court, seeking unspecified damages for negligence.

In April 2016, a Palms Middle School student experienced sudden cardiac arrest during physical education class and died. On July 21, 2017, the father of the student filed a complaint in the Los Angeles

Superior Court against the District, seeking unspecified damages for wrongful death. The case was tried to a jury in April 2023, resulting in a \$15 million verdict. On August 11, 2023, the District filed a Notice of Appeal, which is currently pending, and the District's opening brief will likely be filed by June 2024.

Catastrophic Injury Cases. In January 2020, a non-verbal special education student claims to have sustained injury on a District special education campus when he allegedly pulled a soccer goal post net, causing himself and the goal to fall, hitting him on the head. The student underwent emergency cervical spine surgery as a result of the incident, and his medical bills/costs known to date exceed \$1,000,000. On January 11, 2022, the court appointed conservator for the student filed a complaint in the Los Angeles Superior Court against the District, seeking unspecified damages. The matter is scheduled for trial on November 4, 2024.

In February 2017, a Marvin Avenue Elementary School student claims to have fallen and struck her head at the school. On November 22, 2017, the mother of the student filed a complaint in the Los Angeles Superior Court against the District, seeking unspecified damages for traumatic brain injury. Plaintiff alleges the District failed to provide the requisite medical care and failed to contact emergency medical personnel in a timely manner. Trial is currently scheduled for August 26, 2024.

COVID-19 Distance Learning Lawsuits. On September 24, 2020, a class action lawsuit was filed on behalf of nine named plaintiffs in Los Angeles County Superior Court asserting that the District's instructional plan in response to the COVID-19 pandemic denied plaintiffs' children their basic education rights under the California Constitution. The complaint alleges that the District's distance learning approach was inadequate in that it allegedly reduced instructional and professional development time, eliminated student assessments, failed to provide adequate access to technology, and failed to reengage students who did not participate in online learning in the spring of 2020 after the closure of school facilities due to the COVID-19 pandemic. The operative first amended complaint asserts various causes of action for injunctive and declaratory relief, including claims for alleged violations of statutory and Constitutional rights and claims of discrimination and disparate treatment. On April 9, 2021, the District's motion to strike certain allegations in the complaint with respect to individualized education program services was granted, but its demurrer to the first amended complaint was overruled. After plaintiffs filed a second amended complaint, the District filed another demurrer. On August 16, 2021, the Court sustained the District's demurrer with leave to amend. The Court further struck plaintiffs' claims seeking retrospective injunctive relief on a class wide basis. Plaintiffs were given 20 days to file an amended complaint. In September 2021, the Court dismissed the action in its entirety, with prejudice, and entered judgment in favor of the defendants, including the District. Plaintiffs subsequently filed a notice of appeal with the Court of Appeal of California, Second Appellate District. On September 19, 2023, the California Court of Appeal issued its decision reversing in part the September 2021 order dismissing the lawsuit. The Court of Appeal found that dismissal of the case and denial of class certification was premature, permitting the plaintiffs to move forward on three of their eight causes of action, but sustaining the dismissal of the remaining claims in favor of the District. The matter has now been remanded back to the trial court to proceed. The District will defend the case and also determine any potential settlement options.

COVID-19 Employee Vaccinations Lawsuit. Since the Fall of 2021, the District has been named in at least twenty-nine different lawsuits challenging the District's previous COVID-19 vaccination mandate, filed by current and former employees and job applicants, asserting various causes of action for wrongful termination, employment discrimination, and violations of Constitutional rights, among other theories of recovery. As of December 2023, four of the twenty-nine cases had settled. While certain of the lawsuits have been filed on behalf of a single named plaintiff, others are filed on behalf of groups of plaintiffs ranging from 6 to 167. The earliest filed of such actions, *Health Freedom Defense Fund v. Carvalho, et al.*, is presently on appeal before the Ninth Circuit Court of Appeals, following the U.S. District Court for the Central District of California's grant of the District's motion for judgment on the pleadings in September 2022. Oral arguments were heard on September 14, 2023, and the District is awaiting a ruling by the Ninth Circuit Court of Appeals.

In general, the District believes it has strong defenses to these employee vaccination mandate lawsuits, and anticipates that most will result in defense verdicts. Nevertheless, given the inherent uncertainty of litigation and the different factual scenarios presented in each of them, the District faces potential exposure to claims for damages, including lost wages, a claim in at least one case for emotional distress damages, claims for punitive damages, and perhaps most significantly, exposure to potential awards of prevailing party attorneys' fees, which in some employment cases, can reach seven figures. The damages sought in these lawsuits vary significantly, particularly depending on the number of plaintiffs involved, the causes of action asserted, and remedies sought. As such, the District cannot predict the total damages that might be recovered in the event that it does not prevail in one or more of the lawsuits.

COVID-19 Student Vaccination Lawsuit. On October 13, 2021, two non-profit organizations purporting to represent groups of parents of children attending District schools filed a petition for writ of mandate and request for immediate stay with respect to the District's COVID-19 vaccination requirements for students. The petition alleges that the District lacked the authority to mandate students to be vaccinated for COVID-19, and seeks writs and orders vacating and setting aside the District's mandate, and enjoining the enforcement thereof. On April 15, 2022, the Superior Court heard and granted the District's demurrer to several of the claims in the plaintiffs' first amended complaint, but permitted the plaintiffs to provide additional pleading of facts to support their complaint. The District subsequently filed a demurrer in response to the plaintiffs' second amended complaint. In light of the July 5, 2022, Superior Court order in a similar student vaccination lawsuit that invalidated the mandate as preempted by State law, which was issued after the District's demurrer in this case, plaintiffs' counsel filed a motion for summary adjudication citing the July 5, 2022 order. Thereafter, the District filed an additional demurrer and motion to dismiss the matter as moot. The Court granted the demurrer and dismissed the case as moot. Plaintiffs chose not to appeal the matter and final judgment is pending. In response, plaintiffs' counsel filed a motion for attorneys' fees which the District opposed. The Court denied the motion concluding that plaintiffs failed to show that their lawsuit was a factor causing the District to delay implementation of its former student vaccine policy. Plaintiffs are still within their deadlines to file an appeal of the attorneys' fees issue. The District will respond accordingly in the event plaintiffs appeal the denial of the motion.

Sexual Misconduct Cases. The District is occasionally subject to claims relating to the sexual misconduct of District personnel and other students. There are currently threatened and pending claims against the District brought on behalf of minor students as a result of alleged sexual misconduct by District personnel. The District is in various stages of litigation relating to such pending claims and cannot predict the outcome and effects of such claims or provide any assurances that such claims will not be successful. The damages requested by the plaintiffs in the various pending sexual misconduct cases are substantial, but vary significantly, in multiple instances there are demands for several million dollars. However, the District cannot predict any final award of damages or settlement amounts. The District also cannot predict the damages sought by any threatened litigation.

Miramonte. In the Miramonte sexual abuse litigation, involving Mark Berndt (who in 2013 pleaded no contest to 23 felony counts of lewd acts on children and was sentenced to 25 years in prison), in which there have previously been approximately \$185 million in settlements with 176 students, there are multiple active cases remaining with 46 plaintiffs. The earliest trial date is scheduled May 20, 2024, but that trial and most of the cases are expected to be resolved based on a recent tentative settlement reached at mediation with a group of 40 plaintiffs.

Assembly Bill 218 and Related Claims. Pursuant to Assembly Bill 218 ("AB 218"), which became effective on January 1, 2020, certain changes were made to the claim prerequisites and the applicable statute of limitations periods for claims of childhood sexual assault, including claims against public entities like the District. AB 218 has impacted the District's liability exposure because it (1) extended the statute of limitations periods for claims of childhood sexual assault, (2) did away altogether with the Tort Claims Act's presentation requirements for claims involving childhood sexual assault under which many claims were found to be late, and (3) revived certain claims for which applicable statute of limitations periods have

otherwise already expired (if brought within three years of January 1, 2020). Pursuant to AB 218, a plaintiff now has twenty-two years from the age of majority or five years after the plaintiff discovered or reasonably should have discovered psychological injury or illness occurring after the age of majority caused by the alleged childhood sexual assault to bring an action, with certain actions being barred from commencement after the plaintiff's fortieth birthday. With respect to claims that otherwise would have been barred as of January 1, 2020, AB 218 revived such claims for a period of three years, which period expired on December 31, 2022.

The District is currently defending approximately 156 lawsuits (totaling 247 claimants) arising from AB 218, relating to allegations of misconduct by former employees. Since the District is in the middle of litigation on many of the pending AB 218 lawsuits, the District cannot fully predict the extent of its liability in such cases, whether the claimants will prevail, and if so, how a final court decision or settlement agreement with respect to each such lawsuit may affect the financial status, policies or operations of the District, as the nature of the court's remedy and the responses thereto are unknown at the present time. Nonetheless, the District currently estimates its liability for the existing claims arising from AB 218 will likely exceed \$250 million. It should be noted that these cases include a significant number of claimants in the Miramonte sexual abuse litigation matters described above. While the District has set aside an amount in its liability self-insurance fund to pay existing claims arising under AB 218 as well as other, unrelated claims based on an independent third-party actuarial estimate, the District's total liability arising from existing AB 218 claims could exceed the actuarial estimate and the amount available in its liability self-insurance fund. Further, the District may finance or refinance certain judgments arising from AB 218 claims. While the District may be able to access insurance coverage for a portion of some of the AB 218 claims, the District is not currently able to determine what amount of the total liability may be covered by prior insurance policies or existing insurance policies for excess coverage. The District has identified certain gaps in insurance coverage prior to 1992 for which it is actively investigating the availability of policies that may provide coverage for AB 218 claims. Additionally, under AB 218, individuals who were over the age of 26 and under 40 on December 31, 2022, will still be able to timely file a lawsuit until they turn 40, and the District is unable to estimate the potential liability associated with this group of potential claimants.

Within the District, the treatment of child abuse and related reporting has evolved significantly over the past several decades. Prior to 1981, District employees did not have child abuse and neglect reporting obligations under California law, and there was limited, if any, training provided to District employees. Since 1981, California law mandates District employees to report suspected child abuse or neglect. The District's policies on such reporting have evolved and improved since then consistent with changes to California law. The District currently maintains (a) policies regarding child abuse and neglect reporting, sexual harassment (student-to-student, adult-to-student, and student-to-adult), social media for employees and associated persons, responsible use of technology, and ethics, (b) a code of conduct with students, and (c) protocols and procedures for reporting and investigating allegations of employee misconduct. The District also offers a variety of online and in-person training courses and resources to District employees. Currently, all District employees are subject to background checks prior to employment and are required to complete yearly child abuse training. For further reference, certain of the District's policies, protocols, training materials are made available online at the District's website. The District regularly reviews its policies, procedures and protocols with respect to these topics and updates them periodically to address evolving circumstances.

Litigation Regarding September 2022 Cyberattack. Four separate lawsuits have been filed against the District relating to the 2022 cyberattack on the District. The first three cases have been deemed related, with the matter of *M.M., et al. v. Los Angeles Unified School District*, Case No. 22STCV37822, serving as the lead case. The three lawsuits, filed on behalf of named individuals and purported classes of individuals whose personal information was allegedly posted to the dark web as a result of the cyberattack, have been deemed complex, and plaintiffs' counsel filed a consolidated complaint against the District and Defendant Infosys, Ltd. Therein, on February 13, 2024. The District filed its demurrer in response to the consolidated complaint on March 22, 2024, which is set to be heard on May 9, 2024. A separate limited jurisdiction

lawsuit related to the 2022 cyberattack filed in October 2023 has been settled and is expected to be dismissed shortly. For more information related to the cyberattack, see “DISTRICT GENERAL INFORMATION – Cybersecurity.”

Charter School Co-Location Policy Litigation. On April 2, 2024, the California Charter Schools Association (“CCSA”), on behalf of itself, member charter schools and students they serve, filed a civil action in Los Angeles County Superior Court, challenging the District Board’s September 26, 2023, adoption of the resolution titled, “Creating a Charter Schools Co-Location Policy to Mitigate Impacts Caused by Proposition 39” (“Charter School Co-Location Resolution”) and March 19, 2024 approval of the “Proposition 39 Charter Schools Co-Location Policy” (“Charter School Co-Location Policy”). In a Verified Petition for Writ of Mandate and Complaint for Declaratory Relief (“CCSA Petition”), CCSA asserts two writ causes of action and a declaratory relief cause of action. The CCSA Petition claims that, among other things, by adopting the Charter School Co-Location Policy, the District has violated its mandatory and non-discretionary duty to comply with the California Education Code. The CCSA Petition also seeks a preliminary injunction prohibiting the District from implementing the Charter School Co-Location Resolution and the Charter School Co-Location Policy until the merits of the lawsuit have been determined. The CCSA Petition also alleges that the District has failed to comply with the California Public Records Act by refusing to make records available in response to CCSA’s request seeking documents related to the District’s Proposition 39 compliance and the development/passage of the Charter School Co-Location Resolution and the Charter School Co-Location Policy. The CCSA Petition seeks, among other things, a writ of mandate that sets aside the Charter School Co-Location Resolution and the Charter School Co-Location Policy, and rescinds all Board policies, administrative regulations and internal directives or guidance documents that restrict the availability of District facilities to charter schools for any reasons not expressly authorized by state law. Additionally, the CCSA Petition seeks a writ of mandate that commands the District to comply with the California Public Records Act by promptly providing to CCSA all of the records requested in its request. Further, the CCSA Petition seeks a declaratory judgment stating that the Charter School Co-Location Resolution and the Charter School Co-Location Policy do not comply with Proposition 39 and are unnecessary, unenforceable and void. The CCSA Petition also seeks a preliminary injunction commanding the District to not enforce the Charter School Co-Location Resolution and the Charter School Co-Location Policy. Lastly, the CCSA Petition seeks recovery of CCSA’s attorneys’ fees and costs. As it has recently been filed, the District is evaluating its options for responding to the CCSA Petition.

District Debt

General Obligation Bonds. From July 1997 through March 2003, the District issued the entire amount of \$2,400,000,000 general obligation bonds authorized pursuant to Proposition BB approved by voters on April 8, 1997 (the “Proposition BB Authorization”). From May 2003 to May 2010, the District issued the entire amount of \$3,350,000,000 general obligation bonds pursuant to Measure K approved by voters on November 5, 2002 (the “Measure K Authorization”). From September 2004 through October 2021, the District issued the entire amount of \$3,870,000,000 general obligation bonds pursuant to Measure R approved by voters on March 2, 2004 (the “Measure R Authorization”). From February 2006 through October 2021, the District issued the entire amount of \$3,985,000,000 general obligation bonds pursuant to Measure Y approved by voters on November 8, 2005 (the “Measure Y Authorization”).

A \$7,000,000,000 general obligation bond authorization was approved by voters on November 4, 2008 (the “Measure Q Authorization”). The District has issued \$4,275,955,000 of aggregate principal amount of Measure Q general obligation bonds, leaving \$2,724,045,000 aggregate principal amount available under the Measure Q Authorization. A \$7,000,000,000 general obligation bond authorization was approved by the voters on November 3, 2020 (the “Measure RR Authorization”). The District has issued \$1,025,000,000 aggregate principal amount of Measure RR general obligation bonds, leaving \$5,975,000,000 aggregate principal amount available under the Measure RR Authorization.

Under the District's general obligation bond program, approximately 23,900 new school construction, rehabilitation, modernization and replacement projects, which are intended to upgrade facilities and improve the learning environment for students, have been completed. In addition, 896 projects valued at approximately \$7.5 billion are currently underway, including 607 projects valued at nearly \$2.8 billion in pre-construction, and 289 projects valued at nearly \$4.7 billion under construction.

Pursuant to Section 1(b)(3) of Article XIII A of the State Constitution, Chapters 1 and 1.5 of Part 10 of Division 1 of Title 1 of the State Education Code, as amended, and other applicable law (collectively, the "Act"), the District Board has appointed the LAUSD School Construction Bond Citizens' Oversight Committee (the "Citizens' Bond Oversight Committee"). The Citizens' Bond Oversight Committee is composed of 15 members representing numerous community groups and operates to inform the public concerning the spending of Measure K, Measure R, Measure Y, Measure Q, and Measure RR Authorization bond funds authorized by the Act. The Citizens' Bond Oversight Committee regularly reviews the potential bond projects and budgets and provides non-binding advice to the District Board on how to allocate and reallocate scarce bond proceeds in order to ensure the completion of viable projects and to avoid non-completion of projects once commenced. The Citizens' Bond Oversight Committee also informs the public concerning the spending of funds attributable to the Proposition BB Authorization, although Proposition BB was approved under statutes other than the Act. The Citizens' Bond Oversight Committee meets monthly in order to review all matters including, among other things, changes in budget, scope and schedules that relate to the District's general obligation bonds and the projects proposed to be funded therefrom. In addition, the Citizens' Bond Oversight Committee makes recommendations to the District Board regarding such matters. See "CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS – Proposition 39" herein. The District's Office of the Inspector General conducts audits on a selected number of the construction management firms on an annual basis to ensure that funds from the School Upgrade Program (SUP) and other legacy bond programs are spent in compliance with the Act and the District's policies relating thereto. The District's outside auditor, Simpson & Simpson, currently prepares the required bond audits regarding the expenditures of general obligation bond proceeds.

The members of the District's Citizens' Bond Oversight Committee and the community groups represented by such members are set forth in Table A-19 below.

TABLE A-19

LOS ANGELES UNIFIED SCHOOL DISTRICT
Citizens' Bond Oversight Committee
(As of March 1, 2024)

Member	Community Group Represented
Margaret Fuentes, Chair	LAUSD Student Parent
D. Michael Hamner, Vice-Chair	American Institute of Architects
Samantha Rowles, Secretary	LAUSD Student Parent
Robert Campbell, Executive Member	Los Angeles County Auditor-Controller's Office
Scott Pansky, Executive Member	Los Angeles Area Chamber of Commerce
Neelura Bell	California Charter School Association
Chad Boggio	Los Angeles County Federation of Labor AFL-CIO
Jeffrey Fischbach	California Tax Reform Association
Aleigh Lewis	Los Angeles City Controller's Office
Patrick MacFarlane	Early Education Alliance
Jennifer McDowell	Los Angeles City Mayor's Office
Brian Mello	Associated General Contractors of California
Clarence Monteclaro	Tenth District Parent Teacher Student Association
William O. Ross IV	Thirty-First District Parent Teacher Student Association
Santa Ramirez	Tenth District Parent Teacher Student Association (Alternate)
Connie Yee	Los Angeles County Auditor-Controller's Office (Alternate)
(Vacant)	American Association of Retired Persons

The following Table A-20, Table A-21, Table A-22, Table A-23, Table A-24 and Table A-25 set forth the outstanding series of general obligation bonds and the amount outstanding as of March 1, 2024, under the Proposition BB, Measure K, Measure R, Measure Y, Measure Q, and Measure RR Authorizations, respectively. The tables below do not reflect the issuance of the [Refunding] Bonds. For more information, see "PLAN OF FINANCE" in the forepart of this Official Statement.

TABLE A-20

LOS ANGELES UNIFIED SCHOOL DISTRICT
Proposition BB (Election of 1997) Bonds
(\$ in thousands)

Bond Issue	Aggregate Principal Amount	Outstanding Amount as of March 1, 2024	Date of Issue
2015 Refunding Bonds, Series A ⁽¹⁾	\$326,045	\$51,055	May 28, 2015
2016 Refunding Bonds, Series A ⁽¹⁾	202,420	88,535	April 5, 2016
2017 Refunding Bonds, Series A ⁽¹⁾	139,265	69,015	May 25, 2017
2021 Refunding Bonds, Series A ⁽¹⁾	<u>25,785</u>	<u>25,290</u>	April 29, 2021
TOTAL	<u>\$693,515</u>	<u>\$233,895</u>	

⁽¹⁾ Refunding bonds issued to refund general obligation bonds, which were issued pursuant to the Proposition BB Authorization are not counted against the Proposition BB Authorization of \$2.4 billion.

Source: Los Angeles Unified School District.

TABLE A-21

LOS ANGELES UNIFIED SCHOOL DISTRICT
Measure K (Election of 2002) Bonds
(\$ in thousands)

Bond Issue	Aggregate Principal Amount	Outstanding Amount as of March 1, 2024	Date of Issue
Series KRY Bonds (2009)			
(Federally Taxable Build America Bonds)	\$ 200,000	\$ 200,000	October 15, 2009
2014 Refunding Bonds, Series B ⁽¹⁾	323,170	44,175	June 26, 2014
2016 Refunding Bonds, Series B ⁽¹⁾	227,535	224,920	September 15, 2016
2017 Refunding Bonds, Series A ⁽¹⁾	941,565	629,645	May 25, 2017
2019 Refunding Bonds, Series A ⁽¹⁾	153,285	118,625	May 29, 2019
2020 Refunding Bonds, Series A ⁽¹⁾	112,350	107,445	October 6, 2020
2021 Refunding Bonds, Series B ⁽¹⁾	48,855	47,015	November 10, 2021
TOTAL	<u>\$2,006,760</u>	<u>\$1,371,825</u>	

⁽¹⁾ Refunding bonds issued to refund general obligation bonds, which were issued pursuant to the Measure K Authorization, are not counted against the Measure K Authorization of \$3.35 billion.

Source: Los Angeles Unified School District.

TABLE A-22

LOS ANGELES UNIFIED SCHOOL DISTRICT
Measure R (Election of 2004) Bonds
(\$ in thousands)

Bond Issue	Aggregate Principal Amount	Outstanding Amount as of March 1, 2024	Date of Issue
Series KRY Bonds (2009)			
(Federally Taxable Build America Bonds)	\$ 363,005	\$ 363,005	October 15, 2009
Series RY Bonds (2010)			
(Federally Taxable Build America Bonds)	477,630	477,630	March 4, 2010
2014 Refunding Bonds, Series C ⁽¹⁾	948,795	570,170	June 26, 2014
2016 Refunding Bonds, Series A ⁽¹⁾	56,475	29,265	April 5, 2016
2016 Refunding Bonds, Series B ⁽¹⁾	176,455	176,455	September 15, 2016
2019 Refunding Bonds, Series A ⁽¹⁾	349,350	263,255	May 29, 2019
Series RYQ Bonds (2020)	36,000	28,070	April 30, 2020
2020 Refunding Bonds, Series A ⁽¹⁾	113,150	102,125	October 6, 2020
Series RYRR (2021)	123,990	103,830	November 10, 2021
TOTAL	<u>\$2,644,850</u>	<u>\$2,113,805</u>	

⁽¹⁾ Refunding bonds issued to refund general obligation bonds, which were issued pursuant to the Measure R Authorization, are not counted against the Measure R Authorization of \$3.87 billion.

Source: Los Angeles Unified School District.

TABLE A-23

LOS ANGELES UNIFIED SCHOOL DISTRICT
Measure Y (Election of 2005) Bonds
(\$ in thousands)

Bond Issue	Aggregate Principal Amount	Outstanding Amount as of March 1, 2024	Date of Issue
Series KRY Bonds (2009) (Federally Taxable Build America Bonds)	\$ 806,795	\$ 806,795	October 15, 2009
Series H Bonds (2009) (Qualified School Construction Bonds)	318,800	318,800 ⁽²⁾	October 15, 2009
Series RY Bonds (2010) (Federally Taxable Build America Bonds)	772,955	772,955	March 4, 2010
Series J Bonds (2010) (Qualified School Construction Bonds)	290,195	290,195 ⁽³⁾	May 6, 2010
2014 Refunding Bonds, Series D ⁽¹⁾	153,385	65,490	June 26, 2014
2016 Refunding Bonds, Series A ⁽¹⁾	92,465	50,385	April 5, 2016
2016 Refunding Bonds, Series B ⁽¹⁾	96,865	96,865	September 15, 2016
Series M-1 Bonds (2018)	117,005	101,735	March 8, 2018
2019 Refunding Bonds, Series A ⁽¹⁾	91,970	71,220	May 29, 2019
Series RYQ Bonds (2020)	182,000	141,905	April 30, 2020
2020 Refunding Bonds, Series A ⁽¹⁾	76,500	74,215	October 6, 2020
Series RYRR (2021)	<u>70,150</u>	<u>58,745</u>	November 10, 2021
TOTAL	<u>\$3,069,085</u>	<u>\$2,849,305</u>	

⁽¹⁾ Refunding bonds issued to refund general obligation bonds, which were issued pursuant to the Measure Y Authorization, are not counted against Measure Y Authorization of \$3.985 billion.

⁽²⁾ Includes the set-aside deposits totaling \$69.760 million for fiscal years 2019-20 and 2020-21.

⁽³⁾ Includes the set-aside deposits totaling \$85.110 million for fiscal years 2018-19 through 2020-21.

Source: Los Angeles Unified School District.

TABLE A-24

LOS ANGELES UNIFIED SCHOOL DISTRICT
Measure Q (Election of 2008) Bonds
(\$ in thousands)

Bond Issue	Aggregate Principal Amount	Outstanding Amount as of March 1, 2024	Date of Issue
Series A Bonds (2016)	\$ 648,955	\$ 320,505	April 5, 2016
Series B-1 Bonds (2018)	1,085,440	949,510	March 8, 2018
Series RYQ Bonds (2020)	724,940	565,240	April 30, 2020
Series C Bonds (2020)	1,057,060	855,585	November 10, 2020
2021 Refunding Bonds, Series A ⁽¹⁾	164,095	160,360	April 29, 2021
Series QRR (2022)	100,000	95,060	November 22, 2022
Series QRR (2023)	<u>525,000</u>	<u>494,890</u>	November 7, 2023
TOTAL	<u>\$4,305,490</u>	<u>\$3,441,150</u>	

⁽¹⁾ Refunding bonds issued to refund general obligation bonds, which were issued pursuant to the Measure Q Authorization, are not counted against Measure Q Authorization of \$7.00 billion.

Source: Los Angeles Unified School District.

TABLE A-25

LOS ANGELES UNIFIED SCHOOL DISTRICT
Measure RR (Election of 2020) Bonds
(\$ in thousands)

Bond Issue	Aggregate Principal Amount	Outstanding Amount as of March 1, 2024	Date of Issue
Series RYRR (2021)	\$300,000	\$251,220	November 10, 2021
Series QRR (2022)	400,000	348,955	November 22, 2022
Series QRR (2023)	<u>325,000</u>	<u>306,640</u>	November 7, 2023
TOTAL	<u>\$1,025,000</u>	<u>\$906,815</u>	

Source: Los Angeles Unified School District.

Lease Obligations and Certificates of Participation. As of March 1, 2024, the District has outstanding lease obligations in the form of COPs in the aggregate principal amount of approximately \$471.6 million. The District estimates that the aggregate payment of principal and interest evidenced by COPs will be approximately \$658.1 million until the final maturity thereof. The District's lease obligations are not subject to acceleration in the event of a default thereof. The following Table A-26 sets forth the District's existing lease obligations paid from the District General Fund with respect to its outstanding COPs as of March 1, 2024. See “ – Future Financings – *Lease Financings*” for more information.

TABLE A-26

LOS ANGELES UNIFIED SCHOOL DISTRICT
Certificates of Participation Lease Obligations Debt Service Schedule⁽¹⁾
(as of March 1, 2024)
(\$ in thousands)

Fiscal Year Ending (June 30)	Paid From General Fund ⁽²⁾⁽³⁾
2024 ⁽⁴⁾	\$12,784,131
2025	50,176,664
2026	50,166,678
2027	50,165,837
2028	50,170,829
2029	50,163,720
2030	48,411,327
2031	48,412,291
2032	38,004,125
2033	38,001,075
2034	37,992,000
2035	37,985,550
3036	36,406,750
2037	36,409,000
2038	36,410,750
2039	<u>36,408,000</u>
Total⁽³⁾	<u>\$658,068,727</u>

⁽¹⁾ The lease payments reflect the net obligations of the District due to the defeasance of certain COPs.

⁽²⁾ The District expects to pay all or a portion of the final debt service payments evidenced by certain series of COPs from funds on deposit in the related debt service reserve fund.

⁽³⁾ Total may not equal sum of component parts due to rounding.

⁽⁴⁾ Only reflects remaining debt service for fiscal year ending June 30, 2024, as of March 1, 2024. Total debt service for fiscal year ending June 30, 2024 is \$25.0 million.

Source: Los Angeles Unified School District.

Limitations Related to Receipt of Federal Subsidy Payments. On March 1, 2013, then-President Barack Obama signed an executive order (the “Sequestration Executive Order”) to reduce budgetary authority in certain accounts subject to sequester in accordance with the Budget Control Act of 2011 (the “Budget Control Act”) and the American Taxpayer Relief Act of 2012 (the “Taxpayer Relief Act”). Pursuant to the Sequestration Executive Order, budget authority for all accounts in the domestic mandatory spending category including, among others, accounts for the payments to issuers of “Direct Pay Bonds,” which includes the District’s outstanding Series KRY Bonds (2009) (Federally Taxable Build America Bonds) (the “Series KRY Bonds (2009)”) and Series RY Bonds (2010) (Federally Taxable Build America Bonds) (the “Series RY Bonds (2010)”) and Series J (Qualified School Construction Bonds) (the “Series J Bonds”), are subject to sequestration. Direct Pay Bonds are issued as taxable bonds and provide credits to the District from the federal government pursuant to Section 54AA(d) and 54AA(g) of the Code.

Pursuant to the Bipartisan Budget Act of 2013, enacted in December 2013, the District’s Direct Pay Bonds are subject to the full amount of sequestration budget cuts. The federal subsidy for the Direct Pay Bonds for the federal fiscal year ended September 30, 2023, was reduced by 5.7%, and the U.S. Treasury Department has announced a decrease in subsidy amounts by 5.7% through federal fiscal year ending 2031. During the federal fiscal year ended September 30, 2023, the sequester resulted in a reduction in the aggregate amount of approximately \$4.2 million with respect to the refundable credits for the Series KRY Bonds (2009), Series RY Bonds (2010) and Series J Bonds. See “PLAN OF REFUNDING” in the

forepart of this Official Statement for a discussion of the refunding of all or a portion of the Series KRY Bonds (2009) and the Series RY Bonds (2010).

Congress can terminate, extend or otherwise modify reductions in federal subsidy payments on Direct Pay Bonds due to sequestration at any time. Furthermore, due to recent federal legislation, it was reported that the Congressional pay-as-you-go or PAYGO budget rule and scorecard could increase the overall sequestration percentage from the current level of 5.7% (under the Budget Control Act) to 100%. The Consolidated Appropriations Act of 2023, enacted in December 2022, prevented the PAYGO sequestration provisions from being triggered in January 2023 and delaying PAYGO sequestration until January 2025, absent further legislation. Accordingly, the District cannot predict what action, if any, that Congress may take with respect to the federal subsidy and its impact on the District's Direct Pay Bonds in future federal fiscal years. However, the District's Series KRY Bonds (2009), Series RY Bonds (2010), and Series J Bonds are payable from and secured by *ad valorem* property taxes which are to be assessed in amounts sufficient to pay principal of and interest on the Series KRY Bonds (2009), Series RY Bonds (2010), and Series J Bonds when due. The County has levied and will continue to levy *ad valorem* property taxes in an amount sufficient to pay principal of and interest on the Series KRY Bonds (2009), Series RY Bonds (2010), and Series J Bonds when due regardless of the amount of federal subsidy.

Future Financings

General Obligation Bonds. The District may not issue general obligation bonds without voter approval and may not issue general obligation bonds in an amount greater than its bonding capacity. The District may not issue general obligation bonds under the Measure Q Authorization, or the Measure RR Authorization, as applicable, if the tax rate levied to meet the debt service requirements under the related Authorization for general obligation bonds is projected to exceed \$60 per year per \$100,000 of taxable property in accordance with Article XIII A of the State Constitution. See "CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS – Article XIII A of the State Constitution" and "– Proposition 39" herein.

Pursuant to the Education Code, the District's bonding capacity for general obligation bonds may not exceed 2.5% of taxable property valuation in the District as shown by the last equalized assessment roll of the County. The taxable property valuation in the District for fiscal year 2023-24 is approximately \$929.98 billion, which results in a total current bonding capacity of approximately \$23.25 billion. The District's available capacity for the issuance of new general obligation bonds is approximately \$12.53 billion (taking into account current outstanding debt before the issuance of the [Refunding] Bonds). The fiscal year 2023-24 assessed valuation of property within the District's boundaries of approximately \$929.98 billion reflects an increase of 5.96% from fiscal year 2022-23. See "SECURITY AND SOURCE OF PAYMENT FOR THE [REFUNDING] BONDS – Assessed Valuation of Property Within the District" in the forepart of this Official Statement and "CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS – Article XIII A of the State Constitution" herein.

The District has \$2,724,045,000 authorized and unissued general obligation bond authorization remaining under the Measure Q Authorization. The District has \$5,975,000,000 authorized and unissued general obligation bond authorization remaining under the Measure RR Authorization. The District may issue additional general obligation bonds or general obligation refunding bonds in the future depending upon project needs and market conditions, and may, if authorized by the District Board, issue approximately \$1 billion of additional general obligation bonds in the fall of 2024.

As provided in the text of each of the ballots of Proposition BB, Measure K, Measure R, Measure Y, Measure Q, and Measure RR the District Board does not guarantee that the respective bonds authorized and issued under the Proposition BB, Measure K, Measure R, Measure Y, Measure Q, and

Measure RR Authorizations will provide sufficient funds to allow completion of all potential projects listed in connection with said measures.

Lease Financings. The District may finance capital projects through the execution and delivery of certificates of participation or other obligations secured by general fund lease payments from time to time. In particular, the District may utilize lease financing, from time to time, to fund projects that are not eligible to be funded with general obligation bond proceeds, that are not authorized to be funded under existing general obligation bond measures, or for which there is not sufficient general obligation bond authorization to fund. Although the breadth of projects of such types is much larger, the District has identified projects of such types in the estimated amount of \$682 million that it may consider to lease finance in 2025-26 through 2027-28. See also “– District Financial Policies and Related Practices – Debt Management Policy” herein.

AB 218 Claims. See “DISTRICT FINANCIAL INFORMATION – Risk Management and Litigation – *Sexual Misconduct Cases* – Assembly Bill 218 and Related Claims,” for a discussion of the lawsuits arising from AB 218 and the possibility that the District may finance or refinance certain judgments arising from AB 218 claims.

Tax and Revenue Anticipation Notes. The District did not issue tax and revenue anticipation notes in fiscal year 2022-23 and does not expect to issue tax and revenue anticipation notes in fiscal year 2023-24. However, the District may issue tax and revenue anticipation notes in future fiscal years depending on State and federal funding.

CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS

Constitutionally Required Funding of Education

The State Constitution requires that from all State revenues there shall first be set apart the moneys to be applied by the State for the support of the public school system and public institutions of higher education. California school districts receive a significant portion of their funding from State appropriations. As a result, decreases as well as increases in State revenues can significantly affect appropriations made by the State Legislature to school districts.

Article XIII A of the State Constitution

On June 6, 1978, California voters approved Proposition 13 (“Proposition 13”), which added Article XIII A to the State Constitution (“Article XIII A”). On June 3, 1986, California voters approved Proposition 46 (“Proposition 46”) which amended Article XIII A to permit local governments and school districts to increase the *ad valorem* property tax rate above 1% if two-thirds of those voting in a local election approve the issuance of such bonds and the proceeds of such bonds are used to acquire or improve real property. See “SECURITY AND SOURCE OF PAYMENT FOR THE [REFUNDING] BONDS – California Constitutional and Statutory Provisions Relating to *Ad Valorem* Property Taxes – *Article XIII A of the California Constitution*” in the forepart of this Official Statement.

The provisions of Article XIII A were subsequently modified pursuant to Proposition 39, which was approved by California voters on November 7, 2000. See “– Proposition 39” below. Article XIII A defines full cash value to mean “the county assessor’s valuation of real property as shown on the 1975-76 tax bill under “full cash value,” or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment.” The full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or a reduction in the consumer price index or comparable local data at a rate not to exceed 2% per year or reduced in the event of declining property value caused by substantial damage, destruction or other factors including a general economic

downturn. Subsequent amendments further limit the amount of any *ad valorem* tax on real property to 1% of the full cash value except that additional taxes may be levied to pay debt service on bonded indebtedness approved by the requisite percentage of voters voting on the proposition.

Legislation Implementing Article XIII A

Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any *ad valorem* property tax (except to pay voter-approved indebtedness). The 1% *ad valorem* property tax is automatically levied by the County and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1989.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the up to 2% annual inflationary adjustment of the 1% tax base are allocated among the various jurisdictions in the “taxing area” based upon their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years. Separate *ad valorem* property taxes to pay voter approved indebtedness such as general obligation bonds are levied by the County on behalf of the local agencies. Article XIII A effectively prohibits the levying of any other *ad valorem* property tax above the Proposition 13 limit except for taxes to support such indebtedness.

The full cash value of taxable property under Article XIII A represents the maximum taxable value for property. Accordingly, the fair market value for a given property may not be the equivalent of the full cash value under Article XIII A. During periods in which the real estate market within the District evidences an upward trend, the fair market value for a given property, which has not been reappraised due to a change in ownership, may exceed the full cash value of such property. During periods in which the real estate market demonstrates a downward trend, the fair market value of a given property may be less than the full cash value of such property and the property owner may apply for a “decline in value” reassessment pursuant to Proposition 8. Reassessments pursuant to Proposition 8, if approved by the Office of the County Assessor, lower valuations of properties (where no change in ownership has occurred) if the current value of such property is lower than the full cash value of record of the property. See “SECURITY AND SOURCE OF PAYMENT FOR THE [REFUNDING] BONDS – Assessed Valuation of Property Within the District” in the forepart of this Official Statement. The value of a property reassessed as a result of a decline in value may change, but in no case may its full cash value exceed its fair market value. When and if the fair market value of a property which has received a downward reassessment pursuant to Proposition 8 increases above its Proposition 13 factored base year value, the Office of the County Assessor will enroll such property at its Proposition 13 factored base year value.

Article XIII B of the State Constitution

An initiative to amend the State Constitution entitled “Limitation of Government Appropriations” was approved on September 6, 1979 thereby adding Article XIII B to the State Constitution (“Article XIII B”). In June 1990, Article XIII B was amended by the voters through their approval of Proposition 111. Under Article XIII B, the State and each local governmental entity have an annual “appropriations limit” and are not permitted to spend certain moneys that are called “appropriations subject to limitation” (consisting of tax revenues, State subventions and certain other funds) in an amount higher than the appropriations limit. Article XIII B does not affect the appropriations of moneys that are excluded from the definition of “appropriations subject to limitation,” including debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by the voters. In general terms, the appropriations limit is to be based on certain 1978-79 expenditures and is to be adjusted annually to reflect changes in costs of living and changes in population, and adjusted where applicable for transfer of financial responsibility of providing services to or from another unit of government. Among other provisions of Article XIII B, if these entities’ revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years.

However, in the event that a school district's revenues exceed its spending limit, the district may, in any fiscal year, increase its appropriations limit to equal its spending by borrowing appropriations limit from the State, provided the State has sufficient excess appropriations limit in such year. See "STATE FUNDING OF SCHOOL DISTRICTS" herein.

The 2023-24 State Budget projects that the State will be below its appropriations limit (also referred to as the Gann Limit) for fiscal year 2023-24.

The District Board adopted the annual appropriation limit for both fiscal year 2022-23 and fiscal year 2023-24 of approximately \$3.9 billion. The limitation applies only to proceeds of taxes and therefore does not apply to service fees and charges, investment earnings on non-proceeds of taxes, fines, and revenue from the sale of property and taxes received from the State and federal governments that are tied to special programs.

Article XIIC and Article XIID of the State Constitution

On November 5, 1996, the voters of the State of California approved Proposition 218, popularly known as the "Right to Vote on Taxes Act." Proposition 218 added to the California Constitution Articles XIIC and XIID (respectively, "Article XIIC" and "Article XIID"), which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the "Title and Summary" of Proposition 218 prepared by the California Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." Among other things, Article XIIC establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds percent vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIII A of the California Constitution and special taxes approved by a two-thirds percent vote under Article XIII A, Section 4.

On November 2, 2010, Proposition 26 was approved by State voters, which amended Article XIIC to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.

Article XIID deals with assessments and property-related fees and charges. Article XIID explicitly provides that nothing in Article XIIC or XIID shall be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development; however, it is not clear whether the initiative power is therefore unavailable to repeal or reduce developer and mitigation fees imposed by the District. Proposition 218 does not affect the *ad valorem* property taxes to be levied to pay debt service on the [Refunding] Bonds.

Proposition 98

On November 8, 1988, State voters approved Proposition 98, a combined initiative, constitutional amendment and statute called the “Classroom Instructional Improvement and Accountability Act” (the “Accountability Act”). The Accountability Act changed State funding of public education below the university level, and the operation of the State’s Appropriations Limit, primarily by guaranteeing State funding for K-12 school districts and community college districts (collectively, “K-14 districts”).

Under Proposition 98 (as modified by Proposition 111, which was enacted on June 5, 1990), K-14 districts are guaranteed the greater of (i) in general, a fixed percent of the State general fund’s revenues (“Test 1”), (ii) the amount appropriated to K-14 districts in the prior year, adjusted for changes in the cost of living (measured as in Article XIIB by reference to State per capita personal income) and enrollment (“Test 2”), or (iii) a third test, which would replace Test 2 in any year when the percentage growth in per capita State general fund revenues from the prior year plus 0.05% is less than the percentage growth in State per capita personal income (“Test 3”). Under Test 3, schools would receive the amount appropriated in the prior year adjusted for changes in enrollment and per capita State general fund revenues, plus an additional small adjustment factor. If Test 3 is used in any year, the difference between Test 3 and Test 2 would become a “credit” to schools which would be the basis of payments in future years when per capita State general fund revenue growth exceeds per capita personal income growth. Legislation adopted prior to the end of fiscal year 1988-89 that implemented Proposition 98, determined the K-14 districts’ funding guarantee under Test 1 to be 40.3% of the State general fund tax revenues, based on 1986-87 appropriations. However, that percentage has been adjusted to 34.559% to account for a subsequent redirection of local property taxes whereby a greater proportion of education funding now comes from local property taxes.

Proposition 98 permits the State Legislature, by a two-thirds vote of both houses of the State Legislature and with the Governor’s concurrence, to suspend the K-14 districts’ minimum funding formula for a one-year period. In the fall of 1989, the State Legislature and the Governor utilized this provision to avoid having 40.3% of revenues generated by a special supplemental sales tax enacted for earthquake relief go to K-14 districts. In the fall of 2004, the State Legislature and the Governor agreed to suspend the K-14 districts’ minimum funding formula set forth pursuant to Proposition 98 in order to address a projected shortfall during fiscal year 2004-05. Proposition 98 also contains provisions transferring certain State tax revenues in excess of the Article XIIB limit to K-14 districts.

The 2023-24 State Budget projects the Proposition 98 guarantee to fall under Test 1 for fiscal years 2021-22, 2022-23, and 2023-24, resulting in funding estimates of \$110.6 billion in fiscal year 2021-22, \$107.4 billion in fiscal year 2022-23, and \$108.3 billion in fiscal year 2023-24. For more information on the Proposition 98 funding under the 2023-24 State Budget, see “STATE FUNDING OF SCHOOL DISTRICTS – State Budget Act –2023-24 State Budget” herein.

Proposition 39

Proposition 39, which was approved by California voters in November 2000 (“Proposition 39”), provides an alternative method for passage of school facilities bond measures by lowering the constitutional voting requirement from two-thirds to 55% of voters and allows property taxes to exceed the current 1% limit in order to repay such bonds. The lower 55% vote requirement would apply only to bond issues to be used for construction, rehabilitation, or equipping of school facilities or the acquisition of real property for

school facilities. The State Legislature enacted additional legislation which placed certain limitations on this lowered threshold, requiring that (i) two-thirds of the governing board of a school district approve placing a bond issue on the ballot, (ii) the bond proposal be included on the ballot of a Statewide or primary election, a regularly scheduled local election, or a Statewide special election (rather than a school district election held at any time during the year), (iii) the tax rate levied as a result of any single election not exceed \$25 for a community college district, \$60 for a unified school district, or \$30 for an elementary school or high school district per \$100,000 of taxable property value, and (iv) the governing board of the school district appoint a citizen's oversight committee to inform the public concerning the spending of the bond proceeds. In addition, the school board of the applicable district is required to perform an annual, independent financial and performance audit until all bond funds have been spent to ensure that the funds have been used only for the projects listed in the measure. The District's Measure K, Measure R, Measure Y, Measure Q, and Measure RR bond programs were authorized pursuant to Proposition 39. See "DISTRICT FINANCIAL INFORMATION – District Debt – *General Obligation Bonds*" herein. The District is in full compliance with all Proposition 39 requirements.

Proposition 1A

Proposition 1A, which was approved by California voters in November 2004 ("Proposition 1A"), provides that the State may not reduce any local sales tax rate, limit existing local government authority to levy a sales tax rate or change the allocation of local sales tax revenues, subject to certain exceptions. Proposition 1A generally prohibits the State from shifting to schools or community colleges any share of property tax revenues allocated to local governments for any fiscal year, as set forth under the laws in effect as of November 3, 2004. Any change in the allocation of property tax revenues among local governments within a county must be approved by two-thirds of both houses of the Legislature. Proposition 1A provided, however, that beginning in fiscal year 2008-09, the State could shift to schools and community colleges up to 8% of local government property tax revenues, which amount must be repaid, with interest, within three years, if the Governor proclaims that the shift is needed due to a severe state financial hardship, the shift is approved by two-thirds of both houses of the State Legislature and certain other conditions are met. The State may also approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also provides that if the State reduces the vehicle license fee rate below 0.65% of vehicle value, the State must provide local governments with equal replacement revenues. Further, Proposition 1A requires the State, beginning July 1, 2005, to suspend State mandates affecting cities, counties and special districts, excepting mandates relating to employee rights, schools or community colleges, in any year that the State does not fully reimburse local governments for their costs to comply with such mandates. The State's ability to initiate future exchanges and shifts of funds will be limited by Proposition 22. See "– Proposition 22" below.

Proposition 22

Proposition 22, which was approved by California voters in November 2010, prohibits the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services and prohibits fuel tax revenues from being loaned for cash-flow or budget balancing purposes to the State general fund or any other State fund. Due to the prohibition with respect to State's ability to take, reallocate, and borrow money raised by local governments for local purposes, Proposition 22 supersedes certain provisions of Proposition 1A of 2004. See "– Proposition 1A" herein. In addition, Proposition 22 generally eliminated the State's authority to temporarily shift property taxes from cities, counties, and special districts to schools, temporarily increased school and community college district's share of property tax revenues, prohibited the State from borrowing or redirecting redevelopment property tax revenues or requiring increased pass-through payments thereof, and prohibited the State from reallocating vehicle license fee revenues to pay for State-imposed mandates. In addition, Proposition 22 requires a two-thirds vote of each house of the State Legislature and a public hearing process to be conducted in order to change the amount of fuel excise tax revenues shared with cities and counties. The LAO stated that Proposition 22 would prohibit the State from

enacting new laws that require redevelopment agencies to shift funds to schools or other agencies. However, the California Supreme Court, in *California Redevelopment Association v. Matosantos*, held that the dissolution provisions set forth in Assembly Bill No. 26 of the First Extraordinary Session (2011) were constitutional and permitted the State to allocate revenues that would have been directed to the redevelopment agencies to make pass-through payments (*i.e.*, payments that such entities would have received under prior law) to local agencies and to successor agencies for retirement of the debts and certain administrative costs of the redevelopment agencies.

Proposition 22 prohibits the State from borrowing sales taxes or excise taxes on motor vehicle fuels or changing the allocations of those taxes among local government except pursuant to specified procedures involving public notices and hearings. In addition, Proposition 22 requires that the State apply the formula setting forth the allocation of State fuel tax revenues to local agencies revert to the formula in effect on June 30, 2009. The LAO stated that Proposition 22 would require the State to adopt alternative actions to address its fiscal and policy objectives, particularly with respect to short-term cash flow needs. The District does not believe that the adoption of Proposition 22 will have a significant impact on their respective revenues and expenditures.

Proposition 30

Proposition 30, which was approved by voters in the State in November 2012 (“Proposition 30”) authorized the State to temporarily increase the maximum marginal personal income tax rates for individuals, heads of households and joint filers above 9.3% by creating three additional tax brackets of 10.3%, 11.3% and 12.3%. The tax increases set forth in Proposition 30 were in effect from tax year 2012 to tax year 2018. In addition, Proposition 30 temporarily increased the State’s sales and use tax rate by 0.25% from 2013 to 2016.

Pursuant to Proposition 30, the State included revenues from the temporary tax increases in the general fund calculation of the Proposition 98 minimum guarantee for education spending. The State deposited a portion of the new general fund revenues into an Education Protection Account established to support funding for schools and community colleges. The remainder of the new general fund revenues was available to help the State balance its budget through fiscal year 2017-18. However, the allocation of such revenues to particular programs was subject to the discretion of the Governor and the State Legislature.

In addition, Proposition 30 amended the State Constitution to address certain provisions relating to the realignment of State program responsibilities to local governments. Proposition 30 required the State to continue to provide tax revenues that were redirected in calendar year 2011 (or equivalent funds) to local governments to pay for transferred program responsibilities. Further, Proposition 30 permanently excluded sales tax revenues that are redirected to local governments from the calculation of the Proposition 98 minimum guarantee for schools and community colleges.

The Proposition 30 sales and use tax increases expired at the end of the 2016 tax year. Under Proposition 30, the personal income tax increases were set to expire at the end of the 2018 tax year. However, the voters approved on November 8, 2016 the California Tax Extension to Fund Education and Healthcare Initiative (“Proposition 55”), which extended by twelve years the temporary personal income tax increases on incomes over \$250,000 that was first enacted by Proposition 30. Revenues from the tax increase will be allocated to school districts and community colleges in the State.

Proposition 2

General. Proposition 2, which included certain constitutional amendments to the State Rainy Day Fund and, upon its approval, triggered the implementation of certain provisions which could limit the amount of reserves that may be maintained by a school district, was approved by the voters in the November 2014 election.

State Rainy Day Fund. The Proposition 2 constitutional amendments related to the State Rainy Day Fund (i) require deposits into the State Rainy Day Fund whenever capital gains revenues rise to more than 8% of general fund tax revenues; (ii) set the maximum size of the State Rainy Day Fund at 10% of general fund revenues; (iii) for the next 15 years, require half of each year's deposit to be used for supplemental payments to pay down the budgetary debts or other long-term liabilities and, thereafter, require at least half of each year's deposit to be saved and the remainder used for supplemental debt payments or savings; (iv) allow the withdrawal of funds only for a disaster or if spending remains at or below the highest level of spending from the past three years; (v) require the State to provide a multiyear budget forecast; and (vi) create a Proposition 98 reserve (defined herein as the "Proposition 98 Rainy Day Fund") to set aside funds in good years to minimize future cuts and smooth school spending. The State may deposit amounts into such account only after it has paid all amounts owing to school districts relating to the Proposition 98 maintenance factor for fiscal years prior to fiscal year 2014-15. The State, in addition, may not transfer funds to the Proposition 98 Rainy Day Fund unless the State is in a Test 1 year under Proposition 98 or in any year in which a maintenance factor is created. For more information on limitations on school district reserves and the District's commitment of funds in fiscal years 2022-23 and 2023-24, see "STATE FUNDING OF SCHOOL DISTRICTS – Limitations on School District Reserves."

SB 858. Senate Bill 858 ("SB 858") became effective upon the passage of Proposition 2. SB 858 includes provisions which could limit the amount of reserves that may be maintained by a school district in certain circumstances. Under SB 858, in any fiscal year immediately following a fiscal year in which the State has made a transfer into the Proposition 98 Rainy Day Fund, any adopted or revised budget by a school district would need to contain a combined unassigned and assigned ending fund balance that (a) for school districts with an ADA of less than 400,000, is not more than two times the amount of the reserve for economic uncertainties mandated by the Education Code, or (b) for school districts with an ADA that is more than 400,000, is not more than three times the amount of the reserve for economic uncertainties mandated by the Education Code. In certain cases, the county superintendent of schools may grant a school district a waiver from this limitation on reserves for up to two consecutive years within a three-year period if there are certain extraordinary fiscal circumstances.

SB 751. Senate Bill 751 ("SB 751"), enacted on October 11, 2017, alters the reserve requirements imposed by SB 858. Under SB 751, in a fiscal year immediately after a fiscal year in which the amount of moneys in the Proposition 98 Rainy Day Fund is equal to or exceeds 3% of the combined total general fund revenues appropriated for school districts and allocated local proceeds of taxes for that fiscal year, a school district budget that is adopted or revised cannot have an assigned or unassigned ending fund balance that exceeds 10% of those funds. SB 751 excludes from the requirements of those provisions basic aid school districts (also known as community funded districts) and small school districts having fewer than 2,501 units of average daily attendance.

The District, which has an ADA between 30,001 and 400,000 students, is required to maintain a reserve for economic uncertainty in an amount equal to 2.00% of its general fund expenditures and other financing uses. The District's assigned and unassigned ending General Fund balance for fiscal year 2023-24 does not exceed 10% of the total General Fund expenditures and other financing uses. Thus, the District complies with the limitations on reserves. For more information on limitations on school district reserves and the District's commitment of funds in fiscal year 2023-24, see "STATE FUNDING OF SCHOOL DISTRICTS – Limitations on School District Reserves."

The [Refunding] Bonds are payable from *ad valorem* taxes to be levied within the District pursuant to the California Constitution and other State law. Accordingly, the District does not expect SB 858 or SB 751 to adversely affect its ability to pay the principal of and interest on the [Refunding] Bonds as and when due.

State School Facilities Bonds

General. The District applies for apportionments from State bond initiatives and historically has received funding from such State bond initiatives. No assurances can be given that the District will continue to apply for apportionments from current or future State bond initiatives or that the District will continue to receive funding from State bond initiatives for which it applies.

Proposition 47. The Class Size Reduction Kindergarten – University Public Education Facilities Bond Act of 2002 appeared on the November 5, 2002 ballot as Proposition 47 (“Proposition 47”) and was approved by State voters. Proposition 47 authorized the sale and issuance of \$13.05 billion in general obligation bonds by the State to fund construction and renovation of K-12 school facilities (\$11.4 billion) and higher education facilities (\$1.65 billion). Proposition 47 includes \$6.35 billion for acquisition of land and new construction of K-12 school facilities. Of this amount, \$2.9 billion is set aside to fund backlog projects for which school districts submitted applications to the State on or prior to February 1, 2002. The balance of \$3.45 billion would be used to fund projects for which school districts submitted applications to the State after February 1, 2002. To be eligible for bond proceeds under Proposition 47, K-12 school districts are required to pay 50% of the costs for land acquisition and new construction with local revenues. In addition, Proposition 47 provided that up to \$100 million of the \$3.45 billion would be allocated for charter school facilities. Proposition 47 provides up to \$3.3 billion for reconstruction or modernization of existing K-12 school facilities. Of this amount, \$1.9 billion will be set aside to fund backlog projects for which school districts submitted applications to the State on or prior to February 1, 2002 and the balance of \$1.4 billion would be used to fund projects for which school districts submitted applications to the State after February 1, 2002. K-12 school districts will be required to pay 40% of the costs for reconstruction or modernization with local revenues. Proposition 47 provides a total of \$1.7 billion to K-12 school districts which are considered critically overcrowded, specifically to schools that have a large number of pupils relative to the size of the school site. In addition, \$50 million will be available to fund joint-use projects. Proposition 47 also includes \$1.65 billion to construct new buildings and related infrastructure, alter existing buildings and purchase equipment for use in the State’s public higher education systems. As of March 1, 2024, the District has received approximately \$949.88 million in funds attributable to Proposition 47.

Proposition 55 (2004). The Kindergarten-University Public Education Facilities Bond Act of 2004 appeared on the March 2, 2004 ballot as Proposition 55 (“Proposition 55 (2004)”) and was approved by State voters. Proposition 55 (2004) authorizes the sale and issuance of \$12.3 billion in general obligation bonds by the State to fund construction and renovation of public K-12 school facilities (\$10 billion) and public higher education facilities (\$2.3 billion). Proposition 55 (2004) includes \$5.26 billion for the acquisition of land and construction of new school buildings. Under Proposition 55 (2004), a school district is required to provide a 50% matching share for new construction or a 60% matching share for modernization projects with local resources unless it qualifies for state hardship funding. Proposition 55 (2004) also allocates up to \$300 million of new construction funds for charter school facilities.

Proposition 55 (2004) makes \$2.25 billion available for the reconstruction or modernization of existing public school facilities. School districts would be required to pay 40% of project costs from local resources. Proposition 55 (2004) directs a total of \$2.44 billion to school districts with schools which are considered critically overcrowded. These funds would go to schools that have a large number of pupils relative to the size of the school site. Proposition 55 (2004) also makes a total of \$50 million available to fund joint-use projects. Proposition 55 (2004) includes \$2.3 billion to construct new buildings and related infrastructure, alter existing buildings and purchase equipment for use in these buildings for the State’s public higher education systems. The measure allocates \$690 million to the University of California and California State University and \$920 million to community colleges in the State. The Governor and the State Legislature select specific projects to be funded by the bond proceeds. As of March 1, 2024, the District has received approximately \$2.31 billion in funds attributable to Proposition 55 (2004).

Proposition 1D. The Kindergarten-University Public Education Facilities Bond Act of 2006 was approved by State voters at the November 7, 2006 ballot as Proposition 1D (“Proposition 1D”). Proposition 1D authorizes the sale and issuance of \$10.4 billion in general obligation bonds by the State to fund construction and renovation of public K-12 school facilities (\$7.3 billion) and public higher education facilities (\$3.1 billion). Proceeds of bonds issued by the State under Proposition 1D are required to be deposited in the 2006 State School Facilities Fund established in the State Treasury under the Greene Act and allocated by the State Allocation Board. Proposition 1D includes \$1.9 billion for land acquisition and construction of new school buildings. Under Proposition 1D, a school district is required to pay for 50% of costs with local resources unless it qualifies for state hardship funding. Proposition 1D also allocates \$500 million for charter school facilities.

Proposition 1D makes \$3.3 billion available for the reconstruction or modernization of existing public school facilities. Districts would be required to pay 40% of project costs from local resources. Proposition 1D directs a total of \$1.0 billion to school districts with schools that are considered critically overcrowded. These funds would go to schools that have a large number of pupils relative to the size of the school site. Proposition 1D also makes a total of \$29 million available to fund joint-use projects. Proposition 1D includes \$3.1 billion to construct new buildings and related infrastructure, alter existing buildings and purchase equipment for use in these buildings for the State’s public higher education systems. Pursuant to Proposition 1D, the Governor and the State Legislature select specific projects to be funded by the bond proceeds. As of March 1, 2024, the District has received approximately \$819.50 million in funds attributable to Proposition 1D.

Proposition 51. The Kindergarten Through Community College Public Education Facilities Bond Act of 2016 was approved by State voters at the November 8, 2016 ballot as Proposition 51 (“Proposition 51”). Proposition 51 authorizes the sale and issuance of \$9 billion in general obligation bonds by the State to fund new construction of school facilities (\$3 billion), school facilities for charter schools (\$500 million), modernization of school facilities (\$3 billion), facilities for career technical education programs (\$500 million), and acquisition, construction, renovation, and equipping of community college facilities (\$2 billion). Proceeds of bonds issued by the State for K-12 under Proposition 51 are required to be deposited in the 2016 State School Facilities Fund established in the State Treasury under the Greene Act and allocated by the State Allocation Board. As of March 1, 2024, the District has received approximately 397.31 million in funds attributable to Proposition 51.

Future Initiatives

The foregoing described amendments to the State Constitution and propositions were each adopted as measures that qualified for the ballot pursuant to the State’s initiative process. From time to time, other initiative measures could be adopted that further affect District revenues or the District’s ability to expend revenues.

REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION

The District is located in the City of Los Angeles and portions of the County of Los Angeles. The following economic and demographic information pertains to the City of Los Angeles (the “City”) and the County of Los Angeles (the “County”). The historical data and results presented in the tables that follow may differ materially from future results as a result of economic or other factors.

The [Refunding] Bonds are general obligations of the District secured by and payable from *ad valorem* property taxes levied within the District. The [Refunding] Bonds are not general obligations of the City or the County.

Population

The following Table A-27 sets forth the estimates of the population of the City, the County and the State in calendar years 2019 through 2023.

TABLE A-27
POPULATION ESTIMATES
2019 through 2023

Year (as of January 1)	<u>City of Los Angeles</u>	<u>County of Los Angeles</u>	<u>State of California</u>
2019	3,986,031	10,163,139	39,605,361
2020	3,975,234	10,135,614	39,648,938
2021	3,853,323	9,931,338	39,303,157
2022	3,819,538	9,861,224	39,185,605
2023	3,766,109	9,761,210	38,940,231

Source: Department of Finance Demographic Research Unit.

Income

The following Table A-28 sets forth the median household income for the City, the County, the State and the United States for calendar years 2018 through 2022.

TABLE A-28
MEDIAN HOUSEHOLD INCOME⁽¹⁾
2018 through 2022

<u>Year</u>	<u>City of Los Angeles</u>	<u>County of Los Angeles</u>	<u>State of California</u>	<u>United States</u>
2018	\$62,474	\$68,093	\$75,277	\$61,937
2019	67,418	72,797	80,440	65,712
2020	65,290	71,358	78,672	64,994
2021	70,372	77,456	84,907	69,717
2022	76,135	82,516	91,551	74,755

⁽¹⁾ Estimated. In inflation-adjusted dollars.

Source: U.S. Census Bureau – Economic Characteristics – American Community Survey.

The following Table A-29 sets forth the distribution of income by certain income groupings per household for the City, the County, the State and the United States for calendar year 2022.

TABLE A-29
INCOME GROUPINGS 2022⁽¹⁾
(Percent of Households)

<u>Income Per Household</u>	<u>City of Los Angeles</u>	<u>County of Los Angeles</u>	<u>State of California</u>	<u>United States</u>
\$24,999 & Under	18.3%	15.9%	14.4%	16.0%
\$25,000-49,999	16.7	15.6	13.9	18.0
\$50,000 & Over	65.0	68.6	71.7	66.0

⁽¹⁾ Estimated. In inflation-adjusted dollars. Data may not add up due to rounding.

Source: U.S. Census Bureau – Economic Characteristics – American Community Survey.

Employment

The District is within the Los Angeles-Long Beach Primary Metropolitan Statistical Area Labor Market (Los Angeles County). The following Table A-30 sets forth wage and salary employment in the County from calendar years 2019 through 2023.

TABLE A-30
LABOR FORCE AND EMPLOYMENT IN THE COUNTY OF LOS ANGELES⁽¹⁾
2019 through 2023

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Civilian Labor Force	5,153,100	4,968,900	4,994,100	4,984,800	5,015,600
Employment	4,926,100	4,355,900	4,548,900	4,739,900	4,763,600
Unemployment	227,000	613,000	445,200	244,900	252,000
Unemployment Rate	4.4%	12.3%	8.9%	4.9%	5.0%
Wage and Salary Employment					
Farm	4,400	4,400	4,600	4,900	4,700
Mining and Logging	1,900	1,700	1,600	1,600	1,700
Construction	149,800	146,500	149,800	150,900	151,000
Manufacturing	340,700	315,100	311,700	321,800	319,200
Trade, Transportation and Utilities	851,000	788,000	817,600	837,400	826,400
Information	215,300	191,000	213,200	235,000	193,000
Financial Activities	223,600	212,600	210,800	215,900	211,000
Professional and Business					652,500
Services	647,000	599,800	629,500	668,900	
Educational and Health Services	839,900	820,300	839,600	873,600	914,500
Leisure and Hospitality	547,200	393,500	429,300	511,300	534,100
Other Services	158,400	128,700	134,100	153,500	157,800
Government	586,900	570,200	558,200	568,500	582,300
Total ⁽¹⁾	<u>4,566,100</u>	<u>4,171,700</u>	<u>4,300,000</u>	<u>4,543,400</u>	<u>4,548,200</u>

⁽¹⁾ Totals may not equal sum of component parts due to rounding.

Source: California Employment Development Department, Labor Market Information Division.

The following Table A-31 sets forth taxable sales in the County for the calendar years 2019 through 2023.

TABLE A-31
COUNTY OF LOS ANGELES
TAXABLE TRANSACTIONS⁽¹⁾
2019 through 2023
(\$ in thousands)

Type of Business	2019	2020	2021	2022	2023
Motor Vehicle and Parts Dealers	\$ 18,954,470	\$ 18,534,326	\$ 23,555,049	\$ 25,236,081	\$23,403,883
Home Furnishings and Appliance Stores	7,308,501	6,608,482	8,177,309	7,682,325	6,946,670
Building Materials and Garden Equipment and Supplies Dealers	8,698,495	9,556,946	10,450,185	10,997,781	10,640,811
Food and Beverage Stores	7,255,360	7,650,294	7,861,401	8,137,012	8,224,646
Gasoline Stations	12,491,790	8,132,307	12,405,237	16,114,153	14,239,588
Clothing and Clothing Accessories Stores	12,536,982	9,498,705	13,957,944	14,388,631	13,904,314
General Merchandise Stores	12,910,844	12,263,784	14,541,309	15,072,717	14,514,788
Food Services and Drinking Places	25,097,944	17,006,158	23,577,050	27,861,821	29,314,178
Other Retail Group	<u>17,190,290</u>	<u>24,164,972</u>	<u>24,407,441</u>	<u>24,618,548</u>	<u>24,281,294</u>
Total Retail and Food Services	<u>\$122,444,678</u>	<u>\$113,415,974</u>	<u>\$138,932,925</u>	<u>\$150,109,069</u>	<u>\$145,470,173</u>
All Other Outlets	<u>\$ 49,868,925</u>	<u>\$ 44,322,010</u>	<u>\$53,340,253</u>	<u>\$62,671,752</u>	<u>\$61,880,723</u>
TOTAL ALL OUTLETS	<u>\$172,313,603</u>	<u>\$157,737,984</u>	<u>\$192,273,178</u>	<u>\$212,780,821</u>	<u>\$207,350,896</u>

⁽¹⁾ Totals may not equal sum of component parts due to rounding.

Source: California Department of Tax and Fee Administration, Taxable Sales in California.

Leading County Employers

The economic base of the County is diverse with no one sector being dominant. Some of the leading activities include government (including education), business/professional management services (including engineering), health services (including training and research), tourism, distribution, and entertainment. The following Table A-32 sets forth the major employers in the County as of August 2023.

TABLE A-32

**COUNTY OF LOS ANGELES
MAJOR EMPLOYERS⁽¹⁾
2023**

<u>Employer</u>	<u>Product/Service</u>	<u>Employees</u>
Los Angeles County	Government	100,729
Los Angeles Unified School District	Education	74,000
University of California, Los Angeles	Education	51,597
U.S. Government – Federal Executive Board	Government	50,000
Kaiser Permanente Southern California	Nonprofit health plan	44,769
City of Los Angeles	Government	34,421
State of California	Government	32,300
University of Southern California	Private university	23,227
Northrop Grumman Corp.	Systems and products in aerospace, electronics and information systems	18,000
Cedars-Sinai	Health system	16,730
Allied Universal	Provider of security services and technology solutions	15,326
Target Corp.	Retailer	15,000
Providence	Health care	14,395
Ralphs/Food 4 Less (Kroger Co. division)	Grocery retailer	14,000
Walt Disney Co.	Media and entertainment	12,200
Boeing Co.	Aerospace and defense, commercial jetliners, space and security systems	12,005
Long Beach Unified School District	Education	12,000
Los Angeles County Metropolitan Transportation Authority	Transportation	11,700
UPS	Logistics, transportation and freight	11,643
Los Angeles Community College District	Education	11,618
Home Depot	Home improvement retailer	11,200
Los Angeles Department of Water & Power	Energy	11,000
NBCUniversal	Media and entertainment	11,000
Amazon	Online retailer	10,500
AT&T Inc.	Telecommunications, DirecTV, cable, satellite and television provider	10,500
Albertsons Cos.	Retail grocer	10,406
California Institute of Technology	Private university, operator of Jet Propulsion Laboratory	9,224
California State University, Long Beach	Education	8,477
Edison International	Electric utility, energy services	7,672
City of Hope	Treatment and research center for cancer, diabetes and other life-threatening diseases	7,535
ABM Industries Inc.	Facility services, energy solutions, commercial cleaning, maintenance and repair	7,400
FedEx Corp.	Shipping and logistics	6,750
Children's Hospital Los Angeles	Nonprofit freestanding children's hospital	6,644
Dignity Health	Health care	6,263
Costco Wholesale	Membership chain of warehouse stores	6,002
Space Exploration Technologies Corp.	Rockets and spacecraft	6,000
City of Long Beach	Government	5,395
Mt. San Antonio Community College District	Education	4,400
California State University, Northridge	Education	4,282
Glendale Unified School District	Education	4,000
Los Angeles World Airports	Airport authority owner and operator	3,662
Cal Poly Pomona	Education	3,094

⁽¹⁾ This information was provided by representatives of the employers themselves and annual budget reports. Government agencies and companies are ranked by the current number of full-time employees in the County. Several organizations and companies may have qualified for this list, but failed to submit information or do not break out local employment data.

Source: "Largest Public-Sector Employers" and "Largest Private Sector Employers," Los Angeles Business Journal, August 28-September 3, 2023.

Construction

The following Table A-33 sets forth the valuation of permits for new residential buildings and the number of new single-family and multi-family dwelling units in the City for the years 2019 through 2023.

TABLE A-33
CITY OF LOS ANGELES
PERMIT VALUATIONS AND UNITS OF CONSTRUCTION⁽¹⁾
2019 through 2023
(\$ in thousands)

Year	New Residential Valuation	New Single Family Dwelling Units	New Multi-Family Dwelling Units	Total New Units
2019	\$3,726,652	2,623	11,291	13,914
2020	3,235,640	1,887	10,448	12,335
2021	3,013,650	2,469	11,667	14,136
2022	3,783,606	3,042	13,049	16,091
2023 ⁽²⁾	1,518,970	737	4,252	4,989

⁽¹⁾ Total may not equal sum of component parts due to rounding.

⁽²⁾ Values include data through July 31, 2023.

Source: California Homebuilding Foundation | Construction Industry Research Board.

The following Table A-34 sets forth the lending activity, home prices and sales, recorded notices of default, unsold new housing and vacancy rates of properties within the County from 2018 through 2022.

TABLE A-34
COUNTY OF LOS ANGELES
REAL ESTATE AND CONSTRUCTION INDICATORS
2018 through 2022

Indicator	2018	2019	2020	2021	2022⁽³⁾
Construction Lending ⁽¹⁾	\$20,419	\$14,193	\$9,247	\$11,038	\$5,583
Residential Purchase Lending ⁽¹⁾	\$48,203	\$56,480	\$72,996	\$96,872	\$38,879
New & Existing Median Home Prices	\$598,387	\$614,080	\$674,964	\$777,767	\$844,008 ⁽²⁾
New & Existing Home Sales	75,086	73,548	71,479	90,259	38,471
Notices of Default Recorded	9,726	9,821	4,858	3,566	3,434
Office Market Vacancy Rates ⁽²⁾	14.4%	13.9%	14.9%	18.5%	19.5%
Industrial Market Vacancy Rates ⁽²⁾	1.4%	1.2%	1.8%	1.2%	0.9%

⁽¹⁾ Dollars in millions.

⁽²⁾ Average of quarterly data.

⁽³⁾ Values reflect second quarter of 2022.

Source: Real Estate Research Council of Southern California – Second Quarter 2022 (2018-2022).

The following Table A-35 sets forth information with respect to building permits and building valuations in the County from 2019 through 2023.

TABLE A-35

**COUNTY OF LOS ANGELES
BUILDING PERMITS AND VALUATIONS⁽¹⁾
2019 through 2023**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Residential Building Permits (Units)					
New Residential Permits					
Single Family	5,738	6,198	7,327	8,301	2,462
Multi-Family	<u>15,884</u>	<u>14,056</u>	<u>16,718</u>	<u>18,912</u>	<u>7,769</u>
Total Residential Building Permits	<u>21,622</u>	<u>20,254</u>	<u>24,045</u>	<u>27,213</u>	<u>10,231</u>
Building Valuations (\$ in millions)					
Residential Building Valuations					
Single Family	\$1,967	\$1,874	\$2,086	\$2,180	\$1,056
Multi-Family	2,961	2,790	3,027	3,524	1,369
Alterations and Additions	<u>1,626</u>	<u>1,014</u>	<u>908</u>	<u>1,423</u>	<u>1,060</u>
Residential Building Valuations	<u>\$6,554</u>	<u>\$5,678</u>	<u>\$6,021</u>	<u>\$7,127</u>	<u>\$3,485</u>
Subtotal					
Non-Residential Building Valuations					
New Industrial Buildings	\$ 64	\$ 32	\$ 28	\$ 25	\$ 129
Office Buildings	475	242	162	69	75
Store & Other Mercantile	1,338	897	170	879	348
Hotels and Motels	203	232	53	40	68
Alterations and Additions	3,404	1,241	946	2,417	1,352
Amusement and Recreation	32	2	38	3	15
Parking Garages	231	103	0	80	445
Service Stations and Repair Garages	1	72	1	6	1
Other	<u>840</u>	<u>691</u>	<u>466</u>	<u>661</u>	<u>497</u>
Non-Residential Building Valuations	<u>\$6,590</u>	<u>\$3,513</u>	<u>\$1,863</u>	<u>\$4,184</u>	<u>\$2,929</u>
Subtotal					
Total Building Valuations	<u>\$13,144</u>	<u>\$9,191</u>	<u>\$7,884</u>	<u>\$11,311</u>	<u>\$6,414</u>

⁽¹⁾ Totals may not equal sum of component parts due to rounding.

Sources: California Homebuilding Foundation | Construction Industry Research Board.

GLOSSARY OF CERTAIN TERMS AND ABBREVIATIONS

The following are definitions and abbreviations of certain terms used in this Appendix A.

“AALA” means the Associated Administrators of Los Angeles, which represents the middle managers in the District.

“ADA” means average daily attendance, a measure of pupil attendance used as the basis for providing revenue to school districts and as a measure of unit costs. ADA includes only in-seat attendance.

“CAFR” means comprehensive annual financial report.

“CalPERS” means the California Public Employees’ Retirement System, a defined benefit plan which covers classified personnel who work four or more hours per day.

“CalSTRS” means the California State Teachers’ Retirement System, a defined benefit plan which covers all full-time certificated and some classified District employees.

“CARES Act” means Coronavirus Aid, Relief and Economic Security Act.

“CDE” means the California Department of Education.

“COLA” means cost-of-living adjustments, which is used in determining the District’s funding from the State.

“Common Core” means Common Core State Standards.

“COPS” means certificates of participation.

“COVID-19” means Coronavirus Disease 2019.

“CSEA” means California School Employees Association.

“EL” means English learners, a classification for students.

“FRPM” means free or reduced-price meal.

“GASB” means the Governmental Accounting Standards Board, an operating entity of the Financial Accounting Foundation establish to set standards of financial accounting and reporting for state and local governmental entities.

“ISMP” means the Information Security Management Program.

“LACOE” means the Los Angeles County Office of Education.

“LAO” means the Legislative Analyst’s Office of the State of California.

“LASPA” means the Los Angeles Sheriff’s Professional Association.

“LASPMA” means the Los Angeles School Police Management Association.

“LCAP” means the Local Control and Accountability Plan.

“LCFF” means the Local Control Funding Formula.

“LEA” means local education agency as defined under the NCLB Act.

“LI” means students classified as foster youth.

“OCIP” means owner controlled insurance program.

“OPEB” means Other Post-Employment Benefits.

“PARS” means the Public Agency Retirement System, a defined contribution plan which covers the District’s part-time, seasonal, temporary and other employees not otherwise covered by CalPERS or CalSTRS, but whose salaries would otherwise be subject to Social Security tax.

“PEPIP” means the Public Entity Property Insurance Program, an insurance pool comprised of certain cities, counties and school districts.

“PEPRA” means the California Public Employees’ Pension Reform Act of 2013.

“PERB” means the Public Employee Relations Board.

“PLL” means pollution legal liability.

“SEIU” means Service Employees International Union.

“SUP” means School Upgrade Program.

“UAAL” means unfunded actuarial accrued liability.

“UTLA” means the United Teachers Los Angeles, which is the collective bargaining unit representing teachers and support service personnel of the District.

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TAB 7



Board of Education Report

File #: Rep-324-23/24, Version: 1

Authorization of a Resolution of the Board of Education Approving the Sale and Issuance of Not-to-Exceed \$4.5 Billion of General Obligation Refunding Bonds and the Forms of the Documents Necessary for the Issuance of such Bonds

June 18, 2024

Office of the Chief Business Officer

Action Proposed:

Approve the attached Master Refunding Resolution for General Obligation Refunding Bonds (the “Master Refunding Resolution”) (Attachment A) in connection with the issuance of General Obligation Refunding Bonds (“GO Refunding Bonds”), which will:

- a) Authorize the issuance of not to exceed \$4.5 billion of GO Refunding Bonds;
- b) Approve the forms of documents necessary for the issuance of the GO Refunding Bonds, including an Official Statement, a Bond Purchase Agreement, a Continuing Disclosure Certificate, and Escrow Agreement (Attachments B - E);
- c) Authorize the sale of the GO Refunding Bonds by the negotiated method of sale in light of current market conditions, the District’s declining enrollment and budget uncertainty, the debt structuring flexibility afforded by this method, and the ability to include a retail order period and meaningful roles for underwriting firms of various sizes; and
- d) Approve and direct certain actions to be taken in connection with the issuance of the GO Refunding Bonds.

Background:

This Board Report seeks Board approval of the Master Refunding Resolution, which is a master resolution for the issuance of general obligation refunding bonds in an amount not-to-exceed \$4.5 billion through fiscal year 2024-25. The purpose of the Master Refunding Resolution is to enable the District to quickly take advantage of favorable market conditions if they arise, and to reduce tax-payers’ debt service costs through economic refundings. The District has periodically used this approach in the past to authorize its general obligation refunding bonds. The Master Refunding Resolution authorizes the Chief Business Officer, Deputy Chief Business Officer, Controller, and Director of Capital Planning and Budgeting to effect the issuance of the GO Refunding Bonds and carry out all necessary acts related to the transaction or transactions.

While the District typically issues refunding bonds on a tax-exempt basis, it is possible that either tax-exempt or taxable refunding structures may generate significant savings to justify an economic refunding. As a result, the Master Refunding Resolution provides the flexibility to issue the GO Refunding Bonds on either a tax-exempt or taxable basis if circumstances arise that favor one or the other structure. The Master Refunding Resolution also authorizes the forms of documents necessary to issue the GO Refunding Bonds.

Based on the District’s Debt Management Policy, the Master Refunding Resolution authorizes the sale of the GO Refunding Bonds through the negotiated method of sale in light of current market conditions, the District’s declining enrollment and budget uncertainty, the debt structuring flexibility, and the ability to include a retail order period and meaningful roles for underwriting firms of various sizes. If refunding opportunities arise, the

Chief Business Officer shall designate the underwriters and their roles as senior manager(s), co-senior manager(s), and co-managers, in accordance with the Debt Management Policy.

In compliance with Government Code Section 5852.1, the Board of Education has obtained from Public Resources Advisory Group, as the District's Municipal Advisor, the required costs of issuance estimates, and such estimates are disclosed in Exhibit A of the Master Refunding Resolution.

The GO Refunding Bonds are general obligation bonds of the District secured by and payable from *ad valorem* property taxes to be levied within the jurisdiction of the District pursuant to the California Constitution and State law.

Expected Outcomes:

Approval of the Master Refunding Resolution will enable the District to enter the market in an expedited manner to reduce the debt service costs on a portion of the District's outstanding general obligation bonds should market conditions support one or more refundings.

Board Options and Consequences:

Should the Board not approve this item, staff will not be authorized to proceed with the issuance of the GO Refunding Bonds which, subject to favorable market conditions, may generate taxpayer savings through a refunding.

Policy Implications:

This action is in compliance with the relevant criteria set forth in Article 1, Article 3 Section 3.02, and, Article 4 Sections 4.08 and 4.12 of the Debt Management Policy.

Budget Impact:

The proceeds of the GO Refunding Bonds will be placed into an escrow account and used to defease and call (prepay) the refunded bonds. Debt service savings from the GO Refunding Bonds will benefit the District's taxpayers through reduced *ad valorem* property tax levies. There will be no impact on the District's General Fund.

Student Impact:

The issuance of GO Refunding Bonds will reduce the taxes needed to repay the debt service on the District's outstanding general obligation bonds and create more capacity to issue general obligation bonds in the future for new projects.

Equity Impact:

Component	Score	Score Rationale
Recognition	3	Debt service savings from the GO Refunding Bonds will benefit the District's taxpayers through reduced <i>ad valorem</i> property tax levies. Communities that have experienced historical inequities should benefit from reduced property taxes.
Resource Prioritization	4	Savings achieved through the refunding of outstanding bonds benefit the District and its taxpayers through reduced debt service and property tax levies, respectively. This relief allows resources that would otherwise be used to service debt and property taxes, to be used for student needs.

Component	Score	Score Rationale
Results	2	The refunding of bonds is done to achieve debt service savings and reduce <i>ad valorem</i> property taxes. It may result in closing achievement gaps by increasing disposable income in households located within communities that have experienced historical inequities, giving them the ability to allocate resources towards the education of their children (students).
TOTAL	9	

¹ *Ad valorem* refers to taxes levied on the assessed value of property by local government units including counties, municipalities, and school districts.

Issues and Analysis:

This Board Report seeks Board approval of a master resolution for general obligation refunding bonds in an amount not-to-exceed \$4.5 billion through the end of Fiscal Year 2024-25, based on the total amount of callable bonds outstanding.

Based on tax law limitations, \$403.1 million of outstanding general obligation bonds will be eligible for a tax-exempt current refunding starting in April 2025, subject to market conditions. The Master Refunding Resolution also enables the District to issue additional GO Refunding Bonds, if economic.

Attachments:

Attachment A - Master Refunding Resolution for General Obligation Refunding Bonds

Attachment B - Preliminary Official Statement

Attachment C - Bond Purchase Agreement

Attachment D - Continuing Disclosure Certificate

Attachment E - Escrow Agreement

Attachment F - Appendix A

Informatives:

Not applicable

Submitted:

05/20/24

File #: Rep-324-23/24, Version: 1

RESPECTFULLY SUBMITTED,



ALBERTO M. CARVALHO
Superintendent

APPROVED & PRESENTED BY:



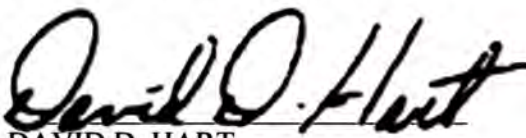
PEDRO SALCIDO
Deputy Superintendent,
Business Services & Operations

REVIEWED BY:



DEVORA NAVERA REED
General Counsel

APPROVED & PRESENTED BY:



DAVID D. HART
Chief Business Officer

☒ Approved as to form.

REVIEWED BY:



NOELBERTO DELGADILLO
Deputy Chief Business Officer - Finance

☒ Approved as to budget impact statement.

A RESOLUTION OF THE BOARD OF EDUCATION OF THE LOS ANGELES UNIFIED SCHOOL DISTRICT AUTHORIZING THE SALE AND ISSUANCE OF NOT TO EXCEED \$4,500,000,000 AGGREGATE PRINCIPAL AMOUNT OF LOS ANGELES UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION REFUNDING BONDS, IN ONE OR MORE SERIES, BY NEGOTIATED SALE IN THE FORM OF TAX-EXEMPT OR FEDERALLY TAXABLE BONDS, APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE ESCROW AGREEMENTS, BOND PURCHASE AGREEMENTS AND CONTINUING DISCLOSURE CERTIFICATES, APPROVING THE FORM AND AUTHORIZING THE DISTRIBUTION OF ONE OR MORE OFFICIAL STATEMENTS FOR THE BONDS, AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS IN CONNECTION THEREWITH

WHEREAS, a duly called election was held in the Los Angeles Unified School District, County of Los Angeles, State of California (the “District”), on April 8, 1997 and thereafter canvassed pursuant to law; and

WHEREAS, at such election there was submitted to and approved by the requisite approval of at least two-thirds vote of the qualified electors of the District voting in the election on a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum principal amount of \$2,400,000,000, payable from the levy of an *ad valorem* tax against the taxable property in the District (the “Proposition BB Authorization”); and

WHEREAS, \$2,400,000,000 aggregate principal amount of bonds under the Proposition BB Authorization, designated as “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 1997, Series A (1997),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 1997, Series B (1998),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 1997, Series C (1999),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 1997, Series D (2000),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 1997, Series E (2002),” and “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 1997, Series F (2003)” have heretofore been issued and sold (collectively, the “Proposition BB Prior Bonds”); and

WHEREAS, a duly called election was held in the District on November 5, 2002 and thereafter canvassed pursuant to law; and

WHEREAS, at such election there was submitted to and approved by the requisite approval of at least 55% of the qualified electors of the District voting in the election on a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum principal amount of \$3,350,000,000, payable from the levy of an *ad valorem* tax against the taxable property in the District (the “Measure K Authorization”); and

WHEREAS, \$3,350,000,000 aggregate principal amount of bonds under the Measure K Authorization, designated as “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 2002, Series A (2003),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 2002, Series B (2007),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 2002, Series C (2007),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 2002, Series D (2009),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Series KRY (2009) (Federally Taxable Build America Bonds),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Series KRY (2010) (Tax-Exempt),” and “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Series KY (2010) (Tax-Exempt)” have heretofore been issued and sold (collectively, the “Measure K Prior Bonds”); and

WHEREAS, a duly called election was held in the District on March 2, 2004 and thereafter canvassed pursuant to law; and

WHEREAS, at such election there was submitted to and approved by the requisite approval of at least 55% of the qualified electors of the District voting in the election on a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum principal amount of \$3,870,000,000, payable from the levy of an *ad valorem* tax against the taxable property in the District (the “Measure R Authorization”); and

WHEREAS, \$3,870,000,000 aggregate principal amount of bonds under the Measure R Authorization, designated as “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 2004, Series A (2004),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 2004, Series B (2004),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 2004, Series C (2004),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 2004, Series D (2004),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 2004, Series E (2005),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 2004, Series F (2006),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 2004, Series G (2006),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 2004, Series H (2007),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 2004, Series I (2009),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Series KRY (2009) (Tax-Exempt),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Series KRY (2009) (Federally Taxable Build America Bonds),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Series KRY (2010) (Tax-Exempt),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Series RY (2010) (Federally Taxable Build America Bonds),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 2004, Series J (2014),” “Los Angeles Unified School

District (County of Los Angeles, California) General Obligation Bonds, Election of 2004, Series K (2014)(Federally Taxable),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Series RYQ (2020) (Dedicated Unlimited Ad Valorem Property Tax Bonds),” and “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Series RYRR (2021) (Dedicated Unlimited Ad Valorem Property Tax Bonds)” have heretofore been issued and sold (collectively, the “Measure R Prior Bonds”); and

WHEREAS, a duly called election was held in the District on November 8, 2005 and thereafter canvassed pursuant to law; and

WHEREAS, at such election there was submitted to and approved by the requisite approval of at least 55% of the qualified electors of the District voting in the election a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum principal amount of \$3,985,000,000, payable from the levy of an *ad valorem* tax against the taxable property in the District (the “Measure Y Authorization”); and

WHEREAS, \$3,985,000,000 aggregate principal amount of bonds under the Measure Y Authorization, designated as “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 2005, Series A (2006),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 2005, Series B (2006),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 2005, Series C (2006),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 2005, Series D (2006) (Taxable),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 2005, Series E (2007),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 2005, Series F (2009),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Series KRY (2009) (Tax-Exempt),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Series KRY (2009) (Federally Taxable Build America Bonds),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 2005, Series G (2009) (Federally Taxable),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 2005, Series H (2009) Qualified School Construction Bonds (Tax Credit Bonds),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Series KRY (2010) (Tax-Exempt),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Series RY (2010) (Federally Taxable Build America Bonds),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 2005, Series I (2010) (Federally Taxable),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Series KY (2010) (Tax-Exempt),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 2005, Series J-1 (2010) Qualified School Construction Bonds (Federally Taxable Direct Subsidy Bonds),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 2005, Series J-2 (2010) Qualified School Construction Bonds (Federally Taxable Direct Subsidy Bonds),” “Los Angeles Unified School District (County of Los Angeles, California) General

Obligation Bonds, Election of 2005, Series K (2014),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 2005, Series L (2014) (Federally Taxable)”),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 2005, Series M-1 (2018) (Dedicated Unlimited Ad Valorem Property Tax Bonds) (Tax Exempt),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 2005, Series M-2 (2018) (Dedicated Unlimited Ad Valorem Property Tax Bonds) (Federally Taxable),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Series RYQ (2020) (Dedicated Unlimited Ad Valorem Property Tax Bonds),” and “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Series RYRR (2021) (Dedicated Unlimited Ad Valorem Property Tax Bonds)” have heretofore been issued and sold (collectively, the “Measure Y Prior Bonds”); and

WHEREAS, a duly called election was held in the District on November 4, 2008 and thereafter canvassed pursuant to law; and

WHEREAS, at such election there was submitted to and approved by the requisite approval of at least 55% of the qualified electors of the District voting in the election on a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum principal amount of \$7,000,000,000 payable from the levy of an *ad valorem* tax against the taxable property in the District (the “Measure Q Authorization”); and

WHEREAS, \$4,275,955,000 aggregate principal amount of bonds under the Measure Q Authorization, designated as “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 2008, Series A (2016) (Dedicated Unlimited Ad Valorem Property Tax Bonds),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 2008, Series B-1 (2018) (Dedicated Unlimited Ad Valorem Property Tax Bonds) (Tax-Exempt),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 2008, Series B-2 (2018) (Dedicated Unlimited Ad Valorem Property Tax Bonds) (Federally Taxable),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Series RYQ (2020) (Dedicated Unlimited Ad Valorem Property Tax Bonds),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Measure Q, Series C (2020) (Dedicated Unlimited Ad Valorem Property Tax Bonds),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Series QRR (2022) (Dedicated Unlimited Ad Valorem Property Tax Bonds)” and “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Series QRR (2023) (Dedicated Unlimited Ad Valorem Property Tax Bonds) (Sustainability Bonds)” have heretofore been issued and sold (the “Measure Q Prior Bonds”); and

WHEREAS, a duly called election was held in the District on November 3, 2020 and thereafter canvassed pursuant to law; and

WHEREAS, at such election there was submitted to and approved by the requisite approval of at least 55% of the qualified electors of the District voting in the election on a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth

in the ballot submitted to the voters, in the maximum principal amount of \$7,000,000,000 payable from the levy of an *ad valorem* tax against the taxable property in the District (the “Measure RR Authorization”); and

WHEREAS, \$1,025,000,000 aggregate principal amount of bonds under the Measure RR Authorization, designated as Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Series RYRR (2021) (Dedicated Unlimited Ad Valorem Property Tax Bonds),” “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Series QRR (2022) (Dedicated Unlimited Ad Valorem Property Tax Bonds)” and “Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Series QRR (2023) (Dedicated Unlimited Ad Valorem Property Tax Bonds) (Sustainability Bonds)” have heretofore been issued and sold (the “Measure RR Prior Bonds”); and

WHEREAS, \$11,904,110,000 aggregate principal amount of refunding bonds, designated as “Los Angeles Unified School District (County of Los Angeles, California) 2002 General Obligation Refunding Bonds,” “Los Angeles Unified School District (County of Los Angeles, California) 2004 General Obligation Refunding Bonds, Series A-1,” “Los Angeles Unified School District (County of Los Angeles, California) 2004 General Obligation Refunding Bonds, Series A-2,” “Los Angeles Unified School District (County of Los Angeles, California) 2005 General Obligation Refunding Bonds, Series A-1,” “Los Angeles Unified School District (County of Los Angeles, California) 2005 General Obligation Refunding Bonds, Series A-2,” “Los Angeles Unified School District (County of Los Angeles, California) 2006 General Obligation Refunding Bonds, Series A,” “Los Angeles Unified School District (County of Los Angeles, California) 2006 General Obligation Refunding Bonds, Series B,” “Los Angeles Unified School District (County of Los Angeles, California) 2007 General Obligation Refunding Bonds, Series A-1,” “Los Angeles Unified School District (County of Los Angeles, California) 2007 General Obligation Refunding Bonds, Series A-2,” “Los Angeles Unified School District (County of Los Angeles, California) 2007 General Obligation Refunding Bonds, Series B,” “Los Angeles Unified School District (County of Los Angeles, California) 2009 General Obligation Refunding Bonds, Series A (Tax-Exempt),” “Los Angeles Unified School District (County of Los Angeles, California) 2010 General Obligation Refunding Bonds, Series A (Tax-Exempt),” “Los Angeles Unified School District (County of Los Angeles, California) 2011 General Obligation Refunding Bonds, Series A-1,” “Los Angeles Unified School District (County of Los Angeles, California) 2011 General Obligation Refunding Bonds, Series A-2,” “Los Angeles Unified School District (County of Los Angeles, California) 2012 General Obligation Refunding Bonds, Series A,” “Los Angeles Unified School District (County of Los Angeles, California) 2014 General Obligation Refunding Bonds, Series A,” “Los Angeles Unified School District (County of Los Angeles, California) 2014 General Obligation Refunding Bonds, Series B,” “Los Angeles Unified School District (County of Los Angeles, California) 2014 General Obligation Refunding Bonds, Series C,” “Los Angeles Unified School District (County of Los Angeles, California) 2014 General Obligation Refunding Bonds, Series D,” “Los Angeles Unified School District (County of Los Angeles, California) 2015 General Obligation Refunding Bonds, Series A,” “Los Angeles Unified School District (County of Los Angeles, California) 2016 General Obligation Refunding Bonds, Series A (Dedicated Unlimited Ad Valorem Property Tax Bonds),” “Los Angeles Unified School District (County of Los Angeles, California) 2016 General Obligation Refunding Bonds, Series B (Dedicated Unlimited Ad Valorem Property Tax Bonds),” “Los Angeles Unified School District (County of

Los Angeles, California) 2017 General Obligation Refunding Bonds, Series A (Dedicated Unlimited Ad Valorem Property Tax Bonds),” “Los Angeles Unified School District (County of Los Angeles, California) 2019 General Obligation Refunding Bonds, Series A (Dedicated Unlimited Ad Valorem Property Tax Bonds),” “Los Angeles Unified School District (County of Los Angeles, California) 2020 General Obligation Refunding Bonds, Series A,” “Los Angeles Unified School District (County of Los Angeles, California) 2021 General Obligation Refunding Bonds, Series A,” “Los Angeles Unified School District (County of Los Angeles, California) 2021 General Obligation Refunding Bonds, Series B,” and “Los Angeles Unified School District (County of Los Angeles, California) 2024 General Obligation Refunding Bonds, Series A” have heretofore been issued and sold (collectively, the “Prior Refunding Bonds,” and together with the Proposition BB Prior Bonds, the Measure K Prior Bonds, the Measure R Prior Bonds, the Measure Y Prior Bonds, the Measure Q Prior Bonds and the Measure RR Prior Bonds, the “Prior Bonds,” and, each Series of Prior Bonds, individually, a “Series of Prior Bonds”); and

WHEREAS, pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code and other applicable law (the “Act”), the District is authorized to issue refunding bonds to refund all or a portion of one or more Series of Prior Bonds on a negotiated sale basis; and

WHEREAS, it is desirable that all or a portion of one or more Series of Prior Bonds be refunded (such refunded Prior Bonds being referred to herein as the “Refunded Bonds”); and

WHEREAS, in order to refund all or a portion of one or more Series of Prior Bonds, it is desirable that the District issue one or more series of refunding bonds to be designated the “Los Angeles Unified School District (County of Los Angeles, California) 20__ General Obligation Refunding Bonds, Series __,” with completed and/or such additional or other series designations as may be approved as herein provided (collectively, the “Refunding Bonds” and each series of Refunding Bonds, individually, a “Series of Refunding Bonds”), according to the terms and in the manner herein provided; and

WHEREAS, the District may desire to secure the timely payment of all or a portion of the principal of and interest on each Series of Refunding Bonds by obtaining a bond insurance policy with respect thereto, if such a policy is available and determined to be economically advantageous; and

WHEREAS, the moneys to redeem each Series of Prior Bonds to be refunded will be applied to such purpose pursuant to one or more Escrow Agreements by and between the District and the paying agent for such Series of Prior Bonds, as paying agent and as escrow bank (each such Escrow Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as an “Escrow Agreement”); and

WHEREAS, this Board of Education of the District (this “Board of Education”) deems it necessary and desirable to authorize the sale of each Series of Refunding Bonds by a negotiated sale pursuant to one or more Bond Purchase Agreements (each such Bond Purchase Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as a “Bond Purchase Agreement”) to be

entered into with one or more of the underwriters from the District's underwriter bench (each, an "Underwriter" and, collectively, the "Underwriters") as selected as herein provided; and

WHEREAS, in accordance with Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (as amended, "Rule 15c2-12"), the District may execute and deliver one or more Continuing Disclosure Certificates (each such Continuing Disclosure Certificate, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as a "Continuing Disclosure Certificate"); and

WHEREAS, a form of the Preliminary Official Statement to be distributed in connection with a public offering of the initial Series of Refunding Bonds has been prepared (such Preliminary Official Statement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the "Preliminary Official Statement"); and

WHEREAS, Section 5852.1 of the California Government Code (the "Government Code") requires that the Board of Education obtain from an underwriter, financial advisor or private lender and disclose, prior to authorization of the issuance of bonds with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the bonds, (b) the sum of all fees and charges paid to third parties with respect to the bonds, (c) the amount of proceeds of the bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the bonds, and (d) the sum total of all debt service payments on the bonds calculated to the final maturity of the bonds plus the fees and charges paid to third parties not paid with the proceeds of the bonds; and

WHEREAS, in compliance with Section 5852.1 of the Government Code, the Board of Education has obtained from Public Resources Advisory Group, as the District's municipal advisor (the "Municipal Advisor"), the information set forth in Exhibit B attached hereto; and

WHEREAS, the Los Angeles County Superintendent of Schools has jurisdiction over the District; and

WHEREAS, this Board of Education desires that the County of Los Angeles (the "County") levy and collect a tax on all taxable property within the District sufficient to provide for payment of each Series of Refunding Bonds, and intends by the adoption of this Resolution to notify the Board of Supervisors of the County (the "Board of Supervisors"), the Auditor-Controller of the County (together with any authorized deputy thereof, the "County Auditor-Controller"), the Treasurer and Tax Collector of the County (together with any authorized deputy thereof, the "County Treasurer") and other officials of the County that they should take such actions as shall be necessary to provide for the levy and collection of such a tax and payment of each Series of Refunding Bonds and such portion of each Series of Prior Bonds as shall remain outstanding following the issuance of the related Series of Refunding Bonds; and

WHEREAS, there have been prepared and submitted to this meeting forms of:

- (a) the Escrow Agreement;

- (b) the Bond Purchase Agreement;
- (c) the Continuing Disclosure Certificate; and
- (d) the Preliminary Official Statement; and

WHEREAS, the District desires to proceed to issue and sell, at one or more times, one or more Series of Refunding Bonds and to authorize the execution of such documents and the performance of such acts as may be necessary or desirable to effect the offering, sale and issuance of each such Series of Refunding Bonds; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of California (the "State") to exist, to have happened and to have been performed precedent to and in connection with the consummation of the actions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the District is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such actions for the purpose, in the manner and upon the terms herein provided;

NOW, THEREFORE, BE IT RESOLVED by this Board of Education of the Los Angeles Unified School District, County of Los Angeles, California, as follows:

Section 1. Recitals. All of the above recitals are true and correct and the Board of Education so finds and determines.

Section 2. Determination. This Board of Education hereby determines that prudent management of the fiscal affairs of the District requires that, subject to the provisions of Section 4 hereof, it authorize the District to issue one or more Series of Refunding Bonds under the provisions of the Act to refund all or a portion of one or more Series of Prior Bonds.

Section 3. Authorization and Designation of Refunding Bonds. Subject to the provisions of Section 4 hereof, the issuance from time to time of one or more Series of Refunding Bonds in the aggregate principal amount of not to exceed \$4,500,000,000 on the terms and conditions set forth, and subject to the limitations specified, herein, is hereby authorized and approved. Each Series of Refunding Bonds shall be dated, shall accrue interest at the rates, shall mature on the dates, and shall be as otherwise provided in the related Bond Purchase Agreement as the same shall be completed as provided in this Resolution.

Each Series of Refunding Bonds may be issued such that the interest on such Series of Refunding Bonds is Tax-Exempt or such that the interest on such Series of Refunding Bonds is not Tax-Exempt. The term "Tax-Exempt" means, with respect to interest on any obligations of a state or local government, that such interest is excluded from the gross income of the holders thereof for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax under the Internal Revenue Code of 1986, as amended (the "Code"). The term "Taxable Bonds" means those Refunding Bonds the interest on which is not Tax-Exempt. The Board of Education hereby finds and determines that, pursuant to Section 5903 of the California Government Code, the interest payable on each

Series of Refunding Bonds issued as Taxable Bonds will be subject to federal income taxation under the Code in existence on the date of issuance of such Series of Refunding Bonds.

Section 4. Sale of Bonds. (a) This Board of Education, considering, among other factors, current volatile market conditions, debt structuring flexibility, the District's declining enrollment and budget uncertainty, the ability to include a retail order period to garner additional investor interest, and the ability to provide meaningful roles for underwriting firms of various sizes and consistent with the District's Debt Management Policy (the "Debt Management Policy"), deems it necessary and desirable to authorize, and hereby authorizes, the sale of each Series of Refunding Bonds by a negotiated sale pursuant to one or more Bond Purchase Agreements to be entered into with one or more Underwriters selected as herein provided; provided that Refunding Bonds may only be issued if the issuance of such Refunding Bonds conforms to the District's Debt Management Policy; and, provided further that (1) no Series of Refunding Bonds shall be authorized in a principal amount which, when combined with the principal amount of all Series of Refunding Bonds previously authorized and issued pursuant hereto, is in excess of \$4,500,000,000, (2) no Series of Refunding Bonds shall have a final maturity date later than the latest maturity date of the corresponding Refunded Bonds, (3) the interest rate on any Refunding Bond shall not be in excess of 8.00% per annum, (4) the true interest cost for each applicable Series of Refunding Bonds shall not be in excess of 6.00%, (5) the total net interest cost to maturity of each applicable Series of Refunding Bonds, plus the principal amount of such Series of Refunding Bonds, shall not be in excess of the total net interest cost to maturity of the applicable Refunded Bonds, plus the principal amount of such Refunded Bonds, and (6) the underwriters' compensation, as applicable, shall not exceed 1.0% of the principal amount of the corresponding Series of Refunding Bonds.

(b) In accordance with Section 5852.1 of the Government Code, good faith estimates of the following have been obtained from the Municipal Advisor and are set forth on Exhibit B attached hereto: (1) the true interest cost of the Refunding Bonds, (2) the sum of all fees and charges paid to third parties with respect to the Refunding Bonds, (3) the amount of proceeds of the Refunding Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Refunding Bonds, and (4) the sum total of all debt service payments on the Refunding Bonds calculated to the final maturity of the Refunding Bonds plus the fees and charges paid to third parties not paid with the proceeds of the Refunding Bonds.

Section 5. Designated Costs of Issuing Refunding Bonds. The refunding of all or a portion of each Series of Prior Bonds is hereby approved. Each such refunding shall be accomplished by paying the principal of and interest on the applicable Refunded Bonds through and including the redemption date set forth in the applicable Escrow Agreement and redeeming or purchasing the applicable Refunded Bonds on the date set forth in the Escrow Agreement therefor and paying the purchase price or redemption price therefor, plus accrued interest thereon to the date of redemption. In accordance with Section 53553 of the Act, with respect to each Series of Refunding Bonds, this Board of Education hereby designates the following costs and expenses as the "designated costs of issuing the refunding bonds":

(i) all expenses incident to the calling, retiring, or paying of the applicable Refunded Bonds and incident to the issuance of such Series of Refunding Bonds, including the charges of any escrow agent or trustee in connection with the issuance of such Series of

Refunding Bonds or in connection with the redemption or retirement of such Refunded Bonds;

(ii) the interest upon such Refunded Bonds from the date of sale of such Series of Refunding Bonds to the date of payment of the Refunded Bonds or to the date upon which such Refunded Bonds will be paid pursuant to call; and

(iii) any premium necessary in the calling or retiring of such Refunded Bonds.

Section 6. Escrow Agreement; Tender Agreement. The form of the Escrow Agreement, submitted to and on file with the Executive Officer of this Board of Education, is hereby approved. The President of this Board of Education, and such other member of this Board of Education as the President may designate, the Chief Business Officer, the Deputy Chief Business Officer (the "Deputy Chief Business Officer"), the Controller of the District (the "Controller"), and the Director of Capital Planning and Budgeting (the "Director of Capital Planning and Budgeting"), and such other officer or employee of the District as the Chief Business Officer, the Deputy Chief Business Officer, the Controller, or the Director of Capital Planning and Budgeting may designate (the "Authorized Officers") are, and each of them is, hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the District, to execute and deliver one or more Escrow Agreements in the form presented to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the applicable Escrow Agreement by such Authorized Officer. In addition, any one of the Authorized Officers is hereby authorized from time to time to execute and deliver in the name of the District one or more tender agreements (each, a "Tender Agreement") with one or more owners of Refunded Bonds providing for the tender and purchase or exchange of Refunded Bonds, and to execute and deliver such other documents or certificates and to take such further actions as necessary to consummate such tender of Refunded Bonds, including the engagement of one or more broker-dealers, all as the Authorized Officers shall determine to be in the best interest of the District.

Section 7. Bond Purchase Agreement. The form of Bond Purchase Agreement, submitted to and on file with the Executive Officer of this Board of Education, is hereby approved. The Authorized Officers are, and each of them is, hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the District, to execute and deliver one or more Bond Purchase Agreements in the form presented to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the applicable Bond Purchase Agreement by such Authorized Officer; provided that the terms of the applicable Series of Refunding Bonds and the sale thereof shall conform in all respects with the limitations contained in this Resolution. The Underwriters shall be selected in accordance with the Debt Management Policy. In connection with each negotiated sale of Refunding Bonds, the Chief Business Officer is hereby further authorized to designate which Underwriters shall act as senior manager(s), co-senior manager(s) and co-manager(s) in accordance with the Debt Management Policy.

Section 8. Form of Bonds; Execution. (a) *Form of Refunding Bonds.* Each Series of Refunding Bonds shall be issued in fully registered form without coupons. The Refunding Bonds,

and the certificate of authentication and registration and the forms of assignment to appear on each of them, shall be in substantially the form attached hereto as Exhibit A, with necessary or appropriate variations, omissions and insertions as permitted or required by this Resolution.

(b) *Execution of Refunding Bonds.* The Refunding Bonds shall be signed by the manual or facsimile signature of the President of the Board of Education and countersigned by the manual or facsimile signature of the Executive Officer of the Board of Education (or the designee of either such respective officers if the President or the Executive Officer of the Board of Education are unavailable). The Refunding Bonds shall be authenticated by a manual signature of a duly authorized signatory of the Paying Agent (as defined herein).

(c) *Valid Authentication.* Only such of the Refunding Bonds as shall bear thereon a certificate of authentication and registration as described in subsection (a) of this Section, executed by the Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution, and such certificate of authentication and registration shall be conclusive evidence that the Refunding Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Resolution.

(d) *Identifying Number.* The Paying Agent shall assign each Refunding Bond authenticated and registered by it a distinctive letter, or number, or letter and number, and shall maintain a record thereof at its principal office, which record shall be available to the District and the County for inspection.

Section 9. Terms of Bonds. (a) *Date of Refunding Bonds.* Each Series of Refunding Bonds shall be dated the date of their delivery, or such other date as shall be set forth in the related Bond Purchase Agreement.

(b) *Denominations.* Each Series of Refunding Bonds shall be issued in denominations of \$5,000 principal amount and integral multiple thereof (or such other denominations as shall be designated in the related Bond Purchase Agreement).

(c) *Maturity.* Each Series of Refunding Bonds shall mature on the date or dates, in each of the years, in the principal amounts and in the aggregate principal amount as shall be set forth in the related Bond Purchase Agreement. No Refunding Bond shall mature later than the latest maturity date of the corresponding Refunded Bonds.

(d) *Interest.* Each Series of Refunding Bonds shall bear interest at an interest rate or rates not to exceed 8.00% per annum, payable on January 1 and July 1 of each year, commencing on the date set forth in the related Bond Purchase Agreement, or such other dates as may be set forth in the related Bond Purchase Agreement (each, an "Interest Payment Date"), computed on the basis of a 360-day year of twelve 30-day months. Each Refunding Bond shall bear interest from the Interest Payment Date for such Refunding Bond next preceding the date of authentication thereof, unless it is authenticated as of a date during the period from the 15th day of the calendar month immediately preceding such Interest Payment Date, whether or not such day is a business day, or such other date or dates as may be set forth in the related Bond Purchase Agreement (each, a "Record Date") to such Interest Payment Date, inclusive, in which event it shall bear interest from such Interest Payment Date, or unless it is authenticated on or before the Record Date

preceding the first Interest Payment Date for such Refunding Bond, in which event it shall bear interest from its dated date; provided, however, that if, at the time of authentication of any Refunding Bond, interest is in default on any outstanding Refunding Bonds of such Series, such Refunding Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the outstanding Refunding Bonds of such Series. If provided in the Bond Purchase Agreement, Refunding Bonds may have different interest rates for separately defined periods of the term thereof as set forth in such Bond Purchase Agreement.

Section 10. Payment of Bonds. (a) *Request for Tax Levy; Pledge of Revenues from Property Taxes and Amounts on Deposit in the Interest and Sinking Fund.* The money for the payment of principal of and interest on each Series of Refunding Bonds shall be raised by taxation upon all taxable property in the District and provision shall be made for the levy and collection of such taxes in the manner provided by law and for such payment out of the related interest and sinking fund of the District. The Board of Supervisors and officers of the County are obligated by statute to provide for the levy and collection of property taxes in each year sufficient to pay all principal of and interest coming due on each Series of Refunding Bonds in such year, and to pay from such taxes all amounts due on such Refunding Bonds. The Board of Supervisors, the County Auditor-Controller, the County Treasurer and other officials of the County are hereby requested to take and authorize such actions as may be necessary pursuant to law to provide for the levy and collection of a property tax on all taxable property of the District sufficient to provide for payment of all principal of and interest on each Series of Refunding Bonds as the same shall become due and payable, and to apply moneys in the District's related interest and sinking fund as necessary to the payment of such Series of Refunding Bonds, as provided herein, and to provide for the payment of any portion of any Series of Prior Bonds which are to remain outstanding pursuant to the authorizing resolution or paying agent agreement, as applicable, under which such bonds were issued. The Authorized Officers are, and each of them is, hereby authorized, and any one of the Authorized Officers is hereby directed to transmit a certified copy of this Resolution and the debt service schedule for each Series of Refunding Bonds to the Board of Supervisors, the County Auditor-Controller and the County Treasurer in sufficient time to permit the County to establish tax rates and necessary funds or accounts for each Series of Refunding Bonds, and the Board of Education hereby requests that the Board of Supervisors adopt a resolution to levy the appropriate taxes as herein provided.

The District hereby pledges, and grants a lien on and security interest in, all revenues from the property taxes collected from the levy by the Board of Supervisors with respect to each voter-approved bond measure of the District for payment of bonds issued under such measure of the District, and all amounts on deposit in any interest and sinking fund of the District related to such bond measure with respect to bonds of such measure for the payment of the principal or redemption price of and interest on such bonds. This pledge and grant applies to the Refunding Bonds and all previously issued and outstanding general obligation bonds and general obligation refunding bonds of the District. This pledge and grant shall be valid and binding from the date hereof for the benefit of the owners of such bonds and successors thereto. The property taxes and amounts held in each interest and sinking fund of the District shall be immediately subject to this pledge and grant, and this pledge and grant shall constitute a lien and security interest which shall immediately attach to the property taxes and amounts held in such interest and sinking fund of the District to secure the payment of such bonds and shall be effective, binding, and enforceable against the District, its

successors, creditors and all others irrespective of whether those parties have notice of the pledge or grant, and without the need of any physical delivery, recordation, filing, or further act.

This pledge and grant is an agreement between the District and the owners of each series of Refunding Bonds and of each issue of outstanding general obligation bonds and general obligation refunding bonds to provide security for each series of Refunding Bonds and all such other general obligation bonds and general obligation refunding bonds of the District in addition to any statutory lien that may exist, and each such issue of general obligation bonds and general obligation refunding bonds of the District are or were issued to finance or refinance, as applicable, one or more of the projects specified in the applicable voter-approved measure and not to finance the general purposes of the District. For the avoidance of doubt, in accordance with Section 15251 of the Education Code, such bonds are also automatically secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax for the applicable Measure.

(b) *Principal.* The principal of each Series of Refunding Bonds shall be payable in lawful money of the United States of America to the person whose name appears on the books for the registration and transfer of the Refunding Bonds maintained by the Paying Agent in accordance with Section 12(d) hereof (the “Registration Books”) as the registered Owner thereof (the “Owner”), upon the surrender thereof at the principal corporate trust office of the Paying Agent.

(c) *Interest; Record Date.* The interest on each Series of Refunding Bonds shall be payable on each Interest Payment Date in lawful money of the United States of America to the Owner thereof as of the Record Date preceding such Interest Payment Date, such interest to be paid by check or draft mailed on such Interest Payment Date (if a business day, or on the next business day if the Interest Payment Date does not fall on a business day) to such Owner at such Owner’s address as it appears on the Registration Books or at such address as the Owner may have filed with the Paying Agent for that purpose except that the payment shall be made by wire transfer of immediately available funds to any Owner of at least \$1,000,000 of outstanding Refunding Bonds of a Series who shall have requested in writing such method of payment of interest prior to the close of business on the Record Date immediately preceding any Interest Payment Date.

(d) *Interest and Sinking Fund.* The principal of and interest due on each Series of Refunding Bonds shall be paid from the related interest and sinking fund of the District as provided in Section 15146 of the California Education Code.

(e) *Obligation of the District.* No part of any fund or account of the County is pledged or obligated to the payment of the Refunding Bonds. The obligation for repayment of the Refunding Bonds is the sole obligation of the District.

(f) *Insurance.* The payment of principal of and interest on all or a portion of any Series of Refunding Bonds may be secured by a municipal bond insurance policy as shall be described in the related Bond Purchase Agreement. The related Bond Purchase Agreement may provide that no municipal bond insurance policy shall be obtained. The Authorized Officers are each hereby authorized to apply for, or cause to be applied for, municipal bond insurance for each Series of Refunding Bonds and to execute and deliver a contract or contracts in order to obtain such insurance if doing so puts such Series of Refunding Bonds (or portion thereof) and the marketing thereof on an economically advantageous basis and is deemed to be in the best interests

of the District, such determination to be conclusively evidenced by such Authorized Officer's execution and delivery of such contract.

Section 11. Redemption and Defeasance Provisions. (a) *Redemption.* Each Series of Refunding Bonds shall be subject to redemption at the option of the District on the dates and terms as shall be designated in the related Bond Purchase Agreement. The related Bond Purchase Agreement may provide that a Series of Refunding Bonds shall not be subject to optional redemption.

(b) *Selection.* If less than all of the Refunding Bonds of a series or subseries, if any, are subject to such redemption and are called for redemption, such Refunding Bonds shall be redeemed as directed by the District (or as otherwise set forth in the related Bond Purchase Agreement), and if less than all of the Refunding Bonds of any given maturity of a series or subseries are called for redemption, the portions of such Refunding Bonds of a given maturity to be redeemed shall be determined by lot in any manner deemed fair by the Paying Agent (or as otherwise set forth in the related Bond Purchase Agreement).

(c) *Mandatory Sinking Fund Redemption.* The Refunding Bonds of a series or subseries, if any, which are designated in the related Bond Purchase Agreement as term bonds shall also be subject to redemption prior to their stated maturity dates, without a redemption premium, in part by lot or as otherwise directed by the District (or as otherwise set forth in the related Bond Purchase Agreement), from mandatory sinking fund payments in the amounts and in accordance with the terms to be specified in such Bond Purchase Agreement. Unless otherwise provided in the related Bond Purchase Agreement, the principal amount of each mandatory sinking fund payment of any maturity of a series or subseries shall be reduced proportionately or as otherwise directed by the District by the amount of any Refunding Bonds of that maturity and series or subseries redeemed in accordance with subsection (a) of this Section prior to the mandatory sinking fund payment date (or as otherwise set forth in the related Bond Purchase Agreement). The related Bond Purchase Agreement may provide that the Refunding Bonds of a series or subseries shall not be subject to mandatory sinking fund redemption.

(d) *Notice of Redemption.* Notice of any redemption of the Refunding Bonds of a series or subseries shall be mailed by the Paying Agent, postage prepaid, not less than 20 nor more than 60 days prior to the redemption date (i) by first class mail to the respective Owners thereof at the addresses appearing on the Registration Books, and (ii) as may be further required in accordance with the applicable Continuing Disclosure Certificate.

Each notice of redemption shall state (i) the date of such notice; (ii) the name of the series or subseries of Refunding Bonds and the date of issue of such series or subseries of Refunding Bonds; (iii) the redemption date; (iv) the redemption price; (v) the dates of maturity or maturities of Refunding Bonds to be redeemed; (vi) if less than all of the Refunding Bonds of any maturity of a series or subseries are to be redeemed, the distinctive numbers of the Refunding Bonds of each maturity of such series or subseries to be redeemed; (vii) in the case of Refunding Bonds of a series or subseries redeemed in part only, the respective portions of the principal amount of the Refunding Bonds of each maturity of such series or subseries to be redeemed; (viii) the CUSIP number, if any, of each maturity of Refunding Bonds to be redeemed; (ix) a statement that such Refunding Bonds must be surrendered by the Owners at the principal corporate trust office of the Paying

Agent, or at such other place or places designated by the Paying Agent; (x) notice that further interest on such Refunding Bonds will not accrue after the designated redemption date; and (xi) in the case of a conditional notice, that such notice is conditioned upon certain circumstances and the manner of rescinding such conditional notice.

(e) *Effect of Notice.* A certificate of the Paying Agent that notice of redemption has been given to Owners as herein provided shall be conclusive as against all parties. Neither the failure to receive the notice of redemption as provided in this Section, nor any defect in such notice shall affect the sufficiency of the proceedings for the redemption of the Refunding Bonds called for redemption or the cessation of interest on the date fixed for redemption.

When notice of redemption has been given substantially as provided for herein, and when the redemption price of the Refunding Bonds called for redemption is set aside for the purpose as described in subsection (g) of this Section, the Refunding Bonds designated for redemption shall become due and payable on the specified redemption date and interest shall cease to accrue thereon as of the redemption date, and upon presentation and surrender of such Refunding Bonds at the place specified in the notice of redemption, such Refunding Bonds shall be redeemed and paid at the redemption price thereof out of the money provided therefor. The Owners of such Refunding Bonds so called for redemption after such redemption date shall be entitled to payment thereof only from the related interest and sinking fund or the trust fund established for such purpose. All Refunding Bonds redeemed shall be cancelled forthwith by the Paying Agent and shall not be reissued.

(f) *Right to Rescind Notice.* The District may rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the owners of the Refunding Bonds so called for redemption. Any optional redemption and notice thereof shall be rescinded if for any reason on the date fixed for redemption moneys are not available in the related interest and sinking fund or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of and premium, if any, and interest due on the Refunding Bonds called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the owner of any Refunding Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

(g) *Funds for Redemption.* Prior to or on the redemption date of any Refunding Bonds there shall be available in the related interest and sinking fund of the District, or held in trust for such purpose as provided by law, monies for the purpose and sufficient to redeem, at the redemption prices as in this Resolution provided, the Refunding Bonds designated in the notice of redemption. Such monies shall be applied on or after the redemption date solely for payment of principal of and premium, if any, and interest due on the Refunding Bonds to be redeemed upon presentation and surrender of such Refunding Bonds, provided that all monies in the related interest and sinking fund of the District shall be used for the purposes established and permitted by law. Any interest due on or prior to the redemption date shall be paid from the related interest and sinking fund of the District, unless otherwise provided to be paid from such monies held in trust. If, after all of the Refunding Bonds have been redeemed and cancelled or paid and cancelled, there are monies remaining in the related interest and sinking fund of the District or otherwise held

in trust for the payment of redemption price of the Refunding Bonds, the monies shall be held in or returned or transferred to any interest and sinking fund of the District for payment of any outstanding bonds of the District payable from such fund; provided, however, that if the monies are part of the proceeds of bonds of the District, the monies shall be transferred to the fund created for the payment of principal of and interest on such bonds. If no such bonds of the District are at such time outstanding, the monies shall be transferred to the general fund of the District as provided and permitted by law.

(h) *Defeasance of Refunding Bonds.* If at any time the District shall pay or cause to be paid or there shall otherwise be paid to the Owners of any or all of the outstanding Refunding Bonds of a Series all or any part of the principal of and premium, if any, and interest on such Refunding Bonds at the times and in the manner provided herein and in such Refunding Bonds, or as provided in the following paragraph, or as otherwise provided by law consistent herewith, then such Owners of such Refunding Bonds shall cease to be entitled to the obligation of the District as provided in Section 10 hereof, and such obligation and all agreements and covenants of the District and of the County to such Owners hereunder and under such Refunding Bonds shall thereupon be satisfied and discharged and shall terminate, except only that the District shall remain liable for payment of all principal of and premium, if any, and interest on such Refunding Bonds, but only out of monies on deposit in the related interest and sinking fund of the District or otherwise held in trust for such payment; and provided further, however, that the provisions of subsection (i) of this Section shall apply in all events.

For purposes of this Section, the District may pay and discharge any or all of the Refunding Bonds of a Series by depositing in trust with the Paying Agent or an escrow agent, selected by the District, at or before maturity, money and/or Defeasance Securities, in an amount which will, together with the interest to accrue thereon and available monies then on deposit in the related interest and sinking fund of the District, be fully sufficient to pay and discharge the indebtedness on such Refunding Bonds (including all principal and interest) at or before their respective maturity dates.

The term “Defeasance Securities” means (a) non-callable direct and general obligations of the United States of America (including state and local government series), or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including (in the case of direct and general obligations of the United States of America) evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations; provided that investments in such proportionate interests must be limited to circumstances wherein (i) a bank or trust company acts as custodian and holds the underlying United States obligations; (ii) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (iii) the underlying United States obligations are held in a special account, segregated from the custodian’s general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; (b) non-callable obligations of government sponsored agencies that are rated in one of the two highest rating categories assigned by S&P (defined herein) or Moody’s (defined herein) but are not guaranteed by a pledge of the full faith and credit of the United States of America; and (c) Advance Refunded Municipal Securities.

The term “Advance Refunded Municipal Securities” means any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local government unit of any such state (a) which are not callable prior to maturity or as to which irrevocable instructions have been given to the trustee, fiscal agent or other fiduciary for such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds or other obligations for redemption on the date or dates specified in such instructions, (b) which are secured as to principal, premium, if any, and interest by a fund consisting only of cash, direct U.S. or U.S. guaranteed obligations, or any combination thereof, which fund may be applied only to the payment of such principal, premium, if any, and interest on such bonds or other obligations on the maturity date or dates thereof or the redemption date or dates specified in the irrevocable instructions referred to in clause (a) above, as appropriate, and (c) as to which the principal of and premium, if any, and interest on the bonds and obligations of the character described in clause (a) above which have been deposited in such fund, along with any cash on deposit in such fund, have been verified by an independent certified public accountant as being sufficient to pay principal of and premium, if any, and interest on such bonds or other obligations on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in clause (a) above, as applicable.

The term “Moody’s” means Moody’s Investors Service, Inc., a corporation duly organized and existing under the laws of the State of Delaware, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the District.

The term “S&P” means Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business duly organized and existing under the laws of the State of New York, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “S&P” shall be deemed to refer to any other nationally recognized securities rating agency selected by the District.

(i) *Unclaimed Monies.* Any money held in any fund created pursuant to this Resolution, or by the Paying Agent or an escrow agent in trust, for the payment of the principal of and premium, if any, and interest on a Series of Refunding Bonds and remaining unclaimed for two years after the principal of all of such Series of Refunding Bonds has become due and payable (whether by maturity or upon prior redemption) shall be transferred to the interest and sinking fund of the District for payment of any outstanding bonds of the District payable from the fund; or, if no such bonds of the District are at such time outstanding, the monies shall be transferred to the general fund of the District as provided and permitted by law.

Section 12. Paying Agent. (a) *Appointment; Payment of Fees and Expenses.* This Board of Education does hereby consent to and confirm the appointment of the County Treasurer to act as the initial paying agent for each Series of Refunding Bonds. The County Treasurer is hereby authorized to contract with any third party to perform the services of Paying Agent under this Resolution. All fees and expenses of the Paying Agent shall be the sole responsibility of the District, and to the extent not paid from the proceeds of sale of the applicable Series of Refunding Bonds, or from the related interest and sinking fund of the District, insofar as permitted by law,

including specifically by Section 15232 of the California Education Code, such fees and expenses shall be paid by the District.

(b) *Resignation, Removal and Replacement of Paying Agent.* The Paying Agent initially appointed or any successor Paying Agent may resign from service as Paying Agent and may be removed at any time by the County Treasurer. If at any time the Paying Agent shall resign or be removed, the County Treasurer shall appoint a successor Paying Agent, which shall be any bank, trust company, national banking association or other financial institution doing business in and having a corporate trust office in California, with at least \$100,000,000 in net assets.

(c) *Principal Corporate Trust Office.* Unless otherwise specifically noted, any reference herein to the Paying Agent shall initially mean the County Treasurer and the designated agents thereof or the successors or assigns thereof, acting in the capacity of paying agent, registrar, authenticating agent and transfer agent (the “Paying Agent”), and any reference herein to the “principal corporate trust office” of the Paying Agent for purposes of transfer, registration, exchange, payment, and surrender of the Refunding Bonds shall initially mean the office of the County Treasurer or the principal corporate trust office of his designated agent bank or other office of his designated agent bank designated thereby for a particular purpose; provided, however, that in the event that “Paying Agent” shall refer to any successor paying agent, bond registrar, authenticating agent or transfer agent for the Refunding Bonds, “principal corporate trust office” shall include the principal corporate trust office or other office of such successor Paying Agent designated thereby for a particular purpose.

(d) *Registration Books.* The Paying Agent shall keep or cause to be kept at its principal corporate trust office sufficient books for the registration and transfer of the Refunding Bonds, which shall at all times be open to inspection by the District and the County, and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred on the Registration Books, Refunding Bonds as provided in Sections 13 and 14 hereof. The Paying Agent shall keep accurate records of all funds administered by it and of all Refunding Bonds paid and discharged by it. Such records shall be provided, upon reasonable request, to the District or the County in a format mutually agreeable to the Paying Agent and the District and/or the County.

Section 13. Transfer Under Book-Entry System; Discontinuation of Book-Entry System. (a) Unless otherwise specified in the related Bond Purchase Agreement, The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors as securities depository for a Series of Refunding Bonds, including any such successor thereto appointed pursuant to this Section (“DTC”), is hereby appointed depository for each Series of Refunding Bonds and each Series of Refunding Bonds shall be issued in book-entry form only, and shall be initially registered in the name of “Cede & Co.,” as nominee of DTC (“Cede & Co.”). One bond certificate shall be issued for each maturity of each Series of Refunding Bonds; provided, however, that if different CUSIP numbers are assigned to Refunding Bonds of a Series maturing in a single year or, if Refunding Bonds of a Series maturing in a single year are issued with different interest rates, additional bond certificates shall be prepared for each such maturity. Registered ownership of such Refunding Bonds of each such maturity, or any portion thereof, may not thereafter be transferred except as provided in this Section or Section 14 hereof:

(i) To any successor of DTC, or its nominee, or to any substitute depository designated pursuant to clause (ii) of this Section (a “substitute depository”); provided, however that any successor of DTC, as nominee of DTC or substitute depository, shall be qualified under any applicable laws to provide the services proposed to be provided by it;

(ii) To any substitute depository not objected to by the District, upon (1) the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository, or (2) a determination by the District to substitute another depository for DTC (or its successor) because DTC or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; provided, that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) To any person as provided below, upon (1) the resignation of DTC or its successor (or substitute depository or its successor) from its functions as depository; provided that no substitute depository which is not objected to by the District can be obtained, or (2) a determination by the District that it is in the best interests of the District to remove DTC or its successor (or any substitute depository or its successor) from its functions as depository.

(b) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (a) of this Section, upon receipt of the outstanding Refunding Bonds by the Paying Agent, together with a written request of the District to the Paying Agent, a new Refunding Bond for each maturity of each Series shall be executed and delivered (in the aggregate principal amount of such Refunding Bonds then outstanding), registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the District. In the case of any transfer pursuant to clause (iii) of subsection (a) of this Section, upon receipt of the outstanding Refunding Bonds by the Paying Agent together with a written request of the District to the Paying Agent, new Refunding Bonds shall be executed and delivered in such denominations, numbered in the manner determined by the Paying Agent, and registered in the names of such persons, as are requested in such written request of the District, subject to the limitations of Section 9 hereof and the receipt of such a written request of the District, and thereafter, the Refunding Bonds shall be transferred pursuant to the provisions set forth in Section 14 hereof; provided, however, that the Paying Agent shall not be required to deliver such new Refunding Bonds within a period of less than 60 days after the receipt of any such written request of the District.

(c) The District and the Paying Agent shall be entitled to treat the person in whose name any Refunding Bond is registered as the owner thereof, notwithstanding any notice to the contrary received by the District or the Paying Agent; and the District and the Paying Agent shall have no responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the Refunding Bonds, and neither the District nor the Paying Agent shall have any responsibility or obligation, legal or otherwise, to the beneficial owners or to any other party, including DTC or its successor (or substitute depository or its successor), except for the Owner of any Refunding Bonds.

(d) So long as the outstanding Refunding Bonds are registered in the name of Cede & Co. or its registered assigns, the District and the Paying Agent shall cooperate with Cede & Co., as sole registered Owner, or its registered assigns in effecting payment of the principal of and interest on the Refunding Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.

Section 14. Transfer and Exchange. (a) *Transfer.* Following the termination or removal of DTC or successor depository pursuant to Section 13 hereof, or upon the initial delivery of a Series of Refunding Bonds not registered in the name of Cede & Co., as nominee of DTC, any Refunding Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the Owner thereof, in person or by the duly authorized attorney of such Owner, upon surrender of such Refunding Bond to the Paying Agent for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Paying Agent.

Whenever any Refunding Bond or Refunding Bonds shall be surrendered for transfer, the designated District officials shall execute and the Paying Agent shall authenticate and deliver, as provided in Section 8 hereof, a new Refunding Bond or Refunding Bonds, of the same series, maturity, interest payment dates and interest rate or rates (for a like aggregate principal amount). The Paying Agent may require the payment by any Owner of Refunding Bonds requesting any such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

No transfer of any Refunding Bond shall be required to be made by the Paying Agent (i) during the period established by the Paying Agent for selection of the applicable series or subseries of Refunding Bonds for redemption, and (ii) after any Refunding Bond has been selected for redemption.

(b) *Exchange.* The Refunding Bonds of a Series may be exchanged for Refunding Bonds of other authorized denominations of the same series, maturity, interest payment dates and interest rate or rates, by the Owner thereof, in person or by the duly authorized attorney of such Owner, upon surrender of such Refunding Bond to the Paying Agent for cancellation, accompanied by delivery of a duly executed request for exchange in a form approved by the Paying Agent.

Whenever any Refunding Bond or Refunding Bonds shall be surrendered for exchange, the designated District officials shall execute and the Paying Agent shall authenticate and deliver, as provided in Section 8 hereof, a new Refunding Bond or Refunding Bonds of the same series, maturity, interest payment dates and interest rate or rates (for a like aggregate principal amount). The Paying Agent may require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

No exchange of any Refunding Bonds shall be required to be made by the Paying Agent (i) during the period established by the Paying Agent for selection of the Refunding Bonds for redemption, and (ii) after any Refunding Bond has been selected for redemption.

Section 15. Continuing Disclosure Certificate. The form of Continuing Disclosure Certificate, submitted to and on file with the Executive Officer of this Board of Education, is hereby approved. The Authorized Officers are, and each of them is, hereby authorized, and any

one of the Authorized Officers is hereby directed, for and in the name of the District, to execute and deliver one or more Continuing Disclosure Certificates in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution of the applicable Continuing Disclosure Certificate by such Authorized Officer.

Section 16. Preliminary Official Statement. The form of Preliminary Official Statement relating to the initial issue of Refunding Bonds to be publicly offered submitted to and on file with the Executive Officer of this Board of Education, with such changes therein as may be approved by an Authorized Officer, is hereby approved, and the use of the Preliminary Official Statement in connection with the offering and sale of such Refunding Bonds is hereby authorized and approved. The Authorized Officers are each hereby authorized, and any one of the Authorized Officers is hereby directed, to certify on behalf of the District that the information contained in such Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 (except for the omission of certain final pricing, rating and related information as permitted by Rule 15c2-12). If it is necessary to make substantial changes to the Preliminary Official Statement hereby approved, this Board of Education shall review a revised draft of such Preliminary Official Statement with accompanying directions and instructions to members of this Board of Education to review such revised Preliminary Official Statement. For subsequent Series of Refunding Bonds, the preparation of a Preliminary Official Statement with respect to each such subsequent Series of Refunding Bonds, similar in form and content to the Preliminary Official Statement relating to the first Series of Refunding Bonds with such changes as shall be deemed necessary, is hereby authorized and approved, and the certification of its finality within the meaning of Rule 15c2-12 by an Authorized Officer and its use in connection with the offering and sale of each such subsequent Series of Refunding Bonds, are also hereby authorized, following the distribution to this Board of Education of a substantially complete draft of a Preliminary Official Statement relating to such Series of Refunding Bonds with accompanying directions and instructions to members of this Board of Education to review such Preliminary Official Statement.

Section 17. Official Statement. The preparation and delivery of a final Official Statement with respect to a Series of Refunding Bonds to be publicly offered (each, an “Official Statement”) and its use in connection with the offering and sale of such Series of Refunding Bonds are hereby authorized and approved. Each Official Statement shall be in substantially the form of the related Preliminary Official Statement, with such changes, insertions and omissions as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Officers are, and each of them is, hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of and on behalf of the District, to execute each final Official Statement, and any amendment or supplement thereto, for and in the name of the District.

Section 18. Tax Covenants. (a) The District shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on a Tax-Exempt Series of Refunding Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the District hereby covenants that it will comply with the requirements of the Tax Certificate (each, a “Tax Certificate”) to be executed by the District on the date of issuance of each Tax-Exempt Series of Refunding Bonds. The

provisions of this subsection (a) shall survive payment in full or defeasance of the Refunding Bonds.

(b) In the event that at any time the District is of the opinion that for purposes of this Section it is necessary or helpful to restrict or limit the yield on the investment of any monies held by the County Treasurer on behalf of the District, in accordance with this Resolution or pursuant to law, the District shall so request of the County Treasurer in writing, and the District shall make its best efforts to ensure that the County Treasurer shall take such action as may be necessary in accordance with such instructions.

(c) Notwithstanding any provision of this Section, if the District shall provide to the County Treasurer an opinion of counsel of nationally recognized standing in the field of law relating to municipal bonds ("Opinion of Bond Counsel") that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Tax-Exempt Series of Refunding Bonds under Section 103 of the Code, the County Treasurer may conclusively rely on such Opinion of Bond Counsel in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

Section 19. Cost of Issuance. The Authorized Officers are each hereby authorized to cause to be deposited in a costs of issuance account, which may be held by a bank, national banking association or trust company meeting the qualifications necessary to be a paying agent set forth in Section 12, as cost of issuance administrator, proceeds of the sale of each Series of Refunding Bonds, in an amount as shall be set forth in the related Bond Purchase Agreement or as set forth in a certificate of an Authorized Officer for the purposes of paying the costs associated with the issuance of such Series of Refunding Bonds.

Section 20. Professional Services. In connection with the issuance of the Refunding Bonds, Public Resources Advisory Group is hereby appointed to serve as the Municipal Advisor to the District, Hawkins Delafield & Wood LLP is hereby appointed to serve as Bond Counsel and Orrick, Herrington & Sutcliffe LLP is hereby appointed to serve as Disclosure Counsel to the District.

Section 21. Delegation of Authority. The officers and employees of the District are, and each of them hereby is, authorized and directed to execute and deliver, for and on behalf of the District, any and all documents and instruments and to do and cause to be done any and all acts and things necessary or advisable in order to consummate the transactions contemplated by this Resolution and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, and each Bond Purchase Agreement, Escrow Agreement, Tender Agreement and Continuing Disclosure Certificate. Without limiting the generality of the foregoing, the President of this Board of Education, the Executive Officer of this Board of Education and any Authorized Officer are hereby authorized and directed to execute and deliver any and all agreements, certificates and representations, including but not limited to (i) signature certificates, no litigation certificates, and certificates concerning the contents of the Preliminary Official Statement and the Official Statement, (ii) representation letters to The Depository Trust Company, (iii) each Tax Certificate, (iv) any other certificates proposed to be delivered in connection with the sale or

issuance of the Bonds, and (v) and any other agreements, letters, certificates or representations, which any of them deem necessary and desirable to accomplish the transactions authorized herein.

Section 22. Approval of Actions. All actions heretofore taken by the officers and employees of the District with respect to the issuance and sale of the Refunding Bonds, or in connection with or related to any of the agreements or documents referred to herein, are hereby approved, confirmed and ratified.

Section 23. Interpretation. The terms of this Resolution shall be interpreted broadly to effect the purpose of providing broad and clear authority for the officers and employees of the District to provide for the issuance of, and issue, from time to time, one or more Series of Refunding Bonds in accordance with the provisions of the documents described herein, the Debt Management Policy and the Act on the terms set forth in this Resolution.

Section 24. Contract with Bondholders. The provisions of this Resolution shall be a contract with each and every owner of Refunding Bonds and the duties of the District and of the Board of Education and the officers of the District shall be enforceable by any owner of Refunding Bonds by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction.

Section 25. Amendments. This Resolution may be modified or amended without the consent of the Owners in order to cure ambiguities or provide clarification, provided that such modification or amendment does not materially adversely affect the rights of Owners of Refunding Bonds. For any other purpose, this Resolution may be modified or amended only with the consent of the Owners of a majority of the aggregate principal amount of all Refunding Bonds then outstanding. No such modification or amendment shall extend the maturity of, reduce the interest rate or principal amount of Refunding Bonds or reduce the percentage of consent required for amendment hereof without the express consent of all the Owners so affected.

Section 26. Effective Date. This Resolution shall take effect from and after its date of adoption.

Adopted and signed this ____ day of June, 2024, by the Board of Education of the Los Angeles Unified School District.

Executive Officer, Board of Education

EXHIBIT A**FORM OF REFUNDING BOND****Number:****UNITED STATES OF AMERICA****R-__****STATE OF CALIFORNIA****COUNTY OF LOS ANGELES****LOS ANGELES UNIFIED SCHOOL DISTRICT****(COUNTY OF LOS ANGELES, CALIFORNIA)****20__ GENERAL OBLIGATION REFUNDING BONDS, SERIES __****(DEDICATED UNLIMITED *AD VALOREM* PROPERTY TAX BONDS) [(FEDERALLY TAXABLE)]****Maturity Date**

__

Interest Rate

__%

Dated

__

CUSIP No.

__

Registered Owner: CEDE & CO.

Principal Amount: \$ _____

The Los Angeles Unified School District (the "District"), County of Los Angeles, State of California, acknowledges itself obligated to and promises to pay to the Registered Owner identified above or registered assigns (the "Registered Owner"), on the Maturity Date set forth above, the Principal Amount specified above in lawful money of the United States of America, and to pay interest thereon in like lawful money from the interest payment date next preceding the date of authentication of this Bond (unless this bond is authenticated as of a date during the period from the Record Date (as defined herein) next preceding any interest payment date to such interest payment date, inclusive, in which event it shall bear interest from such interest payment date, or unless this Bond is authenticated on or before _____ 15, 20__, in which event it shall bear interest from the date hereof) at the Interest Rate per annum stated above, payable commencing on _____ 1, 20__, and thereafter on January 1 and July 1 in each year, until payment of the Principal Amount. This Bond is issued pursuant to a Resolution adopted by the Board of Education of the District on _____, 20__ (the "Resolution"). Capitalized undefined terms used herein have the meanings ascribed thereto in the Resolution.

The principal hereof is payable to the Registered Owner hereof upon the surrender hereof at the principal corporate trust office of the paying agent/registrar and transfer agent of the District (the "Paying Agent"), initially the Treasurer and Tax Collector of the County of Los Angeles. The interest hereon is payable to the person whose name appears on the bond registration books of the Paying Agent as the Registered Owner hereof as of the close of business on the 15th day of the month preceding an interest payment date (the "Record Date"), whether or not such day is a business day, such interest to be paid by check or draft mailed to such Registered Owner at the owner's address as it appears on such registration books, or at such other address filed with the Paying Agent for that purpose. Upon written request, given no later than the Record Date

immediately preceding an interest payment date, of the owner of Refunding Bonds aggregating at least \$1,000,000 in principal amount, interest will be paid by wire transfer in immediately available funds to an account maintained in the United States as specified by the Registered Owner in such request. So long as Cede & Co. or its registered assigns shall be the Registered Owner of this Bond, payment shall be made in immediately available funds as provided in the Resolution hereinafter described.

This Bond is one of a duly authorized issue of bonds of like tenor (except for such variations, if any, as may be required to designate varying series, numbers, denominations, interest rates and maturities provisions), in the aggregate principal amount of \$_____, and designated as “Los Angeles Unified School District (County of Los Angeles, California) 20__ General Obligation Refunding Bonds, Series __ (Dedicated Unlimited *Ad Valorem* Property Tax Bonds) [(Federally Taxable)]” (the “Bonds”). The Bonds were authorized by the Resolution and are issued pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and other applicable law. The Bonds are issued and sold by the Board of Education of the District pursuant to and in strict conformity with the provisions of the Constitution and laws of the State, and of the Resolution.

The Bonds are issuable as fully registered bonds without coupons in the denomination of \$5,000 principal amount or any integral multiple thereof, provided that no Bond shall have principal maturing on more than one principal maturity date. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Resolution, Bonds may be exchanged for a like aggregate principal amount of Bonds of the same tenor and maturity of other authorized denominations.

This Bond is transferable by the Registered Owner hereof, in person or by attorney duly authorized in writing, at the principal corporate trust office of the Paying Agent, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized denomination or denominations of the same tenor, interest payments, and same aggregate principal amount will be issued to the transferee in exchange herefor.

The District and the Paying Agent may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the District and the Paying Agent shall not be affected by any notice to the contrary.

The Bonds are subject to redemption on the terms and subject to the conditions specified in the Resolution. If this Bond is called for redemption and payment is duly provided therefor, interest shall cease to accrue hereon from and after the date fixed for redemption.

The Board of Education of the District hereby certifies and declares that the total amount of indebtedness of the District, including the amount of this Bond, is within the limit provided by law; that all acts, conditions and things required by law to be done or performed precedent to and in the issuance of this Bond have been done and performed in strict conformity with the laws authorizing the issuance of this Bond; and that this Bond is in substantially the form prescribed by order of the Board of Education duly made and entered on its minutes. The Bonds represent an obligation payable out of the related interest and sinking fund of the District, and the money for

the payment of principal hereof and premium, if any, and interest hereon, shall be raised by taxation upon the taxable property of the District.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Paying Agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

This Bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Paying Agent.

IN WITNESS WHEREOF, the Board of Education of the Los Angeles Unified School District, county of Los Angeles, State of California, has caused this bond to be signed by its President and countersigned by the Executive Officer of said Board, as of the date set forth above.

President of the Board of Education of the
Los Angeles Unified School District

Countersigned:

Executive Officer of the Board of
Education of the Los Angeles Unified
School District

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is one of the Bonds described in the within-mentioned Resolution and authenticated and registered on _____.

Treasurer and Tax Collector of the County of
Los Angeles, California,
as Paying Agent/Registrar and Transfer Agent

By: U.S. Bank Trust Company, National
Association,
as agent

By: _____
Authorized Officer

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Paying Agent with full power of substitution in the premises.

I.D. Number

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Dated: _____

Signature Guarantee: _____
Note: Signature must be guaranteed by an eligible guarantor institution.

EXHIBIT B**GOVERNMENT CODE SECTION 5852.1 DISCLOSURE**

In accordance with Section 5852.1(a)(1) of the California Government Code, the following information was obtained from Public Resources Advisory Group, as the District's Municipal Advisor, with respect to the bonds approved in the attached Resolution (the "Refunding Bonds") assuming a tax-exempt current refunding of the District's outstanding callable bonds which is estimated to result in an aggregate principal amount of the Refunding Bonds being \$363,400,000, which is less than the authorized maximum principal amount of Refunding Bonds approved in the attached Resolution:

1. *True Interest Cost of the Refunding Bonds.* Based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the Refunding Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Refunding Bonds, is 3.44%.

2. *Finance Charge of the Refunding Bonds.* Based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the finance charge of the Refunding Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Refunding Bonds), is \$1,493,119, as follows:

a)	Rating Agency – Moody's	\$98,000
b)	Rating Agency – Fitch	60,000
c)	Rating Agency – Kroll	60,000
e)	Bond Counsel	95,000
f)	Disclosure Counsel	130,000
g)	Municipal Advisor	108,000
h)	Underwriters' Discount	878,875
i)	Other Expenses	63,244

3. *Amount of Proceeds to be received.* Based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the amount of proceeds expected to be received by the District for sale of the Refunding Bonds less the finance charge of the Refunding Bonds described in paragraph 2 above and any reserves or capitalized interest paid or funded with proceeds of the Refunding Bonds, is \$406,556,635.

4. *Total Payment Amount.* Based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the total payment amount, which means the sum total of all payments the District will make to pay debt service on the Refunding Bonds plus the finance charge of the Refunding Bonds described in paragraph 2 above not paid with the proceeds of the Refunding Bonds, calculated to the final maturity of the Refunding Bonds, is \$534,675,778, which is \$40,032,485 less than if the debt service on the outstanding bonds expected to be refunded if the Refunding Bonds were not to be issued. Under the attached Resolution, any

Refunding Bonds would only be issued if the issuance of such Refunding Bonds conforms to the District's Debt Management Policy.

Attention is directed to the fact that the foregoing information constitutes good faith estimates only. The actual interest cost, finance charges, amount of proceeds and total payment amount may vary from the estimates above due to variations from these estimates in the timing of Refunding Bond sales, the amount of Refunding Bonds sold, the amortization of the Refunding Bonds sold and market interest rates at the time of each sale. The date or dates of sale and the amount of Refunding Bonds sold will be determined by the District based on need for project funds and other factors. The actual interest rates at which the Refunding Bonds will be sold will depend on the bond market at the time of each sale. The actual amortization of the Refunding Bonds will also depend, in part, on market interest rates at the time of each sale. Market interest rates are affected by economic and other factors beyond the District's control. The Board of Education has approved the issuance of each series of Refunding Bonds with a maximum true interest cost of 6.00%.

EXECUTIVE OFFICER'S CERTIFICATE

I, Michael McLean, Executive Officer of the Board of Education of the Los Angeles Unified School District, County of Los Angeles, California, hereby certify as follows:

The attached is a full, true and correct copy of a resolution duly adopted at a regular meeting of said Board of Education of said District duly and regularly held at the regular meeting place thereof on June __, 2024, at which meeting all of the members of said Board of Education had due notice and at which a quorum thereof was present; and at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

An agenda of said meeting was posted at least 72 hours before said meeting at 333 South Beaudry Avenue, Los Angeles, California, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda. A copy of said agenda is attached hereto.

I have carefully compared the same with the adopted resolution on file and of record in my office. Said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

WITNESS my hand this _____ day of June, 2024.

By: _____
 Executive Officer of the Board of
 Education of Los Angeles Unified
 School District

NEW ISSUE – BOOK-ENTRY ONLY

[DAC Logo]

RATINGS: Fitch: “[____]”

KBRA: “[____]”

Moody’s: “[____]”

See “MISCELLANEOUS – Ratings” herein.

[In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Refunding Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Refunding Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Refunding Bonds is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, in the opinion of Bond Counsel to the District, under existing statutes, interest on the Refunding Bonds is exempt from personal income taxes imposed by the State of California. See “TAX MATTERS” herein.]

\$[PAR]***LOS ANGELES UNIFIED SCHOOL DISTRICT****(County of Los Angeles, California)****20[____] General Obligation Refunding Bonds, Series [____]****(Dedicated Unlimited *Ad Valorem* Property Tax Bonds)**[District
Logo]**Dated: Date of Delivery****Due: July 1, as shown herein**

The Los Angeles Unified School District (County of Los Angeles, California) 20[____] General Obligation Refunding Bonds, Series [____] (Dedicated Unlimited *Ad Valorem* Property Tax Bonds) (the “Refunding Bonds”) are issued by the Los Angeles Unified School District (the “District”), located in the County of Los Angeles (the “County”), to refund and defease certain Prior Bonds (defined herein) as more fully described herein. A portion of the proceeds of the Refunding Bonds will be used to pay the costs of issuance incurred in connection with the issuance of the Refunding Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS” and “PLAN OF REFUNDING” herein. The Refunding Bonds are being issued under the laws of the State of California (the “State”) and the applicable authorizations received at elections held by the District as described herein, and pursuant to a resolution of the Board of Education of the District.

The Refunding Bonds are general obligation bonds of the District secured by and payable from *ad valorem* property taxes to be levied within the District pursuant to the California Constitution and other State law. The Board of Supervisors of the County is empowered and is obligated to levy *ad valorem* property taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Refunding Bonds, all as more fully described herein. See “SECURITY AND SOURCE OF PAYMENT FOR THE REFUNDING BONDS.”

Interest on the Refunding Bonds is payable on each January 1 and July 1 to maturity or earlier redemption thereof, commencing [____] 1, 20[____]. Principal of the Refunding Bonds is payable on July 1 in each of the years and in the amounts set forth on the inside front cover page hereof.

The Refunding Bonds will be issued in book-entry form only, in denominations of \$5,000 principal amount, or integral multiples thereof, and will be initially issued and registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”). DTC will act as securities depository for the Refunding Bonds. Owners will not receive certificates representing their interests in the Refunding Bonds. Payments of principal of, premium, if any, and interest on the Refunding Bonds will be made by U.S. Bank Trust Company, National Association, as agent to the Treasurer and Tax Collector of the County, as the initial paying agent, to DTC, which is obligated to remit such payments to its DTC Participants for subsequent disbursement to the beneficial owners of the Refunding Bonds. See APPENDIX C – “BOOK-ENTRY ONLY SYSTEM.”

The Refunding Bonds are subject to redemption prior to their respective stated maturity dates as described herein.* See “THE REFUNDING BONDS – Redemption.”

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR GENERAL REFERENCE ONLY. IT IS NOT INTENDED TO BE A SUMMARY OF THE SECURITY FOR OR TERMS OF THIS ISSUE. INVESTORS ARE ADVISED TO READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The Refunding Bonds will be offered when, as and if issued by the District, and received by the Underwriters, subject to the approval as to their legality by Hawkins Delafield & Wood LLP, Los Angeles, California, Bond Counsel to the District, and certain other conditions. Certain legal matters will be passed upon for the District by the General Counsel to the District and by Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, Disclosure Counsel to the District, and for the Underwriters by [____], [____], [____]. The Refunding Bonds, in book-entry form, will be available for delivery through the facilities of DTC on or about [____], 2024.

[UNDERWRITERS TO COME]

Dated: _____, 2024

* Preliminary; subject to change.

**MATURITY DATES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL PUBLIC OFFERING
YIELDS, PRICES AND CUSIP NUMBERS***

\$(PAR)*
LOS ANGELES UNIFIED SCHOOL DISTRICT
(County of Los Angeles, California)
20[] General Obligation Refunding Bonds, Series []
(Dedicated Unlimited *Ad Valorem* Property Tax Bonds)

Base CUSIP[†] Number: 544647

\$ _____ Serial Refunding Bonds

Maturity* (July 1)	Principal Amount	Interest Rate	Initial Public Offering Yield	Price	CUSIP[†] Suffix
-------------------------------------	-----------------------------	--------------------------	--	--------------	-------------------------------------

\$ _____ % Term Refunding Bonds due July 1, 20__ ; Yield ____%; Price: ____%; CUSIP[†] Suffix ____

\$ _____ % Term Refunding Bonds due July 1, 20__ ; Yield ____%; Price: ____%; CUSIP[†] Suffix ____

* Preliminary; subject to change.

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No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing.

The information contained herein has been obtained from sources that are believed to be reliable. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the District since the date hereof.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

THE REFUNDING BONDS HAVE NOT BEEN REGISTERED WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE REFUNDING RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS.

When used in this Official Statement or in any continuing disclosure by the District, in any press release by the District or in any oral statement made with the approval of an authorized officer of the District, the words or phrases “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimate,” “project,” “forecast,” “expect,” “intend” and similar expressions identify “forward-looking statements.” Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

The District maintains a website at www.lausd.org. However, reference to such website address is for informational purposes only. Unless specified otherwise, such website and the information or links contained therein are not incorporated by reference herein, should not be relied upon in making an investment decision with respect to the Refunding Bonds, and are not part of this Official Statement for purposes of and as that term is defined in Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

CUSIP® is a registered trademark of The American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of The American Bankers Association by FactSet Research Systems Inc. CUSIP data herein is set forth for convenience of reference only. The District and the Underwriters assume no responsibility for the selection or uses of the CUSIP data or for the accuracy or correctness of such data. The CUSIP numbers for the Refunding Bonds are subject to being changed after the delivery of the Refunding Bonds as a result of various subsequent actions.

**LOS ANGELES UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION**

<u>District</u>	<u>Member</u>	<u>Term Ending</u>
5	Jackie Goldberg, President	December 16, 2024
3	Scott Schmerelson, Vice President	December 16, 2024
1	Dr. George J. McKenna III	December 16, 2024
2	Dr. Rocio Rivas	December 12, 2026
4	Nick Melvoin	December 12, 2026
6	Kelly Gonez	December 12, 2026
7	Tanya Ortiz Franklin	December 16, 2024

DISTRICT OFFICIALS

Alberto M. Carvalho, Superintendent
Jaime G. Torrens, Senior Advisor to the Superintendent
Pedro Salcido, Deputy Superintendent of Business Services and Operations
Devora Navera Reed, General Counsel
David D. Hart, Chief Business Officer
Nolberto Delgadillo, Deputy Chief Business Officer – Finance
Ernie Thomas, Controller
Timothy S. Rosnick, Director of Capital Planning and Budgeting

BOND COUNSEL

Hawkins Delafield & Wood LLP
Los Angeles, California

DISCLOSURE COUNSEL

Orrick, Herrington & Sutcliffe LLP
Los Angeles, California

MUNICIPAL ADVISOR

Public Resources Advisory Group
Los Angeles, California

PAYING AGENT

U.S. Bank Trust Company, National Association, as agent for the
Treasurer and Tax Collector of the County of Los Angeles
Los Angeles, California

ESCROW AGENT

U.S. Bank Trust Company, National Association
Los Angeles, California

VERIFICATION AGENT

[VERIFICATION AGENT]
[____], [____],

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\$[PAR]*
LOS ANGELES UNIFIED SCHOOL DISTRICT
 (County of Los Angeles, California)
20[] General Obligation Refunding Bonds, Series []
(Dedicated Unlimited *Ad Valorem* Property Tax Bonds)

INTRODUCTION

This Introduction is not a summary of this Official Statement. It is only a brief description of, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and inside cover page, through the appendices hereto, and the documents summarized or described herein. The offering of the Refunding Bonds to potential investors is made only by means of the entire Official Statement. A full review should be made of the entire Official Statement.

General

This Official Statement, which includes the cover page through the appendices hereto, is provided to furnish information in connection with the sale of \$[PAR]* aggregate principal amount of Los Angeles Unified School District (County of Los Angeles, California) 20[] General Obligation Refunding Bonds, Series [] (Dedicated Unlimited *Ad Valorem* Property Tax Bonds) (the “Refunding Bonds”) to be offered by the Los Angeles Unified School District (the “District”).

The Refunding Bonds are issued by the District pursuant to certain provisions of the California Government Code and other applicable law, the applicable authorizations received at elections held by the District as described herein, and a resolution adopted by the Board of Education of the District (the “District Board”) on [June], 2024 (the “Refunding Resolution”). See “INTRODUCTION – Authority and Purpose for Issuance of the Refunding Bonds.” The Refunding Bonds are being issued to refund and defease the Prior Bonds (defined herein). A portion of the proceeds of the Refunding Bonds will be used to pay the costs of issuance incurred in connection with the issuance of the Refunding Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS” and “PLAN OF REFUNDING.”

THE REFUNDING BONDS ARE GENERAL OBLIGATION BONDS OF THE DISTRICT SECURED BY AND PAYABLE FROM *AD VALOREM* PROPERTY TAXES TO BE LEVIED UPON ALL PROPERTY SUBJECT TO TAXATION BY THE DISTRICT, WITHOUT LIMITATION AS TO RATE OR AMOUNT (EXCEPT AS TO CERTAIN PERSONAL PROPERTY WHICH IS TAXABLE AT LIMITED RATES). THE REFUNDING BONDS ARE NOT AN OBLIGATION OF THE COUNTY, THE STATE OF CALIFORNIA OR OF THE GENERAL FUND OF THE DISTRICT. SEE “SECURITY AND SOURCE OF PAYMENT FOR THE REFUNDING BONDS.”

The District

The District, encompassing approximately 710 square miles, is located in the western section of the County of Los Angeles (the “County”) in the State of California (the “State”). The District’s boundaries include virtually all of the City of Los Angeles (the “City”), all of the Cities of Cudahy, Gardena, Huntington Park, Lomita, Maywood, San Fernando, Vernon and West Hollywood, and portions of the Cities of Bell, Bell Gardens, Beverly Hills, Calabasas, Carson, Commerce, Culver City, Downey, Hawthorne, Inglewood, Long Beach, Lynwood, Montebello, Monterey Park, Rancho Palos Verdes, Rolling Hills Estates, Santa Clarita, Santa Monica, South Gate, and Torrance. In addition, the District provides

* Preliminary; subject to change.

services to several unincorporated areas of the County which include residential and industrial areas. The boundaries for the District are approximately 80% coterminous with the City, with the remaining 20% included in the smaller neighboring cities and unincorporated County areas described above. The District was formed in 1854 as the Common Schools for the City and became a unified school district in 1960.

The District is the largest public school district in the State and the largest self-governing public school district in the United States. [At the time of preparation of the District's second interim report for fiscal year 2023-24 (the "Fiscal Year 2023-24 Second Interim Report"), the transitional kindergarten ("TK") through 12th grade enrollment in the District for fiscal year 2023-24 was projected to be approximately 412,341 students, including those attending magnet, opportunity, and continuation schools and centers, locally-funded affiliated charter schools ("Affiliated Charter Schools"), and schools for people with disabilities. Such enrollment represents a decrease of 1,482 students or a decline of approximately 0.36% from the budgeted TK-12 enrollment in the District at the time of preparation of the District's original adopted budget for fiscal year 2023-24 (the "Fiscal Year 2023-24 Budget"). Such enrollment does not include students attending fiscally independent charter schools ("Fiscally Independent Charter Schools") that was budgeted at 108,702 students at the time of preparation of the Fiscal Year 2023-24 Budget. Based on enrollment projections at the time of preparation of the Fiscal Year 2023-24 Second Interim Report, the District was projecting enrollment to decline by 2.49% on average through fiscal year 2025-26. For more information regarding District enrollment and average daily attendance, see APPENDIX A – "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT GENERAL INFORMATION – Enrollment and Average Daily Attendance." See also APPENDIX A – "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT FINANCIAL INFORMATION – District Budget – *LACOE's Responses to Fiscal Year 2023-24 Budget*," for information regarding District operating deficits in relation to declining enrollment. As reflected in the District's Audited Annual Financial Report for fiscal year 2022-23, the District operated 1,238 schools and centers, which consisted of 434 elementary schools, 78 middle/junior high schools, 87 senior high schools, 59 options schools, 262 magnet centers, 67 magnet schools, 30 multi-level schools, 12 special education schools, 2 community adult schools, 7 regional occupational centers, 2 skills centers, 87 early education centers, 4 infant centers, 18 primary school centers, and 89 California State preschools in fiscal year 2022-23. As reflected in the District's Audited Annual Financial Report for fiscal year 2022-23, 51 of the District's schools were operated as Affiliated Charter Schools. In addition, as reflected in the District's Audited Annual Financial Report for fiscal year 2022-23, the District oversaw 224 Fiscally Independent Charter Schools within the District's boundaries. See APPENDIX A – "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – STATE FUNDING OF SCHOOL DISTRICTS – Charter School Funding."]

Additional information on the District is set forth in Appendices A and B. See APPENDIX A – "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION" and APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023." For specific information on the impact of the Coronavirus Disease 2019 ("COVID-19") pandemic (i) on the security and source of payment for the Refunding Bonds, see "SECURITY AND SOURCE OF PAYMENT FOR THE REFUNDING BONDS – Assessed Valuation of Property Within the District" and "– Tax Rates, Levies and Collections" and (ii) on the District's operations and finances, see APPENDIX A – "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – STATE FUNDING OF SCHOOL DISTRICTS – Infectious Disease Outbreak." For information regarding potential additional financings the District may undertake, see APPENDIX A – "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT FINANCIAL INFORMATION – Future Financings."

The District's General Obligation Bond Program

Voters within the District have approved a total of \$27.605 billion of general obligation bonds in six separate bond elections since 1997, as delineated in Table 1 below, a portion of which are currently outstanding. A total of \$18.906 billion of the approved general obligation bonds has been issued, with \$8.699 billion remaining to be issued under the bond authorizations listed below (collectively, the "Authorizations"). See "SECURITY AND SOURCE OF PAYMENT FOR THE REFUNDING BONDS – The District's General Obligation Bond Program and Bonding Capacity."

TABLE 1
LOS ANGELES UNIFIED SCHOOL DISTRICT
General Obligation Bond Authorizations

Bond Authorization	Date Authorized by Voters	Percentage Approval⁽¹⁾	Amount Authorized (\$ Billions)	Amount Issued⁽²⁾ (\$ Billions)	Amount Unissued⁽²⁾ (\$ Billions)	Purposes
Proposition BB	April 8, 1997	71%	\$ 2.400	\$ 2.400	\$0.000	Health and safety improvements, computer technology and science labs, air conditioning and new construction
Measure K	November 5, 2002	68	3.350	3.350	0.000	New construction, acquisition, rehabilitation and upgrading of specifically identified school facilities
Measure R	March 2, 2004	63	3.870	3.870	0.000	New construction, acquisition, rehabilitation and upgrading of specifically identified school facilities, and installation and upgrading of information-technology infrastructure
Measure Y	November 8, 2005	66	3.985	3.985	0.000	New construction, acquisition, rehabilitation and upgrading of specifically identified school facilities, and installation and upgrading of information-technology infrastructure
Measure Q	November 4, 2008	69	7.000	4.276	2.724	New construction, acquisition, rehabilitation and upgrading of specifically identified school facilities, and installation and upgrading of information-technology infrastructure
Measure RR	November 3, 2020	71	<u>7.000</u>	<u>1.025</u>	<u>5.975</u>	New construction, acquisition, rehabilitation and upgrading of specifically identified school facilities, and implementing COVID-19 facility safety standards
Total			<u>\$27.605</u>	<u>\$18.906</u>	<u>\$8.699</u>	

(1) Measure K, Measure R, Measure Y, Measure Q and Measure RR were approved pursuant to the provisions of Proposition 39, which requires approval of at least 55% of voters voting on the proposition. Proposition BB was approved pursuant to the provisions of Proposition 46, which requires approval of at least two-thirds of voters voting on the proposition.

(2) See APPENDIX A – “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT FINANCIAL INFORMATION – District Debt – *General Obligation Bonds*” for the amounts of outstanding general obligation bonds under the referenced Authorizations. Excludes general obligation refunding bonds.

Source: Los Angeles Unified School District.

In addition to the bond proceeds from the six Authorizations referred to above, the District has received State-matching funds and other revenue sources to fund the general obligation bond program's various projects. The District may continue to receive other revenue sources, including State-matching funds; however, additional funding is not guaranteed. The District's general obligation bond program has completed all projects that enabled the District to operate all schools on a traditional two-semester calendar in the 2018-19 school year. [In addition, approximately 23,900 new school construction, rehabilitation, modernization and replacement projects, which are intended to upgrade facilities and improve the learning environment for students, have been completed.] The program includes, among other things, various school facilities improvements for computer technology, sustainability, information technology systems and school buses.

Authority and Purpose for Issuance of the Refunding Bonds

The Refunding Bonds are issued pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code or other applicable law, the applicable Authorizations described in Table 1 herein and the Refunding Resolution. The proceeds of the Refunding Bonds will, after payment of costs of issuance therefor, be used to refund and defease the Prior Bonds (defined herein). See "PLAN OF REFUNDING" and "ESTIMATED SOURCES AND USES OF FUNDS."

Security and Source of Payment for the Refunding Bonds

The Refunding Bonds are payable from *ad valorem* property taxes to be levied within the District pursuant to the California Constitution, other State law and the applicable Authorizations. The Board of Supervisors of the County is empowered and is obligated to levy *ad valorem* property taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Refunding Bonds, all as more fully described herein. Such *ad valorem* property taxes are deposited in the related Interest and Sinking Fund of the District, which is established for the Refunding Bonds of the related voter-approved measure and held by the County and may only be applied to pay the principal of, redemption premium, if any, and interest on the Refunding Bonds of such voter-approved measure. Pursuant to the Refunding Resolution, the term "Interest and Sinking Fund" means each interest and sinking fund of the District, designated to correspond to the applicable general obligation bonds or general obligation refunding bonds of the District and related voter-approved bond measure of the District established for such bonds and used only for payment of principal of and interest on such bonds.

Pursuant to the Refunding Resolution, the District pledges and grants a lien on and security interest in, all revenues from the property taxes collected from the levy by the Board of Supervisors with respect to each voter-approved bond measure of the District for payment of bonds issued under such measure of the District and all amounts on deposit in any Interest and Sinking Fund of the District for the payment of the principal or redemption price of and interest on such bonds. The Refunding Resolution provides that this pledge and grant is valid and binding from the date of adoption of the Refunding Resolution for the benefit of the owners of such bonds and successors thereto. The Refunding Resolution further provides that the property taxes and amounts held in each Interest and Sinking Fund of the District are immediately subject to this pledge and grant, and that this pledge and grant constitutes a lien and security interest which immediately attaches to the property taxes and amounts held in such Interest and Sinking Fund of the District to secure the payment of such bonds and is effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge or grant, and without the need of any physical delivery, recordation, filing, or further act. The Refunding Resolution provides that this pledge and grant is an agreement between the District and the owners of each series of Refunding Bonds and of each issue of outstanding general obligation bonds and general obligation refunding bonds to provide security for each series of Refunding Bonds and all such other general obligation

bonds and general obligation refunding bonds of the District in addition to any statutory lien that may exist, and each such issue of general obligation bonds and general obligation refunding bonds of the District are or were issued to finance or refinance, as applicable, one or more of the projects specified in the applicable voter-approved measure and not to finance the general purposes of the District. In accordance with Section 15251 of the Education Code, such bonds are also automatically secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax for the applicable voter-approved measure. See “SECURITY AND SOURCE OF PAYMENT FOR THE REFUNDING BONDS.”

Other Information

This Official Statement contains brief descriptions of, among other things, the District, the District’s general obligation bond program, the Refunding Resolution and certain matters relating to the security and source of payment for the Refunding Bonds. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to documents are qualified in their entirety by reference to such documents. Copies of such documents are available for inspection at the District by request to the Office of the Chief Business Officer at (213) 241-7888 and, following delivery of the Refunding Bonds will be on file, as applicable, at the principal office of U.S. Bank Trust Company, National Association, as agent to the Treasurer and Tax Collector of the County, as paying agent (the “Paying Agent”), in Los Angeles, California.

PLAN OF REFUNDING*

[A][The] portion of the proceeds of the Refunding Bonds to be used to refund, on a [current][advance] basis, and defease the District’s outstanding general obligation bonds identified below (collectively, the “Prior Bonds”) and to pay the costs of issuance of the Refunding Bonds. Such proceeds from the Refunding Bonds will be deposited into an escrow fund (the “Escrow Fund”) established for the Prior Bonds under an escrow agreement, dated as of [_____] 1, 2024, by and between the District and U.S. Bank Trust Company, National Association, as escrow bank (in such capacity, the “Escrow Agent”). Substantially all of the proceeds of the Refunding Bonds deposited into the Escrow Fund will be invested in accordance with the [applicable] resolution authorizing the issuance of the Prior Bonds and the remaining portion will be uninvested until applied to redeem the Prior Bonds to be refunded. The amount deposited in the Escrow Fund will be sufficient to fully pay the interest due on the Prior Bonds to be refunded and the redemption price of 100% of the principal amount of the Prior Bonds, on [_____] 1, 20[____], the redemption date therefore, as identified below. The mathematical computations used to determine the sufficiency of the escrow deposit will be verified in a verification report by the Verification Agent (defined herein). See “MISCELLANEOUS – Verification of Mathematical Computations.”

Set forth [below][on the following page] is a description of the Prior Bonds expected to be refunded on the Redemption Date with proceeds of the Refunding Bonds:

**Los Angeles Unified School District
(County of Los Angeles, California)
[_____] , Series [_____]**

Maturity Date (July 1)	Principal Amount	Interest Rate	Redemption Date	Redemption Price	CUSIP (544646)
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* Preliminary; subject to change.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds with respect to the Refunding Bonds are as follows:

TABLE 2
ESTIMATED SOURCES AND USES OF FUNDS

Estimated Sources of Funds	
Principal Amount	\$
[Net] Original Issue [Premium/Discount]	<hr/>
Total Sources	<hr/> <hr/>
 Estimated Uses of Funds	
Deposit to Escrow Fund	
Underwriters' Discount	
Costs of Issuance ⁽¹⁾	<hr/>
Total Uses	<hr/> <hr/>

⁽¹⁾ Includes fees of Bond Counsel, Disclosure Counsel, Paying Agent, Escrow Agent, Municipal Advisor, rating agencies, printer, verification agent, and other miscellaneous expenses.

THE REFUNDING BONDS

General Provisions

The Refunding Bonds will be dated their date of delivery, will be issued in book-entry form only, without coupons, in denominations of \$5,000 principal amount or any integral multiple thereof, and, when issued, will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository for the Refunding Bonds. Owners will not receive physical certificates representing their interest in the Refunding Bonds purchased, except in the event that use of the book-entry system for the Refunding Bonds is discontinued. Payments of principal of, premium, if any, and interest on the Refunding Bonds will be made by the Paying Agent to DTC, which is obligated in turn to remit such payments to its DTC Participants for subsequent disbursement to the beneficial owners of the Refunding Bonds. For information about the securities depository and DTC's book-entry system, see APPENDIX C – "BOOK-ENTRY ONLY SYSTEM."

The Refunding Bonds mature in the years and on the dates set forth on the inside front cover page hereof. Interest on the Refunding Bonds is payable on each January 1 and July 1 to maturity, commencing on [] 1, 20[] (each, an "Interest Payment Date"). Interest on the Refunding Bonds will be computed based on a 360-day year of twelve 30-day months. Each Refunding Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless it is authenticated as of a date during the period from the 15th day of the calendar month immediately preceding such Interest Payment Date, inclusive, whether or not such day is a business day (each, a "Record Date") to such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless it is authenticated on or before the Record Date preceding the first Interest Payment Date, in which event it shall bear interest from the date of delivery of the Refunding Bonds.

Redemption*

Optional Redemption. The Refunding Bonds maturing on or after July 1, 20__, are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after July 1, 20__, at a redemption price equal to the principal amount of such Refunding Bonds called for redemption, together with interest accrued thereon to the date of redemption, without premium.

Mandatory Sinking Fund Redemption. The Refunding Bonds maturing on July 1, 20__ are subject to mandatory sinking fund redemption on July 1 in each of the years and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed, together with interest accrued thereon to the date fixed for redemption, without premium:

Mandatory Sinking Fund Redemption Date (July 1)	Principal Amount to be Redeemed
	\$
†	
† Maturity.	

The principal amount to be redeemed in each year shown above will be reduced proportionately, or as otherwise directed by the District, in integral multiples of \$5,000 principal amount, by any portion of such term bonds optionally redeemed prior to the mandatory sinking fund redemption date.

The Refunding Bonds maturing on July 1, 20__ are subject to mandatory sinking fund redemption on July 1 in each of the years and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed, together with interest accrued thereon to the date fixed for redemption, without premium:

Mandatory Sinking Fund Redemption Date (July 1)	Principal Amount to be Redeemed
	\$
†	
† Maturity.	

The principal amount to be redeemed in each year shown above will be reduced proportionately, or as otherwise directed by the District, in integral multiples of \$5,000 principal amount, by any portion of such term bonds optionally redeemed prior to the mandatory sinking fund redemption date.

* Preliminary; subject to change.

Selection of Refunding Bonds upon Redemption. If less than all of the Refunding Bonds, if any, are subject to such redemption and are called for redemption, such Refunding Bonds shall be redeemed as directed by the District, and if less than all of the Refunding Bonds of any given maturity are called for redemption, the portions of such Refunding Bonds of a given maturity to be redeemed shall be determined by lot in any manner deemed fair by the Paying Agent.

Notice of Redemption. Notice of any redemption of any Refunding Bonds is required to be mailed by the Paying Agent, postage prepaid, not less than twenty (20) nor more than sixty (60) days prior to the redemption date (i) by first class mail to the respective Owners thereof at the addresses appearing on the bond registration books, and (ii) as may be further required in accordance with the Continuing Disclosure Certificate relating to the Refunding Bonds.

Each notice of redemption is required to contain the following: (i) the date of such notice; (ii) the name of the Refunding Bonds and the date of issue of such Refunding Bonds; (iii) the redemption date; (iv) the redemption price; (v) the dates of maturity or maturities of the Refunding Bonds to be redeemed; (vi) if less than all of the Refunding Bonds of any maturity are to be redeemed, the distinctive numbers of the Refunding Bonds of each maturity to be redeemed; (vii) in the case of Refunding Bonds redeemed in part only, the respective portions of the principal amount of the Refunding Bonds of each maturity to be redeemed; (viii) the CUSIP number, if any, of each maturity of Refunding Bonds to be redeemed; (ix) a statement that such Refunding Bonds must be surrendered by the Owners at the principal corporate trust office of the Paying Agent, or at such other place or places designated by the Paying Agent; (x) notice that further interest on such Refunding Bonds will not accrue after the designated redemption date; and (xi) in the case of a conditional notice, that such notice is conditioned upon certain circumstances and the manner of rescinding such conditional notice.

Effect of Notice. A certificate of the Paying Agent that the notice of redemption that has been given to Owners as herein provided shall be conclusive as against all parties. Neither the failure to receive the notice of redemption, nor any defect in such notice shall affect the sufficiency of the proceedings for the redemption of the Refunding Bonds called for redemption or the cessation of interest on the date fixed for redemption. When notice of redemption has been given substantially as provided for in the Refunding Resolution, and when the redemption price of such Refunding Bonds called for redemption is set aside for the purpose as described in the Refunding Resolution, the Refunding Bonds designated for redemption shall become due and payable on the specified redemption date and interest shall cease to accrue thereon as of the redemption date, and upon presentation and surrender of such Refunding Bonds at the place specified in the notice of redemption, such Refunding Bonds are required to be redeemed and paid at the redemption price thereof out of the money provided therefor. The Owners of such Refunding Bonds so called for redemption after such redemption date shall be entitled to payment thereof only from the related Interest and Sinking Fund of the District or the trust fund established for such purpose. All Refunding Bonds redeemed will be cancelled forthwith by the Paying Agent and will not be reissued.

Right to Rescind Notice. The District may rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the owners of the Refunding Bonds so called for redemption. Any optional redemption and notice thereof shall be rescinded if for any reason on the date fixed for redemption moneys are not available in the related Interest and Sinking Fund of the District or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of and premium, if any, and interest due on the Refunding Bonds called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the owner of any Refunding Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

Redemption Fund. Prior to or on the redemption date of any Refunding Bonds, there shall be available, in the related Interest and Sinking Fund of the District, or held in trust for such purpose as provided by law, monies for the purpose and sufficient to redeem, at the redemption prices as provided therefor, the Refunding Bonds designated in the notice of redemption. Such monies set aside for the Refunding Bonds are required to be applied on or after the redemption date solely for payment of principal of and premium, if any, and interest due on the Refunding Bonds to be redeemed upon presentation and surrender of such Refunding Bonds provided that all monies in the related Interest and Sinking Fund of the District shall be used for the purposes established and permitted by law. Any interest due on or prior to the redemption date shall be paid from the related Interest and Sinking Fund of the District, unless otherwise provided to be paid from such monies held in trust. If, after all of the Refunding Bonds have been redeemed and cancelled or paid and cancelled, there are monies remaining in the related Interest and Sinking Fund of the District or otherwise held in trust for the payment of the redemption price of such Refunding Bonds, the monies are required to be held in or returned or transferred to any Interest and Sinking Fund of the District for payment of any outstanding bonds of the District payable from such fund; provided, however, that if those monies are part of the proceeds of bonds of the District, the monies shall be transferred to the fund created for the payment of principal of and interest on such bonds. If no such bonds of the District are at such time outstanding, the monies shall be transferred to the general fund of the District as provided and permitted by law.

Defeasance and Unclaimed Moneys

Defeasance. If at any time the District pays or causes to be paid or there shall otherwise be paid to the Owners of any or all of the outstanding Refunding Bonds all or any part of the principal of and premium, if any, and interest on such Refunding Bonds at the times and in the manner provided in the Refunding Resolution and in such Refunding Bonds, or as provided in the following paragraph, or as otherwise provided by law consistent herewith, then such Owners of such Refunding Bonds shall cease to be entitled to the obligation of the District as provided in the Refunding Resolution, and such obligation and all agreements and covenants of the District and of the County to such Owners under the Refunding Resolution and such Refunding Bonds shall thereupon be satisfied and discharged and shall terminate, except only that the District shall remain liable for payment of all principal of and premium, if any, and interest on such Refunding Bonds, but only out of monies on deposit in the related Interest and Sinking Fund of the District or otherwise held in trust for such payment; and provided further, however, that the provisions of the Refunding Resolution, shall apply in all events. See “– Unclaimed Moneys” below.

The District may pay and discharge any or all of the Refunding Bonds by depositing in trust with the Paying Agent or an escrow agent, selected by the District, at or before maturity, money and/or Defeasance Securities (as defined herein), in an amount which will, together with the interest to accrue thereon and available monies then on deposit in the related Interest and Sinking Fund of the District, be fully sufficient to pay and discharge the indebtedness on such Refunding Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates.

The term “Defeasance Securities” means (i) non-callable direct and general obligations of the United States of America (including state and local government series), or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including, in the case of direct and general obligations of the United States of America, evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations; provided that investments in such proportionate interests must be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account, segregated from the custodian’s general assets, and are not available to satisfy

any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; (ii) non-callable obligations of government sponsored agencies that are rated in one of the two highest rating categories assigned by Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P") or Moody's Investors Service ("Moody's"), but in each case the obligations are not guaranteed by a pledge of the full faith and credit of the United States of America; and (iii) Advance Refunded Municipal Securities (defined herein).

The term "Advance Refunded Municipal Securities" means any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local government unit of any such state (i) which are not callable prior to maturity or as to which irrevocable instructions have been given to the trustee, fiscal agent or other fiduciary for such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds or other obligations for redemption on the date or dates specified in such instructions, (ii) which are secured as to principal of, premium, if any, and interest by a fund consisting only of cash, direct United States or United States guaranteed obligations, or any combination thereof, which fund may be applied only to the payment of such principal of, premium, if any, and interest on such bonds or other obligations on the maturity date or dates thereof or the redemption date or dates specified in the irrevocable instructions referred to in clause (i) above, as appropriate, and (iii) as to which the principal of, premium, if any, and interest on the bonds and obligations of the character described in clause (i) above which have been deposited in such fund, along with any cash on deposit in such fund, have been verified by an independent certified public accountant as being sufficient to pay principal of, premium, if any, and interest on such bonds or other obligations on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in clause (i) above, as applicable.

Unclaimed Moneys. Any money held in any fund created pursuant to the Refunding Resolution, or by the Paying Agent or an escrow agent in trust, for the payment of the principal of and premium, if any, and interest on the Refunding Bonds, and remaining unclaimed for two years after the principal of all of the Refunding Bonds has become due and payable (whether by maturity or upon prior redemption) shall be transferred to any Interest and Sinking Fund of the District for payment of any outstanding bonds of the District payable from that fund; or, if no such bonds of the District are at such time outstanding, the monies shall be transferred to the general fund of the District as provided and permitted by law.

SECURITY AND SOURCE OF PAYMENT FOR THE REFUNDING BONDS

General Description

The Refunding Bonds are payable from *ad valorem* property taxes to be levied within the District pursuant to the California Constitution and other State law. In order to provide sufficient funds for repayment of principal and interest when due on the Refunding Bonds, the Board of Supervisors of the County is empowered and is obligated to levy *ad valorem* property taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates). When collected, such *ad valorem* property taxes are required by law to be deposited in the related Interest and Sinking Fund of the District, which is established for the Refunding Bonds of the related voter-approved measure, held and maintained by the County and may only be applied to pay the principal of, redemption premium, if any, and interest on the Refunding Bonds of such voter-approved measure. Such taxes are in addition to but separate from other taxes levied upon property within the District that are deposited by the County in the General Fund of the District. The District does not receive such funds, nor are they available to pay any of the District's operating expenses.

Under California law, the District's funds are required to be held by the Treasurer and Tax Collector of the County (the "County Treasurer"). All funds held by the County Treasurer in each Interest and Sinking

Fund of the District are expected to be invested at the discretion of the County Treasurer on behalf of the District in such investments as are authorized by Section 53601 and following of the California Government Code and the investment policy of the County, as either may be amended or supplemented from time to time. See APPENDIX F – “THE LOS ANGELES COUNTY TREASURY POOL.”

Pledge of Tax Revenues

Pursuant to the Refunding Resolution, the District pledges and grants a lien on and security interest in, all revenues from the property taxes collected from the levy by the Board of Supervisors with respect to each voter-approved bond measure of the District for payment of bonds issued under such measure of the District and all amounts on deposit in any Interest and Sinking Fund of the District for the payment of the principal or redemption price of and interest on such bonds. The Refunding Resolution provides that this pledge and grant is valid and binding from the date of adoption of the Refunding Resolution for the benefit of the owners of such bonds and successors thereto. The Refunding Resolution further provides that the property taxes and amounts held in each Interest and Sinking Fund of the District are immediately subject to this pledge and grant, and this pledge and grant constitutes a lien and security interest which immediately attaches to the property taxes and amounts held in such Interest and Sinking Fund of the District to secure the payment of such bonds and is effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge or grant, and without the need of any physical delivery, recordation, filing, or further act. The Refunding Resolution provides that this pledge and grant is an agreement between the District and the owners of the Refunding Bonds and of each issue of outstanding general obligation bonds and general obligation refunding bonds to provide security for each the Refunding Bonds and all such other general obligation bonds and general obligation refunding bonds of the District in addition to any statutory lien that may exist, and each such issue of general obligation bonds and general obligation refunding bonds of the District are or were issued to finance or refinance, as applicable, one or more of the projects specified in the applicable voter-approved measure and not to finance the general purposes of the District. In accordance with Section 15251 of the Education Code, such bonds are also automatically secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax for the applicable voter-approved measure. See “ – Statutory Lien on Taxes (Senate Bill 222)” below.

The pledge of tax revenues provided for in the Refunding Resolution specifies that said lien secures the Refunding Bonds and other bonds that may be issued in the future. Further, previous general obligation bonds of the District have been issued under resolutions which pledge tax revenues to secure the general obligation bonds and the general obligation refunding bonds issued thereunder and the District may provide for a similar pledge of tax revenues in resolutions adopted in the future that authorize general obligation bonds and general obligation refunding bonds. The Refunding Resolution does not specify the relative priority of obligations so secured or a method of allocation in the event that the revenues received pursuant to the levy and collection of the tax are insufficient to pay all amounts then due and owing that are secured by the lien of the pledges.

Statutory Lien on Taxes (Senate Bill 222)

Pursuant to Section 53515 of the California Government Code (which became effective on January 1, 2016, as part of Senate Bill 222), all general obligation bonds issued by local agencies, including refunding bonds (including the Refunding Bonds), will be secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax. California Education Code Section 15251 provides for a similar lien for bonds issued and sold by school districts pursuant to Chapter 1 of Part 10 of Division 1 of Title 1 of the California Education Code. Section 53515 of the California Government Code and Section 15251 of the California Education Code provide that the lien will automatically arise, without the need for any action or authorization by the local agency or its governing board, and will be valid and binding

from the time the bonds are executed and delivered. Section 53515 and Section 15251 further provide that the revenues received pursuant to the levy and collection of the tax will be immediately subject to the lien, and the lien will immediately attach to the revenues and be effective, binding and enforceable against the local agency or school district, as applicable, its successor, transferees and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for physical delivery, recordation, filing or further act.

This statutory lien, by its terms, secures not only the Refunding Bonds, but also any other bonds of the District payable, as to both principal and interest, from the proceeds of *ad valorem* property taxes that may be levied pursuant to paragraphs (2) and (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution. The statutory lien provision does not specify the relative priority of obligations so secured or a method of allocation in the event that the revenues received pursuant to the levy and collection of the tax are insufficient to pay all amounts then due and owing that are secured by the statutory lien.

California Constitutional and Statutory Provisions Relating to *Ad Valorem* Property Taxes

Article XIII A of the California Constitution. On June 6, 1978, California voters approved Proposition 13, adding Article XIII A to the California Constitution. Article XIII A limits the amount of any *ad valorem* property tax on real property to one percent of the full cash value thereof, except that additional *ad valorem* property taxes may be levied to pay debt service (i) on indebtedness approved by the voters prior to July 1, 1978, (ii) (as a result of an amendment to Article XIII A approved by California voters on June 3, 1986) on bonded indebtedness for the acquisition or improvement of real property that has been approved on or after July 1, 1978 by two-thirds of the voters voting on such indebtedness, and (iii) (as a result of a constitutional amendment approved by California voters on November 7, 2000) on bonded indebtedness incurred for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities, approved by 55 percent of the voters voting on the bond measure. Article XIII A effectively prohibits the levying of any other *ad valorem* property tax above the 1% limit except for taxes to support indebtedness approved by the voters as described above.

Article XIII A defines full cash value to mean “the county assessor’s valuation of real property as shown on the 1975-1976 tax bill under full ‘cash value,’ or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment.” Assessed value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or to reflect a reduction in the consumer price index or comparable data for the area under taxing jurisdiction, or may be reduced in the event of declining property value caused by substantial damage, destruction or other factors. As a result, property that has been owned by the same taxpayer for many years can have an assessed value that is much lower than the market value of the property. Similar property that has recently been acquired may have a substantially higher assessed value reflecting the recent acquisition price. Increases in assessed value in a taxing area due to the change in ownership of property may occur even when the rate of inflation or consumer price index do not permit an increase in assessed valuation of property that does not change ownership. Proposition 13 has had the effect of stabilizing assessed valuation such that it does not fluctuate as significantly as the market value of property, but instead gradually changes as longer owned residential properties are transferred and reassessed upon such transfer. On June 18, 1992, the United States Supreme Court issued a decision upholding the constitutionality of Article XIII A (*Nordlinger v. Hahn*, 112 S. Ct. 2326, 120 L. Ed. 2d 1 (1992)).

Article XIII A has subsequently been amended to permit reduction of the full cash value base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the full cash value base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways. Proposition 8, approved by the voters in

November of 1978, provides for the enrollment of the lesser of the base year value or the market value of real property, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property, or other factors causing a similar decline. In these instances, the market value is required to be reviewed annually until the market value exceeds the base year value. The assessed value increases to its pre-reduction level (escalated to the annual inflation rate of no more than two percent) following the year(s) for which the reduction is applied. Reductions in assessed value could result in a corresponding increase in the annual tax rate levied by the County to pay debt service on the Refunding Bonds.

Legislation Implementing Article XIII A. Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The one percent property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the two percent annual adjustment are allocated among the various jurisdictions in the “taxing area” based upon their respective “situation.” Any such allocation made to a local agency continues as part of its allocation in future years. All taxable property is shown at full assessed value on the tax rolls. Consequently, the one percent tax rate is expressed as \$1 per \$100 of taxable value.

Prospective purchasers of the Refunding Bonds should be aware that, notwithstanding any decrease in assessed valuation for any fiscal year, the County is required to levy sufficient taxes to pay debt service on the Refunding Bonds. The consequence of any decrease in assessed valuation is a corresponding increase in the tax rate on taxable property so that sufficient tax revenues may be collected from taxpayers to pay debt service on the Refunding Bonds in full when due.

Assessed Valuation of Property Within the District

General. As required by State law, the District uses the services of the County for the assessment and collection of taxes for District purposes. District taxes are collected at the same time and on the same tax rolls as are the County, the City of Los Angeles and other local agency and special district taxes.

State law exempts \$7,000 of the full cash value of an owner-occupied dwelling from property tax, but this exemption does not result in any loss of revenue to local entities, including the District, because an amount equivalent to the taxes which would have been payable on such exempt values is paid by the State to the County for distribution to local agencies. The County levies property taxes on behalf of taxing agencies in the County for each fiscal year on taxable real and personal property which is situated in the County as of the preceding January 1. However, upon a change in ownership of property or completion of new construction, State law permits the County to recognize changes in the assessed valuation of real property before the next regular assessment roll is complete in order to levy taxes based on the new assessed value. In such instances, the property is reassessed and a supplemental tax bill is sent to the new owner based on the new value prorated for the balance of the tax year.

The fiscal year 2023-24 Assessment Roll for property within the District’s boundaries reflects an increase of approximately 5.96% in assessed value from the prior year. Under State law, in addition to reassessments requested by property owners pursuant to Proposition 8 when the current market value of property is less than assessed value as of January 1, the county assessor annually initiates reviews of property for reassessments due to decline-in-value. See “—*Appeals of Assessed Valuation; Blanket Reductions of Assessed Values*” below.

TABLE 3
LOS ANGELES UNIFIED SCHOOL DISTRICT
Historical Gross Assessed Valuation of Taxable Property⁽¹⁾
Fiscal Years 2009-10 through 2023-24
(\$ in thousands)

Fiscal Year	Secured⁽²⁾	Unsecured	Total⁽²⁾	Change From Prior Year	Percent Change
2009-10	\$451,127,882	\$23,849,409	\$474,977,291	\$187,493	--
2010-11	442,092,473	21,753,078	463,845,551	(11,131,740)	(2.34)%
2011-12	447,830,204	21,265,021	469,095,225	5,249,674	1.13
2012-13	458,767,053	21,308,439	480,075,492	10,980,267	2.34
2013-14	482,043,584	21,634,336	503,677,920	23,602,428	4.92
2014-15	510,371,502	22,562,705	532,934,207	29,256,287	5.81
2015-16	546,807,059	23,362,404	570,169,464	37,235,257	6.99
2016-17	581,473,213	24,495,794	605,969,007	35,799,543	6.28
2017-18	619,162,082	25,342,665	644,504,747	38,535,740	6.36
2018-19	665,355,078	27,377,547	692,732,625	48,227,878	7.48
2019-20	710,954,606	28,442,486	739,397,092	46,664,467	6.73
2020-21	759,004,739	28,679,270	787,684,010	48,286,918	6.53
2021-22	790,822,215	27,581,051	818,403,266	30,719,256	3.90
2022-23	848,435,713	29,196,328	877,632,041	59,228,775	7.24
2023-24	898,345,149	31,634,928	929,980,077	52,348,036	5.96

⁽¹⁾ Full cash value.

⁽²⁾ Includes utility valuations.

Source: California Municipal Statistics, Inc.

Assessed Valuation Reductions. Assessments may be adjusted during the course of the year when real property changes ownership or new construction is completed. Assessments may also be appealed by taxpayers seeking a reduction as a result of economic and other factors beyond the District’s control, such as a general market decline in property values, including potential market declines caused by the effects of a reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), pandemic, or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, drought, flood, landslide, liquefaction, levee failure, fire, toxic dumping, etc. When necessitated by changes in assessed value in the course of a year, taxes are pro-rated for each portion of the tax year. See also “—*Appeals of Assessed Valuation; Blanket Reductions of Assessed Values*” below.

Property values could be reduced by factors beyond the District’s control, including a depressed real estate market due to general economic conditions or other events. A pandemic, like the COVID-19 pandemic, may result in an economic recession or depression that causes a general market decline in property values therefore affecting the assessed value of property in the District. For more information on the impact of the COVID-19 pandemic, see APPENDIX A – “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – STATE FUNDING OF SCHOOL DISTRICTS – Infectious Disease Outbreak.” Events resulting in changing economic conditions may also alter the willingness or the ability of local taxpayers to pay *ad valorem* property taxes levied to repay the District’s general obligation bonds. The District cannot predict whether events that may result in changing economic conditions will occur or the extent that a change in economic conditions will impact assessed value of property in the District or the willingness or ability of local taxpayers to pay *ad valorem* property taxes.

Aside from economic conditions, property values could be reduced by natural or manmade disasters. In recent years, portions of California, including the County and adjacent counties, have experienced wildfires that have burned thousands of acres and destroyed thousands of homes and structures. Moreover, the District is located in a seismically active region. Active earthquake faults include the San Andreas Fault that runs throughout the County, the Palos Verdes fault that runs along the coast and through a small portion of the County, and other smaller faults including the Lower Elysian Park thrust, the Upper Elysian Park fault and Puente Hills blind thrust system. Furthermore, California has experienced severe drought conditions in recent years, but has most recently experienced periods of extreme precipitation. These and other extreme weather events are all effects of climate change. As greenhouse gas emissions continue to accumulate, climate change may intensify and increase the frequency of such extreme weather events. The District cannot predict the timing, extent, or severity of any potential natural or manmade disaster and its impact on property values in the District.

Prospective purchasers of the Refunding Bonds should be aware that, notwithstanding any decrease in assessed valuation for any fiscal year, the County is required to levy sufficient taxes to pay debt service on the Refunding Bonds. The consequence of any decrease in assessed valuation is a corresponding increase in the tax rate on taxable property so that sufficient tax revenues may be collected from taxpayers to pay debt service on the Refunding Bonds in full when due. However, increases in tax rates may impact the ability or willingness of taxpayers to pay their property taxes. See “ – Tax Rates, Levies and Collections.”

Appeals of Assessed Valuation; Blanket Reductions of Assessed Values. There are two basic types of property tax assessment appeals provided for under State law. The first type of appeal, commonly referred to as a base year assessment appeal, involves a dispute on the valuation assigned by the assessor immediately subsequent to an instance of a change in ownership or completion of new construction. If the base year value assigned by the assessor is reduced, the valuation of the property cannot increase in subsequent years more than 2% annually unless and until another change in ownership and/or additional new construction or reconstruction activity occurs. Any base year appeal must be made within four years of the change of ownership or new construction date.

The second type of appeal, commonly referred to as a Proposition 8 appeal, can result if factors occur causing a decline in the market value of the property to a level below the property's then current taxable value (escalated base year value). Pursuant to State law, a property owner may apply for a Proposition 8 reduction of the property tax assessment for such owner's property by filing a written application with the appropriate county board of equalization or assessment appeals board. A property owner desiring a Proposition 8 reduction of the assessed value of such owner's property in any one year must submit an application to the county assessment appeals board (the "Appeals Board"). Following a review of the application by the county assessor's office, the county assessor may offer to the property owner the opportunity to stipulate to a reduced assessment, or may confirm the assessment. If no stipulation is agreed to, and the applicant elects to pursue the appeal, the matter is brought before the Appeals Board (or, in some cases, a hearing examiner) for a hearing and decision. The Appeals Board generally is required to determine the outcome of appeals within two years of each appeal's filing date. Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which the written application is filed. The assessed value increases to its pre-reduction level (such pre-reduction level escalated by the annual inflation rate of no more than 2%) following the year for which the reduction application is filed. However, the county assessor has the power to grant a reduction not only for the year for which application was originally made, but also for the then current year and any intervening years as well. In practice, such a reduced assessment may and often does remain in effect beyond the year in which it is granted.

In addition, Article XIII A of the State Constitution provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. This measure is computed on a calendar year basis. According to representatives of the County assessor's office, the County has in the past, pursuant to Article XIII A of the State Constitution, ordered blanket reductions of assessed property values and corresponding property tax bills on single family residential properties when the value of the property has declined below the current assessed value as calculated by the County.

No assurance can be given that property tax appeals and/or blanket reductions of assessed property values will not significantly reduce the assessed valuation of property within the District in the future.

Assessed Valuation by Jurisdiction. The following Table 4 describes the percentage and value of the total assessed value of the property within the District's boundaries that resides in the various cities and unincorporated portions of the County, as well as the assessed value of property within the District relative to the County's assessed value, for fiscal year 2023-24.

TABLE 4
LOS ANGELES UNIFIED SCHOOL DISTRICT
Fiscal Year 2023-24 Assessed Valuation by Jurisdiction

Jurisdiction	Assessed Valuation in District	% of District	Assessed Valuation of Jurisdiction	% of Jurisdiction in District
City of Bell	\$1,898,648,181	0.20%	\$2,386,832,811	79.55%
City of Bell Gardens	64,627,089	0.01	2,357,100,409	2.74
City of Beverly Hills	206,172,057	0.02	44,985,003,719	0.46
City of Calabasas	750,267	0.00	10,384,929,447	0.01
City of Carson	18,971,870,845	2.04	21,126,060,071	89.80
City of Commerce	393,476,151	0.04	7,130,442,900	5.52
City of Cudahy	1,082,136,157	0.12	1,082,375,575	99.98
City of Culver City	62,179,384	0.01	16,462,393,824	0.38
City of Downey	676	0.00	14,983,555,256	0.00
City of Gardena	8,656,755,345	0.93	8,656,755,345	100.00
City of Hawthorne	898,857,307	0.10	10,842,229,863	8.29
City of Huntington Park	4,024,858,436	0.43	4,024,858,436	100.00
City of Inglewood	43,767,072	0.00	16,123,306,112	0.27
City of Lomita	3,090,826,491	0.33	3,090,826,491	100.00
City of Long Beach	467,031,174	0.05	75,868,478,130	0.62
City of Los Angeles	819,314,948,319	88.10	819,772,705,348	99.94
City of Lynwood	60,507,001	0.01	4,538,648,661	1.33
City of Maywood	1,331,533,103	0.14	1,331,533,103	100.00
City of Montebello	12,963,135	0.00	7,950,856,621	0.16
City of Monterey Park	302,702,231	0.03	9,715,095,200	3.12
City of Rancho Palos Verdes	1,592,479,481	0.17	16,396,993,841	9.71
City of Rolling Hills Estates	26,956,445	0.00	4,672,574,538	0.58
City of San Fernando	2,609,359,578	0.28	2,609,359,578	100.00
City of Santa Clarita	54,430	0.00	44,856,053,742	0.00
City of Santa Monica	1,109,849	0.00	48,958,244,546	0.00
City of South Gate	6,327,886,721	0.68	7,756,779,545	81.58
City of Torrance	60,748,689	0.01	38,198,891,637	0.16
City of Vernon	7,948,251,550	0.85	7,948,251,550	100.00
City of West Hollywood	16,955,678,507	1.82	16,955,678,507	100.00
Unincorporated Los Angeles County	33,572,941,168	3.61	137,490,774,283	24.42
Total District	\$929,980,076,839	100.00%		
 Los Angeles County	 \$929,980,076,839	 100.00%	 \$2,005,261,690,790	 46.38%

Source: California Municipal Statistics, Inc.

Assessed Valuation by Land Use. The following Table 5 sets forth the assessed valuation by land use of property within the District in fiscal year 2023-24.

TABLE 5
LOS ANGELES UNIFIED SCHOOL DISTRICT
Local Secured Assessed Valuation and Parcels by Land Use
Fiscal Year 2023-24

	2023-24 Assessed Valuation⁽¹⁾	% of Total	No. of Parcels	% of Total
<u>Non-Residential:</u>				
Commercial/Office Building	\$150,905,944,798	16.80%	51,111	5.28%
Industrial	94,627,787,691	10.53	24,867	2.57
Recreational	2,635,325,413	0.29	1,234	0.13
Government/Social/Institutional	4,599,858,112	0.51	5,129	0.53
Miscellaneous	499,608,202	0.06	994	0.1
Subtotal Non-Residential	\$253,268,524,216	28.20%	83,335	8.61%
<u>Residential:</u>				
Single Family Residence	\$408,068,510,052	45.43%	578,883	59.83%
Condominium/Townhouse	80,954,041,301	9.01	138,017	14.27
Mobile Home Related	517,690,748	0.06	115	0.01
2-4 Residential Units	52,740,752,621	5.87	96,441	9.97
5+ Residential Units/Apartments	97,260,923,369	10.83	42,215	4.36
Miscellaneous Residential	53,660,212	0.01	320	0.03
Subtotal Residential	\$639,595,578,303	71.21%	855,991	88.48%
Vacant Parcels	\$5,369,854,036	0.60%	28,149	2.91%
Total	\$898,233,956,555	100.00%	967,475	100.00%

⁽¹⁾ Local Secured Assessed Valuation, excluding tax-exempt property.

Source: California Municipal Statistics, Inc.

Assessed Valuation of Single-Family Homes. The following Table 6 sets forth the distribution of single-family homes within the District within various assessed valuation ranges in fiscal year 2023-24.

TABLE 6
LOS ANGELES UNIFIED SCHOOL DISTRICT
Assessed Valuations of Single Family Homes Per Parcel
Fiscal Year 2023-24

	No. of Parcels	2023-24 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single-Family Residential	578,883	\$408,068,510,052	\$704,924	\$444,269

2023-24 Assessed Valuation	No. of Parcels⁽¹⁾	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
\$0 - \$99,999	46,072	7.959%	7.959%	\$2,971,697,039	0.728%	0.728%
\$100,000 - \$199,999	64,820	11.197	19.156	9,924,757,997	2.432	3.160
\$200,000 - \$299,999	83,585	14.439	33.595	20,838,318,544	5.107	8.267
\$300,000 - \$399,999	68,324	11.803	45.398	23,794,903,026	5.831	14.098
\$400,000 - \$499,999	57,567	9.944	55.342	25,831,034,834	6.330	20.428
\$500,000 - \$599,999	49,439	8.540	63.883	27,109,248,408	6.643	27.071
\$600,000 - \$699,999	41,147	7.108	70.991	26,677,628,507	6.538	33.609
\$700,000 - \$799,999	32,051	5.537	76.528	23,972,795,061	5.875	39.484
\$800,000 - \$899,999	24,268	4.192	80.720	20,573,688,859	5.042	44.525
\$900,000 - \$999,999	17,693	3.056	83.776	16,763,609,387	4.108	48.633
\$1,000,000 - \$1,099,999	12,562	2.170	85.946	13,155,607,699	3.224	51.857
\$1,100,000 - \$1,199,999	9,592	1.657	87.603	11,010,712,840	2.698	54.556
\$1,200,000 - \$1,299,999	7,797	1.347	88.950	9,731,103,852	2.385	56.940
\$1,300,000 - \$1,399,999	7,181	1.240	90.191	9,675,405,438	2.371	59.311
\$1,400,000 - \$1,499,999	5,887	1.017	91.208	8,522,869,688	2.089	61.400
\$1,500,000 - \$1,599,999	5,151	0.890	92.097	7,968,768,045	1.953	63.353
\$1,600,000 - \$1,699,999	4,581	0.791	92.889	7,547,907,532	1.850	65.202
\$1,700,000 - \$1,799,999	3,886	0.671	93.560	6,796,839,459	1.666	66.868
\$1,800,000 - \$1,899,999	3,422	0.591	94.151	6,327,362,819	1.551	68.418
\$1,900,000 - \$1,999,999	3,118	0.539	94.690	6,078,345,159	1.490	69.908
\$2,000,000 - \$2,099,999	2,533	0.438	95.127	5,188,748,001	1.272	71.180
\$2,100,000 - \$2,199,999	2,186	0.378	95.505	4,696,463,036	1.151	72.330
\$2,200,000 - \$2,299,999	1,972	0.341	95.846	4,437,475,795	1.087	73.418
\$2,300,000 - \$2,399,999	1,758	0.304	96.149	4,131,607,664	1.012	74.430
\$2,400,000 - \$2,499,999	1,639	0.283	96.432	4,015,802,966	0.984	75.414
\$2,500,000 - \$2,599,999	1,404	0.243	96.675	3,577,290,317	0.877	76.291
\$2,600,000 - \$2,699,999	1,366	0.236	96.911	3,614,539,205	0.886	77.177
\$2,700,000 - \$2,799,999	1,253	0.216	97.127	3,441,950,720	0.843	78.020
\$2,800,000 - \$2,899,999	1,092	0.189	97.316	3,110,456,960	0.762	78.783
\$2,900,000 - \$2,999,999	1,053	0.182	97.498	3,103,766,802	0.761	79.543
\$3,000,000 and greater	14,484	2.502	100.000	83,477,804,393	20.457	100.000
Total	578,883	100.000%		\$408,068,510,052	100.000%	

⁽¹⁾ Improved single-family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: California Municipal Statistics, Inc.

Largest Secured Taxpayers in the District. The following Table 7 sets forth the twenty taxpayers with the greatest combined ownership of secured taxable property in the District on the fiscal year 2023-24 tax roll, and the secured assessed valuation of all property owned by those taxpayers in all taxing jurisdictions within the District.

TABLE 7
LOS ANGELES UNIFIED SCHOOL DISTRICT
Largest Local Secured Taxpayers⁽¹⁾
Fiscal Year 2023-24

	Property Owner	Primary Land Use	2023-24 Assessed Valuation	% of Total⁽²⁾
1.	Universal Studios LLC	Movie Studio	\$3,119,828,062	0.35%
2.	Douglas Emmett LLC	Office Building	2,976,972,693	0.33
3.	Essex Portfolio LP	Apartments	2,702,864,870	0.30
4.	Rexford Industrial Realty LP	Industrial	2,285,203,101	0.25
5.	Century City Mall LLC	Shopping Center/Mall	1,110,574,262	0.12
6.	Next Century Partners LLC	Residential/Hotel	1,097,659,368	0.12
7.	FSP South Flower Street	Office Building	1,003,714,148	0.11
8.	CJDB LLC	Shopping Center/Mall	967,010,182	0.11
9.	Rochelle H. Sterling	Apartments	898,094,714	0.10
10.	Hanjin International Corp.	Hotel	891,027,387	0.10
11.	Anheuser Busch Commercial	Industrial	843,163,069	0.09
12.	One Hundred Towers LLC	Office Building	715,390,295	0.08
13.	Trizec 333 LA LLC	Office Building	701,018,682	0.08
14.	Onni Wilshire Courtyard LLC	Office Building	673,342,925	0.07
15.	Maguire Partners 355 S. Grand LLC	Office Building	655,596,686	0.07
16.	BRE HH Property Owner LLC	Office Building	650,561,002	0.07
17.	Olympic and Georgia Partners LLC	Hotel	625,519,745	0.07
18.	Tishman Speyer Archstone Smith	Apartments	623,996,307	0.07
19.	LA Live Properties LLC	Commercial	582,531,585	0.06
20.	Maguire Properties 555 W. Fifth	Office Building	574,760,357	0.06
			\$23,698,829,440	2.64%

⁽¹⁾ Excludes taxpayers with values derived from mineral rights or a possessory interest. Historically, among the top 10 taxpayers within the District are landowners with primary land use of oil and gas production, including Marathon Petroleum Corporation, Phillips 66 Company and Valero Energy Corporation, which are not reflected in the table above.

⁽²⁾ Local Secured Assessed Valuation, excluding tax-exempt property and utility valuations: \$898,233,956,555.

Source: California Municipal Statistics, Inc.

The more property (by assessed value) owned by a single taxpayer, the more tax collections are exposed to weakness, if any, in such taxpayer's financial situation and ability or willingness to pay property taxes in a timely manner. Furthermore, assessments may be appealed by taxpayers seeking a reduction as a result of economic and other factors beyond the District's control.

Tax Rates, Levies and Collections

General. Taxes are levied for each fiscal year on taxable real and personal property as of the preceding January 1. Real property that changes ownership or is newly constructed is revalued at the time the change occurs or the construction is completed. The current year property tax rate is applied to the reassessed value, and the taxes are then adjusted by a proration factor that reflects the portion of the remaining tax year for which taxes are due. The annual tax rate is based on the amount necessary to pay all

obligations payable from *ad valorem* property taxes and the assessed value of taxable property in a given year. Economic and other factors beyond the District's control, such as a general market decline in land values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), pandemic, or the complete or partial destruction of taxable property caused by natural or manmade disaster such as earthquake, drought, flood, fire, toxic dumping, etc., could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the annual tax rate to be levied to pay the principal of and interest on the District's outstanding general obligation bonds.

For assessment and collection purposes, property is classified as either "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing property (real or personal) the taxes on which are a lien sufficient, in the opinion of the County Assessor, to secure payment of the taxes. Other property is listed on the "unsecured roll."

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year, and become delinquent on December 10 and April 10, respectively. A penalty of 10% attaches immediately to all delinquent payments. Properties on the secured roll with respect to which taxes are delinquent become tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of a penalty of 1.5% per month to the time of redemption, plus costs and a redemption fee. If taxes are unpaid for a period of five years or more, the property is deeded to the State and then may be sold at public auction by the County Treasurer.

Property taxes on the unsecured roll are due in one payment on the January 1 lien date and become delinquent after August 31. A 10% penalty attaches to delinquent unsecured taxes. If unsecured taxes are unpaid at 5 p.m. on October 31, an additional penalty of 1.5% attaches to them on the first day of each month until paid. The County has four ways of collecting delinquent unsecured personal property taxes: (i) a civil action against the taxpayer; (ii) filing a judgment in the office of the County Clerk specifying certain facts in order to obtain a lien on certain property of the taxpayer; (iii) filing a certificate of delinquency for record in the County Recorder's office in order to obtain a lien on certain property of the taxpayer; and (iv) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee.

Proposition 13 and its implementing legislation impose the function of property tax allocation on counties in the State and prescribe how levies on countywide property values are to be shared with local taxing entities within each county. The limitations in Proposition 13, however, do not apply to *ad valorem* property taxes or special assessments to pay the interest and redemption charges on indebtedness, like the District's general obligation bonds, approved by the voters.

The County levies a 1% *ad valorem* property tax on behalf of all taxing agencies in the County. The taxes collected are allocated on the basis of a formula established by State law enacted in 1979. Under this formula, the County and all other taxing entities receive a base year allocation plus an allocation on the basis of "situated" growth in assessed value (new construction, change of ownership, inflation) prorated among the jurisdictions that serve the tax rate areas within which the growth occurs. Tax rate areas are specifically defined geographic areas, which were developed to permit the levying of taxes for less than county-wide or less than city-wide special and school districts. In addition, the County levies and collects additional approved property taxes and assessments on behalf of any taxing agency within the County.

State Government Code Sections 29100 through 29107 provide the procedures that all counties must follow for calculating tax rates. The secured tax levy within the District consists of the District's share of the 1% general *ad valorem* property and unitary taxes assessed on a County-wide basis and amounts

levied that are in excess of the 1% general *ad valorem* property taxes. These tax receipts are part of the District's operations. In addition, the secured tax levy also includes the amount for the District's share of special voter-approved *ad valorem* property taxes assessed on a District-wide basis, such as the *ad valorem* property taxes assessed for the District's general obligation bonds issued pursuant to the Authorizations and any related general obligation refunding bonds. *Ad valorem* property taxes levied for general obligation bonds are deposited with the County and may only be applied to pay the principal of, redemption premium, if any, and interest on the District's general obligation bonds and general obligation refunding bonds. The District does not receive such funds nor are they available to pay any of the District's operating expenses. In addition, the total secured tax levy includes special assessments, improvement bonds, supplemental taxes or other charges which have been assessed on property within the District. Since State law allows homeowners' exemptions (described above) and certain business exemptions from *ad valorem* property taxation, such exemptions are not included in the total secured tax levy. See also "– California Constitutional and Statutory Provisions Relating to *Ad Valorem* Property Taxes" above.

Further, State Education Code Section 15251 provides that all taxes levied with respect to general obligation bonds when collected will be paid into the county treasury of the county whose superintendent of schools has jurisdiction over the school district on behalf of which the tax was levied, to the credit of the debt service fund (or interest and sinking fund) of the school district, and will be used for the payment of the principal of and interest on the general obligation bonds and general obligation refunding bonds of the school district and for no other purpose. Accordingly, the County may not borrow or spend such amounts nor can the District receive such funds and use them for operating purposes.

Typical Tax Rate Area. The following Table 8 shows *ad valorem* property tax rates for the last five fiscal years in a typical Tax Rate Area of the District (TRA 0067). TRA 0067 comprises approximately 30.19% of the total fiscal year 2023-24 assessed value of the District.

TABLE 8
LOS ANGELES UNIFIED SCHOOL DISTRICT
Typical Tax Rates per \$100 of Assessed Valuation (TRA 0067)
Fiscal Years 2019-20 through 2023-24

	2019-20	2020-21	2021-22	2022-23	2023-24
General	1.000000%	1.000000%	1.000000%	1.000000%	1.000000%
Los Angeles Unified School District ⁽¹⁾	0.125520	0.139929	0.113228	0.121072	0.124219
Los Angeles Community College District ⁽¹⁾	0.027175	0.040162	0.043759	0.024882	0.060231
City of Los Angeles ⁽¹⁾	0.018084	0.016538	0.014721	0.016066	0.011448
Metropolitan Water District of Southern California ⁽²⁾	0.003500	0.003500	0.003500	0.003500	0.003500
Total	1.174279%	1.200129%	1.175208%	1.165520%	1.199398%

⁽¹⁾ Tax rate relates to bonds authorized by voters subsequent to the approval of Proposition 13.

⁽²⁾ Tax rate relates to bonds authorized by voters pursuant to a special election held in 1966 (prior to the approval of Proposition 13) in the service area of the Metropolitan Water District of Southern California.

Source: California Municipal Statistics, Inc.

Secured Tax Charges and Delinquencies. The following Table 9A sets forth the real property tax charges and corresponding delinquencies for the District's general obligation bond debt service levy, with respect to the property located in the District, for fiscal years 2013-14 through 2022-23. For reference and as an indication of comparative delinquency rates, Table 9B sets forth the real property tax charges and corresponding delinquencies for the portion of the County's 1% general fund levy that is allocated to the District, with respect to property located in the District for fiscal years 2013-14 through 2022-23. The portion of the County's 1% general fund levy that is allocated to the District is not pledged to and does not secure the repayment of Refunding Bonds.

TABLE 9
LOS ANGELES UNIFIED SCHOOL DISTRICT
Secured Tax Charges and Delinquencies
Fiscal Years 2013-14 through 2022-23

A. District General Obligation Bond Debt Service Levy

Fiscal Year	Secured Tax Charge⁽¹⁾	Amount Delinquent June 30	Percentage Delinquent June 30
2013-14	\$707,334,806.26	\$11,937,445.89	1.69%
2014-15	752,855,468.94	13,128,310.26	1.74
2015-16	711,852,286.31	10,350,374.48	1.45
2016-17	762,676,169.42	10,152,397.66	1.33
2017-18	765,484,783.08	11,238,395.43	1.47
2018-19	826,147,438.29	13,737,180.29	1.66
2019-20	903,922,222.21	25,782,448.86	2.85
2020-21	1,072,754,468.10	22,715,092.01	2.12
2021-22	904,728,597.58	16,272,122.21	1.80
2022-23	1,033,041,998.26	20,269,504.57	1.96

B. 1% General Fund Apportionment Levy

Fiscal Year	Secured Tax Charge⁽²⁾	Amount Delinquent June 30	Percentage Delinquent June 30
2013-14	\$948,210,266.65	\$13,991,567.53	1.48%
2014-15	1,005,565,868.63	14,501,753.32	1.44
2015-16	1,078,286,485.58	15,318,415.41	1.42
2016-17	1,142,718,955.32	13,595,654.87	1.19
2017-18	1,222,916,327.88	15,217,873.23	1.24
2018-19	1,311,715,583.78	17,950,532.81	1.37
2019-20	1,405,968,051.67	31,757,910.59	2.26
2020-21	1,499,191,370.12	25,590,654.61	1.71
2021-22	1,556,962,602.77	24,377,000.99	1.57
2022-23	1,665,617,645.15	26,045,738.38	1.56

⁽¹⁾ District's general obligation bond debt service levy.

⁽²⁾ 1% General Fund apportionment. Excludes redevelopment agency impounds.

Source: California Municipal Statistics, Inc.

Property tax delinquencies may be impacted by economic and other factors beyond the District's control, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression could be caused by many factors outside the control of the District, including reduced consumer confidence, reduced real wages or reduced economic activity as a result of a pandemic or natural or manmade disaster, such as earthquake, drought, flood, fire,

toxic dumping. It is not possible for the District to make any representation regarding the extent to which an economic recession or depression could impact the ability or willingness of property owners within the District to pay property taxes in the future. For more information on the impact of the COVID-19 pandemic, see APPENDIX A – “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – STATE FUNDING OF SCHOOL DISTRICTS – Infectious Disease Outbreak.” If delinquencies increase substantially as a result of events outside the control of the District, the County does have the authority to increase allowances for annual reserves in the tax levy to avoid fluctuating tax levies.

The County Does Not Participate in a Teeter Plan. Certain counties in the State operate under a statutory program entitled Alternate Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “Teeter Plan”). Under the Teeter Plan local taxing entities receive 100% of their tax levies net of delinquencies, but do not receive interest or penalties on delinquent taxes collected by the county. The County has not adopted the Teeter Plan, and consequently the Teeter Plan is not available to local taxing entities within the County, such as the District. The District’s receipt of property taxes is therefore subject to delinquencies.

The District Participates in CSDTFA. The District is a member of the California Statewide Delinquent Tax Finance Authority (“CSDTFA”). CSDTFA is a joint exercise of powers agency formed for the purpose of purchasing delinquent *ad valorem* property taxes of its members in accordance with Section 6516.6 of the Government Code of the State of California. Historically, CSDTFA has from time to time purchased delinquent *ad valorem* property tax receivables related to the District’s share of the 1% general *ad valorem* property tax levy (not the additional *ad valorem* property tax levy for debt service on the District’s general obligation bonds) from the District. However, the District cannot predict whether CSDTFA will continue to make such purchases in the future. [CSDTFA purchased the District’s delinquent *ad valorem* property tax receivables related to the 1% general *ad valorem* property tax levy attributable to fiscal year 2022-23 from the District at a purchase price equal to 108% of such receivables and is expected to purchase the District’s delinquent *ad valorem* property tax receivables related to the 1% general *ad valorem* property tax levy attributable to fiscal year 2023-24 from the District at a substantially similar purchase price.] Any penalty charges collected with respect to such delinquencies will be retained by CSDTFA.

Debt Service

Debt service on the Refunding Bonds, assuming no early redemptions, is as shown in the following Table 10.

TABLE 10
LOS ANGELES UNIFIED SCHOOL DISTRICT
(County of Los Angeles, California)
20[] General Obligation Refunding Bonds, Series []
(Dedicated Unlimited *Ad Valorem* Property Tax Bonds)
Annual Debt Schedule

Year Ending July 1,	Principal	Interest	Total Debt Service
<u> </u>	<u> </u>	<u> </u>	<u> </u>
	\$	\$	\$
	<u> </u>	<u> </u>	<u> </u>
Total	<u> </u>	<u> </u>	<u> </u>

Source: Los Angeles Unified School District.

Aggregate Fiscal Year Debt Service

The following Table 11 sets forth the semi-annual debt service obligations in each fiscal year for all of the District's outstanding general obligation bonds, including the Refunding Bonds. For more information on the District's outstanding general obligation bonds, see APPENDIX A – "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT FINANCIAL INFORMATION – District Debt."

(1) Does not reflect the planned refunding of the Prior Bonds from proceeds of the Refunding Bonds.

(2) Includes set-aside payments for Qualified School Construction Bonds. Excludes federal subsidies related to Build America Bonds and Qualified School Construction Bonds. See APPENDIX A – “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT FINANCIAL INFORMATION – District Debt – *Limitations on the Receipt of Federal Funds.*”

(3) Totals may not equal the sum of the components due to rounding.

Source: Los Angeles Unified School District.

The District's General Obligation Bond Program and Bonding Capacity

Voters within the District have approved a total of \$27.605 billion of general obligation bonds in six separate bond elections since 1997. See “INTRODUCTION – The District’s General Obligation Bond Program.” See also APPENDIX A – “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT FINANCIAL INFORMATION – District Debt” for additional information regarding the District’s outstanding general obligation bonds. Pursuant to Section 15106 of the Education Code, the District’s bonding capacity for general obligation bonds may not exceed 2.5% of taxable property value in the District as shown by the last equalized assessment of the County. [The taxable property valuation in the District for fiscal year 2023-24 is \$929.98 billion, which results in a total current bonding capacity of approximately \$23.25 billion. The District’s available capacity for the issuance of new general obligation bonds is approximately \$12.53 billion (taking into account current outstanding debt before the issuance of the Refunding Bonds and not accounting for the refunding of the Prior Bonds).] The issuance of additional series of general obligation bonds, other than general obligation refunding bonds, in future fiscal years will depend upon, among other things, the assessed valuation of property within the District’s boundaries, as determined by the District’s analysis of information from, among other sources, the Office of the County Assessor. See “– California Constitutional and Statutory Provisions Relating to *Ad Valorem* Property Taxes” above and APPENDIX A – “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT FINANCIAL INFORMATION – Future Financings – *General Obligation Bonds*.”

Overlapping Debt Obligations

Set forth in Table 12 on the following page is the report prepared by California Municipal Statistics Inc. on [____], 2024, which provides information with respect to direct and overlapping debt within the District as of [____], 2024 (the “Overlapping Debt Report”). The Overlapping Debt Report is included for general information purposes only. The District has not reviewed the Overlapping Debt Report for completeness or accuracy and makes no representations in connection therewith. The Overlapping Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

The first column in Table 12 names each public agency which has outstanding debt as of the date of the report and whose territory overlaps the District in whole or in part. Column 2 shows the percentage of each overlapping agency’s assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in Table 12) produces the amount shown in column 3, which is the apportionment of each overlapping agency’s outstanding debt to taxable property in the District.

TABLE 12
LOS ANGELES UNIFIED SCHOOL DISTRICT
Schedule of Direct and Overlapping Bonded Debt
As of [____], 2024 [TO BE UPDATED PRIOR TO POS POSTING]

2023-24 Assessed Valuation: \$929,980,076,839

	<u>% Applicable</u>	<u>Debt [____]/1/24</u>
<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>		
Metropolitan Water District		
Los Angeles Community College District		
Pasadena Area Community College District		
Los Angeles Unified School District		(1)
City of Los Angeles		
Other Cities		
City Community Facilities Districts		
Other City and Special District 1915 Act Bonds		
TOTAL GROSS DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		
Less: Los Angeles Unified School District General Obligation Bonds, Election of 2005, Series J (2010) Qualified School Construction Bonds and Election of 2005, Series H (2009) Qualified School Construction Bonds:		
Amount accumulated in Interest and Sinking Fund and Set Asides for Repayment		(2)
TOTAL NET DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
Los Angeles County General Fund Obligations		
Los Angeles County Superintendent of Schools Certificates of Participation		
Pasadena Area Community College District Certificates of Participation		
Los Angeles Unified School District Certificates of Participation		(3)
City of Los Angeles General Fund Obligations		
Other City General Fund and Pension Obligation Bonds		
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		
Less: City supported obligations		
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		
<u>OVERLAPPING TAX INCREMENT DEBT:</u>		
City of Los Angeles Redevelopment Agency (Successor Agency)		
Other Redevelopment Agencies (Successor Agency)		
TOTAL OVERLAPPING TAX INCREMENT DEBT		
GROSS COMBINED TOTAL DEBT		(4)
NET COMBINED TOTAL DEBT		

Ratios to 2023-24 Assessed Valuation:

Direct Debt (\$[____])	[____]%
Net Direct Debt (\$[____]).....	[____]%
Total Gross Overlapping Tax and Assessment Debt.....	[____]%
Total Net Overlapping Tax and Assessment Debt	[____]%
Gross Combined Direct Debt (\$[____]).....	[____]%
Net Combined Direct Debt (\$[____])	[____]%
Gross Combined Total Debt	[____]%
Net Combined Total Debt.....	[____]%

Ratios to Redevelopment Incremental Valuation (\$[____]):

Total Overlapping Tax Increment Debt	[____]%
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(1) Excludes the Refunding Bonds. Includes the Prior Bonds to be refunded with proceeds of the Refunding Bonds.

(2) Set aside amount through [fiscal year 2022-23].

(3) [FN to come re concurrent transactions.]

(4) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

TAX MATTERS

[Opinion of Bond Counsel.] In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the District (“Bond Counsel”), under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Refunding Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Refunding Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Refunding Bonds is included in calculating the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the District and others in connection with the Refunding Bonds, and Bond Counsel has assumed compliance by the District with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Refunding Bonds from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel, under existing statutes, interest on the Refunding Bonds is exempt from personal income taxes imposed by the State of California.

Bond Counsel expresses no opinion as to any other Federal, state or local tax consequences arising with respect to the Refunding Bonds, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding Federal, state or local tax matters, including, without limitation, exclusion from gross income for Federal income tax purposes of interest on the Refunding Bonds.

Certain Ongoing Federal Tax Requirements and Covenants. The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Refunding Bonds in order that interest on the Refunding Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Refunding Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the Federal government. Noncompliance with such requirements may cause interest on the Refunding Bonds to become included in gross income for Federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The District has covenanted to comply with certain applicable requirements of the Code to assure the exclusion of interest on the Refunding Bonds from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences. The following is a brief discussion of certain collateral Federal income tax matters with respect to the Refunding Bonds. It does not purport to address all aspects of Federal taxation that may be relevant to a particular owner of a Refunding Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the Federal tax consequences of owning and disposing of the Refunding Bonds.

Prospective owners of the Refunding Bonds should be aware that the ownership of such obligations may result in collateral Federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have

incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for Federal income tax purposes. Interest on the Refunding Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount. “Original issue discount” (“OID”) is the excess of the sum of all amounts payable at the stated maturity of a Refunding Bond (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the “issue price” of a maturity (a bond with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Refunding Bonds. In general, the issue price for each maturity of Refunding Bonds is expected to be the initial public offering price set forth on the cover page of the Official Statement. Bond Counsel further is of the opinion that, for any Refunding Bonds having OID (a “Discount Bond”), OID that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Refunding Bonds.

In general, under Section 1288 of the Code, OID on a Discount Bond accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Bond. An owner’s adjusted basis in a Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Refunding Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Bond even though there will not be a corresponding cash payment.

Owners of Discount Bonds should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Bonds.

Bond Premium. In general, if an owner acquires a Refunding Bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Refunding Bond after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “bond premium” on that Refunding Bond (a “Premium Bond”). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner’s yield over the remaining term of the Premium Bond determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost. Owners of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for Federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership and amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

Information Reporting and Backup Withholding. Information reporting requirements apply to interest paid on tax-exempt obligations, including the Refunding Bonds. In general, such requirements are

satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification,” or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Refunding Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Refunding Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner’s Federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous. Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Refunding Bonds under Federal or state law or otherwise prevent beneficial owners of the Refunding Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Refunding Bonds.

Prospective purchasers of the Refunding Bonds should consult their own tax advisors regarding the foregoing matters.

The proposed form of the opinion of Hawkins Delafield & Wood LLP relating to the Refunding Bonds is set forth in APPENDIX D — “PROPOSED FORM OF OPINION OF BOND COUNSEL.”]

LEGAL MATTERS

Possible Limitations on Remedies; Bankruptcy

[General.] State law contains certain safeguards to protect the financial solvency of school districts. See APPENDIX A – “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – STATE FUNDING OF SCHOOL DISTRICTS.” If the safeguards are not successful in preventing a school district from becoming insolvent, the State Superintendent of Public Instruction (the “State Superintendent”), operating through an administrator appointed by the State Superintendent, may be authorized under State law to file a petition under Chapter 9 of the United States Bankruptcy Code (the “Bankruptcy Code”) on behalf of the school district for the adjustment of its debts, assuming that the school district meets certain other requirements contained in the Bankruptcy Code necessary for filing a petition under Chapter 9 of the Bankruptcy Code. School districts are not themselves authorized to file a bankruptcy proceeding, and they are not subject to involuntary bankruptcy.

Bankruptcy courts are courts of equity and as such have broad discretionary powers. If the District were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, then the “automatic stay” provisions of the Bankruptcy Code would prohibit the parties from taking any action to collect any amount from the District or the County (including *ad valorem* property tax revenues) or to enforce any obligation of the District or the County, without the bankruptcy court’s permission. In such a proceeding, as part of its plan of adjustment in bankruptcy, the District may be able to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Refunding Bonds and other transaction documents related to the Refunding Bonds, as long as the bankruptcy court determines that the alterations are fair and

equitable. In addition, in such a proceeding, as part of such a plan, the District may be able to eliminate the obligation of the County to raise taxes if necessary to pay the Refunding Bonds. There also may be other possible effects of a bankruptcy of the District that could result in delays or reductions in payments on the Refunding Bonds, or other losses on the Refunding Bonds. Moreover, regardless of any specific adverse determinations in any District bankruptcy proceeding, the existence of a District bankruptcy proceeding could have an adverse effect on the liquidity and market price of the Refunding Bonds.

As stated above, if a school district were to go into bankruptcy, the bankruptcy petition would be filed under Chapter 9 of the Bankruptcy Code. Chapter 9 provides that it does not limit or impair the power of a state to control, by legislation or otherwise, a municipality of or in such state in the exercise of the political or governmental powers of such municipality, including expenditures for such exercise. For purposes of Chapter 9, a school district is a municipality. State law provides that the *ad valorem* property taxes levied to pay the principal and interest on the Refunding Bonds shall be used for the payment of principal and interest of the District's general obligation bonds and for no other purpose. If this restriction on the expenditure of such *ad valorem* property taxes is respected in a bankruptcy case, then the *ad valorem* property tax revenue could not be used by the District for any purpose other than to make payments on the Refunding Bonds. It is possible, however, that a bankruptcy court could conclude that the restriction should not be respected.

Statutory Lien. Pursuant to the California Government Code, all general obligation bonds issued by local agencies, including refunding bonds (including the Refunding Bonds), are secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax and the lien automatically arises, without the need for any action or authorization by the local agency or its governing board, and is valid and binding from the time the bonds are executed and delivered. See "SECURITY AND SOURCE OF PAYMENT FOR THE REFUNDING BONDS – Statutory Lien on Taxes (Senate Bill 222)." Although a statutory lien would not be automatically terminated by the filing of a Chapter 9 bankruptcy petition by the District, the automatic stay provisions of the Bankruptcy Code would apply, preventing bondholders from enforcing their rights to payment from such tax collections without permission of the bankruptcy court, and payments that become due and owing on the Refunding Bonds during the pendency of the Chapter 9 proceeding could be delayed.

Special Revenues. If the *ad valorem* property tax revenues that are pledged to the payment of the Refunding Bonds (see "SECURITY AND SOURCE OF PAYMENT FOR THE REFUNDING BONDS – Pledge of Tax Revenues") are determined to be "special revenues" within the meaning of the Bankruptcy Code, then the application in a manner consistent with the Bankruptcy Code of the pledged *ad valorem* property tax revenues that are collected after the date of the bankruptcy filing should not be subject to the automatic stay. "Special revenues" are defined to include, among others, taxes specifically levied to finance one or more projects or systems of the debtor, but excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the debtor. The District has specifically pledged the *ad valorem* property taxes for payment of the Refunding Bonds. State law prohibits the use of the tax proceeds for any purpose other than payment of the general obligation bonds (including general obligation refunding bonds) and the original bond proceeds can only be used to fund the acquisition or improvement of real property and other capital expenditures included in the proposition. However, there is no binding judicial precedent dealing with the treatment in bankruptcy proceedings of *ad valorem* property tax revenues collected for the payment of bonds in California, and no assurance can be given that a bankruptcy court will hold that the *ad valorem* property tax revenues are special revenues within the meaning of the Bankruptcy Code.

The Bankruptcy Code provides that there is no stay of application of pledged special revenues to payment of indebtedness secured by such revenues. The United States Court of Appeals for the First Circuit, in cases arising out of the insolvency proceedings of Puerto Rico, has held that this provision permits voluntary payments of debt service by the issuer of bonds backed by special revenues, but does not permit

the bondholders to compel the issuer to make payments of debt service from special revenues. If this decision is followed by other courts, the holders of the Refunding Bonds may be prohibited from taking any action to require the District or the County to make payments on the Refunding Bonds, unless the bankruptcy court's permission is obtained. This could result in substantial delays in payments on the Refunding Bonds.

In addition, even if the *ad valorem* property tax revenues are determined to be "special revenues," the Bankruptcy Code provides that special revenues can be applied to necessary operating expenses of the project or system, before they are applied to other obligations. This rule applies regardless of the provisions of the transaction documents. Thus, a bankruptcy court could permit the District to use the *ad valorem* property tax revenues to pay necessary operating expenses of the District and its schools, before the remaining revenues are paid to the owners of the Refunding Bonds.

Possession of Tax Revenues; Remedies. If the District goes into bankruptcy and the District or the County has possession of tax revenues (whether collected before or after commencement of the bankruptcy), and if the District or the County, as applicable, does not voluntarily pay such tax revenues to the owners of the Refunding Bonds, it is not entirely clear what procedures the owners of the Refunding Bonds would have to follow to attempt to obtain possession of such tax revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful. A similar risk would exist if the County goes into bankruptcy and has possession of tax revenues (whether collected before or after commencement of the bankruptcy). The United States Court of Appeals for the First Circuit, in another case arising out of the insolvency proceedings of Puerto Rico, has held that the Bankruptcy Code prohibits the bankruptcy court from requiring a governmental debtor to apply revenues in accordance with applicable non-bankruptcy law. In yet another case arising out of the insolvency proceedings of Puerto Rico, the United States Court of Appeals for the First Circuit has held that creditors cannot bring suit in a non-bankruptcy court to compel the governmental debtor to comply with non-bankruptcy law without first obtaining the permission of the bankruptcy court, and that the bankruptcy court has discretion as to whether to provide permission.

Opinion of Bond Counsel Qualified by Reference to Bankruptcy, Insolvency and Other Laws Relating to or Affecting Creditor's Rights. The proposed form of opinion of Bond Counsel, included as Appendix D, is qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor's rights.]

Amounts Held in County Treasury Pool

The County on behalf of the District is expected to be in possession of the annual *ad valorem* property taxes and certain funds to repay the Refunding Bonds and may invest these funds in the County's Treasury Pool, as described in Appendix F – "THE LOS ANGELES COUNTY TREASURY POOL." Should those investments suffer any losses, there may be delays or reductions in payments on the Refunding Bonds.

Legality for Investment in the State

Under provisions of the State Financial Code, the Refunding Bonds are legal investments for commercial banks in the State to the extent that the Refunding Bonds, in the informed opinion of said bank, are prudent for the investment of funds of depositors, and, under provisions of the California Government Code, are eligible for security for deposits of public moneys in the State.

Continuing Disclosure

The District has covenanted for the benefit of the holders and beneficial owners of the Refunding Bonds to provide certain financial information and operating data relating to the District (the “Annual Report”) for each fiscal year by not later than 240 days following the end of the District’s fiscal year (currently ending June 30), commencing with the Annual Report for fiscal year 2023-24, and to provide notices of the occurrence of certain specified events (collectively, the “Listed Events”). The information to be contained in the Annual Report and in a notice of a Listed Event is set forth in Appendix E – “FORM OF CONTINUING DISCLOSURE CERTIFICATE.” The District will provide or cause to be provided the Annual Report and such notices to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system in the manner prescribed by the Securities and Exchange Commission (“SEC”). Copies of the District’s annual reports and notices of Listed Event filings are available at the website of Digital Assurance Certification, L.L.C. (“DAC”), www.dacbond.com, and at the website of the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (“EMMA”) system, emma.msrb.org. The information presented on these websites is not incorporated by reference in this Official Statement and should not be relied upon in making an investment decision with respect to the Refunding Bonds. These covenants have been made in order to assist the Underwriters (defined herein) in complying with SEC Rule 15c2-12(b)(5) (the “Rule”).

Due to the impact of COVID-19 on California school district operations during fiscal year 2019-20, California Senate Bill 98 extended the deadline for school districts to file their audited financial statements for fiscal year 2019-20 with the State to March 31, 2021. As a result, at the time of filing the District’s Annual Report for fiscal year 2019-20, the District’s audited financial statements for fiscal year 2019-20 were not yet available. The District’s audited financial statements for fiscal year 2019-20 were subsequently filed to EMMA on March 30, 2021. Additionally, within the past five years, certain of the District’s annual report and Listed Events filings required in connection with its prior continuing disclosure undertakings were not properly linked to all CUSIP numbers for the District’s outstanding bonds.

Certain Legal Matters

The validity of the Refunding Bonds and certain other legal matters are subject to the approving opinion of Hawkins Delafield & Wood LLP, Los Angeles, California, Bond Counsel to the District, and certain other conditions. A complete copy of the proposed form of opinion of Bond Counsel with respect to the Refunding Bonds is contained in Appendix D. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will also be passed upon for the District by its General Counsel and by the District’s Disclosure Counsel, Orrick, Herrington & Sutcliffe LLP, Los Angeles, California (“Disclosure Counsel”), and for the Underwriters by their counsel, [____], [____], [____] (“Underwriters’ Counsel”).

Each of Bond Counsel, Disclosure Counsel, and Underwriters’ Counsel will receive compensation contingent upon the sale and delivery of the Refunding Bonds. From time to time, Bond Counsel and Disclosure Counsel each may represent one or more of the Underwriters in matters unrelated to the District or the Refunding Bonds.

FINANCIAL STATEMENTS

The District’s Audited Annual Financial Report for fiscal year ended June 30, 2023, including its general purpose financial statements for the fiscal year ended June 30, 2023, is included as Appendix B. The basic financial statements of the District for the fiscal year 2022-23 have been audited by Simpson & Simpson, independent certified public accountants, as stated in their report appearing in Appendix B. The District has not requested nor has the District obtained the consent of Simpson & Simpson to the inclusion of its report in Appendix B. Simpson & Simpson has not been engaged to perform and has not performed,

since the date of its report included herein, any procedures on the financial statements addressed in that report. Simpson & Simpson has not been requested to perform and has not performed any procedures relating to the Official Statement.

LITIGATION

There is no litigation pending against the District or, to the knowledge of its respective executive officers, threatened, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Refunding Bonds or in any way contesting or affecting the validity of the Refunding Bonds or the Authorizations or any proceedings of the District taken with respect to the issuance or sale thereof, or the levy or application of *ad valorem* property taxes for the payment of principal of and interest on the Refunding Bonds or the use of the proceeds of the Refunding Bonds. There are no pending lawsuits that, in the opinion of the District's General Counsel, challenge the validity of the Refunding Bonds, the existence of the District, or the title of the executive officers to their respective offices. There are a number of lawsuits and claims pending against the District. See APPENDIX A – "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT FINANCIAL INFORMATION – Risk Management and Litigation." In the opinion of the District, the outcome of the presently pending suits and claims will not materially impair the District's repayment of the Bonds.

MISCELLANEOUS

Ratings

Fitch Ratings, Inc. ("Fitch"), Kroll Bond Rating Agency, LLC ("KBRA"), and Moody's Investors Service Inc. ("Moody's") have assigned their municipal bond ratings of "[__]," "[__]," and "[__]," respectively, to the Refunding Bonds, which may include information that has not been included in this Official Statement. The District has furnished to each rating agency certain materials and information with respect to itself and the Refunding Bonds. Generally, rating agencies base their ratings on such information and materials and on their own investigations, studies and assumptions. Each rating reflects only the view of the respective rating agency, and any explanation of the significance of such rating may be obtained only from the issuing rating agency furnishing the same, at the following addresses: Fitch Ratings, Inc., 33 Whitehall Street, New York, New York 10004, telephone: (212) 908-0800, Kroll Bond Rating Agency, LLC, 805 Third Avenue, 29th floor, New York, New York 10022, telephone: (212) 702-0707, and Moody's Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, telephone: (212) 533-0300. There is no assurance that any such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of any such rating may have an adverse effect on the market price of the Refunding Bonds.

Municipal Advisor

The District has retained Public Resources Advisory Group, as Municipal Advisor (the "Municipal Advisor") in connection with the issuance of the Refunding Bonds and certain other financial matters. The Municipal Advisor has not been engaged, nor has it undertaken, to audit, authenticate or otherwise verify the information set forth in this Official Statement, or any other related information available to the District, with respect to accuracy and completeness of disclosure of such information. The Municipal Advisor has reviewed this Official Statement but makes no guaranty, warranty or other representation respecting accuracy and completeness of the information contained in this Official Statement. The Municipal Advisor will receive compensation from the District contingent upon the sale and delivery of the Refunding Bonds.

Verification of Mathematical Computations

Upon the delivery of the Refunding Bonds, [VERIFICATION AGENT], [____], [____] (the “Verification Agent”), will deliver a report stating that the firm has verified the mathematical accuracy of the schedules with respect to the sufficiency of the Escrow Fund established to pay the redemption price of, including accrued interest thereon, the Prior Bonds. The scope of the verification will be based solely on information and assumptions provided to the Verification Agent by the Underwriters. The Verification Agent will express no opinion on the assumptions provided to it by the Underwriters, nor as to the exemption from taxation of the interest on the Refunding Bonds.

Underwriting

The Refunding Bonds are being purchased by [____], on behalf of a syndicate that also includes the other underwriters set forth on the cover hereof (collectively, the “Underwriters”). The Underwriters have agreed to purchase the Refunding Bonds at the purchase price of \$ _____ (which amount is equal to the aggregate principal amount of the Refunding Bonds, [plus/less] [an][a net] original issue [premium/discount] of \$ _____, less an Underwriters’ discount of \$ _____), pursuant to a Bond Purchase Agreement, dated _____, 2024 (the “Purchase Agreement”), by and between the Underwriters and the District, relating to the Refunding Bonds. Pursuant to the Purchase Agreement, the Underwriters will purchase all of the Refunding Bonds if any are purchased.

The Underwriters may offer and sell the Refunding Bonds to certain securities dealers and dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page of this Official Statement. The public offering prices may be changed from time to time by the Underwriters.

The Underwriters have provided the following paragraphs for inclusion in the section “MISCELLANEOUS – Underwriting.” No representation is made by the District as to the accuracy, completeness or adequacy of such information.

Certain of the Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, the Underwriters and their affiliates may have certain creditor and/or other rights against the District and its affiliates in connection with such activities. In the various course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the District. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

[UW DISTRIBUTION LANGUAGE TO COME.]

Additional Information

The purpose of this Official Statement is to provide information to prospective buyers of the Refunding Bonds. Quotations from and summaries of the Refunding Bonds, the Refunding Resolution, and the constitutional provisions, statutes and other documents described herein do not purport to be complete, and reference is made to said documents, constitutional provisions and statutes for full and complete statements of their provisions. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not a contract or agreement between the District and the purchasers or owners of any of the Refunding Bonds.

Execution and Delivery

The District has duly authorized the execution and delivery of this Official Statement.

LOS ANGELES UNIFIED SCHOOL DISTRICT

By: _____
Chief Business Officer

APPENDIX A**DISTRICT FINANCIAL INFORMATION AND
REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION**

APPENDIX B

**AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT
FOR FISCAL YEAR ENDED JUNE 30, 2023**

APPENDIX C

BOOK-ENTRY ONLY SYSTEM

THE INFORMATION IN THIS APPENDIX C CONCERNING THE DEPOSITORY TRUST COMPANY AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE DISTRICT AND THE UNDERWRITERS BELIEVE TO BE RELIABLE, BUT THE DISTRICT AND THE UNDERWRITERS TAKE NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS THEREOF. THERE CAN BE NO ASSURANCE THAT THE DEPOSITORY TRUST COMPANY WILL ABIDE BY ITS PROCEDURES OR THAT SUCH PROCEDURES WILL NOT BE CHANGED FROM TIME TO TIME.

The Depository Trust Company (“DTC”) will act as securities depository for the Refunding Bonds. The Refunding Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered security certificate will be issued for each maturity of the Refunding Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest security depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. Information on these websites is not incorporated herein by reference.

Purchases of the Refunding Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Refunding Bonds on DTC’s records. The ownership interest of each actual purchaser of each security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Refunding Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Refunding Bonds, except in the event that use of the book-entry system for the Refunding Bonds is discontinued.

To facilitate subsequent transfers, all Refunding Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Refunding Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Refunding Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Refunding Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Refunding Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Refunding Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of the Refunding Bonds may wish to ascertain that the nominee holding the Refunding Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Refunding Bonds are to be redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Refunding Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Refunding Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and other payments on the Refunding Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the District subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and other payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Refunding Bonds at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor depository is not obtained, security certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC and the requirements of the Refunding Resolution with respect to certificated Refunding Bonds will apply.

THE DISTRICT, THE COUNTY, THE PAYING AGENT, THE MUNICIPAL ADVISOR, AND THE UNDERWRITERS CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE REFUNDING BONDS (I) PAYMENTS OF PRINCIPAL OF AND INTEREST ON THE REFUNDING BONDS (II) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE REFUNDING BONDS OR (III) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE REFUNDING BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

NEITHER THE DISTRICT, THE COUNTY, THE PAYING AGENT, THE MUNICIPAL ADVISOR, NOR THE UNDERWRITERS WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (I) THE ACCURACY OR COMPLETENESS OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC, (II) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST ON THE REFUNDING BONDS, (III) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS UNDER THE TERMS OF THE REFUNDING RESOLUTION, OR (IV) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS OWNER OF THE REFUNDING BONDS.

APPENDIX D**PROPOSED FORM OF OPINION OF BOND COUNSEL**

Upon issuance of the Refunding Bonds, Hawkins Delafield & Wood LLP, Los Angeles, California, Bond Counsel to the Los Angeles Unified School District, will render its approving opinion with respect to the Refunding Bonds in substantially the following form:

APPENDIX E
FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX F

THE LOS ANGELES COUNTY TREASURY POOL

The Treasurer and Tax Collector of the County of Los Angeles (the “Treasurer”) manages, in accordance with California Government Code Section 53600 et seq., funds deposited with the Treasurer by County school and community college districts, various special districts and some cities. State law generally requires that all moneys of the County, school districts and certain special districts be held in the County’s Treasury Pool (the “Treasury Pool”) as described below. The composition and value of investments under management in the Treasury Pool vary from time to time, depending on the cash flow needs of the County and the other public agencies invested in the Treasury Pool, the maturity or sale of investments, purchase of new securities and fluctuations in interest rates generally. Additionally, the Treasurer, with the consent of the Board of Supervisors of the County of Los Angeles (the “County”), may change the County investment policy at any time. Therefore, there can be no assurance that the values of the various investments in the Treasury Pool will not vary significantly from the values described herein. Neither the District, the Municipal Advisor nor the Underwriters make any representation as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained herein is correct as of any time subsequent to its date. The Treasurer maintains a website, the address of which is <https://ttc.lacounty.gov/monthly-reports/>, on which the Treasurer periodically places information relating to the Treasury Pool. However, the information presented there is not part of this Official Statement, is not incorporated by reference herein and should not be relied upon in making an investment decision with respect to the Refunding Bonds.

The County of Los Angeles Pooled Surplus Investments
[TO BE UPDATED PRIOR TO POS POSTING]

The Treasurer and Tax Collector (the “Treasurer”) of the County of Los Angeles (the “County”) has the delegated authority to invest funds on deposit in the County Treasury (the “Treasury Pool”). As of February 29, 2024, investments in the Treasury Pool were held for local agencies including school districts, community college districts, special districts and discretionary depositors such as cities and independent districts in the following amounts:

Local Agency	Invested Funds (in billions)
County of Los Angeles and Special Districts	\$22.953
Schools and Community Colleges	29.866
Discretionary Participants	3.712
Total	<u>\$56.531</u>

The Treasury Pool participation composition is as follows:

Non-discretionary Participants	93.43%
Discretionary Participants:	
Independent Public Agencies	6.44%
County Bond Proceeds and Repayment Funds	0.13%
Total	<u>100.00%</u>

Decisions on the investment of funds in the Treasury Pool are made by the County Investment Officer in accordance with established policy, with certain transactions requiring the Treasurer’s prior approval. In Los Angeles County, investment decisions are governed by Chapter 4 (commencing with

Section 53600) of Part 1 of Division 2 of Title 5 of the California Government Code, which governs legal investments by local agencies in the State of California, and by a more restrictive Investment Policy developed by the Treasurer and adopted by the Los Angeles County Board of Supervisors on an annual basis. The Investment Policy adopted on March 21, 2023, reaffirmed the following criteria and order of priority for selecting investments:

1. Safety of Principal
2. Liquidity
3. Return on Investment

The Treasurer prepares a monthly Report of Investments (the “Investment Report”) summarizing the status of the Treasury Pool, including the current market value of all investments. This report is submitted monthly to the Board of Supervisors. According to the Investment Report dated April 1, 2024, the February 29, 2024 book value of the Treasury Pool was approximately \$56.531 billion, and the corresponding market value was approximately \$54.130 billion.

An internal controls system for monitoring cash accounting and investment practices is in place. The Treasurer’s Compliance Auditor, who operates independently from the Investment Officer, reconciles cash and investments to fund balances daily. The Compliance Auditor’s staff also reviews each investment trade for accuracy and compliance with the Board adopted Investment Policy. On a quarterly basis, the County’s outside independent auditor (the “External Auditor”) reviews the cash and investment reconciliations for completeness and accuracy. Additionally, the External Auditor reviews investment transactions on a quarterly basis for conformance with the approved Investment Policy and annually accounts for all investments.

The following table identifies the types of securities held by the Treasury Pool as of February 29, 2024:

Type of Investment	% of Pool
Certificates of Deposit	4.07%
U.S. Government and Agency Obligations	69.37
Bank Acceptances	0.00
Commercial Paper	26.47
Municipal Obligations	0.07
Corporate Notes & Deposit Notes	0.02
Repurchase Agreements	0.00
Asset Backed Instruments	0.00
Other	0.00
	<u>100.00%</u>

The Treasury Pool is highly liquid. As of February 29, 2024, approximately 33.28% of the investments mature within 60 days, with an average of 705 days to maturity for the entire portfolio.

LOS ANGELES UNIFIED SCHOOL DISTRICT
(County of Los Angeles, California)

[SPA]
202_ General Obligation Refunding Bonds, Series _
(Dedicated Unlimited Ad Valorem Property Tax Bonds)

BOND PURCHASE AGREEMENT

[Sale Date]

Los Angeles Unified School District
 c/o Office of the Chief Business Officer
 333 S. Beaudry Avenue, 26th Floor
 Los Angeles, California 90017

Ladies and Gentlemen:

The undersigned, [Representative], on its own behalf and as representative (the “Representative”) of the Underwriters identified on the signature page hereof (collectively, the “Underwriters”), hereby offers to enter into this Bond Purchase Agreement (the “Purchase Agreement”) with the Los Angeles Unified School District (the “District”), which, upon your acceptance hereof, will be binding upon the District and the Underwriters. This offer is made subject to the written acceptance of this Purchase Agreement by the District and delivery of such acceptance to us at or prior to 11:59 PM, California Time, on the date hereof.

1. Purchase and Sale of the Bonds.

A. Upon the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriters hereby agree to purchase from the District for reoffering to the public, and the District hereby agrees to sell to the Underwriters for such purpose, all (but not less than all) of the District’s [SPA] 202_ General Obligation Refunding Bonds, Series _ (Dedicated Unlimited Ad Valorem Property Tax Bonds) (the “Bonds”). The Bonds shall be issued in the form of current interest bonds in such principal amounts as set forth in Exhibit A hereto and shall be issued in fully registered form in the authorized denominations of \$5,000 or any integral multiple thereof. The Bonds shall bear interest payable from the date thereof and such interest shall be payable on each January 1 and July 1 to maturity, commencing on [FIPD].

B. The Underwriters shall purchase the Bonds at a price of \$_____ (the “Purchase Price”) (which represents the aggregate principal amount of the Bonds, plus original issue premium of \$_____, and less an Underwriters’ discount in the amount of \$_____). From the Purchase Price for the Bonds, the Underwriters shall withhold and hereby agree to wire on the Closing Date (as defined below) \$_____ in immediately available funds to U.S. Bank Trust Company, National

Association (the “Paying Agent”), as costs administrator, to pay the costs of issuance of the Bonds as provided in Section 13 of this Purchase Agreement.

C. Any authority, discretion, or other power conferred upon the Underwriters by this Purchase Agreement shall be exercised by the Representative alone.

2. **The Bonds.**

A. The Bonds shall be dated their date of delivery, shall bear interest at the rates, shall mature in the years and amounts and shall have the redemption provisions as set forth in Exhibit A hereto. The Bonds shall otherwise be as described in, and shall be issued and secured pursuant to the provisions of Articles 9 and 11, Chapter 3, Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53506 (the “Bond Law”), and a Resolution of the Board of Education of the District (the “Board of Education”) adopted on [Resolution Date] (“Resolution”) authorizing the issuance of not to exceed \$[MPA] of general obligation refunding bonds of the District. [A portion of the proceeds of the Bonds will be deposited into an escrow fund established pursuant to an Escrow Agreement, dated as of [Dated Date] (the “Escrow Agreement”), by and between the District and U.S. Bank Trust Company, National Association, as escrow bank (the “Escrow Bank”), for the bonds of the District to be refunded as described in the Official Statement, defined herein (the “Prior Bonds”), for the benefit of the owners of the Prior Bonds, to refund and defease the Prior Bonds.]

B. Upon the written acceptance of this Purchase Agreement by the District, the Representative, on behalf of the Underwriters, shall deliver, within twenty-four (24) hours of such acceptance, by federal funds wire transfer to U.S. Bank Trust Company, National Association as agent to the Treasurer and Tax Collector of the County of Los Angeles, as paying agent (the “Paying Agent”), for the account of the District, the amount of \$ _____ as a good-faith deposit (“Good Faith Deposit”) for the performance by the Underwriters of their obligations to accept and pay for the Bonds at Closing (as defined herein) in accordance with the provisions of this Purchase Agreement. Upon receipt, such amount shall be held by the District pending Closing (except as provided below), although the proceeds thereof may be invested by the District pending the Closing. At the Closing, the Underwriters shall pay or cause to be paid the Purchase Price of the Bonds, less the amount of such Good Faith Deposit, without accrued interest, and thereupon the District shall apply the amount of the Good Faith Deposit, to the payment of the balance of such Purchase Price. In the event of the District’s inability to deliver the Bonds at the Closing, or if the District is unable to satisfy the conditions to the Underwriters’ obligations contained herein (unless such conditions are waived by the Underwriters), or if the Underwriters’ obligations shall be terminated for any reason permitted hereby, the District shall forthwith return the amount of the Good Faith Deposit, without accrued interest, to the Representative immediately and such return shall constitute a full release and discharge of all claims by the Underwriters against the District arising out of the transactions contemplated by this Purchase Agreement. In the event that the Underwriters fail (other than for a reason permitted hereby) to accept and pay for the Bonds at the Closing as herein provided, the proceeds of the Good Faith Deposit, shall be retained and applied by the

District in full and complete liquidated damages (and not as a penalty) for such failure and as a discharge of all damages suffered on the part of the District as a result of such failure.

C. The Bonds shall be executed and delivered under and in accordance with the provisions of this Purchase Agreement, the Bond Law and the Resolution. The Bonds shall be in definitive form, shall bear CUSIP numbers and shall be in fully registered form, registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”).

3. **Use of Documents.** The District hereby authorizes the Underwriters to use, in connection with the offer and sale of the Bonds, the Resolution, this Purchase Agreement, the Escrow Agreement, a Preliminary Official Statement and an Official Statement (both as defined herein), and all information contained herein and therein and all of the documents, certificates or statements furnished by the District to the Underwriters in connection with the transactions contemplated by this Purchase Agreement.

4. **Public Offering of the Bonds; Establishment of Issue Price.**

A. The Representative, on behalf of the Underwriters, agrees to make a bona fide initial public offering of all the Bonds at prices no higher than, or yields not lower than, those set forth on Exhibit A hereto. Subsequent to such initial public offering but subject to the provisions set forth below, the Underwriters reserve the right to lower such initial offering prices as the Representative deems necessary in connection with the marketing of the Bonds; provided, however, that the Representative shall not change the interest rates set forth in Exhibit A. Subject to the provisions set forth below, the Underwriters may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the initial public offering price or prices set forth on Exhibit A hereto. Subject to the provisions set forth below, the Underwriters also reserve the right to (i) over-allot or effect transactions which stabilize or maintain the market price of the Bonds at levels above those that might otherwise prevail in the open market and (ii) discontinue such stabilizing, if commenced, at any time without prior notice. The Representative, on behalf of the Underwriters, agrees to assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the District and Bond Counsel (as defined herein), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the District under this section to establish the issue price of the Bonds may be taken on behalf of the District by the District’s municipal advisor, Public Resources Advisory Group (the “Municipal Advisor”) and any notice or report to be provided to the District may be provided to the District’s Municipal Advisor.

B. Except as otherwise set forth in Exhibit A attached hereto, the District will treat the first (meaning single) price at which 10% of each maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the

10% test). At or promptly after the execution of this Purchase Agreement, the Representative shall report to the District the price or prices at which the Underwriters have sold to the public each maturity of Bonds.

C. The Representative confirms that the Underwriters have offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the Representative represents that (i) the 10% test has been satisfied and (ii) the 10% test has not been satisfied and for which the District and the Representative, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply, which will allow the District to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriters will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the Underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The District acknowledges that, in making the representation set forth in this subsection, the Representatives will rely on (i) the agreement of each Underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. The District further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

D. The Representative confirms that:

(1) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the Representative is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A)(i) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Representative that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (ii) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative and as set forth in the related pricing wires, (B) promptly notify the Representative of any sales of the Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the sale of the Bonds to the public (each such term used as defined below), and (C) acknowledge that, unless advised by the Underwriter, dealer or broker-dealer, the Representative shall assume that each order submitted by the dealer or broker-dealer is a sale to the public; and

(2) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Representative or the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative or the Underwriter and as set forth in the related pricing wires.

E. The Underwriters acknowledge that sales of any Bonds to any person that is a related party to an Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(1) “public” means any person other than an underwriter or a related party;

(2) “underwriter” means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public);

(3) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(4) “sale date” means the date of execution of this Purchase Agreement by all parties.

5. **Review of Official Statement.**

A. The Underwriters hereby represent that they have received and reviewed the official statement in preliminary form with respect to the Bonds, dated [POS Date] (the “Preliminary Official Statement”). The District represents that it has deemed the Preliminary Official Statement to be final as of its date, except for either revisions to or additions of the initial public offering prices, interest rates, yields, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, ratings, credit enhancement and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to Rule 15c2-12 of the Securities and Exchange Commission under the Securities and Exchange Act of 1934, as amended (“Rule 15c2-12”).

B. The Underwriters agree that prior to the time the final official statement (the “Official Statement”) relating to the Bonds is available, the Underwriters will make available to any potential purchaser of the Bonds, upon the request of such potential purchaser, a copy of the most recent Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first class mail (or other equally prompt means) or electronic copy posted on an accessible website not later than the next business day following the date upon which each such request is received.

C. The Underwriters agree to file the Official Statement with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system within one (1) business day after receipt thereof from the District, but in no event later than the Closing Date (as defined below).

D. References herein to the Preliminary Official Statement and the Official Statement include the cover page through all appendices, exhibits, reports and statements included therein or attached thereto, as the same may be amended or supplemented from time to time.

6. **Closing.**

A. At [9:00] a.m., California Time, on [Closing Date], or at such other time or on such other date as shall have been mutually agreed upon by the parties hereto (the “Closing,” or the “Closing Date”), the District will direct U.S. Bank Trust Company, National Association as agent to the Paying Agent and registrar of the Bonds, to deliver to the account of the Representative, through the facilities of DTC, or at such other place as the District and the Representative may mutually agree upon, the Bonds duly executed and in fully registered, book-entry form, and will cause the other documents hereinafter mentioned pertaining to the Bonds to be delivered at the offices of Hawkins Delafield & Wood LLP, Bond Counsel to the District (“Bond Counsel”) in Los Angeles, California or at such other place as shall have been mutually agreed upon by the parties hereto.

B. Upon fulfillment of all conditions to Closing herein, the Underwriters will accept such delivery and pay the Purchase Price thereof in immediately available funds (by check, wire transfer or such other manner of payment as the Representative and the Chief Business Officer of the District shall reasonably agree upon) to the order of the District and U.S. Bank Trust Company, National Association, as cost administrator, as provided by Section 1 hereof, less the Good Faith Deposit, as provided by Section 2 hereof.

7. **Representations, Warranties and Agreements of the District.** The District hereby represents, warrants and agrees with the Underwriters that:

A. The District is a unified school district validly existing under the laws of the State of California (the “State”), with the power to issue the Bonds pursuant to the Bond Law.

B. (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the District has full legal right, power and authority to execute and deliver this Purchase Agreement, the Escrow Agreement and the Continuing Disclosure Certificate (as defined below), to adopt the Resolution, to issue and to deliver the Bonds, and to perform its obligations under each such document or instrument (collectively, the “District Documents”), and to carry out and effectuate the transactions contemplated by the District Documents; (iii) the execution and delivery or adoption of, and the performance by the District of its obligations contained in, the Bonds and the other District Documents have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Purchase Agreement constitutes, and each of the Bonds, when issued, authenticated, delivered and sold to the Underwriters as provided herein, and each of the other District Documents, when duly executed and delivered, will constitute, a valid and legally binding obligation of the District, enforceable against the District in accordance with its terms; and (v) the District has duly authorized the consummation by it of all transactions contemplated by the District Documents.

C. No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds or the

consummation of the other transactions effected or contemplated herein or hereby, except for such actions as may be necessary to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriters may reasonably request, or which have not been taken or obtained; *provided, however*, that the District shall not be required to subject itself to service of process in any jurisdiction in which it is not so subject as of the date hereof.

D. The District is not in breach of or in default under any applicable constitutional provision, law or administrative regulation of the State or the United States relating to the issuance of the Bonds or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute, in any manner which would adversely affect the transactions contemplated hereby, a default or event of default by the District under any of the foregoing.

E. The issuance of the Bonds, the adoption, execution, delivery and performance of the District Documents, and the compliance with the provisions of the District Documents do not conflict with or result in on the part of the District a violation or breach of, or default under, any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, where such conflict, violation, breach or default, individually or in the aggregate, shall result in a material adverse change to the District that materially and adversely affects the ability of the Underwriters to market the Bonds or enforce contracts of sale on the Bonds.

F. As of the time of acceptance hereof, except as provided in the Preliminary Official Statement and the Official Statement, no action, suit, proceeding, hearing or investigation is pending (in which service of process has been completed against the District) or, to the best knowledge of the District, threatened against the District: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices or the titles of the officials of the District to such offices; (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, or the levy of any taxes contemplated by the Resolution, or in any way contesting or affecting the validity or enforceability of the Bonds or the other District Documents or contesting the powers of the District or its authority with respect to the Bonds or the other District Documents; (iii) contesting the completeness or accuracy of the Preliminary Official Statement; or (iv) in which a final adverse decision could (a) materially adversely affect the operations of the District or the consummation of the transactions contemplated by the District Documents, (b) declare this Purchase Agreement to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes or the exemption of the interest paid on the Bonds from State personal income taxation.

G. Between the date hereof and the Closing, without the prior written consent of the Representative, the District will not have issued in the name of the District any bonds, notes or other obligations for borrowed money except for such borrowing as may be described in or contemplated by the Preliminary Official Statement and the Official Statement.

H. The Preliminary Official Statement was as of its date and is as of the date hereof (excluding information permitted to be omitted pursuant to Rule 15c2-12), true and correct in all material respects, and the Preliminary Official Statement contains no untrue statement of any material fact and does not omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

The Official Statement is, and at all times subsequent to the date of the Official Statement (or in the case of any amendment to the Official Statement pursuant to Section 7. L. of this Purchase Agreement, at the date of the delivery of the Official Statement, as amended) up to and including the Closing will be, true and correct in all material respects, and the Official Statement contains, and up to and including the Closing will contain, no untrue statement of any material fact and does not, and up to and including the Closing will not, omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. At the time of the Closing, there shall not have been any material adverse changes in the financial condition of the District since the date of the Official Statement.

I. To assist the Underwriters in complying with Rule 15c2-12, the District will undertake, pursuant to the Resolution and the Continuing Disclosure Certificate dated the Closing Date (the “Continuing Disclosure Certificate”), to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will be set forth in the Official Statement. Except as disclosed in the Preliminary Official Statement and the Official Statement, the District has not failed to comply in all material respects with any of its prior disclosure undertakings pursuant to Rule 15c2-12 in the last five years.

J. Any certificates signed by any officer of the District and delivered to the Underwriters shall be deemed a representation and warranty by the District to the Underwriters, but not by the person signing the same in such person’s individual capacity, as to the statements made therein;

K. Preparation and distribution of the Preliminary Official Statement and the Official Statement have been duly authorized by the District, and at the time of delivery of the Official Statement (or in the case of any amendment to the Official Statement pursuant to Section 7. L. of this Purchase Agreement, at the time of the delivery of the Official Statement, as amended) to the Underwriters and at all times subsequent thereto up to and including the Closing Date, the information contained therein (excluding the statements and information in Appendix C – “Book-Entry Only System” and any information provided by the Underwriters in writing for inclusion in the Official Statement) will be true and correct in all material respects and such information will not contain any untrue

statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

L. The District agrees that if at any time before the Closing any event occurs as a result of which the Official Statement as then in effect would include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, then the District shall promptly prepare or cause to be prepared and furnish (at the expense of the District) an amendment or supplement to the Official Statement that will correct such statement or omission. The District will advise the Representative promptly of any proposal to so amend or supplement the Official Statement and will effect such amendment or supplement in a form and manner approved by the Representative.

M. The audited financial statements of the District for the fiscal year ended June 30, 202__ (which is included as Appendix B to the Official Statement) were prepared in accordance with generally accepted accounting principles consistently applied and fairly present the financial position and results of operation of the District for the period and at the date set forth therein, and there has been no material adverse change in the business, affairs, financial position, results of operations or condition, financial or otherwise, of the District since the date of such financial statements, except as otherwise disclosed in the Official Statement.

N. The Resolution has been duly adopted, has not been modified, repealed or rescinded in any respect, and is in full force and effect.

8. **Covenants of the District.** The District covenants and agrees with the Underwriters that:

A. The District will furnish such information, execute such instruments, and take such other action in cooperation with the Underwriters if and as the Underwriters may reasonably request in order to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions, as the Underwriters may reasonably request, provided, however, that the District shall not be required to consent to service of process in any jurisdiction in which it is not so subject as of the date hereof.

B. The District hereby agrees to deliver or cause to be delivered to the Underwriters, not later than the earlier of (i) the third (3rd) business day preceding the Closing Date or (ii) the seventh (7th) business day following the date this Purchase Agreement is signed, the Official Statement substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Underwriters and the District, (a) in “designated electronic format” (as defined in Rule G-32 of the Municipal Securities Rulemaking Board), and (b) in printed form in such reasonable quantities as may be requested by the Underwriters in order to permit the Underwriters to comply with paragraph (b)(4) of Rule 15c2-12 and with the rules of the Municipal Securities Rulemaking Board.

C. The District hereby agrees to promptly notify the Underwriters of any event or occurrence that may affect the accuracy or completeness of any information set forth in the Official Statement relating to the District until the date which is twenty-five (25) days following the Closing.

D. If at any time prior to the expiration of twenty-five (25) days following the “end of the underwriting period” (as defined in Rule 15c2-12), any event known to the District relating to or affecting the District or the Bonds occurs which might cause the Official Statement to contain any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, the District will promptly notify the Underwriters in writing of the circumstances and details of such event. If, as a result of such event or any other event, it is necessary, in the reasonable opinion of Orrick, Herrington & Sutcliffe LLP, Disclosure Counsel to the District (“Disclosure Counsel”), or the Representative, to amend or supplement the Official Statement so that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, and if either shall have so advised the District, the District will forthwith cooperate with the Underwriters in the prompt preparation and furnishing to the Underwriters, at the expense of the District, of a reasonable number of copies of an amendment of or a supplement to the Official Statement, in form and substance satisfactory to the Underwriters, which will so amend or supplement the Official Statement so that, as amended or supplemented, it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The District will presume that unless otherwise notified in writing by the Representative, the end of the underwriting period will occur on the date of delivery of the Bonds; and

E. To assist the Underwriters in complying with Rule 15c2-12 and for the benefit of the holders and beneficial owners of the Bonds, the District will undertake to provide annual reports and notices of certain events pursuant to a continuing disclosure certificate dated the date of Closing (the “Continuing Disclosure Certificate”).

9. **Representations, Warranties and Agreements of the Underwriters.** The Underwriters represent to and agree with the District that, as of the date hereof and as of the date of Closing:

A. The Representative is duly authorized and has been duly authorized by the Underwriters, pursuant to an agreement among the Underwriters (the “AAU”), to execute this Purchase Agreement, to act hereunder on behalf of the Underwriters and to take all actions, and waive any condition or requirement, required or permitted to be taken or waived hereunder by the Representative or the Underwriters.

B. Based on representations in the AAU, the Underwriters have, and have had, no financial advisory relationship (as such term is defined in California Government Code Section 53590) with the District with respect to the Bonds, and no investment firm

controlling, controlled by or under common control with any of the Underwriters has or has had any such financial advisory relationship (as such term is defined in California Government Code Section 53590).

C. The Underwriters shall comply with all statutes, rules and regulations of all governmental entities in connection with the offering and sale of the Bonds.

10. **Underwriters Not Acting as Agents, Advisors or Fiduciaries.** The District acknowledges and agrees that:

A. the Underwriters are not acting as municipal advisors within the meaning of Section 15B of the Securities and Exchange Act of 1934, as amended;

B. the primary role of the Underwriters, as underwriters, is to purchase securities, for resale to investors, in an arm's-length commercial transaction between the District and the Underwriters and the Underwriters have financial and other interests that differ from those of the District;

C. in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriters are and have been acting solely as principals and are not acting as the agents, municipal advisors, financial advisors or fiduciaries of the District, nor have the Underwriters assumed an advisory or fiduciary responsibility in favor of the District;

D. the only contractual obligations the Underwriters have to the District with respect to the transaction contemplated hereby are set forth in this Purchase Agreement; and

E. the District has consulted its own legal, financial, municipal and other advisors to the extent it has deemed appropriate.

11. **Conditions to Closing.** The Underwriters have entered into this Purchase Agreement in reliance upon the representations and warranties of the District contained herein and the performance by the District of its obligations hereunder, both as of the date hereof and as of the date of Closing. The Underwriters' obligations under this Purchase Agreement are and shall be subject, at the option of the Underwriters, to the following further conditions at the Closing:

A. The representations and warranties of the District contained herein shall be true, complete and correct at the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriters at the Closing pursuant hereto shall be true, complete and correct on the date of the Closing; and the District shall be in compliance with the agreements made by it in this Purchase Agreement.

B. At the time of the Closing, (i) the District Documents shall be in full force and effect and the Resolution and the Official Statement shall not have been amended, modified or supplemented except as may have been agreed to in writing by the parties hereto; (ii) all actions under the Bond Law which, in the opinion of Bond Counsel, shall be

necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; (iii) the District shall have adopted, and there shall be in full force and effect such additional resolutions, agreements, opinions and certificates (including such certificates as may be required by regulations of the Internal Revenue Service in order to establish the tax exempt character of the interest on the Bonds) as shall be satisfactory in form and substance to Bond Counsel to the District and to the Underwriters, and there shall have been taken in connection therewith and in connection with the execution and delivery of the Bonds all such actions as shall, in the reasonable opinion of each, be necessary in connection with the transactions contemplated hereby; (iv) all actions under the Resolution which, in the opinion of Bond Counsel to the District, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; (v) the Bonds shall have been duly authorized, executed and delivered; and (vi) the District shall perform or have performed all of its obligations required under or specified in the District Documents to be performed at or prior to the Closing.

C. No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Purchase Agreement (and not reversed on appeal or otherwise set aside), or to the best knowledge of the District, be pending (in which service of process has been completed against the District) or threatened which has any of the effects described in Section 7(F) hereof or contests in any way the completeness or accuracy of either the Preliminary Official Statement or the Official Statement.

D. Between the date hereof and the Closing, the market for or the market price or marketability of the Bonds or the ability of the Underwriters to enforce contracts for the sale of the Bonds at the initial offering prices set forth in the Official Statement, shall not have been materially adversely affected by reason of any of the following:

(1) legislation enacted by the Congress of the United States, or by the legislature of the State, or introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court of the United States or the State or by the United States Tax Court, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made:

(i) by or on behalf of the United States Treasury Department, or by or on behalf of the Internal Revenue Service or other federal or State authority, which would have the purpose or effect of changing, directly or indirectly, the federal income tax consequences or State tax consequences of interest on obligations of the general character of the Bonds in the hands of the holders thereof; or

(ii) by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, to the effect that the Bonds, or obligations of the general character of the Bonds, including any and all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended,

or that the Resolution is not exempt from qualification under the Trust Indenture Act of 1939, as amended;

(2) the declaration of war or engagement in major military hostilities or escalation of hostilities by the United States or the occurrence of any other national or international emergency or calamity or crisis relating to the effective operation of the government or the financial community in the United States;

(3) the declaration of a general banking moratorium by federal, New York or State authorities having jurisdiction, or the general suspension of trading on any national securities exchange or fixing of minimum or maximum prices for trading or maximum ranges for prices for securities on any national securities exchange, whether by virtue or a determination by that exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction, or a material disruption in commercial banking or securities settlement or clearance services shall have occurred;

(4) the imposition by the New York Stock Exchange, other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds, or obligations of the general character of the Bonds, or securities generally, or the material increase of any such restrictions now in force;

(5) an order, decree or injunction of any court of competent jurisdiction, or order, filing, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, as contemplated hereby or by the Official Statement, is or would be in violation of the Federal securities laws, as amended and then in effect or any proceeding shall have been commenced, against the District, in connection with Bonds or obligations of the general character of the Bonds of the District, by the Securities and Exchange Commission or other governmental agency having jurisdiction over the issue, offering or sale thereof;

(6) any rating of the Bonds has been downgraded, suspended or withdrawn by a national rating service that rated the Bonds or a negative qualification (*e.g.*, a “credit watch” or “negative outlook” designation) or other announcement has been made by a national rating service that rated the Bonds that the Bonds are under review without indication of a potentially favorable result, which, in the reasonable opinion of the Underwriter, materially adversely affects the marketability or market price of the Bonds;

(7) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriters, makes untrue in any material adverse respect any statement or information set forth in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact

or omits to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading; or

(8) except as disclosed in or contemplated by the Official Statement, any material adverse change in the affairs of the District.

E. At or prior to the date of the Closing, the Underwriters shall have received the following documents, in each case dated as of the Closing Date unless otherwise specified herein and satisfactory in form and substance to the Underwriters:

(1) The approving opinion of Bond Counsel with respect to the Bonds, dated the Closing Date and addressed to the District, substantially in the form attached as Appendix D to the Preliminary Official Statement;

(2) A reliance letter from Bond Counsel addressed to the Representative to the effect that the Underwriters may rely upon the approving opinion of Bond Counsel described in E. (1) above;

(3) A supplemental opinion of Bond Counsel in a form acceptable to the Underwriters, dated the Closing Date and addressed to the Underwriters, to the effect that:

(i) assuming due authorization, execution and delivery by all the parties thereto, this Purchase Agreement, the Escrow Agreement and the Continuing Disclosure Certificate have each been duly authorized, executed and delivered by the respective parties thereto and constitute legal, valid and binding obligations of the District and are enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws affecting generally the enforcement of creditors' rights and except as their enforcement may be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases if equitable remedies are sought (provided that no opinion need be rendered regarding the adequacy of the Continuing Disclosure Certificate for purposes of the Rule) and by limitations on the enforcement of legal remedies against public agencies in the State;

(ii) the statements contained in the Official Statement under the captions "The Bonds" (excluding any and all information relating to The Depository Trust Company and its book-entry system and the County Treasury Pool set forth in Appendix F), "Security and Sources of Payment for the Bonds – General Description" and "Tax Matters," excluding any material that may be treated as included under such captions by cross-reference, to the extent they purport to summarize certain provisions of the Bonds, the Resolution and the exclusion from gross income of interest on the Bonds for federal income tax purposes or the exemption of interest on

the Bonds for State income tax purposes, fairly and accurately summarize the matters purported to be summarized thereto; and

(iii) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Resolution is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended;

(4) A defeasance opinion of Bond Counsel, dated the Closing Date and addressed to the District, to the effect that, upon the deposit of cash and certain proceeds of the Bonds into the escrow fund established under the Escrow Agreement, all as provided in the resolutions pursuant to which the Prior Bonds were issued, all agreements and covenants of the District and the County to the owners of the Prior Bonds shall be satisfied, discharged and terminated;

(5) The duly executed Escrow Agreement;

(6) The Continuing Disclosure Certificate signed by an appropriate official of the District and in form and substance reasonably satisfactory to the Underwriters;

(7) The Verification Report;

(8) A certificate signed by an appropriate official of the District to the effect that (i) such official is authorized to execute this Purchase Agreement, the Escrow Agreement, the Official Statement and the Continuing Disclosure Certificate, (ii) the representations, agreements and warranties of the District herein are true and correct as of the date of Closing, (iii) the District has complied with all the terms of the District Documents to be complied with by the District prior to or concurrently with the Closing and the District Documents are in full force and effect, (iv) no litigation is pending (with service of process having been accomplished) or, to the best of the District's knowledge, threatened (either in state or federal courts): (A) seeking to restrain or enjoin the execution, sale or delivery of any of the Bonds, (B) in any way contesting or affecting the authority for the execution, sale or delivery of the Bonds, the Official Statement, the Escrow Agreement, the Continuing Disclosure Certificate or this Purchase Agreement, or (C) in any way contesting the existence or powers of the District; (v) such official has reviewed the Official Statement and on such basis certifies that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, (vi) each of the conditions listed in Section 11 of this Purchase Agreement required to be satisfied by the District has been satisfied on the date thereof and the District is not aware of any other condition of this Purchase Agreement that has not been satisfied on the date thereof, and (vii) the Bonds being delivered on the date of the Closing to the Underwriters under this Purchase Agreement substantially conform to the descriptions thereof contained in the Resolution, the Official Statement and this Purchase Agreement;

(9) A certificate of the Escrow Bank dated the date of the Closing, signed by a duly authorized officer of the Escrow Bank, and in form and substance satisfactory to the Underwriters, to the effect that:

(i) to the best of such officer's knowledge, the representations and agreements of the Escrow Bank in the Escrow Agreement to which the Escrow Bank is a party are true and correct as of the date of the Closing;

(ii) the Escrow Agreement has been duly authorized, executed and delivered and, assuming due execution by the other parties thereto, is enforceable against the Escrow Bank in accordance with its terms; and

(iii) to the best of such officer's knowledge, no litigation is pending or threatened (either in state or federal courts) in any way contesting or affecting any authority of the Escrow Bank for or in connection with its performance of the Escrow Agreement;

(10) a certificate of the Paying Agent, or its agent, as applicable, dated the date of the Closing, signed by a duly authorized officer of the Paying Agent, or its agent, as applicable, and in form and substance satisfactory to the Underwriters, to the effect that:

(i) to the best of such officer's knowledge, the representations and agreements of the Paying Agent in the Master Paying Agent Services Contract, dated as of July 1, 2019 (the "Paying Agent Agreement"), between the County and the Paying Agent, are true and correct as of the date of the Closing;

(ii) the Paying Agent Agreement has been duly authorized, executed and delivered and, assuming due execution by the other parties thereto, is enforceable against the Paying Agent in accordance with its terms; and

(iii) to the best of such officer's knowledge, no litigation is pending or threatened (either in State or federal courts) (A) seeking to restrain or enjoin the delivery by the Paying Agent of any of the Bonds, or (B) in any way contesting or affecting any authority of the Paying Agent for the delivery of the Bonds or the validity or enforceability of the Bonds or the Paying Agent Agreement

(11) A tax certificate of the District in form satisfactory to Bond Counsel with respect to the Bonds;

(12) Evidence satisfactory to the Underwriters that any ratings described in the Official Statement are in full force and effect as of the Closing Date;

(13) The opinion of General Counsel to the District, addressed to the District and the Underwriters, dated the Closing Date, to the effect that:

(i) the District is a unified school district validly existing under the Constitution and the laws of the State;

(ii) the District has the full right and lawful authority to enter into and perform its duties and obligations under the District Documents and to authorize the issuance and sale of the Bonds;

(iii) to the best knowledge of General Counsel to the District, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or public body, pending, or to such counsel's knowledge, threatened against the District contesting in any way the completeness or accuracy of the Official Statement or the due adoption of the Resolution, and there is no breach or default by the District under any other instruments which is caused by the issuance of the Bonds or the execution and delivery of this Purchase Agreement, the Escrow Agreement or the Continuing Disclosure Certificate;

(iv) General Counsel to the District is not representing the District in connection with any litigation of any nature to restrain or enjoin the execution, delivery or performance of the District Documents, the Bonds or any of the proceedings taken with respect to the issuance of the Bonds, the application of monies to the payment of the Bonds or in any manner questioning the proceedings and authority under which the Bonds were authorized or challenging the validity of the Bonds, the existence or boundaries of the District or the title of the officials of the District who have acted with respect to the proceedings for the issuance of the Bonds on behalf of the District to their respective offices; and

(v) the Official Statement has been duly approved by the District;

(14) The opinion of [UC], counsel for the Underwriters ("Underwriters' Counsel"), dated the date of Closing and addressed to the Underwriters, satisfactory in form and substance to the Underwriters;

(15) The letters of Disclosure Counsel substantially in the forms attached hereto as Exhibit B, dated the date of Closing and addressed separately to the District and the Underwriters, respectively;

(16) A certificate, together with a fully executed copy of the Resolution, of the Executive Officer of the Board of Education to the effect that:

(i) such copy is a true and correct copy of such Resolution; and

(ii) that the Resolution was duly adopted, has not been modified, amended, rescinded or revoked and is in full force and effect on the date of the Closing;

(17) A certificate of the appropriate official of the District evidencing the District's determination respecting the Preliminary Official Statement in accordance with Rule 15c2-12;

(18) A transcript of all proceedings relating to the authorization, issuance and delivery of the Bonds; and

(19) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriters may reasonably request to evidence compliance (i) by the District and the Paying Agent (and its agent, if applicable) with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the District herein contained, and (iii) the due performance or satisfaction by the District and the Paying Agent (and its agent, if applicable) at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by them.

If the District shall be unable to satisfy the conditions to the Underwriters' obligations contained in this Purchase Agreement or if the Underwriters' obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be canceled by the Underwriters at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the District in writing, or by telephone or electronic communication, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the District hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriters may be waived by the Representative in writing at its sole discretion.

12. **Conditions to Obligations of the District.** The performance by the District of its obligations is conditioned upon (i) the performance by the Underwriters of their obligations hereunder and (ii) receipt by the District and the Underwriters of opinions and certificates being delivered at the Closing by persons and entities other than the District.

13. **Expenses.** On the Closing Date, the Underwriters will wire \$ _____ from the proceeds of the Bonds and as a portion of the Purchase Price of the Bonds as provided in Section 1 hereof to U.S. Bank Trust Company, National Association, as costs administrator, to be used to pay costs of issuance of the Bonds, including, but not limited to the following at the direction of the District: (i) the costs of the preparation and reproduction of the Resolution; (ii) the fees and disbursements of Bond Counsel, Disclosure Counsel and the Municipal Advisor; (iii) the cost of the preparation, printing and delivery of the Bonds; (iv) the fees for Bond ratings, including all necessary expenses for travel; (v) the cost of the printing and distribution of the Preliminary Official Statement and the Official Statement, and any supplement or amendment thereto; (vi) costs, fees and expenses related to the presentation to investors; (vii) the initial fees of the Paying Agent; and (viii) all other fees and expenses incident to the issuance and sale of the Bonds or the performance of its obligations hereunder. All out-of-pocket expenses of the Underwriters, including California Debt and Investment Advisory Commission fees, CUSIP Service Bureau registration fees, Underwriters' Counsel fees, expenses for travel and other expenses of the Underwriters, shall be paid by the Underwriters out of the Underwriters' Discount.

14. **Notices.** Any notice or other communication to be given under this Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing if to the District, to the Chief Business Officer of the Los Angeles Unified School District, 333 S. Beaudry Avenue, 26th Floor, Los Angeles, California 90017, or if to the Representative, to [Underwriter] at [Address].

15. **Severability.** In the event any provision of this Purchase Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

16. **Parties in Interest; Survival of Representations and Warranties.** This Purchase Agreement when accepted by the District in writing as heretofore specified shall constitute the entire agreement between the District and the Underwriters with respect to the transaction contemplated by this Purchase Agreement. This Purchase Agreement is made solely for the benefit of the District and the Underwriters (including the successors or assigns of the Underwriters). No person shall acquire or have any rights hereunder or by virtue hereof. All the representations, warranties and agreements of the District in this Purchase Agreement shall survive, unless waived by the Underwriters, regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriters, (b) delivery of and payment by the Underwriters for the Bonds hereunder and (c) any termination of this Purchase Agreement.

17. **Execution in Counterparts.** This Purchase Agreement may be executed in several counterparts each of which shall be regarded as an original and all of which shall constitute but one and the same document.

18. **Applicable Law.** This Purchase Agreement shall be interpreted, governed and enforced in accordance with the law of the State applicable to contracts made and performed in such State.

Very truly yours,

[Representative], on their own behalf and as
representative of _____.

[REPRESENTATIVE]

By: _____
Representative

The foregoing is hereby agreed to
and accepted as of the date first
above written:

LOS ANGELES UNIFIED SCHOOL DISTRICT

By: _____

EXHIBIT A**MATURITY SCHEDULES AND REDEMPTION PROVISIONS****LOS ANGELES UNIFIED SCHOOL DISTRICT
(County of Los Angeles, California)****[SPA]****20__ General Obligation Refunding Bonds, Series A
(Dedicated Unlimited Ad Valorem Property Tax Bonds)**

<u>Maturity (July 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>10% Test Satisfied*</u>	<u>10% Test Not Satisfied</u>	<u>Undersold Maturities</u>
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* At the time of the execution of this Purchase Agreement and assuming orders are confirmed immediately after the execution of this Purchase Agreement.

^C Priced to first call date of July 1, 20__.

REDEMPTION PROVISIONS***[To come]***

EXHIBIT B

FORMS OF LETTERS OF DISCLOSURE COUNSEL

EXHIBIT C**FORM OF CERTIFICATE OF THE REPRESENTATIVE**

[Representative] has acted as the representative of the Underwriters listed in the Bond Purchase Agreement (the “**Representative**”) entered into in connection with the sale and issuance by the Los Angeles Unified School District (the “**District**”) of the Los Angeles Unified School District (County of Los Angeles, California) 20__ General Obligation Refunding Bonds, Series A (Dedicated Unlimited Ad Valorem Property Tax Bonds) in the principal amount of [\$PA] (the “**Bonds**”), being issued on the date hereof, and the Representative hereby certifies and represents on behalf of itself the following:

1. As of [Sale Date] (the “**Sale Date**”), all of the Bonds were the subject of a bona fide offering to the Public at the respective prices or yields set forth on the inside cover page of the District’s Official Statement in respect of the Bonds dated [Sale Date] (each, an “**Initial Offering Price**”), which are the same prices or yields shown on the final pricing wire for the offering of the Bonds attached hereto as Schedule 1.

2. As of the Sale Date, [except for the Bonds maturing on _____ (the “**Unsold Maturities**”) shown on Schedule 2 attached hereto,] the first price at which 10 percent of each Maturity of the Bonds was sold by the Underwriters to the Public is set forth on Schedule 1.

3. [**HOLD THE PRICE - REPRESENTATIVE ALLOTTED UNSOLD MATURITIES**] On and following the Sale Date, with respect to the initial sales of the Unsold Maturities, the Representative: (i) has retained the unsold principal amounts of the bonds of the Unsold Maturities as shown in Schedule 2 attached hereto and not allocated any such Unsold Maturities to any other Underwriter, and (ii) has neither offered nor sold any such Unsold Maturities to any person at a price that is higher or yield lower than the Initial Offering Price during the period starting on the Sale Date and ending on the earlier of the following: (a) the close of the fifth business day after the Sale Date, or (b) the date on which at least 10 percent of the bonds of the Unsold Maturity has been sold to the Public at a price that is at or below the Initial Offering Price. OR:

4. [**HOLD THE PRICE - SYNDICATE RETAINS BONDS**] On and following the Sale Date, with respect to the initial sales of the Unsold Maturities, the Underwriters have neither offered nor sold any Unsold Maturities to any person at a price higher than or a yield lower than the respective Initial Offering Price for a period of time starting on the Sale Date and ending on the earlier of the following: (a) the close of the fifth business day after the Sale Date, or (b) the date on which at least 10 percent of the bonds of the Unsold Maturity has been sold to the Public at a price that is at or below the Initial Offering Price.

3. The agreement among Underwriters, each selling group agreement and each retail distribution agreement (to which the Representative is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A)(i) report the prices at which it sells to the Public the unsold Bonds of each Maturity allotted to it until it is notified by the

Representative that at least 10 percent of such Maturity of the Bonds was sold by the Underwriters to the Public at a single price, and (ii) with respect to the Unsold Maturities, if any, comply with the hold-the-offering-price rule, as described above, if and for so long as directed by the Representative and as set forth in the related pricing wires, (B) promptly notify the Representative of any sales of the Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and (C) acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Representative shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

For purposes of this Certificate, the following definitions apply:

- (a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.
- (c) *Related Party* means any entity if an Underwriter and such entity are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).
- (d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The Representative understands that the foregoing information will be relied upon by the District with respect to certain of the representations set forth in the District's Tax Certificate and Agreement to which this certificate is included as Exhibit and with respect to compliance with the federal income tax rules affecting the Bonds, and by Hawkins Delafield & Wood LLP, as bond counsel to the District, in connection with providing an opinion as to the exclusion from gross income of interest on the Bonds pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the District from time to time relating to the Bonds.

The Representative is certifying only as to facts in existence on the date hereof. Nothing herein represents the Representative's interpretation of any laws; in particular, the Treasury Regulations under the Code, or the application of any laws to these facts. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein. Although certain information furnished in this Certificate has been derived from other Underwriters and cannot be independently verified by us, we have no reason to believe it to be untrue in any material respect.

Dated: [Closing Date]

[Representative]

By: _____

Name: _____

Title: _____

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Los Angeles Unified School District (the “District”) in connection with the issuance of its Refunding Bonds (defined herein), which are being issued pursuant to the laws of the State of California and the Refunding Resolution (defined herein). The District covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District and the Dissemination Agent for the benefit of the Holders and Beneficial Owners of the Refunding Bonds and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Refunding Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 4 and 5 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Refunding Bonds (including persons holding Refunding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Refunding Bonds for federal income tax purposes.

“County” shall mean the County of Los Angeles, California.

“CUSIP Numbers” shall mean the Committee on Uniform Security Identification Procedure’s unique identification number for each public issue of a security.

“Dissemination Agent” shall mean Digital Assurance Certification, L.L.C., or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

“Disclosure Counsel” shall mean an attorney-at-law, or a firm of such attorneys, of nationally recognized standing in matters pertaining to the disclosure obligations under the Rule, duly admitted to the practice of law before the highest court of any state of the United States of America.

“EMMA System” shall mean the MSRB’s Electronic Municipal Market Access system, the current internet address of which is <http://emma.msrb.org>.

“Financial Obligation” shall mean, for purposes of the Listed Events set out in Section 6(b)(xv) and Section 6(b)(xvi), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which

a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Holder” shall mean either the registered owners of the Refunding Bonds, or if the Refunding Bonds are registered in the name of The Depository Trust Company or another recognized depository, any applicable participant in such depository system.

“Listed Events” shall mean any of the events listed in Section 6(b) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Disclosure Certificate.

“Official Statement” shall mean the Official Statement dated _____, 2024, with respect to the Refunding Bonds.

“Participating Underwriters” shall mean the original underwriters of the Refunding Bonds required to comply with the Rule in connection with offering of the Refunding Bonds.

“Refunding Bonds” shall mean the 2024 General Obligation Refunding Bonds, Series B (Dedicated Unlimited *Ad Valorem* Property Tax Bonds).

“Refunding Resolution” shall mean the resolution adopted by the Board of Education of the District on _____, 2024.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Transmission of Notices, Documents and Information. (a) Unless otherwise required by the MSRB, all notices, documents and information provided to the MSRB shall be provided to the EMMA System.

(b) All notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB.

Section 4. Provision of Annual Reports. (a) The District shall, or shall cause the Dissemination Agent to, not later than 240 days following the end of the District’s fiscal year (currently ending June 30), commencing with the report for the 2023-24 fiscal year (which is due not later than February 25, 2025), provide to the MSRB through its EMMA System an Annual Report which is consistent with the requirements of Section 5 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 5 of this Disclosure Certificate. If the District’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 6(c).

(b) Not later than thirty (30) days (not more than sixty (60) days) prior to the date on which the Annual Report is to be provided pursuant to subsection (a), the Dissemination Agent shall give notice to the District that the Annual Report is so required to be filed in accordance with the terms of this Disclosure Certificate. Not later than fifteen (15) days prior to said date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If the District is unable to provide to the MSRB through its EMMA System an Annual Report by the date required in subsection (a), the Dissemination Agent shall send a timely notice of such fact to the MSRB through its EMMA System.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report to the EMMA System the date on which such Annual Report shall be due and notify the District of such date; and

(ii) (if the Dissemination Agent is other than the District) file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and that it was provided to the MSRB through the EMMA System.

Section 5. Content of Annual Reports. The District's Annual Report shall contain or include by reference the following:

(a) Audited financial statements of the District for the preceding fiscal year, prepared in accordance with the laws of the State of California and including all statements and information prescribed for inclusion therein by the Controller of the State of California. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 4 hereof, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) To the extent not included in the audited financial statements of the District, the Annual Report shall also include the following:

(i) Table [3] – “Historical Gross Assessed Valuation of Taxable Property” if and to the extent provided to the District by the County;

(ii) Table [5] – “Assessed Valuation and Parcels by Land Use”;

(iii) Table [6] – “Assessed Valuations of Single Family Homes per Parcel”;

(iv) Table [7] – “Largest Local Secured Taxpayers”;

(v) Table [9] – “Secured Tax Charges and Delinquencies,” if and to the extent provided to the District by the County;

(vi) Table [A-1] – “Average Daily Attendance”;

(vii) Table [A-4] – “District General Fund Budget” for the current fiscal year;

(viii) Table [A-20] – “Proposition BB (Election of 1997) Bonds,” if and only to the extent that bonds issued pursuant to Proposition BB or bonds that have refunded such bonds are outstanding;

(ix) Table [A-21] – “Measure K (Election of 2002) Bonds,” if and only to the extent that bonds issued pursuant to Measure K or bonds that have refunded such bonds are outstanding;

(x) Table [A-22] – “Measure R (Election of 2004) Bonds,” if and only to the extent that bonds issued pursuant to Measure R or bonds that have refunded such bonds are outstanding;

(xi) Table [A-23] – “Measure Y (Election of 2005) Bonds,” if and only to the extent that bonds issued pursuant to Measure Y or bonds that have refunded such bonds are outstanding;

(xii) Table [A-24] – “Measure Q (Election of 2008) Bonds,” if and only to the extent that bonds issued pursuant to Measure Q or bonds that have refunded such bonds are outstanding; and

(xiii) Table [A-25] - “Measure RR (Election of 2020) Bonds,” if and only to the extent that bonds issued pursuant to Measure RR or bonds that have refunded such bonds are outstanding.

(c) It shall be sufficient for purposes of Section 4 hereof if the District provides annual financial information by specific reference to documents (i) available to the public on the MSRB Internet Web site (currently, www.emma.msrb.org) or (ii) filed with the Securities and Exchange Commission. The District shall clearly identify each such other document so included by reference. The provisions of this Section 5(c) shall not apply to notices of Listed Events pursuant to Section 6 hereof.

(d) The descriptions contained in clause (b) above of financial information and operating data constituting to be included in the Annual Report are of general categories or types of financial information and operating data. When such descriptions include information that no longer can be generated because the operations to which it related have been materially changed or discontinued, or due to changes in accounting practices, legislative or organizational changes, a statement to that effect shall be provided in lieu of such information. Comparable information shall be provided if available.

Section 6. Reporting of Listed Events. (a) If a Listed Event occurs, the District shall provide or cause to be provided, in a timely manner not in excess of ten (10) Business Days of the District having notice of such Listed Event, notice of such Listed Event to (i) the EMMA System of the MSRB and (ii) the Dissemination Agent.

(b) Pursuant to the provisions of this Section 6, the District shall give, or cause to be given, notice of the occurrence of any of the following events (each, a “Listed Event”) with respect to the Refunding Bonds:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) modifications to rights of Holders, if material;
- (iv) bond calls, if material and tender offers;
- (v) defeasances;
- (vi) rating changes;
- (vii) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (Internal Revenue Service Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Refunding Bonds, or other material events affecting the tax status of the Refunding Bonds;
- (viii) unscheduled draws on the debt service reserves reflecting financial difficulties;
- (ix) unscheduled draws on the credit enhancements reflecting financial difficulties;
- (x) release, substitution or sale of property securing repayment of the Refunding Bonds, if material;
- (xi) bankruptcy, insolvency, receivership or similar event of the District (such event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District);
- (xii) substitution of credit or liquidity providers, or their failure to perform;
- (xiii) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an

action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) appointment of a successor or additional Paying Agent or the change of name of a Paying Agent, if material;

(xv) incurrence of a Financial Obligation of the District, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material;

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties; and

(xvii) any amendment or waiver of a provision of this Disclosure Certificate.

The District intends to comply with the Listed Events described in Section 6(b)(xv) and Section 6(b)(xvi), and the definition of “Financial Obligation” in Section 1, with reference to the Rule, any other applicable federal securities laws and the guidance provided by the Securities and Exchange Commission in Release No. 34-83885, dated August 20, 2018 (the “2018 Release”), and any further amendments or written guidance provided by the Securities and Exchange Commission or its staff with respect the amendments to the Rule effected by the 2018 Release. The District notes that items (viii), (ix), (x) and (xii) are not applicable to the Refunding Bonds.

(c) If the District determines that a Listed Event has occurred, the District shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to Section 3 hereof.

(d) If the Dissemination Agent has been instructed by the District to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB through its EMMA System.

(e) Notwithstanding the foregoing, notice of Listed Events described in subsections (b)(iv) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Refunding Bonds pursuant to the Refunding Resolution.

Section 7. CUSIP Numbers. Whenever providing information to the Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements and notices of Listed Events, the District shall indicate the full name of the Refunding Bonds and the 9-digit CUSIP numbers for the Refunding Bonds as to which the provided information relates.

Section 8. Termination of Reporting Obligation. (a) The District’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Refunding Bonds. If such termination occurs prior to the final maturity of the Refunding Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 6(c).

(b) This Disclosure Certificate, or any provision hereof, shall cease to be effective in the event that the District (1) delivers to the Dissemination Agent an opinion of Disclosure Counsel, addressed to the District and the Dissemination Agent, to the effect that those portions of the Rule which require this Disclosure Certificate, or such provision, as the case may be, do not or no longer apply to the Refunding Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion, and (2) delivers copies of such opinion to the MSRB.

Section 9. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall be Digital Assurance Certification, L.L.C. If at any time there is no designated Dissemination Agent appointed by the District, or if the Dissemination Agent so appointed is unwilling or unable to perform the duties of the Dissemination Agent hereunder, the District shall be the Dissemination Agent and undertake or assume its obligations hereunder. The Dissemination Agent (other than the District) shall not be responsible in any manner for the content of any notice or report required to be delivered by the District pursuant to this Disclosure Certificate.

Section 10. Amendment; Waiver. (a) This Disclosure Certificate may be amended by the District without the consent of the holders of the Refunding Bonds (except to the extent required under clause (a)(iv)(2) below), if all of the following conditions are satisfied:

(i) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the District or the type of business conducted thereby;

(ii) this Disclosure Certificate as so amended would have complied with the requirements of the Rule as of the date of this Disclosure Certificate, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances;

(iii) the District shall have received an opinion of a nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the District, to the same effect as set forth in (a)(ii) above;

(iv) either (1) the District shall have received an opinion of a nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the District, to the effect that the amendment does not materially impair the interests of the holders of the Refunding Bonds or (2) is approved by the Holders of the Refunding Bonds in the same manner as provided in the Refunding Resolution for amendments to the Refunding Resolution with the consent of Holders; and

(v) the District shall have delivered copies of such opinion and amendment to the MSRB through its EMMA system within ten (10) Business Days from the execution thereof.

(b) In addition to subsection 10(a) above, this Disclosure Certificate may be amended and any provision of this Disclosure Certificate may be waived, by written certificate of the District, without the consent of the holders of the Refunding Bonds, if all of the following conditions are satisfied:

(i) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date of this Disclosure Certificate which is applicable to this Disclosure Certificate;

(ii) the District shall have received an opinion of a nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the District, to the effect that performance by the District under this Disclosure Certificate as so amended or giving effect to such waiver, as the case may be, will not result in a violation of the Rule; and

(iii) the District shall have delivered copies of such opinion and amendment to the MSRB through its EMMA system.

(c) In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 6 hereof, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 11. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 12. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate, the Dissemination Agent may (and, at the request of any Participating Underwriters or the Holders or Beneficial Owners of at least 25% of aggregate principal amount of the Refunding Bonds then outstanding, shall) or any Holders or Beneficial Owners of the Refunding Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate; provided that any such action may be instituted only in the Superior Court of the State of California in and for the County of Los Angeles

or in the U.S. District Court in the County of Los Angeles. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Refunding Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 13. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Refunding Bonds.

Section 14. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Refunding Bonds, and shall create no rights in any other person or entity.

Section 15. Execution in Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same certificate.

Dated: _____, 2024

LOS ANGELES UNIFIED SCHOOL DISTRICT

By: _____
David D. Hart
Chief Business Officer

ACKNOWLEDGED AND AGREED TO BY:

DIGITAL ASSURANCE CERTIFICATION,
L.L.C., as Dissemination Agent

By: _____
Dissemination Agent

ESCROW AGREEMENT

by and between

LOS ANGELES UNIFIED SCHOOL DISTRICT

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION

Dated as of [Dated Date]

**Los Angeles Unified School District
(County of Los Angeles, California)
[Issue Name]**

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (this “Escrow Agreement”), dated as of [Dated Date], is by and between the LOS ANGELES UNIFIED SCHOOL DISTRICT, a school district organized and existing under the laws of the State of California (the “District”), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as escrow bank (the “Escrow Bank”) and as agent of the Paying Agent for the Bonds (the “Paying Agent”) (as defined herein).

W I T N E S S E T H:

WHEREAS, the District has heretofore issued the Prior Bonds described in Exhibit A hereto pursuant to the resolution pursuant to which the Prior Bonds were issued;

WHEREAS, the Escrow Bank serves as the Paying Agent for the Prior Bonds;

WHEREAS, the District has determined that debt service savings can be achieved by refunding the Prior Bonds on the Redemption Dates and at the Redemption Prices set forth on Exhibit A and applying a portion of the proceeds of the Los Angeles Unified School District (County of Los Angeles, California) 202_ General Obligation Refunding Bonds, Series __ (Dedicated Unlimited *Ad Valorem* Property Tax Bonds) (the “Bonds”) for the purpose of providing the funds necessary to redeem the Prior Bonds prior to their respective maturity dates;

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the District and the Escrow Bank agree as follows:

Section 1. Definitions. Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed thereto in the resolutions adopted by the District authorizing the Prior Bonds.

Section 2. The Escrow Fund. (a) There is hereby established with the Escrow Bank a fund (the “Escrow Fund”) to be held as an irrevocably pledged escrow by the Escrow Bank, which the Escrow Bank shall keep separate and apart from all other funds and accounts of the District and the Escrow Bank and which shall be applied solely as provided in this Escrow Agreement. The Escrow Fund is established for the purpose of refunding the Prior Bonds and, for purposes of Section 53555 of the California Government Code, shall be deemed to be a fund in the treasury of the District. Pending application as provided in this Escrow Agreement, amounts on deposit in the Escrow Fund are hereby pledged and assigned solely to the payment of the interest on and principal and Redemption Price of the Prior Bonds, which amounts shall be held in escrow by the Escrow Bank for the Owners of the Prior Bonds.

(b) Upon the issuance of the Bonds, there shall be deposited in the Escrow Fund \$[] received from the proceeds of the sale of the Bonds (a portion of which was the Good Faith Deposit received by the District), which amount will [be invested in Securities (herein defined) pursuant to Section 3 hereof] [remain uninvested]. The District has determined that moneys on deposit in the Escrow Fund will be at least equal to an amount sufficient to make the payments required by Section 4 hereof. [The Escrow Bank may conclusively rely upon the verification report by [Verification Agent] provided in connection with the issuance of the Bonds

as to the sufficiency of the funds to make the payments required for redemption of the Prior Bonds.]

Section 3. Use and Investment of Moneys. (a) The Escrow Bank hereby acknowledges deposit of the moneys described in Section 2(b). [The District may direct the Escrow Bank to invest all or a portion of such moneys in United States Obligations (the “Securities”) upon receipt of (i) certification by a nationally recognized firm of independent certified public accountants that the Securities will mature in such principal amounts and earn interest in such amounts and, in each case, at such times, so that sufficient moneys will be available from maturing principal and interest on the Securities, together with uninvested moneys then held by the Escrow Bank in the Escrow Fund, to make all payments required by Section 4 hereof and (ii) an opinion of counsel of recognized standing in the field of law relating to municipal bonds to the effect that the purchase of the Securities will not adversely affect the exclusion of interest on Prior Bonds from gross income for purposes of federal income taxation.]

(b) Upon the written request of the District, but subject to the conditions and limitations herein set forth, the Escrow Bank shall purchase substitute United States Obligations for the Securities that may then be held in the Escrow Fund in whole or in part with the proceeds derived from the sale, transfer, redemption or other disposition of the Securities then on deposit in the Escrow Fund and any uninvested money then held by the Escrow Bank hereunder in accordance with the provisions of this Section. Such sale, transfer, redemption or other disposition of Securities then on deposit in the Escrow Fund and substitution of other United States Obligations shall be effected by the Escrow Bank upon the written request of the District but only by a simultaneous transaction and only upon receipt of (i) certification by a nationally recognized firm of independent certified public accountants that the United States Obligations to be substituted, together with the Securities which will continue to be held in the Escrow Fund, will mature in such principal amounts and earn interest in such amounts and, in each case, at such times so that sufficient moneys will be available from maturing principal and interest on all of such Securities held in the Escrow Fund, together with any uninvested moneys, to make all payments required by Section 4 hereof, which have not previously been made, and (ii) receipt by the Escrow Bank of an opinion of counsel of recognized standing in the field of law relating to municipal bonds to the effect that the sale, transfer, redemption or other disposition and substitution of United States Obligations will not adversely affect the exclusion of interest on Prior Bonds from gross income for purposes of federal income taxation.

(c) Upon the written request of the District, but subject to the conditions and limitations herein set forth, the Escrow Bank shall apply any moneys received from the maturing principal of or interest or other investment income on any Securities held in the Escrow Fund, or the proceeds from any sale, transfer, redemption or other disposition of Securities pursuant to Section 3(b) not required for the purposes of said Section (i) to the extent such moneys will not be required at any time for the purpose of making a payment required by Section 4 hereof, as certified by a nationally recognized firm of independent certified public accountants delivered to the Escrow Bank, such moneys shall be transferred to the Treasurer and Tax Collector of the County (the “County Treasurer”) for deposit in the District’s interest and sinking funds established for the Bonds upon the written request of the District as received by the Escrow Bank, free and clear of any trust, lien, pledge or assignment securing the Prior Bonds or otherwise existing hereunder, and (ii) to the extent such moneys will be required for such purpose at a later date, such moneys may, to the

extent practicable, be invested or reinvested in United States Obligations maturing at times and in amounts sufficient, as certified by a nationally recognized firm of independent certified public accountants delivered to the Escrow Bank, to make such payment required by Section 4 hereof.

(d) All United States Obligations purchased pursuant to this Escrow Agreement shall be deposited in and held for the credit of the Escrow Fund. Except as provided in this Section 3, no moneys or United States Obligations deposited with the Escrow Bank pursuant to this Escrow Agreement nor principal of, or interest payments or other investment income on, any such United States Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the Prior Bonds as provided by Section 4 hereof.

(e) The Owners of the Prior Bonds shall have a first and exclusive lien on the moneys and United States Obligations in the Escrow Fund until such moneys and United States Obligations are used and applied as provided in this Escrow Agreement.

(f) The Escrow Bank shall not be held liable for investment losses resulting from compliance with the provisions of this Escrow Agreement.

Section 4. Payment of Prior Bonds. From the maturing principal of the Securities held in the Escrow Fund and the investment income and other earnings thereon and any uninvested money then held in the Escrow Fund, the Escrow Bank shall pay the interest on the Prior Bonds due on [_____] and pay on the Redemption Date therefor the Redemption Price and interest on the Prior Bonds then due and payable in accordance with the terms of the respective Resolutions. To the extent that the amount on deposit in the Escrow Fund on the Redemption Date is in excess of the amount necessary to make the required payments with respect to the Prior Bonds, as shown in the then applicable escrow verification of the nationally recognized firm of independent certified public accountants, such excess shall be transferred to the County Treasurer for deposit in the District's interest and sinking funds established for the District's general obligation bonds.

Section 5. Irrevocable Instructions to Mail Notice of Redemption. (a) The District hereby irrevocably designates the Prior Bonds for prior redemption on the Redemption Date as indicated in Section 4 hereof and hereby irrevocably instructs the Escrow Bank, as the Paying Agent for the Prior Bonds, to deliver, not less than 30 nor more than 60 days prior to the Redemption Date, in accordance with the respective resolutions of the District and the Board of Supervisors of the County of Los Angeles that authorized the Prior Bonds (the "Prior Bonds Resolutions"), a notice of redemption of the Prior Bonds in substantially the form attached hereto as Exhibit B to the owners of the Prior Bonds. The Escrow Bank is hereby further instructed to post such notice of redemption to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system as soon as possible after delivery of the notice of redemption in accordance with the terms of the Prior Bonds Resolutions.

(b) The District hereby irrevocably instructs the Escrow Bank to deliver on [_____, 202_] in accordance with the Prior Bonds Resolutions, a notice of defeasance substantially in the form attached hereto as Exhibit C to the owners of the Prior Bonds, stating that an irrevocable deposit has been made with the Escrow Bank and that such Prior Bonds have been deemed to be

paid and to post such notice of defeasance to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system.

Section 6. Performance of Duties. The Escrow Bank agrees to perform the duties set forth herein and agrees that the irrevocable instructions to the Escrow Bank herein provided are in a form satisfactory to it.

Section 7. Authority to Make Investments; Funds and Accounts. The Escrow Bank shall have no power or duty to invest any funds held under this Escrow Agreement except as provided in Section 3 hereof. The Escrow Bank shall have no power or duty to transfer or otherwise dispose of the moneys held hereunder except as provided in this Escrow Agreement. Any fund or account required to be established and maintained pursuant hereto by the Escrow Bank may be established and maintained in the accounting records of the Escrow Bank either as an account or a fund, and may, for the purposes of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund, but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with sound accounting practice and with due regard for the protection of the security of the Prior Bonds and the rights of the Owners of the Prior Bonds. The Escrow Bank may establish such funds and accounts as it deems necessary to perform its obligations hereunder.

Section 8. Compensation. The District shall from time to time pay or cause to be paid to the Escrow Bank the agreed upon compensation for its services to be rendered hereunder, and reimburse the Escrow Bank for all of its reasonable advances in the exercise and performance of its duties hereunder; provided, however, that under no circumstances shall the Escrow Bank be entitled to any lien whatsoever on any moneys or obligations in the Escrow Fund for the payment of fees and expenses for services rendered or expenses incurred by the Escrow Bank under this Escrow Agreement or otherwise.

Section 9. Indemnification. To the extent permitted by law, the District shall indemnify and save the Escrow Bank harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, and which are not due to its negligence or its willful misconduct. The indemnity contained in this Section shall survive the termination of this Escrow Agreement.

Section 10. Responsibilities of Escrow Bank. The Escrow Bank and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Escrow Agreement, the establishment of the Escrow Fund, the acceptance of the moneys or any securities deposited therein, the purchase of the securities to be purchased pursuant hereto, the retention of such securities or the proceeds thereof, the sufficiency of the securities or any uninvested moneys held hereunder to accomplish the redemption of the Prior Bonds, or any payment, transfer or other application of moneys or securities by the Escrow Bank in accordance with the provisions of this Escrow Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Bank made in good faith in the conduct of its duties. The recitals of fact contained in the "Whereas" clauses herein shall be taken as the statements of the District, and the Escrow Bank assumes no responsibility for the correctness thereof. The Escrow Bank makes no representation as to the sufficiency of the securities to be purchased pursuant hereto and any

uninvested moneys to accomplish the redemption of the Prior Bonds or to the validity of this Escrow Agreement as to the District and, except as otherwise provided herein, the Escrow Bank shall incur no liability in respect thereof. The Escrow Bank shall not be liable in connection with the performance of its duties under this Escrow Agreement except for its own negligence, willful misconduct or default, and the duties and obligations of the Escrow Bank shall be determined by the express provisions of this Escrow Agreement. The Escrow Bank may consult with counsel, who may or may not be counsel to the District, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Bank shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Escrow Agreement, such matter (except the matters set forth herein as specifically requiring a certificate of a nationally recognized firm of independent certified public accountants or an opinion of counsel of recognized standing in the field of law relating to municipal bonds) may be deemed to be conclusively established by a written certification of the District.

Section 11. Amendments. The District and the Escrow Bank may (but only with the consent of the Owners of all of the Prior Bonds) amend this Escrow Agreement or enter into agreements supplemental to this Escrow Agreement; provided, however, that such amendments and agreements are limited to (a) insertion of unintentionally omitted material, corrections of mistakes or clarifications of ambiguities, (b) pledging of additional legal security for the benefit of the Owners of the Prior Bonds, or (c) providing for the deposit of additional cash and/or securities in the Escrow Fund.

Section 12. Term. This Escrow Agreement shall terminate on the date upon which the Prior Bonds have been paid in accordance with this Escrow Agreement.

Section 13. Severability. If any one or more of the covenants or agreements provided in this Escrow Agreement on the part of the District or the Escrow Bank to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenants or agreements shall be null and void and shall be deemed separate from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Escrow Agreement.

Section 14. Counterparts. This Escrow Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as an original but all of which shall constitute and be but one and the same instrument.

Section 15. Governing Law. This Escrow Agreement shall be construed under the laws of the State of California.

**LOS ANGELES UNIFIED SCHOOL
DISTRICT**

By: _____
Chief Business Officer

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION, AS
ESCROW BANK AND PRIOR PAYING
AGENT**

By: _____
Authorized Officer

EXHIBIT A
PRIOR BONDS

EXHIBIT B**NOTICE OF CONDITIONAL REDEMPTION**

Los Angeles Unified School District
(County of Los Angeles, California)

[Issue Name]

[Issue Date]

<u>[Bond No.]</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>Redemption Price</u>	<u>CUSIP (544646)</u>
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NOTICE IS HEREBY GIVEN to the owners of the above-captioned bonds (the “Prior Bonds”) pursuant to the resolutions adopted by the Board of Education of the Los Angeles Unified School District (the “District”) and the Board of Supervisors of the County of Los Angeles (the “County”), that all or a portion of the outstanding Prior Bonds are hereby called for redemption on the Redemption Date set forth above (the “Redemption Date”) at the redemption price equal to 100% of the principal amounts thereof plus accrued interest thereon to the Redemption Date (the “Redemption Price”). [Redemption of the Prior Bonds is conditioned upon the issuance by the District of General Obligation Refunding Bonds, the proceeds of which will be used to pay the Redemption Price. This notice of conditional redemption may be rescinded by subsequent written notice delivered in like manner at any time prior to or on the Redemption Date. If this notice of conditional redemption is rescinded, this notice of conditional redemption shall be of no force and effect and none of the Prior Bonds shall be redeemed on the Redemption Date.]

On the Redemption Date of the Prior Bonds, there will become due and payable on the Prior Bonds the Redemption Price thereof, together with interest accrued thereon to the Redemption Date. From and after the Redemption Date, interest on the Prior Bonds will cease to accrue.

The Owners of the Prior Bonds are required to present and surrender the Prior Bonds at the address of the Paying Agent set forth below in order to receive payment of the Redemption Price and accrued interest:

If by Hand, Mail or Overnight Mail:
U. S. Bank Trust Company, National Association Global Corporate Trust Services 111 Fillmore Avenue E. St. Paul, MN 55107 1-800-934-6802

Owner of any Prior Bond that is subject to redemption fails to deliver such Prior Bond to the Paying Agent on the Redemption Date, such Prior Bond shall nevertheless be deemed redeemed on the Redemption Date and the Owner of such Prior Bond shall have no rights in respect thereof except to receive payment of the Redemption Price from funds that are held by the Paying Agent for such payment.

IMPORTANT NOTICE REGARDING TAX DOCUMENTATION AND POTENTIAL WITHHOLDING: Pursuant to U.S. federal tax laws, you have a duty to provide the applicable type of tax certification form issued by the U.S. Internal Revenue Service (“IRS”) to U.S. Bank Trust Company, National Association, Corporate Trust Services to ensure payments are reported accurately to you and to the IRS. In order to permit accurate withholding (or to prevent withholding), a complete and valid tax certification form must be received by U.S. Bank Trust Company, National Association, Corporate Trust Services before payment of the redemption proceeds is made to you. Failure to timely provide a valid tax certification form as required will result in the maximum amount of U.S. withholding tax being deducted from any redemption payment that is made to you.

Dated: _____, 202__

U.S. BANK TRUST COMPANY ,
NATIONAL ASSOCIATION,
as Paying Agent

EXHIBIT C**NOTICE OF DEFEASANCE**

Los Angeles Unified School District
 (County of Los Angeles, California)
 [Issue Name]

NOTICE IS HEREBY GIVEN to the owners of a portion of the above-captioned bonds as more specifically set forth below (the “Bonds”) of the Los Angeles Unified School District (the “District”), that the District has deposited with U.S. Bank Trust Company, National Association, as Escrow Bank for the Bonds, an amount of money which will provide moneys sufficient to pay the redemption price of the Bonds on the redemption date set forth below. All obligations of the District with respect to the Bonds have ceased and terminated and all payments of principal of interest with respect to the Bonds shall be paid only from moneys on deposit with said Escrow Bank and available as aforesaid.

<u>[Bond No.]</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>Redemption Price</u>	<u>CUSIP (544646)</u>
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The CUSIP numbers have been assigned by an independent service for convenience of reference and neither the District nor the Escrow Bank shall be held liable for any inaccuracy in such CUSIP numbers.

DATED: _____, 202__

U.S. BANK TRUST COMPANY, NATIONAL
 ASSOCIATION,
 as Escrow Bank

APPENDIX A

**DISTRICT FINANCIAL INFORMATION AND
REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION**

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This Appendix A provides information concerning the operations and finances of the Los Angeles Unified School District (the “District”) and certain demographic information in the area covered by the District. The [Refunding] Bonds are general obligation bonds of the District, secured and payable from ad valorem property taxes assessed on taxable properties within the District and are not an obligation of the County (defined herein) or of the general fund of the District. See “SECURITY AND SOURCE OF PAYMENT FOR THE [REFUNDING] BONDS” in the forepart of this Official Statement. See also “GLOSSARY OF CERTAIN TERMS AND ABBREVIATIONS” herein for a description of certain terms and abbreviations used in this Appendix A.

***[DISTRICT AND OTHER INCLUDED INFORMATION TO BE UPDATED
AS AND WHEN NEW INFORMATION BECOMES AVAILABLE.]***

DISTRICT GENERAL INFORMATION

District Boundaries

The District, encompassing approximately 710 square miles, is located in the western section of the County of Los Angeles (the “County”) in the State of California (the “State”). The District’s boundaries include virtually all of the City of Los Angeles (the “City”), all of the Cities of Cudahy, Gardena, Huntington Park, Lomita, Maywood, San Fernando, Vernon and West Hollywood, and portions of the Cities of Bell, Bell Gardens, Beverly Hills, Calabasas, Carson, Commerce, Culver City, Downey, Hawthorne, Inglewood, Long Beach, Lynwood, Montebello, Monterey Park, Rancho Palos Verdes, Rolling Hills Estates, Santa Clarita, Santa Monica, South Gate, and Torrance. In addition, the District provides services to several unincorporated areas of the County, which include residential and industrial areas. The boundaries for the District are approximately 80% coterminous with the City, with the remaining 20% included in the smaller neighboring cities and unincorporated County areas described above. The District was formed in 1854 as the Common Schools for the City and became a unified school district in 1960.

District Governance; Senior Management

District Board. The District is governed by a seven-member Board of Education (the “District Board”), each member of which is a voting member and elected by voters within such member’s designed district. The members of the District Board are elected to four-year terms in alternate slates of three and four, with elections held every two years. In an election year, if a candidate receives a majority of the votes cast for a District Board seat in the primary election, that candidate is elected to the office. In the event no candidate receives a majority of the votes cast for a District Board seat, there is a runoff election at the general election between the two candidates receiving the highest number of votes for the seat in the primary election. The current members of the District Board along with their district and term are set forth below.

District	Member	Term Ending
5	Jackie Goldberg, President	December 16, 2024
3	Scott Schmerelson, Vice President	December 16, 2024
1	Dr. George J. McKenna III	December 16, 2024
2	Dr. Rocio Rivas	December 12, 2026
4	Nick Melvoin	December 12, 2026
6	Kelly Gonez	December 12, 2026
7	Tanya Ortiz Franklin	December 16, 2024

The District Board seats in the odd-numbered districts are up for election in 2024. The incumbent members of the District Board for district 3, Scott Mark Schmerelson, and district 7, Tanya Ortiz Franklin, ran in the March 2024 primary election to remain on the District Board. The incumbent members of the

District Board for district 1, George McKenna, and district 5, Jackie Goldberg, did not run to remain on the District Board. At the primary election held on March 5, 2024, Tanya Ortiz Franklin received a majority of the votes for the district 7 District Board seat and was re-elected to such seat. The remaining District Board seats (districts 1, 3 and 5) will have runoff elections in the general election on November 5, 2024. The district 1 runoff will be between Sherlett Hendy Newbill and Khallid A. Al-Alim; the district 3 runoff will be between Scott Mark Schmerelson and Dan Chang; and the district 5 runoff will be between Karla Griego and Graciela “Grace” Ortiz.

Superintendent. The chief executive officer of the District, appointed by the District Board to manage the day-to-day operations of the District, is the Superintendent of Schools (the “Superintendent”). The District Board appointed Alberto M. Carvalho to serve as the Superintendent effective February 2022.

Strategic Plan. On June 21, 2022, the District Board unanimously adopted a strategic plan for the next four years (the “2022-26 Strategic Plan”) that focuses on the goal of ensuring that all District students graduate “ready for the world” and prepared to thrive in college, career, and life. The 2022-26 Strategic Plan revolves around five pillars, each consisting of four priorities, that represent critical areas the District will focus on: academic excellence; joy and wellness; engagement and collaboration; operational effectiveness; and investing in staff.

Pursuant to the 2022-26 Strategic Plan, the first pillar of “Academic Excellence” prioritizes improving student outcomes through high-quality instruction, delivering enriching experiences to instill lifelong learning, eliminating opportunity gaps, and encouraging multiple paths for college and career readiness. The second pillar of “Joy and Wellness” prioritizes creating welcoming and inclusive learning environments, addressing student well-being through health, nutrition, and wellness services, cultivating strong social-emotional skills, and ensuring outstanding attendance to achieve consistent learning. The third pillar of “Engagement and Collaboration” prioritizes strengthening relationships between students, families, and schools, providing accessible information to the community, leading on local, state, and national levels, and honoring the perspectives of students. The fourth pillar of “Operational Effectiveness” prioritizes developing data-driven decision-making, modernizing facilities and technological infrastructure, sustainably implementing school and District budgets, and making the District a district of choice of families. The fifth pillar of “Investing in Staff” prioritizes recruiting and retaining a diverse workforce, providing rigorous and relevant professional learning, cultivating staff wellness, and maintaining consistent and high performance standards.

The District developed an Implementation Guide for the 2022-26 Strategic Plan with actions and practices for practitioners to implement in schools and classrooms. Pursuant to the 2022-26 Strategic Plan, the District intends to, among other endeavors, ensure processes and systems are in alignment by reviewing budgets, updating reporting structures, offering professional development for school and central office staff, and providing additional support for aligning school-level plans to the 2022-26 Strategic Plan. Furthermore, to ensure the 2022-26 Strategic Plan remains on track, the District is regularly engaging with the community to solicit feedback on its actions and expenditures, and has established districtwide systems to monitor progress of ongoing implementation, as well progress toward achieving its targets for success – at both the central-office and school-site levels.

Regions. In addition to the Superintendent of the District, the District organizes its schools into four (formerly six) geographically-based regions (each, a “Region”). Each Region has a separate superintendent to oversee the schools in the related area of the District. The current Region Superintendents are Dr. David Baca (North), Andre Spicer (South), José P. Huerta (East), and Dr. Denise Collier (West).

Biographies. Brief biographical information for Superintendent Alberto M. Carvalho and other senior management of the District is set forth below.

Alberto M. Carvalho, Superintendent. Alberto M. Carvalho has served as Superintendent of the District, the nation's largest self-governing public school district, since February 2022. He was selected by the District Board in a unanimous vote following a comprehensive community engagement process and a nationwide search.

During his 14-year tenure as Superintendent of Miami-Dade County Public Schools ("M-DCPS"), Superintendent Carvalho garnered local, state, national and international recognition. His honors include Florida's 2014 Superintendent of the Year; the 2014 National Superintendent of the Year; the 2016 winner of the Harold W. McGraw Prize in Education; the 2018 National Urban Superintendent of the Year; the 2019 National Association for Bilingual Education (NABE) Superintendent of the Year Award; making him the most accomplished Superintendent in America's history.

Superintendent Carvalho currently serves on the National Assessment Governing Board, appointed by the U.S. Secretary of Education. He also serves as a committee member for the National Academies of Science, Engineering, and Medicine and as an Advisory Committee Member to the Harvard Program on Education Policy and Governance. Superintendent Carvalho is a dedicated member of the National Board of Directors for Common Threads and the Posse Foundation.

Under his tenure, M-DCPS became one of the nation's highest-performing urban school systems, receiving systemwide accreditation from AdvancEd in 2014. M-DCPS was named as the 2014 College Board Advanced Placement Equity and Excellence District of the Year and the 2012 winner of the Broad Prize for Urban Education. He is now seeking to elevate the District to the premier spot in American urban education.

Superintendent Carvalho has been awarded many honorary degrees. He has been honored by the President of Portugal with the "Ordem de Mérito Civil," by Mexico with the "Ohtli Award" and was awarded the Official Cross of the Orden de Isabel la Católica (Order of Isabella the Catholic) on behalf of King Felipe VI of Spain.

Jaime G. Torrens, Senior Advisor to the Superintendent. Mr. Torrens, Senior Advisor to the Superintendent of the District, is responsible for assisting and supporting the Superintendent in the overall operation of the largest self-governing public school district in the nation.

Mr. Torrens previously served as Deputy Superintendent and Chief of Staff for M-DCPS where he oversaw a broad portfolio of functional areas. Among other duties, he led the M-DCPS' response and recovery related to COVID-19 (as defined herein).

As Chief Facilities Officer for over 12 years he was responsible for all aspects of facilities planning, construction, maintenance, operations and inspections at the fourth largest school system in the nation. As a member of the Superintendent's Cabinet, he directed a staff of 1,000 professional and technical personnel responsible for all aspects of 3,100 buildings comprising 45 million square feet on over 400 school campuses and ancillary facilities.

Mr. Torrens also led the implementation of M-DCPS' \$1.2 billion General Obligation Bond program approved by voters in 2012 to renovate, construct and modernize school facilities throughout Miami-Dade County. This extensive capital improvement program included instructional technology upgrades at every school to provide equity throughout all campuses. Concurrently, he helped launch a comprehensive business development program which drastically expanded participation of small, minority and women-owned businesses that had been historically underrepresented in the construction industry.

Mr. Torrens served M-DCPS in various positions of increasing responsibility related to facilities management and district/emergency operations. He led M-DCPS' infusion of sustainability principles into design criteria and specifications for capital projects, implemented the Guaranteed Energy Performance Contracting Program and opened the first Gold Certified comprehensive high school under the LEED for Schools Program.

Mr. Torrens holds a Master of Science in Management Information Systems and a Bachelor of Science in Electrical Engineering from Florida International University, and he is a LEED Accredited Professional.

Mr. Pedro Salcido, Deputy Superintendent of Business Services and Operations. Since joining the District in 2012, Pedro Salcido has served in a variety of roles. Appointed in November 2022, he is currently the Deputy Superintendent of Business Services and Operations overseeing the critical work and divisions that enable the District to run, including school operations, food services, transportation, finance, information technology, facilities, medical services, and procurement. Current strategic initiatives under his purview include closing the digital divide, school bus electrification and systems modernization, healthier and more appealing school meals, wireless network modernization, school building modernization projects, and zero-based budgeting.

Prior to becoming Deputy Superintendent of Business Services and Operations, Mr. Salcido served as the Chief of Staff, managing all District academic and nonacademic operations and activities, while also serving as the Superintendent's principal liaison to the District Board. He oversaw the execution of all District policies and was instrumental in the development of Superintendent Carvalho's 100-Day Plan and 2022-26 Strategic Plan. Mr. Salcido has a demonstrated track record in expanding equitable programmatic and financial practices. Most notably, he served as the leading staff member who developed and implemented the District's Student Equity Needs Index (SENI), an equity-based funding allocation that today has grown to distribute nearly \$700 million to the neediest schools in the District.

Mr. Salcido also served as the District's Senior Executive Director of Finance and Policy, and the Director of Government Relations during which he managed state, federal and local advocacy efforts and supervised internal and external efforts related to finance, labor negotiations and general board policies. Moreover, for five years, he led the work on the initial development and implementation of the District's Local Control and Accountability Plan ("LCAP"), the result of which was the establishment of a system of common accountability and budget alignment with the LCAP Scorecard and broad community engagement efforts.

As a first-generation Mexican American son of immigrants and a first-generation high school and college graduate, Mr. Salcido often relies on his own lived experiences to connect with both the educational and personal experiences of the students we serve. He seeks to listen often to the perspectives of staff, students, and families to effectively contribute to the decisions that shape the daily experiences of Los Angeles students and families. Mr. Salcido holds a Master's in Public Administration from the University of Southern California and holds dual degrees in Politics and Latin American Studies from the University of California, Santa Cruz.

Devora Navera Reed, General Counsel. Devora Navera Reed serves as the General Counsel for the District. She has been serving the District since 2006 and previously held the position of Chief Education and Legal Services Counsel. Ms. Navera Reed oversaw legal issues and litigation in areas dealing with special education, school law and operations, charter schools, equity and access, and constitutional issues, to name a few. As General Counsel for the District, Ms. Navera Reed is responsible for administering and overseeing the legal activities of the District's legal staff and outside legal firms. In addition, she advises the District Board, Superintendent, and senior leadership related to matters of major importance to the

District. Prior to joining the District in 2006, Ms. Navera Reed served as an attorney for the Children’s Law Center of Los Angeles for nearly a decade, where she represented and advocated for children in dependency court and the foster care system. In addition to her legal responsibilities, Ms. Navera Reed serves as a board member of the California Minority Counsel Program promoting diversity, equity and inclusion in the legal field. Ms. Navera Reed earned a Bachelor of Arts from the University of Southern California in 1992 and a Juris Doctorate degree from the University of San Francisco School of Law in 1996.

David D. Hart, Chief Business Officer. Mr. Hart began serving as the District’s Chief Business Officer in January 2020. Before coming to the District, Mr. Hart served as the Chief Financial Officer of the Cherry Creek School District for approximately three years – the last 18 months of which he also served as Cherry Creek’s Chief Operating Officer. Before joining Cherry Creek, Mr. Hart was a Director at The PFM Group for nearly two years and a Senior Vice President in Public Finance at D.A. Davidson & Co. for approximately a year. Prior to that time, Mr. Hart served as the Chief Financial Officer for Denver Public Schools for four years and as Chief Financial Officer of the Douglas County School District for three years. He has also served as Manager of Revenue for the City and County of Denver, as Treasurer for the City and County of Denver and as Budget Director for the Douglas County School District. Mr. Hart attended the University of Colorado at Denver, where he received his Master of Public Administration: Policy Analysis and Evaluation.

Nolberto Delgadillo, Deputy Chief Business Officer – Finance. Mr. Delgadillo joined the District in July 2023, taking on the role to support the District’s fiscal strategy. He came to the District from Portland Public Schools (Oregon) where he served as Chief Financial Officer. Prior to his time at Portland Public Schools he served in the same role for Tulsa Public Schools (Oklahoma). Mr. Delgadillo has a track record for being responsible for ensuring that school district funds are managed responsibly and reported accurately while leading the full spectrum of financial services. Before his time with Tulsa Public Schools, Mr. Delgadillo served as Chief Operations Officer in Los Angeles, at the LA Promise Fund. He also previously supported finance operations at Green Dot Public Schools (California). Mr. Delgadillo also spent over 12 years in the health care sector. He is a graduate from the University of Southern California earning degrees in Chemistry and Spanish and earning an MBA from Loyola Marymount University. He also completed a two-year program through The Broad Center, earning a Master’s in Educational Leadership.

Ernie Thomas, Controller. Mr. Thomas joined the District in January 2024 from a national non-profit organization focused on education where he served for a decade, first as Controller and eventually as Treasurer and Controller for the last six years. He previously served as Corporate Controller for a community sector organization for two years. Prior to that, he served as Vice President at National Community Renaissance for a year. Before that, Mr. Thomas served at an entertainment company for over a decade, where he first held the position of Controller for three years, and then Chief Financial Officer for the last nine years. Mr. Thomas was also an auditor at Authur Andersen & Co. and is a Certified Public Accountant (inactive). Mr. Thomas graduated from UCLA with a Bachelor of Arts degree in Economics.

Timothy S. Rosnick, Director of Capital Planning and Budgeting. Mr. Rosnick joined the District in October 2006 and served as the District’s Director of Accounting Controls from October 2006 through June 2007 and the Director of Treasury and Accounting Controls from July 2007 through June 2008. Mr. Rosnick served as the District’s Controller from June 2008 through June 2011 and served as the District’s Deputy Controller from June 2011 through September 2023. Mr. Rosnick became Director of Capital Planning and Budgeting in September 2023. Prior to joining the District, Mr. Rosnick served as an Administrator at the Orange County Department of Education and as a Financial Officer with LACOE. Mr. Rosnick graduated from the University of Washington with a Bachelor of Arts degree with Distinction in Economics and received a Master of Business Administration degree from the University of Texas at Austin. Mr. Rosnick is a member of the Government Finance Officers Association and the CFA Institute.

School Facilities

The District is the largest public school district in the State and the largest self-governing public school district in the United States. As reflected in the District’s Audited Annual Financial Report for fiscal year 2022-23, the District operated 1,238 schools and centers in fiscal year 2022-23, which consisted of 434 elementary schools, 78 middle/junior high schools, 87 senior high schools, 59 options schools, 262 magnet centers, 67 magnet schools, 30 multi-level schools, 12 special education schools, 2 community adult schools, 7 regional occupational centers, 2 skills centers, 87 early education centers, 4 infant centers, 18 primary school centers, and 89 California State preschools in fiscal year 2022-23. As reflected in the District’s Audited Annual Financial Report for fiscal year 2022-23, 51 of the District’s schools were operated as locally-funded affiliated charter schools (“Affiliated Charter Schools”). In addition, as reflected in the District’s Audited Annual Financial Report for fiscal year 2022-23, the District oversaw 224 fiscally independent charter schools (“Fiscally Independent Charter Schools”) within the District’s boundaries in fiscal year 2022-23. See “STATE FUNDING OF SCHOOL DISTRICTS – Charter School Funding.”

Enrollment and Average Daily Attendance

At the time of preparation of the District’s second interim report for fiscal year 2023-24 (the “Fiscal Year 2023-24 Second Interim Report”), the transitional kindergarten (“TK”) through 12th grade enrollment in the District for fiscal year 2023-24 was projected to be approximately 412,341 students, including those attending magnet, opportunity, and continuation schools and centers, Affiliated Charter Schools, and schools for people with disabilities. Such enrollment represents a decrease of 1,482 students or a decline of approximately 0.36% from the budgeted TK-12 enrollment in the District at the time of preparation of the District’s original adopted budget for fiscal year 2023-24 (the “Fiscal Year 2023-24 Budget”). Such enrollment does not include students attending Fiscally Independent Charter Schools that was budgeted at 108,702 students at the time of preparation of the Fiscal Year 2023-24 Budget. Based on enrollment projections at the time of preparation of the Fiscal Year 2023-24 Second Interim Report, the District was projecting enrollment to decline by 2.49% on average through fiscal year 2025-26. For information regarding District operating deficits in relation to declining enrollment, see “DISTRICT FINANCIAL INFORMATION – District Budget – *LACOE’s Response to Fiscal Year 2023-24 Budget*.” While the District expects enrollment to continue to decline, the District’s projected enrollment declines are subject to change as conditions change and more data becomes available throughout the fiscal year. The District attributes declining enrollment to, among other things, the reduced birth rate in the County, increased costs of living and housing costs in southern California, declining immigration trends in the Los Angeles area, and residual impacts of the Coronavirus Disease 2019 (“COVID-19”) pandemic. The District’s Strategic Enrollment & Program Planning Office continues to lead coordination of District-wide enrollment efforts by utilizing data-driven decision-making to expand successful district programs, improve marketing and outreach to communities, implement student retention and matriculation strategies, and streamline TK-12 pathways and programs.

As a result of declining enrollment in District schools, the District’s annual average daily attendance (“ADA”) has declined in recent years and is expected to further decline in fiscal years 2023-24 through 2025-26 based on projections contained in the Fiscal Year 2023-24 Second Interim Report. To ensure funding stability regardless of instructional model in light of the COVID-19 pandemic, the State budget for fiscal year 2020-21 included a hold-harmless provision for the purpose of calculating apportionments in fiscal year 2020-21, and it provided that average daily attendance for fiscal year 2020-21 was based on fiscal year 2019-20 (specifically, the period July 1, 2019 through February 29, 2020). Although the State budget for fiscal year 2021-22 did not include an extension of the ADA hold-harmless provision in fiscal year 2021-22, school districts with enrollment declines in fiscal year 2021-22, like the District, retained the ability to receive their apportionment based on the higher of their fiscal year 2019-20 or fiscal year 2021-22 ADA as provided under the Local Control Funding Formula (the “LCFF”). See

“STATE FUNDING OF SCHOOL DISTRICTS – Local Control Funding Formula.” In light of pervasive declining enrollment throughout nearly all school districts in the State, the Governor’s State budget for fiscal year 2022-23 revised the LCFF calculation beginning with fiscal year 2022-23 to consider the greater of a school district’s current fiscal year, prior fiscal year, or the average of three prior fiscal years’ ADA to allow school districts more time to adjust to enrollment-related LCFF funding declines. For purposes of fiscal year 2021-22, if a school district could demonstrate it provided independent study offerings to students in fiscal year 2021-22, such school district could consider the greater of its fiscal year 2021-22 ADA or its fiscal year 2021-22 enrollment adjusted for pre-COVID-19 absence rates. Such adjustment was applicable to fiscal year 2021-22 for purposes of calculating a school district’s prior year ADA or the average of three prior years’ ADA in fiscal year 2022-23 and beyond in accordance with the amendments made in connection with the Governor’s State budget for fiscal year 2022-23. The following Table A-1 sets forth the District’s actual and funded ADA for fiscal years 2014-15 through 2023-24. As reflected in Table A-1, the District’s funded ADA for fiscal years 2014-15 through 2021-22 was based largely on actual prior year ADA for the second period of attendance (“P-2”) for traditional TK-12 students, but current year P-2 ADA for students attending Affiliated Charter Schools. For fiscal years 2022-23 and 2023-24, the District’s funded ADA was based largely on the average of three prior fiscal years’ P-2 ADA for traditional TK-12 students, as adjusted in accordance with the COVID-19 ADA relief measures, but current year P-2 ADA for students attending Affiliated Charter Schools. As is shown in Table A-1, the revised LCFF calculation allowing the greater of a school district’s current fiscal year, prior fiscal year, or the average of three prior fiscal years’ ADA delays, but does not eliminate, the effects of enrollment declines on LCFF funding, such effects to eventually be felt as higher attendance levels from earlier years continue phasing out of the District’s average.

TABLE A-1
LOS ANGELES UNIFIED SCHOOL DISTRICT
Average Daily Attendance
Fiscal Years 2014-15 through 2023-24⁽¹⁾

Fiscal Year	Actual ADA			Funded ADA
	TK-12 ⁽²⁾	Affiliated Charter Schools ⁽³⁾	Total	Total
2014-15	476,285	39,944	516,229	524,591 ⁽⁷⁾
2015-16	463,735	39,632	503,367	512,625 ⁽⁷⁾
2016-17	450,713	41,143	491,856	500,648 ⁽⁷⁾
2017-18	438,359	40,232	478,591	483,710 ⁽⁷⁾
2018-19	415,100	38,910	454,010	470,127 ⁽⁷⁾
2019-20 ⁽⁴⁾	413,965	40,940	454,905	454,792 ⁽⁷⁾
2020-21 ⁽⁵⁾	N/A	N/A	N/A	455,356 ⁽⁷⁾
2021-22	345,896	35,043	380,939	449,912 ⁽⁷⁾
2022-23	348,544	35,466	384,010	434,269 ⁽⁸⁾
2023-24 ⁽⁶⁾	337,884	34,579	372,463	410,586 ⁽⁸⁾

⁽¹⁾ Data may differ from other District disclosures because adjustments were made in certain fiscal years due to additional attendance for non-public students, corrected attendance reports for District students, and/or audit findings.

⁽²⁾ Includes non-public school special education students and District students attending schools operated by the County.

⁽³⁾ Includes charter schools that are fiscally-affiliated with the District.

⁽⁴⁾ Condensed reporting period. Does not reflect actual student attendance after February 29, 2020 due to the COVID-19 pandemic.

⁽⁵⁾ Attendance reporting not required for fiscal year 2020-21. The fiscal year 2020-21 State budget included a hold harmless provision for the purpose of calculating apportionments under LCFF in fiscal year 2020-21, providing that ADA for fiscal year 2020-21 was based on ADA for fiscal year 2019-20 (specifically, the period July 1, 2019 through February 29, 2020), as discussed in more detail above.

⁽⁶⁾ Funded ADA, as reflected in the Fiscal Year 2023-24 Second Interim Report.

⁽⁷⁾ Funded ADA is based largely on actual prior year P-2 ADA for TK-12 and current year P-2 ADA for Affiliated Charter Schools. For more information, see the discussion of ADA funding in the paragraph immediately preceding this table.

⁽⁸⁾ Funded ADA is based largely on the average of three prior fiscal years' P-2 ADA for TK-12, as adjusted in accordance with the COVID-19 ADA relief measures, and current year P-2 ADA for Affiliated Charter Schools. For more information, see the discussion of ADA funding in the paragraph immediately preceding this table.

Sources: Los Angeles Unified School District Audited Annual Financial Report for fiscal year 2021-22 (actual ADA for fiscal years 2012-13 through 2021-22); unaudited actuals reports for fiscal years 2012-13 through 2022-23 (funded ADA for fiscal years 2012-13 through 2022-23; actual ADA for fiscal year 2022-23); Fiscal Year 2023-24 Second Interim Report (funded ADA for fiscal year 2023-24).

Cybersecurity

The District collects, processes, and distributes protected and personal information on students, staff, parents, and contractors. The size of the District's information assets creates a target-rich environment for a variety of threats such as cyber criminals and natural disasters. In 2019, the District experienced a cyberattack that resulted in unauthorized access to a limited number of student records; the software vulnerability was resolved the same day it was discovered. In March 2020, in response to the COVID-19 pandemic, the District rapidly implemented new remote learning and remote working capabilities, which increased the District's cyberattack surface area. The District implemented additional layers of technical and administrative controls to mitigate remote access risks. In August 2022, a Data Center power outage triggered by a failed electrical transformer owned by Los Angeles Department of Water and Power, resulted in temporary unavailability of some information systems. The District mitigated the risk by increasing electrical line and backup power capacity and successfully performing functional load tests.

On September 3, 2022, the District became aware of a cyberattack on its information technology assets and proactively suspended network traffic in and out of its data centers. In response to such incident, the District swiftly activated its incident response protocol and commenced an investigation with support from Kroll, LLC, an outside cybersecurity firm, to assist with containment, remediation, and forensic

analysis. The Microsoft Detection and Response Team also assisted with the forensic investigation. The District also notified local and federal law enforcement agencies and continues to support their ongoing investigations. The District has identified, contained, and remediated the ransomware, and it has not found evidence of additional malware related to the cyberattack or any other persistent malicious activity on its network or systems.

The District's investigation of the incident determined that on or about July 31, 2022, the threat actor began conducting digital monitoring of the District's environment remotely using a contractor account to gain unauthorized access to systems. The District did not pay a ransom to the threat actor in connection with the incident. The threat actor posted approximately 500 gigabytes of data it stole from the District to its "leak site" on the dark web. Most of the files exfiltrated by the threat actor were located on the District's facilities servers and systems. The District provided required notifications to those individuals and entities with personal information included among those materials posted by the threat actor. This included employees, former employees, job applicants, and employees and contractors of facilities services division vendors who had personally identifiable information posted. The District offered credit monitoring services to such individuals. Notifications were also provided to individuals, including students and employees, who had personal "medical information" posted in the form of positive COVID-19 test results collected through the District's COVID-19 testing program, and to individuals, mostly former students, who had information contained in student assessment reports, most of which was dated, posted.

As a result of the incident, the District initially restricted access to its servers and systems, including access to user accounts, email, and software applications. Many operations and processes that were automated or facilitated by technology had to be completed manually, and some still remain manual at this time. Nonetheless, school sites remained operational. Most servers and systems were gradually restored within days as they were determined to be safe, with the District's most critical systems being restored first. The District restored certain impacted systems from backups and continues to work to rebuild others. While the District maintains cyber liability insurance, not all costs incurred are covered thereunder, and certain covered costs, which continue to be identified and calculated may ultimately exceed applicable coverage limits. Further, the District is planning to implement various security enhancements in light of the incident, but the District cannot currently predict the total cost of such enhancements.

Three related lawsuits relating to the incident remain pending against the District, which were filed on behalf of individuals allegedly impacted by the cyberattack, and unidentified classes of others impacted. At this early stage, the District cannot predict the outcome or any potential financial impact that may result from such litigation. Further, the District cannot predict whether any other claims or litigation will be filed or estimate any potential financial impact that may result. For more information about the existing lawsuits, see "DISTRICT FINANCIAL INFORMATION – Risk Management and Litigation."

The District has implemented several protective measures with respect to access requirements to its systems to reduce the likelihood of a similar incident from occurring in the future. The District established an Independent Information Technology Task Force comprised of cybersecurity experts from private and public sectors to develop a set of recommendations to further strengthen the District's cybersecurity. The District has augmented its cybersecurity team, retained cybersecurity service providers, and implemented additional security controls and monitoring of its systems.

To minimize the impact and frequency of cybersecurity incidents, the District previously hired a Director of Information Technology Security in 2016 to develop and implement a risk-based information security management program ("ISMP"). The ISMP is designed to protect the confidentiality, integrity, and availability of information assets managed by the District's Information Technology Division and comply with all applicable information protection regulations including the Family Educational Rights and Privacy Act, Children's Internet Protection Act, and the Health Insurance Portability and Accountability Act. The

ISMP includes a number of technical, administrative, and physical security safeguards that take into account the District's unique threats and vulnerabilities. Safeguards include, but are not limited to, policies that require employees, students, and parents to acknowledge their obligation to protect District information, cybersecurity training for employees, next generation network security technologies, access control systems, and cyber liability insurance. The District and its third-party IT vendors are required to carry cyber liability insurance to offset the cost of business disruptions caused by cybersecurity incidents.

No assurance can be made in any networked environment that a future cyberattack or natural disaster would not compromise the confidentiality, integrity or availability of District information assets. The only viable mitigation of cybersecurity risks is a layered defense strategy. The District implements layered defenses as a principal driver of its information security program and continuously monitors the effectiveness of the program to proactively modify it when the cyberattack landscape changes.

The District relies on other entities and service providers in the course of operating the District, including the County with respect to the levy and collection of *ad valorem* property taxes and its servers and systems for accounting and other matters, as well as other trustees, fiscal agents, dissemination agents and project management firms. No assurance can be given that future cyber threats and attacks against third party entities or service providers will not directly or indirectly impact the District or the owners of the [Refunding] Bonds, including the possibility of impacting the timely payments of debt service on the [Refunding] Bonds or timely filings pursuant to the District's continuing disclosure undertakings.

STATE FUNDING OF SCHOOL DISTRICTS

General

School districts in the State receive operating revenues from federal, State and local sources, including appropriations from the State's general fund and local property taxes derived from a school district's share of the 1% *ad valorem* property tax. School districts also currently receive revenues from the State attributable to temporary tax increases implemented by Proposition 30 (defined herein). In connection with voter approval of Proposition 55 (defined herein), certain of such temporary tax increases were extended by twelve years through 2030. See "CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS – Proposition 30" herein. School districts, such as the District, may be eligible for other special categorical funding, including funding for certain State and federal programs. The amount of categorical funding appropriated to a school district may vary significantly from other school districts and yearly. At the time of preparation of the Fiscal Year 2023-24 Second Interim Report, the District projected to receive approximately 60.42% of District General Fund revenues from funds of or controlled by the State. As a result, decreases in State revenues, or in State legislative appropriations made to fund education, may significantly affect District operations. For more information regarding the District's funding for fiscal year 2023-24, see "– State Budget Act – 2023-24 *State Budget*," "– State Budget Act – Proposed 2024-25 *State Budget*," "– Local Control Funding Formula" and "DISTRICT FINANCIAL INFORMATION – District Budget" herein.

Article XVI of the State Constitution requires that from all State revenues, there first be set apart the moneys to be applied by the State for support of the public school system and public institutions of higher education. See "CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS – Constitutionally Required Funding of Education" herein. The State Legislature and the Governor approve the State's authorized appropriations for school districts each fiscal year in connection with the adoption of the State Budget Act (defined herein). Proposition 98 ("Proposition 98"), approved in November 1988 as a combined initiative constitutional amendment and statute called the

“Classroom Instructional Improvement and Accountability Act,” provides the minimum funding formula for school districts. See “CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS – Proposition 98” herein. Under Proposition 98 (as modified by Proposition 111, which was enacted on June 5, 1990), there are currently three tests which determine the minimum level of K-14 funding. See “CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS” and “STATE FUNDING OF SCHOOL DISTRICTS– Local Control Funding Formula” herein. Proposition 98 permits the State Legislature, by two-thirds vote of both houses and with the Governor’s concurrence, to suspend the K-14 schools’ minimum funding formula for a one-year period. The amount of suspension is required to be repaid according to a specified State Constitutional formula, thereby restoring Proposition 98 funding to the level that would have been required in the absence of such suspension.

The actual appropriations and the timing of such appropriations are subject to, among other things, the estimated amount of State general fund revenues during the fiscal year and subsequent changes in State law. At times since the implementation of Proposition 98, the State has also sought to preserve general fund cash while avoiding increases in the base guaranteed amount through various mechanisms: by treating any excess appropriations as advances against subsequent years’ Proposition 98 minimum funding levels rather than current year increases; by deferring apportionments of Proposition 98 funds from one fiscal year to the next, as the State did in fiscal years 2019-20 and 2020-21; by suspending Proposition 98, as the State did in fiscal year 2004-05, fiscal year 2010-11, fiscal year 2011-12 and fiscal year 2012-13; and by proposing to amend the State Constitution’s definition of the guaranteed amount and settle-up requirement under certain circumstances. For more information on the Proposition 98 minimum guarantee under the 2023-24 State Budget, see “– State Budget Act – 2023-24 State Budget” herein. For a description and an analysis of the Governor’s proposed use of amounts in the Proposition 98 Rainy Day Fund (defined below) as a budget solution in the Proposed 2024-25 State Budget in relation to the Proposition 98 minimum guarantee and concerns expressed by the Legislative Analyst’s Office with respect to such use, see also “–The State Budget Process – State Budget Act – *Proposed 2024-25 State Budget*” and “–The State Budget Process – State Budget Act – *LAO Analysis of the Proposed 2024-25 State Budget*” herein.

Since fiscal year 2013-14, the amount of funds an individual school district receives from State revenues depends on the amount of revenues the State calculates that the school district should receive based on the LCFF, less the amount the school district derives from such school district’s share of the 1% *ad valorem* property tax. See “– Local Control Funding Formula” and “CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS – Constitutionally Required Funding of Education” herein.

The State Budget Process

The State’s fiscal year begins on July 1 and ends on June 30. According to the State Constitution, the Governor of the State (the “Governor”) is required to propose a budget for the next fiscal year (the “Governor’s Budget”) to the State Legislature no later than January 10 of each year. State law requires the Governor to update the Governor’s Budget projections and budgetary proposals by May 14 of each year (the “May Revision”). Proposition 25, which was adopted by voters in the State at an election held on November 2, 2010, amended the State Constitution such that a final budget must be adopted by a simple majority vote of each house of the State Legislature by no later than June 15 and the Governor must sign the adopted budget by no later than June 30. The budget becomes law upon the signature of the Governor (the “State Budget Act”).

Under State law, the annual proposed Governor’s Budget cannot provide for projected expenditures in excess of projected revenues and balances available from prior fiscal years. Following the submission of the Governor’s Budget, the State Legislature takes up the proposal. Under the State Constitution, money may be drawn from the State Treasury only through an appropriation made by law. The primary source of the annual expenditure authorizations is the State Budget Act, as approved by the State Legislature and signed by the Governor. The Governor may reduce or eliminate specific line items in the State Budget Act or any other appropriations bill without vetoing the entire bill. Such individual line-item vetoes are subject to override by a two-thirds majority vote of each House of the State Legislature. Appropriations also may be included in legislation other than the State Budget Act. Bills containing appropriations (except for K-14 education) must be approved by a two-thirds majority vote in each House of the State Legislature and be signed by the Governor. Bills containing K-14 education appropriations require only a simple majority vote. Continuing appropriations, available without regard to fiscal year, may also be provided by statute or the State Constitution. Funds necessary to meet an appropriation need not be in the State Treasury at the time such appropriation is enacted; revenues may be appropriated in anticipation of their receipt. However, delays in the adoption of a final State budget in any fiscal year may affect payments of State funds during such budget impasse. See “– State Funding of Schools Without a State Budget” herein for a description of payments of appropriations during a budget impasse.

The description above and below of the State’s budget has been obtained from publicly available information which the District believes to be reliable; however, the District, its counsel (including Bond Counsel and Disclosure Counsel), the Municipal Advisor, the Underwriters and their counsel do not guarantee the accuracy or completeness of this information and have not independently verified such information. Additional information regarding State budgets is available at various State-maintained websites, including www.dof.ca.gov. The website is not incorporated herein by reference and the District, its counsel (including Bond Counsel and Disclosure Counsel), the Municipal Advisor, the Underwriters and their counsel do not make any representation as to the accuracy of the information provided therein.

State Budget Act

2023-24 State Budget. The Governor signed the fiscal year 2023-24 State budget on June 27, 2023, which was amended through a series of legislative bills (as amended, the “2023-24 State Budget”). The discussion below describes the 2023-24 State Budget. However, the 2023-24 State Budget was enacted based on then available information and a multitude of assumptions and expectations, including State revenue projections. Achievement of certain results or other expectations contained in the 2023-24 State Budget involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described therein to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. See “– State Budget Act – Proposed 2024-25 State Budget” and “– State Budget Act – LAO Analysis of the Proposed 2024-25 State Budget” herein, for more current State budget information as well as a discussion of certain instances where expectations expressed in the 2023-24 State Budget were different than actual results.

As enacted, the 2023-24 State Budget reflected a downturn in revenues and slower revenue growth than previous projections due to the declining stock market, high inflation, rising interest rates and layoffs in high-wage sectors. It provided that the 2023-24 State Budget was able to address the shortfall with balanced solutions that would protect core State programs and services by paying down the State’s debt and using one-time surplus funds on one-time commitments. The 2023-24 State Budget included a package of solutions to bridge an approximately \$31.7 billion then-projected shortfall while avoiding what it described as deep and damaging program cuts. Specifically, the 2023-24 State Budget shifted approximately \$9.3 billion of spending commitments from the State’s general fund to other funds, reduced or pulled back approximately \$8.1 billion in previously approved State general fund spending, delayed approximately \$7.9 billion in spending across multiple years, included approximately \$6.1 billion in

additional revenue, primarily from the Managed Care Organization tax as well as internal borrowing from special fund balances not projected for programmatic purposes, and built in approximately \$340.0 million in trigger reductions that were then projected to be restored in the then proposed State budget for fiscal year 2024-25, assuming sufficient funds. The 2023-24 State Budget provided that it avoids new significant ongoing commitments and maintains fiscal discipline by setting aside a record \$37.8 billion in total budgetary reserves. The 2023-24 State Budget noted that a tax filing delay due to unprecedented storms in fiscal year 2022-23 had delayed the then projected receipt of \$42.0 billion in State tax receipts to October 2023, including \$28.4 billion from personal income tax and \$13.3 billion from corporation tax, representing nearly one-fourth of the fiscal year 2022-23 total then projected personal income tax, and nearly one-third of the fiscal year 2022-23 then projected corporation tax.

The 2023-24 State Budget projected total resources available in fiscal year 2022-23 of approximately \$260.9 billion, including revenues and transfers of approximately \$205.1 billion and a prior year balance of approximately \$55.8 billion, and total expenditures in fiscal year 2022-23 of approximately \$234.6 billion. The 2023-24 State Budget projected total resources available for fiscal year 2023-24 of approximately \$235.0 billion, inclusive of revenues and transfers of approximately \$208.7 billion and a prior year balance of approximately \$26.4 billion. The 2023-24 State Budget projected total expenditures in fiscal year 2023-24 of approximately \$225.9 billion, inclusive of non-Proposition 98 expenditures of approximately \$147.5 billion and Proposition 98 expenditures of approximately \$78.4 billion. Citing revenue risks and uncertainties, the 2023-24 State Budget included a historic level of reserves as an important resiliency tool, setting aside a total of \$37.8 billion in fiscal year 2023-24 and allocated reserves as follows: approximately \$22.3 billion in the State Rainy Day Fund (the “State Rainy Day Fund”) for fiscal emergencies, approximately \$10.8 billion in the Public School System Stabilization Account (the “Proposition 98 Rainy Day Fund”), approximately \$900.0 million in the Safety Net Reserve (the “Safety Net Reserve”), and approximately \$3.8 billion to the State’s Special Fund for Economic Uncertainties (the “State Special Fund for Economic Uncertainties”). In addition, the 2023-24 State Budget allocated approximately \$5.3 billion of the State general fund’s then projected fund balance in fiscal year 2023-24 to the State’s Reserve for Liquidation of Encumbrances. The 2023-24 State Budget provided that the State Rainy Day Fund would be at its constitutional maximum of 10% of State general fund revenues.

The 2023-24 State Budget included total funding of \$129.2 billion for all K-12 education programs, including \$79.5 billion from the State’s general fund and \$49.7 billion from other funds. The 2023-24 State Budget reflected significant Proposition 98 funding that was to provide increased support for core programs such as the LCFF, special education, transitional kindergarten, nutrition, and preschool.

Certain budgeted programs and adjustments for K-12 education set forth in the 2023-24 State Budget included the following:

- Proposition 98 Minimum Guarantee. The 2023-24 State Budget reflected Proposition 98 funding levels of \$110.6 billion in fiscal year 2021-22, \$107.4 billion in fiscal year 2022-23, and \$108.3 billion in fiscal year 2023-24. The 2023-24 State Budget provided that such funding represented approximately 38.5% of the State’s general fund revenues, plus local property tax revenues. To accommodate enrollment increases related to the expansion of transitional kindergarten, the 2023-24 State Budget increased the funding level from approximately 38.2% to approximately 38.5% to increase the percentage of State general fund revenues due to the minimum guarantee.
- Proposition 98 Rainy Day Fund (Public School System Stabilization Account). The 2023-24 State Budget included payments required to be made to the Proposition 98 Rainy Day Fund in fiscal years 2021-22 through 2023-24 for a total expected account balance of \$10.8 billion at the end of fiscal year 2023-24. The 2023-24 State Budget indicated that the expected balance of approximately \$9.9 billion in fiscal year 2022-23 would trigger the cap on school district reserves

beginning in fiscal year 2023-24. See “– Limitations on School District Reserves” and “CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2 – SB 751” herein.

- Local Control Funding Formula. The 2023-24 State Budget included a LCFF cost-of-living adjustment (“COLA”) of 8.22%, which is the largest COLA in the history of LCFF. The 2023-24 State Budget provided approximately \$556.3 million ongoing Proposition 98 general fund resources to reflect the COLA for specified categorical programs. The 2023-24 State Budget provided that the COLA, when combined with projected declining enrollment adjustments, increased the year-over-year projected discretionary funds available to local education agencies by approximately \$3.4 billion. The 2023-24 State Budget also reflected the utilization of approximately \$1.6 billion one-time Proposition 98 State general fund resources to support the overall costs of the LCFF in fiscal year 2023-24, and provided an increase of approximately \$80.0 million ongoing Proposition 98 State general fund resources to support county offices of education serving students in juvenile court and other alternative school settings.
- Accountability Improvements and Equity Multiplier. The 2023-24 State Budget indicated that it reflects a comprehensive package to support accountability and a continuous improvement system to ensure student group and school site equity gaps within a local education agency are identified and addressed through the Local Control and Accountability Plan. To complement these efforts, the 2023-24 State Budget provided approximately \$300.0 million ongoing Proposition 98 State general fund resources to establish an Equity Multiplier as an add-on to the LCFF to accelerate gains in closing opportunity and outcome gaps, and approximately \$2.0 million ongoing Proposition 98 general fund resources to support the critical work of the new Equity Leads within the statewide system of support.
- Literacy. The 2023-24 State Budget provided approximately \$250.0 million one-time Proposition 98 general fund resources to build upon the existing Literacy Coaches and Reading Specialists Grant Program, which funds high-poverty schools to train and hire literacy coaches and reading specialists for one-on-one and small group intervention for struggling readers.
- State Preschool Program. The 2023-24 State Budget included the following set asides to fund any adjustments related to reimbursement for preschool providers: approximately \$343.1 million in Proposition 98 general fund resources and \$20,000 in non-Proposition 98 general fund resources from fiscal year 2022-23; approximately \$369.3 million in Proposition 98 general fund resources and \$126.1 million in general fund resources from fiscal year 2023-24; and approximately \$445.7 million in Proposition 98 general fund resources and \$186.5 million in general fund resources from fiscal year 2024-25. Consistent with this approach, the 2023-24 State Budget suspended the annual COLA applicable to the State Preschool Program in fiscal years 2023-24 and 2024-25.

The 2023-24 State Budget reallocated approximately \$4.4 million non-Proposition 98 general fund resources and approximately \$5.3 million Proposition 98 general fund resources from the 2022-23 State budget to continue to waive family fees from July 1, 2023 through September 30, 2023, and provided approximately \$112.0 million in available federal funds to provide temporary stipends for State Preschool Program employees.

- Transitional Kindergarten. The 2023-24 State Budget provided approximately \$357.0 million in ongoing Proposition 98 general fund resources for fiscal year 2022-23 to support the first year of expanded eligibility for transitional kindergarten to all children turning five-years-old between September 2 and February 2. The 2023-24 State Budget also provided approximately \$283.0

million in Proposition 98 general fund resources to provide one additional certificated or classified staff person in each transitional kindergarten classroom. Additionally, the 2023-24 State Budget provided approximately \$597.0 million in ongoing Proposition 98 general fund resources beginning in fiscal year 2023-24 to support the second year of expanded eligibility for transitional kindergarten to all children turning five-years-old between September 2 and April 2. The 2023-24 State Budget also provided approximately \$165.0 million in Proposition 98 general fund resources to support the second year of adding one additional certificated or classified staff person in each transitional kindergarten classroom.

- Arts, Music, and Instructional Materials Discretionary Block Grant. The 2023-24 State Budget decreased one-time Proposition 98 general fund support for the Arts, Music, and Instructional Materials Block Grant by approximately \$200.0 million, reducing total one-time program support from approximately \$3.5 billion to approximately \$3.3 billion. The Arts and Music in Schools: Funding Guarantee and Accountability Act (Proposition 28) will provide approximately \$938.0 million ongoing Proposition 98 general fund resources beginning in fiscal year 2023-24.
- Learning Recovery Emergency Block Grant. The 2023-24 State Budget delays approximately \$1.1 billion one-time Proposition 98 general fund resources for the Learning Recovery Emergency Block Grant to fiscal years 2025-26, 2026-27, and 2027-28.
- Zero-Emission School Buses. The 2023-24 State Budget delayed approximately \$1.0 billion one-time Proposition 98 general fund resources to support greening school bus fleets through programs operated by the California Air Resources Board and the California Energy Commission to fiscal years 2024-25 and 2025-26.
- California Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program (the “Full-Day Kindergarten Facilities Grant Program”). The 2022-23 State budget included \$100.0 million one-time general fund resources and reflected an additional \$550.0 million in fiscal year 2023-24 to support the Full-Day Kindergarten Facilities Grant Program. The 2023-24 State Budget delayed the planned \$550.0 million investment for this program to fiscal year 2024-25.
- School Facility Program. The 2023-24 State Budget provided approximately \$2.0 billion one-time general fund resources, which is \$100.0 million less than previously planned, to support the School Facility Program in fiscal year 2023-24.
- Nutrition. The 2023-24 State Budget provided an additional \$154.0 million in ongoing Proposition 98 general fund resources and an additional \$110.0 million one-time Proposition 98 general fund resources to fully fund the universal school meals program in fiscal years 2022-23 and 2023-24.
- Bipartisan Safer Communities Act, Stronger Connections Program. The 2023-24 State Budget provided approximately \$119.6 million in one-time federal funds to support local education activities related to improving school climate and safety through the Stronger Connections Program.
- Charter School Facility Grant Program. Consistent with the 2022-23 State budget, the 2023-24 State Budget provided a one-time investment of \$30.0 million Proposition 98 general fund resources to support eligible facilities costs.

The complete 2023-24 State Budget is available from the California Department of Finance website at www.dof.ca.gov or www.ebudget.ca.gov. The District can take no responsibility for the continued

accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

Proposed 2024-25 State Budget. The Governor released the fiscal year 2024-25 proposed State budget (the “Proposed 2024-25 State Budget”) on January 10, 2024, which provides that it maintains the State’s fiscal stability using some of the money saved in historic budget reserves. The Proposed 2024-25 State Budget notes that the estimated \$37.9 billion budget shortfall poses a substantial challenge and is rooted in two separate but related developments during fiscal years 2022-23 and 2023-24 – the substantial decline in the stock market that drove down revenues in fiscal year 2022-23 and the unprecedented delay in critical income tax collections in fiscal year 2023-24. The Governor’s proposed budgets in January and May 2023 warned of this increased budgetary uncertainty, and in June 2023, the State passed a budget that planned accordingly, setting aside record reserves of just under \$38.0 billion. The Proposed 2024-25 State Budget provides that it solves for last fiscal year’s shortfall while adjusting State spending to ensure continued fiscal stability in future fiscal years.

The Proposed 2024-25 State Budget provides that the stock market recovery and improved economic growth support its forecast assumptions that revenue growth will resume in fiscal year 2023-24 following the steep correction in fiscal year 2022-23, with potential upside through fiscal year 2024-25 if the markets continue to outperform the forecast. In addition, it provides that the Federal Reserve has indicated it intends to cut interest rates throughout 2024, which may stimulate real estate transactions and other sectors of State’s economy. However, the Proposed 2024-25 State Budget provides that several risk factors such as a significant financial shock from tightening financial conditions, stock market and asset price volatility, and declines and geopolitical turmoil, could negatively impact the economy going forward. The Proposed 2024-25 State Budget provides that even after the proposed withdrawals from State reserves, total reserves in fiscal year 2024-25 will remain substantial at \$18.4 billion. This includes \$11.1 billion in the State Rainy Day Fund, \$3.9 billion in the Proposition 98 Rainy Day Fund, and \$3.4 billion in the State Special Fund for Economic Uncertainties.

The Proposed 2024-25 State Budget incorporates the following measures to close the budgetary shortfall in fiscal year 2024-25:

- \$13.1 billion in budget withdrawals from the State’s reserves, including \$10.4 billion from the mandatory State Rainy Day Fund and Transfer Suspension, \$1.8 billion from the discretionary State Rainy Day Fund, and \$900.0 million from the Safety Net Reserve.
- \$8.5 billion in various budget spending reductions, including, but not limited to, \$500.0 million in reductions to the School Facilities Aid Program and \$494.0 million in reductions to the Student Housing Revolving Loan Fund Program.
- \$5.7 billion in support from revenue sources and internal borrowing from special funds.
- \$5.1 billion in delayed budgetary funding for multiple items spread across a three-year period, beginning in fiscal year 2025-26, including but not limited to, a \$550.0 million funding delay to the Full-Day Kindergarten Facilities Grant Program.
- \$3.4 billion in budget fund shifts of certain expenditures from the State general fund to other funds, including, but not limited to, a \$1.3 billion reduction on State plans retirement contributions using Proposition 2 debt repayment funding.
- \$2.1 billion in funding deferrals to fiscal year 2025-26.

In addition to the budgetary measures listed above, the Proposed 2024-25 State Budget includes withdrawals from the Proposition 98 Rainy Day Fund of \$5.7 billion to maintain support for local educational agencies and community college districts. However, see “– *LAO Analysis of the Proposed 2024-25 State Budget*” below, for an analysis of the Governor’s proposed use of amounts in the Proposition 98 Rainy Day Fund as a budget solution in the Proposed 2024-25 State Budget in relation to the Proposition 98 minimum guarantee.

The Proposed 2024-25 State Budget estimates total resources available in fiscal year 2023-24 of approximately \$238.9 billion, including revenues and transfers of approximately \$196.9 billion and a prior year balance of approximately \$42.1 billion, and total expenditures in fiscal year 2023-24 of approximately \$230.9 billion. The Proposed 2024-25 State Budget projects total resources available for fiscal year 2024-25 of approximately \$222.7 billion, inclusive of revenues and transfers of approximately \$214.7 billion and a prior year balance of approximately \$8.0 billion. The Proposed 2024-25 State Budget projects total expenditures in fiscal year 2024-25 of approximately \$208.7 billion, inclusive of non-Proposition 98 expenditures of approximately \$131.8 billion and Proposition 98 expenditures of approximately \$76.9 billion. The Proposed 2024-25 State Budget includes approximately \$29.0 billion in reserves in fiscal year 2024-25 and allocates reserves as follows: approximately \$11.1 billion in the State Rainy Day Fund for fiscal emergencies, approximately \$3.9 billion in the Proposition 98 Rainy Day Fund, approximately \$10.6 million in the Reserve for Liquidation and Encumbrances, and approximately \$3.4 billion in the State Special Fund for Economic Uncertainties.

The Proposed 2024-25 State Budget includes total funding of approximately \$126.8 billion for all K-12 education programs, including approximately \$76.4 billion from the State’s general fund and approximately \$50.4 billion from other funds. Per-pupil funding totals \$17,653 per pupil in Proposition 98 funding and \$23,519 per pupil when accounting for all funding sources. However, see “– *LAO Analysis of the Proposed 2024-25 State Budget*” below, for an assessment of the Governor’s proposed K-12 education funding.

Certain budgeted programs and adjustments for K-12 education set forth in the Proposed 2024-25 State Budget include the following:

- Proposition 98 Minimum Guarantee. The revised estimates of State general fund revenues in the Proposed 2024-25 State Budget result in notable adjustments to the Proposition 98 minimum guarantee, resulting in funding estimates of approximately \$98.3 billion in fiscal year 2022-23, \$105.6 billion in fiscal year 2023-24, and \$109.1 billion in fiscal year 2024-25, representing a three-year decrease in the minimum guarantee of approximately \$11.3 billion over the level funded in the 2023-24 State Budget. Recognizing that the delay in the State tax filing deadline in fiscal year 2022-23 impacted State revenue projections for fiscal year 2022-23 available at the time the 2023-24 State Budget was enacted, the Proposed 2024-25 State Budget proposes statutory changes to address approximately \$8.0 billion of this decrease to avoid impacting existing school district and community college district budgets.
- Proposition 98 Rainy Day Fund. The 2023-24 State Budget projected a total balance of \$10.8 billion in the Proposition 98 Rainy Day Fund. The Proposed 2024-25 State Budget reflects revised fiscal year 2022-23 and 2023-24 payments, and a fiscal year 2024-25 payment, of approximately \$339.0 million, \$288.0 million, and \$752.0 million, respectively, into the Proposition 98 Rainy Day Fund, and withdrawals of approximately \$3.0 billion in fiscal year 2023-24 and \$2.7 billion in fiscal year 2024-25, for a total revised account balance of more than \$3.8 billion at the end of fiscal year 2024-25. There is a cap of 10% on school district reserves in fiscal years immediately succeeding those in which the balance in the Proposition 98 Rainy Day Fund is equal to or greater than 3% of the total K-12 share of the Proposition 98 minimum guarantee. See “STATE FUNDING OF SCHOOL

DISTRICTS – Limitations on School District Reserves” and “CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2 – *SB 751*” herein. The Proposed 2024-25 State Budget provides that the balance of \$5.7 billion in the Proposition 98 Rainy Day Fund in fiscal year 2023-24 continues to trigger school district reserve caps in fiscal year 2024-25.

- Local Control Funding Formula. The Proposed 2024-25 State Budget includes a LCFF COLA of approximately 0.76%, down from the 3.94% COLA estimated at the time of the enactment of the 2023-24 State Budget. The 2023-24 State Budget provides that, when combined with population growth adjustments, this will result in a decrease of approximately \$1.4 billion in discretionary funds for local educational agencies. To fully fund this increase and to maintain the level of current year principal apportionments, the Proposed 2024-25 State Budget proposes withdrawing approximately \$2.8 billion from the Proposition 98 Rainy Day Fund to support ongoing LCFF costs in fiscal year 2023-24, withdrawing approximately \$2.2 billion from the Proposition 98 Rainy Day Fund to support ongoing LCFF costs in fiscal year 2024-25, and using available reappropriation and reversion funding totaling \$38.6 million to support ongoing LCFF costs in fiscal year 2024-25.
- Local Property Tax Adjustments. The Proposed 2024-25 State Budget includes decreases of Proposition 98 general fund resources for school districts and county offices of education of \$113.0 million and \$996.0 million, respectively, in fiscal year 2023-24 and fiscal year 2024-25, as a result of increased offsetting property taxes.
- Instructional Continuity. To provide students with needed instructional continuity including when facing challenges such as severe climate events, illness, or other barriers that impact attendance, the Proposed 2024-25 State Budget proposes statutory changes to allow local educational agencies to provide attendance recovery opportunities to students to make up lost instructional time, thereby offsetting student absences, and mitigating learning loss and chronic absenteeism, as well as related fiscal impacts.
- California State Preschool Program. To support reimbursement rate increases previously supported by available one-time federal stimulus funding, the Proposed 2024-25 State Budget includes \$53.7 million in general fund resources. These resources are in addition to approximately \$140.6 million in general fund resources and \$206.3 million in Proposition 98 general fund resources identified in the 2023-24 State Budget.
- Teacher Preparation and Professional Development. To support training for educators to administer literacy screenings, the Proposed 2024-25 State Budget proposes \$25.0 million in ongoing Proposition 98 general fund resources through the K-12 Mandate Block Grant.

To further assist educators in teaching mathematics aligned to the State Board of Education’s newly adopted Mathematics Framework, the Proposed 2024-25 State Budget proposes \$20.0 million in one-time Proposition 98 general fund resources for a county office of education to work with the University of California Subject Matter Projects, as well as other well-qualified governmental or non-profit providers, to develop and provide training for mathematics coaches and leaders who can in turn provide training and support to math teachers to deliver high-quality instruction.

The Proposed 2024-25 State Budget also proposes to make statutory changes to focus the use of unexpended allocated Learning Recovery Emergency Block Grant funds on actions to address the needs of students most impacted by learning loss, based on an assessment of needs and incorporated into the existing Local Control and Accountability Plan (LCAP) development process, and to

clarify that the allowable uses of such grant funds include professional development aligned to the new Mathematics Framework.

- School Facility Program. The Kindergarten through Community College Public Education Facilities Bond Act of 2016 (Proposition 51), approved by voters in November 2016, authorized \$9.0 billion in State general obligation bonds to support K-12 and community college school facilities construction. With Proposition 51 bond authority funds nearly exhausted, the 2022-23 State budget and 2023-24 State Budget provided approximately \$1.3 billion in one-time general fund resources and \$2.0 billion in one-time general fund resources, respectively, for the School Facility Program, for K-12 school facilities construction. To address the projected budget shortfall, the Proposed 2024-25 State Budget adjusts a planned fiscal year 2024-25 investment for the School Facility Program from \$875.0 million to \$375.0 million in one-time general fund resources.
- Full-Day Kindergarten Facilities Grant Program. The Full-Day Kindergarten Facilities Grant Program supports the construction of new school facilities or retrofitting existing school facilities for the purpose of providing transitional kindergarten, full-day kindergarten, or preschool classrooms. The 2022-23 State budget included \$100.0 million in one-time general fund resources for the Full-Day Kindergarten Facilities Grant Program, and the 2023-24 State Budget reflected an additional \$550.0 million in fiscal year 2024-25 to support the Full-Day Kindergarten Facilities Grant Program. To address the projected budget shortfall, the Proposed 2024-25 State Budget delays the fiscal year 2024-25 planned investment of \$550.0 million to fiscal year 2025-26.
- Zero-Emission School Buses. The Proposed 2024-25 State Budget maintains \$500.0 million one-time Proposition 98 general fund resources to support greening school bus fleets through programs operated by the California Air Resources Board and the California Energy Commission in fiscal year 2024-25.
- Nutrition. The Proposed 2024-25 State Budget includes an increase of \$122.2 million in ongoing Proposition 98 general fund resources to fully fund the universal school meals program in fiscal year 2024-25.

The complete Proposed 2024-25 State Budget is available from the California Department of Finance website at www.dof.ca.gov or www.ebudget.ca.gov. The District can take no responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

LAO Analysis of the Proposed 2024-25 State Budget. The Legislative Analyst’s Office (“LAO”), a nonpartisan State office which provides fiscal and policy information and advice to the State legislature, released its report on the Proposed 2024-25 State Budget entitled “The 2024-25 Budget: Proposition 98 and K-12 Education” on February 15, 2024 (the “2024-25 Proposed Budget Analysis”). In the 2024-25 Proposed Budget Analysis, the LAO assesses changes related to the Proposition 98 Rainy Day Fund and Proposition 98 minimum guarantee and analyzes the major proposals for K-12 education.

The LAO notes that Proposition 98 sets aside a minimum amount of funding for schools based upon a set of constitutional formulas. Due to reductions in State revenue and the delayed deadline for personal income and corporation tax payments, the Proposed 2024-25 State Budget estimates the funding requirement to be down significantly over the fiscal years 2022-23 through 2024-25. Specifically, the delayed payments show that State tax collections for fiscal year 2022-23 were nearly \$26.0 billion lower than the levels the State estimated in June 2023. The Proposed 2024-25 State Budget revised the estimate of the Proposition 98 minimum guarantee down nearly \$9.1 billion for fiscal year 2022-23. The LAO observes that the reduction in the guarantee primarily reflects the significant drop in general fund revenue,

but is offset slightly by a small increase in property tax revenue. The downward revision is the largest reduction to the guarantee in a prior year since the passage of Proposition 98 in 1988. By contrast, previous downward revisions to the prior-year guarantee have never been larger than a couple hundred million dollars. The LAO notes that nearly half of the increase, however, is due to two special adjustments. First, the State adjusts the guarantee up by more than \$930.0 million to account for the arts education program established by Proposition 28 in the year 2022. Second, it makes a further upward adjustment of more than \$630.0 million to account for the continued expansion of eligibility for transitional kindergarten. The LAO estimates the Proposition 98 guarantee is \$7.7 billion lower than the Proposed 2024-25 State Budget level over the period. Specifically, estimates are \$5.2 billion lower in fiscal year 2023-24 and \$2.5 billion lower in fiscal year 2024-25.

The Proposed 2024-25 State Budget anticipates a rapid recovery and assumes an 8.0% increase in general fund revenue relative to the lower fiscal year 2022-23 level, including a 12.0% increase in personal income tax receipts. The Proposed 2024-25 State Budget anticipates a relatively strong rebound in general fund revenue for fiscal year 2023-24, but the State tax collections through January 2024 point to continuing weakness. Tax receipts from regular income tax withholding (the largest portion of the personal income tax) came in \$1.0 billion or 11.0% below the estimates in the Proposed 2024-25 State Budget. Receipts from the quarterly estimated payments were even worse, coming in \$3.0 billion or 27.0% below the budget estimate. Based on the recent tax collection data, the LAO sees a high level of downside risk to the revenue estimates in the Proposed 2024-25 State Budget. Specifically, LAO's updated estimate of general fund revenue (released in February 2024) is \$15.3 billion lower than the Proposed 2024-25 State Budget estimates for fiscal year 2023-24 and \$8.4 billion lower for fiscal year 2024-25. The LAO notes that there is low probability that revenues will approach the levels in the Proposed 2024-25 State Budget. The LAO estimates that the lower general fund revenue reduce the guarantee by nearly 40 cents for each dollar of lower revenue. Increases in local property tax, however, increase the Proposition 98 minimum guarantee on a dollar-for-dollar basis.

LAO's estimates of property tax revenue are somewhat higher than the levels in the Proposed 2024-25 State Budget. The LAO observes that the most important factor affecting local property tax revenue is the rate of growth in assessed property values. The Proposed 2024-25 Proposed Budget estimates assessed values will grow 5.1% in fiscal year 2023-24 and 4.7% in fiscal year 2024-25. The LAO observes that this growth assumption is somewhat below the historical average of about 5.5%. Accounting for all of the factors, the overall increase in local property tax revenue is about 4.0% in each year. The Proposed 2024-25 State Budget forecasts Proposition 98 guarantee to grow to \$111.9 billion in fiscal year 2025-26, an increase of \$2.8 billion or 2.6% from the fiscal year 2024-25 level. The LAO observes that approximately \$1.1 billion of this increase in the guarantee is attributable to an adjustment for transitional kindergarten. Most notably, recent data from the Board of Equalization show that assessed property values grew nearly 6.7% in fiscal year 2023-24, compared with the estimate of 5.1% in the Proposed 2024-25 State Budget.

The LAO emphasizes that the Proposed 2024-25 State Budget's largest solution is a funding maneuver that would move some prior-year school spending to the non-Proposition 98 side of the budget and delay budgetary recognition of the expenditure for several years. In effect, the State would be using its cash resources to finance payments to schools that exceed the Proposition 98 guarantee in the prior year and creating an internal obligation to recognize the underlying budgetary cost at some point in the future. Unlike a traditional loan, however, the State would not score this mechanism as borrowing, make payments to an external creditor, or accrue any interest. The Proposed 2024-25 State Budget also proposes a \$4.9 billion discretionary withdrawal to cover school spending that would otherwise exceed the minimum guarantee. Of this amount, the budget would use \$2.8 billion for LCFF in fiscal year 2023-24 and \$2.1 billion for LCFF in fiscal year 2024-25. These withdrawals would leave \$3.9 billion in the reserve for future use. This balance exceeds the threshold triggering the cap on local school district reserves, meaning the cap would remain operative for at least another year. Furthermore, most of the school districts will experience

funding declines in fiscal year 2024-25 as their higher attendance levels from earlier years continue phasing out of their average. The Proposed 2024-25 State Budget estimates this phaseout will reduce LCFF statewide by \$2.0 billion or 2.6%. Partially offsetting this reduction, the Proposed 2024-25 State Budget estimates an LCFF increase of \$796.0 million related to the expansion of transitional kindergarten. This increase consists of \$635.0 million for base, supplemental, and concentration grant funding generated by students who are newly eligible in fiscal year 2024-25 and \$161.0 million to support lower staffing ratios for these students. Accounting for the attendance phaseout and the expansion of transitional kindergarten, the overall reduction in LCFF costs is \$1.2 billion.

The LAO notes that the Proposed 2024-25 State Budget recognizes the budget problem and introduces a few reasonable ideas. Most notably, the inclination to access funds in the Proposition 98 Rainy Day Fund and identify savings in the State Preschool program. However, the LAO expresses major concerns with the proposal to allow schools to keep cash disbursements above the minimum guarantee without recognizing the budgetary cost of those payments. According to the LAO, this proposal creates a new type of budget solution: effectively, an interest-free loan from the State's cash resources and, as such, it sets a problematic precedent. If the State legislature were to avoid the funding maneuver entirely and reduce funding to LAO's lower estimates of the guarantee, the State would need to identify a total of \$14.0 billion in reductions or solutions affecting schools. Discretionary withdrawals from the Proposition 98 Rainy Day Fund as a one-time solution is contingent upon the State Governor declaring a budget emergency and the State legislature enacting a law authorizing the withdrawal. The LAO shares the view that a reserve withdrawal is warranted but has concerns about the way the Proposed 2024-25 State Budget would use these funds. The Proposed 2024-25 State Budget would use reserves to cover costs in fiscal years 2023-24 and 2024-25, including to free-up funding for spending increases. Using reserve withdrawals to support new spending seems contrary to the core purpose of the reserve—protecting existing programs—and diminishes an important tool that could mitigate the prior-year shortfall. The LAO notes that the reduction for State preschool program is reasonable, however, if program enrollment increases, the costs associated with providing certain payments in fiscal year 2024-25 will increase. Additionally, the Proposed 2024-25 State Budget funds the full COLA in fiscal year 2024-25 even though the guarantee cannot even support existing program costs. The LAO estimates that if the State had reduced the COLA rate for fiscal year 2023-24, it would face little or no ongoing shortfall in fiscal year 2024-25.

The LAO has offered recommendations to address the budget shortfall. The LAO recommends that the State legislature should prioritize core school programs but also promote stability for the budget moving forward. Taking this approach would require the State legislature to make some difficult choices this year but offers substantial advantages. The LAO notes that the Proposed 2024-25 State Budget proposed funding maneuver is bad fiscal policy, sets a problematic precedent, and creates a binding obligation on the State that will worsen future deficits and require more difficult decisions. The LAO strongly recommends the State legislature to reject the funding maneuver. The LAO recommends that the State legislature should begin identifying alternative reductions and solutions it would need to balance the budget. Specifically, the LAO recommends the following one-time and ongoing spending solutions:

- Build a budget that (a) contains a discretionary reserve withdrawal and (b) directs the entire withdrawal toward addressing the shortfall in fiscal year 2022-23. To the extent the State is required to withdraw any funds that remain in the reserve after covering the shortfall in fiscal year 2022-23, the LAO recommends directing those funds toward existing program costs that would otherwise exceed the guarantee in fiscal year 2023-24.
- Reject all of the one-time increases proposed in the Proposed 2024-25 State Budget to achieve savings of \$599.0 million.

- Review existing grants with unallocated funding and reduce or eliminate any grants that do not represent highest priorities. The LAO recommends that one reasonable starting point would be to rescind some of the funding for community schools.
- For a few ongoing programs, the State likely could make one-time reductions that school districts could accommodate by drawing upon unspent carryover funding. Two of the programs for which the LAO anticipates school districts have unspent funds available are Expanded Learning Opportunities Program (“ELOP”) and the Special Education Early Intervention Grant.
- Zero out the COLA for the upcoming year. Rejecting the COLA would reduce the ongoing shortfall by \$628.0 million and help the state avoid committing to an ongoing spending level it would have difficulty maintaining in the future.
- Reject most other ongoing increases in the Proposed 2024-25 State Budget, including the increases for school meals and the funding for literacy screeners.
- Plan to adopt lower LCFF cost estimates than the Proposed 2024-25 State Budget anticipates for fiscal years 2023-24 and 2024-25 and use updated data to calibrate estimates. Related to these recommendations, the LAO recommends ensuring the estimates account for the interaction between the expansion of transitional kindergarten and the three-year rolling average attendance calculation. Under LAO’s latest estimates, the overall cost of LCFF would be \$1.8 billion lower across fiscal years 2023-24 and 2024-25.
- Explore changes to ongoing programs that could generate additional savings. The LAO outlines options for reducing costs in five large programs: ELOP allocations, State Preschool program, School Nutrition program, School Transportation program and Transitional Kindergarten Staffing Add-On program.
- Eliminate or scale back by revisiting three LCFF add-ons that provide additional funding for certain districts based on historical factors to reduce historical funding inequities among school districts, simplify the LCFF, and provide ongoing savings. The LAO profiles three such add-ons: Targeted Instructional Improvement Block Grants, Minimum State Aid and Economic Recovery Targets.

Governor and Legislature Early Action Agreement. On April 4, 2024, the Governor and the State Legislature agreed to an early action budget package (the “Early Action Agreement”) to reduce the existing shortfall in the Proposed 2024-25 State Budget, to be addressed in the final budget for fiscal year 2024-25, by approximately \$17.3 billion. The Early Action Agreement consists of a mix of budgetary actions, including \$3.6 billion in budgetary reductions (primarily to one-time funding), \$5.2 billion in revenue and borrowing, \$5.2 billion in delays and deferrals, and \$3.4 billion in shifts of costs from the general fund to other State funds. With respect to the budgeted programs for K-12 education, the Early Action Agreement includes a \$500.0 million reduction to the School Facility Aid Program and a \$550.0 million funding delay with respect to the Full-Day Kindergarten Facilities Grant Program. On April 11, 2024, the Early Action Agreement was passed by the State Legislature. The Early Action Agreement does not address the Proposition 98 funding maneuver proposed in the Proposed 2024-25 State Budget. The Early Action Agreement is available from the State of California website at www.ca.gov. The District can take no responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

Changes in State Budget. The final fiscal year 2024-25 State budget, which requires approval by a majority vote of each house of the State Legislature, may differ substantially from the Proposed 2024-25 State Budget. In May 2024, the Governor will revise the Proposed 2024-25 State Budget based on updated information available at such time. Such revision in May 2024 may also differ substantially from the Proposed 2024-25 State Budget. The final fiscal year 2024-25 State budget may be affected by national and State economic conditions and other factors which the District cannot predict. Accordingly, the District cannot provide any assurances that there will not be any changes in the final fiscal year 2024-25 State budget from the Proposed 2024-25 State Budget. The District cannot predict the impact that the final fiscal year 2024-25 State budget, or subsequent budgets, will have on its finances and operations.

Future Budgets and Budgetary Actions. The District cannot predict what future actions will be taken by the State Legislature and the Governor to address changing State revenues and expenditures or the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors beyond the District's ability to predict or control. Certain actions could result in a significant shortfall of revenue and cash and could impair the State's ability to fund schools during fiscal year 2023-24 and in future fiscal years. Certain factors, like an economic recession, could result in State budget shortfalls in any fiscal year and could have a material adverse financial impact on the District. As the [Refunding] Bonds are payable from *ad valorem* property taxes, the 2023-24 State Budget is not expected to have a material impact on the payment of the [Refunding] Bonds.

Additional Information. Information about the State budget and State spending for education is regularly available at various State-maintained websites. Text of the State budget may be found at the website of the Department of Finance, www.dof.ca.gov, under the heading "California Budget." Various analyses of the budget may be found at the website of the LAO at www.lao.ca.gov. In addition, various State official statements, many of which contain a summary of the current and past State budgets and the impact of those budgets on school districts in the State, may be found via the website of the State Treasurer, www.treasurer.ca.gov. The information presented in these websites is not incorporated by reference in this Official Statement.

State Funding of Schools Without a State Budget

Although the State Constitution requires that the State Legislature adopt a budget for the State by June 15 of the prior fiscal year and that the Governor sign a budget by June 30, this deadline has been missed from time to time. Delays in the adoption of a Budget Act in any fiscal year could impact the receipt of State funding by the District. On May 29, 2002, the California Court of Appeal for the Second District decided the case of *Howard Jarvis Taxpayers Association, et al. v. Kathleen Connell* (as Controller of the State of California), et al. (also referred to as *White v. Davis*) ("Connell"). The California Court of Appeal concluded that, absent an emergency appropriation, the State Controller may authorize the payment of State funds during a budget impasse only when payment is either (i) authorized by a "continuing appropriation" enacted by the State Legislature, (ii) authorized by a self-executing provision of the State Constitution, or (iii) mandated by federal law. The Court of Appeal specifically concluded that the provisions of Article XVI, Section 8 of the State Constitution—the provision establishing minimum funding of K-14 education enacted as part of Proposition 98—did not constitute a self-executing authorization to disburse funds, stating that such provisions merely provide formulas for determining the minimum funding to be appropriated every budget year but do not appropriate funds. Nevertheless, the State Controller has concluded that the provisions of the State Education Code establishing K-12 and county office of education revenue limit funding (the predecessor to the LCFF) do constitute continuing appropriations enacted by the State Legislature and, therefore, has indicated that State payments of such amounts would continue during a budget impasse. The State Controller, however, has concluded that K-12 categorical programs are not authorized pursuant to a continuing appropriation enacted by the State Legislature and, therefore, cannot

be paid during a budget impasse. To the extent the Connell decision applies to State payments reflected in the District's budget, the requirement that there be either a final budget bill or an emergency appropriation may result in the delay of some payments to the District while such required legislative action is delayed, unless the payments are self-executing authorizations, continuing appropriations or are subject to a federal mandate. However, the District does not expect any delays in payments from the State to adversely affect its ability to pay the principal of and interest on the [Refunding] Bonds described in the forepart of this Official Statement, which are payable from voter-approved *ad valorem* property taxes.

Local Control Funding Formula

General. Funding for school districts, charter schools and county offices of education in connection with the LCFF includes State apportionments for general operating costs ("State Aid") and funding for categorical programs. During fiscal year 2022-23, approximately 55.99% of the District's General Fund revenues were pursuant to the LCFF. At the time of preparation of the Fiscal Year 2023-24 Second Interim Report, the District projected that approximately 60.48% of the District's fiscal year 2023-24 General Fund revenues will consist of funds determined under the LCFF. For fiscal years 2020-21 through 2023-24, LCFF revenues comprise a lower percentage of the District's total General Fund revenues as a result of increases in one-time federal funding for COVID-19 relief. The following Table A-2 sets forth the percentage of the District's General Fund revenues that are derived from revenues under the LCFF, federal revenues, other State revenues and other local revenues for fiscal years 2019-20 through 2023-24.

TABLE A-2

LOS ANGELES UNIFIED SCHOOL DISTRICT
General Fund Revenue Sources
Percentage of Total District General Fund Revenues⁽¹⁾
Fiscal Years 2019-20 through 2023-24

Revenue Source	Fiscal Year 2019-20	Fiscal Year 2020-21	Fiscal Year 2021-22	Fiscal Year 2022-23	Fiscal Year 2023-24 ⁽²⁾
LCFF	74.47%	64.68%	62.42%	55.99%	60.48%
Federal Revenues	8.31	19.15	19.13	19.57	19.05
Other State Revenues	14.98	13.99	18.08	22.77	15.36
Other Local Revenues	2.24	2.18	0.37	1.67	5.12

⁽¹⁾ Sum of percentages may not equal 100% due to rounding.

⁽²⁾ Projected. For more information regarding State funding during fiscal year 2023-24, including information about the establishment of an Equity Multiplier as an add-on to the LCFF in the 2023-24 State Budget and impacts on the Fiscal Year 2023-24 Budget, see "– State Budget Act – 2023-24 State Budget" and "DISTRICT FINANCIAL INFORMATION – District Budget – Revisions to Fiscal Year 2023-24 Budget."

Sources: Audited Annual Financial Report for fiscal years 2019-20 through 2022-23; Fiscal Year 2023-24 Second Interim Report for fiscal year 2023-24.

The LCFF allocates State funding based on a school district's demographics. Each school district receives a base grant (the "Base Grant") per ADA in an amount determined by the State. The Governor's State budget for fiscal year 2022-23 revised the LCFF calculation beginning with fiscal year 2022-23 to consider the greater of a school district's current fiscal year, prior fiscal year, or the average of three prior fiscal years' ADA. See "DISTRICT GENERAL INFORMATION – Enrollment and Average Daily Attendance." Pursuant to the LCFF, each local education agency ("LEA") is required to, among other things, show progress toward an average class enrollment of no more than 24 pupils in kindergarten through grade 3, unless the LEA has entered into a collective bargaining agreement specifying an annual alternative average class enrollment in those grades for each school. Accordingly, the LCFF includes an adjustment to the Base Grant for kindergarten through grade 3 (the "K-3 Grade Span Adjustment") of approximately 10.4% in order to cover the costs associated with class size reduction. In addition, the LCFF includes an

adjustment to the Base Grant for grades 9 through 12 of approximately 2.6% to cover the costs of, among other things, providing career technical education.

Based on the ADA of the given demographic classification, school districts are eligible to receive a 20% supplemental grant (the “Supplemental Grant”) for students classified as English learners (“EL”), students eligible to receive a free or reduced-price meal (“FRPM”), and students classified as foster youth (“LI”). The State expects the Supplemental Grants to reflect the additional costs associated with the education of EL, FRPM and LI students. In addition, school districts are eligible to receive a concentration grant (the “Concentration Grant”) if the school district has a significant concentration of students classified as EL, FRPM or LI (collectively, “Unduplicated Pupils”). The LCFF uses an unduplicated student count to determine the amount of the Supplemental Grant and Concentration Grant authorized for a school district. A school district may only count a student one time if such student is classified in more than one of the EL, FRPM and LI categories. In the event the percentage of Unduplicated Pupils exceeds 55% of a school district’s total enrollment, the LCFF provides additional funding to the school district through a Concentration Grant. The Concentration Grant will be an amount equal to an additional 65% of the school district’s adjusted Base Grant, which includes the cost of living adjustment and grade span adjustments, if any, for each Unduplicated Pupil above the 55% threshold.

Starting with the 2023-24 fiscal year, an additional Equity Multiplier was added for LEAs who qualify by having both (1) a prior year nonstability rate of greater than 25% and (2) a prior year socioeconomically disadvantaged pupil rate of greater than 70%. The nonstability rate refers to the percentage of students who do not complete the year due to factors like expulsion or other reason without stable subsequent enrollment at another school. The socioeconomically disadvantaged pupil rate refers to the percentage of students who (i) do not have a parent with a high school diploma, (ii) are eligible for free or reduced-price meals, (iii) are migratory, (iv) are homeless youth, (v) are foster youth or (vi) are enrolled in a county juvenile court school. Every year, the state will allocate \$300 million to the qualifying LEAs on a per-unit basis based on the LEA’s prior year adjusted cumulative enrollment, but each qualifying school will receive at least \$50,000. The Equity Multiplier revenue must be used for evidence-based services and support for pupils.

The Base Grants are based on four uniform, grade-span base rates. For fiscal year 2023-24, the LCFF provided to school districts and charter schools: (a) a Base Grant for each LEA equivalent to \$10,951 per ADA for kindergarten through grade 3; (b) a Base Grant for each LEA equivalent to \$10,069 per ADA for grades 4 through 6; (c) a Base Grant for each LEA equivalent to \$10,367 per ADA for grades 7 and 8; (d) a Base Grant for each LEA equivalent to \$12,327 per ADA for grades 9 through 12. The Base Grant amount for fiscal year 2023-24 includes a COLA of 8.22%. The amount of actual funding allocated to the Base Grant, Supplemental Grants and Concentration Grants is subject to the discretion of the State.

Since the full implementation of the LCFF in fiscal year 2018-19, there is no longer a gap between a school district’s prior year funding and the target amount of funding under the LCFF for the current year. Further, there is no longer a difference between the District’s target entitlement under the LCFF – the amount available once the LCFF is fully funded – and the District’s transition entitlement. In fiscal year 2018-19, the District reached its target entitlement for the District and the Affiliated Charter Schools, such that there is no transition entitlement for the District and the Affiliated Charter Schools. Accordingly, the District’s historically significant increases in LCFF funding from year to year are not reflective of the District’s current and expected LCFF funding since the LCFF is fully funded.

The difference between the amount a school district or charter school would have received under the old funding system and the estimated amount it would receive for LCFF funding at full implementation, based on certain criteria is referred to as the “Economic Recovery Target.” Only school districts and charter schools that were at, or below, the 90th percentile of per-pupil funding rates of school districts under the

pre-fiscal year 2013-14 funding system, as determined at the certification of the State's second principal apportionment in fiscal year 2013-14, are eligible for Economic Recovery Target payments. Based on this criteria, the District is not entitled to receive Economic Recovery Target funding. However, certain of the District's Affiliated Charter Schools are entitled to the Economic Recovery Target funding and received \$990,310, collectively, in fiscal year 2022-23, and will receive the same amount, collectively, in fiscal year 2023-24.

The District has the largest ADA in the State. See "DISTRICT GENERAL INFORMATION – Enrollment and Average Daily Attendance" herein. In addition, the District's ADA includes a significant number of students classified as Unduplicated Pupils. Accordingly, the District expects to receive more LCFF funding than other school districts in the State. The Fiscal Year 2023-24 Second Interim Report projects that approximately 85.67% of students attending non-charter schools of the District will be classified as Unduplicated Pupils under the LCFF during fiscal year 2023-24. The percentage of students classified as Unduplicated Pupils is based on a three-year rolling average. The District's calculation of ADA with respect to Unduplicated Pupils, which is used to determine Supplemental and Concentration Grant revenues, is subject to adjustment upon review thereof by the District's independent auditor.

The following Table A-3 sets forth the District's Base Grant per ADA for fiscal years 2014-15 through 2023-24 under the LCFF.

TABLE A-3
LOS ANGELES UNIFIED SCHOOL DISTRICT
Adjusted Base Grant Per Average Daily Attendance
Fiscal Years 2014-15 through 2023-24

<u>Fiscal Year</u>	<u>Grades K-3</u>	<u>Grades 4-6</u>	<u>Grades 7-8</u>	<u>Grades 9-12</u>
2014-15	\$7,740	\$7,116	\$7,328	\$8,712
2015-16	7,820	7,189	7,403	8,801
2016-17	7,820	7,189	7,403	8,801
2017-18	7,941	7,301	7,518	8,939
2018-19 ⁽¹⁾	8,235	7,571	7,796	9,269
2019-20	8,503	7,818	8,050	9,572
2020-21	8,503	7,818	8,050	9,572
2021-22	8,934	8,214	8,458	10,057
2022-23	9,520	8,754	9,013	10,716
2023-24	10,951	10,069	10,367	12,327

⁽¹⁾ LCFF was fully funded in fiscal year 2018-19.

Sources: Los Angeles Unified School District Comprehensive Annual Financial Report for fiscal years 2014-15 and 2015-16; the District for fiscal years 2016-17 through 2022-23; and Fiscal Year 2023-24 Second Interim Report for fiscal year 2023-24.

Local Control and Accountability Plan. Pursuant to the LCFF, since July 1, 2014, school districts, county offices of education and charter schools have been required to develop, adopt and annually update a three-year LCAP. The LCAP is required to identify goals and measure progress for student subgroups across multiple performance indicators. The Education Code requires each school district to file with the county superintendent of schools such school district's LCAP or annual update thereof not later than five days after its adoption. On or before August 15 of each year, the county superintendent of schools may seek clarification, in writing, from the governing board of such school district about the contents of the LCAP. The school district has the opportunity to respond to such request and the county superintendent is authorized to submit recommendations for amendments to the LCAP. On or before October 8 of each year,

the county superintendent of schools is required to approve each school district's LCAP pending a determination that the school district has adhered to the template adopted by the State Board of Education, the school district's budget includes expenditures sufficient to implement the specific actions and strategies included in the LCAP based on projected costs, and the school district has adhered to the Education Code with respect to funds apportioned for Unduplicated Pupils.

The State's priorities for each LCAP include, among other things, compliance with requirements with respect to appropriateness of teacher assignments, ensuring that teachers are fully credentialed in the subject areas and for the pupils they are teaching, and ensuring that every pupil in the school district has sufficient access to the standards-aligned instructional materials as determined in accordance with the Education Code. In addition, school facilities are to be maintained in good repair. The State requires proper implementation of the academic content and performance standards adopted by the State Board of Education and will measure parental involvement (e.g., efforts to seek input from parents or guardians regarding decisions for the district and the school site), pupil achievement (e.g. performance on Statewide assessments, the academic performance index, readiness for college or career technical education, progress towards English proficiency, performance on advance placement examinations), pupil engagement (e.g., school attendance rates, chronic absenteeism rates, middle school dropout rates, high school dropout and graduation rates, pupil suspension and expulsion rates, etc.), access and enrollment in a broad course of study including the core subject areas and programs and services developed and provided to Unduplicated Pupils, and pupil outcomes in the subject areas comprising a broad course of study.

In November 2014, the State Board of Education adopted final regulations to govern the expenditure of the Supplemental Grant and Concentration Grant funding. These regulations require school districts, county offices of education, and charter schools to increase and improve services for Unduplicated Pupils and provide authority for school districts to spend funds school-wide when significant populations of Unduplicated Pupils attend a school. Pursuant to the regulations, LEAs are required to obtain input from parents of students and the general public in connection with the development, revision and updates of LCAPs. In addition, the regulations require County superintendents to review school district LCAPs and require county offices of education to provide technical assistance if they disapprove an LCAP. The Education Code grants the State Superintendent of Public Instruction authority to intervene if a school district or charter school fails to show improvement across multiple subgroups in three out of four consecutive years.

Infectious Disease Outbreak

In general, the outbreak of a highly contagious disease or epidemic disease could harm the District's financial results or result in a temporary shutdown of the District's facilities. As discussed above, school districts in California are funded based on the LCFF, which allocates a base grant per unit of average daily attendance with additional supplemental grants based on certain factors. Thus, a temporary shutdown of a school or an entire school district would reduce the average daily attendance and could impact the funding a school district receives unless the State legislature or California Department of Education takes action to exclude such days from the calculations for funding purposes. Further, any impact on the State's tax and other revenue receipts as a result of a highly contagious or epidemic disease may in turn impact other educational funding that the District receives from the State. " – State Budget Act – *Future Budgets and Budgetary Actions.*" In addition, the District may incur increased operational costs to conduct distance learning or to clean, sanitize and maintain its facilities either before or after an outbreak of an infectious disease.

COVID-19 Background. The outbreak of the respiratory disease caused by COVID-19 was previously declared a pandemic by the World Health Organization, a national emergency by former President Trump and a state of emergency by the Governor of the State. The national and public health

emergency declarations ended on May 11, 2023. Additionally, the Governor of the State issued a proclamation terminating the State's COVID-19 state of emergency on February 28, 2023.

Federal Response. On March 13, 2020, former President Trump declared a nationwide emergency pursuant to Section 501(b) of the Stafford Act, regarding the COVID-19 pandemic. On March 22, 2020, former President Trump approved the Major Disaster Declaration for the State of California, authorizing federal emergency aid related to COVID-19 administered through the Federal Emergency Management Agency ("FEMA"). As a result, local educational agencies were permitted to submit a request for FEMA public assistance through the California Office of Emergency Services for reimbursement of certain costs incurred as a result of COVID-19. The District submitted all requests for FEMA public assistance for eligible cleaning, sanitation, COVID-19 testing, vaccination, and meal programs expenses incurred through June 30, 2023. As of February 29, 2024, the District has received \$344.7 million for testing and miscellaneous response costs. In addition, the District received four obligation letters from FEMA totaling \$159.6 million for testing, vaccinations and miscellaneous response costs. The District is working to maximize its reimbursement from FEMA and anticipates that a significant majority of the amount of assistance requested from FEMA will ultimately be deemed eligible and reimbursed.

On March 27, 2020, the U.S. House of Representatives approved and former President Trump signed into law the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"). The CARES Act provided \$30 billion to education, specifically \$3 billion allocated to state governors to be used at their discretion to address the emergency, \$13.5 billion for K-12 education, and \$14.25 billion for postsecondary institutions. School districts are able to use their share of the \$13.5 billion K-12 education allocation under the CARES Act, which was based on the proportion of Title I funding received for the then most recent fiscal year, for purposes authorized by federal law and other specified uses. The District received approximately \$858.1 million in funding under the CARES Act, which is the full amount allocated to the District under the CARES Act and included approximately \$289.7 million from the Elementary and Secondary School Emergency Relief Fund (the "ESSER") provided directly from the federal government to the District, and amounts allocated by the State of California through its Learning Loss Mitigation Fund, including approximately \$488.6 million from the Coronavirus Relief Fund (the "CRF") provided from CARES Act funding, approximately \$31.9 million from the Governor's Emergency Education Relief Fund (the "GEER") provided from CARES Act funding, and approximately \$47.9 million from the State's general fund. The District has also received approximately \$22.0 million in supplemental reimbursements at a rate of 75 cents per meal for meals served to students between March 2020 and August 2020; a portion of such funding was provided by federal sources under the CARES Act and the other portion of such funding was provided by State funds. In addition, the District has been awarded approximately \$6.0 million in grant funds by the State under the California Community Schools Partnership Program for expenditures relating to the District's community schools. As of June 30, 2023, the District has received all \$6.0 million of such grant funding.

On December 27, 2020, the Consolidated Appropriations Act of 2021 ("HR 133") was enacted, which includes a \$900 billion COVID-19 relief package. HR 133 provided approximately \$81.9 billion to education, specifically about \$4.1 billion allocated to state governors to be used at their discretion to address the emergency, of which approximately \$2.75 billion was reserved for private K-12 education, about \$54.3 billion for K-12 education, around \$22.7 billion for postsecondary institutions, and about \$819 million for outlying areas and Bureau of Indian Affairs schools. School districts are able to use their share of the approximately \$54.3 billion K-12 education allocation under HR 133, which was based on the proportion of Title I funding received for the then most recent fiscal year, for purposes authorized by federal law and other specified uses. Pursuant to HR 133, \$154 million was allocated to the State in the form of funding for public schools from the GEER (the "GEER II"), and the State ultimately incorporated such funds into the expanded learning opportunity grant funding discussed below. In addition, pursuant to HR 133, the District is eligible to receive approximately \$1.15 billion in funding from the ESSER (the "ESSER II") for eligible

expenditures obligated through September 30, 2023. The District has received all \$1.15 billion in ESSER II funding as of June 30, 2023. In addition, under HR 133, the District received a one-time child development stipend of approximately \$4 million for costs associated with childcare programs.

On March 11, 2021, the American Rescue Plan Act of 2021 (“HR 1319”), a \$1.9 trillion COVID-19 relief package, was enacted. HR 1319 provided approximately \$165.15 billion to education, specifically about \$122.8 billion to public K-12 education, around \$2.75 billion to private K-12 education and about \$39.6 billion to postsecondary institutions. Of the approximately \$122.8 billion in K-12 funding, about \$7.2 billion was set aside for purchasing technology to support digital learning and around \$800 million is set aside for supporting homeless students. HR 1319 allocated K-12 funding to states and school districts according to the proportion of Title I funding received for the then most recent fiscal year. It further stipulated that of the K-12 funds received by states, 90% must be distributed to local educational agencies, 5% must be used to address learning loss, 1% must be used for summer enrichment programs and 1% must be used for comprehensive afterschool programs, and of the K-12 funds received directly by school districts, 20% must be used to address learning loss. Pursuant to HR 1319, the District expects to receive approximately \$2.6 billion in additional funding from the ESSER (the “ESSER III”) for expenditures obligated through September 30, 2024. As of February 29, 2024, the District has received approximately \$2.1 billion in ESSER III funding. Pursuant to HR 1319, the District also may receive up to \$281.6 million from the amounts dedicated to technology and digital learning (the “Emergency Connectivity Fund”). As of February 29, 2024, the District has received approximately \$50.4 million of funding from the Emergency Connectivity Fund.

Pursuant to a grant from the U.S. Department of Health and Human Services, LACOE received funding for COVID testing to allocate to school districts within its jurisdiction. Accordingly, the District was allocated approximately \$82.2 million in funding for COVID testing expenses during fiscal year 2021-22, all of which the District received during fiscal year 2021-22.

State Legislation Relating to School Districts. On March 17, 2020, the Governor signed Senate Bill 117 (“SB 117”) as urgency legislation effective immediately. For purposes of school district funding for fiscal year 2019-20, SB 117 limited the average daily attendance reported to the California Department of Education to include the full school months from July 1, 2019, to February 29, 2020. This condensed ADA period applied to school districts that complied with Executive Order N-26-20. SB 117 further states the intent of the State Legislature is that a school district’s employees and contractors be paid during the period of a school closure due to COVID-19. SB 117 also waived instructional time penalties that would otherwise accrue, as long as the school district superintendent, county superintendent or charter school administrator certify that the closure due to COVID-19 caused the school district to fall below applicable instructional time requirements. SB 117 also included \$100 million in additional funding to school districts for certain costs incurred as a result of COVID-19. The District received approximately \$7.9 million, which includes amounts for Affiliated Charter Schools, from such additional State funding in fiscal year 2019-20.

The Governor signed Assembly Bill 86 (“AB 86”) into law on March 5, 2021. AB 86 provided approximately \$6.6 billion to local educational agencies to encourage a return to in-person education, with a focus on students who are younger (TK-2) and most disproportionately impacted by the COVID-19 pandemic. Funding was distributed as follows: \$725 per student, an additional \$1,000 per homeless student, and funds remaining after these apportionments are distributed proportionally based on LCFF. \$2 billion was set aside as incentive for school districts that return to in-person instruction by March 31, 2021 for at least TK-2 and ramping up to include higher grades if county transmission rates allow. Beginning April 1, 2021, school districts’ apportioned incentive funding was reduced by 1% for every academic calendar day they do not offer in-person education until May 15, 2021, after which school districts forfeit their entire apportionment of incentive funding. AB 86 allocated approximately \$4.6 billion to local educational agencies to support expanded learning opportunities that target learning loss resulting from the COVID-19

pandemic. School districts must implement learning recovery programs that include, at minimum, supplemental instruction, resources for social and emotional well-being and meal programs. AB 86 also established reporting requirements to monitor COVID-19 cases and in-person education status and apportioned \$25 million to the State's "Safe Schools For All Team" to provide technical assistance, community engagement, oversight and accountability to school districts. AB 86 further set aside 10% of the State's vaccine supply for childcare and TK-12 education staff. Pursuant to AB 86, the District expects to receive approximately \$572.5 million in additional funding following its reopening of schools for in-person hybrid instruction throughout April 2021. As of February 29, 2024, the District has received approximately \$561.7 million in such funding.

The Governor signed Assembly Bill 130 ("AB 130") into law on July 9, 2021. Pursuant to AB 130, the District received approximately \$243.2 million in funding in fiscal year 2021-22 and is eligible for \$457.10 million per year thereafter for the operation of afterschool and summer school enrichment programs through the Expanded Learning Opportunities Program. In addition, pursuant to AB 130, the District received an additional \$45.7 million in funding through the Special Education Learning Recovery Support program and approximately \$10.1 million for dispute prevention and dispute resolution. While the Expanded Learning Opportunities Program is not a traditional one-time COVID relief funding source like the other COVID relief funding discussed above, it is part of the State's on-going response to educational challenges exacerbated by the COVID-19 pandemic.

As of February 29, 2024, in aggregate from federal and State funding sources described above from fiscal year 2019-20 through fiscal year 2023-24, the District expects to receive approximately \$5.6 billion in COVID-19 relief funding, which does not include the funding that the District received through the Expanded Learning Opportunities Program in fiscal year 2021-22 or the funds that the District expects to receive through the Expanded Learning Opportunities Program on an ongoing basis. As of February 29, 2024, the District has received approximately \$4.8 billion in such COVID-19 relief funding, which does not include any funds received through the Expanded Learning Opportunities Program.

District Response. As a result of the outbreak of COVID-19, on March 10, 2020, the District Board declared that emergency conditions exist throughout the District and authorized the Superintendent to take any and all actions necessary to ensure the health and safety of students and staff. Under such authority, the Superintendent closed all schools within the District for in-person instruction effective March 16, 2020. The District implemented a distance learning model for the remainder of the 2019-20 school year.

The District utilized the distance learning model for much of the 2020-21 school year, which commenced on August 18, 2020, given the ongoing COVID-19 pandemic. However, the District began reopening schools for in-person hybrid instruction the week of April 12, 2021, starting with 61 elementary schools and 11 early education centers. The remaining elementary schools and early education centers reopened for in-person hybrid instruction the week of April 19, 2021, and middle schools and high schools reopened for in-person hybrid instruction the week of April 26, 2021. Distance learning also remained available to students throughout the 2020-21 school year. To ensure that the reopening was as safe as possible for students, employees, and the communities, the District published its COVID-19 Containment, Response and Control Plan in February 2021, which details plans, practices and health and safety protocols for reopening schools and is available on the District's website. The District also offered vaccinations to all District employees, administered vaccinations at multiple school sites, and operated a mass vaccination center at Hollywood Park to serve its employees and charter school employees. Baseline COVID-19 testing and subsequent periodic testing on a weekly basis was made available to all students and staff located at school facilities.

The District fully opened its school facilities to full-time in-person instruction at the outset of the 2021-22 school year. The District operates an independent study program for students who do not want to

return to in-person instruction. Beginning in October 2021, the District required all employees to be vaccinated against COVID-19, but on September 26, 2023, the Board of Education rescinded that requirement. During the 2021-22 school year, the District conducted weekly testing of all staff and students for COVID-19. During the 2022-23 school year, the District no longer required weekly testing, but provided rapid antigen tests for symptomatic and exposed students and staff. The District continues to implement strict health and safety measures to ensure the safety of its staff and students.

In response to the COVID-19 pandemic, the District incurred costs totaling approximately \$5.1 billion from March 2020 through February 29, 2024, including costs associated with instructional connectivity, learning lost mitigation, meals, cleaning and protective equipment, COVID-19 testing, and business continuity and connectivity. As a result of the COVID-19 pandemic, the District currently projects approximately \$915.6 million in COVID-19 related costs associated with operating schools during the 2023-24 school year. More specifically, based on the Fiscal Year 2023-24 Second Interim Report, the District projects (1) approximately \$23.3 million in costs associated with strategies for continuous and safe in-person learning; (2) approximately \$246.4 million in costs associated with addressing lost instructional time; and (3) approximately \$645.9 million in costs for addressing additional district priorities. For more information on the District's COVID-19 relief funding expectations for fiscal year 2023-24, see "DISTRICT FINANCIAL INFORMATION – District Budget."

While the State and federal one-time COVID-19 relief funding discussed above has provided and will continue to provide some immediate relief to school districts, including the District, the long-term impacts of the COVID-19 outbreak on the District's operations and finances are not fully known as the situation continues to evolve. The District cannot predict whether similar legislation would be enacted in the event the outbreak severity of COVID-19 returns or a similar or other outbreak of a highly contagious disease or epidemic disease were to occur in the future.

Charter School Funding

A charter school is a public school authorized by a school district, county office of education or the State Board of Education. State law requires that charter petitions be approved if they comply with the statutory criteria. The District has certain fiscal oversight and other responsibilities with respect to both Affiliated Charter Schools and Fiscally Independent Charter Schools located in the District geographic boundaries. However, Fiscally Independent Charter Schools are separate LEAs and receive revenues directly from the State. Affiliated charter schools receive their funding from the District and are included in the District's budgets and audit reports. Information regarding enrollment, ADA, budgets and other financial information relating to Fiscally Independent Charter Schools is not included in the District's audit reports or in this Official Statement unless otherwise noted.

Pursuant to the LCFF, Fiscally Independent Charter Schools and Affiliated Charter Schools will receive a Base Grant per ADA and are eligible to receive Supplemental Grants, Concentration Grants and Equity Multiplier funds. See "– Local Control Funding Formula" herein. In fiscal year 2023-24, the District operates 51 Affiliated Charter Schools and oversees 221 Fiscally Independent Charter Schools within the District boundaries. The fiscal year 2023-24 funded ADA of the Affiliated Charter Schools and the Fiscally Independent Charter Schools is anticipated to be approximately 34,658 and 101,678, respectively. An increase in the number of Fiscally Independent Charter Schools within the boundaries of a school district or an increase in the number of students transferring to a Fiscally Independent Charter School or an Affiliated Charter School from a traditional school within a school district may cause a net reduction in the District's ADA.

Limitations on School District Reserves

Unless a school district is granted an exemption by its county superintendent of schools, amounts in its reserves may not exceed the limitations set forth in the Education Code once certain conditions precedent are met. Pursuant to Section 42127.01 of the Education Code, in a fiscal year immediately after a fiscal year in which the amount of moneys in the Proposition 98 Rainy Day Fund is equal to or exceeds 3% of the combined total of State general fund revenues appropriated for school districts and allocated local proceeds of taxes for that fiscal year, a school district budget that is adopted or revised shall not contain a combined assigned or unassigned ending general fund balance that is in excess of 10% of total General Fund expenditures and other financing uses. A county superintendent of schools may grant a school district under its jurisdiction an exemption from the reserves limitation for up to two consecutive fiscal years within a three-year period if the school district provides documentation indicating that extraordinary fiscal circumstances, including, but not limited to, multiyear infrastructure or technology projects, substantiate the need for a combined assigned or unassigned ending general fund balance that is in excess of the reserves limitation. The limitation applies once the Superintendent of Public Instruction notifies school districts and county offices of education that the conditions precedent are met. The Superintendent of Public Instruction is also required to notify school districts and county offices of education when those conditions no longer exist.

The State-imposed minimum recommended reserve for the District is accounted for in the District's reserve for economic uncertainties. Payments allocated to the Proposition 98 Rainy Day Fund by the State in fiscal years 2021-22 and 2022-23 triggered certain limitations on school district reserves under the Education Code in fiscal years 2022-23 and 2023-24. In fiscal years 2022-23 and 2023-24, the District Board has committed funds comprising portions of the General Fund ending balance to (1) proportionality resources that are allocated to schools to increase or improve services for low income, English language learner, and foster youth students, (2) the primary promise program for elementary school students to build a foundation in literacy, math, and critical thinking skills, (3) inflation protection, and (4) financial obligations pursuant to labor agreements. At the time of preparation of the 2023-24 Second Interim Report, the District's assigned and unassigned ending General Fund balance for fiscal year 2023-24 did exceed 10% of the total General Fund expenditures and other financing uses. However, the reserve cap is not checked for compliance at interim reporting periods; it is checked at budget adoption and at the reporting of unaudited actuals. Should the District appear to exceed the reserve cap at the time of preparation of the District's fiscal year 2023-24 unaudited actuals, the District would take appropriate action to ensure compliance.

Even with the Governor's proposed withdrawals in fiscal years 2023-24 and 2024-25 in the Proposed 2024-25 State Budget (see " – Proposed 2024-25 State Budget"), the Proposed 2024-25 State Budget indicates the projected balance of \$5.7 billion in the Proposition 98 Rainy Day Fund in fiscal year 2023-24 continues to trigger school district reserve limitations in fiscal year 2024-25.

DISTRICT FINANCIAL INFORMATION

District Financial Policies and Related Practices

General. The District has three key financial policies: a budget and finance policy (the "Budget and Finance Policy"), a debt management policy (the "Debt Management Policy") and an investment policy (the "Investment Policy").

Budget and Finance Policy. The District has adopted a Budget and Finance Policy pursuant to which the District creates and funds reserves for operating purposes (collectively, the "Operating Reserves") and liability management purposes (collectively, the "Liability Reserves"). The Budget and

Finance Policy reflects reserve categories promulgated by the Government Accounting Standards Board (“GASB”) and incorporates certain reserve categories established by the District. See “STATE FUNDING OF SCHOOL DISTRICTS – Limitations on School District Reserves” herein.

Operating Reserves. The District uses the Operating Reserves to manage its budget for each fiscal year. A portion of the District’s authorized appropriations are set aside in the Operating Reserves. The District generally appropriates amounts from the General Fund based on the amount estimated in its budget. However, the District may appropriate funds from unspent balances within the Operating Reserves, if necessary. Accordingly, the District uses the Operating Reserves to ensure that appropriations reflect the District’s actual General Fund expenditures. The current Operating Reserves include nonspendable reserves, restricted reserves, committed reserves, assigned reserves, and unassigned reserves, the latter of which includes the District’s reserve for economic uncertainties. Pursuant to the California Code of Regulations, school districts with an ADA between 30,001 and 400,000 students, such as the District, must maintain a reserve for economic uncertainties of 2% of General Fund appropriations.

Pursuant to the Budget and Finance Policy, the District’s total General Fund balance may not be less than an amount equal to 5% of total General Fund expenditures and net transfers out during a fiscal year (the “5% Minimum Reserve Threshold”). In addition, the Budget and Finance Policy requires the projected General Fund balance to satisfy the 5% Minimum Reserve Threshold in each of the two subsequent fiscal years which the District includes in its interim financial reports. In the event that the District’s estimates indicate that the total General Fund balance will not satisfy the 5% Minimum Reserve Threshold in any of the current fiscal year or two subsequent fiscal years, the Budget and Finance Policy directs the District to develop and implement budget proposals to restore reserve balances to the 5% Minimum Reserve Threshold.

Based on the Fiscal Year 2023-24 Second Interim Report, the District’s Operating Reserves are expected to satisfy both the 5% Minimum Reserve Threshold and the 2% statutory reserve requirement for fiscal years 2023-24, 2024-25 and 2025-26. Unlike the 5% Minimum Reserve Threshold, the 2% statutory reserve requirement is based on the unrestricted and unassigned ending fund balance (including the reserve for economic uncertainties) only and does not take into account the restricted, committed, or assigned ending fund balances. See “– District Budget – *Fiscal Year 2023-24 Second Interim Report*” herein.

Liability Reserves. Pursuant to the Budget and Finance Policy, the District must establish several Liability Reserves, including a self-insurance reserve, a workers’ compensation reserve (the “Workers’ Compensation Fund”), a health and welfare reserve (the “Health and Welfare Benefits Fund”), an other-post-employment benefits (“OPEB”) reserve (the “OPEB Trust Fund”), and a pension (CalSTRS and CalPERS) reserve (the “Pension Reserve”).

The amount required to be on deposit in the Workers’ Compensation Fund is established with information from an independent actuary. The District determines the annual budget for workers’ compensation by reviewing the amount necessary to fund its outstanding workers’ compensation liability to the actuarially recommended level based on the central estimate approach and by additionally calculating the amount necessary for claims and operation of the Workers’ Compensation Fund. The District uses the difference of the current fiscal year’s central estimate versus that from the previous fiscal year to establish the amount necessary to fund projected liabilities. With respect to funding claims activity, the amount required to be on deposit in the Workers’ Compensation Fund is based on the anticipated increase in claims cost in the current fiscal year versus the prior fiscal year. Such amount is generally higher than the amount recommended in the actuarial report. See “– Risk Management and Litigation” herein.

The District Board approved the creation of an irrevocable trust for its OPEB liability (the “OPEB Trust Fund”) in May 2014. The Budget and Finance Policy directs the District, subject to approval by the

District Board, to make annual contributions to the OPEB Trust Fund when the balance in the General Fund exceeds the 5% Minimum Reserve Threshold to the extent possible. In the event that the unrestricted portion of the General Fund is above 5% of the unrestricted revenues (after the annual OPEB contribution has been determined), the Budget and Finance Policy directs the District to make an additional contribution from the assigned OPEB reserve to the OPEB Trust Fund. See “– Other Postemployment Benefits” herein. As of June 30, 2023, the net position of the OPEB Trust Fund was approximately \$499.9 million. This amount does not reflect the \$33.3 million contribution designated for internal purposes as a fiscal year 2022-23 contribution but not deposited into the OPEB Trust Fund until August 11, 2023 or the monthly amounts totaling \$17.6 million deposited into the OPEB Trust Fund from September 2023 through April 2024, which monthly deposits are expected to continue through June 2024 with an additional \$35 million expected to be deposited into the OPEB Trust Fund.

The Health and Welfare Benefits Fund is used to pay all health and welfare payments for active employees and retirees. The District determines funding of the Health and Welfare Benefits Fund based on the applicable health benefits agreement for each of the applicable years. See “– Employees and Labor Relations – *Negotiations Regarding Labor Contracts*” herein. As of June 30, 2023, the net position of the Health and Welfare Benefits Fund was approximately \$107.7 million.

Budgeting Practices. Beginning in fiscal year 2022-23, the District implemented new budgeting practices. As part of such new budgeting practices, the District prepares quarterly budget to actuals analysis for various departments to inform internal budget adjustments or reallocations that may occur throughout the fiscal year. Such new budgeting practices also include zero-based budgeting that involves developing a new budget each fiscal year, as opposed to starting with the previous fiscal year’s budget and making adjustments, in order to ensure that all expenses are justified for the new fiscal year. As part of the development of the Fiscal Year 2023-24 Budget, zero-based budgeting was implemented in certain departments, including Information Technology Services, Procurement Services, Maintenance and Operations, and Federal and State Education Programs. In the development of the District’s fiscal year 2024-25 budget, the District is implementing zero-based budgeting in additional departments, including Early Childhood Education, Transportation Services, Food Services, and Multilingual and Multicultural Education. The District plans to continue phasing in zero-based budgeting to additional departments over time.

Debt Management Policy. The Debt Management Policy establishes formal guidelines for the issuance and management of the District’s debt and other financial obligations. The Debt Management Policy establishes targets and ceilings for certificates of participation (“COPs”) and unhedged variable rate exposure and sets forth benchmark debt ratios that include both COPs and the District’s general obligation bonds. The Debt Management Policy also requires the District to annually publish a comprehensive debt report that, among other things, provides information on tax rates related to the District’s general obligation bonds and credit factors that reflect the District’s ratings.

The Debt Management Policy is required to be reviewed annually. The current Debt Management Policy was approved by the District Board on June 13, 2023. The District is in compliance with the Debt Management Policy. The Debt Management Policy establishes a ceiling of 2.0% for the ratio of COPs gross annual debt service to District General Fund expenditures. The District Board may increase the target at the time a new debt issuance is proposed, but such authority is not intended to exceed the ceiling established in the Debt Management Policy. As of March 1, 2024, the maximum fiscal year COPs debt service was approximately 0.43% of the District’s General Fund budgeted expenditures for fiscal year 2023-24. As of March 1, 2024, the District has outstanding COPs in the aggregate principal amount of approximately \$471.6 million. (See “– District Debt – *Certificates of Participation*” for more information.) The Debt Management Policy limits unhedged variable rate debt to \$100 million and requires reporting of the debt ratios and benchmarks. The District currently has no variable interest rate exposure.

Investment Policy. The foremost objective of the District's Investment Policy is safety. In addition, the Investment Policy directs the District to invest public funds in a manner that will maximize the investment return on all of its funds with maximum security while meeting the daily cash flow demands of each portfolio of the District and conforming to all federal, State, and local statutes governing the investment of public funds. Further, the Investment Policy directs that all investments of the District be undertaken to ensure the preservation of capital in the overall portfolio. To attain this objective, the District may diversify its investments by investing funds among a variety of securities offering independent returns. In addition, the Investment Policy requires the District's investment portfolios remain sufficiently liquid to enable the District to meet its operating requirements and be structured to attain a maximum return commensurate with its investment risk constraints and the cash flow characteristics of each portfolio. The District is in compliance with the Investment Policy.

The District's operating funds and all of the debt service funds maintained for repayment of general obligation bonds are deposited in the County Treasury Pool in accordance with State law and managed pursuant to the County's Investment Policy, a copy of which can be found at <http://ttc.lacounty.gov/>. Such website is not incorporated herein by reference and the District, its counsel (including Bond Counsel and Disclosure Counsel), the Municipal Advisor, the Underwriters and their counsel do not make any representation as to the accuracy of the information provided therein. See APPENDIX F – "THE LOS ANGELES COUNTY TREASURY POOL." However, with the concurrence of the County's Treasurer and Tax Collector, the District may direct the investment of funds in certain of its operating funds and debt service funds so long as such direction complies with both the County's investment policy and the District's Investment Policy. In addition, the District can direct the investment of indentured funds held by third party trustees with regard to certain issuances of COPs pursuant to a prescribed list of permitted investments.

Significant Accounting Policies, System of Accounts and Audited Financial Statements

The CDE imposes by law uniform financial reporting and budgeting requirements for K-12 school districts. Financial transactions are accounted for in accordance with the California School Accounting Manual. The District uses fund accounting and maintains governmental funds, proprietary funds and fiduciary funds. The General Fund is the chief operating fund of the District. For a description of the other major funds of the District, see the description thereof contained in APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023." Note 1 to such audited financial statements sets forth significant accounting policies that the District follows. Simpson & Simpson Certified Public Accountants ("Simpson"), Los Angeles, California, served as independent auditor to the District for its audited financial statements for fiscal year 2021-22. Simpson has not been requested to consent to the use or to the inclusion of its reports in this Official Statement, and it has not audited or reviewed this Official Statement. The District's audited financial statements for the fiscal year ended June 30, 2023, are included as Appendix B to this Official Statement. The complete audited financial statements of the District, including the notes thereto, are an integral part of this Official Statement.

Typically, the District is required to file its audited financial statements for the preceding fiscal year with the State Controller's Office, the CDE and the County Superintendent of Schools by December 15 of each year. During the last five years, the District timely filed its audited financial reports with the State Controller's Office, the CDE, and LACOE pursuant to the Education Code and any applicable legislation amending the filing deadline thereof by the respective deadlines therefor.

The audited financial statements for fiscal year 2022-23 include certain audit findings and questioned costs. With respect to the audited financial statements for fiscal year 2022-23, Simpson identified 18 audit findings and questioned costs totaling approximately \$808.5 million. For detailed information regarding such findings and questioned costs, see Appendix B. Notably, in fiscal year 2022-23

– like fiscal year 2020-21 and fiscal year 2021-22 – the District did not meet the minimum threshold of General Fund spending on classroom teacher salaries and benefits in accordance with Education Code Section 41372. Under Education Code Section 41372, a unified school district, like the District, is required to spend a minimum of 55% of its General Fund resources on classroom salaries and benefits. In fiscal year 2022-23, the District spent approximately 47.05% of its General Fund resources on classroom salaries and benefits, which is approximately 7.95% or \$687.6 million below such minimum threshold set forth in the Education Code. Such discrepancy is the result of the COVID-19 pandemic that caused the District to spend significant General Fund revenues on COVID-19 related expenses that were non-classroom teacher salaries and benefits. In each of fiscal year 2020-21 and fiscal year 2021-22, the District Board approved the submission of a waiver request to the County Superintendent, and each was approved by the County Superintendent. The District expects to submit a waiver request with respect to fiscal year 2022-23 to the County Superintendent.

In addition, the audited financial statements for fiscal year 2022-23 included a finding that the District did not meet the minimum instructional minute and instructional day requirements of Education Code Sections 46207 and 46207 due to a work stoppage in March 2023 which resulted in the closure of all District schools for three days. The District offered 177 instructional days in sampled schools, not the minimum 180-day requirement. All the sampled schools not meeting the minimum number of instructional minutes (64,800 instructional minutes) were high schools. The calculated penalty for both the instructional days and the instructional time amounted to approximately \$110.96 million. The District expects to file for a waiver and, to comply with the conditions for the penalty waiver, the District is offering 183 instructional days for the 2023-24 and 2024-25 school years, with comprehensive high schools offering over 66,000 annual instructional minutes for each of the school years. See “– Employees and Labor Relations – *Negotiations Regarding Labor Contracts*” for a discussion of the District’s agreements relating to the instructional calendar for fiscal years 2023-24 and 2024-25 and the provision of three additional instructional days to make up for lost instructional days in March 2023. A similar finding regarding instructional minutes was made with respect to the District’s Affiliated Charter Schools in the audited financial statements for fiscal year 2022-23.

Copies of the District’s audited financial statements as well as budgets and interim financial reports may be obtained from the website of the District: **www.lausd.org**. The website is not incorporated herein by reference and the District, its counsel (including Bond Counsel and Disclosure Counsel), the Municipal Advisor, the Underwriters and their counsel do not make any representation as to the accuracy of the information provided therein.

District Budget

General School District Budget Process and Oversight. State law requires that each school district maintain a balanced budget in each fiscal year. The California Department of Education imposes a uniform budgeting and accounting format for school districts. Under current law, a school district governing board must adopt and file with the county superintendent of schools a budget by July 1 in each fiscal year. The District is under the jurisdiction of the County of Los Angeles Superintendent of Schools.

The county superintendent of schools must approve, conditionally approve, or disapprove the adopted budget for each school district by September 15 in accordance with the Education Code. The county superintendent of schools is required to examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance with the established standards. The county superintendent of schools is also required to determine whether the adopted budget will allow the school district to meet its financial obligations during the fiscal year and is consistent with a financial plan that will enable the school district to satisfy its multiyear financial commitments. The Education Code directs the county superintendent of

schools to disapprove any school district budget if it determines that the budget does not include expenditures necessary to implement an LCAP or an annual update to the LCAP. See “STATE FUNDING OF SCHOOL DISTRICTS – Local Control Funding Formula – *Local Control and Accountability Plan*” herein for more information about LCAP.

In the event that the county superintendent of schools conditionally approves or disapproves the school district’s budget, the county superintendent of schools will submit to the governing board of the school district no later than September 15 of such year recommendations regarding revisions of the budget and the reasons for the recommendations, including, but not limited to, the amounts of any budget adjustments needed before the county superintendent of schools can approve that budget. In addition, school districts must make available for public review any revisions to revenues and expenditures that it has made to its budget to reflect the funding made available by the State Budget Act (defined herein) not later than 45 days after the enactment of the State Budget Act.

The governing board of the school district, together with the county superintendent of schools, must review and respond to the recommendations of the county superintendent of schools before October 8 at a regular meeting of the governing board of the school district. The county superintendent of schools will examine and approve or disapprove of the revised budget by November 8 of such year. If the county superintendent of schools disapproves a revised budget, the county superintendent of schools will call for the formation of a budget review committee. By December 31 of each year, every school district must have an adopted budget, or the county superintendent of schools may impose a budget and will report such school district to the State Legislature and the Department of Finance. In prior years, LACOE has granted a conditional approval to certain of the District’s budgets pending, among other things, approval of the District’s LCAP, information regarding collective bargaining and other budgetary considerations. However, in the last ten years, LACOE has not disapproved any budget submitted to it by the District. LACOE approved the Fiscal Year 2023-24 Budget, including the District’s revisions to the Fiscal Year 2023-24 Budget approved by the District Board on August 22, 2023. See “– *Fiscal Year 2023-24 Budget*,” “– *Revisions to Fiscal Year 2023-24 Budget*” and “– *LACOE’s Response to Fiscal Year 2023-24 Budget*” below.

Subsequent to approval, the county superintendent of schools will monitor each school district under its jurisdiction throughout the fiscal year pursuant to its adopted budget to determine on an ongoing basis if the school district can meet its current or subsequent year financial obligations. If the county superintendent of schools determines that a school district cannot meet its current or the subsequent year’s obligations, the county superintendent of schools will notify the school district’s governing board, the Superintendent of Public Instruction and the president of the State board (or the president’s designee) of the determination and take at least one of the following actions, and all actions that are necessary to ensure that the school district meets its financial obligations: (a) develop and impose, after also consulting with the Superintendent of Public Instruction and the school district’s governing board, revisions to the budget that will enable the school district to meet its financial obligations in the current fiscal year, (b) stay or rescind any action inconsistent with the ability of the school district to meet its obligations for the current or subsequent fiscal year, (c) assist in developing, in consultation with the school district’s governing board, a financial plan that will enable the school district to meet its future obligations, (d) assist in developing, in consultation with the school district’s governing board, a budget for the subsequent fiscal year and (e) as necessary, appoint a fiscal advisor to perform the aforementioned duties. The county superintendent of schools will also make a report to the Superintendent of Public Instruction and the president of the State board or the president’s designee about the financial condition of the school district and the remedial actions proposed by the county superintendent of schools. However, the county superintendent of schools may not abrogate any provision of a collective bargaining agreement that was entered into prior to the date upon which the county superintendent of schools assumed authority.

Fiscal Stabilization Plan. While LACOE and the District will partner to implement actions necessary to stabilize and improve the financial condition of the District as and when needed, LACOE has not required nor has the District implemented a fiscal stabilization plan since 2019 in light of the District's positive certification on its recent interim reports. In the event that the District's financial condition were to change in future fiscal years, LACOE may require the District to implement a fiscal stabilization plan to stabilize and improve the financial condition of the District.

Fiscal Year 2023-24 Budget. The Fiscal Year 2023-24 Budget was adopted by the District Board on June 20, 2023. The Fiscal Year 2023-24 Budget was developed with the assumptions contained in the Governor's May revision to the proposed fiscal year 2023-24 State Budget, which were revised in the 2023-24 State Budget.

The Fiscal Year 2023-24 Budget projects a General Fund beginning balance of approximately \$5.18 billion, total budgeted revenues of \$10.53 billion, total budgeted expenditures of \$11.64 billion, budgeted other financing sources and uses of \$2.82 million, and a budgeted ending balance of \$4.07 billion. The Fiscal Year 2023-24 Budget projects that its budgeted General Fund ending balance of \$4.07 billion is expected to consist of approximately \$233.45 million for the mandatory reserve for economic uncertainties, \$43.00 million of non-spendable revolving cash, stores, and prepaid expenditures, \$1.26 billion of restricted ending balances, \$1.97 billion of committed ending balances, \$451.87 million of assigned ending balances, and \$113.70 million of undesignated and unassigned ending balances.

The Fiscal Year 2023-24 Budget includes certain assumptions and policies, including:

- a COLA of 8.22% for the LCFF;
- 8.22% statutory COLA for selected categorical programs outside of LCFF and Special Education;
- LCFF-funded ADA of 375,903.74 for non-charter schools, which is based on the average of 3 prior year's ADA, and 34,020.45 for Affiliated Charter Schools, which is based on projected fiscal year 2023-24 ADA; the percentage of ADA to enrollment is 90%;
- estimated unduplicated pupil count and three-year rolling average unduplicated pupil percentage of 325,422 and 85.93%, respectively, for non-charter schools (including County Program students) and 17,663 and 46.93%, respectively, for Affiliated Charter Schools;
- an LCFF allocation of \$1.25 billion from the Education Protection Account (the "Education Protection Account") established by Proposition 30 (defined herein) to be spent for instruction;
- LCFF supplemental and concentration expenditure of \$1.60 billion;
- no LCFF Equity Multiplier revenue;
- State Special Education funding reflects increased base rate of \$887 per ADA;
- lottery unrestricted rate per ADA is estimated at \$170 per ADA and restricted rate per ADA is estimated at \$67 per ADA;
- receipt of approximately \$1.8 billion in fiscal year 2022-23 from HR 1319 - Elementary and Secondary School Emergency Relief (ESSER) III, which is a one-time COVID-19 resource, and approximately \$579.9 million in fiscal year 2022-23 from Expanded Learning Opportunities Program;

- receipt of approximately \$68.9 million from HR 133 - Elementary and Secondary School Emergency Relief (ESSER) II and receipt of approximately \$881.6 million from HR 1319 - Elementary and Secondary School Emergency Relief (ESSER) III in fiscal year 2023-24, which the District anticipates using for schools, operations, and continuity of learning in fiscal year 2023-24;
- receipt of approximately \$457.1 million from the ELOP in fiscal year 2023-24, which the District anticipates using, together with approximately \$456.4 million in ELOP funds carried over from fiscal year 2022-23, for expanded learning opportunities;
- a net enrollment decline of 8,453 from fiscal year 2022-23 for non-charter and Affiliated Charter Schools;
- an enrollment decline of approximately 1,759 students for Fiscally Independent Charter Schools;
- certificated and classified salaries include bargaining unit agreements with SEIU Local 99, AALA (Unit J – Classified Managers), and UTLA;
- funding for employee health and medical benefits at the per participant rate set forth in the Health and Welfare Agreement (defined herein);
- a contribution to the OPEB Trust Fund of \$211 million from all funds of the District for fiscal year 2023-24;
- a contribution rate for CalSTRS (defined herein) for fiscal year 2023-24 of 19.10%;
- an increase of 1.31% of the CalPERS (defined herein) employer contribution rate for fiscal year 2023-24 from 25.37% to 26.68%;
- a California consumer price index of 3.54% on other operating expenditures, except utilities which is projected to decline by 5.76% as a result of shifting from 24-hour HVAC to occupancy-based usage;
- ongoing and major maintenance resources of \$310.6 million, which constitutes approximately 3% of the District's budgeted General Fund expenditures and other financing uses, excluding CALSTRS on-behalf payments made by the State and COVID-19 expenditures from certain one-time funds related to ESSER II and ESSER III;
- support to the cafeteria program and child development from the General Fund of \$11.6 million and \$1.5 million, respectively, in fiscal year 2023-24;
- a contribution from all funds of the District of \$120.0 million to the Workers' Compensation Fund and inclusion of the total Workers' Compensation actuarially-determined funded liability of \$463.2 million;
- inclusion of general obligation bonds and COPs (defined herein) proceeds, debt service and other interfund transfer expenditures and revenues in fiscal year 2023-24;
- a reserve for economic uncertainties totaling \$233.5 million, which reflects the statutory 2% budgeted expenditure requirement and other financing uses;

- inclusion of beginning balances in the General Fund and other funds for fiscal year 2023-24, reflecting the updated estimated ending balance as of June 30, 2023, which includes expenditures related to COVID-19;
- estimated ending balances for the General Fund and other funds for fiscal year 2023-24, which reflect the difference between the estimated revenue and expenditure levels for fiscal year 2023-24;
- commitment of portions of the General Fund ending balances to meet the 10% limitation on reserves (calculated based on assigned and unassigned balances) (see “STATE FUNDING OF SCHOOL DISTRICTS – Limitations on School District Reserves” for more information);
- release of committed fund balance of \$300 million originally committed to Student Equity Needs Index (SENI), as approved by the District Board on May 9, 2023. SENI, funded at \$700 million, is intended to be funded with a combination of sources including, but not limited to, supplemental and concentration funds and the proposed equity multiplier;
- authority to transfer amounts, as necessary, to implement technical adjustments related to the Fiscal Year 2023-24 Budget;
- authority to implement new revenues for fiscal year 2023-24, if any, and increase budgeted appropriations accordingly; and
- a transfer from the Community Redevelopment Agency Fund to repay the General Fund in the amount of \$30 million initially paid for the ongoing and major maintenance resources.

Revisions to Fiscal Year 2023-24 Budget. The Fiscal Year 2023-24 Budget was developed with the assumptions contained in the Governor’s May revision to the proposed fiscal year 2023-24 State Budget, which were revised in the 2023-24 State Budget. On August 22, 2023, the District Board approved revisions to the Fiscal Year 2023-24 Budget that reflect the enacted 2023-24 State Budget as well as other significant changes affecting the District’s finances since the adoption of the Fiscal Year 2023-24 Budget, including impacts of certain completed labor negotiations. Significant approved revisions to the Fiscal Year 2023-24 Budget included:

- In June 2023, reopener negotiations concluded with CSEA with respect to employee bargaining Unit D – Technical and Business Services. As a result of such agreement, the District budgeted an increase in fiscal year 2023-24 expenditures of approximately \$67.07 million (all funds), of which approximately \$45.20 million relate to the District’s General Fund. Of such amounts, approximately \$37.14 million (all funds) of such expenditures (\$23.78 million related to the District’s General Fund) reflect expenditures accrued to fiscal years 2021-22 and 2022-23 but are to be paid in fiscal year 2023-24. For information regarding the negotiated terms of the agreement reached, see “– Employee and Labor Relations – *Negotiations Regarding Labor Contracts*” below.
- In June 2023, contract negotiations concluded with LASPA with respect to employee bargaining Unit A – School Police. As a result of such agreement, the District budgeted an increase in fiscal year 2023-24 expenditures of approximately \$7.27 million (all funds), of which approximately \$6.60 million relate to the District’s General Fund. Of such amounts, approximately \$2.26 million (all funds) of such expenditures (\$2.09 million related to the District’s General Fund) reflect expenditures accrued to fiscal year 2022-23 but are to be paid in fiscal year 2023-24. For information regarding the negotiated terms of the agreement reached, see “– Employee and Labor Relations – *Negotiations Regarding Labor Contracts*” below.

- In June 2023, contract negotiations concluded with LASPMA with respect to employee bargaining Unit H – School Police Management. As a result of such agreement, the District budgeted an increase in fiscal year 2023-24 expenditures of approximately \$1.98 million (all funds), of which approximately \$1.96 million relate to the District’s General Fund. Of such amounts, approximately \$643,397 (all funds) of such expenditures (\$637,352 related to the District’s General Fund) reflect expenditures accrued to fiscal year 2022-23 but to be paid in fiscal year 2023-24. For information regarding the negotiated terms of the agreement reached, see “– Employee and Labor Relations – *Negotiations Regarding Labor Contracts*” below.
- In June 2023, contract negotiations concluded with “Trades” union with respect to employee bargaining Unit E. As a result of such agreement, the District budgeted an increase in fiscal year 2023-24 expenditures of approximately \$70.23 million (all funds), of which approximately \$65.95 million relate to the District’s General Fund (\$65.83 million of which relate to restricted funds in the District’s General Fund). Of such amounts, approximately \$34.58 million (all funds) of such expenditures (\$32.58 million related to the District’s General Fund) reflect expenditures accrued to fiscal years 2021-22 and 2022-23 but are to be paid in fiscal year 2023-24. For information regarding the negotiated terms of the agreement reached, see “– Employee and Labor Relations – *Negotiations Regarding Labor Contracts*” below.
- In June 2023, the District entered into a memorandum of understanding with SEIU and UTLA modifying the three-year tentative instructional calendar approved by the District Board on March 27, 2023, to a two-year instructional calendar (fiscal years 2023-24 and 2024-25). As a result of such agreement, the District budgeted an increase in fiscal year 2023-24 expenditures of approximately \$93.15 million (all funds), of which approximately \$85.70 million relate to the District’s General Fund. For information regarding the negotiated terms of the agreement reached, see “– Employee and Labor Relations – *Negotiations Regarding Labor Contracts*” below.
- The 2023-24 State Budget provides approximately \$300.00 million ongoing Proposition 98 State general fund resources to establish an Equity Multiplier as an add-on to the LCFF to accelerate gains in closing opportunity and outcome gaps. As a result, the District budgeted approximately \$26.9 million of additional general fund revenue in fiscal year 2023-24 to be placed in assigned ending balance.
- The 2023-24 State Budget decreases or delays one-time Proposition 98 general fund support for the Arts, Music, and Instructional Materials Block Grant and the Learning Recovery Emergency Block Grant. However, the reductions to these grants are lower compared to the reductions proposed in the Governor’s May revision to the proposed fiscal year 2023-24 State Budget, which provides the District with amounts of approximately \$114 million and \$86 million, respectively, to be used as a budget balancing solution in fiscal year 2025-26 and help fund existing labor costs.
- Consistent with State law requirements, the amounts required to be budgeted for the District’s Routine Restricted Maintenance Account (3% of General Fund expenditures) and the District’s reserve for economic uncertainties (2% of General Fund appropriations for school districts, such as the District, with ADA between 30,001 and 400,000 students) are adjusted to reflect the revisions to the Fiscal Year 2023-24 Budget, which, as so adjusted, are budgeted at \$314.72 million (originally budgeted at \$310.55 million) and \$236.23 million (originally budgeted at \$233.45 million), respectfully.

At the time of the adoption of the Fiscal Year 2023-24 Budget revisions, the District recognized that it continues to have a structural deficit whereby in-year expenditures exceed in-year revenues; revenues continue to be impacted by declining enrollment and expenditures have not been reduced commensurately.

As a result, the Fiscal Year 2023-24 Budget revisions included the use of one-time State funding as well as the draw down of one-time committed ending fund balances over the multi-year projections as balancing solutions. The draw down of one-time committed ending fund balances consist of (i) for fiscal year 2023-24, the draw down of \$77 million committed unrestricted General Fund amounts previously designated to be contributed to the OPEB Trust Fund in fiscal year 2023-24 but released when restricted General Fund dollars and other District funds were allocated to contribute their respective shares to the District's \$211 million fiscal year 2023-24 budgeted contribution to the OPEB Trust Fund (see "DISTRICT FINANCIAL INFORMATION – Other Postemployment Benefits"), and (ii) for fiscal year 2024-25, the draw down of \$211 million committed unrestricted General Fund amounts previously designated to be contributed to the OPEB Trust Fund in fiscal year 2024-25. As a result of the Fiscal Year 2023-24 Budget revisions, the District's unrestricted/unassigned General Fund ending balance reserve percentage was then estimated to drop from 4.44% in fiscal year 2022-23 (the same as originally projected at the time of preparation of the Fiscal Year 2023-24 Budget) to 2.21% in fiscal year 2025-26 (originally projected at 2.19% at the time of preparation of the Fiscal Year 2023-24 Budget). The District recognized at the time of the adoption of the Fiscal Year 2023-24 Budget revisions that, in the absence of further balancing solutions, the cost of labor agreements with bargaining units that had not settled as of the time of the adoption of the revisions shall further lower the unrestricted/unassigned General Fund ending balances. Moreover, the District recognized that the uncertainty with the national and state economy brought about by the delayed tax receipts due to the postponement of federal and California tax filings until October 2023, interest rate hikes, and the prospect of a potential recession were risk factors that could affect the District's financial condition. For more information on recent bargaining unit agreements, see "– Employees and Labor Relations." See also "– Second Interim Financial Report for Fiscal Year 2023-24."

LACOE's Response to Fiscal Year 2023-24 Budget. In its September 2023 letter to the District, LACOE approved the Fiscal Year 2023-24 Budget. LACOE noted that the District projected an operating deficit in its unrestricted General Fund in fiscal year 2023-24 and projected ongoing unrestricted General Fund operating deficits in fiscal years 2024-25 and 2025-26 primarily due to declining enrollment and ADA, resulting in reduced LCFF revenues, increased salary and health and welfare contributions as a result of recently settled multi-year bargaining unit agreements and increased contributions to restricted programs. As LACOE explained more specifically, the Fiscal Year 2023-24 Budget reflected a loss in funded ADA of approximately 42,306 from fiscal year 2023-24 to fiscal year 2025-26, which will impact the LCFF revenue received by the District (even with the change in the LCFF to allow for a calculation based on the average of three prior years' ADA). LACOE also pointed out that as of the preparation of the Fiscal Year 2023-24 Budget, some labor negotiations for fiscal year 2023-24 were unsettled and some labor agreements had not yet been calculated and incorporated into projected salary and benefit expenditures, so any potential financial impacts as a result of such labor negotiations were not reflected in the Fiscal Year 2023-24 Budget. For more information on revisions to the Fiscal Year 2023-24 Budget relating to labor negotiations, see "– Revisions to Fiscal Year 2023-24 Budget." For more information on recent bargaining unit agreements, see "– Employees and Labor Relations." See also "– Second Interim Financial Report for Fiscal Year 2023-24."

District General Fund Budgets and Audited Actuals. The following Table A-4 sets forth the District's Final Adopted Budgets for the District General Fund, inclusive of regular and specially funded programs, for fiscal years 2019-20 through 2023-24 and the actual results for fiscal years 2019-20 through 2022-23. The budgeted beginning balance for each fiscal year reflects the estimated ending balance for the prior fiscal year based upon information as of the budget adoption date. Accordingly, the budgeted ending balance for a fiscal year and the subsequent budgeted beginning balance may differ from the actual ending balance and actual beginning balance.

TABLE A-4

LOS ANGELES UNIFIED SCHOOL DISTRICT
District General Fund Budget for Fiscal Years 2019-20 through 2023-24
Audited Actuals for Fiscal Years 2019-20 through 2022-23⁽¹⁾⁽²⁾⁽³⁾
(\$ in millions)

	Final Adopted Budget <u>2019-20</u>	Audited Actuals <u>2019-20</u>	Revised Adopted Budget <u>2020-21⁽⁴⁾</u>	Audited Actuals <u>2020-21</u>	Final Adopted Budget <u>2021-22</u>	Audited Actuals <u>2021-22</u>	Final Adopted Budget <u>2022-23</u>	Audited Actuals <u>2022-23</u>	Final Adopted Budget <u>2023-24⁽⁵⁾</u>
Beginning Balance	\$2,010.8	\$2,216.9	\$1,866.7	\$2,049.5	\$2,714.4	\$2,855.3	\$3,567.6	\$3,328.3	\$5,179.3
Revenue									
State Apportionment	\$4,364.8	\$4,264.8	\$4,122.2	\$4,133.6	\$4,357.5	\$4,487.2	\$4,573.8	\$4,844.3	\$5,080.1
Property Taxes	<u>1,222.5</u>	<u>1,388.6</u>	<u>1,407.7</u>	<u>1,522.3</u>	<u>1,466.2</u>	<u>1,551.0</u>	<u>1,511.6</u>	<u>1,749.9</u>	<u>1,658.2</u>
Total LCFF	<u>5,587.4</u>	<u>5,653.4</u>	<u>5,529.9</u>	<u>5,655.9</u>	<u>5,823.7</u>	<u>6,038.2</u>	<u>6,085.4</u>	<u>6,594.2</u>	<u>6,738.3</u>
Federal	767.8	631.1	1,576.6	1,674.4	4,446.0	1,850.5	2,823.3	2,304.2	1,840.5
Other State	873.5	1,137.0	963.1	1,223.8	1,374.3	1,748.8	1,717.9	2,681.9	1,678.0
Other Local	<u>142.4</u>	<u>170.1</u>	<u>142.5</u>	<u>190.8</u>	<u>132.5</u>	<u>35.5</u>	<u>168.1</u>	<u>196.2</u>	<u>274.2</u>
Total Revenue	<u>\$7,371.0</u>	<u>\$7,591.6</u>	<u>\$8,212.1</u>	<u>\$8,745.0</u>	<u>\$11,776.5</u>	<u>\$9,672.9</u>	<u>\$10,794.7</u>	<u>\$11,776.5</u>	<u>\$10,531.0</u>
Total Beginning Balance and Revenue	<u>\$9,381.8</u>	<u>\$9,808.5</u>	<u>\$10,078.8</u>	<u>\$10,794.5</u>	<u>\$14,490.9</u>	<u>\$12,528.2</u>	<u>\$14,362.3</u>	<u>\$15,104.8</u>	<u>\$15,710.3</u>
Expenditures									
Certificated Salaries	\$3,008.7	\$2,998.9	\$3,252.1	\$3,086.7	\$3,411.4	\$3,379.8	\$3,772.5	\$3,474.9	\$3,730.4
Classified Salaries	986.1	1,077.6	1,073.5	1,159.8	1,107.2	1,257.2	1,260.8	1,346.1	1,434.0
Employee Benefits	2,172.6	2,300.9	2,169.1	2,151.4	2,437.6	2,370.1	2,798.4	2,592.9	2,820.2
Books and Supplies	698.5	267.0	1,001.9	621.3	1,638.0	479.4	2,793.8	670.5	1,893.1
Other Operating Expenses	862.0	975.0	893.4	1,067.8	1,076.5	1,726.4	1,045.9	1,272.1	1,718.5
Capital Outlay	101.4	128.1	81.5	95.7	54.3	94.9	17.9	111.1	53.6
Debt Service	0.5	0.3	0.4	0.1	0.3	5.7	0.1	22.4	4.8
Other Outgo	7.7	5.6	7.7	5.5	7.7	5.5	5.3	6.9	5.8
Transfers of Indirect Cost	<u>(27.3)</u>	<u>(23.2)</u>	<u>(27.0)</u>	<u>(22.3)</u>	<u>(31.6)</u>	<u>(24.9)</u>	<u>(30.4)</u>	<u>(24.0)</u>	<u>(20.0)</u>
Total Expenditures	<u>\$7,810.3</u>	<u>\$7,730.3</u>	<u>\$8,452.7</u>	<u>\$8,166.0</u>	<u>\$9,701.5</u>	<u>\$9,294.1</u>	<u>\$11,664.3</u>	<u>\$9,472.9</u>	<u>\$11,640.2</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(439.3)	(138.7)	(240.6)	579.0	2,075.0	378.9	(869.6)	2,303.6	(1,109.2)
Total Other Financing Sources (Uses)	(36.5)	(28.7)	286.6	226.8	(25.1)	94.2	4.6	76.3	2.8
Change in Fund Balance	(475.7)	(167.4)	46.0	805.8	2,049.9	473.0	(865.0)	2,379.9	(1,106.4)
Ending Balance	<u>\$1,535.1</u>	<u>\$2,049.5</u>	<u>\$1,912.7</u>	<u>\$2,855.3</u>	<u>\$4,764.3</u>	<u>\$3,328.3</u>	<u>\$2,702.6</u>	<u>\$5,708.2</u>	<u>\$4,072.9</u>

TABLE A-4

LOS ANGELES UNIFIED SCHOOL DISTRICT
District General Fund Budget for Fiscal Years 2019-20 through 2023-24
Audited Actuals for Fiscal Years 2019-20 through 2022-23⁽¹⁾⁽²⁾⁽³⁾

(Continued)
(\$ in millions)

Fund Balance⁽⁶⁾

Nonspendable	\$ 27.6	\$ 37.7	\$ 27.3	\$ 58.0	\$ 37.7	\$ 48.0	\$ 46.6	\$ 47.5	\$ 43.0
Restricted	56.7	103.9	55.2	200.0	2,731.6	544.3	208.6	1,843.0	1,258.0
Committed	87.6	87.6	--	--	--	--	1,491.3	2,920.9	1,972.8
Assigned	618.0	1,248.9	568.2	1,064.1	592.1	1,596.0	351.6	510.9	451.9
Reserved for Economic Uncertainties	79.0	79.0	85.2	92.0	97.7	199.9	234.1	238.8	233.5
Undesignated/Unassigned	<u>666.3</u>	<u>492.4</u>	<u>1,176.8</u>	<u>1,441.3</u>	<u>1,305.3</u>	<u>940.2</u>	<u>370.4</u>	<u>147.1</u>	<u>113.7</u>
	<u>\$1,535.1</u>	<u>\$2,049.5</u>	<u>\$1,912.7</u>	<u>\$2,855.3</u>	<u>\$4,764.3</u>	<u>\$3,328.3</u>	<u>\$2,702.6</u>	<u>\$5,708.2</u>	<u>\$4,072.9</u>

⁽¹⁾ Totals may not equal sum of component parts due to rounding.

⁽²⁾ Includes the Regular Program and the Specially-Funded Programs.

⁽³⁾ Amounts set forth in Table A-4 reflect the "Estimated Amounts" in the District's budget for the respective fiscal year rather than the "Authorized Amount." Pursuant to the Education Code, school districts may not spend more than Authorized Amount in the Final Adopted Budget as adjusted during the fiscal year.

⁽⁴⁾ The District's original budget for fiscal year 2020-21 was adopted by the District Board on June 30, 2020. On August 25, 2020, the District Board adopted a revised budget for fiscal year 2020-21, which reflects the revised assumptions contained in the Governor's fiscal year 2020-21 State budget. Figures are based on the revised budget for fiscal year 2020-21.

⁽⁵⁾ For significant revisions to the Fiscal Year 2023-24 Budget approved by the District Board on August 22, 2023, see "-- District Budget -- *Revisions to Fiscal Year 2023-24 Budget*" above. In addition, for a discussion of pending labor agreements not reflected in the Fiscal Year 2023-24 Budget and not included in Fiscal Year 2023-24 Budget revisions approved by the District Board on August 22, 2023, see "-- Employee and Labor Relations -- *Negotiations Regarding Labor Contracts*" below.

⁽⁶⁾ The nonspendable, restricted, committed, assigned, reserved for economic uncertainties and undesignated/unassigned general fund balances in millions of dollars for fiscal years 2013-14 through 2018-19 are as follows: \$19.6, 192.9, --, 336.4, 65.4 and 85.9, respectively, for fiscal year 2013-14; \$20.7, 126.5, --, 418.4, 65.4 and 188.8, respectively, for fiscal year 2014-15; \$31.1, 182.8, 218.3, 558.7, 72.4 and 247.0, respectively, for fiscal year 2015-16; \$23.5, 163.1, --, 783.9, 73.4, and 721.3, respectively, for fiscal year 2016-17; \$27.6, 135.8, --, 1,057.4, 75.4, and 714.7, respectively, for fiscal year 2017-18; and \$27.3, 114.6, 174.6, 916.1, 75.6, and 908.6, respectively, for fiscal year 2018-19.

Sources: Los Angeles Unified School District's Final Adopted Budgets for fiscal years 2019-20 through 2023-24; Audited Annual Financial Report for fiscal years 2019-20 through 2022-23.

Historical Review of District General Fund Actual Revenues and Expenditures. The following Table A-5 sets forth the District's total revenues, total expenditures and the difference reflected in the actual results for fiscal years 2003-04 through 2022-23.

TABLE A-5

LOS ANGELES UNIFIED SCHOOL DISTRICT
Historical Review of District General Fund Audited Revenues and Expenditures for
Fiscal Years 2003-04 through 2022-23
(\$ in millions)

Fiscal Year	Total Revenues⁽¹⁾	Total Expenditures⁽²⁾	Difference
2003-04	\$ 5,881.69	\$ 6,136.75	\$ (255.06)
2004-05	6,461.93	6,436.35	25.58
2005-06	6,572.70	6,487.75	84.95
2006-07	6,994.08	6,733.36	260.72
2007-08	6,954.29	6,992.29	(38.00)
2008-09	6,764.50	6,671.80	92.70
2009-10	6,302.12	6,389.17	(87.05)
2010-11	6,428.93	6,193.37	235.56
2011-12	5,919.59	5,998.31	(78.72)
2012-13	5,722.96	5,955.05	(232.09)
2013-14	5,896.35	5,788.82	107.53
2014-15	6,452.84	6,333.28	119.56
2015-16	7,213.53	6,723.15	490.38
2016-17	7,292.27	6,837.31	454.96
2017-18	7,308.08	7,062.45	245.63
2018-19	7,788.71	7,582.63	206.08
2019-20	7,613.72	7,781.09	(167.37)
2020-21	9,010.00	8,204.19	805.82
2021-22	9,781.49	9,308.46	473.03
2022-23	11,868.39	9,488.47	2,379.92 ⁽³⁾

⁽¹⁾ Includes Other Financing Sources.

⁽²⁾ Includes Other Financing Uses.

⁽³⁾ See “— *Second Interim Financial Report for Fiscal Year 2023-24*,” for a discussion of the use of the projected unrestricted unassigned/unappropriated components of the fiscal year 2023-24 General Fund ending balance to balance future budgets.
Sources: Audited Annual Financial Report for fiscal years 1999-00 through 2022-23.

District Interim Financial Reports. A State law adopted in 1991 (known as “A.B. 1200”) imposed financial reporting requirements on school districts and established guidelines for emergency State aid apportionments. Under the provisions of A.B. 1200 and the Education Code (Section 42100 *et. seq.*), each school district is required to file two interim certifications with the county superintendent of schools (on December 15, for the period ended October 31, and by mid-March for the period ended January 31) as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent fiscal year. The county superintendent of schools reviews the certification and issues either a positive, negative or qualified certification. In the past five fiscal years, the District has received a qualified certification for its first and second interim reports for fiscal year 2018-19 and its first interim report for fiscal year 2021-22.

A positive certification is assigned to any school district that, based on then current projections, will meet its financial obligations for the current fiscal year and the subsequent two fiscal years. A negative certification is assigned to any school district that, based on then current projections, will be unable to meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal year. A qualified certification is assigned to any school district that, based on then current projections, may not meet its

financial obligations for the current fiscal year or the two subsequent fiscal years. A certification may be revised to a negative or qualified certification by the county superintendent of schools, as appropriate. A school district that receives a qualified or negative certification for its second interim report must provide to the county superintendent of schools, the State Controller and the Superintendent no later than June 1, financial statement projections of the school district's fund and cash balances through June 30 for the period ending April 30. Any school district that receives a qualified or negative certification in any fiscal year may not issue, in that fiscal year or in the next succeeding fiscal year, certificates of participation, tax and revenue anticipation notes, revenue bonds or any other debt instruments that do not require the approval of the voters of the school district, unless the county superintendent of schools determines that the school district's repayment of indebtedness is probable.

For school districts under fiscal distress, the county superintendent of schools is authorized to take a number of actions to ensure that the school district meets its financial obligations, including budget revisions. However, the county superintendent of schools is not authorized to approve any diversion of revenue from *ad valorem* property taxes levied to pay debt service on district general obligation bonds. A school district that becomes insolvent may, upon the approval of a fiscal plan by the county superintendent of schools, request an emergency appropriation from the State, in which case the county superintendent of schools, the Superintendent of Public Instruction and the president of the State board or the president's designee will appoint a trustee to serve the school district until it has adequate fiscal systems and controls in place. The acceptance by a school district of an emergency apportionment exceeding 200% of the reserve recommended for that school district constitutes an agreement that the county superintendent of schools will assume control of the school district in order to ensure the school district's return to fiscal solvency.

In the event the State elects to provide an emergency apportionment to a school district, such apportionment will constitute an advance payment of apportionments owed to the school district from the State School Fund and the Education Protection Account. The emergency apportionment may be accomplished in two ways. First, a school district may participate in a two-part financing in which the school district receives an interim loan from the State general fund, with the agreement that the school district will subsequently enter into a lease financing with the California Infrastructure and Economic Development Bank for purposes of financing the emergency apportionment, including repaying such amounts advanced to the State general fund. State law provides that so long as bonds from such lease financing are outstanding, the recipient school district (via its administrator) cannot file for bankruptcy. As an alternative, a school district may receive an emergency apportionment from the State general fund that must be repaid in 20 years. Each year, the Superintendent of Public Instruction will withhold from the apportionments to be made to the school district from the State School Fund and the Education Protection Account an amount equal to the emergency apportionment repayment that becomes due that year. The determination as to whether the emergency apportionment will take the form of a lease financing or an emergency apportionment from the State general fund will be based upon the availability of funds within the State general fund.

Second Interim Financial Report for Fiscal Year 2023-24. Like the District's First Interim report for fiscal year 2023-24 (the "Fiscal Year 2023-24 First Interim Report"), the District submitted the Fiscal Year 2023-24 Second Interim Report to LACOE with a positive certification. Based on the Fiscal Year 2023-24 Second Interim Report, the District expects to meet its financial commitments and satisfy the 5% Minimum Reserve Threshold and the 2% statutory reserve requirement for fiscal years 2023-24, 2024-25 and 2025-26. However, the Fiscal Year 2023-24 Second Interim Report provides that the District continues to be challenged with deficit spending wherein expenditures are greater than projected revenues, and projects deficits in fiscal years 2024-25 and 2025-26 of \$1,589.6 million and \$94.5 million, respectively.

The Fiscal Year 2023-24 Second Interim Report provides that the District's practice of using one-time/non-recurring resources for ongoing expenses is not consistent with prevailing best practices and has drawn comments from LACOE. See "DISTRICT FINANCIAL INFORMATION – District Budget – LACOE's Response to Fiscal Year 2023-24 Budget," for LACOE's review of the District's Fiscal Year

2023-24 Budget and discussion of the District's operating deficits and the contributing factors to such deficits, which include declining enrollment, resulting reductions in LCFF revenue, and increased salary and health and welfare contributions as a result of recently settled multi-year bargaining unit agreements. See also "DISTRICT GENERAL INFORMATION – Enrollment and Average Daily Attendance" for a discussion of the District's enrollment and ADA, including information about the District's declining ADA over the last ten years, and "DISTRICT FINANCIAL INFORMATION – Employee and Labor Relations – *Negotiations Regarding Labor Contracts*" for information regarding recently settled multi-year bargaining unit agreements.

The Fiscal Year 2023-24 Second Interim Report projects a General Fund ending balance of \$6,272.9 million for fiscal year 2023-24, consisting of a projected unrestricted General Fund ending balance of \$4,441.6 million and a projected restricted General Fund ending balance of \$1,831.3 for fiscal year 2023-24. The projected Fiscal Year 2023-24 unrestricted General Fund ending balance consists of non-spendable, committed, assigned, unassigned reserve for economic uncertainties and unassigned/unappropriated components in the amounts of \$47.9 million, \$2,902.7 million, \$441.6 million, \$244.9 million and \$804.5 million, respectively. The Fiscal Year 2023-24 Second Interim Report indicates that the unrestricted unassigned/unappropriated General Fund amounts are expected to be used to balance future year budgets, and the Fiscal Year 2023-24 Second Interim Report projects a fiscal year 2025-26 unrestricted General Fund ending balance of \$2,757.6 million, with the unassigned/unappropriated portion of such fiscal year 2025-26 ending balance projected to be \$72.2 million. The projected Fiscal Year 2023-24 restricted General Fund ending balance represents projected unspent balances from legally restricted funding sources. This is comprised primarily of State grants such as the Learning Recovery Emergency Block Grant, the Arts, Music and Instructional Materials Discretionary Block Grant, the Expanded Learning Opportunities Program, the Educator Effectiveness, and Literacy Coaches and Reading Specialists Grant Program.

The Fiscal Year 2023-24 Second Interim Report acknowledges the Proposed 2024-25 State Budget projected a state-wide budget shortfall of \$37.9 billion and that the Governor proposes a COLA for fiscal year 2024-25 of 0.76%, down from the 3.94% COLA estimated at the time of the enactment of the 2023-24 State Budget. The Fiscal Year 2023-24 Second Interim Report further acknowledges LAO's warning of worsening budget conditions ahead as the State's year-to-date revenue receipts are falling below forecasts and that there have been a wide disparity of revenue estimates between the LAO and the California Department of Finance. See "STATE FUNDING OF SCHOOL DISTRICTS – State Budget Act – *Proposed 2024-25 State Budget*" and "– State Budget Act – *LAO Analysis of the Proposed 2024-25 State Budget*." In May 2024, the Governor will revise the Proposed 2024-25 State Budget based on updated information available at such time. Such revision may differ substantially from the Proposed 2024-25 State Budget, and could result in even further negative impacts to State K-12 education funding in fiscal year 2024-25. The District cannot predict the impact that the final fiscal year 2024-25 State budget, or subsequent budgets, will have on its finances and operations.

The District revises its projections of revenues, expenditures, and ending fund balances contained in the Fiscal Year 2023-24 Budget as more financial data becomes available throughout the fiscal year. The Fiscal Year 2023-24 Second Interim Report reflects the District's projected actuals for fiscal year 2023-24 for the period from July 1, 2023 through January 31, 2024 and projections for the period from February 1, 2024 through June 30, 2024. It also reflects multi-year projections through fiscal year 2025-26. The Fiscal Year 2023-24 Second Interim Report, which was approved by the District Board on March 12, 2024, is also included in the table that follows and described throughout this Appendix A. The achievement of certain results or other expectations contained in the Fiscal Year 2023-24 Second Interim Report involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described therein to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. All projections, forecasts, assumptions, expressions of opinions, estimates, and other forward-looking statements contained in the Fiscal Year 2023-24 Second Interim Report are expressly qualified in their entirety by the foregoing and the other cautionary statements.

The following Table A-6 sets forth budgeted revenues and expenditures and projected year-end amounts, including projected and year-end General Fund Balances, as reported in the Fiscal Year 2023-24 Budget and the Fiscal Year 2023-24 Second Interim Report.

TABLE A-6

LOS ANGELES UNIFIED SCHOOL DISTRICT
District General Fund Summary of Fund Balances, Revenues and Expenditures
Fiscal Year 2023-24
(\$ in millions)

	Fiscal Year 2023-24 Final Adopted Budget (June 2023)	Fiscal Year 2023-24 Second Interim Report (March 2024)⁽¹⁾
Beginning Balance	\$5,179.3	\$5,708.3 ⁽²⁾
Revenues	10,531.0	11,123.3
Expenditures	11,640.2	10,567.4
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources and Uses	(1,109.2)	555.9
Other Financings Sources/Uses	2.8	8.7
Ending Balance	\$4,072.9	\$6,272.9

⁽¹⁾ Reflects the District's unaudited actuals for fiscal year 2023-24 for the period from July 1, 2023 through January 31, 2024 and projections for the period from February 1, 2024 through June 30, 2024.

⁽²⁾ Beginning balance reflects the District's audited actuals for fiscal year 2022-23.

Sources: Los Angeles Unified School District Fiscal Year 2023-24 Final Adopted Budget; Fiscal Year 2023-24 Second Interim Report.

LACOE's Review of Fiscal Year 2023-24 Second Interim Report. In its April 2024 letter to the District, LACOE concurred with the District's positive certification on the Fiscal Year 2023-24 Second Interim Report. LACOE pointed out that the Fiscal Year 2023-24 Second Interim Report projected operating deficits in fiscal years 2024-25 and 2025-26, emphasizing the erosion of projected General Fund balances. LACOE acknowledged that the Fiscal Year 2023-24 Second Interim Report projected maintaining the required level of reserves but recommended that the District monitor causes for deficit spending to prevent additional fund balance erosion. LACOE also indicated that the Fiscal Year 2023-24 Second Interim Report reflected declining enrollment and funding under LCFF based on three-year average daily attendance for fiscal years 2023-24, 2024-25 and 2025-26, and highlighted the impacts of declining enrollment, emphasizing that continued declines in enrollment and attendance will result in a loss of revenue for the District in future years. LACOE recommended the District carefully monitor its enrollment and attendance trends and adjust financial projections for the current and subsequent fiscal years accordingly to reflect the resulting impact. LACOE also indicated that staffing needs and facilities planning should also be assessed and adjusted based on the projected rate of decline in enrollment.

Employees and Labor Relations

General. The District has twelve bargaining units with existing contracts. The largest bargaining unit among the District's employees is United Teachers Los Angeles ("UTLA"), which is comprised of among other employees, teachers, counselors, adviser, nurses, psychologists, and social workers. In addition, certain employees are not represented by a formal bargaining unit (the "District Represented

Employees”). The following Table A-7 sets forth the number of members of each bargaining unit as of April 1, 2024, and the expiration dates of the existing or successor labor agreements with each of the District’s employee bargaining units.

TABLE A-7
LOS ANGELES UNIFIED SCHOOL DISTRICT
Employee Bargaining Units and Contract Expiration Dates
As of April 1, 2024

Employee Bargaining Unit	Members	Contract Expiration Date (June 30)
Associated Administrators of Los Angeles (“AALA”) (Certificated)	3,060	2025
Unit A (School Police)	234	2025
Unit B (Instructional Aides)	13,251	2024
Unit C (Operations – Support Services)	8,505	2024
Unit D (Office – Technical and Business Services)	4,582	2026
Unit E (Skilled Crafts)	1,365	2025
Unit F (Teacher Assistants)	1,657	2024
Unit G (Playground Aides)	6,800	2024
Unit H (Sergeants and Lieutenants)	54	2025
Unit J (Classified Management)	416	2025
Unit S (Classified Supervisors)	3,283	2024
United Teachers Los Angeles	36,760	2025
District Represented Employees ⁽¹⁾	548	N/A

⁽¹⁾ District-represented employees include employees that are not represented by a union due to their designation as management, confidential or unrepresented employees. Does not include unrepresented seasonal employees or employees in positions not yet assigned to a union.

Source: Los Angeles Unified School District Office of Labor Relations.

Negotiations Regarding Labor Contracts. The United Teachers Los Angeles (“UTLA”) and the District reached a three-year agreement for fiscal years 2022-23 through 2024-25 (the “UTLA Agreement”). For fiscal year 2022-23, the UTLA Agreement provides for a 3% on schedule retroactive wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2022, and a 4% on schedule retroactive wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2023. For fiscal year 2023-24, the UTLA Agreement provides for a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2023, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2024. For fiscal year 2024-25, the UTLA Agreement provides for a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2024, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2025. In addition, the UTLA Agreement (a) provides for certain on schedule salary increases for certain employee groups, including special and early education teachers, nurses and table employees, (b) provides for academic class size reduction in certain schools, (c) for adjustments in staffing ratios for counselors, pupil services and attendance counselors (PSA) and psychiatric social workers (PSW), (d) provides for additional funding for certain community schools, (e) for additional community school coach positions, and (f) includes differential pay increases for certain positions and programs. There are no reopeners provided for in the UTLA Agreement. The financial impacts of the UTLA Agreement are incorporated as expenditures in the Fiscal Year 2023-24 Budget. UTLA and the District are expected to begin successor negotiations for a three-year agreement for fiscal years 2025-26 through 2027-28 after January 1, 2025.

SEIU Local 99 (Units B, C, F and G) and the District reached a one-year agreement for fiscal year 2020-21, and a three-year agreement for fiscal years 2021-22 through 2023-24 (collectively, the “SEIU Agreements”). Under the SEIU Agreements, (a) based on the salary table effective July 1, 2021, all SEIU bargaining unit members will receive a 6% on-schedule wage increase applied to all pay scale groups and levels of the base salary tables; (b) based on the salary table effective July 1, 2022, all SEIU bargaining unit members will receive a 7% on-schedule wage increase applied to all pay scale groups and levels of the base salary tables; (c) based on the salary table effective July 1, 2023, all SEIU bargaining unit members will receive a 7% on-schedule wage increase applied to all pay scale groups and levels of the base salary tables, and (d) based on the salary table effective January 1, 2024, there will be a \$2.00 per hour on-schedule wage increase applied to all pay scale groups and levels of the base salary table. In addition, the SEIU Agreements (a) provide for the funding an Education and Professional Development Fund in the amount of \$3 million, (b) effective January 1, 2024, make employees assigned 4 hours per day or 80 hours per month, with respect to Units F and G, eligible (along with eligible dependents) to enroll in certain low cost health insurance plans or receive a cash amount if the employee opts out, and (c) include certain pay differentials and one-time pay increases. There are no reopeners provided for in the SEIU Agreements. The financial impacts of the SEIU Agreements are incorporated as expenditures in the Fiscal Year 2023-24 Budget. SEIU Local 99 (Units B, C, F and G) and the District are set to begin successor negotiations for a three-year agreement for fiscal years 2024-25 through 2026-27 in April 2024.

AALA (Certificated Administrators) and the District reached a three-year agreement for fiscal years 2022-23 through 2024-25 (the “AALA (Certificated Administrators) Agreement”) with on schedule salary increases to be applied to the AALA (Certificated Administrators) master salary table comparable to the increases provided to UTLA in the UTLA Agreement. There are no reopeners provided for in the AALA (Certificated Administrators) Agreement. As a result of such agreement, the District anticipates an increase in fiscal year 2023-24 expenditures of approximately \$87.07 million (all funds), of which approximately \$81.10 million relate to the District’s general fund. Of such amounts, approximately \$25.07 million (all funds) of such expenditures (\$23.36 million related to the District’s general fund) reflect expenditures attributable to fiscal year 2022-23 and are to be paid in fiscal year 2023-24. Due to the timing of such agreement, the financial impacts of the agreement are not incorporated into the Fiscal Year 2023-24 Budget. The additional expenditures associated with the AALA (Certificated Administrators) Agreement are reflected in the Fiscal Year 2023-24 Second Interim Report. AALA (Certificated Administrators) and the District are expected to begin successor negotiations for a three-year agreement for fiscal years 2025-26 through 2027-28 after January 1, 2025.

CSEA (Unit D – Technical and Business Services) and the District have reached a three-year agreement for fiscal years 2023-24 through 2025-26 (the “CSEA Agreement”). The CSEA Agreement provides for one reopener for fiscal year 2024-25 and fiscal year 2025-26. Based on the salary table effective July 1, 2023, all CSEA bargaining unit members will receive a 7% on-schedule wage increase applied to all pay scale groups and levels of the base salary tables, and based on the salary table effective January 1, 2024, there will be a \$2.00 per hour on-schedule wage increase applied to all pay scale groups and levels of the base salary table. The CSEA Agreement also provides for an increase to \$22.52 effective January 1, 2024, for the classifications of Office Technician, Parent Education Support Assistant, Parent Resource Assistant, Microfilm Operator, Clerk, and Student Integration Helper. As a result of such agreement, the District anticipates an increase in fiscal year 2023-24 expenditures of approximately \$43.50 million (all funds), of which approximately \$37.01 million relate to the District’s general fund. Due to the timing of such agreement, the financial impacts of the agreement are not incorporated into the Fiscal Year 2023-24 Budget. The additional expenditures associated with the CSEA Agreement are reflected in the Fiscal Year 2023-24 Second Interim Report.

Under the District’s prior agreement with CSEA (Unit D – Technical and Business Services) for fiscal years 2020-21 through 2022-23 (the “Prior CSEA Agreement”), reopeners for three articles – wages and salaries, vacation, and telecommuting – were provided for, and CSEA requested reopener negotiations with respect to fiscal years 2021-22 and 2022-23. In June 2023, reopener negotiations concluded with

CSEA under the Prior CSEA Agreement. For fiscal year 2021-22, the reopener agreement provides for a 1% on schedule retroactive wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2021. This 1% is in addition to the 5% previously applied under the CSEA Agreement to all pay scale groups and levels of the base salary table for fiscal year 2021-22, for a total of 6%. For fiscal year 2022-23, the reopener agreement provides for a 7% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2023. The reopener agreement also included one-time retention and appreciation bonuses. Due to the timing of the reopener agreement, the financial impacts of the agreement are not incorporated into the Fiscal Year 2023-24 Budget. Such impacts were incorporated as expenditures in revisions to the Fiscal Year 2023-24 Budget approved by the District Board on August 22, 2023. For information regarding the expected impacts to the Fiscal Year 2023-24 Budget, see “– District Budget – *Revisions to Fiscal Year 2023-24 Budget*” above. CSEA (Unit D – Technical and Business Services) and the District are expected to begin successor negotiations for a three-year agreement for fiscal years 2026-27 through 2028-29 after January 1, 2026.

Teamsters (Unit S – Classified Supervisors) and the District reached a three-year agreement for fiscal years 2021-22 through 2023-24 (the “Teamsters Agreement”). Under the Teamsters Agreement (a) based on the salary table effective July 1, 2021, all Teamsters bargaining unit members will receive a 1% on-schedule wage increase applied to all pay scale groups and levels of the base salary tables (which is in addition to the 5% increase previously agreed to and applied); (b) based on the salary table effective July 1, 2022, all Teamsters bargaining unit members will receive a 7% on-schedule wage increase applied to all pay scale groups and levels of the base salary tables; (c) based on the salary table effective July 1, 2023, all Teamsters bargaining unit members will receive a 7% on-schedule wage increase applied to all pay scale groups and levels of the base salary tables, and (d) based on the salary table effective January 1, 2024, there will be a \$2.00 per hour on-schedule wage increase applied to all pay scale groups and levels of the base salary table. As a result of such agreement, the District anticipates an increase in fiscal year 2023-24 expenditures of approximately \$90.43 million (all funds), of which approximately \$61.51 million relate to the District’s general fund. Of such amounts, approximately \$31.61 million (all funds) of such expenditures (\$21.38 million related to the District’s general fund) reflect expenditures attributable to fiscal year 2022-23 and are to be paid in fiscal year 2023-24. Due to the timing of such agreement, the financial impacts of the agreement are not incorporated into the Fiscal Year 2023-24 Budget. The additional expenditures associated with the Teamsters Agreement are reflected in the Fiscal Year 2023-24 Second Interim Report. Teamsters (Unit S – Classified Supervisors) and the District are in successor negotiations for a three-year agreement for fiscal years 2024-25 through 2026-27.

LASPA (Unit A – School Police) and the District reached a three-year agreement for fiscal years 2022-23 through 2024-25 (the “LASPA Agreement”). The LASPA Agreement provides, with respect to sworn officers, (a) for fiscal year 2022-23, a 3% retroactive on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2022, and a 4% retroactive on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2023; (b) for fiscal year 2023-24, a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2023, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2024; and (c) for fiscal year 2024-25, a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2024, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2025. The LASPA Agreement provides, with respect to school safety officers, (a) for fiscal year 2022-23, a 7% retroactive on schedule wage increase applied to the base salary tables effective July 1, 2022; (b) for fiscal year 2023-24, a 7% on schedule wage increase applied to the base salary tables effective July 1, 2023; and (b) for a Step 1 an increase to \$22.53 effective January 1, 2024, with the subsequent Steps applied accordingly. The classification of school safety officer is not included in the on-schedule fiscal year 2024-25 wage increase as the additional increase is being provided on January 1, 2024. There are no reopeners provided for in the LASPA Agreement. The financial impacts of the LASPA Agreement are not incorporated into the Fiscal Year 2023-24 Budget. Such impacts were incorporated as expenditures in revisions to the Fiscal Year 2023-24 Budget approved by the District Board

on August 22, 2023. For information regarding the expected impacts to the Fiscal Year 2023-24 Budget, see “– District Budget – *Revisions to Fiscal Year 2023-24 Budget*” above. LASPA and the District are currently in dispute over LASPA’s assertion that they are entitled to a \$1.00 per hour increase for fiscal year 2019-20. LASPA (Unit A – School Police) and the District are expected to begin successor negotiations for a three-year agreement for fiscal years 2025-26 through 2027-28 after January 1, 2025.

LASPMA (Unit H – School Police Management) and the District reached a three-year agreement for fiscal years 2022-23 through 2024-25 (the “LASPMA Agreement”). For fiscal year 2022-23, the LASPMA Agreement provides for a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2022, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2023. For fiscal year 2023-24, the LASPMA Agreement provides for a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2023, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2024. For fiscal year 2024-25, the LASPMA Agreement provides for a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2024 and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2025. There are no reopeners provided for in the LASPMA Agreement. The financial impacts of the LASPMA Agreement are not incorporated into the Fiscal Year 2023-24 Budget. Such impacts were incorporated as expenditures in revisions to the Fiscal Year 2023-24 Budget approved by the District Board on August 22, 2023. For information regarding the expected impacts to the Fiscal Year 2023-24 Budget, see “– District Budget – *Revisions to Fiscal Year 2023-24 Budget*” above. LASPMA (Unit H – School Police Management) and the District are expected to begin successor negotiations for a three-year agreement for fiscal years 2025-26 through 2027-28 after January 1, 2025.

“Trades” (Unit E) and the District reached agreements for fiscal years 2020-21 and 2021-22 and for fiscal years 2022-23 through 2024-25 (the “Trades Agreements”). With respect to fiscal years 2020-21 and 2021-22, the Trades Agreements provide for a 5% on schedule retroactive wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2021. The Trades Agreements also provide for (a) one-time payments to certain employees that were employed during fiscal years 2020-21 and 2021-22 and did not receive an increase to their base salary in the fiscal year 2019-20 reopener, and (b) retention and appreciation bonuses for fiscal year 2021-22. With respect to fiscal years 2022-23 through 2024-25, the Trades Agreements provide (a) for fiscal year 2022-23, a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2022, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2023; (b) for fiscal year 2023-24, a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2023, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2024; and (c) for fiscal year 2024-25, a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2024, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2025. During the term of the Trades Agreements for fiscal years 2022-23 through 2024-25, the District and Trades have agreed to reopen on two items – health and welfare and deferred compensation, but have not begun negotiations. The financial impacts of the Trades Agreements are not incorporated into the Fiscal Year 2023-24 Budget. Such impacts (other than agreed upon reopeners to be negotiated) were incorporated as expenditures in revisions to the Fiscal Year 2023-24 Budget approved by the District Board on August 22, 2023. For information regarding the expected impacts to the Fiscal Year 2023-24 Budget, see “– District Budget – *Revisions to Fiscal Year 2023-24 Budget*” above. “Trades” (Unit E) and the District are expected to begin successor negotiations for a three-year agreement for fiscal years 2025-26 through 2027-28 after January 1, 2025.

AALA (Unit J – Classified Managers) and the District reached a three-year agreement for fiscal years 2022-23 through 2024-25 (the “AALA Agreement”). The AALA Agreement provides (a) for fiscal year 2022-23, a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary

tables effective July 1, 2022, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2023; (b) for fiscal year 2023-24, a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2023, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2024; and (c) for fiscal year 2024-25, a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2024, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2025. There are no reopeners provided for in the AALA Agreement. The financial impacts of the AALA Agreement are incorporated as expenditures in the Fiscal Year 2023-24 Budget. AALA (Unit J – Classified Managers) and the District are expected to begin successor negotiations for a three-year agreement for fiscal years 2025-26 through 2027-28 after January 1, 2025.

Employees that are classified as “District-represented” are not in a formal bargaining unit. In alignment with District Board-approved labor agreements discussed above, District-represented employees will receive comparable compensation adjustments. District-represented employees as well as employees in positions that have not yet been assigned a union, totaling approximately 2,200 positions, with salaries within the range of union-represented classifications, will receive a 21% wage increase, beginning with 3% effective July 1, 2022; 4% on January 1, 2023; 3% on July 1, 2023; 4% on Jan. 1, 2024; 3% on July 1, 2024; and 4% on Jan. 1, 2025. District-represented employees, totaling approximately 87 positions, with salaries outside of the range of union-represented classifications, will receive a 15% wage increase, beginning with 3% effective July 1, 2022; 4% on January 1, 2023; 2% on July 1, 2023; 2% on Jan. 1, 2024; 2% on July 1, 2024; and 2% on Jan. 1, 2025. As a result of such agreement, the District anticipates an increase in fiscal year 2023-24 expenditures of approximately \$30.0 million (all funds), of which approximately \$25.6 million relate to the District’s general fund. Of such amounts, approximately \$8.6 million (all funds) of such expenditures (\$7.3 million related to the District’s general fund) reflect expenditures attributable to fiscal year 2022-23 and are to be paid in fiscal year 2023-24. Due to the timing of such agreement, the financial impacts of the agreement are not incorporated into the Fiscal Year 2023-24 Budget. The additional expenditures associated with the District-represented agreement are reflected in the Fiscal Year 2023-24 Second Interim Report.

The District entered a memorandum of understanding with SEIU and UTLA modifying the three-year tentative instructional calendar approved by the District Board on March 27, 2023, to a two-year instructional calendar (fiscal years 2023-24 and 2024-25). The memorandum of understanding maintains a three-week (15 days) winter break, provides for three additional instructional days to make up for lost instructional days in March 2023, and provides for instruction, enrichment, nutrition and child supervision through a voluntary winter recess academy in each such fiscal year. The financial impacts of the memorandum of understanding with SEIU and UTLA are not incorporated into the Fiscal Year 2023-24 Budget. Such impacts were incorporated as expenditures in revisions to the Fiscal Year 2023-24 Budget approved by the District Board on August 22, 2023. For information regarding the expected impacts to the Fiscal Year 2023-24 Budget, see “– District Budget – *Revisions to Fiscal Year 2023-24 Budget*” above. Subsequently, on December 11, 2023, the District entered a memorandum of understanding with CSEA with the same provisions outlined above in the SEIU and UTLA instructional calendar memorandum of understanding. As a result of such agreement, the District budgeted an increase in fiscal year 2023-24 expenditures of approximately \$0.28 million, all of which relate to the District’s General Fund. The additional expenditures associated with the memorandum of understanding with CSEA are reflected in the Fiscal Year 2023-24 Second Interim Report.

Health and Welfare Agreement. On October 5, 2023, the District reached a two-year agreement (the “Health and Welfare Agreement”) with all of its bargaining units for calendar years 2024 and 2025 to continue providing health and welfare benefits for active employees and retirees at no additional cost to participants. Under the Health and Welfare Agreement, the District will make contributions to fully fund the per-participant actual costs of current health and welfare benefits, including administrative cost, for the 2024 and 2025 calendar years. This is exclusive of any plan design changes that increase benefit costs and

is different than previous agreements where the District's obligation was to pay a fixed dollar amount for each participant category. The Health and Welfare Agreement also provides that any unspent health care reserve funds held pursuant to the District's prior health and welfare agreements will be maintained as reserves for the term of the Health and Welfare Agreement and used to improve or adjust health care plan designs as agreed to from time to time by the parties and approved by the District Board. As of June 30, 2022 and June 30, 2023, the District had \$64.6 million and \$107.7 million (unaudited), respectively, in health care reserves. Future District health and welfare contributions are subject to negotiations for a successor agreement. It is anticipated that such negotiations will commence in 2024.

The District anticipates an increase in fiscal year 2023-24 expenditures related to the Health and Welfare Agreement of approximately \$106.4 million (all funds), of which approximately \$94.2 million relate to the District's general fund. Due to the timing of such agreement, the financial impacts of the agreement are not incorporated into the Fiscal Year 2023-24 Budget. The additional expenditures associated with the Health and Welfare Agreement are reflected in the Fiscal Year 2023-24 Second Interim Report.

Reduction in Force and Release Notices. In general, pursuant to Sections 44949 and 44951 of the Education Code, the District must give written notice to a certificated employee no later than March 15 if such certificated employee is to be released or reassigned for the ensuing school year. Similarly, pursuant to Section 45117 of the Education Code, the District must give written notice to a classified employee no later than March 15 if such classified employee is to be laid off for the ensuing school year. Further, pursuant to Sections 44955.5 and 45117(d) of the Education Code (as applicable), the District Board has the authority to terminate the services of certificated and classified employees between the period commencing five days after the enactment of the annual State Budget Act and August 15 of the fiscal year to which the State Budget Act applies if the District's LCFF apportionment per unit of ADA has not increased by at least 2% for such fiscal year. To provide flexibility in the event budget reductions are necessary in a given fiscal year, the District Board may approve the use of reduction in force and release notices for a portion of its certificated and classified employees. There were no such notices approved by the District Board prior to March 15, 2024, for the ensuing 2024-25 school year.

Retirement Systems

General. The District currently participates in CalSTRS, CalPERS and PARS (defined herein). The amounts of the District's contributions to CalSTRS, CalPERS and PARS are subject to, among other things, modifications to or approvals of collective bargaining agreements and any changes in actuarial assumptions used by CalSTRS, CalPERS and PARS.

The information set forth below regarding CalSTRS and CalPERS and their respective actuarial valuations and comprehensive annual financial reports has been obtained from publicly available sources and has not been independently verified by the District and is not guaranteed as to the accuracy or completeness thereof by or to be construed as a representation by the District. Furthermore, the summary data below should not be read as current or definitive, as recent gains or losses on investments made by the retirement systems generally may have changed the unfunded actuarial accrued liabilities stated below.

The following Table A-8 sets forth the District's aggregate contributions to CalSTRS, CalPERS and PARS, inclusive of employee contributions to CalPERS paid by the District, for fiscal years 2019-20 through 2022-23 and the budgeted contribution for fiscal year 2023-24 and these contributions as a percentage of the District's Total Governmental Funds expenditures for fiscal years 2019-20 through 2023-24. See Table A-9 "Annual Regular CalSTRS Contributions," Table A-11 "Annual CalPERS Regular Contributions" and Table A-14 "Annual PARS Contribution." See also the District's financial statements for fiscal year 2022-23 contained in APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023."

TABLE A-8

LOS ANGELES UNIFIED SCHOOL DISTRICT
Aggregate Employer Contributions to CalSTRS, CalPERS and PARS
Fiscal Years 2019-20 through 2023-24
(\$ in millions)

Fiscal Year	District Contributions⁽¹⁾	District Contribution as Percentage of Total Governmental Funds Expenditures
2019-20	\$755.33	7.35%
2020-21	762.30	7.06
2021-22	869.20	7.12
2022-23	1,040.37	8.36
2023-24 ⁽²⁾	1,174.30	7.83

⁽¹⁾ Reflects data for all District Funds, including the District's General Fund. Excludes on-behalf payments from the State to CalSTRS and CalPERS.

⁽²⁾ Budgeted in Fiscal Year 2023-24 Budget. Amounts do not reflect labor agreements not reflected in Fiscal Year 2023-24 Budget. For significant revisions to the Fiscal Year 2023-24 Budget approved by the District Board on August 22, 2023, see “– District Budget – *Revisions to Fiscal Year 2023-24 Budget*” above. In addition, for a discussion of pending labor agreements not reflected in the Fiscal Year 2023-24 Budget and not included in Fiscal Year 2023-24 Budget revisions approved by the District Board on August 22, 2023, see “– Employee and Labor Relations – *Negotiations Regarding Labor Contracts*” above.

Sources: Audited Annual Financial Report for fiscal years 2019-20 through 2022-23; Fiscal Year 2023-24 Budget; and the District for the percentage of Total Governmental Funds Expenditures.

California State Teachers' Retirement System. CalSTRS is a defined benefit plan that covers all full-time certificated District employees and some classified District employees, which are District employees employed in a position that does not require a teaching credential from the State. Benefit provisions are established by State legislation in accordance with the State Teachers' Retirement Law. CalSTRS is operated on a Statewide basis and, based on publicly available information, has substantial unfunded liabilities. Additional funding of CalSTRS by the State and the inclusion of adjustments to such State contributions based on consumer price changes were provided for in 1979 Statutes, Chapter 282. Copies of the CalSTRS' comprehensive annual financial report may be obtained from CalSTRS, P.O. Box 15275, Sacramento, California 95851-0275. The information presented in these reports is not incorporated by reference in this Official Statement.

Member benefits are determined pursuant to the Education Code and are generally based on a member's age, final compensation and years of credited service. Members are 100% vested in retirement benefits after five years of credited service and are eligible for “normal” retirement at age 60 and for early retirement at age 55 or at age 50 with 30 years of credited service. The normal retirement benefit is 2% of final compensation (as defined in the Education Code) for each year of credited service (up to 2.4% of final compensation for members retiring after age 60), and members who retire on or after January 1, 2011 with 30 or more years of service by December 31, 2010 receive monthly bonus payments of up to \$400 per month. Members hired on or after January 1, 2013 who retire at age 62 are eligible for a benefit equal to 2% of final compensation for each year of credited service (up to 2.4% of final compensation for members retiring after age 62). Benefits include a 2% cost of living increase (computed on a simple, non-compounded, basis based on the initial allowance) on each September 1 following the first anniversary of the effective date of the benefit. See “– *California Public Employees' Pension Reform Act of 2013*” herein and Note 9 set forth in APPENDIX B – “AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023.”

Funding; Contributions. The CalSTRS defined benefit plan (the “DB Plan”) is funded through a combination of investment earnings and statutorily set contributions from members of CalSTRS, the participating employers (including the District) and the State. Prior to fiscal year 2014-15, the statutorily-set rate did not vary annually to adjust for funding shortfalls or actuarial surpluses. As a result, the combined

employer, employee and State contributions to the DB Plan were not sufficient to pay actuarially required amounts. To address the shortfall, Assembly Bill 1469 (“AB 1469”), signed into law by the Governor as part of the State budget for fiscal year 2014-15, increased member, employer and State contributions as part of a plan to eliminate by June 30, 2046, CalSTRS’ unfunded liability for service credited to members of the CalSTRS defined benefit program before July 1, 2014.

Pursuant to AB 1469, since fiscal year 2021-22, the State Teachers’ Retirement Board is authorized to modify the percentages paid by employers and employees to eliminate by June 30, 2046, CalSTRS’ unfunded liability for service credited to members of the CalSTRS defined benefit program before July 1, 2014, based upon actuarial recommendations and subject to certain limitations. The State Teachers’ Retirement Board may not increase the employer contribution rate by more than 1% in any fiscal year up to a maximum contribution rate of 20.25%. The State Teachers’ Retirement Board may also adjust the State’s contribution rate by a maximum of 0.5% from year to year, based on the funding status of the CalSTRS actuarially determined unfunded liability. A decrease in investment earnings may result in increased employer contribution rates in order to timely eliminate by June 30, 2046, CalSTRS’ unfunded liability for service credited to members of the CalSTRS defined benefit program before July 1, 2014, based upon actuarial recommendations. The District cannot predict the impact of State, national, and international events on investment earnings and contribution rates or the amount the District will be required to pay for pension related costs in future fiscal years.

The State is not an employer (with certain limited exceptions) in any of the CalSTRS programs but contributes to the DB Plan and a supplemental benefits maintenance account pursuant to provisions of the Education Code. For fiscal year 2022-23, the State contributed 8.328% of members’ annual earnings to the DB Plan and an additional 2.5% of member earnings into the CalSTRS supplemental benefit maintenance account, which is used to maintain the purchasing power of benefits. The State’s contribution rate for fiscal year 2023-24 will remain at 8.328% of members’ annual earnings to the DB Plan and an additional payment of 2.5% of member earnings into the CalSTRS supplemental benefit maintenance account.

The District’s employer contribution rate for fiscal year 2022-23 was 19.10% of covered payroll. The District’s employer contribution rate for fiscal year 2023-24 will remain at 19.10% of covered payroll. The District’s employer contribution rate is inclusive of the employer base contribution of 8.25% of payroll provided by the Education Code.

The employee contribution rate for CalSTRS members first hired on or before December 31, 2012 to perform CalSTRS creditable activities (i.e., CalSTRS 2% at 60 members) was 10.25% for fiscal years 2016-17 through 2022-23 and will remain at 10.25% for fiscal year 2023-24. The employee contribution rate for CalSTRS members first hired on or after January 1, 2013 to perform CalSTRS creditable activities (i.e., CalSTRS 2% at 62 members) was 9.205% for fiscal years 2016-17 and 2017-18, 10.205% for fiscal years 2018-19 through 2022-23, and will remain at 10.205% for fiscal year 2023-24.

The following Table A-9 sets forth the District’s regular annual contributions to CalSTRS for fiscal years 2019-20 through 2022-23 and the budgeted contribution for fiscal year 2023-24 and such contributions as a percentage of the District’s Total Governmental Funds expenditures for fiscal years 2019-20 through 2023-24. The District has always paid all required CalSTRS annual contributions. As of June 30, 2023, 37,684 District employees were members of CalSTRS.

TABLE A-9

LOS ANGELES UNIFIED SCHOOL DISTRICT
Annual Regular CalSTRS Contributions
Fiscal Years 2019-20 through 2023-24
(\$ in millions)

Fiscal Year	CalSTRS Employer Rate	District Contributions⁽¹⁾	District Contribution as Percentage of Total Governmental Funds Expenditures
2019-20	17.10%	\$509.0	4.95%
2020-21	16.15	497.7	4.61
2021-22	16.92	563.9	4.62
2022-23	19.10	663.9	5.33
2023-24 ⁽²⁾	19.10	728.3	4.86

⁽¹⁾ Reflects data for all District Funds, including the District's General Fund. Excludes on-behalf payments from the State to CalSTRS.

⁽²⁾ Budgeted in Fiscal Year 2023-24 Budget. Amounts do not reflect labor agreements not reflected in the Fiscal Year 2023-24 Budget. For significant revisions to the Fiscal Year 2023-24 Budget approved by the District Board on August 22, 2023, see "– District Budget – *Revisions to Fiscal Year 2023-24 Budget*" above. In addition, for a discussion of pending labor agreements not reflected in the Fiscal Year 2023-24 Budget and not included in Fiscal Year 2023-24 Budget revisions approved by the District Board on August 22, 2023, see "– Employee and Labor Relations – *Negotiations Regarding Labor Contracts*" above.

Sources: Audited Annual Financial Report for fiscal years 2019-20 through 2022-23; Fiscal Year 2023-24 Budget; and the District for the percentage of Total Governmental Funds Expenditures.

Actuarial Valuation. The State Teachers' Retirement Board has sole authority to determine the actuarial assumptions and methods used for the valuation of the DB Plan. CalSTRS actuarial consultant (the "Actuarial Consultant") determines the actuarial value of the DB Plan's assets by using a one-third smoothed recognition method of the difference between the actual market value of assets to the expected actuarial value of assets. Accordingly, the actuarial value of assets will not reflect the entire impact of certain investment gains or losses on an actuarial basis as of the date of the valuation or legislation enacted subsequent to the date of the valuation.

The actuarial valuation for the entire CalSTRS defined benefit program as of June 30, 2022 (the "2022 CalSTRS Actuarial Valuation") showed an estimated unfunded actuarial liability of \$88.55 billion, a decrease of approximately \$1.17 billion from the June 30, 2021 valuation. Such estimated unfunded actuarial liability was projected to increase in the June 30, 2021 valuation, which projected an unfunded actuarial liability of \$89.80 billion as of June 30, 2022. The actual unfunded actuarial liability as of June 30, 2022 represents a net actuarial gain of approximately \$1.25 billion. Such net actuarial gain is due primarily to member salary increases being more than assumed and market value returns (estimated at negative 2.40%) being less than assumed (7.00%). The funded ratios of the actuarial value of valuation assets over the actuarial accrued liabilities as of June 30, 2022 and June 30, 2021, based on the actuarial assumptions, were approximately 74.40% and 73.00%, respectively. According to the 2022 CalSTRS Actuarial Valuation, the funded ratio increased by 1.40% during the past year. As described in the 2022 CalSTRS Actuarial Valuation, the increase in the funded ratio is primarily due to the recognition of deferred investment gains from prior fiscal years that were used to offset the reported negative 2.40% return on investments on the market value of assets for fiscal year 2021-22, which is CalSTRS' first negative return on investments since fiscal year 2008-09. Other factors contributing to such increase include the additional State contributions made in the prior fiscal years and contributions to pay down the unfunded actuarial liability under the State Teachers' Retirement Board's valuation policy. Persistent negative returns on investments may result in increased employer contribution rates above the current level of expected increases. The District cannot predict the impact of State, national, and international events on investment returns and employer contribution rates or the amount the District will be required to pay for pension related

costs. Accordingly, there can be no assurances that the District's required contributions to CalSTRS will not increase in the future, subject to the limitations of AB 1469.

The following are certain of the actuarial assumptions set forth in the 2022 CalSTRS Actuarial Valuation: measurement of accruing costs by the "Entry Age Normal Actuarial Cost Method," an assumed 7.00% investment rate of return for measurements subsequent to June 30, 2016, 3.00% interest on member accounts, 3.50% projected wage growth, and 2.75% projected inflation and demographic assumptions relating to mortality rates, length of service, rates of disability, rates of withdrawal, probability of refund, and merit salary increases. Future estimates of the actuarial unfunded liability may change due to market performance, legislative actions and other experience that may differ from the actuarial assumptions used for the CalSTRS valuation. The 2022 CalSTRS Actuarial Valuation also assumes that all members hired on or after January 1, 2013 are subject to the provisions of PEPRA (as defined herein). See "*California Public Employees' Pension Reform Act of 2013*" below for a discussion of the pension reform measure signed by the Governor in September 2012 expected to help reduce future pension obligations of public employers with respect to employees hired on or after January 1, 2013.

The CalSTRS Comprehensive Annual Financial Report for fiscal year 2021-22 (the "2021-22 CalSTRS CAFR") states that during fiscal year 2021-22, CalSTRS included 38,528 covered employees of the District in its State Teachers' Retirement Program and 3,485 covered employees of the District in its tax-deferred defined contribution plans under Sections 403(b) and 457 of the Internal Revenue Code (the "Pension2 Program"). Accordingly, covered employees of the District represented approximately 7.60% and 11.80% of covered employees in the State Teachers' Retirement Program and Pension2 Program, respectively.

The UAAL and funded status of the CalSTRS pension fund as of June 30 of fiscal years ended June 30, 2018, through June 30, 2022, are set forth in the following Table A-10. The fair market value of the CalSTRS pension fund as of June 30, 2021, and June 30, 2022, was approximately \$271.95 billion and \$260.29 billion, respectively, based on total system assets less amounts allocable to the CalSTRS Supplemental Benefits Maintenance Account Reserve. The individual funding progress for the District and the District's proportionate share of CalSTRS' net pension liability is set forth in the District's audited financial statements. See "*Pension Accounting and Financial Reporting Standards*" herein and Note 9 set forth in APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023."

TABLE A-10

**Actuarial Value of CalSTRS Defined Benefit Program
Valuation Dates June 30, 2018 through June 30, 2022
(\$ in billions)**

Valuation Date (June 30)	Actuarial Obligation	Actuarial Value of Assets⁽¹⁾	Market Value of Assets	Unfunded Actuarial Obligation	Funded Ratio (Actuarial Value)	Funded Ratio (Fair Market Value)
2018	\$297.603	\$190.451	\$211.367	\$107.2	64.0%	65.7%
2019	310.719	205.016	225.466	105.7	66.0	67.0
2020	322.127	216.252	233.253	105.9	67.1	66.5
2021	332.082	242.363	292.980	89.7	73.0	81.9
2022	346.089	257.537	283.340	88.6	74.4	75.2

⁽¹⁾ Actuarial Value of Assets does not include amounts allocable to the CalSTRS Supplemental Benefits Maintenance Account Reserve which was approximately \$15.76 billion as of June 30, 2018, \$17.38 billion as of June 30, 2019, \$19.13 billion as of June 30, 2020, \$21.03 billion as of June 30, 2021, and \$23.05 billion as of June 30, 2022.

Sources: California State Teachers' Retirement System Defined Benefit Program Actuarial Valuations as of June 30, 2018 through June 30, 2022.

District Proportionate Share. As of June 30, 2023, the District's proportionate share of CalSTRS' net pension liability was approximately \$3.9 billion, based on a discount rate of 7.10%. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the fiscal year 2021-22 employer contributions calculated by CalSTRS with consideration given to separately financed and irregular employer contributions relative to the projected contributions of all participating employer and non-employer contributing entities. At June 30, 2022, the District's proportionate rate was 5.497%. The District's proportionate share of the CalSTRS net pension liability was projected to be approximately \$1.60 billion if the discount rate was increased to 8.1% and approximately \$6.5 billion if the discount rate was decreased to 6.1%. See Note 9(b) of the District's financial statements in APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023."

California Public Employees' Retirement System. CalPERS is a defined benefit plan that covers classified personnel who work four or more hours per day. CalPERS is operated on a Statewide basis and, based on publicly available information, has significant unfunded liabilities. CalPERS issues a comprehensive annual financial report and actuarial valuations that include financial statements and required supplementary information. Copies of the CalPERS CAFR and actuarial valuations may be obtained from the CalPERS Financial Services Division, P.O. Box 942703, Sacramento, California 94229-2703. The information set forth therein is not incorporated by reference in this Official Statement. Benefit provisions are established by State legislation in accordance with the Public Employees' Retirement Law and are generally based on a member's age, final compensation, and years of credited service. For a description of member benefits for both the Safety Plan and Miscellaneous Plan of the District administered by CalPERS, see Note 9(a) set forth in APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023."

Funding; Contributions. All qualifying classified employees of K-12 school districts in the State are members in CalPERS. All school districts contributing to CalPERS participate in the same plan and share the same contribution rate in each year. However, unlike contributions to CalSTRS, which incrementally increase at statutorily set rates, school districts' contributions to CalPERS fluctuate each year and include a normal cost component and a component equal to an amortized amount of the unfunded liability of CalPERS. Accordingly, the District cannot provide any assurances that the District's required contributions to CalPERS in future years will not significantly vary from any current projected levels of contributions to CalPERS.

CalPERS is funded by employee contributions and investment earnings, with the balance of the funding provided by employer contributions. School districts' contributions decrease when investment earnings rise and increase when investment earnings decline. As a result, declines in investment earnings may result in substantial increases in school district contributions. The District cannot make any predictions as to the effect of State, national or international events on investment earnings and school district contributions. Participating employees enrolled in CalPERS prior to January 1, 2013 contribute 7.00% of their respective salaries, while participating employees enrolled after January 1, 2013 contribute the higher of fifty percent of normal costs of benefits or an actuarially determined rate of 8.00% in fiscal year 2022-23, which will remain at 8.00% in fiscal year 2023-24. School districts are required to contribute to CalPERS at an actuarially determined rate, which was originally 20.733% and 22.68% of eligible salary expenditures for fiscal years 2019-20 and 2020-21, respectively. However, the employer contribution rate for fiscal year 2019-20 was reduced to 19.721% as a result of the State's buydown of employer contribution rates in fiscal year 2019-20. Similarly, the fiscal year 2020-21 State budget allocated funding to buy down employer contribution rates in fiscal years 2020-21 and 2021-22 to approximately 20.70% and 22.91%, respectively. The actuarially determined rate for employer contributions was 25.37% for fiscal year 2022-23 and is 26.68% for fiscal year 2023-24. For a description of employer and member contribution rates, see Note 9(a) set forth in APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023."

The following Table A-11 sets forth the District's employer contribution rates, regular annual contributions, inclusive of employee contributions paid by the District to CalPERS for fiscal years 2019-2020 through 2022-23, and the budgeted contribution for fiscal year 2023-24, and such contributions as a percentage of the District's Total Governmental Funds expenditures for fiscal years 2019-20 through 2023-24. The District has always paid all required CalPERS annual contributions. As of June 30, 2023, 29,689 District employees were members of CalPERS.

TABLE A-11

LOS ANGELES UNIFIED SCHOOL DISTRICT
Annual CalPERS Regular Contributions
Fiscal Years 2019-20 through 2023-24
(\$ in millions)

Fiscal Year	CalPERS Employer Rate (Miscellaneous)	CalPERS Employer Rate (Safety)	District Contributions⁽¹⁾	District Contribution as Percentage of Total Governmental Funds Expenditures
2019-20	19.721%	43.059%	\$239.1	2.33%
2020-21	20.700	47.268	257.3	2.38
2021-22	22.910	48.900	298.4	2.44
2022-23	25.370	50.130	370.3	2.98
2023-24 ⁽²⁾	26.680	53.680	436.9	2.91

⁽¹⁾ Reflects data for all District Funds, including the District's General Fund.

⁽²⁾ Budgeted in Fiscal Year 2023-24 Budget. Amounts do not reflect labor agreements not reflected in the Fiscal Year 2023-24 Budget. For significant revisions to the Fiscal Year 2023-24 Budget approved by the District Board on August 22, 2023, see "– District Budget – Revisions to Fiscal Year 2023-24 Budget" above. In addition, for a discussion of pending labor agreements not reflected in the Fiscal Year 2023-24 Budget and not included in Fiscal Year 2023-24 Budget revisions approved by the District Board on August 22, 2023, see "– Employee and Labor Relations – Negotiations Regarding Labor Contracts" above.

Sources: Audited Annual Financial Report for fiscal years 2019-20 through 2022-23; Fiscal Year 2023-24 Budget and District Budget Services and Financial Planning Division Financial Guide No. 1, dated May 19, 2023 for fiscal year 2023-24; and the District for the percentage of Total Governmental Funds Expenditures.

Actuarial Valuation. Since the June 30, 2015, valuation, CalPERS has employed an amortization and smoothing policy that apportions all gains and losses over a fixed 30-year period with the increases or decreases in the rate spread directly over a five-year period. In contrast, the previous policy spread investment returns over a 15-year period with experience gains and losses spread over a rolling 30-year period. The amounts of the pension/award benefit obligation or UAAL will vary from time to time depending upon actuarial assumptions, and actual rates of return on investments, salary scales, and levels of contribution. See Table A-12 – "Actuarial Value of Schools Portion of CalPERS – Historical Funding Status" herein.

The CalPERS Schools Pool Actuarial Valuation as of June 30, 2022 (the "2022 CalPERS Schools Pool Actuarial Valuation"), was released in September 2023, and such valuation reported an actuarial accrued liability of approximately \$116.98 billion with the market value of assets at approximately \$79.39 billion, and a funded status of approximately 67.90%. From June 30, 2021, to June 30, 2022, the funded status of the CalPERS Schools Pool decreased by approximately 10.40%, and the unfunded accrued liability increased by approximately \$13.61 billion, largely due to the difference between the expected and actual rate of return on investments.

CalPERS reported a negative 6.10% net return on investments for fiscal year 2021-22, which is CalPERS' first negative return on investments since fiscal year 2008-09. The negative 6.10% net return on investments was less than the assumed annual rate of return on investments of 6.80%. Such negative return generated an actuarial investment loss of approximately \$12.40 billion, which will be amortized over 20 years with a five-year phase in, increasing the component of the expected employer contribution rate related

to the unfunded liability contribution in fiscal year 2023-24 by 1.69% of payroll. The 2022 CalPERS Schools Pool Actuarial Valuation reports that the employer contribution rates for fiscal years 2024-25, 2025-26, 2026-27, 2027-28 and 2028-29 are projected to be 27.80%, 28.50%, 28.90%, 30.30% and 30.10%, respectively. Such projections assume that all actuarial assumptions will be realized, including net investment returns in such fiscal years of 6.80%, and that no further changes to assumptions, contributions, benefits or funding will occur during such fiscal years. Persistent negative returns on investments may result in increased employer contribution rates above the current level of expected increases reflected in the 2022 CalPERS Schools Pool Actuarial Valuation. The District cannot predict the impact of State, national, and international events on investment returns and employer contribution rates. Accordingly, there can be no assurances that the District's required contributions to CalPERS will not significantly increase in the future.

The 2022 CalPERS Schools Pool Actuarial Valuation as summarized assumes, among other things, 2.30% price inflation, 2.80% wage inflation and payroll growth of 2.80% compounded annually. The 2022 CalPERS Schools Pool Actuarial Valuation as summarized reflects a discount rate of 6.80% compounded annually (net of administrative expenses) as of June 30, 2022. The CalPERS Board of Administration adopted new demographic assumptions on November 17, 2021, including a reduction in the discount rate from 7.00% as of June 30, 2020, to 6.80% as of June 30, 2021, a reduction in the inflation assumption from 2.50% as of June 30, 2020 to 2.30% as of June 30, 2021, and an increase in payroll growth from 2.75% as of June 30, 2020 to 2.80% as of June 30, 2021. Such assumption changes result in increases in both the normal cost and unfunded liabilities contributions to be paid in the future. The actuarial funding method used in the 2022 CalPERS Schools Pool Actuarial Valuation is the "Entry Age Normal Cost Method."

The UAAL and funded status of the Schools portion of CalPERS as of June 30 of fiscal years ended June 30, 2018 through June 30, 2022 are set forth in the following Table A-12.

TABLE A-12
Actuarial Value of Schools Portion of CalPERS
Historical Funding Status
Valuation Dates June 30, 2018 through June 30, 2022
(\$ in millions)

Valuation Date (June 30)	Actuarial Accrued Liabilities	Market Value of Assets (MVA)	Funded Status (MVA)	Unfunded Liabilities/ (Surplus) (MVA)	Projected Payroll for Determining Contributions	Unfunded Liability/ (Surplus) as a % of Payroll
2018	\$92,071	\$64,846	70.4%	\$27,225	\$14,234	191.3%
2019	99,528	68,177	68.5	31,351	14,844	211.2
2020	104,062	71,400	68.6	32,662	15,295	213.6
2021	110,507	86,519	78.3	23,988	15,181	158.0
2022	116,982	79,386	67.9	37,596	16,731	224.7

Source: CalPERS Schools Pool Actuarial Valuation as of June 30, 2022.

District Proportionate Share. As of June 30, 2023, the District reported a net pension liability of \$2.7 billion for its proportionate share of the net pension liability of the Miscellaneous Plan. The net pension liability of the Miscellaneous Plan was measured by CalPERS as of June 30, 2022, and the total pension liability for the Miscellaneous Plan used to calculate the net pension liability was determined by CalPERS pursuant to an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The District's proportion of the net pension liability was based on the fiscal year 2021-22 employer contributions calculated by CalPERS. As of June 30, 2023, the District's proportion of the CalPERS net pension liability was approximately 7.82%. See "*Pension Accounting and Financial Reporting Standards*" herein and Note 9(a) to the audited financial statements of the District contained in

APPENDIX B – “AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023.”

Safety Plan Actuarial Valuation; Net Pension Liability. The CalPERS Safety Plan of the Los Angeles Unified School District (Employer # 3614620780) Annual Valuation Report as of June 30, 2022 uses the “Entry Age Normal Cost Method” as the actuarial funding method and assumes, among other things, a 6.8% investment rate of return (net of administrative expenses), projected annual salary increases based on category, entry age, and duration of service, projected inflation of 2.30% and projected payroll growth of 2.80%. The UAAL and funded status of the District’s Safety Plan, which is an individual component of CalPERS, as of June 30 of fiscal years ended June 30, 2018 through June 30, 2022, are set forth in the following Table A-13. As of June 30, 2023, the District’s net pension liability under the CalPERS Safety plan was \$118.2 million. The net pension liability of the CalPERS Safety plan is measured as of June 30, 2022, using an annual actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, using standard update procedures. See Note 9(a) to the audited financial statements of the District contained in APPENDIX B – “AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023.”

TABLE A-13

**CalPERS Actuarial Value of LAUSD Safety Plan⁽¹⁾
Historical Funding Status
Valuation Dates June 30, 2018 through June 30, 2022
(\$ in millions)**

Valuation Date (June 30)	Accrued Liability	Market Value of Assets⁽²⁾	Unfunded Liability	Funded Ratio	Annual Covered Payroll
2018	\$414.6	\$301.3	\$113.3	72.7%	\$32.2
2019	438.7	320.7	118.0	73.1	33.7
2020	459.1	335.9	123.2	73.2	33.3
2021	479.3	412.9	66.4	86.1	26.2
2022	508.4	377.1	131.3	74.2	23.5

⁽¹⁾ Reflects information relating to the District’s Safety Plan and does not include information relating to the Miscellaneous Plan. Actuarial information relating to the historical funding status of the District’s Miscellaneous Plan is not available from CalPERS as a separate report but is incorporated in the combined schools portion of CalPERS’ pension fund as set forth in Table A-12 above.

⁽²⁾ CalPERS no longer uses an actuarial value of assets and only uses the market value of assets.

Source: CalPERS Safety Plan of the Los Angeles Unified School District (Employer # 3614620780) Annual Valuation Report as of June 30, 2022.

Public Agency Retirement System. On July 1, 1992, the District joined the Public Agency Retirement System (“PARS”), a multiple-employer retirement trust. This defined contribution plan covers the District’s part-time, seasonal, temporary and other employees not otherwise covered by CalPERS or CalSTRS, but whose salaries would otherwise be subject to Social Security tax. Benefit provisions and other requirements are established by District management based on agreements with various bargaining units. The District is unable to predict the amount of the contributions which the District may be required to make to PARS in the future. Accordingly, there can be no assurances that the District’s required contributions to PARS will not significantly increase in the future above current levels. The District has always paid all required PARS annual contributions.

The following Table A-14 sets forth the District's annual contributions to PARS for fiscal years 2019-20 through 2022-23 and the budgeted annual contribution to PARS for fiscal year 2023-24, and the contributions as a percentage of the District's Total Governmental Funds expenditures for fiscal years 2019-20 through 2023-24. As of June 30, 2023, 55,381 active District employees were members of PARS.

TABLE A-14

LOS ANGELES UNIFIED SCHOOL DISTRICT
Annual PARS Contribution
Fiscal Years 2019-20 through 2023-24
(\$ in millions)

Fiscal Year	District Contributions⁽¹⁾⁽²⁾	District Contribution as Percentage of Total Governmental Funds Expenditures
2019-20	\$7.2	0.07%
2020-21	7.3	0.07
2021-22	6.9	0.06
2022-23	6.2	0.05
2023-24 ⁽³⁾	9.1	0.06

⁽¹⁾ Reflects payments to PARS for pension costs associated with the District's regular and specially funded programs.

⁽²⁾ Includes amounts related to prior years' PARS contributions.

⁽³⁾ Budgeted in Fiscal Year 2023-24 Budget. Amounts do not reflect labor agreements not reflected in the Fiscal Year 2023-24 Budget. For significant revisions to the Fiscal Year 2023-24 Budget approved by the District Board on August 22, 2023, see "– District Budget – *Revisions to Fiscal Year 2023-24 Budget*" above. In addition, for a discussion of pending labor agreements not reflected in the Fiscal Year 2023-24 Budget and not included in Fiscal Year 2023-24 Budget revisions approved by the District Board on August 22, 2023, see "– Employee and Labor Relations – *Negotiations Regarding Labor Contracts*" above.

Sources: Audited Annual Financial Report for fiscal years 2019-20 through 2022-23; Fiscal Year 2023-24 Budget; and the District for the percentage of Total Governmental Funds Expenditures.

California Public Employees' Pension Reform Act of 2013. In September 2012, the Governor approved Assembly Bill 340, the California Public Employees' Pension Reform Act of 2013 ("PEPRA"). Among other things, PEPRA establishes new retirement formulas for employees hired on or after January 1, 2013 ("PEPRA Employees") and prohibits public employers from offering defined benefit pension plans to PEPRA Employees that exceed the benefits provided thereunder. PEPRA increases the retirement age for new State, school, city and local agency employees depending on job function and limits the annual CalPERS and CalSTRS pension benefit payouts. PEPRA applies to all public employers except the University of California, charter cities and charter counties. However, PEPRA is applicable to those entities which contract with CalPERS.

PEPRA mandates equal sharing of normal costs between a contracting agency or school employer and their employees and that employers not pay any of the required employee contribution. However, PEPRA limits the contribution to an amount not in excess of 8% of pay for local miscellaneous or school members, not more than 12% of pay for local police officers, local firefighters, and county peace officers, and not more than 11% of pay for all local safety members. PEPRA requires employers to complete a good faith bargaining process as required by law prior to implementing changes regarding the contribution requirements. The contribution requirements of PEPRA went into effect on January 1, 2018. See "– *California State Teachers' Retirement System*" and "– *California Public Employees' Retirement System*" herein.

In addition, PEPRA amends existing laws to redefine final compensation for purposes of pension benefits for PEPRA Employees. Further, PEPRA permits certain public employers who have offered a lower defined benefit retirement plan before January 1, 2013 to continue to offer such plan to PEPRA Employees. However, if a public employer adopts a new defined benefit plan on or after January 1, 2013,

such plan will be subject to PEPPA requirements unless, among other things, its retirement system's chief actuary and retirement board certify that the new plan is not riskier or costlier to the public employer than the defined benefit formula required under PEPPA.

Pension Accounting and Financial Reporting Standards. In 2012, the Governmental Accounting Standards Board issued Governmental Accounting Standards Board Statement No. 68 – “Accounting And Financial Reporting For Pensions” (“GASB 68”), which revises and establishes new financial reporting requirements for most public employers, such as the District, that provide pension benefits to their employees. GASB 68, among other things, requires public employers providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability and provides greater guidance on measuring the annual costs of pension benefits, including thorough guidelines on projecting benefit payments, use of discount rates and use of the “entry age” actuarial cost allocation method. GASB 68 also enhances accountability and transparency through revised and new note disclosures and required supplementary information. GASB 68 became effective for the financial statements of plan employers, including the District's financial statements, commencing the fiscal year ended June 30, 2015.

Pursuant to GASB 68, CalSTRS and CalPERS will use a new blended rate that reflects a long-term rate of return on plan assets, which reflects a pension fund's long-term investment strategy, and a high-quality, non-taxable municipal bond index rate, to account for the potential need to borrow funds to pay pension benefits after net assets have been fully depleted. CalSTRS has cautioned that use of the new, blended discount rate may cause the financial statements of plans, such as CalSTRS, to reflect an increased unfunded liability.

Other Postemployment Benefits

General. In addition to employee health care costs, the District provides post-employment health care benefits (“OPEB”) in accordance with collective bargaining agreements and the health benefits agreement. The District's OPEB consists of post-employment benefits for health, prescription drug, dental, and vision coverage for retirees and their dependents. As of June 30, 2023, there were approximately 59,010 active employees who meet the eligibility requirements for OPEB benefits, 40,013 inactive employees or beneficiaries currently receiving benefits, and 139 inactive employees entitled to but not yet receiving benefits, for a total of 99,162 current and former employees entitled to receive benefits under the District's OPEB plan. Historically, the District has funded these benefits on a pay-as-you-go basis, paying an amount in each fiscal year equal to the benefits distributed or disbursed in that fiscal year. Beginning in fiscal year 2013-14, the District's policy, subject to District Board approval, is to prefund a portion of its OPEB costs for employees, retirees and their beneficiaries by allocating funds for the express purpose of funding future other postemployment benefit costs to the extent possible. See “– District Financial Policies and Related Practices – *Budget and Finance Policy* – Liability Reserves” herein. The District Board approved the creation of the OPEB Trust Fund in May 2014.

As of April 15, 2024, the District has contributed approximately \$548.3 million to the OPEB Trust Fund, inclusive of the District's contributions of \$60 million in July 2014, \$30 million in September 2014, \$45 million in September 2015, \$6 million in March 2016, \$78 million in October 2016, \$120 million in October 2017, \$33.3 million in August 2023, \$52.8 million in September 2023, and \$17.6 million in each of October 2023, November 2023, December 2023, January 2024, February 2024, March 2024 and April 2024. The District did not contribute to the OPEB Trust Fund in fiscal years 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23. At the time of preparation of the District's Fiscal Year 2022-23 Estimated Actuals, it was expected that the District would contribute \$141.00 million to the OPEB Trust Fund in fiscal year 2022-23. However, after the preparation of the 2022-23 Estimated Actuals in connection with the approval of the Fiscal Year 2023-24 Budget, the fiscal year 2022-23 contribution was reduced by \$107.7 million and the transfer of the remaining \$33.3 million contribution was delayed until fiscal year 2023-24. Thus, although the District designated the \$33.3 million contribution as a fiscal year 2022-23 contribution for internal purposes, there was no transfer of funds to the OPEB Trust Fund in fiscal year 2022-23. As

indicated above, the \$33.3 million was deposited in the OPEB Trust Fund in August 2023. Based on the Fiscal Year 2023-24 Budget, the District has budgeted to contribute \$244.3 million from all funds of the District (not just the General Fund) to the OPEB Trust Fund in fiscal year 2023-24, \$209.3 million of which has been deposited in the OPEB Trust Fund as of April 15, 2024. The District expects to deposit the remaining \$35 million budgeted for fiscal year 2023-24 in May and June of 2024 in the amounts of \$17.6 million and \$17.4 million, respectively.

In the June 2023 Actuarial Valuation Report Postretirement Health Benefits as of the June 30, 2022, measurement date for fiscal year 2022-23 (the “2022 Actuarial Valuation”), Aon Hewitt indicated that based on the District’s current funding policy, projected cash flows, and the assumed asset return, the assets in the OPEB Trust Fund are projected to be depleted in fiscal year 2035-36 if such assets were drawn upon to pay benefits as they come due without the District funding such benefits on a pay-as-you-go basis. The year of depletion was projected to be fiscal year 2029-30 in the District’s fiscal year audited financial statements. See Note 9 to the audited financial statements of the District contained in APPENDIX B – “AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023.”

The following Table A-15 sets forth the District’s funding of other postemployment benefits for fiscal years 2019-20 through 2022-23, the budgeted contribution for fiscal year 2023-24, and the contributions as a percentage of the District’s Total Governmental Funds expenditures for fiscal years 2019-20 through 2023-24. In addition, Table A-15 sets forth the District’s contribution to the OPEB Trust for fiscal years 2019-20 through 2023-24.

TABLE A-15

LOS ANGELES UNIFIED SCHOOL DISTRICT
Expenditures for Other Postemployment Benefits
Fiscal Years 2019-20 through 2023-24
(\$ in millions)

Fiscal Year	Pay-as-You-Go Amount	OPEB Trust Fund Contribution⁽²⁾	Total Amount	Expenditure as Percentage of Total Governmental Funds Expenditures
2019-20	\$221.2	\$0.0	\$221.2	2.15%
2020-21	231.2	0.0	231.2	2.14
2021-22	231.1	0.0	231.1	1.89
2022-23	235.9	0.0 ⁽³⁾	235.9	1.90
2023-24 ⁽¹⁾	198.0	244.3 ⁽⁴⁾	442.3	2.95

⁽¹⁾ Budgeted.

⁽²⁾ As of April 15, 2024, the District has contributed approximately \$548.3 million to the OPEB Trust Fund, inclusive of the District’s contributions of \$60 million in July 2014, \$30 million in September 2014, \$45 million in September 2015, \$6 million in March 2016, \$78 million in October 2016, \$120 million in October 2017, \$33.3 million in August 2023, \$52.8 million in September 2023, and \$17.6 million in each of October 2023, November 2023, December 2023, January 2024, February 2024, March 2024 and April 2024.

⁽³⁾ At the time of preparation of the Fiscal Year 2022-23 Estimated Actuals, the net position of the OPEB Trust Fund for fiscal year 2022-23 was estimated at approximately \$628.8 million. This amount reflected a District fiscal year 2022-23 contribution of \$141.0 million to the OPEB Trust Fund. However, after the preparation of the 2022-23 Estimated Actuals in connection with the approval of the Fiscal Year 2023-24 Budget, the fiscal year 2022-23 contribution was reduced by \$107.7 million, and the transfer of the remaining \$33.3 million contribution was delayed until fiscal year 2023-24. Thus, although the District designated the \$33.3 million contribution as a fiscal year 2022-23 contribution for internal purposes, there was no transfer of funds to the OPEB Trust Fund in fiscal year 2022-23. As of June 30, 2023, the adjusted net position of the OPEB Trust Fund for fiscal year 2022-23 is \$499.9 million, which reflects the changes described above as well as unrealized gains/losses due to market fluctuations.

⁽⁴⁾ The \$244.3 million includes \$33.3 million the District, for internal purposes, designated as a fiscal year 2022-23 contribution. As of April 15, 2024, \$209.3 million of the \$244.3 million budgeted amount has been deposited in the OPEB Trust Fund, including the \$33.3 million designated as a fiscal year 2022-23 contribution. The District expects to deposit the remaining \$35 million budgeted for fiscal year 2023-24 in May and June of 2024 in the amounts of \$17.6 million and \$17.4 million, respectively.

Sources: Audited Annual Financial Reports for fiscal years 2019-20 through 2022-23; Fiscal Year 2023-24 Budget; and the District for the percentage of Total Governmental Funds Expenditures.

Postemployment Benefits Other Than Pensions Accounting and Financial Reporting Standards.

In June 2015, the GASB issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (“GASB 75”), which revised and established new accounting and financial reporting requirements for state and local governments, such as the District, that offer OPEB to employees. Pursuant to GASB 75, net OPEB liabilities are required to be recognized in the financial statements for such state and local governments. In addition, GASB 75 provides additional guidance with respect to recognizing and measuring liabilities, deferred outflows and inflows of resources, and expense/expenditures. GASB 75 directs the use of “entry age normal” as the actuarial cost allocation method to be used and the various procedures, assumptions and discount rates to be used in connection with the calculation of liabilities. In connection therewith, states and local governments that do not pre-fund their respective OPEB obligations may report increased liabilities. GASB 75, among other things, requires additional note disclosures and the presentation of required supplementary information in financial statements. GASB 75 was implemented in the District’s audited financial statements beginning in fiscal year 2017-18.

The District’s net OPEB liability takes into consideration the adoption of GASB 75, under which the District is required to recognize in full its total net OPEB liability rather than on an incremental basis. Over the past few years, the District has taken steps to (i) reduce its OPEB liability through a more cost-effective healthcare plan and (ii) pre-fund its OPEB liability by making deposits from time to time to an irrevocable trust when its reserves exceed the 5% Minimum Reserve Threshold, subject to District Board approval.

Changes in Net OPEB Liability. The District’s net OPEB liability has fluctuated over time based on a variety of factors, including changes in healthcare plans and actuarial assumptions and the funded status of the OPEB Trust. In the 2022 Actuarial Valuation, the District’s actuary, Aon Hewitt, points out that a byproduct of the GASB 75 standards is the potential for increased volatility of results from year to year, which the District has experienced since the implementation of GASB 75. In January 2019, the District implemented a less costly healthcare plan, the Anthem Preferred PPO (50 state Medicare Advantage Plan) (the “Anthem PPO”), which replaced the United HealthCare Group Medicare Advantage Plan and the Anthem Blue Cross Medicare (EPO) plan. The implementation of the Anthem PPO together with certain updated actuarial assumptions resulted in a significant reduction in the District’s net OPEB liability from \$14.97 billion as of June 30, 2018 (prior to the Anthem PPO implementation) to \$11.18 billion as of June 30, 2019 (after the Anthem PPO implementation) to \$8.58 billion as of June 30, 2020 (based on further revised actuarial assumptions). However, the District’s net OPEB liability as of June 30, 2021 increased to \$11.06 billion and then decreased to \$10.19 billion as of June 30, 2022 based on certain changes in actuarial assumptions described in more detail below. See “– 2021 Actuarial Valuation” below for more information. As of June 30, 2023, the District’s net OPEB liability has further decreased to \$8.48 billion also based on certain changes in actuarial assumptions also described in more detail below. See “– 2022 Actuarial Valuation” below for more information.

2021 Actuarial Valuation. The District’s net OPEB liability decreased by nearly \$1 billion from \$11.06 billion as of June 30, 2021 to \$10.19 billion as of June 30, 2022. According to the March 2022 Actuarial Valuation Report Postretirement Health Benefits as of the June 30, 2021 measurement date for fiscal year 2021-22 (the “2021 Actuarial Valuation”), such decrease in net OPEB liability is primarily due to the healthcare experience gain reflected in the 2021 Actuarial Valuation as there were no other significant adjustments in actuarial assumptions from the Actuarial Valuation Report Postretirement Health Benefits as of the June 30, 2020 measurement date for fiscal year 2020-21 (the “2020 Actuarial Valuation”), prepared for the District by Aon Hewitt. The 2021 Actuarial Valuation reflects updated financial information for fiscal year 2021-22 and is based on the census data, actuarial assumptions, and plan provisions used in the 2020 Actuarial Valuation with the following changes:

- Assets: \$542,828,439 as of June 30, 2021 measurement date

- Municipal Bond Rate: 2.16% as of June 30, 2021, based on the *Bond Buyer* General Obligation Bond 20-Bond Municipal Bond Index
- Expected Long-Term Return on Assets: 7.00% as of June 30, 2021, based on District's revised expectations for certain asset allocations
- Discount Rate: 2.20% as of June 30, 2021, after reassessment based on updated assets and municipal bond rate as of June 30, 2021

2022 Actuarial Valuation. The District's net OPEB liability decreased by approximately \$1.70 billion from \$10.19 billion as of June 30, 2022 to \$8.48 billion as of June 30, 2023. According to the 2022 Actuarial Valuation, the 150-basis point increase in the discount rate from the 2021 Actuarial Valuation has a considerable impact in the 2022 Actuarial Valuation, decreasing the value of liabilities by more than 20%. As explained in the 2022 Actuarial Valuation, such impact, which is somewhat offset by low asset returns as of the measurement date, decreases the net OPEB liability and the OPEB expense for fiscal year 2022-23. The 2022 Actuarial Valuation reflects updated financial information for fiscal year 2022-23 and is based on the census data, actuarial assumptions, and plan provisions used in the 2021 Actuarial Valuation with the following changes:

- Assets: \$469,939,493 as of June 30, 2022, measurement date
- Municipal Bond Rate: 3.54% as of June 30, 2022, based on the *Bond Buyer* General Obligation Bond 20-Bond Municipal Bond Index
- Contributions: Additional contribution of \$211 million to OPEB Trust scheduled to be made for fiscal years ending 2023, 2024 and 2025. The District currently budgets to contribute \$244.3 million in fiscal year 2023-24, \$33.3 million of which the District, for internal purposes, designated as a fiscal year 2022-23 contribution.
- Expected Long-Term Return on Assets: 6.10% as of June 30, 2022, based on District's revised expectations for certain asset allocations
- Discount Rate: 3.70% as of June 30, 2022, after reassessment based on updated assets and municipal bond rate as of June 30, 2022

The following Table A-16 shows the impact of the changes to the actuarial assumptions in the 2022 Actuarial Valuation on the District's Net OPEB Liability for the fiscal year ending June 30, 2023 compared to fiscal year June 30, 2022 that was based on the 2021 Actuarial Valuation.

TABLE A-16
LOS ANGELES UNIFIED SCHOOL DISTRICT
NET OPEB LIABILITY
As of June 30, 2022 and June 30, 2023
(\$ in billions)

	Fiscal Year Ending June 30, 2022	Fiscal Year Ending June 30, 2023
(1) OPEB Liability		
(a) Retired Participants and Beneficiaries		
Receiving payment	\$ 3.019	\$2.755
(b) Active Participants	7.710	6.197
(c) Total	10.729	8.952
(2) Plan Fiduciary Net Position	0.543	0.470
(3) Net OPEB Liability	10.186	8.482
(4) Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	5.06%	5.25%
(5) Deferred Outflow of Resources for Contributions Made After Measurement Date	\$0.231	-

Source: 2022 Actuarial Valuation.

The District cannot predict the impact future changes in healthcare plans and actuarial assumptions and the funded status of the OPEB Trust will have on the District's net OPEB liability.

For more information on the District's OPEB plan, OPEB liability and related assumptions for fiscal year ended June 30, 2023, see Note 9 to the audited financial statements of the District contained in APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023" attached hereto.

Risk Management and Litigation

General. The District maintains various excess property, casualty and fidelity insurance programs, which are self-insured, with varying self-insured retentions. The District's excess property coverage is provided currently through its membership in the Public Entity Property Insurance Program ("PEPIP"), an insurance pool comprised of certain cities, counties and school districts. The District maintains excess property insurance on all District facilities under a combination of self-insurance retentions and varying sublimits through the excess insurance policies of PEPIP. The current self-insured retention for fire loss damage for excess property coverage is \$2,500,000 per occurrence and the aggregate policy limit is \$500 million. The District maintains what it considers to be adequate reserves to cover losses within the self-insurance retention. District General Fund resources are used to pay for property loss insurance and uninsured repairs for property damage. In addition to the above excess property policies, the District purchases a separate boiler and machinery policy with \$100 million in occurrence limits and a Fidelity crime coverage with \$15 million in occurrence limits.

Excess property insurance is maintained through a combination of excess policies with an occurrence limit of \$500 million. General liability insurance currently provides \$30 million coverage above a \$5 million self-insurance retention. The District expects to be reimbursed for settlements from its insurance carriers. The District maintains reserves at the level recommended by an independent actuarial analysis, which it believes are adequate to cover losses within the self-insured retention.

Prior to fiscal year 2013-14, the District's liability coverage generally included coverage for sexual misconduct and molestation with some limited exceptions as described herein with respect to Assembly

Bill 218. See “– *Sexual Misconduct Cases* – Assembly Bill 218 and Related Claims” herein. Liability coverage beginning in fiscal year 2013-14 did not include this coverage because the District determined that it is not available at reasonable rates from any insurance provider. In March 2014, the District Board approved a joint powers authority agreement by and between the District and the Los Angeles Trust Children’s Health Inc. to establish the Los Angeles Unified School District Risk Management Authority (the “Risk Management Authority”) which became effective July 1, 2014. The Risk Management Authority allows the District to purchase reinsurance for excess liability coverage for incidents such as sexual misconduct and molestation, to the extent such coverage is available. The Risk Management Authority was capitalized by the District and provides an insurance program for the District and the Los Angeles Trust Children’s Health Inc. The Risk Management Authority allows the District to purchase reinsurance for excess liability coverage which is not presently available to self-insured public agencies such as the District. See “– *Sexual Misconduct Cases*” herein. Sexual misconduct and molestation coverage is maintained with a limit of \$15 million above a \$5 million self-insurance retention.

The District believes that the amounts currently reserved for potential liabilities attributable to claims of wrongful death, catastrophic injury and sexual misconduct are adequate. See “– *Wrongful Death Cases*,” “– *Catastrophic Injury Cases*” and “– *Sexual Misconduct Cases*” herein. The District will increase the expenditures projected in its budget and interim financial reports if necessary and only to the extent that the District’s liabilities exceed the amount budgeted for self-insurance or current excess liability coverage. The District expects that such an increase will occur if claims relating to wrongful death, catastrophic injury or sexual misconduct by former and suspended District employees exceed the amount reserved for settlements and monetary damages to date. Such liabilities could decrease the District’s net position as of June 30, 2024 from the amount set forth in the District’s financial statements for fiscal year 2022-23. See APPENDIX B – “AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023.”

Liabilities for loss and loss adjustment expenses under each of the District’s insurance programs include the accumulation of estimates for losses reported prior to the balance sheet date, estimates of losses incurred but not reported and estimates of expenses for investigating and adjusting reported and unreported losses. Such liabilities are estimates of the future expected settlements and are based upon analysis of historical patterns of the number of incurred claims and their values. The District believes that, given the inherent variability in any such estimates, the aggregate liabilities are within a reasonable range of adequacy. Individual reserves are continually monitored and reviewed, and, as settlements are made or reserves adjusted, differences are reflected in current operations. See APPENDIX B – “AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023.”

Workers’ Compensation. The District is self-insured for its Workers’ Compensation Program. A separate fund is used to account for amounts set aside to pay claims incurred and related expenditures under the Workers’ Compensation Program. The amount to be deposited in the Workers’ Compensation Fund is established with information from an independent actuary. The District maintains at a minimum the actuarially required deposit in its Workers’ Compensation Fund in accordance with its policy. See “– District Financial Policies and Related Practices – *Budget and Finance Policy* – Liability Reserves” herein. The District’s “Actuarial Study of Workers’ Compensation Program” as of December 31, 2021, recommended a minimum funding level of approximately \$122.5 million for fiscal year 2022-23. The “Actuarial Study of Workers’ Compensation Program” as of December 31, 2022, recommends a minimum funding level of approximately \$110.7 million for fiscal year 2023-24 and approximately \$106.8 million for fiscal year 2024-25. As of June 30, 2023, the total revenues in the District’s Workers’ Compensation Fund (operating revenues and nonoperating revenues) was \$150.5 million, which reflects a negative year-end accounting adjustment of \$6.8 million to recognize the unrealized loss for the District’s cash deposited in the County Treasury Pool.

Additionally, the District’s actuarially determined total liability for the Workers’ Compensation Program is fully funded. The District’s most recent “Actuarial Study of Workers’ Compensation Program”

as of December 31, 2022 reflected total expected losses of approximately \$334.6 million (at a 4.0% interest rate) as of June 30, 2023 plus an additional amount of approximately \$24.6 million in estimated outstanding unallocated loss adjustment expenses (at a 4.0% interest rate) to create a total liability of approximately \$359.2 million as of June 30, 2023. The District has approximately \$635.5 million in cash available in the Workers' Compensation Fund as of June 30, 2023, which exceeds the amount necessary to fund the District's actuarially determined liability.

The following Table A-17 sets forth the actuary's recommended minimum funding levels for workers' compensation set forth in the actuarial report as of December 31, 2020, December 31, 2021 and the most recent actuarial report covering the period as of December 31, 2022.

TABLE A-17

LOS ANGELES UNIFIED SCHOOL DISTRICT
Recommended Minimum Funding Levels
Workers' Compensation
Fiscal Years 2021-22 through 2025-26
(\$ in millions)

Fiscal Year	Present Value of Projected Ultimate Losses (Discounted at 3.5% Unless Otherwise Noted)	Budgeted Expenses for Claims Handling and Administration	Recommended Minimum Funding Level
2021-22	\$102.20 ⁽¹⁾	\$17.57	\$119.77
2022-23	104.64 ⁽¹⁾	17.83	122.47
2023-24	92.31	18.40	110.71
2024-25	87.82	19.00	106.82
2025-26	88.51	19.60	108.11

⁽¹⁾ Discounted at 1.5%

Source: Los Angeles Unified School District Actuarial Study of Workers' Compensation Program as of December 31, 2020 for fiscal year 2021-22; Los Angeles Unified School District Actuarial Study of Workers' Compensation Program as of December 31, 2021 for fiscal years 2022-23; Los Angeles Unified School District Actuarial Study of Workers' Compensation Program as of December 31, 2022 for fiscal years 2023-24 through 2025-26.

The following Table A-18 sets forth information on changes in the Workers Compensation Program's liabilities from fiscal years 2018-19 through 2022-23. The District uses separate funds to account for amounts set aside to pay claims incurred and related expenditures under the respective insurance programs. See "– District Financial Policies and Related Practices – *Budget and Finance Policy* – Liability Reserves" herein and Note 10 in the audited financial statements for fiscal year 2022-23 set forth in APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023."

TABLE A-18

LOS ANGELES UNIFIED SCHOOL DISTRICT
Workers' Compensation Claims Paid
Fiscal Years 2018-19 through 2022-23
(\$ in millions)

Fiscal Year	Liability: Beginning of fiscal year	Current Year Claims and Changes in Estimates	Claims Paid	Liability: End of fiscal year
2018-19	\$455.4	\$85.1	\$(97.9)	\$442.7
2019-20	442.7	124.5	(87.2)	480.0
2020-21	480.0	3.1	(79.4)	403.6
2021-22	403.6	52.4	(72.6)	383.5
2022-23	383.5	56.6	(80.9)	359.2

Sources: Audited Annual Financial Report for fiscal years 2018-19 through 2022-23.

Pollution Legal Liability Policy. The District purchased a pollution legal liability (“PLL”) policy through Allied World National Assurance Company with coverage of \$10.0 million per incident and \$10.0 million in aggregate, effective May 1, 2023 to May 1, 2026.

Owner-Controlled Insurance Program. The District has arranged for its construction projects to be insured under its owner-controlled insurance program (“OCIP”). An OCIP is a single insurance program that insures the District, the District Board, all enrolled contractors, and enrolled subcontractors, and other designated parties for work performed at project sites. The District pays the insurance premiums for the OCIP coverages and requires each eligible bidder to exclude from its bid price the cost of insurance coverage. The exclusion of the cost of insurance premiums from each bid is intended to result in lower overall bids for projects, which would in turn lower the contract award amount and general obligation bond and other funds spent. In addition, the District may be able to pay a lower overall insurance cost than a single contractor because of the economies of scale gained by the purchase of an OCIP.

Litigation Regarding Insurance Providers. In September 2015, the District filed a lawsuit entitled *Los Angeles Unified School District v. ACE et al.* (the “Miramonte Coverage Action”), in Los Angeles County Superior Court seeking more than \$200 million in damages from twenty-seven of the District’s current and former insurance providers who failed to fund the defense and reimburse the District for settlement amounts paid by the District in connection with claims by hundreds of students and parents alleging that negligent hiring, supervision, and retention of former teachers Mark Berndt and Martin Springer at Miramonte Elementary School resulted in sexual abuse of the students. In April 2017, the District filed a second lawsuit in Los Angeles County Superior Court entitled *Los Angeles Unified School District vs. AIU Insurance Company, et. al.* (the “Telfair Coverage Action”), seeking more than \$40 million in damages from eight of the District’s current and former insurance providers in connection with the lawsuits filed against the District alleging that negligence of its employees in hiring, retaining, and supervising Paul Chapel resulted in sexual abuse of approximately twenty students at Telfair Elementary School. In August 2017, the District filed a third lawsuit in Los Angeles County Superior Court entitled *Los Angeles Unified School District v. Allied World et al.* (the “De La Torre Coverage Action”), seeking more than \$60 million in damages from seven of the District’s current and former insurance providers who failed to fund the defense and reimburse the District for settlement amounts paid by the District in connection with claims by over twenty students and their parents alleging that negligent hiring, supervision, and retention of former teacher Robert Pimentel at De La Torre Elementary School resulted in sexual abuse of the students. The District has not been reimbursed by any of the defendants for amounts expended in conjunction with resolving the underlying sexual abuse litigation described in this section. While no insurer agreed to pay any of the District’s defense costs before the coverage actions were filed, rulings obtained in the Miramonte Coverage Action have forced AIG to reimburse the District for over \$21 million in defense

costs. Further, the District has alleged that the insurance providers have not only breached their respective insurance obligations owed to the District in connection with underlying litigation, but also breached the implied covenant of good faith and fair dealing. The District and the insurers continue to discuss terms for a mediation of all three coverage cases. In 2021, following a bench trial, the court found that the insurer breached its duty to indemnify the District under one insurance policy at issue in the Miramonte Coverage Action for its settlements of the underlying claims. The District is considering its options with respect to additional motion practice and appellate review.

On November 4, 2020, the District filed two new lawsuits against its insurers, *LAUSD v. Starr Indemnity & Liability Co., et al.* and *LAUSD v. Ins. Co. of the State of Pennsylvania, et al.*, in which it is seeking more than \$25 million and \$8 million, respectively, in settlement reimbursements plus defense costs relating to underlying litigation involving the alleged abuse of multiple students at Franklin High School and Cahuenga High School. The District cannot predict the final outcome of or remedy imposed by any court with respect to these complaints or the amounts, if any, by which any of the insurance providers will reimburse the District for settlements and defense costs in the underlying litigation matters. In 2021, the District moved for summary adjudication to establish that the Insurance Company of State of Pennsylvania (an AIG Co.) had breached its duty to defend the District under a 2002-2003 insurance policy, which the court denied. The District is considering its options with respect to additional motion practice and appellate review.

On September 29, 2022, the District filed a new lawsuit against its insurers, *LAUSD v. Everest National Insurance Company, et al.*, in which it is seeking more than \$11 million in settlement reimbursements plus defense costs relating to underlying litigation involving the alleged abuse of multiple students at El Sereno Elementary School. One insurer has reimbursed some, but not all, of the District's defense costs in connection with the underlying litigation. The District cannot predict the final outcome of or remedy imposed by any court with respect to this complaint or the amount, if any, by which any of the insurance providers will reimburse the District for settlements and defense costs in the underlying litigation.

Wrongful Death Cases. In August 2020, the mother of a Normandie Avenue Elementary School student filed a lawsuit seeking unspecified damages in excess of \$1,000,000 against the District for the alleged wrongful death of her son on December 26, 2019, after he died from injuries sustained while at a District employee's home, during the employee's non-working hours and when school was out for winter break. The death was later ruled a homicide and the employee was subsequently criminally convicted. A jury trial in the matter commenced on July 31, 2023, in the Van Nuys Courthouse of the Los Angeles Superior Court and on August 10, 2023, the jury found the District 90% at fault and awarded plaintiff \$30 million. On October 17, 2023, the District brought a motion for a new trial which the Court denied. On November 8, 2023, the District filed its Notice of Appeal and will seek to overturn the verdict based on a number of grounds that the District believes to have strong merit. Should the District's appeal be unsuccessful, thus obligating the District to pay its share of the judgment (\$27 million), the District's expected share will be \$5 million (self-insured retention amount) and the balance of the judgment would be expected to be covered by the District's reinsurers through the Risk Management Authority. The District is expected to file and serve its opening brief with respect to the appeal by May 2024.

In September 2022, a Helen Bernstein High School student was found deceased in a school bathroom after normal school hours from a Fentanyl drug overdose. The deceased student's friend was found in the courtyard of the school and survived after a hospital stay. On December 12, 2022, the deceased student's mother filed a complaint in the Los Angeles Superior Court against the District, seeking unspecified damages for negligence and wrongful death. Trial is currently scheduled for June 10, 2024. On October 13, 2023, a complaint was filed on behalf of the deceased student's friend against the District in the Los Angeles Superior Court, seeking unspecified damages for negligence.

In April 2016, a Palms Middle School student experienced sudden cardiac arrest during physical education class and died. On July 21, 2017, the father of the student filed a complaint in the Los Angeles

Superior Court against the District, seeking unspecified damages for wrongful death. The case was tried to a jury in April 2023, resulting in a \$15 million verdict. On August 11, 2023, the District filed a Notice of Appeal, which is currently pending, and the District's opening brief will likely be filed by June 2024.

Catastrophic Injury Cases. In January 2020, a non-verbal special education student claims to have sustained injury on a District special education campus when he allegedly pulled a soccer goal post net, causing himself and the goal to fall, hitting him on the head. The student underwent emergency cervical spine surgery as a result of the incident, and his medical bills/costs known to date exceed \$1,000,000. On January 11, 2022, the court appointed conservator for the student filed a complaint in the Los Angeles Superior Court against the District, seeking unspecified damages. The matter is scheduled for trial on November 4, 2024.

In February 2017, a Marvin Avenue Elementary School student claims to have fallen and struck her head at the school. On November 22, 2017, the mother of the student filed a complaint in the Los Angeles Superior Court against the District, seeking unspecified damages for traumatic brain injury. Plaintiff alleges the District failed to provide the requisite medical care and failed to contact emergency medical personnel in a timely manner. Trial is currently scheduled for August 26, 2024.

COVID-19 Distance Learning Lawsuits. On September 24, 2020, a class action lawsuit was filed on behalf of nine named plaintiffs in Los Angeles County Superior Court asserting that the District's instructional plan in response to the COVID-19 pandemic denied plaintiffs' children their basic education rights under the California Constitution. The complaint alleges that the District's distance learning approach was inadequate in that it allegedly reduced instructional and professional development time, eliminated student assessments, failed to provide adequate access to technology, and failed to reengage students who did not participate in online learning in the spring of 2020 after the closure of school facilities due to the COVID-19 pandemic. The operative first amended complaint asserts various causes of action for injunctive and declaratory relief, including claims for alleged violations of statutory and Constitutional rights and claims of discrimination and disparate treatment. On April 9, 2021, the District's motion to strike certain allegations in the complaint with respect to individualized education program services was granted, but its demurrer to the first amended complaint was overruled. After plaintiffs filed a second amended complaint, the District filed another demurrer. On August 16, 2021, the Court sustained the District's demurrer with leave to amend. The Court further struck plaintiffs' claims seeking retrospective injunctive relief on a class wide basis. Plaintiffs were given 20 days to file an amended complaint. In September 2021, the Court dismissed the action in its entirety, with prejudice, and entered judgment in favor of the defendants, including the District. Plaintiffs subsequently filed a notice of appeal with the Court of Appeal of California, Second Appellate District. On September 19, 2023, the California Court of Appeal issued its decision reversing in part the September 2021 order dismissing the lawsuit. The Court of Appeal found that dismissal of the case and denial of class certification was premature, permitting the plaintiffs to move forward on three of their eight causes of action, but sustaining the dismissal of the remaining claims in favor of the District. The matter has now been remanded back to the trial court to proceed. The District will defend the case and also determine any potential settlement options.

COVID-19 Employee Vaccinations Lawsuit. Since the Fall of 2021, the District has been named in at least twenty-nine different lawsuits challenging the District's previous COVID-19 vaccination mandate, filed by current and former employees and job applicants, asserting various causes of action for wrongful termination, employment discrimination, and violations of Constitutional rights, among other theories of recovery. As of December 2023, four of the twenty-nine cases had settled. While certain of the lawsuits have been filed on behalf of a single named plaintiff, others are filed on behalf of groups of plaintiffs ranging from 6 to 167. The earliest filed of such actions, *Health Freedom Defense Fund v. Carvalho, et al.*, is presently on appeal before the Ninth Circuit Court of Appeals, following the U.S. District Court for the Central District of California's grant of the District's motion for judgment on the pleadings in September 2022. Oral arguments were heard on September 14, 2023, and the District is awaiting a ruling by the Ninth Circuit Court of Appeals.

In general, the District believes it has strong defenses to these employee vaccination mandate lawsuits, and anticipates that most will result in defense verdicts. Nevertheless, given the inherent uncertainty of litigation and the different factual scenarios presented in each of them, the District faces potential exposure to claims for damages, including lost wages, a claim in at least one case for emotional distress damages, claims for punitive damages, and perhaps most significantly, exposure to potential awards of prevailing party attorneys' fees, which in some employment cases, can reach seven figures. The damages sought in these lawsuits vary significantly, particularly depending on the number of plaintiffs involved, the causes of action asserted, and remedies sought. As such, the District cannot predict the total damages that might be recovered in the event that it does not prevail in one or more of the lawsuits.

COVID-19 Student Vaccination Lawsuit. On October 13, 2021, two non-profit organizations purporting to represent groups of parents of children attending District schools filed a petition for writ of mandate and request for immediate stay with respect to the District's COVID-19 vaccination requirements for students. The petition alleges that the District lacked the authority to mandate students to be vaccinated for COVID-19, and seeks writs and orders vacating and setting aside the District's mandate, and enjoining the enforcement thereof. On April 15, 2022, the Superior Court heard and granted the District's demurrer to several of the claims in the plaintiffs' first amended complaint, but permitted the plaintiffs to provide additional pleading of facts to support their complaint. The District subsequently filed a demurrer in response to the plaintiffs' second amended complaint. In light of the July 5, 2022, Superior Court order in a similar student vaccination lawsuit that invalidated the mandate as preempted by State law, which was issued after the District's demurrer in this case, plaintiffs' counsel filed a motion for summary adjudication citing the July 5, 2022 order. Thereafter, the District filed an additional demurrer and motion to dismiss the matter as moot. The Court granted the demurrer and dismissed the case as moot. Plaintiffs chose not to appeal the matter and final judgment is pending. In response, plaintiffs' counsel filed a motion for attorneys' fees which the District opposed. The Court denied the motion concluding that plaintiffs failed to show that their lawsuit was a factor causing the District to delay implementation of its former student vaccine policy. Plaintiffs are still within their deadlines to file an appeal of the attorneys' fees issue. The District will respond accordingly in the event plaintiffs appeal the denial of the motion.

Sexual Misconduct Cases. The District is occasionally subject to claims relating to the sexual misconduct of District personnel and other students. There are currently threatened and pending claims against the District brought on behalf of minor students as a result of alleged sexual misconduct by District personnel. The District is in various stages of litigation relating to such pending claims and cannot predict the outcome and effects of such claims or provide any assurances that such claims will not be successful. The damages requested by the plaintiffs in the various pending sexual misconduct cases are substantial, but vary significantly, in multiple instances there are demands for several million dollars. However, the District cannot predict any final award of damages or settlement amounts. The District also cannot predict the damages sought by any threatened litigation.

Miramonte. In the Miramonte sexual abuse litigation, involving Mark Berndt (who in 2013 pleaded no contest to 23 felony counts of lewd acts on children and was sentenced to 25 years in prison), in which there have previously been approximately \$185 million in settlements with 176 students, there are multiple active cases remaining with 46 plaintiffs. The earliest trial date is scheduled May 20, 2024, but that trial and most of the cases are expected to be resolved based on a recent tentative settlement reached at mediation with a group of 40 plaintiffs.

Assembly Bill 218 and Related Claims. Pursuant to Assembly Bill 218 ("AB 218"), which became effective on January 1, 2020, certain changes were made to the claim prerequisites and the applicable statute of limitations periods for claims of childhood sexual assault, including claims against public entities like the District. AB 218 has impacted the District's liability exposure because it (1) extended the statute of limitations periods for claims of childhood sexual assault, (2) did away altogether with the Tort Claims Act's presentation requirements for claims involving childhood sexual assault under which many claims were found to be late, and (3) revived certain claims for which applicable statute of limitations periods have

otherwise already expired (if brought within three years of January 1, 2020). Pursuant to AB 218, a plaintiff now has twenty-two years from the age of majority or five years after the plaintiff discovered or reasonably should have discovered psychological injury or illness occurring after the age of majority caused by the alleged childhood sexual assault to bring an action, with certain actions being barred from commencement after the plaintiff's fortieth birthday. With respect to claims that otherwise would have been barred as of January 1, 2020, AB 218 revived such claims for a period of three years, which period expired on December 31, 2022.

The District is currently defending approximately 156 lawsuits (totaling 247 claimants) arising from AB 218, relating to allegations of misconduct by former employees. Since the District is in the middle of litigation on many of the pending AB 218 lawsuits, the District cannot fully predict the extent of its liability in such cases, whether the claimants will prevail, and if so, how a final court decision or settlement agreement with respect to each such lawsuit may affect the financial status, policies or operations of the District, as the nature of the court's remedy and the responses thereto are unknown at the present time. Nonetheless, the District currently estimates its liability for the existing claims arising from AB 218 will likely exceed \$250 million. It should be noted that these cases include a significant number of claimants in the Miramonte sexual abuse litigation matters described above. While the District has set aside an amount in its liability self-insurance fund to pay existing claims arising under AB 218 as well as other, unrelated claims based on an independent third-party actuarial estimate, the District's total liability arising from existing AB 218 claims could exceed the actuarial estimate and the amount available in its liability self-insurance fund. Further, the District may finance or refinance certain judgments arising from AB 218 claims. While the District may be able to access insurance coverage for a portion of some of the AB 218 claims, the District is not currently able to determine what amount of the total liability may be covered by prior insurance policies or existing insurance policies for excess coverage. The District has identified certain gaps in insurance coverage prior to 1992 for which it is actively investigating the availability of policies that may provide coverage for AB 218 claims. Additionally, under AB 218, individuals who were over the age of 26 and under 40 on December 31, 2022, will still be able to timely file a lawsuit until they turn 40, and the District is unable to estimate the potential liability associated with this group of potential claimants.

Within the District, the treatment of child abuse and related reporting has evolved significantly over the past several decades. Prior to 1981, District employees did not have child abuse and neglect reporting obligations under California law, and there was limited, if any, training provided to District employees. Since 1981, California law mandates District employees to report suspected child abuse or neglect. The District's policies on such reporting have evolved and improved since then consistent with changes to California law. The District currently maintains (a) policies regarding child abuse and neglect reporting, sexual harassment (student-to-student, adult-to-student, and student-to-adult), social media for employees and associated persons, responsible use of technology, and ethics, (b) a code of conduct with students, and (c) protocols and procedures for reporting and investigating allegations of employee misconduct. The District also offers a variety of online and in-person training courses and resources to District employees. Currently, all District employees are subject to background checks prior to employment and are required to complete yearly child abuse training. For further reference, certain of the District's policies, protocols, training materials are made available online at the District's website. The District regularly reviews its policies, procedures and protocols with respect to these topics and updates them periodically to address evolving circumstances.

Litigation Regarding September 2022 Cyberattack. Four separate lawsuits have been filed against the District relating to the 2022 cyberattack on the District. The first three cases have been deemed related, with the matter of *M.M., et al. v. Los Angeles Unified School District*, Case No. 22STCV37822, serving as the lead case. The three lawsuits, filed on behalf of named individuals and purported classes of individuals whose personal information was allegedly posted to the dark web as a result of the cyberattack, have been deemed complex, and plaintiffs' counsel filed a consolidated complaint against the District and Defendant Infosys, Ltd. Therein, on February 13, 2024. The District filed its demurrer in response to the consolidated complaint on March 22, 2024, which is set to be heard on May 9, 2024. A separate limited jurisdiction

lawsuit related to the 2022 cyberattack filed in October 2023 has been settled and is expected to be dismissed shortly. For more information related to the cyberattack, see “DISTRICT GENERAL INFORMATION – Cybersecurity.”

Charter School Co-Location Policy Litigation. On April 2, 2024, the California Charter Schools Association (“CCSA”), on behalf of itself, member charter schools and students they serve, filed a civil action in Los Angeles County Superior Court, challenging the District Board’s September 26, 2023, adoption of the resolution titled, “Creating a Charter Schools Co-Location Policy to Mitigate Impacts Caused by Proposition 39” (“Charter School Co-Location Resolution”) and March 19, 2024 approval of the “Proposition 39 Charter Schools Co-Location Policy” (“Charter School Co-Location Policy”). In a Verified Petition for Writ of Mandate and Complaint for Declaratory Relief (“CCSA Petition”), CCSA asserts two writ causes of action and a declaratory relief cause of action. The CCSA Petition claims that, among other things, by adopting the Charter School Co-Location Policy, the District has violated its mandatory and non-discretionary duty to comply with the California Education Code. The CCSA Petition also seeks a preliminary injunction prohibiting the District from implementing the Charter School Co-Location Resolution and the Charter School Co-Location Policy until the merits of the lawsuit have been determined. The CCSA Petition also alleges that the District has failed to comply with the California Public Records Act by refusing to make records available in response to CCSA’s request seeking documents related to the District’s Proposition 39 compliance and the development/passage of the Charter School Co-Location Resolution and the Charter School Co-Location Policy. The CCSA Petition seeks, among other things, a writ of mandate that sets aside the Charter School Co-Location Resolution and the Charter School Co-Location Policy, and rescinds all Board policies, administrative regulations and internal directives or guidance documents that restrict the availability of District facilities to charter schools for any reasons not expressly authorized by state law. Additionally, the CCSA Petition seeks a writ of mandate that commands the District to comply with the California Public Records Act by promptly providing to CCSA all of the records requested in its request. Further, the CCSA Petition seeks a declaratory judgment stating that the Charter School Co-Location Resolution and the Charter School Co-Location Policy do not comply with Proposition 39 and are unnecessary, unenforceable and void. The CCSA Petition also seeks a preliminary injunction commanding the District to not enforce the Charter School Co-Location Resolution and the Charter School Co-Location Policy. Lastly, the CCSA Petition seeks recovery of CCSA’s attorneys’ fees and costs. As it has recently been filed, the District is evaluating its options for responding to the CCSA Petition.

District Debt

General Obligation Bonds. From July 1997 through March 2003, the District issued the entire amount of \$2,400,000,000 general obligation bonds authorized pursuant to Proposition BB approved by voters on April 8, 1997 (the “Proposition BB Authorization”). From May 2003 to May 2010, the District issued the entire amount of \$3,350,000,000 general obligation bonds pursuant to Measure K approved by voters on November 5, 2002 (the “Measure K Authorization”). From September 2004 through October 2021, the District issued the entire amount of \$3,870,000,000 general obligation bonds pursuant to Measure R approved by voters on March 2, 2004 (the “Measure R Authorization”). From February 2006 through October 2021, the District issued the entire amount of \$3,985,000,000 general obligation bonds pursuant to Measure Y approved by voters on November 8, 2005 (the “Measure Y Authorization”).

A \$7,000,000,000 general obligation bond authorization was approved by voters on November 4, 2008 (the “Measure Q Authorization”). The District has issued \$4,275,955,000 of aggregate principal amount of Measure Q general obligation bonds, leaving \$2,724,045,000 aggregate principal amount available under the Measure Q Authorization. A \$7,000,000,000 general obligation bond authorization was approved by the voters on November 3, 2020 (the “Measure RR Authorization”). The District has issued \$1,025,000,000 aggregate principal amount of Measure RR general obligation bonds, leaving \$5,975,000,000 aggregate principal amount available under the Measure RR Authorization.

Under the District's general obligation bond program, approximately 23,900 new school construction, rehabilitation, modernization and replacement projects, which are intended to upgrade facilities and improve the learning environment for students, have been completed. In addition, 896 projects valued at approximately \$7.5 billion are currently underway, including 607 projects valued at nearly \$2.8 billion in pre-construction, and 289 projects valued at nearly \$4.7 billion under construction.

Pursuant to Section 1(b)(3) of Article XIII A of the State Constitution, Chapters 1 and 1.5 of Part 10 of Division 1 of Title 1 of the State Education Code, as amended, and other applicable law (collectively, the "Act"), the District Board has appointed the LAUSD School Construction Bond Citizens' Oversight Committee (the "Citizens' Bond Oversight Committee"). The Citizens' Bond Oversight Committee is composed of 15 members representing numerous community groups and operates to inform the public concerning the spending of Measure K, Measure R, Measure Y, Measure Q, and Measure RR Authorization bond funds authorized by the Act. The Citizens' Bond Oversight Committee regularly reviews the potential bond projects and budgets and provides non-binding advice to the District Board on how to allocate and reallocate scarce bond proceeds in order to ensure the completion of viable projects and to avoid non-completion of projects once commenced. The Citizens' Bond Oversight Committee also informs the public concerning the spending of funds attributable to the Proposition BB Authorization, although Proposition BB was approved under statutes other than the Act. The Citizens' Bond Oversight Committee meets monthly in order to review all matters including, among other things, changes in budget, scope and schedules that relate to the District's general obligation bonds and the projects proposed to be funded therefrom. In addition, the Citizens' Bond Oversight Committee makes recommendations to the District Board regarding such matters. See "CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS – Proposition 39" herein. The District's Office of the Inspector General conducts audits on a selected number of the construction management firms on an annual basis to ensure that funds from the School Upgrade Program (SUP) and other legacy bond programs are spent in compliance with the Act and the District's policies relating thereto. The District's outside auditor, Simpson & Simpson, currently prepares the required bond audits regarding the expenditures of general obligation bond proceeds.

The members of the District's Citizens' Bond Oversight Committee and the community groups represented by such members are set forth in Table A-19 below.

TABLE A-19

LOS ANGELES UNIFIED SCHOOL DISTRICT
Citizens' Bond Oversight Committee
(As of March 1, 2024)

Member	Community Group Represented
Margaret Fuentes, Chair	LAUSD Student Parent
D. Michael Hamner, Vice-Chair	American Institute of Architects
Samantha Rowles, Secretary	LAUSD Student Parent
Robert Campbell, Executive Member	Los Angeles County Auditor-Controller's Office
Scott Pansky, Executive Member	Los Angeles Area Chamber of Commerce
Neelura Bell	California Charter School Association
Chad Boggio	Los Angeles County Federation of Labor AFL-CIO
Jeffrey Fischbach	California Tax Reform Association
Aleigh Lewis	Los Angeles City Controller's Office
Patrick MacFarlane	Early Education Alliance
Jennifer McDowell	Los Angeles City Mayor's Office
Brian Mello	Associated General Contractors of California
Clarence Monteclaro	Tenth District Parent Teacher Student Association
William O. Ross IV	Thirty-First District Parent Teacher Student Association
Santa Ramirez	Tenth District Parent Teacher Student Association (Alternate)
Connie Yee	Los Angeles County Auditor-Controller's Office (Alternate)
(Vacant)	American Association of Retired Persons

The following Table A-20, Table A-21, Table A-22, Table A-23, Table A-24 and Table A-25 set forth the outstanding series of general obligation bonds and the amount outstanding as of March 1, 2024, under the Proposition BB, Measure K, Measure R, Measure Y, Measure Q, and Measure RR Authorizations, respectively. The tables below do not reflect the issuance of the [Refunding] Bonds. For more information, see "PLAN OF FINANCE" in the forepart of this Official Statement.

TABLE A-20

LOS ANGELES UNIFIED SCHOOL DISTRICT
Proposition BB (Election of 1997) Bonds
(\$ in thousands)

Bond Issue	Aggregate Principal Amount	Outstanding Amount as of March 1, 2024	Date of Issue
2015 Refunding Bonds, Series A ⁽¹⁾	\$326,045	\$51,055	May 28, 2015
2016 Refunding Bonds, Series A ⁽¹⁾	202,420	88,535	April 5, 2016
2017 Refunding Bonds, Series A ⁽¹⁾	139,265	69,015	May 25, 2017
2021 Refunding Bonds, Series A ⁽¹⁾	<u>25,785</u>	<u>25,290</u>	April 29, 2021
TOTAL	<u>\$693,515</u>	<u>\$233,895</u>	

⁽¹⁾ Refunding bonds issued to refund general obligation bonds, which were issued pursuant to the Proposition BB Authorization are not counted against the Proposition BB Authorization of \$2.4 billion.

Source: Los Angeles Unified School District.

TABLE A-21

LOS ANGELES UNIFIED SCHOOL DISTRICT
Measure K (Election of 2002) Bonds
(\$ in thousands)

Bond Issue	Aggregate Principal Amount	Outstanding Amount as of March 1, 2024	Date of Issue
Series KRY Bonds (2009)			
(Federally Taxable Build America Bonds)	\$ 200,000	\$ 200,000	October 15, 2009
2014 Refunding Bonds, Series B ⁽¹⁾	323,170	44,175	June 26, 2014
2016 Refunding Bonds, Series B ⁽¹⁾	227,535	224,920	September 15, 2016
2017 Refunding Bonds, Series A ⁽¹⁾	941,565	629,645	May 25, 2017
2019 Refunding Bonds, Series A ⁽¹⁾	153,285	118,625	May 29, 2019
2020 Refunding Bonds, Series A ⁽¹⁾	112,350	107,445	October 6, 2020
2021 Refunding Bonds, Series B ⁽¹⁾	48,855	47,015	November 10, 2021
TOTAL	<u>\$2,006,760</u>	<u>\$1,371,825</u>	

⁽¹⁾ Refunding bonds issued to refund general obligation bonds, which were issued pursuant to the Measure K Authorization, are not counted against the Measure K Authorization of \$3.35 billion.

Source: Los Angeles Unified School District.

TABLE A-22

LOS ANGELES UNIFIED SCHOOL DISTRICT
Measure R (Election of 2004) Bonds
(\$ in thousands)

Bond Issue	Aggregate Principal Amount	Outstanding Amount as of March 1, 2024	Date of Issue
Series KRY Bonds (2009)			
(Federally Taxable Build America Bonds)	\$ 363,005	\$ 363,005	October 15, 2009
Series RY Bonds (2010)			
(Federally Taxable Build America Bonds)	477,630	477,630	March 4, 2010
2014 Refunding Bonds, Series C ⁽¹⁾	948,795	570,170	June 26, 2014
2016 Refunding Bonds, Series A ⁽¹⁾	56,475	29,265	April 5, 2016
2016 Refunding Bonds, Series B ⁽¹⁾	176,455	176,455	September 15, 2016
2019 Refunding Bonds, Series A ⁽¹⁾	349,350	263,255	May 29, 2019
Series RYQ Bonds (2020)	36,000	28,070	April 30, 2020
2020 Refunding Bonds, Series A ⁽¹⁾	113,150	102,125	October 6, 2020
Series RYRR (2021)	123,990	103,830	November 10, 2021
TOTAL	<u>\$2,644,850</u>	<u>\$2,113,805</u>	

⁽¹⁾ Refunding bonds issued to refund general obligation bonds, which were issued pursuant to the Measure R Authorization, are not counted against the Measure R Authorization of \$3.87 billion.

Source: Los Angeles Unified School District.

TABLE A-23

LOS ANGELES UNIFIED SCHOOL DISTRICT
Measure Y (Election of 2005) Bonds
(\$ in thousands)

Bond Issue	Aggregate Principal Amount	Outstanding Amount as of March 1, 2024	Date of Issue
Series KRY Bonds (2009) (Federally Taxable Build America Bonds)	\$ 806,795	\$ 806,795	October 15, 2009
Series H Bonds (2009) (Qualified School Construction Bonds)	318,800	318,800 ⁽²⁾	October 15, 2009
Series RY Bonds (2010) (Federally Taxable Build America Bonds)	772,955	772,955	March 4, 2010
Series J Bonds (2010) (Qualified School Construction Bonds)	290,195	290,195 ⁽³⁾	May 6, 2010
2014 Refunding Bonds, Series D ⁽¹⁾	153,385	65,490	June 26, 2014
2016 Refunding Bonds, Series A ⁽¹⁾	92,465	50,385	April 5, 2016
2016 Refunding Bonds, Series B ⁽¹⁾	96,865	96,865	September 15, 2016
Series M-1 Bonds (2018)	117,005	101,735	March 8, 2018
2019 Refunding Bonds, Series A ⁽¹⁾	91,970	71,220	May 29, 2019
Series RYQ Bonds (2020)	182,000	141,905	April 30, 2020
2020 Refunding Bonds, Series A ⁽¹⁾	76,500	74,215	October 6, 2020
Series RYRR (2021)	<u>70,150</u>	<u>58,745</u>	November 10, 2021
TOTAL	<u>\$3,069,085</u>	<u>\$2,849,305</u>	

⁽¹⁾ Refunding bonds issued to refund general obligation bonds, which were issued pursuant to the Measure Y Authorization, are not counted against Measure Y Authorization of \$3.985 billion.

⁽²⁾ Includes the set-aside deposits totaling \$69.760 million for fiscal years 2019-20 and 2020-21.

⁽³⁾ Includes the set-aside deposits totaling \$85.110 million for fiscal years 2018-19 through 2020-21.

Source: Los Angeles Unified School District.

TABLE A-24

LOS ANGELES UNIFIED SCHOOL DISTRICT
Measure Q (Election of 2008) Bonds
(\$ in thousands)

Bond Issue	Aggregate Principal Amount	Outstanding Amount as of March 1, 2024	Date of Issue
Series A Bonds (2016)	\$ 648,955	\$ 320,505	April 5, 2016
Series B-1 Bonds (2018)	1,085,440	949,510	March 8, 2018
Series RYQ Bonds (2020)	724,940	565,240	April 30, 2020
Series C Bonds (2020)	1,057,060	855,585	November 10, 2020
2021 Refunding Bonds, Series A ⁽¹⁾	164,095	160,360	April 29, 2021
Series QRR (2022)	100,000	95,060	November 22, 2022
Series QRR (2023)	<u>525,000</u>	<u>494,890</u>	November 7, 2023
TOTAL	<u>\$4,305,490</u>	<u>\$3,441,150</u>	

⁽¹⁾ Refunding bonds issued to refund general obligation bonds, which were issued pursuant to the Measure Q Authorization, are not counted against Measure Q Authorization of \$7.00 billion.

Source: Los Angeles Unified School District.

TABLE A-25

LOS ANGELES UNIFIED SCHOOL DISTRICT
Measure RR (Election of 2020) Bonds
(\$ in thousands)

Bond Issue	Aggregate Principal Amount	Outstanding Amount as of March 1, 2024	Date of Issue
Series RYRR (2021)	\$300,000	\$251,220	November 10, 2021
Series QRR (2022)	400,000	348,955	November 22, 2022
Series QRR (2023)	<u>325,000</u>	<u>306,640</u>	November 7, 2023
TOTAL	<u>\$1,025,000</u>	<u>\$906,815</u>	

Source: Los Angeles Unified School District.

Lease Obligations and Certificates of Participation. As of March 1, 2024, the District has outstanding lease obligations in the form of COPs in the aggregate principal amount of approximately \$471.6 million. The District estimates that the aggregate payment of principal and interest evidenced by COPs will be approximately \$658.1 million until the final maturity thereof. The District's lease obligations are not subject to acceleration in the event of a default thereof. The following Table A-26 sets forth the District's existing lease obligations paid from the District General Fund with respect to its outstanding COPs as of March 1, 2024. See "– Future Financings – *Lease Financings*" for more information.

TABLE A-26

LOS ANGELES UNIFIED SCHOOL DISTRICT
Certificates of Participation Lease Obligations Debt Service Schedule⁽¹⁾
(as of March 1, 2024)
(\$ in thousands)

Fiscal Year Ending (June 30)	Paid From General Fund ⁽²⁾⁽³⁾
2024 ⁽⁴⁾	\$12,784,131
2025	50,176,664
2026	50,166,678
2027	50,165,837
2028	50,170,829
2029	50,163,720
2030	48,411,327
2031	48,412,291
2032	38,004,125
2033	38,001,075
2034	37,992,000
2035	37,985,550
3036	36,406,750
2037	36,409,000
2038	36,410,750
2039	<u>36,408,000</u>
Total⁽³⁾	<u>\$658,068,727</u>

⁽¹⁾ The lease payments reflect the net obligations of the District due to the defeasance of certain COPs.

⁽²⁾ The District expects to pay all or a portion of the final debt service payments evidenced by certain series of COPs from funds on deposit in the related debt service reserve fund.

⁽³⁾ Total may not equal sum of component parts due to rounding.

⁽⁴⁾ Only reflects remaining debt service for fiscal year ending June 30, 2024, as of March 1, 2024. Total debt service for fiscal year ending June 30, 2024 is \$25.0 million.

Source: Los Angeles Unified School District.

Limitations Related to Receipt of Federal Subsidy Payments. On March 1, 2013, then-President Barack Obama signed an executive order (the “Sequestration Executive Order”) to reduce budgetary authority in certain accounts subject to sequester in accordance with the Budget Control Act of 2011 (the “Budget Control Act”) and the American Taxpayer Relief Act of 2012 (the “Taxpayer Relief Act”). Pursuant to the Sequestration Executive Order, budget authority for all accounts in the domestic mandatory spending category including, among others, accounts for the payments to issuers of “Direct Pay Bonds,” which includes the District’s outstanding Series KRY Bonds (2009) (Federally Taxable Build America Bonds) (the “Series KRY Bonds (2009)”) and Series RY Bonds (2010) (Federally Taxable Build America Bonds) (the “Series RY Bonds (2010)”) and Series J (Qualified School Construction Bonds) (the “Series J Bonds”), are subject to sequestration. Direct Pay Bonds are issued as taxable bonds and provide credits to the District from the federal government pursuant to Section 54AA(d) and 54AA(g) of the Code.

Pursuant to the Bipartisan Budget Act of 2013, enacted in December 2013, the District’s Direct Pay Bonds are subject to the full amount of sequestration budget cuts. The federal subsidy for the Direct Pay Bonds for the federal fiscal year ended September 30, 2023, was reduced by 5.7%, and the U.S. Treasury Department has announced a decrease in subsidy amounts by 5.7% through federal fiscal year ending 2031. During the federal fiscal year ended September 30, 2023, the sequester resulted in a reduction in the aggregate amount of approximately \$4.2 million with respect to the refundable credits for the Series KRY Bonds (2009), Series RY Bonds (2010) and Series J Bonds. See “PLAN OF REFUNDING” in the

forepart of this Official Statement for a discussion of the refunding of all or a portion of the Series KRY Bonds (2009) and the Series RY Bonds (2010).

Congress can terminate, extend or otherwise modify reductions in federal subsidy payments on Direct Pay Bonds due to sequestration at any time. Furthermore, due to recent federal legislation, it was reported that the Congressional pay-as-you-go or PAYGO budget rule and scorecard could increase the overall sequestration percentage from the current level of 5.7% (under the Budget Control Act) to 100%. The Consolidated Appropriations Act of 2023, enacted in December 2022, prevented the PAYGO sequestration provisions from being triggered in January 2023 and delaying PAYGO sequestration until January 2025, absent further legislation. Accordingly, the District cannot predict what action, if any, that Congress may take with respect to the federal subsidy and its impact on the District's Direct Pay Bonds in future federal fiscal years. However, the District's Series KRY Bonds (2009), Series RY Bonds (2010), and Series J Bonds are payable from and secured by *ad valorem* property taxes which are to be assessed in amounts sufficient to pay principal of and interest on the Series KRY Bonds (2009), Series RY Bonds (2010), and Series J Bonds when due. The County has levied and will continue to levy *ad valorem* property taxes in an amount sufficient to pay principal of and interest on the Series KRY Bonds (2009), Series RY Bonds (2010), and Series J Bonds when due regardless of the amount of federal subsidy.

Future Financings

General Obligation Bonds. The District may not issue general obligation bonds without voter approval and may not issue general obligation bonds in an amount greater than its bonding capacity. The District may not issue general obligation bonds under the Measure Q Authorization, or the Measure RR Authorization, as applicable, if the tax rate levied to meet the debt service requirements under the related Authorization for general obligation bonds is projected to exceed \$60 per year per \$100,000 of taxable property in accordance with Article XIII A of the State Constitution. See "CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS – Article XIII A of the State Constitution" and "– Proposition 39" herein.

Pursuant to the Education Code, the District's bonding capacity for general obligation bonds may not exceed 2.5% of taxable property valuation in the District as shown by the last equalized assessment roll of the County. The taxable property valuation in the District for fiscal year 2023-24 is approximately \$929.98 billion, which results in a total current bonding capacity of approximately \$23.25 billion. The District's available capacity for the issuance of new general obligation bonds is approximately \$12.53 billion (taking into account current outstanding debt before the issuance of the [Refunding] Bonds). The fiscal year 2023-24 assessed valuation of property within the District's boundaries of approximately \$929.98 billion reflects an increase of 5.96% from fiscal year 2022-23. See "SECURITY AND SOURCE OF PAYMENT FOR THE [REFUNDING] BONDS – Assessed Valuation of Property Within the District" in the forepart of this Official Statement and "CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS – Article XIII A of the State Constitution" herein.

The District has \$2,724,045,000 authorized and unissued general obligation bond authorization remaining under the Measure Q Authorization. The District has \$5,975,000,000 authorized and unissued general obligation bond authorization remaining under the Measure RR Authorization. The District may issue additional general obligation bonds or general obligation refunding bonds in the future depending upon project needs and market conditions, and may, if authorized by the District Board, issue approximately \$1 billion of additional general obligation bonds in the fall of 2024.

As provided in the text of each of the ballots of Proposition BB, Measure K, Measure R, Measure Y, Measure Q, and Measure RR the District Board does not guarantee that the respective bonds authorized and issued under the Proposition BB, Measure K, Measure R, Measure Y, Measure Q, and

Measure RR Authorizations will provide sufficient funds to allow completion of all potential projects listed in connection with said measures.

Lease Financings. The District may finance capital projects through the execution and delivery of certificates of participation or other obligations secured by general fund lease payments from time to time. In particular, the District may utilize lease financing, from time to time, to fund projects that are not eligible to be funded with general obligation bond proceeds, that are not authorized to be funded under existing general obligation bond measures, or for which there is not sufficient general obligation bond authorization to fund. Although the breadth of projects of such types is much larger, the District has identified projects of such types in the estimated amount of \$682 million that it may consider to lease finance in 2025-26 through 2027-28. See also “– District Financial Policies and Related Practices – Debt Management Policy” herein.

AB 218 Claims. See “DISTRICT FINANCIAL INFORMATION – Risk Management and Litigation – *Sexual Misconduct Cases* – Assembly Bill 218 and Related Claims,” for a discussion of the lawsuits arising from AB 218 and the possibility that the District may finance or refinance certain judgments arising from AB 218 claims.

Tax and Revenue Anticipation Notes. The District did not issue tax and revenue anticipation notes in fiscal year 2022-23 and does not expect to issue tax and revenue anticipation notes in fiscal year 2023-24. However, the District may issue tax and revenue anticipation notes in future fiscal years depending on State and federal funding.

CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS

Constitutionally Required Funding of Education

The State Constitution requires that from all State revenues there shall first be set apart the moneys to be applied by the State for the support of the public school system and public institutions of higher education. California school districts receive a significant portion of their funding from State appropriations. As a result, decreases as well as increases in State revenues can significantly affect appropriations made by the State Legislature to school districts.

Article XIII A of the State Constitution

On June 6, 1978, California voters approved Proposition 13 (“Proposition 13”), which added Article XIII A to the State Constitution (“Article XIII A”). On June 3, 1986, California voters approved Proposition 46 (“Proposition 46”) which amended Article XIII A to permit local governments and school districts to increase the *ad valorem* property tax rate above 1% if two-thirds of those voting in a local election approve the issuance of such bonds and the proceeds of such bonds are used to acquire or improve real property. See “SECURITY AND SOURCE OF PAYMENT FOR THE [REFUNDING] BONDS – California Constitutional and Statutory Provisions Relating to *Ad Valorem* Property Taxes – *Article XIII A of the California Constitution*” in the forepart of this Official Statement.

The provisions of Article XIII A were subsequently modified pursuant to Proposition 39, which was approved by California voters on November 7, 2000. See “– Proposition 39” below. Article XIII A defines full cash value to mean “the county assessor’s valuation of real property as shown on the 1975-76 tax bill under “full cash value,” or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment.” The full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or a reduction in the consumer price index or comparable local data at a rate not to exceed 2% per year or reduced in the event of declining property value caused by substantial damage, destruction or other factors including a general economic

downturn. Subsequent amendments further limit the amount of any *ad valorem* tax on real property to 1% of the full cash value except that additional taxes may be levied to pay debt service on bonded indebtedness approved by the requisite percentage of voters voting on the proposition.

Legislation Implementing Article XIII A

Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any *ad valorem* property tax (except to pay voter-approved indebtedness). The 1% *ad valorem* property tax is automatically levied by the County and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1989.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the up to 2% annual inflationary adjustment of the 1% tax base are allocated among the various jurisdictions in the “taxing area” based upon their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years. Separate *ad valorem* property taxes to pay voter approved indebtedness such as general obligation bonds are levied by the County on behalf of the local agencies. Article XIII A effectively prohibits the levying of any other *ad valorem* property tax above the Proposition 13 limit except for taxes to support such indebtedness.

The full cash value of taxable property under Article XIII A represents the maximum taxable value for property. Accordingly, the fair market value for a given property may not be the equivalent of the full cash value under Article XIII A. During periods in which the real estate market within the District evidences an upward trend, the fair market value for a given property, which has not been reappraised due to a change in ownership, may exceed the full cash value of such property. During periods in which the real estate market demonstrates a downward trend, the fair market value of a given property may be less than the full cash value of such property and the property owner may apply for a “decline in value” reassessment pursuant to Proposition 8. Reassessments pursuant to Proposition 8, if approved by the Office of the County Assessor, lower valuations of properties (where no change in ownership has occurred) if the current value of such property is lower than the full cash value of record of the property. See “SECURITY AND SOURCE OF PAYMENT FOR THE [REFUNDING] BONDS – Assessed Valuation of Property Within the District” in the forepart of this Official Statement. The value of a property reassessed as a result of a decline in value may change, but in no case may its full cash value exceed its fair market value. When and if the fair market value of a property which has received a downward reassessment pursuant to Proposition 8 increases above its Proposition 13 factored base year value, the Office of the County Assessor will enroll such property at its Proposition 13 factored base year value.

Article XIII B of the State Constitution

An initiative to amend the State Constitution entitled “Limitation of Government Appropriations” was approved on September 6, 1979 thereby adding Article XIII B to the State Constitution (“Article XIII B”). In June 1990, Article XIII B was amended by the voters through their approval of Proposition 111. Under Article XIII B, the State and each local governmental entity have an annual “appropriations limit” and are not permitted to spend certain moneys that are called “appropriations subject to limitation” (consisting of tax revenues, State subventions and certain other funds) in an amount higher than the appropriations limit. Article XIII B does not affect the appropriations of moneys that are excluded from the definition of “appropriations subject to limitation,” including debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by the voters. In general terms, the appropriations limit is to be based on certain 1978-79 expenditures and is to be adjusted annually to reflect changes in costs of living and changes in population, and adjusted where applicable for transfer of financial responsibility of providing services to or from another unit of government. Among other provisions of Article XIII B, if these entities’ revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years.

However, in the event that a school district's revenues exceed its spending limit, the district may, in any fiscal year, increase its appropriations limit to equal its spending by borrowing appropriations limit from the State, provided the State has sufficient excess appropriations limit in such year. See "STATE FUNDING OF SCHOOL DISTRICTS" herein.

The 2023-24 State Budget projects that the State will be below its appropriations limit (also referred to as the Gann Limit) for fiscal year 2023-24.

The District Board adopted the annual appropriation limit for both fiscal year 2022-23 and fiscal year 2023-24 of approximately \$3.9 billion. The limitation applies only to proceeds of taxes and therefore does not apply to service fees and charges, investment earnings on non-proceeds of taxes, fines, and revenue from the sale of property and taxes received from the State and federal governments that are tied to special programs.

Article XIIC and Article XIID of the State Constitution

On November 5, 1996, the voters of the State of California approved Proposition 218, popularly known as the "Right to Vote on Taxes Act." Proposition 218 added to the California Constitution Articles XIIC and XIID (respectively, "Article XIIC" and "Article XIID"), which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the "Title and Summary" of Proposition 218 prepared by the California Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." Among other things, Article XIIC establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds percent vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIII A of the California Constitution and special taxes approved by a two-thirds percent vote under Article XIII A, Section 4.

On November 2, 2010, Proposition 26 was approved by State voters, which amended Article XIIC to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.

Article XIID deals with assessments and property-related fees and charges. Article XIID explicitly provides that nothing in Article XIIC or XIID shall be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development; however, it is not clear whether the initiative power is therefore unavailable to repeal or reduce developer and mitigation fees imposed by the District. Proposition 218 does not affect the *ad valorem* property taxes to be levied to pay debt service on the [Refunding] Bonds.

Proposition 98

On November 8, 1988, State voters approved Proposition 98, a combined initiative, constitutional amendment and statute called the “Classroom Instructional Improvement and Accountability Act” (the “Accountability Act”). The Accountability Act changed State funding of public education below the university level, and the operation of the State’s Appropriations Limit, primarily by guaranteeing State funding for K-12 school districts and community college districts (collectively, “K-14 districts”).

Under Proposition 98 (as modified by Proposition 111, which was enacted on June 5, 1990), K-14 districts are guaranteed the greater of (i) in general, a fixed percent of the State general fund’s revenues (“Test 1”), (ii) the amount appropriated to K-14 districts in the prior year, adjusted for changes in the cost of living (measured as in Article XIIB by reference to State per capita personal income) and enrollment (“Test 2”), or (iii) a third test, which would replace Test 2 in any year when the percentage growth in per capita State general fund revenues from the prior year plus 0.05% is less than the percentage growth in State per capita personal income (“Test 3”). Under Test 3, schools would receive the amount appropriated in the prior year adjusted for changes in enrollment and per capita State general fund revenues, plus an additional small adjustment factor. If Test 3 is used in any year, the difference between Test 3 and Test 2 would become a “credit” to schools which would be the basis of payments in future years when per capita State general fund revenue growth exceeds per capita personal income growth. Legislation adopted prior to the end of fiscal year 1988-89 that implemented Proposition 98, determined the K-14 districts’ funding guarantee under Test 1 to be 40.3% of the State general fund tax revenues, based on 1986-87 appropriations. However, that percentage has been adjusted to 34.559% to account for a subsequent redirection of local property taxes whereby a greater proportion of education funding now comes from local property taxes.

Proposition 98 permits the State Legislature, by a two-thirds vote of both houses of the State Legislature and with the Governor’s concurrence, to suspend the K-14 districts’ minimum funding formula for a one-year period. In the fall of 1989, the State Legislature and the Governor utilized this provision to avoid having 40.3% of revenues generated by a special supplemental sales tax enacted for earthquake relief go to K-14 districts. In the fall of 2004, the State Legislature and the Governor agreed to suspend the K-14 districts’ minimum funding formula set forth pursuant to Proposition 98 in order to address a projected shortfall during fiscal year 2004-05. Proposition 98 also contains provisions transferring certain State tax revenues in excess of the Article XIIB limit to K-14 districts.

The 2023-24 State Budget projects the Proposition 98 guarantee to fall under Test 1 for fiscal years 2021-22, 2022-23, and 2023-24, resulting in funding estimates of \$110.6 billion in fiscal year 2021-22, \$107.4 billion in fiscal year 2022-23, and \$108.3 billion in fiscal year 2023-24. For more information on the Proposition 98 funding under the 2023-24 State Budget, see “STATE FUNDING OF SCHOOL DISTRICTS – State Budget Act –2023-24 State Budget” herein.

Proposition 39

Proposition 39, which was approved by California voters in November 2000 (“Proposition 39”), provides an alternative method for passage of school facilities bond measures by lowering the constitutional voting requirement from two-thirds to 55% of voters and allows property taxes to exceed the current 1% limit in order to repay such bonds. The lower 55% vote requirement would apply only to bond issues to be used for construction, rehabilitation, or equipping of school facilities or the acquisition of real property for

school facilities. The State Legislature enacted additional legislation which placed certain limitations on this lowered threshold, requiring that (i) two-thirds of the governing board of a school district approve placing a bond issue on the ballot, (ii) the bond proposal be included on the ballot of a Statewide or primary election, a regularly scheduled local election, or a Statewide special election (rather than a school district election held at any time during the year), (iii) the tax rate levied as a result of any single election not exceed \$25 for a community college district, \$60 for a unified school district, or \$30 for an elementary school or high school district per \$100,000 of taxable property value, and (iv) the governing board of the school district appoint a citizen's oversight committee to inform the public concerning the spending of the bond proceeds. In addition, the school board of the applicable district is required to perform an annual, independent financial and performance audit until all bond funds have been spent to ensure that the funds have been used only for the projects listed in the measure. The District's Measure K, Measure R, Measure Y, Measure Q, and Measure RR bond programs were authorized pursuant to Proposition 39. See "DISTRICT FINANCIAL INFORMATION – District Debt – *General Obligation Bonds*" herein. The District is in full compliance with all Proposition 39 requirements.

Proposition 1A

Proposition 1A, which was approved by California voters in November 2004 ("Proposition 1A"), provides that the State may not reduce any local sales tax rate, limit existing local government authority to levy a sales tax rate or change the allocation of local sales tax revenues, subject to certain exceptions. Proposition 1A generally prohibits the State from shifting to schools or community colleges any share of property tax revenues allocated to local governments for any fiscal year, as set forth under the laws in effect as of November 3, 2004. Any change in the allocation of property tax revenues among local governments within a county must be approved by two-thirds of both houses of the Legislature. Proposition 1A provided, however, that beginning in fiscal year 2008-09, the State could shift to schools and community colleges up to 8% of local government property tax revenues, which amount must be repaid, with interest, within three years, if the Governor proclaims that the shift is needed due to a severe state financial hardship, the shift is approved by two-thirds of both houses of the State Legislature and certain other conditions are met. The State may also approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also provides that if the State reduces the vehicle license fee rate below 0.65% of vehicle value, the State must provide local governments with equal replacement revenues. Further, Proposition 1A requires the State, beginning July 1, 2005, to suspend State mandates affecting cities, counties and special districts, excepting mandates relating to employee rights, schools or community colleges, in any year that the State does not fully reimburse local governments for their costs to comply with such mandates. The State's ability to initiate future exchanges and shifts of funds will be limited by Proposition 22. See "– Proposition 22" below.

Proposition 22

Proposition 22, which was approved by California voters in November 2010, prohibits the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services and prohibits fuel tax revenues from being loaned for cash-flow or budget balancing purposes to the State general fund or any other State fund. Due to the prohibition with respect to State's ability to take, reallocate, and borrow money raised by local governments for local purposes, Proposition 22 supersedes certain provisions of Proposition 1A of 2004. See "– Proposition 1A" herein. In addition, Proposition 22 generally eliminated the State's authority to temporarily shift property taxes from cities, counties, and special districts to schools, temporarily increased school and community college district's share of property tax revenues, prohibited the State from borrowing or redirecting redevelopment property tax revenues or requiring increased pass-through payments thereof, and prohibited the State from reallocating vehicle license fee revenues to pay for State-imposed mandates. In addition, Proposition 22 requires a two-thirds vote of each house of the State Legislature and a public hearing process to be conducted in order to change the amount of fuel excise tax revenues shared with cities and counties. The LAO stated that Proposition 22 would prohibit the State from

enacting new laws that require redevelopment agencies to shift funds to schools or other agencies. However, the California Supreme Court, in *California Redevelopment Association v. Matosantos*, held that the dissolution provisions set forth in Assembly Bill No. 26 of the First Extraordinary Session (2011) were constitutional and permitted the State to allocate revenues that would have been directed to the redevelopment agencies to make pass-through payments (*i.e.*, payments that such entities would have received under prior law) to local agencies and to successor agencies for retirement of the debts and certain administrative costs of the redevelopment agencies.

Proposition 22 prohibits the State from borrowing sales taxes or excise taxes on motor vehicle fuels or changing the allocations of those taxes among local government except pursuant to specified procedures involving public notices and hearings. In addition, Proposition 22 requires that the State apply the formula setting forth the allocation of State fuel tax revenues to local agencies revert to the formula in effect on June 30, 2009. The LAO stated that Proposition 22 would require the State to adopt alternative actions to address its fiscal and policy objectives, particularly with respect to short-term cash flow needs. The District does not believe that the adoption of Proposition 22 will have a significant impact on their respective revenues and expenditures.

Proposition 30

Proposition 30, which was approved by voters in the State in November 2012 (“Proposition 30”) authorized the State to temporarily increase the maximum marginal personal income tax rates for individuals, heads of households and joint filers above 9.3% by creating three additional tax brackets of 10.3%, 11.3% and 12.3%. The tax increases set forth in Proposition 30 were in effect from tax year 2012 to tax year 2018. In addition, Proposition 30 temporarily increased the State’s sales and use tax rate by 0.25% from 2013 to 2016.

Pursuant to Proposition 30, the State included revenues from the temporary tax increases in the general fund calculation of the Proposition 98 minimum guarantee for education spending. The State deposited a portion of the new general fund revenues into an Education Protection Account established to support funding for schools and community colleges. The remainder of the new general fund revenues was available to help the State balance its budget through fiscal year 2017-18. However, the allocation of such revenues to particular programs was subject to the discretion of the Governor and the State Legislature.

In addition, Proposition 30 amended the State Constitution to address certain provisions relating to the realignment of State program responsibilities to local governments. Proposition 30 required the State to continue to provide tax revenues that were redirected in calendar year 2011 (or equivalent funds) to local governments to pay for transferred program responsibilities. Further, Proposition 30 permanently excluded sales tax revenues that are redirected to local governments from the calculation of the Proposition 98 minimum guarantee for schools and community colleges.

The Proposition 30 sales and use tax increases expired at the end of the 2016 tax year. Under Proposition 30, the personal income tax increases were set to expire at the end of the 2018 tax year. However, the voters approved on November 8, 2016 the California Tax Extension to Fund Education and Healthcare Initiative (“Proposition 55”), which extended by twelve years the temporary personal income tax increases on incomes over \$250,000 that was first enacted by Proposition 30. Revenues from the tax increase will be allocated to school districts and community colleges in the State.

Proposition 2

General. Proposition 2, which included certain constitutional amendments to the State Rainy Day Fund and, upon its approval, triggered the implementation of certain provisions which could limit the amount of reserves that may be maintained by a school district, was approved by the voters in the November 2014 election.

State Rainy Day Fund. The Proposition 2 constitutional amendments related to the State Rainy Day Fund (i) require deposits into the State Rainy Day Fund whenever capital gains revenues rise to more than 8% of general fund tax revenues; (ii) set the maximum size of the State Rainy Day Fund at 10% of general fund revenues; (iii) for the next 15 years, require half of each year's deposit to be used for supplemental payments to pay down the budgetary debts or other long-term liabilities and, thereafter, require at least half of each year's deposit to be saved and the remainder used for supplemental debt payments or savings; (iv) allow the withdrawal of funds only for a disaster or if spending remains at or below the highest level of spending from the past three years; (v) require the State to provide a multiyear budget forecast; and (vi) create a Proposition 98 reserve (defined herein as the "Proposition 98 Rainy Day Fund") to set aside funds in good years to minimize future cuts and smooth school spending. The State may deposit amounts into such account only after it has paid all amounts owing to school districts relating to the Proposition 98 maintenance factor for fiscal years prior to fiscal year 2014-15. The State, in addition, may not transfer funds to the Proposition 98 Rainy Day Fund unless the State is in a Test 1 year under Proposition 98 or in any year in which a maintenance factor is created. For more information on limitations on school district reserves and the District's commitment of funds in fiscal years 2022-23 and 2023-24, see "STATE FUNDING OF SCHOOL DISTRICTS – Limitations on School District Reserves."

SB 858. Senate Bill 858 ("SB 858") became effective upon the passage of Proposition 2. SB 858 includes provisions which could limit the amount of reserves that may be maintained by a school district in certain circumstances. Under SB 858, in any fiscal year immediately following a fiscal year in which the State has made a transfer into the Proposition 98 Rainy Day Fund, any adopted or revised budget by a school district would need to contain a combined unassigned and assigned ending fund balance that (a) for school districts with an ADA of less than 400,000, is not more than two times the amount of the reserve for economic uncertainties mandated by the Education Code, or (b) for school districts with an ADA that is more than 400,000, is not more than three times the amount of the reserve for economic uncertainties mandated by the Education Code. In certain cases, the county superintendent of schools may grant a school district a waiver from this limitation on reserves for up to two consecutive years within a three-year period if there are certain extraordinary fiscal circumstances.

SB 751. Senate Bill 751 ("SB 751"), enacted on October 11, 2017, alters the reserve requirements imposed by SB 858. Under SB 751, in a fiscal year immediately after a fiscal year in which the amount of moneys in the Proposition 98 Rainy Day Fund is equal to or exceeds 3% of the combined total general fund revenues appropriated for school districts and allocated local proceeds of taxes for that fiscal year, a school district budget that is adopted or revised cannot have an assigned or unassigned ending fund balance that exceeds 10% of those funds. SB 751 excludes from the requirements of those provisions basic aid school districts (also known as community funded districts) and small school districts having fewer than 2,501 units of average daily attendance.

The District, which has an ADA between 30,001 and 400,000 students, is required to maintain a reserve for economic uncertainty in an amount equal to 2.00% of its general fund expenditures and other financing uses. The District's assigned and unassigned ending General Fund balance for fiscal year 2023-24 does not exceed 10% of the total General Fund expenditures and other financing uses. Thus, the District complies with the limitations on reserves. For more information on limitations on school district reserves and the District's commitment of funds in fiscal year 2023-24, see "STATE FUNDING OF SCHOOL DISTRICTS – Limitations on School District Reserves."

The [Refunding] Bonds are payable from *ad valorem* taxes to be levied within the District pursuant to the California Constitution and other State law. Accordingly, the District does not expect SB 858 or SB 751 to adversely affect its ability to pay the principal of and interest on the [Refunding] Bonds as and when due.

State School Facilities Bonds

General. The District applies for apportionments from State bond initiatives and historically has received funding from such State bond initiatives. No assurances can be given that the District will continue to apply for apportionments from current or future State bond initiatives or that the District will continue to receive funding from State bond initiatives for which it applies.

Proposition 47. The Class Size Reduction Kindergarten – University Public Education Facilities Bond Act of 2002 appeared on the November 5, 2002 ballot as Proposition 47 (“Proposition 47”) and was approved by State voters. Proposition 47 authorized the sale and issuance of \$13.05 billion in general obligation bonds by the State to fund construction and renovation of K-12 school facilities (\$11.4 billion) and higher education facilities (\$1.65 billion). Proposition 47 includes \$6.35 billion for acquisition of land and new construction of K-12 school facilities. Of this amount, \$2.9 billion is set aside to fund backlog projects for which school districts submitted applications to the State on or prior to February 1, 2002. The balance of \$3.45 billion would be used to fund projects for which school districts submitted applications to the State after February 1, 2002. To be eligible for bond proceeds under Proposition 47, K-12 school districts are required to pay 50% of the costs for land acquisition and new construction with local revenues. In addition, Proposition 47 provided that up to \$100 million of the \$3.45 billion would be allocated for charter school facilities. Proposition 47 provides up to \$3.3 billion for reconstruction or modernization of existing K-12 school facilities. Of this amount, \$1.9 billion will be set aside to fund backlog projects for which school districts submitted applications to the State on or prior to February 1, 2002 and the balance of \$1.4 billion would be used to fund projects for which school districts submitted applications to the State after February 1, 2002. K-12 school districts will be required to pay 40% of the costs for reconstruction or modernization with local revenues. Proposition 47 provides a total of \$1.7 billion to K-12 school districts which are considered critically overcrowded, specifically to schools that have a large number of pupils relative to the size of the school site. In addition, \$50 million will be available to fund joint-use projects. Proposition 47 also includes \$1.65 billion to construct new buildings and related infrastructure, alter existing buildings and purchase equipment for use in the State’s public higher education systems. As of March 1, 2024, the District has received approximately \$949.88 million in funds attributable to Proposition 47.

Proposition 55 (2004). The Kindergarten-University Public Education Facilities Bond Act of 2004 appeared on the March 2, 2004 ballot as Proposition 55 (“Proposition 55 (2004)”) and was approved by State voters. Proposition 55 (2004) authorizes the sale and issuance of \$12.3 billion in general obligation bonds by the State to fund construction and renovation of public K-12 school facilities (\$10 billion) and public higher education facilities (\$2.3 billion). Proposition 55 (2004) includes \$5.26 billion for the acquisition of land and construction of new school buildings. Under Proposition 55 (2004), a school district is required to provide a 50% matching share for new construction or a 60% matching share for modernization projects with local resources unless it qualifies for state hardship funding. Proposition 55 (2004) also allocates up to \$300 million of new construction funds for charter school facilities.

Proposition 55 (2004) makes \$2.25 billion available for the reconstruction or modernization of existing public school facilities. School districts would be required to pay 40% of project costs from local resources. Proposition 55 (2004) directs a total of \$2.44 billion to school districts with schools which are considered critically overcrowded. These funds would go to schools that have a large number of pupils relative to the size of the school site. Proposition 55 (2004) also makes a total of \$50 million available to fund joint-use projects. Proposition 55 (2004) includes \$2.3 billion to construct new buildings and related infrastructure, alter existing buildings and purchase equipment for use in these buildings for the State’s public higher education systems. The measure allocates \$690 million to the University of California and California State University and \$920 million to community colleges in the State. The Governor and the State Legislature select specific projects to be funded by the bond proceeds. As of March 1, 2024, the District has received approximately \$2.31 billion in funds attributable to Proposition 55 (2004).

Proposition 1D. The Kindergarten-University Public Education Facilities Bond Act of 2006 was approved by State voters at the November 7, 2006 ballot as Proposition 1D (“Proposition 1D”). Proposition 1D authorizes the sale and issuance of \$10.4 billion in general obligation bonds by the State to fund construction and renovation of public K-12 school facilities (\$7.3 billion) and public higher education facilities (\$3.1 billion). Proceeds of bonds issued by the State under Proposition 1D are required to be deposited in the 2006 State School Facilities Fund established in the State Treasury under the Greene Act and allocated by the State Allocation Board. Proposition 1D includes \$1.9 billion for land acquisition and construction of new school buildings. Under Proposition 1D, a school district is required to pay for 50% of costs with local resources unless it qualifies for state hardship funding. Proposition 1D also allocates \$500 million for charter school facilities.

Proposition 1D makes \$3.3 billion available for the reconstruction or modernization of existing public school facilities. Districts would be required to pay 40% of project costs from local resources. Proposition 1D directs a total of \$1.0 billion to school districts with schools that are considered critically overcrowded. These funds would go to schools that have a large number of pupils relative to the size of the school site. Proposition 1D also makes a total of \$29 million available to fund joint-use projects. Proposition 1D includes \$3.1 billion to construct new buildings and related infrastructure, alter existing buildings and purchase equipment for use in these buildings for the State’s public higher education systems. Pursuant to Proposition 1D, the Governor and the State Legislature select specific projects to be funded by the bond proceeds. As of March 1, 2024, the District has received approximately \$819.50 million in funds attributable to Proposition 1D.

Proposition 51. The Kindergarten Through Community College Public Education Facilities Bond Act of 2016 was approved by State voters at the November 8, 2016 ballot as Proposition 51 (“Proposition 51”). Proposition 51 authorizes the sale and issuance of \$9 billion in general obligation bonds by the State to fund new construction of school facilities (\$3 billion), school facilities for charter schools (\$500 million), modernization of school facilities (\$3 billion), facilities for career technical education programs (\$500 million), and acquisition, construction, renovation, and equipping of community college facilities (\$2 billion). Proceeds of bonds issued by the State for K-12 under Proposition 51 are required to be deposited in the 2016 State School Facilities Fund established in the State Treasury under the Greene Act and allocated by the State Allocation Board. As of March 1, 2024, the District has received approximately 397.31 million in funds attributable to Proposition 51.

Future Initiatives

The foregoing described amendments to the State Constitution and propositions were each adopted as measures that qualified for the ballot pursuant to the State’s initiative process. From time to time, other initiative measures could be adopted that further affect District revenues or the District’s ability to expend revenues.

REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION

The District is located in the City of Los Angeles and portions of the County of Los Angeles. The following economic and demographic information pertains to the City of Los Angeles (the “City”) and the County of Los Angeles (the “County”). The historical data and results presented in the tables that follow may differ materially from future results as a result of economic or other factors.

The [Refunding] Bonds are general obligations of the District secured by and payable from *ad valorem* property taxes levied within the District. The [Refunding] Bonds are not general obligations of the City or the County.

Population

The following Table A-27 sets forth the estimates of the population of the City, the County and the State in calendar years 2019 through 2023.

TABLE A-27
POPULATION ESTIMATES
2019 through 2023

Year (as of January 1)	<u>City of Los Angeles</u>	<u>County of Los Angeles</u>	<u>State of California</u>
2019	3,986,031	10,163,139	39,605,361
2020	3,975,234	10,135,614	39,648,938
2021	3,853,323	9,931,338	39,303,157
2022	3,819,538	9,861,224	39,185,605
2023	3,766,109	9,761,210	38,940,231

Source: Department of Finance Demographic Research Unit.

Income

The following Table A-28 sets forth the median household income for the City, the County, the State and the United States for calendar years 2018 through 2022.

TABLE A-28
MEDIAN HOUSEHOLD INCOME⁽¹⁾
2018 through 2022

<u>Year</u>	<u>City of Los Angeles</u>	<u>County of Los Angeles</u>	<u>State of California</u>	<u>United States</u>
2018	\$62,474	\$68,093	\$75,277	\$61,937
2019	67,418	72,797	80,440	65,712
2020	65,290	71,358	78,672	64,994
2021	70,372	77,456	84,907	69,717
2022	76,135	82,516	91,551	74,755

⁽¹⁾ Estimated. In inflation-adjusted dollars.

Source: U.S. Census Bureau – Economic Characteristics – American Community Survey.

The following Table A-29 sets forth the distribution of income by certain income groupings per household for the City, the County, the State and the United States for calendar year 2022.

TABLE A-29
INCOME GROUPINGS 2022⁽¹⁾
(Percent of Households)

<u>Income Per Household</u>	<u>City of Los Angeles</u>	<u>County of Los Angeles</u>	<u>State of California</u>	<u>United States</u>
\$24,999 & Under	18.3%	15.9%	14.4%	16.0%
\$25,000-49,999	16.7	15.6	13.9	18.0
\$50,000 & Over	65.0	68.6	71.7	66.0

⁽¹⁾ Estimated. In inflation-adjusted dollars. Data may not add up due to rounding.

Source: U.S. Census Bureau – Economic Characteristics – American Community Survey.

Employment

The District is within the Los Angeles-Long Beach Primary Metropolitan Statistical Area Labor Market (Los Angeles County). The following Table A-30 sets forth wage and salary employment in the County from calendar years 2019 through 2023.

TABLE A-30
LABOR FORCE AND EMPLOYMENT IN THE COUNTY OF LOS ANGELES⁽¹⁾
2019 through 2023

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Civilian Labor Force	5,153,100	4,968,900	4,994,100	4,984,800	5,015,600
Employment	4,926,100	4,355,900	4,548,900	4,739,900	4,763,600
Unemployment	227,000	613,000	445,200	244,900	252,000
Unemployment Rate	4.4%	12.3%	8.9%	4.9%	5.0%
Wage and Salary Employment					
Farm	4,400	4,400	4,600	4,900	4,700
Mining and Logging	1,900	1,700	1,600	1,600	1,700
Construction	149,800	146,500	149,800	150,900	151,000
Manufacturing	340,700	315,100	311,700	321,800	319,200
Trade, Transportation and Utilities	851,000	788,000	817,600	837,400	826,400
Information	215,300	191,000	213,200	235,000	193,000
Financial Activities	223,600	212,600	210,800	215,900	211,000
Professional and Business					652,500
Services	647,000	599,800	629,500	668,900	
Educational and Health Services	839,900	820,300	839,600	873,600	914,500
Leisure and Hospitality	547,200	393,500	429,300	511,300	534,100
Other Services	158,400	128,700	134,100	153,500	157,800
Government	586,900	570,200	558,200	568,500	582,300
Total ⁽¹⁾	<u>4,566,100</u>	<u>4,171,700</u>	<u>4,300,000</u>	<u>4,543,400</u>	<u>4,548,200</u>

⁽¹⁾ Totals may not equal sum of component parts due to rounding.

Source: California Employment Development Department, Labor Market Information Division.

The following Table A-31 sets forth taxable sales in the County for the calendar years 2019 through 2023.

TABLE A-31
COUNTY OF LOS ANGELES
TAXABLE TRANSACTIONS⁽¹⁾
2019 through 2023
(\$ in thousands)

Type of Business	2019	2020	2021	2022	2023
Motor Vehicle and Parts Dealers	\$ 18,954,470	\$ 18,534,326	\$ 23,555,049	\$ 25,236,081	\$23,403,883
Home Furnishings and Appliance Stores	7,308,501	6,608,482	8,177,309	7,682,325	6,946,670
Building Materials and Garden Equipment and Supplies Dealers	8,698,495	9,556,946	10,450,185	10,997,781	10,640,811
Food and Beverage Stores	7,255,360	7,650,294	7,861,401	8,137,012	8,224,646
Gasoline Stations	12,491,790	8,132,307	12,405,237	16,114,153	14,239,588
Clothing and Clothing Accessories Stores	12,536,982	9,498,705	13,957,944	14,388,631	13,904,314
General Merchandise Stores	12,910,844	12,263,784	14,541,309	15,072,717	14,514,788
Food Services and Drinking Places	25,097,944	17,006,158	23,577,050	27,861,821	29,314,178
Other Retail Group	<u>17,190,290</u>	<u>24,164,972</u>	<u>24,407,441</u>	<u>24,618,548</u>	<u>24,281,294</u>
Total Retail and Food Services	<u>\$122,444,678</u>	<u>\$113,415,974</u>	<u>\$138,932,925</u>	<u>\$150,109,069</u>	<u>\$145,470,173</u>
All Other Outlets	<u>\$ 49,868,925</u>	<u>\$ 44,322,010</u>	<u>\$53,340,253</u>	<u>\$62,671,752</u>	<u>\$61,880,723</u>
TOTAL ALL OUTLETS	<u>\$172,313,603</u>	<u>\$157,737,984</u>	<u>\$192,273,178</u>	<u>\$212,780,821</u>	<u>\$207,350,896</u>

⁽¹⁾ Totals may not equal sum of component parts due to rounding.

Source: California Department of Tax and Fee Administration, Taxable Sales in California.

Leading County Employers

The economic base of the County is diverse with no one sector being dominant. Some of the leading activities include government (including education), business/professional management services (including engineering), health services (including training and research), tourism, distribution, and entertainment. The following Table A-32 sets forth the major employers in the County as of August 2023.

TABLE A-32

**COUNTY OF LOS ANGELES
MAJOR EMPLOYERS⁽¹⁾
2023**

<u>Employer</u>	<u>Product/Service</u>	<u>Employees</u>
Los Angeles County	Government	100,729
Los Angeles Unified School District	Education	74,000
University of California, Los Angeles	Education	51,597
U.S. Government – Federal Executive Board	Government	50,000
Kaiser Permanente Southern California	Nonprofit health plan	44,769
City of Los Angeles	Government	34,421
State of California	Government	32,300
University of Southern California	Private university	23,227
Northrop Grumman Corp.	Systems and products in aerospace, electronics and information systems	18,000
Cedars-Sinai	Health system	16,730
Allied Universal	Provider of security services and technology solutions	15,326
Target Corp.	Retailer	15,000
Providence	Health care	14,395
Ralphs/Food 4 Less (Kroger Co. division)	Grocery retailer	14,000
Walt Disney Co.	Media and entertainment	12,200
Boeing Co.	Aerospace and defense, commercial jetliners, space and security systems	12,005
Long Beach Unified School District	Education	12,000
Los Angeles County Metropolitan Transportation Authority	Transportation	11,700
UPS	Logistics, transportation and freight	11,643
Los Angeles Community College District	Education	11,618
Home Depot	Home improvement retailer	11,200
Los Angeles Department of Water & Power	Energy	11,000
NBCUniversal	Media and entertainment	11,000
Amazon	Online retailer	10,500
AT&T Inc.	Telecommunications, DirecTV, cable, satellite and television provider	10,500
Albertsons Cos.	Retail grocer	10,406
California Institute of Technology	Private university, operator of Jet Propulsion Laboratory	9,224
California State University, Long Beach	Education	8,477
Edison International	Electric utility, energy services	7,672
City of Hope	Treatment and research center for cancer, diabetes and other life-threatening diseases	7,535
ABM Industries Inc.	Facility services, energy solutions, commercial cleaning, maintenance and repair	7,400
FedEx Corp.	Shipping and logistics	6,750
Children's Hospital Los Angeles	Nonprofit freestanding children's hospital	6,644
Dignity Health	Health care	6,263
Costco Wholesale	Membership chain of warehouse stores	6,002
Space Exploration Technologies Corp.	Rockets and spacecraft	6,000
City of Long Beach	Government	5,395
Mt. San Antonio Community College District	Education	4,400
California State University, Northridge	Education	4,282
Glendale Unified School District	Education	4,000
Los Angeles World Airports	Airport authority owner and operator	3,662
Cal Poly Pomona	Education	3,094

⁽¹⁾ This information was provided by representatives of the employers themselves and annual budget reports. Government agencies and companies are ranked by the current number of full-time employees in the County. Several organizations and companies may have qualified for this list, but failed to submit information or do not break out local employment data.

Source: "Largest Public-Sector Employers" and "Largest Private Sector Employers," Los Angeles Business Journal, August 28-September 3, 2023.

Construction

The following Table A-33 sets forth the valuation of permits for new residential buildings and the number of new single-family and multi-family dwelling units in the City for the years 2019 through 2023.

TABLE A-33
CITY OF LOS ANGELES
PERMIT VALUATIONS AND UNITS OF CONSTRUCTION⁽¹⁾
2019 through 2023
(\$ in thousands)

Year	New Residential Valuation	New Single Family Dwelling Units	New Multi-Family Dwelling Units	Total New Units
2019	\$3,726,652	2,623	11,291	13,914
2020	3,235,640	1,887	10,448	12,335
2021	3,013,650	2,469	11,667	14,136
2022	3,783,606	3,042	13,049	16,091
2023 ⁽²⁾	1,518,970	737	4,252	4,989

⁽¹⁾ Total may not equal sum of component parts due to rounding.

⁽²⁾ Values include data through July 31, 2023.

Source: California Homebuilding Foundation | Construction Industry Research Board.

The following Table A-34 sets forth the lending activity, home prices and sales, recorded notices of default, unsold new housing and vacancy rates of properties within the County from 2018 through 2022.

TABLE A-34
COUNTY OF LOS ANGELES
REAL ESTATE AND CONSTRUCTION INDICATORS
2018 through 2022

Indicator	2018	2019	2020	2021	2022⁽³⁾
Construction Lending ⁽¹⁾	\$20,419	\$14,193	\$9,247	\$11,038	\$5,583
Residential Purchase Lending ⁽¹⁾	\$48,203	\$56,480	\$72,996	\$96,872	\$38,879
New & Existing Median Home Prices	\$598,387	\$614,080	\$674,964	\$777,767	\$844,008 ⁽²⁾
New & Existing Home Sales	75,086	73,548	71,479	90,259	38,471
Notices of Default Recorded	9,726	9,821	4,858	3,566	3,434
Office Market Vacancy Rates ⁽²⁾	14.4%	13.9%	14.9%	18.5%	19.5%
Industrial Market Vacancy Rates ⁽²⁾	1.4%	1.2%	1.8%	1.2%	0.9%

⁽¹⁾ Dollars in millions.

⁽²⁾ Average of quarterly data.

⁽³⁾ Values reflect second quarter of 2022.

Source: Real Estate Research Council of Southern California – Second Quarter 2022 (2018-2022).

The following Table A-35 sets forth information with respect to building permits and building valuations in the County from 2019 through 2023.

TABLE A-35

**COUNTY OF LOS ANGELES
BUILDING PERMITS AND VALUATIONS⁽¹⁾
2019 through 2023**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Residential Building Permits (Units)					
New Residential Permits					
Single Family	5,738	6,198	7,327	8,301	2,462
Multi-Family	<u>15,884</u>	<u>14,056</u>	<u>16,718</u>	<u>18,912</u>	<u>7,769</u>
Total Residential Building Permits	<u>21,622</u>	<u>20,254</u>	<u>24,045</u>	<u>27,213</u>	<u>10,231</u>
Building Valuations (\$ in millions)					
Residential Building Valuations					
Single Family	\$1,967	\$1,874	\$2,086	\$2,180	\$1,056
Multi-Family	2,961	2,790	3,027	3,524	1,369
Alterations and Additions	<u>1,626</u>	<u>1,014</u>	<u>908</u>	<u>1,423</u>	<u>1,060</u>
Residential Building Valuations	<u>\$6,554</u>	<u>\$5,678</u>	<u>\$6,021</u>	<u>\$7,127</u>	<u>\$3,485</u>
Subtotal					
Non-Residential Building Valuations					
New Industrial Buildings	\$ 64	\$ 32	\$ 28	\$ 25	\$ 129
Office Buildings	475	242	162	69	75
Store & Other Mercantile	1,338	897	170	879	348
Hotels and Motels	203	232	53	40	68
Alterations and Additions	3,404	1,241	946	2,417	1,352
Amusement and Recreation	32	2	38	3	15
Parking Garages	231	103	0	80	445
Service Stations and Repair Garages	1	72	1	6	1
Other	<u>840</u>	<u>691</u>	<u>466</u>	<u>661</u>	<u>497</u>
Non-Residential Building Valuations	<u>\$6,590</u>	<u>\$3,513</u>	<u>\$1,863</u>	<u>\$4,184</u>	<u>\$2,929</u>
Subtotal					
Total Building Valuations	<u>\$13,144</u>	<u>\$9,191</u>	<u>\$7,884</u>	<u>\$11,311</u>	<u>\$6,414</u>

⁽¹⁾ Totals may not equal sum of component parts due to rounding.

Sources: California Homebuilding Foundation | Construction Industry Research Board.

GLOSSARY OF CERTAIN TERMS AND ABBREVIATIONS

The following are definitions and abbreviations of certain terms used in this Appendix A.

“AALA” means the Associated Administrators of Los Angeles, which represents the middle managers in the District.

“ADA” means average daily attendance, a measure of pupil attendance used as the basis for providing revenue to school districts and as a measure of unit costs. ADA includes only in-seat attendance.

“CAFR” means comprehensive annual financial report.

“CalPERS” means the California Public Employees’ Retirement System, a defined benefit plan which covers classified personnel who work four or more hours per day.

“CalSTRS” means the California State Teachers’ Retirement System, a defined benefit plan which covers all full-time certificated and some classified District employees.

“CARES Act” means Coronavirus Aid, Relief and Economic Security Act.

“CDE” means the California Department of Education.

“COLA” means cost-of-living adjustments, which is used in determining the District’s funding from the State.

“Common Core” means Common Core State Standards.

“COPS” means certificates of participation.

“COVID-19” means Coronavirus Disease 2019.

“CSEA” means California School Employees Association.

“EL” means English learners, a classification for students.

“FRPM” means free or reduced-price meal.

“GASB” means the Governmental Accounting Standards Board, an operating entity of the Financial Accounting Foundation establish to set standards of financial accounting and reporting for state and local governmental entities.

“ISMP” means the Information Security Management Program.

“LACOE” means the Los Angeles County Office of Education.

“LAO” means the Legislative Analyst’s Office of the State of California.

“LASPA” means the Los Angeles Sheriff’s Professional Association.

“LASPMA” means the Los Angeles School Police Management Association.

“LCAP” means the Local Control and Accountability Plan.

“LCFF” means the Local Control Funding Formula.

“LEA” means local education agency as defined under the NCLB Act.

“LI” means students classified as foster youth.

“OCIP” means owner controlled insurance program.

“OPEB” means Other Post-Employment Benefits.

“PARS” means the Public Agency Retirement System, a defined contribution plan which covers the District’s part-time, seasonal, temporary and other employees not otherwise covered by CalPERS or CalSTRS, but whose salaries would otherwise be subject to Social Security tax.

“PEPIP” means the Public Entity Property Insurance Program, an insurance pool comprised of certain cities, counties and school districts.

“PEPRA” means the California Public Employees’ Pension Reform Act of 2013.

“PERB” means the Public Employee Relations Board.

“PLL” means pollution legal liability.

“SEIU” means Service Employees International Union.

“SUP” means School Upgrade Program.

“UAAL” means unfunded actuarial accrued liability.

“UTLA” means the United Teachers Los Angeles, which is the collective bargaining unit representing teachers and support service personnel of the District.

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TAB 8



Board of Education Report

File #: Rep-325-23/24, Version: 1

Resolution of the Board of Education of the Los Angeles Unified School District approving and authorizing the issuance of Judgment Obligation Notes and Bonds, the execution and delivery of Revolving Credit Agreement(s), an Indenture and Related Documents, an Official Statement, a Validation Proceeding, and Related Actions, all for the purpose of refunding Obligations incurred by application of Assembly Bill Number 218 and similar claims for tort liability.

June 18, 2024

Office of the Chief Business Officer

Action Proposed:

Approve the attached resolution (Attachment A) relating to the issuance of Judgment Obligation Notes and Judgment Obligation Bonds (the “Judgment Refunding Resolution”) for the purpose of refunding all or a portion of significant involuntary tort liability obligations arising as a result of pending and anticipated litigation brought by application of California Assembly Bill Number 218 (“AB 218”) and similar childhood sexual assault, abuse and/or molestation claims for tort liability, and authorize the designated officers as described in the attached resolution, to execute all instruments necessary, as legally permissible, to establish and carryout the Judgment Refunding Program.

Background:

This Board Report seeks Board approval of the Judgment Refunding Resolution, which is a resolution that authorizes both interim and long-term refundings of anticipated significant involuntary tort liability obligations arising as a result of litigation brought by application of AB 218 and similar claims for tort liability (the “Judgment Refunding Program”).

AB 218, which became effective January 1, 2020, extended the statute of limitations for commencing an action for recovery of damages suffered as a result of childhood sexual assault to 22 years after the plaintiff reaches the age of majority (i.e., until age 40) or within five years of the date the plaintiff discovers or reasonably should have discovered that the psychological injury or illness occurring after the age of majority was caused by sexual assault, whichever is later. AB 218 also revived a three-year window to file certain claims that were previously barred and excluded certain claims from the procedures set forth in the Government Claims Act. The District is defending a significant number of lawsuits arising from AB 218 and similar childhood sexual assault, abuse and/or molestation claims for tort liability.

Given the potential liability amounts likely to result from these claims, payment of such obligations in full upon conclusion of the related litigation would result in significant impacts to the District’s budgetary resources in fiscal year 2024-25 and future fiscal years, which impacts can be mitigated and managed by refunding such obligations and amortizing the liability over time under the Judgment Refunding Program.

Expected Outcomes:

Approval of the Judgment Refunding Resolution will authorize necessary documents, including the Resolution, Revolving Credit Agreement, Fee Agreement, Indenture and Supplemental Indentures, Bond Purchase

Agreement, Continuing Disclosure Certificate, and Official Statement.

Approval will also enable the District to establish the Judgment Refunding Program. Given the potential liability amounts likely to result from the tort claims discussed above, payment of such obligations in full upon conclusion of the related litigation would result in significant impacts to the District's budgetary resources in fiscal year 2024-25 and future fiscal years. The Judgment Refunding Program would be established to mitigate and manage these impacts by refunding the tort liability obligations and amortizing the liability over time, therefore, lessening any potential impacts to the District's core education programs in the near term.

Board Options and Consequences:

Should the Board not approve this item, staff will not be authorized to proceed with the Judgment Refunding Program to mitigate and manage the liability likely to result from the tort claims discussed above. In such case, the liability resulting from the tort claims will generally be payable in full as and when the litigation with respect to each claim is concluded. Staff is unable to predict with accuracy the timing as to when the litigation with respect to such claims will conclude or the ultimate liability the District will incur. Depending on the timing and size of the liabilities, District budgetary resources may need to be shifted away from programs to pay such liabilities.

Policy Implications:

This action is in compliance with the relevant criteria set forth in Article I, Article II Section 2.02, and Article IV Section 4.12 of the Debt Management Policy.

Budget Impact:

The Judgment Obligation Notes and Bonds will be obligations of the District, payable from general fund balances and revenues. However, given the potential liability amounts likely to result from the tort claims discussed above, payment of such obligations in full upon conclusion of the related litigation would result in significant impacts to the District's budgetary resources in fiscal year 2024-25 and future fiscal years. The Judgment Refunding Program would be established to mitigate and manage these impacts by refunding the tort liability obligations and amortizing the liability over time, therefore, lessening any potential impacts to the District's core education programs in the near term.

Student Impact:

The Judgment Refunding Program would be established to mitigate and manage impacts to the District's budgetary resources in fiscal year 2024-25 and future fiscal years by refunding the expected tort liability obligations discussed above and amortizing the liability over time, therefore, lessening any potential impacts to the District's core education programs in the near term.

Equity Impact:

Component	Score	Score Rationale
Recognition	4	The Judgment Refunding Program actively recognizes historical inequities by addressing the involuntary tort liability obligations arising from AB 218 and similar claims for tort liability. These obligations result from alleged misconduct by District personnel and have led to significant legal liabilities for the District.

Component	Score	Score Rationale
Resource Prioritization	4	The Judgment Refunding Program effectively prioritizes resources based on need. The program is designed to manage the significant financial impact of tort liability obligations on the District's budget, thereby ensuring that resources can continue to be allocated effectively to meet the needs of students and the wider school community.
Results	3	The Judgment Refunding Program is likely to result in closed opportunity gaps. By managing the financial impact of significant tort liability obligations, the program helps ensure that the District can continue to provide essential services and opportunities to students, particularly those from underserved communities.
TOTAL	11	

Issues and Analysis:

This action is in compliance with the relevant criteria set forth in Article I, Article II Section 2.02, and Article IV Section 4.12 of the Debt Management Policy. This action is also in compliance with the California Constitution in that local agencies, including school districts, are authorized pursuant to the Refunding Law (Articles 10 and 11, commencing with Section 53570, of Chapter 3 of Division 2 of Title 5 of the California Government Code) to issue refunding notes or bonds for the purpose of refunding involuntary tort liability obligations of the local agency.

The Judgment Refunding Program will have a not-to-exceed amount of \$500,000,000 for pending and anticipated claims, and a not-to-exceed date of June 30, 2029, for eligible tort liabilities, as stated in the attached Resolution. A validation action, necessary to complete the program, will limit it to these parameters, and will help ensure market reception and competitive interest rates for these notes and bonds. In compliance with Section 5852.1 of the California Government Code, the District's Municipal Advisor, Public Resources Advisory Group, provides the following good faith estimates based on an assumed aggregate tort liability of \$500,000,000 and current market conditions:

- True Interest Cost: 6.10%
- Finance Charge: \$3,610,000
- Amount of Proceeds: \$500,000,000
- Total Payment Amount: \$899,190,538

These estimates are based on assumptions and market conditions at the time of preparation. Actual amounts may differ due to various factors, including market conditions at the time of issuance and the actual tort liability financed.

Approval of the Judgment Refunding Resolution will enable the District to establish the Judgment Refunding Program, which will help manage the financial impact of the tort liability obligations. The interim and long-term financing mechanisms will allow the District to refund these obligations and spread the liability over time, mitigating the immediate financial impact.

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Attachments:

Attachment A - Judgment Refunding Resolution
Attachment B - Revolving Credit Agreement
Attachment C - Fee and Interest Rate Agreement
Attachment D - Indenture and Supplemental Indenture
Attachment E - Bond Purchase Agreement
Attachment F - Continuing Disclosure Certificate
Attachment G - Preliminary Official Statement
Attachment H - Appendix A to the Preliminary Official Statement

Informatives:

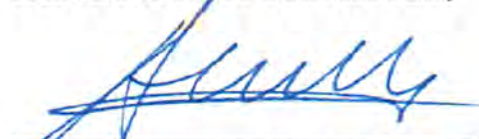
None.

Submitted:

06/05/24

File #: Rep-325-23/24, Version: 1

RESPECTFULLY SUBMITTED,



ALBERTO M. CARVALHO
Superintendent

APPROVED & PRESENTED BY:



PEDRO SALCIDO
Deputy Superintendent,
Business Services and Operations

REVIEWED BY:



DEVORA NAVERA REED
General Counsel

APPROVED & PRESENTED BY:



DAVID D. HART
Chief Business Officer

☒ Approved as to form.

REVIEWED BY:



NOLBERTO DELGADILLO
Deputy Chief Business Officer, Finance

☒ Approved as to budget impact statement.

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF EDUCATION OF THE LOS ANGELES UNIFIED SCHOOL DISTRICT APPROVING AND AUTHORIZING THE ISSUANCE OF JUDGMENT OBLIGATION NOTES AND BONDS, THE EXECUTION AND DELIVERY OF REVOLVING CREDIT AGREEMENT(S), AN INDENTURE AND RELATED DOCUMENTS, AN OFFICIAL STATEMENT, A VALIDATION PROCEEDING, AND RELATED ACTIONS, ALL FOR THE PURPOSE OF REFUNDING OBLIGATIONS INCURRED BY APPLICATION OF ASSEMBLY BILL NUMBER 218 AND SIMILAR CLAIMS FOR TORT LIABILITY

WHEREAS, the Los Angeles Unified School District (the “District”) anticipates a significant estimated exposure to not less than 275 claimants and/or plaintiffs who may obtain final judgments or orders for monetary damages against the District following concluded litigation or stipulated settlement (each such judgment or order which is entered against the District by the applicable court or courts and which is not subject to appeal or further appeal, or which the District has indicated that it will not appeal, being referred to herein as, a “Judgment” and, collectively, the “Judgments”) by the applicable court or courts, including, without limitation, the California Superior Court before which several claims are currently pending, as a result of pending and anticipated litigation brought by application of California Code of Civil Procedure Section 340.1 and California Assembly Bill Number 218, chaptered by the California Secretary of State on October 13, 2019 (“AB 218”) and similar childhood sexual assault, abuse and/or molestation claims for tort liability; and

WHEREAS, the nature of the claims of the claimants and/or plaintiffs which obtain such Judgments (each a “Judgment Obligor” and, collectively, the “Judgment Obligors”) are reasonably known to the District and, to the extent that each presents facts supportable and actionable including by application of AB 218, are considered comparable for purposes of the District’s determination of monetary liability and budget implications; and

WHEREAS, the aggregate monetary liability and settlement costs relating to the Judgments, both pending and anticipated, has been estimated by the District to be approximately \$500,000,000; and

WHEREAS, such costs deemed payable in full upon the conclusion of litigation would result in significant impacts to the District’s budget in fiscal year 2024-25 and future fiscal years which the Board of Education of the District (the “Board”) finds necessary to mitigate and manage; and

WHEREAS, the District is authorized pursuant to Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Division 2 of Title 5 of the California Government Code to issue refunding notes or bonds for the purpose of refunding any evidence of indebtedness of the District; and

WHEREAS, the Board has determined that it is in the best interests of the District to refund, from time to time, the District's obligations to the Judgment Obligees evidenced by the Judgments; and

WHEREAS, for the purposes of providing interim satisfaction and refunding of the District's obligations to the Judgment Obligees evidenced by the Judgments, the Board has determined that it would be in the best interests of the District to enter into one or more flexible, short-term borrowing instruments or revolving lines of credit (each substantially in the form on file with the Executive Officer of the Board, with such changes, insertions and omissions as are made pursuant to this Resolution and as may be supplemented and amended in accordance with its terms, being referred to herein as, a "Revolving Credit Agreement") with one or more banks to be selected as provided herein, each as a lender (each, a "Lender"), that will be drawn upon only as funds are needed to satisfy any Judgment or Judgments; and

WHEREAS, the District's obligations under each Revolving Credit Agreement shall be evidenced by judgment obligation promissory notes to be issued by the District as provided therein (each, a "Promissory Note" or, collectively, the "Promissory Notes") evidencing the short-term borrowing by the District; and

WHEREAS, to confirm the agreement between each Lender and the District with respect to certain commitment fees and certain other fees payable to such Lender under the related Revolving Credit Agreement, the Board has determined to enter into one or more fee agreements (each substantially in the form on file with the Executive Officer of the Board, with such changes, insertions and omissions as are made pursuant to this Resolution and as may be supplemented and amended in accordance with its terms, being referred to herein as, a "Fee Agreement") with each Lender; and

WHEREAS, to provide additional short-term borrowing options and flexibility, the District may by separate action of the Board from time to time and pursuant to its authority under applicable law, including Sections 53850 to 53858, both inclusive, of the California Government Code (being Article 7.6, Chapter 4, Part 1, Division 2, Title 5 of the California Government Code), authorize other forms of temporary borrowing by the District in the form of notes to be issued from time to time (each, a "Temporary Note" or, collectively, the "Temporary Notes" and, together with the Promissory Notes, the "Notes"), the proceeds of which are used to satisfy and refund one or more Judgments; and

WHEREAS, for purposes of providing a more permanent financing solution for the District's obligations to the Judgment Obligees evidenced by the Judgments consistent with the District's long-term budgetary objectives, the Board has determined that it would be in the best interests of the District to authorize the issuance of Los Angeles Unified School District Judgment Obligation Bonds, from time to time, in one or more series, each on a federally tax-exempt or taxable basis (the "Bonds"), to represent the aggregate amounts to be payable to Judgment Obligees in satisfaction of Judgments from time to time including, without limitation, amounts payable to (a) a Lender or other holders of Notes then outstanding and issued in satisfaction of any Judgment or Judgments from time to time (including, without limitation, the obligation to pay all amounts allocable, as and when due and owing under the related Notes, Revolving Credit Agreement, and Fee Agreement, and costs of issuance of such Notes (including

underwriter's discount or placement agent fee)), (b) Judgment Obligees directly in satisfaction of any Judgment or Judgments from time to time, and (c) holders of Bonds then outstanding which previously refunded any Notes, any Judgment or Judgments, and/or any previously issued Bonds, each as authorized herein, and (d) related costs of issuance of such Bonds (including underwriter's discount or placement agent fee and bond insurance premium, if any); and

WHEREAS, in order to provide for the authentication and issuance of the Bonds and to establish and declare the terms and conditions upon which the Bonds are to be issued and secured, including the initial series of Bonds, the District proposes to enter into, with a commercial bank, as trustee, (a) an indenture (such indenture, in the form on file with the Executive Officer of the Board, with such changes, insertions and omissions as are made pursuant to this Resolution and as may be supplemented and amended in accordance with its terms, being referred to herein as, the "Indenture"), and (b) one or more supplemental indentures in connection with the issuance of each subsequent series of Bonds (each, such supplemental indenture, in the form on file with the Executive Officer of the Board (as Exhibit B to the Indenture), with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as, a "Supplemental Indenture"); and

WHEREAS, the Bonds, the Notes and the obligation to pay all amounts due and owing with respect to the Bonds and the Notes, and to pay all interest thereon at the applicable interest rates to be set forth in any Revolving Credit Agreement, any Fee Agreement, the Notes, the Indenture, any Supplemental Indenture and the Bonds when due are obligations of the District imposed by law and are absolute and unconditional, without any right of set-off or counterclaim; and

WHEREAS, the Board has determined that securing the timely payment of the principal of and interest on the Bonds by obtaining a bond insurance policy with respect thereto could be economically advantageous to the District; and

WHEREAS, this Board deems it necessary and desirable to authorize the sale of the initial issuance of publicly offered Bonds by a negotiated sale pursuant to a bond purchase agreement (such bond purchase agreement, in the form on file with the Executive Officer of the Board, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as, the "Bond Purchase Agreement") to be entered into with one or more of the underwriters from the District's underwriter bench (each, an "Underwriter" and, collectively, the "Underwriters") as selected as herein provided; and

WHEREAS, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 ("Rule 15c2-12") requires that, in order to be able to purchase or sell bonds, the underwriters thereof must have reasonably determined that the issuer or other obligated person has undertaken in a written agreement or contract for the benefit of the holders of such bonds to provide disclosure of certain financial and operating information and certain enumerated events on an ongoing basis; and

WHEREAS, in order to cause such requirement to be satisfied, the District desires to execute and deliver a continuing disclosure certificate (such continuing disclosure certificate, in the form on file with the Executive Officer of the Board, with such changes, insertions and

omissions as are made pursuant to this Resolution, being referred to herein as, the “Continuing Disclosure Certificate”); and

WHEREAS, the Preliminary Official Statement to be distributed in connection with the initial issuance of publicly offered Bonds has been prepared (such Preliminary Official Statement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as, the “Preliminary Official Statement”); and

WHEREAS, the Board has considerable discretion in the exercise of its powers with respect to its operating budget and the management of its fiscal affairs; and

WHEREAS, the District has previously adopted a local debt policy (the “Debt Management Policy”) that complies with California Government Code Section 8855(i), and the District’s obligations under the Revolving Credit Agreement, the Fee Agreement, the Promissory Notes, the Indenture, the Supplemental Indenture, and the Bonds as contemplated by this Resolution, are in compliance with the Debt Management Policy; and

WHEREAS, Section 5852.1 of the California Government Code requires that the Board obtain from an underwriter, financial advisor or private lender and disclose, in a meeting open to the public, prior to authorization of the issuance of bonds with a term greater than 13 months, good faith estimates of (a) the true interest cost of such bonds, (b) the sum of all fees and charges paid to third parties with respect to such bonds, (c) the amount of proceeds of such bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of such bonds, and (d) the sum total of all debt service payments on such bonds calculated to the final maturity of such bonds, plus the fees and charges paid to third parties not paid with the proceeds of such; and

WHEREAS, in compliance with Section 5852.1 of the California Government Code, the Board has obtained from Public Resources Advisory Group, the District’s municipal advisor (the “Municipal Advisor”), the required good faith estimates, and such estimates are disclosed as part of the agenda for this meeting; and

WHEREAS, the Board has been presented with the form of each document referred to herein relating to the actions contemplated hereby, and the Board has examined and approved each document and desires to authorize and direct the execution of such documents and the consummation of such actions; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of such financings authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the District is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such financings for the purpose, in the manner and upon the terms herein provided;

NOW, THEREFORE, THE BOARD OF EDUCATION OF THE LOS ANGELES UNIFIED SCHOOL DISTRICT, DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. All of the recitals herein contained are true and correct and the Board so finds.

Section 2. The Board hereby finds and declares that (a) the entering into the Indenture and each Revolving Credit Agreement, Fee Agreement, and Supplemental Indenture, and the Bond Purchase Agreement, and the Continuing Disclosure Certificate, (b) the issuance of the Notes to satisfy and discharge related Judgments, (c) the issuance of the Bonds to refund Notes issued to satisfy and discharge related Judgments, or to refund related Judgments directly, or to refund Bonds which previously refunded any Notes, Bonds, and/or any Judgments, and (d) the other actions contemplated by this Resolution, are in the best interests of the District, necessary in the management of its fiscal affairs.

Section 3. Subject to the provisions of Section 16 hereof, the establishment of one or more revolving lines of credit with one or more Lenders and the issuance by the District of Promissory Notes to evidence such borrowings, from time to time, as specified in the Revolving Credit Agreements, each for the purpose of refunding, and evidencing the refunded Judgment or Judgments and/or any previously issued Promissory Notes which evidence a refunded Judgment or Judgments, on the terms and conditions set forth in, and subject to the limitations specified in, the related Revolving Credit Agreement, is hereby authorized and approved. Each Promissory Note shall be issued on the dates, shall be dated, shall bear interest at the rates, shall mature on the dates (unless such maturity is extended pursuant to the terms of the related Revolving Credit Agreement), shall be subject to prepayment, shall be in the forms and shall be as otherwise provided in the related Revolving Credit Agreement, as the same shall be completed as provided in this Resolution. The Lenders shall be selected by the Chief Business Officer of the District in consultation with the Municipal Advisor following a proposal process.

Section 4. The form of Revolving Credit Agreement, submitted to and on file with the Executive Officer of the Board, is hereby approved, and the President of the Board, or such other member of the Board as the President may designate, the Superintendent of the District, the Chief Business Officer of the District, the Deputy Chief Business Officer of the District and the Controller of the District, including anyone serving as an interim or provisional officer in such positions, or such other officer or employee of the District as the Superintendent may designate (the "Authorized Officers"), are, and each of them is, hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver one or more Revolving Credit Agreements in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that (a) the stated Facility Maturity Date of each Revolving Credit Agreement shall not be a date that is more than 5 years from the effective date of such Revolving Credit Agreement (provided that such term may be extended pursuant to the terms of the related Revolving Credit Agreement), and (b) the principal amount available to be drawn, in aggregate, at the same time, under all revolving lines of credit established under all Revolving Credit Agreements authorized under this Resolution, shall not exceed \$250,000,000.

Section 5. As to each Revolving Credit Agreement executed and delivered by the District, the Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the District, to execute and issue one or more Promissory Notes and the Executive Officer of the Board is hereby authorized and directed, for and in the name of the District, to countersign or otherwise attest to the same, each in the form substantially as attached to such Revolving Credit Agreement, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution and issuance thereof.

Section 6. As to each Revolving Credit Agreement executed and delivered by the District, the form of Fee Agreement, submitted to and on file with the Executive Officer of the Board, is hereby approved, and the Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver, one or more Fee Agreements, each to the related Lender, in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the term of the respective Fee Agreement shall be consistent with the term of the related Revolving Credit Agreement.

Section 7. Subject to the provisions of Section 16 hereof, the issuance of the Bonds, from time to time, as specified in the Indenture, for the purpose of refunding amounts payable to (a) a Lender or other holders of Notes then outstanding and issued in satisfaction of any Judgment or Judgments from time to time (including, without limitation, the obligation to pay all amounts allocable, as and when due and owing under the related Notes, Revolving Credit Agreement, and Fee Agreement, and costs of issuance of such Notes (including underwriter's discount or placement agent fee)), (b) Judgment Obligees directly in satisfaction of any Judgment or Judgments from time to time, and (c) holders of Bonds then outstanding which previously refunded any Notes, Judgment or Judgments, and/or any previously issued Bonds from time to time on the terms and conditions set forth in, and subject to the limitations specified in, the Indenture and, as applicable, a Supplemental Indenture, is hereby authorized and approved. The Bonds shall be issued on the dates, shall be dated, shall bear interest at the rates, shall mature on the dates, shall be subject to call and redemption, shall be issued in the form and shall be as otherwise provided in the Indenture and, as applicable, a Supplemental Indenture, as the same shall be completed as provided in this Resolution.

Section 8. The form of Indenture, submitted to and on file with the Executive Officer of the Board, is hereby approved, and the Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver the Indenture in substantially said form with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that: (a) the term to the final maturity date of the initial series of Bonds to be issued thereunder shall not exceed 20 years; (b) the principal amount of the initial series of Bonds to be issued thereunder shall not exceed the sum of (i) the District's obligations to Judgment Obligee(s) evidenced by those Judgment(s) to be refunded directly with net proceeds of such series of Bonds, (ii) the District's obligations to the related Lender or other holders of Notes then outstanding and issued in satisfaction of any Judgment or Judgments from time to time to be

refunded with net proceeds of such series of Bonds (including, without limitation, the obligation to pay all amounts allocable, as and when due and owing under such Notes, related Revolving Credit Agreement and Fee Agreement, and costs of issuance of such Notes (including underwriter's discount or placement agent fee)), and (iii) any original issue discount and costs of issuance of such Bonds (including underwriter's discount or placement agent fee and bond insurance premium, if any); and (c) each series of Bonds issued thereunder shall otherwise conform to the limitations specified herein and in the Indenture.

Section 9. The form of Supplemental Indenture, substantially in the form attached as Exhibit B to the Indenture on file with the Executive Officer of the Board, is hereby approved, and the Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver one or more Supplemental Indentures in substantially said form from time to time, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that: (a) the term to the final maturity date of the series of Bonds to be issued under a Supplemental Indenture shall not exceed 20 years; (b) the aggregate principal amount of the series of Bonds to be issued under a Supplemental Indenture shall not exceed the sum of: (i) the District's obligations to Judgment Obligor(s) evidenced by those Judgment(s) to be refunded directly with net proceeds of such series of Bonds, (ii) the District's obligations to the related Lender or other holders of Notes then outstanding and issued in satisfaction of any Judgment or Judgments from time to time to be refunded with net proceeds of such series of Bonds (including, without limitation, the obligation to pay all amounts allocable, as and when due and owing under such Notes, related Revolving Credit Agreement and Fee Agreement, and costs of issuance of such Notes (including underwriter's discount or placement agent fee)), (iii) the District's obligations to holders of Bonds then outstanding under the Indenture, which previously refunded any Notes or Bonds or were issued in satisfaction of any Judgment or Judgments directly, and (iv) any original issue discount and costs of issuance of such series of Bonds (including underwriter's discount or placement agent fee and bond insurance premium, if any); and (c) the series of Bonds issued under each Supplemental Indenture shall otherwise conform to the limitations specified therein and in the Indenture.

Section 10. The Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the District, to execute by manual or facsimile signature and deliver the Bonds of each series, and the Executive Officer of the Board is hereby authorized and directed, for and in the name of the District, to countersign the same by the manual or facsimile signature each in the form substantially as attached to the Indenture and any Supplemental Indenture, with such changes, insertions and omissions therein as the Authorized Officers may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof.

Section 11. The Board hereby authorizes the sale of the initial issuance of publicly offered Bonds by a negotiated sale pursuant to the Bond Purchase Agreement. The form of the Bond Purchase Agreement to be entered into in connection with the initial issuance of publicly offered Bonds, substantially in the form on file with the Executive Officer of the Board, is hereby approved, and the Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver the Bond

Purchase Agreement in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the underwriters' discount for the sale of the initial issuance of publicly offered Bonds shall not exceed 1.00% of the aggregate principal amount of such Bonds. The Underwriters shall be selected in accordance with the Debt Management Policy. In connection with the negotiated sale of the initial issuance of publicly offered Bonds, the Chief Business Officer is hereby further authorized to designate which Underwriters shall act as senior manager(s), co-senior manager(s) and co-manager(s) in accordance with the Debt Management Policy.

Section 12. The form of the Continuing Disclosure Certificate to be entered into in connection with the initial issuance of publicly offered Bonds, substantially in the form on file with the Executive Officer of the Board, is hereby approved, and the Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver the Continuing Disclosure Certificate in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof.

Section 13. The Preliminary Official Statement to be distributed in connection with the initial issuance of publicly offered Bonds, substantially in the form on file with the Executive Officer of the Board, with such changes, insertions and omissions therein as may be approved by an Authorized Officer, is hereby approved, and the use of such Preliminary Official Statement by the Underwriters in connection with the offering and sale of such Bonds is hereby authorized and approved. The Authorized Officers are each hereby authorized to certify on behalf of the District that such Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 (except for the omission of certain final pricing, rating and related information as permitted by Rule 15c2-12). If and to the extent it is necessary to make substantial changes to the Preliminary Official Statement prior to the offering and sale of such Bonds, the use of the Preliminary Official Statement in connection with the offering and sale of such Bonds, and the certification of its finality within the meaning of Rule 15c2-12 by an Authorized Officer, shall follow the distribution to the Board of a revised draft of the Preliminary Official Statement with accompanying directions and instructions to members of the Board to review the revised Preliminary Official Statement.

Section 14. The preparation and delivery of an Official Statement with respect to the initial issuance of publicly offered Bonds, and its use by the Underwriters in connection with the offering and sale of such Bonds, is hereby authorized and approved. Such Official Statement shall be in substantially the form of the Preliminary Official Statement distributed in connection with the public offering of such Bonds with such changes, insertions and omissions therein as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Officers are each hereby authorized and directed, for and in the name of and on behalf of the District, to execute the Official Statement and any amendment or supplement thereto and thereupon to cause the Official Statement and any such amendment or supplement to be delivered to the Underwriters.

Section 15. The Authorized Officers are, and each of them is, hereby authorized and directed to apply for municipal bond insurance for the Bonds of each series and to obtain such insurance if the present value cost of such insurance is less than the present value of the estimated interest savings with respect to the Bonds of each series. The Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver a contract for such insurance if such contract is deemed by the Authorized Officer executing the same to be in the best interests of the District, such determination to be conclusively evidenced by such Authorized Officer's execution and delivery of such contract.

Section 16. The issuance of the Promissory Notes in accordance with a Revolving Credit Agreement and Bonds in accordance with the Indenture, including as supplemented, authorized under this Resolution, for the purpose of refunding amounts owing to Judgment Obligees whether payable to any Judgment Obligee or Judgment Obligees directly in satisfaction of any Judgment or Judgments, to any Lender or other holders of Notes previously issued in satisfaction of any Judgment or Judgments from time to time, or to any holders of Bonds which previously refunded any Notes or Bonds which were issued in satisfaction of any Judgment or Judgments from time to time, is subject to the following limitations: (a) any Judgment or Judgments refunded by any Promissory Note or Bond authorized under this Resolution shall be entered against the District by the applicable court or courts not later than June 30, 2029; and (b) the aggregate dollar amount of Judgments to be refunded by Promissory Notes and/or Bonds authorized under this Resolution shall not exceed \$500,000,000 (excluding any interest due thereunder).

Section 17. The Authorized Officers are, and each of them is, authorized and directed, for and in the name of the District, to bring a validation action under Section 860 of the California Code of Civil Procedure to determine the legality and validity of the Promissory Notes, Revolving Credit Agreement, Fee Agreement, Bonds, Indenture, Supplemental Indenture, Judgments, and the other documents and proceedings authorized pursuant to this Resolution.

Section 18. With the passage of this Resolution, the District hereby confirms that it has adopted the Debt Management Policy and certifies that the Debt Management Policy complies with California Government Code Section 8855(i), and that the District's financing described in this Resolution and its obligations under the Promissory Notes, each Revolving Credit Agreement, each Fee Agreement, the Bonds, the Indenture, and each Supplemental Indenture, as contemplated by this Resolution, is in compliance with the Debt Management Policy, and instructs Orrick, Herrington & Sutcliffe LLP, as Bond Counsel, on behalf of the District, with respect to the Promissory Notes and the Bonds described in this Resolution, (a) to cause notices of the proposed sale and final sale of the Promissory Notes and the Bonds to be filed in a timely manner with the California Debt and Investment Advisory Commission pursuant to California Government Code Section 8855, and (b) to check, on behalf of the District, the "Yes" box relating to such certifications in the notice of proposed sale filed pursuant to California Government Code Section 8855.

Section 19. The Authorized Officers are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to

consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution.

Section 20. All actions heretofore taken by the officers, employees, and agents of the District with respect to the transactions set forth above are hereby approved, confirmed, and ratified.

Section 21. The Board hereby approves the execution and delivery of all agreements, documents, certificates and instruments referred to herein with electronic signatures as may be permitted under the California Uniform Electronic Transactions Act and digital signatures as may be permitted under Section 16.5 of the California Government Code using DocuSign.

Section 22. This Resolution shall take effect from and after its date of adoption.

PASSED AND ADOPTED this 18th day of June, 2024, by the Board of Education of the Los Angeles Unified School District.

By: _____
Executive Officer, Board of Education

EXECUTIVE OFFICER'S CERTIFICATE

I, Michael McLean, Executive Officer of the Board of Education of the Los Angeles Unified School District, County of Los Angeles, California, hereby certify as follows:

The attached is a full, true and correct copy of a resolution duly adopted at a regular meeting of said Board of Education of said District duly and regularly held at the regular meeting place thereof on June 18, 2024, at which meeting all of the members of said Board of Education had due notice and at which a quorum thereof was present; and at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

An agenda of said meeting was posted at least 72 hours before said meeting at 333 South Beaudry Avenue, Los Angeles, California, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda. A copy of said agenda is attached hereto.

I have carefully compared the same with the adopted resolution on file and of record in my office. Said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

WITNESS my hand this 18th day of June, 2024.

By: _____
Executive Officer of the Board of
Education of Los Angeles Unified
School District

REVOLVING CREDIT AGREEMENT

dated as of [____], 2024

between

LOS ANGELES UNIFIED SCHOOL DISTRICT

and

[LENDER]

relating to

JUDGMENT OBLIGATION NOTES

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REVOLVING CREDIT AGREEMENT

This Revolving Credit Agreement is dated as of [____], 2024 (as amended, restated, supplemented or otherwise modified from time to time in accordance with its terms, this “*Agreement*”), between the LOS ANGELES UNIFIED SCHOOL DISTRICT, a school district duly organized and validly existing under the laws of the State of California (the “*District*”), and [LENDER], acting through its branch located at _____, and its successors and assigns (the “*Lender*”).

RECITALS

WHEREAS, the District anticipates and has budgeted in its adopted budget for fiscal year [202_-2_] a significant estimated exposure to [not less than [____] claimants and/or plaintiffs (the “*Judgment Obligees*”) which have obtained and may obtain final judgments or orders for monetary damages against the District following concluded litigation or stipulated settlement(s) (each such judgment or order which is entered against the District by the applicable court or courts and which is not subject to appeal or further appeal, or which the District has indicated that it will not appeal, being referred to herein as, a “*Judgment*” and, collectively, the “*Judgments*”) by the applicable court or courts, including, without limitation, the California Superior Court before which several claims are currently pending, as a result of pending and anticipated litigation brought by application of California Code of Civil Procedure Section 340.1 and California Assembly Bill Number 218, chaptered by the California Secretary of State on October 13, 2019 (“*AB 218*”) [and similar claims for tort liability]; and

WHEREAS, the Board of Education of the District (the “*Board*”) has determined that it is in the best interests of the District to refund, from time to time, the District’s obligations to the Judgment Obligees evidenced by the Judgments, and in furtherance thereof for the District to enter into one or more forms of interim refunding instruments such as this Agreement, and for the indebtedness hereunder to be evidenced by judgment obligation promissory notes, each issued to refund one or more Judgments as specified in each such judgment obligation promissory note (the respective “*Note*” or “*Notes*” as further defined and specified herein); and

WHEREAS, as authorized and in furtherance of the terms of the Resolution of the District adopted by the Board on June __, 2024 (the “*Resolution*”), the Board desires to cause the District to issue, pursuant to Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code and all laws amendatory thereof or supplemental thereto (the “*Act*”) and under and pursuant to the provisions of the Indenture (as defined herein), its Los Angeles Unified School District Judgment Obligation Bonds together with judgment obligation bonds as may be issued thereafter, each as specified by series designation, to refund such bonds (collectively, the “*Bonds*”), in one or more series on one or more sale dates in an aggregate principal amount not exceeding the sum of (a) the amount payable to the Lender for retirement of the Note or Notes, the proceeds of which were paid to the Judgment Obligees pursuant to and in satisfaction of the Judgment or Judgments over time as authorized in the Resolution, (b) amounts payable to Judgment Obligees directly in satisfaction of any Judgment or Judgments over time as authorized in the Resolution, (c) the costs of issuance of the Bonds (including underwriter’s discount), and (d) any original issue discount on the Bonds; and

WHEREAS, payments of principal and redemption prices of, and interest on, such Bonds will be payable on a parity basis with all Obligations (as defined herein) in respect of principal of and interest on the Notes, the Loans and the Term Loans (including, without limitation, the obligation to pay all amounts due and owing with respect to the Notes, the Loans and the Term Loans (each as defined herein), and to pay all interest thereon at the applicable interest rate set forth in this Agreement and the Notes); and

WHEREAS, the Bonds, the Notes, the Loans, the Term Loans and the Obligations (including, without limitation, the obligation to pay all amounts due and owing with respect to the Bonds, the Notes, the Loans, the Term Loans and the Obligations, and to pay all interest thereon at the applicable interest rate set forth in this Agreement and the Notes) when due are obligations of the District imposed by law and are absolute and unconditional, without any right of set-off or counterclaim, payable from the general fund to be appropriated by the District; and

WHEREAS, each of the Notes and the Bonds are being issued, and will be issued, for the purpose of satisfying the District's respective payment and refunded payment obligations directly attributable to the related Judgment and Judgments; and

WHEREAS, the Lender has agreed to make the Loans and Term Loans secured by the Notes to refund one or more Judgments, on the terms and conditions set forth herein, to the District;

NOW, THEREFORE in consideration of the mutual promises, covenants and conditions contained herein, the parties agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. (a) Capitalized terms used herein but not otherwise defined in subsection (b) below or elsewhere herein shall have the meanings given to them in the Resolution.

(b) The following terms, as used herein, have the following meanings:

“*AAFR*” means, for the applicable Fiscal Year referenced, the District’s Annual Audited Financial Report, or successive report presenting the audited financial statements of the District.

“*Act*” has the meaning assigned to it in the Recitals of this Agreement.

“*Affiliate*” means, with respect to any Person, any Person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such first Person. A Person shall be deemed to control another Person for the purposes of this definition if such first Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of the second Person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise.

“Agreement” means this Revolving Credit Agreement dated as of [____], 2024, between the District and the Lender, as the same may be amended, supplemented, modified or restated from time to time in accordance with its terms.

“Alternate Rate” means, for any day, [(a) for each Loan (other than a Term Loan) which is a Taxable Loan, a fluctuating rate of interest per annum equal to the greater of (i) the Prime Rate in effect at such time and (ii) the Federal Funds Rate in effect at such time plus one quarter of one percent (0.25%) and (b) for Loan (other than a Term Loan) which is a Tax-exempt Loan, the product of (1) the Applicable Factor and (2) a fluctuating rate of interest per annum equal to the greater of (i) the Prime Rate in effect at such time and (ii) the Federal Funds Rate in effect at such time plus one quarter of one percent (0.25%).]

“Amortization Period” has the meaning set forth in Section 2.12(b) hereof.

“Anti-Corruption Laws” means: (i) the U.S. Foreign Corrupt Practices Act of 1977, as amended; and (ii) any other anti-bribery or anti-corruption laws, regulations or ordinances in any jurisdiction in which the District or any officer, director or agent acting on behalf of the District with respect to the obligations hereunder, this Agreement or any of the other Related Documents is located or doing business.

“Anti-Money Laundering Laws” means applicable laws or regulations in any jurisdiction in which the District or any officer, director or agent acting on behalf of the District with respect to the obligations hereunder, this Agreement or any of the other Related Documents is located or doing business that relates to money laundering, any predicate crime to money laundering, or any financial record keeping and reporting requirements related thereto.

“Applicable Factor” means 100%.

“Applicable Spread” has the meaning set forth in the Fee Agreement.

“Available Tenor” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement as of such date.

“Bank Agreement” has the meaning set forth in Section 5.25 hereof.

“Bankruptcy Code” means the Bankruptcy Code, 11 U.S.C. § 101, *et seq.*, as amended.

“Base Rate” means, for any day, [a fluctuating rate of interest per annum equal to the greatest of (i) the Prime Rate plus 2.50%, (ii) the Federal Funds Rate plus 3.50%, and (iii) 8.00%.]

“Benchmark” means, initially, SIFMA and Daily Simple SOFR, as applicable; *provided, however*, that if a Benchmark Transition Event has occurred with respect to the SIFMA Index or Daily Simple SOFR or the then-current Benchmark, then “Benchmark” means the applicable

Benchmark Replacement to the extent that such Benchmark Replacement has become effective pursuant to the provisions of this Agreement.

“Benchmark Floor” means zero percent (0%).

“Benchmark Replacement” means the sum of: (A) the alternate rate of interest that has been selected by the Lender and the District as the replacement for the then-current Benchmark; and (B) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Lender, in each case, giving due consideration to (x) any selection or recommendation by the Relevant Governmental Body at such time for a replacement rate, the mechanism for determining such a rate, the methodology or conventions applicable to such rate, or the spread adjustment, or method for calculating or determining such spread adjustment, for such rate, or (y) any evolving or then-prevailing market convention for determining a rate of interest as a replacement to the then-current Benchmark, the methodology or conventions applicable to such rate, or the spread adjustment, or method for calculating or determining such spread adjustment, for such alternate rate for U.S. dollar-denominated syndicated or bilateral credit facilities at such time; *provided, however*, that if the Benchmark Replacement as determined as provided above would be less than the Benchmark Floor, then Benchmark Replacement shall be deemed to be the Benchmark Floor, subject to any other applicable floor rate provision.

“Benchmark Replacement Conforming Changes” means with respect to either the use or administration of the SIFMA Index or Daily Simple SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including, without limitation, changes to the definition of “U.S. Government Securities Business Day,” the timing and frequency of determining rates and making payments of interest, prepayment provisions and other technical, administrative or operational matters) that the Lender decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Lender in a manner substantially consistent with market practice (or, if the Lender decides that adoption of any portion of such market practice is not administratively feasible or if the Lender determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Lender decides is reasonably necessary in connection with the administration of this Agreement and the other Related Documents).

“Benchmark Replacement Date” means the earliest to occur of the following events with respect to the then-current Benchmark:

(a) in the case of clause (a) or (b) of the definition of “Benchmark Transition Event,” the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide such Benchmark (or such component thereof); or

(b) in the case of clause (c) of the definition of “Benchmark Transition Event,” the first date on which all Available Tenors of such Benchmark (or the published

component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; *provided* that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if such Benchmark (or such component thereof) continues to be provided on such date.

“*Benchmark Transition Event*” means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide such Benchmark (or such component thereof) permanently or indefinitely; *provided* that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark (or component thereof);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide such Benchmark (or such component thereof) permanently or indefinitely, *provided* that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark (or such component thereof); or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

“*Benchmark Transition Start Date*” means in the case of a Benchmark Transition Event, the earlier of (a) the applicable Benchmark Replacement Date and (b) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication).

“*Benchmark Unavailability Period*” means the period (if any) (a) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any other Related Document in accordance with this Agreement and (b) ending at the time that a Benchmark

Replacement has replaced the then-current Benchmark for all purposes hereunder and under any other Related Document in accordance with this Agreement.

“Board” means the Board of Education of the Los Angeles Unified School District.

“Bonds” has the meaning assigned to it in the Recitals of this Agreement.

“Borrowing” means a borrowing hereunder consisting of a Loan to be made to the District by the Lender pursuant to Article II hereof.

“Business Day” means a day which is not (a) a Saturday, Sunday or legal holiday on which banking institutions in Los Angeles, California or New York, New York are closed, (b) a day on which the New York Stock Exchange or the Federal Reserve Bank is closed, (c) a day on which the principal offices or the offices at which the Lender makes Loans are closed, or (d) in connection with a SOFR Index Loan, or any other calculation or determination involving SOFR, a U.S. Government Securities Business Day.

“Change in Law” means the occurrence, after the Closing Date, of any of the following: (a) the adoption or taking effect of any Law, including, without limitation Risk-Based Capital Guidelines, (b) any change in any Law or in the administration, interpretation, promulgation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, ruling, guideline, regulation or directive (whether or not having the force of law) by any Governmental Authority; *provided* that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, rulings, guidelines, regulations or directives thereunder or issued in connection therewith and (ii) all requests, rules, rulings, guidelines, regulations or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities shall in each case be deemed to be a “Change in Law,” regardless of the date enacted, adopted or issued.

“Closing Date” means [____], 2024, subject to the satisfaction or waiver by the Lender of all of the conditions precedent set forth in Article III hereof.

“Commitment” means the amount of \$[250,000,000], as such amount may be reduced from time to time or terminated pursuant to Section 2.07, Section 2.08 and 6.01.

“Compliance Certificate” means a certificate substantially in the form of Exhibit C hereto.

“Computation Date” means (i) for a Loan bearing interest with respect to a SIFMA Index Rate, the Wednesday immediately preceding the applicable SIFMA Index Reset Date, *provided* that if such date is not a Business Day, the immediately preceding Business Day and (ii) for a Loan bearing interest with respect to a SOFR Index Rate, the Wednesday immediately preceding the applicable SOFR Index Reset Date, *provided* that if such date is not a Business Day, the immediately preceding Business Day and.

“Daily Simple SOFR” means, with respect to any day (a *“SOFR Rate Day”*), a rate per annum equal to SOFR for the day (such day, the *“SOFR Determination Day”*) that is two (2) U.S. Government Securities Business Days prior to (i) if such SOFR Rate Day is a U.S. Government Securities Business Day, such SOFR Rate Day or (ii) if such SOFR Rate Day is not a U.S. Government Securities Business Day, the U.S. Government Securities Business Day immediately preceding such SOFR Rate Day, in each case, as such SOFR is published by the SOFR Administrator on the SOFR Administrator’s Website; *provided, however*, that if Daily Simple SOFR determined as provided above would be less than the Benchmark Floor, then Daily Simple SOFR shall be deemed to be the Benchmark Floor. If by 5:00 p.m. (New York City time) on the second (2nd) U.S. Government Securities Business Day immediately following any SOFR Determination Day, SOFR in respect of such SOFR Determination Day has not been published on the SOFR Administrator’s Website and a Benchmark Replacement Date with respect to Daily Simple SOFR has not occurred, then SOFR for such SOFR Determination Day will be SOFR as published in respect of the first preceding U.S. Government Securities Business Day for which SOFR was published on the SOFR Administrator’s Website; *provided* that any SOFR determined pursuant to this sentence shall be utilized for purposes of calculation of Daily Simple SOFR for no more than three (3) consecutive SOFR Rate Days.

“Debt” of any Person means at any date, without duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes, securities or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business (including, without limitation, accounts payable to construction contractors and other professionals for services rendered), (iv) all obligations of such Person under an installment purchase contract, financing lease or capital lease or similar instrument that, in accordance with generally accepted accounting principles, would be required to be capitalized, (v) all Debt of others secured by a Lien on any asset of such Person, whether or not such Debt is assumed by such Person, (vi) all obligations of such Person under Swap Contracts, (vii) all obligations of such Person to purchase securities (or other property) which arise out of or in connection with the sale of the same or substantially similar securities or property or obligations for the deferred purchase price of property or services (other than trade accounts payable occurring in the ordinary course of business), (viii) all reimbursement obligations and other indebtedness owed to any bank or other financial institution and payable on a parity basis with the Loans, and (ix) all Debt of others of a type described in any of clauses (i) through (vii) hereof guaranteed by such Person, whether directly or indirectly.

“Default” means any event or condition which, with notice, the passage of time or any combination of the foregoing, would constitute an Event of Default.

“Default Rate” means, [for any day, and with respect to any Note, Loan, Term Loan or Obligation, a rate of interest per annum equal to the Base Rate from time to time in effect plus 4.0%.]

“Designated Representative” means the Superintendent of the District, the Chief Business Officer or the Controller of the District, or a person authorized by the Chief Business Officer or

the Controller to act on behalf of the District, and any other person authorized by the Board of Education of the District to act on behalf of the District under or with respect to this Agreement.

“*Determination of Taxability*” means and shall be deemed to have occurred on the first to occur of the following:

(a) on the date on which the District files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred;

(b) the date on which the Lender or any Noteholder or former Noteholder notifies the District that it has received a written opinion by a nationally recognized firm of attorneys of substantial expertise on the subject of tax-exempt municipal finance to the effect that an Event of Taxability shall have occurred unless, within one hundred eighty (180) days after receipt by the District of such notification from the Lender or such Noteholder or any former Noteholder, the District shall deliver to the Lender, the Noteholder and any former Noteholder a ruling or determination letter issued to or on behalf of the District by the Commissioner of the Internal Revenue Service or the Director of Tax-Exempt Bonds of the Tax-Exempt and Government Entities Division of the Internal Revenue Service (or any other government official exercising the same or a substantially similar function from time to time) or a written opinion of its Note Counsel to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

(c) the date on which the District shall be advised in writing by the Commissioner of the Internal Revenue Service or the Director of Tax-Exempt Bonds of the Tax-Exempt and Government Entities Division of the Internal Revenue Service (or any other government official exercising the same or a substantially similar function from time to time, including an employee subordinate to one of these officers who has been authorized to provide such advice) that, based upon filings of the District, or upon any review or audit of the District or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(d) the date on which the District shall receive notice from the Noteholder or any former Noteholder that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of the Lender, such Noteholder or such former Noteholder the interest on the applicable Tax-exempt Notes or Tax-exempt Loan due to the occurrence of an Event of Taxability;

provided, however, no Determination of Taxability shall occur under subparagraph (c) or (d) hereunder unless the District has been afforded the opportunity, at its expense, to contest any such assessment or opinion, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; *provided further, however*, that upon demand from the Lender, such Noteholder or former Noteholder, the District shall promptly reimburse, the Lender, such Noteholder or former Noteholder for any payments, including any taxes, interest, penalties

or other charges, the Lender, such Noteholder or former Noteholder shall be obligated to make as a result of the Determination of Taxability.

“District” means the Los Angeles Unified School District, a school district duly organized and validly existing under the laws of the State of California.

“Dollars,” “US\$,” “\$” and *“U.S. Dollars”* mean the lawful currency of the United States of America.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute thereto.

“Event of Default” with respect to this Agreement means one or more of the events described in Section 6.01 of this Agreement and, with respect to any Related Documents, has the meaning assigned therein.

“Event of Taxability” means a (i) Change in Law or fact or the interpretation thereof, or the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by the District, or the failure to take any action by the District, or the making by the District of any misrepresentation herein or in any certificate given in connection with the Tax-exempt Notes or Tax-exempt Loans) which has the effect of causing interest paid or payable on any Tax-exempt Note or any Tax-exempt Loan to become includable in the gross income of the Lender, the Noteholder or any former Noteholder for federal income tax purposes, or (ii) the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or the Department of the Treasury, which decree, judgment or action shall be final under applicable procedural law, in either case, which has the effect of causing interest paid or payable on any Tax-exempt Note or any Tax-exempt Loan to become includable in the gross income of the Lender, the Noteholder or any former Noteholder for federal income tax purposes with respect to any Tax-exempt Note or any Tax-exempt Loan.

“Excess Interest Amount” has the meaning set forth in Section 2.05(d)(ii) hereof.

“Excluded Taxes” shall mean, with respect to the Lender or any Noteholder, (a) taxes, whether federal, state or local, imposed on or measured by its overall net income (however denominated), and franchise or similar taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which the Lender or such Noteholder is organized, is doing business or in which its principal office is located, or under which it is subject to taxation, and (b) any branch profits taxes imposed by the United States or any similar tax imposed by any other jurisdiction in which the Lender or Noteholder is located.

“Facility Maturity Date” means [____], 2027, or, if such day is not a Business Day, the next preceding Business Day.

“Federal Funds Rate” means, for any day, the rate per annum equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the Business Day next

succeeding such day; *provided* that (a) if such day is not a Business Day, then the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, then the Federal Funds Rate for such day shall be the average rate (rounded, if necessary, to a whole multiple of one one-hundredth of 1.00%) charged to the Lender on such day on such transactions as determined by the Lender. Notwithstanding the foregoing, if the Federal Funds Rate shall be less than zero percent (0%), such rate shall be deemed to be zero percent (0%) for purposes of this Agreement.

“Fee Agreement” means the Fee and Interest Rate Agreement dated [____], 2024, between the District and the Lender, as the same may be amended, supplemented, modified or restated from time to time in accordance with its terms.

“Fiscal Year” means the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other twelve-month period selected and designated as the official Fiscal Year of the District.

“Fitch” means Fitch, Inc. and any successor rating agency.

“Governmental Authority” means the government of the United States or any other nation or any political subdivision thereof or any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or European Central Bank), or any arbitrator, mediator or other Person with authority to bind a party at law.

“Indemnified Taxes” means Taxes other than Excluded Taxes.

“Indenture” means [____], as the same may be amended, restated, or otherwise modified in accordance with the terms hereof and thereof.

“Interest Payment Date” means with respect to any SOFR Index Loan, any SIFMA Index Loan, and any Term Loan, the first Business Day of each calendar quarter (with the first Interest Payment Date being [____], 2024), the related Facility Maturity Date and such earlier date on which all Loans or the related Loan is required to be paid in full in accordance with the terms hereof or, if applicable, on the Term Loan Maturity Date.

“Internal Revenue Code” means the Internal Revenue Code of 1986, as amended, or any successor statute.

“Investor Letter” has the meaning set forth in Section 8.05(b) hereof.

“Investment Policy” means the investment policy of the District which is to be delivered to the Lender pursuant to Section 3.01(i) hereof.

“Judgment” has the meaning assigned to it in the Recitals of this Agreement.

“Judgment Obligees” has the meaning assigned to it in the Recitals of this Agreement.

“Law” means, collectively, all applicable international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any applicable Governmental Authority, in each case whether or not having the force of law.

“Lender” has the meaning set forth in the introductory paragraph hereof.

“Lien” means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset. For the purposes of this Agreement, a Person shall be deemed to own subject to a Lien any asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

“Loan” means a Loan to be made by the Lender in accordance with the applicable Notice of Borrowing.

“Margin Stock” has the meaning ascribed to such term in Regulation U promulgated by the Board of Governors of the Federal Reserve System of the United States, as now and hereafter from time to time in effect.

“Material Adverse Effect” means any material adverse change in or effect on (a) the ability of the District to consummate the transactions contemplated by this Agreement or any of the other Related Documents to which the District is a party, (b) the ability of the District to perform any of its obligations under this Agreement or any of the other Related Documents to which the District is a party, (c) the District’s ability to make payments on the Loans, the Term Loans, the Notes or the Obligations hereunder from the general fund of the District, (d) the rights, remedies and security of the Lender under the Agreement or any of the Related Documents, or (e) the enforceability or validity of the Agreement or any Related Document.

“Material District Debt” means any Debt of the District secured by or payable from the general fund of the District that is outstanding in a principal amount of \$65,000,000 or more (excluding in relation to the Judgments).

“Maximum Interest Rate” means an interest rate per annum equal to the lesser of (i) twelve (12%) and (ii) the maximum non-usurious rate of interest on the relevant obligation permitted by applicable law.

“Moody’s” means Moody’s Investors Service, Inc. and any successor rating agency.

“Non-Lender Transferee” has the meaning set forth in Section 8.05(b) hereof.

“Note Counsel” means Orrick, Herrington & Sutcliffe LLP, or any other firm of attorneys nationally recognized on the subject of tax-exempt municipal finance selected by the District.

“Noteholder” means the Lender and each Non-Lender Transferee pursuant to the terms hereof so long as such Non-Lender Transferee owns an interest in the Notes and shall include any holder of Term Loans.

“Notes” means, individually and collectively, (i) the Taxable Note (SOFR), (ii) the Tax-exempt Note (SOFR), (iii) the Tax-exempt Note (SIFMA), (iv) the Taxable Term Note, and (v) the Tax-exempt Term Note.

“Notice of Borrowing” has the meaning set forth in Section 2.02(a)(i) hereof.

“Notice of Extension” has the meaning set forth in Section 2.01(b) hereof.

“Obligations” means all amounts payable by the District hereunder (excluding the Loans, the Term Loans, the Notes), and all other obligations to be performed by the District, pursuant to this Agreement and the other Related Documents (including any amounts to reimburse the Lender for any advances or expenditures by it under any of such documents).

“Other Bank Agreements” means the _____, and all amendments, modifications, restatements and extensions of such agreements, entered into from time to time and any other agreement delivered in substitution or exchange for such agreements and any other Bank Agreement.

“Other Taxes” has the meaning set forth in Section 7.02(a) hereof.

“Participant” has the meaning set forth in Section 8.05(d) hereof.

“Participation” has the meaning set forth in Section 8.05(c) hereof.

“Person” means an individual, a corporation, a partnership, a limited liability company, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

“Plan” means an employee pension benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code.

“Prime Rate” means, for any day, the fluctuating rate of interest per annum equal to the “Prime Rate” listed in the “Money Rates” section of The Wall Street Journal as of such day or, if The Wall Street Journal is not published on a particular day, then the “Prime Rate” listed in the “Money Rates” section of The Wall Street Journal for the immediately preceding Business Day. If The Wall Street Journal ceases to exist or to publish a prime rate from which the Prime Rate is then determined, then the Prime Rate shall be the rate determined by [Lender] as its prime

commercial lending rate for such day for loans denominated in U.S. Dollars made in the United States. [Lender] may make loans to its customers at, below or above such prime commercial lending rate, and the prime commercial lending rate referred to herein is not intended to be the best rate offered to customers of [Lender]. Any change in the Prime Rate shall take effect on the date specified in the publication or announcement of such change. Each determination of the Prime Rate by the Lender will be conclusive and binding on the District absent manifest error.

“Rating Agency” means all or any of S&P, Moody’s, and Fitch, as the context may require.

“Related Documents” means and includes this Agreement, the Fee Agreement, the Notes, the Indenture, and the Resolution, and any and all future renewals and extensions or restatements of, or amendments or supplements to, any of the foregoing permitted hereunder and thereunder.

“Relevant Governmental Body” means the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York or any successor thereto.

“Resolution” has the meaning assigned to it in the Recitals hereto.

“Revolving Credit Period” means the period from and including the Closing Date to and including the Termination Date.

“Revolving Credit Lender Note” means a Judgment Obligation Credit Note in the form of a Taxable Note (SOFR) or Tax-exempt Note (SOFR) or Tax-exempt Note (SIFMA), as defined in this Agreement.

“Sanctioned Target” means any target of Sanctions, including (i) persons on any list of targets identified or designated pursuant to any Sanctions, (ii) persons, countries, or territories that are the target of any territorial or country-based Sanctions program, (iii) persons that are a target of Sanctions due to their ownership or control by any Sanctioned Target(s), or (iv) persons otherwise a target of Sanctions, including vessels and aircraft, that are designated under any Sanctions program.

“Sanctions” means economic or financial sanctions, sectoral sanctions, secondary sanctions, trade embargoes or restrictions and anti-terrorism laws imposed, administered or enforced from time to time by the United States of America, the United Nations Security Council, the European Union, the United Kingdom, any other governmental authority with jurisdiction over the District or any officer, director or agent acting on behalf of the District with respect to the obligations hereunder, this Agreement or any of the other Related Documents.

“S&P” means S&P Global Ratings, an S&P Global Inc. business and any successor rating agency.

“SIFMA” means the Securities Industry & Financial Markets Association.

“SIFMA Index” means, for any Computation Date, the level of the SIFMA Municipal Swap Index which is issued weekly and which is calculated and published by Bloomberg from the weekly interest rate resets of tax-exempt variable rate issues which meet specific criteria established from time to time by SIFMA and issued on Wednesday of each week, or if any Wednesday is not a Business Day, the next preceding Business Day. If the SIFMA Index is no longer published, then *“SIFMA Index”* shall mean the returns, on a weekly basis, of the S&P Municipal Bond 7 Day High Grade Index. If the S&P Municipal Bond 7 Day High Grade Index is no longer published, then *“SIFMA Index”* shall mean the prevailing rate determined by the Lender for tax-exempt state and local government bonds meeting criteria determined in good faith by the Lender to be comparable under the circumstances to the criteria used by SIFMA to determine the SIFMA Index immediately prior to the date on which SIFMA ceased publication of the SIFMA Index.

“SIFMA Index Loan” means any Loan bearing interest with respect to the SIFMA Index Rate (or, if applicable, the Taxable Rate, the Default Rate, the Maximum Interest Rate or rate determined in accordance with Section 2.05(e) hereof).

“SIFMA Index Rate” means a per annum rate of interest determined by the Lender equal to the sum of the Applicable Spread plus the SIFMA Index in effect from time to time.

“SIFMA Index Reset Date” means Thursday of each week.

“SOFR” means a rate per annum equal to the secured overnight financing rate as administered by the SOFR Administrator.

“SOFR Administrator” means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“SOFR Administrator’s Website” means the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

“SOFR Index Loan” means any Loan bearing interest with respect to the SOFR Index Rate (or, if applicable, the Taxable Rate, the Default Rate, the Maximum Interest Rate or rate determined in accordance with Section 2.05(e) hereof).

“SOFR Index Rate” means Daily Simple SOFR.

“SOFR Index Reset Date” means Thursday of each week.

“State” means the State of California.

“Supplemental Tax Certificate” means a supplemental tax certificate required by Note Counsel, delivered and executed in connection with a Borrowing that is a Tax-exempt Loan.

“Swap Contract” means (a) any and all rate swap transactions, basis swaps, total return swaps, credit derivative transactions, forward rate transactions, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, cap transactions, floor transactions, collar transactions, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a *“Master Agreement”*), including any such obligations or liabilities under any Master Agreement.

“Taxable Date” means the date on which interest on any Tax-exempt Loan or Tax-exempt Note is first includable in the gross income of any holder thereof (including, without limitation, the Lender) as a result of an Event of Taxability as such date is established pursuant to a Determination of Taxability.

“Taxable Loan” means a Loan that is identified as a Taxable Loan in the Notice of Borrowing, or a Term Loan that refunded one or more Loans which were Taxable Loans.

“Taxable Note (SOFR)” means the Revolving Credit Lender Note of the District substantially in the form set forth in Exhibit D hereto, evidencing the obligation of the District to repay the Loans which are Taxable Loans bearing interest with respect to a SOFR Index Rate (or, if applicable, the Default Rate, the Maximum Interest Rate or rate determined in accordance with Section 2.05(e) hereof) and interest thereon, issued in accordance with this Agreement.

“Taxable Period” has the meaning set forth in Section 2.13 hereof.

“Taxable Term Note” means the Taxable Judgment Obligation Term Note of the District substantially in the form set forth in Exhibit G hereto, evidencing the obligation of the District to repay the Term Loan that is a Taxable Loan that refunded the Loans which were Taxable Loans and interest thereon, in accordance with this Agreement.

“Taxable Rate” means, with respect to a Taxable Period, the then per annum rate of interest applicable to Loans which are Taxable Loans bearing interest with respect to a SOFR Index Rate (or, if applicable, the Default Rate, the Maximum Interest Rate or rate determined in accordance with Section 2.05(e) hereof) and interest thereon, issued in accordance with this Agreement.

“Taxes” shall mean all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, fines, additions to tax or penalties applicable thereto.

“Tax-exempt Loan” means a Loan that is identified as a Tax-exempt Loan in the Notice of Borrowing, or a Term Loan that refunded one or more Loans which were Tax-exempt Loans.

“Tax-exempt Note (SIFMA)” means the Revolving Credit Lender Note of the District substantially in the form set forth in Exhibit F hereto, evidencing the obligation of the District to repay the Loans that are Tax-exempt Loans bearing interest with respect to a SIFMA Index Rate (or, if applicable, the Taxable Rate, the Default Rate, the Maximum Interest Rate or rate determined in accordance with Section 2.05(e) hereof) and interest thereon, issued in accordance with this Agreement.

“Tax-exempt Note (SOFR)” means the Revolving Credit Lender Note of the District substantially in the form set forth in Exhibit E hereto, evidencing the obligation of the District to repay the Loans that are Tax-exempt Loans bearing interest with respect to a SOFR Index Rate (or, if applicable, the Taxable Rate, the Default Rate, the Maximum Interest Rate or rate determined in accordance with Section 2.05(e) hereof) and interest thereon, issued in accordance with this Agreement.

“Tax-exempt Term Note” means the Tax-exempt Judgment Obligation Term Note of the District substantially in the form set forth in Exhibit H hereto, evidencing the obligation of the District to repay the Term Loan that is a Tax-exempt Loan that refunded the Loans which were Tax-exempt Loans and interest thereon, issued in accordance with this Agreement.

“Tax-exempt Notes” means the Tax-exempt Note (SOFR), the Tax-exempt Note (SIFMA), and the Tax-exempt Term Note.

“Term Loans” has the meaning set forth in Section 2.12(a) hereof.

“Term Loan Maturity Date” means the date that is three (3) years after the making of the Term Loan(s) hereunder, or such earlier date as the Term Loans become due and payable by the terms hereof.

“Term-Out Rate” means the rate of interest per annum with respect to any Term Loans (i) from and including the commencement date of the Term Loans up to and including the date which is one hundred eighty (180) days immediately succeeding such date, equal to the Base Rate from time to time in effect, (ii) from and including the date which is one hundred eighty-one (181) days immediately succeeding the Facility Maturity Date to and including the date which is two hundred seventy days (270) days immediately succeeding the Facility Maturity Date, equal to [the Base Rate from time to time in effect plus one percent (1.00%)], and (iii) from and including the date which is two hundred seventy-one (271) days immediately succeeding the Facility Maturity Date and at all times thereafter, equal to the [Base Rate from time to time in effect plus two percent (2.00%)]; *provided, however*, that immediately and automatically upon the occurrence of any Event of Default (and without any notice given with respect thereto) and during the continuance of such Event of Default, the “Term Out Rate” shall mean the Default Rate.

“Termination Date” means the Facility Maturity Date or, if earlier, the date on which the Commitment is terminated or permanently reduced to zero in accordance with the terms hereof.

“[Third-Party Administrator Trustee]” means [Administrator] to serve as third-party administrator relating to payment directly to the Judgment Obligees.

“30th Day Following Facility Maturity Date” has the meaning set forth in Section 2.12(a)(i)(A) hereof.

“U.S. Government Securities Business Day” means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association, or any successor thereto, recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

“Written” or “in writing” means any form of written communication or a communication by means of facsimile.

Section 1.02. Accounting Terms and Determinations. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared in accordance with generally accepted accounting principles as in effect from time to time, applied on a basis consistent (except for changes concurred with by the District’s independent public accountants) with the most recent audited financial statements of the District delivered to the Lender hereunder.

ARTICLE II

THE CREDIT

Section 2.01. Commitment to Lend.

(a) *Loans.* During the Revolving Credit Period, the Lender agrees, on the terms and conditions set forth in this Agreement, to make revolving loans to the District pursuant to this Section from time to time in amounts such that the aggregate principal amount of Loans by the Lender at any one time outstanding shall not exceed the amount of the Commitment. Within the foregoing limit, the District may borrow under this subsection (a), repay or, to the extent permitted by Section 2.09 hereof, prepay, the Loans and re-borrow at any time during the Revolving Credit Period under this subsection (a).

(b) *Extension of Revolving Credit Period.* (i) No later than 120 days prior to the Facility Maturity Date, the District may request the Lender to extend the then current Facility Maturity Date. If the Lender, in its sole discretion, elects to extend the Facility Maturity Date then in effect, the Lender shall deliver to the District within 60 days of receiving a request, a written notice of extension (herein referred to as a “Notice of Extension”) designating the date to which the Facility Maturity Date is being extended. Such extension of the Facility Maturity Date shall be effective, after receipt of such Notice of Extension, on the Business Day following the date of delivery of such Notice of Extension, and thereafter all references in this Agreement to the Facility Maturity Date shall be deemed to be references to the date designated as such in the most recent Notice of Extension delivered to the District. Any date to which the Facility Maturity Date has been extended in accordance with this Section 2.01(b) may be extended in like manner. The Lender shall use commercially reasonable efforts to promptly notify the District of its determination on the District’s request to extend the then current Facility Maturity Date. If the Lender fails to

provide the District with a Notice of Extension as provided hereinabove, the Lender shall be deemed not to have consented to the District's request.

(ii) Notwithstanding the foregoing, it is understood and agreed that the foregoing provisions are intended for the convenience of the parties only and shall in no respect prohibit the parties from agreeing to extend the Revolving Credit Period under other circumstances or at other times. In the event the Revolving Credit Period is extended under any other circumstances, the Lender shall give prompt written notice thereof to the District.

(iii) If the Revolving Credit Period is extended, whether pursuant to subsection (i) above or otherwise, the District shall be deemed to have made the representations and warranties contained herein on the date on which the Revolving Credit Period is so extended.

Section 2.02. Method of Borrowing, Continuing or Converting Loans; Account to Which Proceeds of Loans to Be Credited. (a)(i) In the case of any Borrowing, the District shall give the Lender notice in the form of Exhibit A hereto, executed by a Designated Representative of the District (a "Notice of Borrowing"), by not later than 11:00 a.m. (Los Angeles time) on the seventh (7th) Business Day before each Borrowing (or such shorter time as the Lender may agree to in writing), specifying:

- (A) the date of such Borrowing, which shall be a Business Day;
- (B) whether such Loan is a SIFMA Index Loan or a SOFR Index Loan, by selecting the SIFMA Index Rate for a SIFMA Index Loan or the SOFR Index Rate for a SOFR Index Loan;
- (C) the aggregate amount of such Borrowing (which shall not exceed the difference between (i) the amount of the Commitment and (ii) the aggregate principal amount of Loans then outstanding and in the minimum amount of \$500,000);
- (D) whether such Borrowing will be a Taxable Loan or a Tax-exempt Loan, *provided* that any SIFMA Index Loan shall be a Tax-exempt Loan;
- (E) that the following items are attached and delivered to Note Counsel:
 - (1) the case number(s) and amount of the Judgment(s) to be funded;
 - (2) the Notice of Borrowing in the form of Exhibit A, executed by a Designated Representative of the District, which includes wiring information from the [Third-Party Administrator Trustee]; and
 - (3) if the Borrowing is a Tax-exempt Loan, the Supplemental Tax Certificate, including a completed Form 8038; and

(F) that the following items are delivered to Note Counsel:

(1) the copy of the Judgment(s) to be funded; and

(2) [a copy of a form of irrevocable instruction to the [Third-Party Administrator Trustee] executed by a Designated Representative of the District to pay the Judgment Oblige(s) from Loan proceeds.]

(ii) The District may continue any type of Loan or convert any type of Loan to any other type of Loan (but such continuation or conversion shall only be effective on a Rate Reset Date), only upon three Business Days prior written notice by giving appropriate notice to the Lender prior to 11:00 a.m. (Los Angeles time), on such required prior Business Day in the form of Exhibit B hereto with blanks appropriately completed (each, a “*Notice of Continuation/Conversion*”). If the District fails to give the required Notice of Continuation/Conversion of any SIFMA Index Loan by such time prior to a SIFMA Index Reset Date with respect to a SIFMA Index Loan, such Loan shall automatically be continued as a SIFMA Index Loan on such SIFMA Index Reset Date. If the District fails to give the required Notice of Continuation/Conversion of any SOFR Index Loan by such time prior to a SOFR Index Reset Date with respect to a SOFR Index Loan, such Loan shall automatically be continued as a SOFR Index Loan on such SOFR Index Reset Date. A Tax-exempt Loan described in the preceding two sentences will continue to be a Tax-exempt Loan following any continuation described in the preceding two sentences. A Taxable Loan described in the two sentences preceding the immediately preceding sentence will continue to be a Taxable Loan following any continuation described in the preceding two sentences.

(b) Subject to the provisions of subsection (a) of this Section 2.02 and the satisfaction of the terms and conditions set forth in Section 3.02 hereof, by not later than 3:00 p.m. (Los Angeles time) on the date of each Borrowing, the Lender shall wire transfer, in federal or other immediately available funds, the proceeds of such Borrowing to the account or accounts set forth in the Notice of Borrowing.

(c) Each Loan shall be in the principal amount requested by the District pursuant to each Notice of Borrowing in the form of Exhibit A hereto.

(d) The District may not request more than one (1) Loan per Business Day.

(e) The District may not request more than four (4) Loans per month.

Section 2.03. The Notes. (a)(i) Loans which are Taxable Loans bearing interest with respect to a SOFR Index Rate in accordance with Section 2.05(a) hereof (or, if applicable, the Default Rate, the Maximum Interest Rate or rate determined in accordance with Section 2.05(e) hereof) shall be evidenced by a single corresponding Revolving Credit Lender Note of the District substantially in the form set forth in Exhibit D hereto payable to the Lender in an amount equal to the Commitment (the “*Taxable Note (SOFR)*”).

(ii) Loans which are Tax-exempt Loans bearing interest with respect to a SOFR Index Rate in accordance with Section 2.05(c)(ii) hereof (or, if applicable, the Taxable Rate, the Default

Rate, the Maximum Interest Rate or rate determined in accordance with Section 2.05(e) hereof) shall be evidenced by a single corresponding Revolving Credit Lender Note of the District substantially in the form set forth in Exhibit E hereto payable to the Lender in an amount equal to the Commitment (the “*Tax-exempt Note (SOFR)*”).

(iii) Loans which are Tax-exempt Loans bearing interest with respect to a SIFMA Index Rate in accordance with Section 2.05(c)(iii) hereof (or, if applicable, the Taxable Rate, the Default Rate, the Maximum Interest Rate or rate determined in accordance with Section 2.05(e) hereof) shall be evidenced by a single corresponding Revolving Credit Lender Note of the District substantially in the form set forth in Exhibit F hereto payable to the Lender in an amount equal to the Commitment (“*Tax-exempt Note (SIFMA)*”).

(iv) The Term Loan that is a Taxable Loan that refunded the Loans, shall be evidenced by a single corresponding Taxable Judgment Obligation Term Note of the District substantially in the form set forth in Exhibit G hereto payable to the Lender in an amount equal to the Commitment (“*Taxable Term Note*”).

(v) The Term Loan that is a Tax-exempt Loan that refunded the Loans shall be evidenced by a single corresponding Tax-exempt Judgment Obligation Term Note of the District substantially in the form set forth in Exhibit H hereto payable to the Lender in an amount equal to the Commitment (“*Tax-exempt Term Note*”).

(b) Each reference in this Agreement to the “Notes” shall be deemed to refer to and include any or all of such Notes as the context may require.

(c) The Lender shall record the date, amount, type and maturity of each Loan made by it and the date and amount of each payment of principal made by or on behalf of the District with respect thereto, and prior to any transfer of a Note shall endorse on the schedule forming a part thereof appropriate notations to evidence the foregoing information with respect to each Loan then outstanding evidenced by such Note; *provided* that the failure of the Lender to make any such recordation or endorsement, or any error therein, or failure to submit any such notations to the District shall not affect the obligations of the District hereunder or under such Note. The Lender is hereby irrevocably authorized by the District so to endorse each Note and to attach to and make a part of each such Note a continuation of any such schedule as and when required.

(d) The District’s obligations to repay each Loan and to pay interest thereon as provided herein shall be evidenced and secured by the related Note, and the District shall pay amounts under the related Note on each date on which the District is required to make a principal payment on the related Loan or Term Loan, as applicable, in an amount equal to the Loan or Term Loan, as applicable, payment due on such date. The payment of the principal of and interest on a Note shall constitute payment of the principal of and interest on the related Loans or Term Loan, as applicable, and the payment of the principal of and interest on the Loans or Term Loan, as applicable, shall constitute the payment of principal and interest on the related Note and the failure to make any payment on any Loan or Term Loan, as applicable, when due shall be a failure to make a payment on the related Note and the failure to make any payment on the related Note when due shall be a failure to make a payment on the related Loan or Term Loan, as applicable.

Section 2.04. Maturity of Loans and Term Loans. (a) Each Loan included in any Borrowing shall mature, and the principal amount thereof (together with all accrued and unpaid interest therein) shall be due and payable in full by the District on the Facility Maturity Date or such earlier date on which all Loans or the related Loans become due and payable in accordance with the terms hereof.

(b) If the District satisfies the conditions set forth in Section 2.12 hereof, the Term Loans shall mature, and the principal amount thereof (together with all accrued and unpaid interest thereon) shall be amortize in accordance with Section 2.12 hereof and be due and payable by the District, on the Term Loan Maturity Date. For the avoidance of doubt, if the District fails to satisfy the conditions set forth in Section 2.12 hereof, respectively and as applicable, on the Facility Maturity Date or thirty (30) days after the Facility Maturity Date, then all Loans and any accrued interest thereon shall be due and payable, respectively, on the Facility Maturity Date or the thirtieth (30th) days after the Facility Maturity Date, as applicable, as provided for in Section 2.04(a) hereof.

Section 2.05. Interest Rates. (a) Subject to subsections (d) and (e) below, and Section 6.02 hereof, each Loan (other than a Term Loan) which is a Taxable Loan shall bear interest on the outstanding principal amount thereof, for each day from the date such Loan is advanced until it becomes due, at a rate per annum equal to the sum of (i) the SOFR Index Rate plus (ii) the Applicable Spread. Such interest shall be payable by the District on each Interest Payment Date, any prepayment date, and on the Facility Maturity Date.

(b) Subject to subsections (d), (e) and (f) below, and Section 6.02 hereof, each Loan (other than a Term Loan) which is a Tax-exempt Loan shall bear interest on the outstanding principal amount thereof, for each day from the date such Loan is advanced until it becomes due, at a rate per annum equal to either:

(A) the sum of (1) the Applicable Spread and (2) the product of (i) the SOFR Index Rate and (ii) the Applicable Factor; or

(B) the sum of (1) the Applicable Spread and (2) the SIFMA Index Rate.

Such interest shall be payable by the District on each Interest Payment Date, any prepayment date, and on the Facility Maturity Date.

(c) (i) The Lender may consolidate the unpaid principal balance of the Tax-exempt Loans so that all Tax-exempt Loans bear interest at the same interest rate. The Lender may consolidate the unpaid principal balance of the Taxable Loans so that all Taxable Loans bear interest at the same interest rate.

(ii) Loans designated to bear interest with respect to the SOFR Index Rate pursuant to the terms of this Agreement and a Notice of Borrowing, shall do so. The Lender shall determine the applicable SOFR Index Rate for each SOFR Index Loan on each SOFR Determination Day while such SOFR Index Loan remains unpaid. Notwithstanding the foregoing, with respect to a SOFR Index Loan that is advanced pursuant to a new Borrowing, the rate for such SOFR Index Loan

shall be the same rate as for all outstanding SOFR Index Loans bearing interest with respect to the SOFR Index Rate. The Lender will send the District a hyperlink to the SOFR Administrator's Website, as such hyperlink may be updated from time to time. Upon the request of the District, the Lender shall promptly, but in any event within three (3) Business Days, notify the District of the interest rates for the SOFR Index Loans for such dates and periods as requested by the District. Each determination by the Lender of an interest rate shall be conclusive and binding for all purposes, absent manifest error. The SOFR Index Rate shall be rounded to the fifth decimal place.

(iii) Loans designated to bear interest with respect to the SIFMA Index Rate pursuant to the terms of this Agreement and a Notice of Borrowing, shall do so. The Lender shall determine the SIFMA Index Rate on each Computation Date during the applicable Interest Period, and such rate shall become effective on the SIFMA Index Reset Date next succeeding such Computation Date and interest at such rate shall accrue each day during such Interest Period. The SIFMA Index Rate shall be rounded to the second decimal place. Promptly following the determination of the SIFMA Index Rate, the Lender shall give notice thereof to the District. If the SIFMA Index Rate is not available or published on the Computation Date, the rate of interest borne on such Loans shall be the rate in effect for such Loans on the immediately preceding SIFMA Index Reset Date until the Lender next determines the SIFMA Index Rate as required hereunder. Notwithstanding the foregoing, with respect to a Loan designated to bear interest with respect to the SIFMA Index Rate that is advanced pursuant to a new Borrowing on a day other than a SIFMA Index Reset Date, the rate for such Loan shall be the same rate as for all outstanding Loans bearing interest with respect to the SIFMA Index Rate.

(d) (i) If the amount of interest payable for any period in accordance with terms hereof exceeds the amount of interest that would be payable for such period had interest for such period been calculated at the Maximum Interest Rate, then interest for such period shall be payable in an amount calculated at the Maximum Interest Rate for such period.

(ii) Any interest that would have been due and payable for any period but for the operation of Section 2.05(d)(i) hereof shall accrue and be payable as provided in this paragraph (ii) and shall, less interest actually paid to the Lender for such period, constitute the "*Excess Interest Amount*." If there is any accrued and unpaid Excess Interest Amount as of any date then the principal amount with respect to which interest is payable shall bear interest at the Maximum Interest Rate, until the earlier of repayment of such principal or payment to the Lender of the entire Excess Interest Amount.

If there is any accrued and unpaid Excess Interest Amount as of any Interest Payment Date, then, on the current and each subsequent Interest Payment Date, interest shall be paid at the Maximum Interest Rate rather than the otherwise applicable rate until the earlier of (A) payment to the Lender of the entire accrued Excess Interest Amount or (B) the Termination Date. Notwithstanding the foregoing, all unpaid Excess Interest Amount shall be, to the extent permitted by law, due and payable by the District as a fee on the Termination Date or such earlier date on which the Loans become due and payable in accordance with the terms hereof (or if such Excess Interest Amount relates to Term Loans, on the Term Loan Maturity Date or such earlier date on which all Loans or the related Term Loans become due and payable in accordance with the terms hereof).

(iii) Notwithstanding the foregoing, on the date on which no principal amount hereunder remains unpaid, the District shall pay to the Lender a fee equal to any accrued and unpaid Excess Interest Amount.

(e) (A) Subject to Section 2.05(e)(B) hereof and the Lender's reasonable determination upon timely notice to the District that a Benchmark Transition Event has not occurred, if the Lender determines (any determination of which shall be conclusive and binding on the District absent manifest error) that either (i) Daily Simple SOFR, the SIFMA Index, or the then-current benchmark, cannot be determined pursuant to the definition thereof other than as a result of a Benchmark Transition Event (an "*Inability Determination*"), (ii) Daily Simple SOFR, the SIFMA Index, as applicable, does not adequately and fairly reflect the cost to the Lender to make or maintain any Loan (a "*Changed Circumstances Determination*") or (iii) any law has made it unlawful, or that any governmental authority has asserted that it is unlawful, for the Lender to make or maintain an advance based on SOFR, Daily Simple SOFR, or the SIFMA Index or to determine or charge interest rates based upon SOFR, Daily Simple SOFR, or the SIFMA Index (an "*Illegality Determination*"), then the Lender will so notify the District and the obligation of the Lender to allow the District to select a SOFR Index Loan or any SIFMA Index Loan, as applicable, shall be suspended until Lender shall have notified the District of its determination that the circumstances giving rise to such previous determination no longer exist; *provided, however*, that the Lender will provide a Changed Circumstances Determination only in the event that a similar determination would be made with respect to similarly situated issuers under similar circumstances, as such circumstances are determined by the Lender in the Lender's commercially reasonable discretion. In each such case, the outstanding principal balance of the Loans shall bear interest (computed on the basis of a 360-day year, actual days elapsed) at the sum of (1) a fluctuating rate per annum (and any spread adjustment and/or applicable factor) mutually determined by the Lender and the District in writing and (2) the related Applicable Spread until the Lender revokes such Inability Determination or notifies the District that the circumstances giving rise to such Illegality Determination no longer exist, as applicable, *provided however*, the Lender and the District agree that from and after an Inability Determination or an Illegality Determination, until the Lender and the District have the mutually determined such fluctuating rate per annum in writing, the outstanding principal balance of the Loans shall bear interest (computed on the basis of a 360-day year, actual days elapsed) at the sum of the related Alternate Rate in effect from time to time and the related Applicable Spread, from the date of such Inability Determination or an Illegality Determination until the earlier of (x) the date on which the Lender and the District have the mutually determined such fluctuating rate per annum (and any spread adjustment and/or applicable factor) in writing and (y) the date on which the Lender revokes such Inability Determination or notifies the District that the circumstances giving rise to such Illegality Determination no longer exist, as applicable; *provided, further, however*, the Lender and the District agree that from and after a Changed Circumstances Determination, until the Lender and the District have the mutually determined such fluctuating rate per annum in writing, the outstanding principal balance of the Loans shall bear interest (computed on the basis of a 360-day year, actual days elapsed) at the sum of the related Alternate Rate in effect from time to time (for the first ninety (90) days after such Changed Circumstances Determination, without regard to clauses (a)(i) and (b)(2)(i) of the definition of Alternate Rate, as applicable) and the related Applicable Spread, from the date of such Changed Circumstances Determination until the earlier of (x) the date on which the Lender and the District have the mutually determined such fluctuating

rate per annum (and any spread adjustment and/or applicable factor) in writing and (y) the date on which the Lender revokes such Changed Circumstances Determination or notifies the District that the circumstances giving rise to such Changed Circumstances Determination no longer exist, as applicable. When interest is determined in relation to the Alternate Rate, each change in the rate of interest hereunder shall become effective on the date each Alternate Rate change is determined by the Lender. Notwithstanding any of the foregoing to the contrary, if a Benchmark Replacement is subsequently determined in accordance with Section 2.05(e)(B) hereof, that Benchmark Replacement, plus any applicable margin, will become effective on the Benchmark Replacement Date and will then supersede the Alternate Rate and other terms determined in accordance with this provision. The Lender shall use commercially reasonable efforts to provide ninety (90) days' advance notice of the events and/or conditions set forth in this Section 2.05(e)(A); *provided, however*, that (I) since the timing of such events are not within the Lender's sole control, the District acknowledges and agrees that it may be impossible for the Lender to determine if such events are occurring ninety (90) days before they occur and, in such case, the Lender shall use commercially reasonable efforts to provide such notice as soon as reasonably possible and (II) the failure of the Lender to provide any such notice shall not affect the effectiveness of the terms and conditions of this Section 2.05(e)(A).

(B) Notwithstanding anything to the contrary contained in this Agreement or in any Related Document (for the purposes of this Section 2.05(e)(B), a Swap Contract by and between the District and the Lender or any of its affiliates is not a loan document):

(1) *Benchmark Replacement.* Notwithstanding anything to the contrary herein or in any other Relevant Document, upon the occurrence of a Benchmark Transition Event, the Lender and the District may amend this Agreement to replace the then-current Benchmark with a Benchmark Replacement. No replacement of a Benchmark with a Benchmark Replacement pursuant to this Section 2.05(e)(B)(1) will occur prior to the applicable Benchmark Transition Start Date.

(2) *Benchmark Replacement Conforming Changes.* The Lender will have the right to make Benchmark Replacement Conforming Changes from time to time and any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of the District.

(3) *Notices; Standards for Decisions and Determinations.* In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Lender will promptly, but in any event within three (3) Business Days, notify the District of (A) the implementation of any Benchmark Replacement and (B) the effectiveness of any Benchmark Replacement Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Lender will notify the District of (x) the removal or reinstatement of any tenor of a Benchmark pursuant to Section 2.05(e)(B)(4) and (y) the commencement of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Lender pursuant to this Section 2.05(e)(B), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding

absent manifest error and will be made in its sole discretion and without the District's consent except as expressly required pursuant to this Section 2.05(e)(B).

(4) *Unavailability of Tenor of Benchmark.* Notwithstanding anything to the contrary herein or in any other Related Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Lender in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then the Lender may modify the "interest period" (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then the Lender may modify the definition of "interest period" (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(5) *Benchmark Unavailability Period.* Upon the District's receipt of notice of the commencement of a Benchmark Unavailability Period, the District may revoke any pending request for a Borrowing of, conversion to or continuation of SOFR Index Loans or SIFMA Index Loans to be made, converted or continued during any Benchmark Unavailability Period.

(f) Upon a Determination of Taxability, all Tax-exempt Loans shall bear interest at the Taxable Rate.

(g) Subject to subsection (d) above and Section 6.02 hereof, the Term Loans shall bear interest on the outstanding principal amount thereof, from the commencement date of such Term Loan until it becomes due, at a rate per annum equal to the Term-Out Rate. Such interest shall be payable on each Interest Payment date and on the Term Loan Maturity Date (or such earlier date on which all Loans or the related Loans become due and payable in accordance with the terms hereof).

Section 2.06. Fees. (a) The District agrees to perform the obligations provided for in the Fee Agreement, including, without limitation, the payment of all fees provided for therein. The terms and provisions of the Fee Agreement are incorporated herein by reference. Any reference herein or in any other document to fees and/or other amounts or obligations payable hereunder shall include, without limitation, all fees and other amounts or obligations payable pursuant to the Fee Agreement.

(b) If the District shall fail to pay any amount payable under the Fee Agreement as and when due and payable, each such unpaid amount shall bear interest for each day from and including

the date it was payable pursuant to subsection (c) below until paid in full at the applicable Default Rate.

(c) The District shall pay within thirty (30) days after written demand via electronic invoice provided by the Lender to the District:

(i) the reasonable out-of-pocket expenses of the Lender, including reasonable fees and disbursements of counsel, as described in Section 8.03 herein; and

(ii) any reasonable amounts advanced by or on behalf of the Lender to the extent required to cure any Default, Event of Default or event of nonperformance hereunder or any Related Documents, together with interest at the Default Rate.

(d) Any principal of, and to the extent permitted by applicable law, any interest on, the Loans and any other sum payable hereunder, which is not paid within the cure period due shall bear interest, from the date due and payable until paid, payable on demand therefor, at a rate per annum equal to the Default Rate.

Section 2.07. Optional Termination or Reduction of Commitment. During the Revolving Credit Period, the District may, upon at least three (3) Business Days' notice to the Lender, (i) terminate the Commitment at any time, if no Loans are outstanding at such time, or (ii) reduce the Commitment from time to time by an aggregate amount of \$1,000,000 or any larger integral multiple of \$1,000,000, which amount shall be not greater than the amount of the Commitment.

Section 2.08. Mandatory Termination or Reduction of Commitment. (a) The Commitment shall terminate on the Termination Date, and any Loans then outstanding (together with accrued interest thereon and all other amounts payable hereunder) shall (i) be due and payable by the District in full on such date, or (ii) if all of the conditions of Section 2.12 herein are met, convert to a Term Loan.

(b) If at any time an Event of Default shall have occurred and be continuing, the Lender may deliver a written notice to that effect to the District, and the Commitment shall immediately terminate.

Section 2.09. Optional Prepayments; Funding Indemnity. The District may, upon at least one Business Day's notice to the Lender, prepay any Loan in whole at any time, or from time to time in part in amounts aggregating \$1,000,000 or any larger integral multiple of \$5,000, by paying the principal amount to be prepaid together with accrued interest thereon to the date of prepayment; *provided, however,* in the event the Lender shall incur any reasonable loss, cost, or expense as a result of any prepayment of any SOFR Index Loan or SIFMA Index Loan (or prepayment or repayment for any other reason, including by maturity or acceleration), (i) on a date other than the related Interest Payment Date, or (ii) without at least three (3) Business Days' notice to the Lender in advance of the SOFR Index Reset Date for SOFR Index Loans or the SIFMA Index Reset Date for SIFMA Loans, in each case, for any reason (other than a default by the Lender), whether before or after default, and whether or not such payment is required by any provision of this Agreement, then upon the demand of the Lender, the District shall pay to the Lender such amount as will

reimburse the Lender for such reasonable loss, cost, or expense. If the Lender requests such an amount it shall provide to the District a certificate setting forth the computation of the reasonable loss, cost, or expense giving rise to the request for such an amount in reasonable detail and such certificate shall be conclusive if reasonably determined.

Section 2.10. General Provisions as to Payments. Subject to Section 4.09 hereof, the District shall make each payment of principal of, and interest on, the Loans and Term Loans and of fees hereunder, not later than 3:00 p.m. (Los Angeles time) on the date when due, in federal or other funds immediately available in Los Angeles, to the Lender by wire transfer in accordance with wire transfer instructions referred to in Section 8.01 hereof. Whenever any payment of principal of, or interest on, the Loans or Term Loans or of fees shall be due on a day which is not a Business Day, the date for payment thereof shall be extended to the next succeeding Business Day. If the date for any payment of principal is extended by operation of law or otherwise, interest thereon shall be payable for such extended time.

Section 2.11. Computation of Interest and Fees. Interest and fees shall be calculated on the basis of a 360-day year based upon the actual number of days elapsed.

Section 2.12. The Term Loans.

(a) *Generally.* (i)(A) On the Facility Maturity Date, so long as (A) no Default or Event of Default described in Section 6.01 hereof shall have occurred and be continuing, or would result therefrom, and (B) the representations and warranties of the District set forth in Article IV hereof are true and correct in all material respects as if made on the Facility Maturity Date, the Loans, if any, maturing on the Facility Maturity Date shall be due and payable on the date that is thirty (30) days following the Facility Maturity Date (the “30th Day Following Facility Maturity Date”) and shall accrue interest during such thirty (30) day period at the Term-Out Rate.

(B) Upon the District’s written request for Term Loans in form of Exhibit I attached hereto delivered to the Lender on a date no later than the 30th Day Following Facility Maturity Date and *provided* that (X) no Default or Event of Default described in Section 6.01 hereof shall have occurred and then be continuing, or would result therefrom, and (Y) the representations and warranties of the District set forth in Article IV hereof are true and correct in all material respects as if made as of such date, the Loans, if any, maturing on the Facility Maturity Date shall be automatically converted to term loans (each a “*Term Loan*” and collectively the “*Term Loans*”), the proceeds of which shall be deemed to have refunded the Loans and the District’s obligations under the related Notes.

(ii) The Term Loans shall be evidenced by the Taxable Term Note and the Tax-exempt Term Note, as applicable, and the Lender’s receipt of such Note(s) shall be a condition precedent to making the Term Loan(s). The Term Loans may be repaid in whole or in part on any Business Day upon prior written notice from the District to the Lender.

(b) *Repayment.* If the conditions precedent set forth in Section 2.12(a)(i)(B) hereof are satisfied, the principal amount of the Term Loans shall be payable by the District in six (6) equal (as nearly as possible) semi-annual installments, commencing on the date which is six-months

following the Facility Maturity Date, and on the corresponding date in every six month occurring thereafter which occurs prior to the Term Loan Maturity Date and on the Term Loan Maturity Date (such period, the “*Amortization Period*”) and interest on such Term Loans shall accrue at the Term-Out Rate, be payable on each Interest Payment Date, and be calculated on the basis of a 360-day year and actual days elapsed; *provided, however*, that, notwithstanding anything contained herein to the contrary, the entire principal amount of the Term Loans, plus accrued and unpaid interest thereon, shall be due and payable in full on the Term Loan Maturity Date (or such earlier date on which all Loans or the related Loans become due and payable in accordance with the terms hereof). For the avoidance of doubt, if the conditions set forth in this Section 2.12 are not satisfied on the Facility Maturity Date, the Loans and any accrued interest thereon shall be paid in full on the Facility Maturity Date.

Section 2.13. Determination of Taxability. (i) In the event a Determination of Taxability occurs, the District hereby agrees to pay to the Lender and each Noteholder within thirty (30) days of demand therefor (1) an amount equal to the difference between (A) the amount of interest that would have been paid to the Lender and such Noteholder on the applicable Tax-exempt Note or Tax-exempt Loan, without duplication, during the period for which interest on such Tax-exempt Note or Tax-exempt Loan is included in the gross income of the Lender and such Noteholder if the applicable Tax-exempt Note or Tax-exempt Loan had borne interest at the Taxable Rate, beginning on the Taxable Date (the “*Taxable Period*”), and (B) the amount of interest actually paid to the Lender and such Noteholder during the Taxable Period, and (2) an amount equal to any interest, penalties or charges owed by the Lender and such Noteholder as a result of interest on the applicable Tax-exempt Note or Tax-exempt Loan becoming included in the gross income of the Lender and such Noteholder, together with reasonable attorneys’ fees, court costs, or other reasonable out-of-pocket costs incurred by the Lender and such Noteholder in connection therewith;

(ii) Subject to the provisions of clause (iii) below, the Lender and such Noteholder shall afford the District the opportunity, at the District’s sole cost and expense, to contest (1) the validity of any amendment to the Internal Revenue Code which causes the interest on the applicable Tax-exempt Note or Tax-exempt Loan to be included in the gross income of Lender and such Noteholder, or (2) any challenge to the validity of the tax exemption with respect to the interest on the applicable Tax-exempt Note or Tax-exempt Loan, including the right to direct the necessary litigation contesting such challenge (including administrative audit appeals); *provided* that, in no event shall the Lender or a Noteholder be required to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the District or any other Person; and

(iii) As a condition precedent to the exercise by the District of its right to contest set forth in clause (ii) above, the District shall, within thirty (30) days from demand, reimburse the Lender and such Noteholder for reasonable expenses (including reasonable attorneys’ fees for services that may be required or desirable, as determined by the Lender and such Noteholder in its reasonable discretion) that may be incurred by the Lender and such Noteholder in connection with any such contest, and shall, within thirty (30) days, reimburse Lender and such Noteholder for any and all penalties or other charges payable by the Lender or such Noteholder for failure to include such interest in its gross income.

ARTICLE III

CONDITIONS

Section 3.01. Effectiveness. This Agreement shall become effective on the date on which each of the following conditions shall have been satisfied:

(a) receipt by the Lender of a counterpart hereof signed by each of the parties hereto;

(b) receipt by the Lender of duly executed Notes dated on or before the Closing Date complying with the provisions of Section 2.03 hereof;

(c) receipt by the Lender of (i) an opinion of General Counsel to the District, addressed to the Lender and in a form acceptable to the Lender and covering such matters relating to the transactions contemplated hereby or by the Related Documents as the Lender may reasonably request, and (ii) an opinion of Note Counsel with a reliance letter addressed to the Lender and in a form acceptable to the Lender and covering such matters relating to the transactions contemplated hereby or by the Related Documents as the Lender may reasonably request (including, without limitation, as to the validity, enforceability of the Agreement and the other Related Documents);

(d) receipt by the Lender of (i) a certified copy of each instrument which composes the Resolution (each as in effect on the Closing Date) and a certificate of the [Executive Officer-Clerk of the Board], dated the Closing Date, certifying that each instrument which composes the Resolution is in full force and effect on the Closing Date and that there has been no other amendment or supplement of, or modification to, any provision of any such instrument, except as set forth therein;

(e) receipt by the Lender of a certificate of a duly authorized officer of the District, certifying that (i) all conditions precedent set forth in the Resolution with respect to the execution of this Agreement and each other Related Document have been satisfied, (ii) except as disclosed to the Lender before the date hereof, there has been no material adverse change in the financial condition of the District since June 30, 2023, (iii) that there has been no event or circumstance since June 30, 2023, that has, either individually or in the aggregate, a Material Adverse Effect, (iv) that the representations and warranties contained in Article IV hereof and the other Related Documents are true and correct in all material respects on the Closing Date, except to the extent such representations and warranties specifically relate to an earlier date (in which case such representations were true and correct in all material respects as of such earlier date), (v) no event has occurred and is continuing, or would result from entry into this Agreement, which would constitute a Default or Event of Default, (vi) no petition by or against the District has been filed under the United States Bankruptcy Code or under any similar law, (vii) the AAFR for the Fiscal Year ended June 30, 2023, has been prepared in accordance with generally accepted accounting principles consistently applied except as stated in the notes thereto; and (viii) other than litigation related to Assem. Bill No. 218 (2019-2020 Reg. Sess.), there are

no actions, suits or proceedings pending or threatened against the District (excluding those in relation to the Judgments) in any court or before any arbitrator of any kind or before or by any governmental or non-governmental body which could reasonably be expected to result in a Material Adverse Effect.

(f) receipt by the Lender of a certificate of a duly authorized officer of the District, certifying as to the incumbency and signature of each of the officers of the District authorized to sign this Agreement and the Related Documents to which the District is a party;

(g) receipt by the Lender of all opinions, certificates and other documents it may reasonably request relating to the existence of the District, the authority for and the validity of this Agreement and the Notes then being delivered, and any other matters relevant hereto or thereto, all in form and substance satisfactory to the Lender;

(h) [receipt by the Lender of a validation judgement relating to this Agreement, the Notes, and the Bonds;]

(i) receipt by the Lender of: (A) written confirmation that the District's credit ratings on its long-term unenhanced general obligation bonds (without taking into account any third party credit enhancement) have a long-term rating of at least "___" by Moody's, "___" by Fitch, and "___" by S&P; (B) the AAFR for the Fiscal Year ended June 30, 2023; and (C) a copy of the Investment Policy of the District as in effect on the Closing Date (or confirmation that the most recent Investment Policy of the District delivered to the Lender has not been modified and is still in full force and effect);

(j) any additional documentation that the Lender may request subject to reasonable non-disclosure of non-public information including under an asserted work-product privilege, attorney-client privilege, governmental privilege, or deliberative process privilege.

Section 3.02. Borrowings During the Revolving Credit Period. The obligation of the Lender to make a Loan on the occasion of any Borrowing, or to convert any Loan to or continue any SOFR Index Loan or SIFMA Index Loan on or prior to the Termination Date is subject to the satisfaction of the following conditions:

(a) receipt by the Lender of a Notice of Borrowing (or appropriate notice regarding continuation or conversion) as required by Section 2.02 hereof;

(b) immediately after such Borrowing, continuation or conversion, the aggregate outstanding principal amount of the Loans will not exceed the amount of the Commitment;

(c) immediately before and as a result of giving effect to such Borrowing, continuation or conversion, no Default or Event of Default shall have occurred and be continuing; and

(d) the representations and warranties of the District (except to the extent the same expressly relate to an earlier date, then such representation or warranty shall be true and correct, in all material respects, as of such earlier date and except that the representations contained in Section 4.08 of this Agreement shall be deemed to refer to the most recent AAFR delivered to the Lender pursuant to Section 5.07 of this Agreement) contained in this Agreement shall be true in all material respects on and as of the date of such Borrowing, continuation or conversion.

Each Borrowing, continuation or conversion hereunder shall be deemed to be a representation and warranty by the District on the date of such Borrowing as to the facts specified in clauses (b), (c) and (d) of this Section.

Section 3.03. Each Tax-Exempt Loan Borrowing. The obligation of the Lender to make each Tax-exempt Loan hereunder is subject to the satisfaction of the following conditions:

(a) all conditions set forth in Section 3.02 hereof shall be satisfied prior to the making of such Loan;

(b) the Lender shall have received an executed opinion of Note Counsel addressed to the District and with a reliance letter to the Lender, in a form acceptable to the Lender, to the effect that the interest on all the Tax-exempt Notes is excludable from gross income for federal income tax purposes; and

(c) the District shall have executed, and the Lender shall have received an executed copy of, the tax certificate related to the applicable Tax-exempt Notes.

Section 3.04. No Rating; DTC; Offering Document; CUSIP. The Notes shall not be (i) assigned a specific rating by any Rating Agency, (ii) registered with DTC or any other securities depository, (iii) issued pursuant to any type of official statement, private placement memorandum or other offering document, or (iv) placed or offered by a broker-dealer in the capacity of an underwriter or a placement agent.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

The District makes the following representations and warranties to each Noteholder:

Section 4.01. Legal Existence. The District is a political subdivision duly created and validly existing under the Constitution and the laws of the State, and has full legal right, power and authority, and at the Closing Date will have full legal right, power and authority (i) to enter into this Agreement, to execute the Related Documents, the Notes, the Loans, the Term Loans and the Bonds to refund the Notes, and to adopt the Resolution, (ii) to deliver the Notes as provided herein, (iii) to sell, issue and deliver the Bonds as provided in the Resolution and the Indenture, (iv) to carry out and consummate the transactions contemplated by this Agreement, the Resolution, the Fee Agreement, the Notes, the Loans, the Term Loans and the Bonds, (v) to pay all amounts

due and owing with respect to the Notes, the Loans, the Term Loans and the Bonds including, but not limited to, interest on the Notes, the Loans and the Term Loans at the applicable interest rates set forth in this Agreement as provided in this Agreement, and to pay all fees and other amounts payable hereunder and under the other Related Documents and (vi) the District has complied, and will at the Closing Date be in compliance in all respects, with the terms of the Act and the Resolution as they pertain to such transactions.

Section 4.02. Compliance with Law and Contracts. (a) The issuance of the Notes and the execution, delivery and performance by the District of this Agreement and the other Related Documents to which the District is a party in accordance with their respective terms and conditions have been duly authorized by all necessary action on the part of the District, and to the best knowledge of the District, did not, do not and will not, (i) violate any provision of any court order by which the District is bound, (ii) conflict with, violate or contravene any provision of existing law or regulation, of any order or decree of any court, tribunal, Governmental Authority, bureau or agency binding on the District, or (iii) conflict with, violate or cause a default, or with the passage of time or the giving of notice or both would cause a default, under any provision of any bond, note or other evidence of indebtedness or mortgage, indenture, contract or other agreement to which the District is a party or that is binding upon it or any of its properties or assets.

(b) No consent of any Person and no license, approval or authorization of or notice to or registration, filing or declaration with, any Governmental Authority, bureau or agency is required in connection with the execution, delivery or performance by the District, or validity or enforceability against the District of this Agreement or any of the other Related Documents, or for the District to execute and deliver the Notes or incur the Obligations in accordance with this Agreement or any of the other Related Documents or, if required, the same has been obtained and is in full force and effect.

(c) All authorizations, approvals, licenses, permits, consents and orders of any State Governmental Authority, legislative body, board, agency or commission having jurisdiction of the matters which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the District of its obligations under, this Agreement, the Indenture, the Resolution, the Fee Agreement, the Notes, the Loans, the Term Loans and the Bonds have been duly obtained, except for such approvals, consents and orders as are yet to be obtained or as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds.

Section 4.03. Authorization and Validity . By all necessary official action of the District prior to or concurrently with the Closing Date, the District has duly adopted the Resolution, has duly authorized and approved the execution and delivery of, and the performance by the District of the obligations on its part contained in, this Agreement, the Indenture, the Related Documents, the Notes, the Loans, the Term Loans and the Bonds, and the consummation by it of all other transactions contemplated by the Resolution, this Agreement, the Indenture, the Related Documents, the Notes, the Loans, the Term Loans and the Bonds; the Resolution, this Agreement, the Indenture, the Related Documents, the Notes, the Loans, the Term Loans and the Bonds, assuming due authorization, execution and delivery by the other parties thereto, constitute, or will constitute at the Closing Date or the delivery date of the initial series of Bonds, as appropriate,

legal, valid and binding obligations of the District, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws relating to or affecting the enforcement of creditors' rights and the application of general principles of equity if equitable remedies are sought.

Section 4.04. Litigation. Except as otherwise disclosed to the Lender in writing prior to the Closing Date, to the best knowledge of the District, after due inquiry, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending in which service of process has been completed, or threatened against the District, affecting the existence of the District or the titles of any officers executing this Agreement or any other Related Document to which the District is a party, or affecting or seeking to prohibit, restrain or enjoin execution and delivery of this Agreement, the Indenture, the Related Documents, the Notes, the Loans, the Term Loans and the Bonds, and the consummation by it of all other transactions contemplated by the Resolution, this Agreement, the Indenture, the Related Documents, the Notes, the Loans, the Term Loans and the Bonds or the appropriation of general funds of the District as obligations of the District imposed by law pursuant to the Resolution, or in any way contesting or affecting the validity or enforceability of this Agreement, the Indenture, the Related Documents, the Notes, the Loans, the Term Loans and the Bonds or contesting the exclusion from gross income of interest on the Tax-exempt Notes for federal income tax purposes, or contesting the powers of the District or any authority for the issuance of the Notes, the adoption of the Resolution or the execution and delivery of this Agreement, the Indenture, the Related Documents, the Notes, the Loans, the Term Loans and the Bonds, nor is there any known basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of this Agreement, the Indenture, the Related Documents, the Notes, the Loans, the Term Loans and the Bonds or the District's ability to carry out the transactions contemplated hereby or thereby applicable to the ability of the District to pay the Notes or the Obligations.

Section 4.05. Related Documents. The representations and warranties of the District in all of the Related Documents are true and correct in all material respects as of the date made, except to the extent such representations and warranties relate to an earlier date (in which case such representations and warranties shall be true and correct in all material respects as of such earlier date).

Section 4.06. Accuracy and Completeness of Information. All certificates, reports, financial statements, documents and other written information furnished to the Lender by the District on or prior to the Closing Date in connection with the transactions contemplated hereby were, at the time the same were so furnished, taken as a whole, complete and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not misleading in light of the circumstances in which the same were made.

Section 4.07. Legislation. To the best knowledge of the District, no legislation has been enacted which materially adversely affects or which prohibited or prohibits, as applicable, (i) the issuance or delivery of the Notes, (ii) the adoption of the Resolution, (iii) the execution and delivery of this Agreement or any of the other Related Documents to which the District is a party,

(iv) the creation, organization or existence of the District or the titles to office of any officers executing this Agreement or any other Related Document to which the District is a party, or (v) the power of the District to carry out its obligations under this Agreement or any of such other Related Documents.

Section 4.08. Accuracy of Financial Reports. The most recent financial reports of the District as of June 30, 2023, copies of which have been furnished to the Lender, fairly present in all material respects the financial position and results of operations of the District, as of the dates and for the periods set forth therein and have been prepared in accordance with generally accepted accounting principles consistently applied except as previously disclosed to the Lender in writing. Since June 30, 2023, there has been no material adverse change in the financial condition or operations of the District that could reasonably be expected to result in a Material Adverse Effect.

Section 4.09. Source of Payment of Obligations. (a) All obligations in respect of principal of and interest on the Notes, the Loans and the Term Loans (including, without limitation, the obligation to pay all amounts due and owing with respect to the Notes, the Loans and the Term Loans, and to pay all interest thereon at the applicable interest rate set forth in this Agreement and the Notes) constitute obligations of the District payable from the general fund to be appropriated by the District as obligations of the District imposed by law.

(b) The obligations of the District under the Notes, the Loans and the Term Loans (including, without limitation, the obligation to pay all amounts due and owing with respect to the Notes, the Loans and the Term Loans, and to pay all interest thereon at the applicable interest rate set forth in this Agreement and the Notes) when due are obligations of the District imposed by law and are absolute and unconditional, without any right of set-off or counterclaim. The Notes, the Loans and the Term Loans (including, without limitation, the obligation to pay all amounts due and owing with respect to the Notes, the Loans and the Term Loans, and to pay all interest thereon at the applicable interest rate set forth in this Agreement and the Notes) do not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation, and none of the Notes, the Loans and the Term Loans (including, without limitation, the obligation to pay all amounts due and owing with respect to the Notes, the Loans and the Term Loans, and to pay all interest thereon at the applicable interest rate set forth in this Agreement and the Notes) constitutes an indebtedness of the District or the State of California, or any of its political subdivisions, in contravention of any constitutional or statutory debt limitation or restriction.

Section 4.10. No Default or Event of Default. No Default or Event of Default has occurred and is continuing, and, to the best knowledge of the District after due inquiry, the District is not in material breach of or default under any loan agreement, indenture, bond or note, or other instrument evidencing any indebtedness or other material financial obligation of the District to which the District is a party, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a material default or event of default by the District under any such instrument; and the execution and delivery of this Agreement, the Bonds, the Indenture, the Related Documents, the Notes, the Loans and the Term Loans and the adoption of the Resolution and compliance with the provisions on the District's part contained therein, will not in any material respect conflict with or constitute a breach or default

under any State constitutional provision, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, ordinance, resolution, agreement or other instrument to which the District is a party, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the District or under the terms of any such law, regulation or instrument, except as provided by this Agreement, the Bonds, the Indenture, the Related Documents, the Notes, the Loans and the Term Loans and the adoption of the Resolution and compliance with the provisions on the District's part contained therein.

Section 4.11. Validation. The Superior Court of the County of Los Angeles has entered its validation judgment in connection with the validity of this Agreement, the Indenture, the Notes, the Loans, the Term Loans, related Obligations, the Bonds, and related matters.

Section 4.12. Sanctions Concerns. (a) The District is not and, to the knowledge of the District, no officer, director or agent acting on behalf of the District with respect to the obligations hereunder, this Agreement or any of the other Related Documents is a Sanctioned Target.

(b) (i) The District and, to the knowledge of the District, each officer, director and agent acting on behalf of the District with respect to the obligations hereunder, this Agreement or any of the other Related Documents are in compliance in all material respects with Anti-Money Laundering Laws, Anti-Corruption Laws and applicable Sanctions; and (ii) the District is not and, to the District's knowledge, no officer, director or agent acting on behalf of the District with respect to the obligations hereunder, this Agreement or any of the other Related Documents is, in each case, under investigation for an alleged violation of any Sanctions, Anti-Money Laundering Laws or Anti-Corruption Laws by a governmental authority that enforces such laws.

Section 4.13. No Sovereign Immunity. The District does not enjoy any rights of immunity on the grounds of sovereignty or other similar grounds (including, without limitation, governmental immunity) with respect to its obligations hereunder or under any other Related Document to which it is a party or by which it is bound.

Section 4.14. Regulations U and X. The District is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U or X issued by the Board of Governors of the Federal Reserve System); and no proceeds of the Loans will be used to extend credit to others for the purpose of purchasing or carrying any margin stock, or for any other purpose that would violate Regulation U or X issued by the Board of Governors of the Federal Reserve System.

Section 4.15. Usury. The terms of this Agreement and the Related Documents regarding calculation and payment of interest and fees do not violate any applicable usury laws.

Section 4.16. ERISA. The District does not maintain or contribute to, and has not maintained or contributed to, any Plan that is subject to Title IV of ERISA.

ARTICLE V

COVENANTS

The District covenants and agrees, so long as the Lender has any Commitment hereunder and until the full and final payment and satisfaction of all of the Notes and the Obligations hereunder, except in any instance in which the Lender specially agrees in writing to any non-performance or noncompliance, that:

Section 5.01. Punctual Payment and Performance. The District shall punctually pay the interest on and principal of the Notes and Obligations hereunder in conformity with the terms hereof and of the Notes and the Obligations hereunder, and shall faithfully observe and perform all the agreements and covenants required to be observed or performed by the District contained herein and in the Notes and the Obligations hereunder.

Section 5.02. Power to Issue the Notes and the Bonds. The District is duly authorized to execute and deliver the Notes and the Bonds and to enter into this Agreement and the Indenture. The Notes, the Loans, the Term Loans, related Obligations and the Bonds and the provisions of this Agreement and the Indenture are and will be the legal, valid and binding obligations of the District in accordance with their terms. The Notes, the Loans, the Term Loans, related Obligations and the Bonds constitute obligations imposed by law.

Section 5.03. Prosecution and Defense of Suits. The District shall defend against every suit, action or proceeding at any time brought against the District upon any claim to the extent involving the failure of the District to fulfill its obligations hereunder and under the Indenture; *provided, however,* that the Lender, or any Owner of the Bonds at its election may appear in and defend any such suit, action or proceeding.

Section 5.04. District Budgets. The District shall in each Fiscal Year include in its budget a provision to provide funds in an amount sufficient to pay the principal of and interest on the Notes, the Loans, the Term Loans, the related Obligations and the Bonds coming due in such Fiscal Year.

Section 5.05. Exempt Status. The District shall not take any action or omit to take any action that, if taken or omitted, would adversely affect the excludability of interest payable with respect to the Tax-exempt Loans, or the Tax-exempt Notes from gross income under Section 103 of the Internal Revenue Code.

Section 5.06. Accuracy of Information. All certificates, reports, financial statements, documents and other written information furnished by the District to the Lender, pursuant to this Agreement, or in connection with or pursuant to any amendment or modification of, or waiver under, this Agreement, shall, at the time the same shall be so furnished taken as a whole, (i) be complete and correct in all material respects, and (ii) not contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements contained therein not misleading in light of the circumstances in which the same were made, and the

furnishing of the same to the Lender shall constitute a representation and warranty by the District to that effect.

Section 5.07. Financial and Other Reports. As soon as publicly available and in any event within 270 days after the end of each Fiscal Year, the District shall furnish the complete AAFR of the District, certified as to the fairness of presentation and conformity with general accepted accounting principles by a recognized firm of independent certified public accountants; *provided* that the requirement to provide any such copy to the Lender shall be satisfied if such copy is publicly available on EMMA;

Section 5.08. Compliance Certificate and Additional Information. (a) Within 270 days after the end of each Fiscal Year, the District shall furnish a Compliance Certificate of a Designated Representative in the form attached hereto as Exhibit C stating whether, to such representative's knowledge, there exists on the date of such certificate any Default and, if any Default is then known to exist, setting forth the details thereof and the action which the District is taking or proposes to take with respect thereto;

(b) As soon as available, and in any event within 90 days following approval thereof, the final, adopted budget of the District;

(c) (A) Promptly upon obtaining knowledge of any Default or Event of Default, or notice thereof, and in any event within ten (10) Business Days thereafter, a certificate signed by a Designated Representative specifying in reasonable detail the nature and period of existence thereof and what action the District has taken or proposes to take with respect thereto; and (B) promptly following a written request of the Lender, a certificate of a Designated Representative as to the existence or absence, as the case may be, of a Default or an Event of Default under this Agreement;

(d) As promptly as practicable, written notice to the Lender of all actions, suits or proceedings pending or threatened against the District (other than litigation related to Assem. Bill No. 218 (2019-2020 Reg. Sess.)) in court or before any arbitrator of any kind or before any governmental authority which could reasonably be expected to result in a Material Adverse Effect; and

(e) From time to time such additional information regarding the financial condition of the District as the Lender may reasonably request, subject to non-disclosure of non-public information including under an asserted work-product privilege, attorney-client privilege, governmental privilege, or deliberative process privilege.

Section 5.09. Events of Default. Promptly upon obtaining knowledge thereof, the District will notify the Lender of the occurrence of any Event of Default, specifying the details of such Event of Default and the action that the District proposes to take with respect thereto.

Section 5.10. Books, Records. At the Lender's expense (unless and until a Default or Event of Default has occurred at which time such expenses shall be borne by the District), the District will permit, during normal business hours and from time to time, upon reasonable prior notice, the

Lender or any of its agents or representatives to examine and make copies of and abstracts from the records and books of account of the District (except records and books of accounts the examination of which by the Lender is prohibited by law or contractual obligation), and to discuss the affairs, finances and accounts of the District with any appropriate representative of the District or the District's independent public accountants; *provided* that unless an Event of Default has occurred and is continuing, no more than two such examinations may be made by the Lender per fiscal year of the District.

Section 5.11. Other Obligations. The District will comply with and observe all obligations and requirements set forth in the Related Document to which it is a party (including without limitation all provisions therein for the benefit of the Lender) and all statutes and regulations binding upon it in which noncompliance or nonobservance could reasonably be expected to have a Material Adverse Effect.

Section 5.12. Responsibilities under Related Documents. The District shall take all actions as may be reasonably requested by the Lender to enforce the obligations under the Related Documents of each of the other parties thereto.

Section 5.13. Book Entry Eligibility. The District covenants that at all times from and including the Closing Date until and including the payment in full of the Loans, the Term Loans and the Notes (so long as this Agreement is effective and/or the Lender or any of its Affiliates own all or any portion of the Notes), the District shall not cause the Notes to be registered with DTC's book-entry delivery services without the Lender's prior written consent.

Section 5.14. Further Assurances. The District shall, upon the request of the Lender, from time to time, execute and deliver and, if necessary, file, register and record such further amendments, confirmation statements and other documents and instruments and take such further action as may be reasonably necessary to effectuate the provisions of this Agreement and the other Related Documents.

Section 5.15. Maintenance of Insurance. The District shall maintain insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as is required by law or is deemed by the District to be prudent.

Section 5.16. Bond Ratings. (a) The District shall at all times maintain a rating on its long-term unenhanced general obligation bonds from at least one Rating Agency.

(b) For avoidance of doubt, the District shall not maintain any ratings associated with this Agreement.

Section 5.17. Amendments to Related Documents. Without the prior written consent of the Lender, the District will not agree or consent to any amendment, supplement, waiver or modification of any provision of any Related Document to which the District is a party that affects the rights, interests, security or remedies of the Lender hereunder; *provided* that the District may (i) amend the Indenture to provide for the issuance of one or more series of additional bonds, subject to and in accordance with the provisions of Section 2.10 and Section 2.11 thereof so long

as such amendment does not otherwise amend or modify the Indenture and (ii) otherwise amend or supplement the Indenture in accordance with its terms so long as such amendment or supplement could not reasonably be expected to materially affect the rights, interests, security or remedies of the Lender or the District's Obligations hereunder and under the other Related Documents.

Section 5.18. Fiscal Year. The District shall not adopt any change in its Fiscal Year without giving prior written notice of such change to the Lender.

Section 5.19. Sanctions; Anti-Money Laundering Laws and Anti-Corruption Laws. The District shall comply in all material respects with, and cause each officer, director and agent acting on behalf of the District with respect to the obligations hereunder, this Agreement or any of the other Related Documents to comply in all material respects with, all applicable Sanctions, Anti-Money Laundering Laws and Anti-Corruption Laws, and shall ensure any of the proceeds of any credit extended hereunder are not used in contravention thereof.

Section 5.20. Use of Proceeds. (a) The District shall use the proceeds of the Loans solely as set forth herein and under the Resolution.

(b) The District shall not use any portion of the proceeds of the Loans for the purpose of carrying or purchasing any Margin Stock and shall not incur any Debt which is to be reduced, retired or purchased by the District out of such proceeds.

Section 5.21. Compliance with Laws. The District will comply with all laws, statutes and regulations binding upon it, including Sanctions, Anti-Money Laundering Laws, and Anti-Corruption Laws, noncompliance with which would materially adversely affect the District's ability to perform its respective obligations under the Notes, this Agreement or any of the other Related Documents.

Section 5.22. References to the Lender. Except as may be required by law (including federal and state securities laws), the District will not include any information concerning the Lender (other than identifying the Lender as a party to its contracts with the District) that is not supplied in writing, or otherwise consented to, by the Lender expressly for inclusion therein, in any written or published materials (other than the District's staff reports, annual statements, audited financial statements and rating agency presentations) without the prior written consent of the Lender; *provided that*, without the prior written consent of the Lender, the District may identify the Lender as a party to this Agreement, the Commitment, and the Facility Maturity Date, in other disclosure documents of the District, so long as no other information relating to the Agreement, the Fee Agreement or the Lender is disclosed in such offering documents without the prior written consent of the Lender.

Section 5.23. Existence, Etc. The District agrees that it will maintain its existence as a political subdivision under its charter and the laws of the State.

Section 5.24. Disclosure to Participants, Lender Transferees and Non-Lender Transferees. The District shall permit the Lender to disclose the financial information received by it pursuant to this Agreement to each Participant and Non-Lender Transferee pursuant to Section 8.05 of this

Agreement, subject to confidentiality restrictions and use restrictions customary for financial institutions.

Section 5.25. Other Agreements. In the event that the District has or shall enter into or otherwise consent to any credit agreement, liquidity agreement, standby bond purchase agreement, reimbursement agreement, direct purchase agreement (such as a continuing covenant agreement or supplemental bondholder's agreement), bond purchase agreement or other agreement or instrument (or any amendment, supplement or other modification thereof) under which, directly or indirectly, any Person or Persons undertake(s) (each a "*Provider*") to make loans to the District in connection with the Judgments, or to make or provide funds to make payment of, or to purchase or provide credit or liquidity enhancement for or with respect to any Debt relating to the Judgments (each a "*Bank Agreement*"), which Bank Agreement (i) contains covenants that are more restrictive on the part of the District than those contained in this Agreement, (ii) contains events of default and/or remedies that are more favorable to the Provider under such Bank Agreement than those contained in this Agreement and/or (iii) provides that any outstanding principal, advance, loan or drawing thereunder may or shall be amortized over a period shorter than the Amortization Period set forth in Section 2.12 hereof (collectively, the "*Additional Rights*"), such Additional Rights shall automatically be deemed to be incorporated into this Agreement and the Lender shall have the benefits of such Additional Rights. Upon entering into or consenting to any Bank Agreement, the District shall promptly enter into an amendment to this Agreement to include such Additional Rights, *provided* that the Lender shall maintain the benefit of such Additional Rights even if the District fails to provide such amendment. If the District shall amend any such Bank Agreement such that it no longer provides for such Additional Rights (except for waivers of such Additional Rights), then, without the consent of the Lender, this Agreement shall automatically no longer contain the Additional Rights thereunder and the Lender shall no longer have the benefits of any such Additional Rights.

ARTICLE VI

EVENTS OF DEFAULT

Section 6.01. Events of Default. If one or more of the following events shall have occurred and be continuing, each shall each constitute an Event of Default hereunder:

(a) (i) the District shall fail to pay principal of or interest on any Loan or Term Loan when due, or (ii) the District shall fail to pay any Obligation (other than the obligation to pay principal of and interest on any Loan or Term Loan) and such failure shall continue for three (3) Business Days; or

(b) any written representation, warranty, certification or statement made by the District in this Agreement or in any other Related Document or in any certificate, financial statement or other document delivered pursuant to this Agreement or any other Related Document shall (in any such case) have been incorrect or untrue in any material respect when made or deemed to have been made; or

(c) the District shall default in the due performance or observance of any of the covenants set forth in Section 5.01, Section 5.05, Section 5.06, Section 5.15, Section 5.16, Section 5.17, Section 5.20 or Section 5.23 hereof; or

(d) the District shall default in the due performance or observance of any other term, covenant or agreement contained in this Agreement and such default shall remain unremedied for a period of sixty (60) days after the earlier of (i) the date on which such default shall first become known to any representative of the District, and (ii) notice of such occurrence is given by the Lender to the District; *provided* that so long as the District shall be proceeding with due diligence to remedy any default in the due performance or observance of such covenants which, if begun and prosecuted with due diligence, cannot be completed within a period of sixty (60) days, but can be cured, then such sixty (60) day period shall be extended to the extent as shall be necessary to enable the District to begin and complete the remedying of such default through the exercise of due diligence but shall not exceed ninety (90) days from the earlier to occur of (i) the date on which such default shall first become known to any representative of the District, and (ii) written notice thereof is given by the Lender to the District); or

(e) (i) the District shall commence a voluntary case or other proceeding, and in connection with such case or other proceeding, seek liquidation, reorganization, debt arrangement, dissolution or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of its or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall declare a moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction, or become insolvent within the meaning of Section 101(32) of the Bankruptcy Code (or any successor provision), or shall take any action to authorize any of the foregoing; or (ii) declaration of moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction by a Governmental Authority of competent jurisdiction; or

(f) (i) a case or other proceeding shall be commenced against the District and in connection with such case or other proceeding, a party shall seek liquidation, reorganization, debt arrangement, dissolution or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case shall either (A) be consented to or acquiesced in by the District, or (B) remain undismissed and unstayed for a period of sixty (60) days; (ii) all, or substantially all of the property of the District shall be condemned, seized, or otherwise appropriated; or (iii) a custodian, receiver, trustee, examiner, liquidator or similar official shall be appointed for the District or an order for relief shall be entered against the District under the federal bankruptcy laws as now or hereafter in effect, or any writ, judgment, warrant of attachment, execution or similar process shall be issued or levied against a substantial part of the property, assets or business

of the District, and such proceedings or petition shall not be dismissed, or such writ, judgment, warrant of attachment, execution or similar process shall not be stayed, released, appealed, vacated or fully bonded, within the time permitted by law after commencement, filing or levy, as the case may be; or

(g) (i) any material provision of this Agreement or any other Related Document relating to the District, shall at any time for any reason cease to be valid and binding on the District as a result of any legislative or administrative action by a Governmental Authority with competent jurisdiction or shall be declared in a final non-appealable judgment by any court with competent jurisdiction to be null and void, invalid, or unenforceable, or the validity or enforceability thereof shall be publicly contested by the District; or (ii) the District shall have taken or permitted to be taken any official action which would adversely affect the enforceability of this Agreement or any Related Document relating to the payment of the principal of or interest on the Note, the Term Loans, or the Obligations, or the security therefor or the District otherwise repudiates its obligation to pay the Notes, the Term Loans, or the Obligations, or (iii) or the occurrence of a repeal, reenactment, amendment, modification or enactment of legislation, if such repeal, reenactment, amendment, modification or enactment, could reasonably be expected to have a material adverse effect on the ability of the District to pay the Notes, the Loans, the Term Loans or the Obligation;

(h) dissolution or termination of the existence of the District; or

(i) the District shall (i) fail to make any payment on any Material District Debt (other than a Loan made pursuant to this Agreement) or any interest or premium thereon when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Material District Debt; or (ii) failure to perform or observe any term, covenant, or condition on its part to be performed or observed under any agreement or instrument relating to any Material District Debt when required to be performed or observed, and such failure shall not be waived and shall continue after the applicable grace period (without regard to any subsequent amendment, waiver or forbearance with respect thereto unless the District certifies such amendment, waiver or forbearance was obtained without conditions or the Lender also benefits from such condition, in its reasonable discretion), if any, specified in such agreement or instrument, and such failure permits or results in the acceleration of such Material District Debt; or (iii) any Material District Debt shall be declared to be due and payable or be required to be prepaid (other than by a regularly scheduled required prepayment or an optional prepayment), prior to the standard maturity thereof; *provided, however*, that in the case of clause (i), (ii) or (iii) any failure shall not be considered an Event of Default hereunder if the same is being contested in good faith and by appropriate proceedings and such contest shall operate to stay the acceleration of the maturity of such Material District Debt; *provided, further*, that notice shall be given promptly by the Lender (and in any event within three (3) Business Days after the Lender shall have actual knowledge thereof) to the bond trustee under the Indenture of the occurrence of any failure permitting the acceleration of Material District Debt as provided in clause (ii) above but the Lender's failure to provide

such notice to the bond trustee shall not prevent such failure permitting the acceleration of Material District Debt as provided in clause (ii) above from constituting an Event of Default hereunder; or

(j) (i) the District shall default in the due performance or observance of any material term, covenant or agreement contained in any of the Related Documents and the same shall not have been cured within any applicable cure period; *provided* that the District had received the requisite notice of such default, if applicable; or (ii) any “Event of Default” as defined in any of the Other Bank Agreements shall have occurred; or

(k) a legislative or regulatory body with competent jurisdiction shall declare a financial emergency with respect to the District and shall appoint or designate with respect to the District, an entity such as an organization, board, commission, authority, agency or body to manage the affairs and operations of the District; or

(l) any Rating Agency shall have downgraded the rating on any unenhanced general obligation bond of the District to below “Baa3” (or its equivalent) by Moody’s, “BBB-” (or its equivalent) by S&P, or “BBB-” (or its equivalent) by Fitch or any of Moody’s, S&P, or Fitch shall have withdrawn or suspended its rating on any lease revenue bonds of the District, but not as a result of debt maturity, defeasance, non-application for a rating, non-provision of information or a downgrade of a third party credit enhancer and excluding any withdrawal or suspension of any such rating if S&P, Fitch, or Moody’s, as applicable, stipulates in writing that the rating action is being taken for non-credit related reasons; or

(m) one or more final, non-appealable judgments or orders for the payment of money in the aggregate amount of \$65,000,000 or more shall be rendered against the District (excluding those in relation to the Judgments) and such judgment or order shall continue unsatisfied and unstayed for a period of ninety (90) days; *provided* that any such judgment shall be deemed to be satisfied for purposes of this Section 6.01(m) if it is being paid by the District in installments pursuant to a settlement agreement.

Section 6.02. Remedies upon Event of Default. If an Event of Default specified in Section 6.01 hereof shall occur and be continuing, the Lender may take one or more of the following actions at any time and from time to time (regardless of whether the actions are taken at the same or different times):

(a) The Lender (i) may, by notice to the District, terminate the Commitment as to the Loan, and the Commitment as to the Loan shall thereupon terminate, and (ii) may, by notice to the District demand that the Notes relating to the Loan or Loans or Term Loans, be immediately due and payable by the District and the District shall thereupon be obligated to pay immediately the outstanding principal amount of such Notes, Loans and/or Term Loans, as applicable (together with accrued interest thereon), without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the District; *provided* that in the case of any of the Events of Default specified in Section 6.01(e), Section 6.01(f) or 6.01(h) hereof, without any notice to the District or any other act by the

Lender, the Commitment shall thereupon immediately terminate and the Notes, Term Loans and other Obligations, as applicable, shall immediately be deemed to be due for payment by the District and the District shall be obligated to pay immediately the outstanding principal amount of the Notes, Term Loans and Obligations, as applicable, (together with accrued interest thereon) and with all other amounts then owing hereunder, in each case, without presentment, demand, protest or notice of any kind, all of which are hereby waived by the District;

(b) The Lender shall also be entitled to exercise any and all other rights and remedies available at law or in equity. Promptly following the taking of any action or the occurrence of any event or condition referred to above, the Lender shall give notice thereof to the District, but the failure to give any such notice or any delay in giving any such notice shall not impair the validity or effect of any action or event or condition referred to above; or

(c) If at any time after such acceleration and before any judgment or decree for the payment of money with respect thereto has been entered all amounts payable to the Lender hereunder on the Notes subject to acceleration under this Section 6.02 (except interest on or principal of the Bonds which are due solely by reason of such acceleration) shall have been paid or provided for by deposit with the Lender and all existing Events of Default shall have been cured or waived, then the Lender may annul such acceleration and its consequences by written notice to the District, which annulment shall be binding upon the District and the Lender, but no such annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon.

(d) Additionally, from and after the occurrence and during the continuance of an Event of Default, all amounts owing to the Lender and all amounts owing to the Noteholders hereunder and amounts owing on any related Notes and Term Loans, as applicable, and all other obligations of the District hereunder shall bear interest at the Default Rate.

ARTICLE VII

INCREASED COSTS AND TAXES

Section 7.01. Additional Costs.

(a) *Increased Costs Generally.* If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, capital or liquidity ratio, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or advances, loans or other credit extended or participated in by, the Lender, or the Lender's parent or holding company or any Noteholder or such Noteholder's parent or holding company;

(ii) subject the Lender or any Noteholder to any Tax of any kind whatsoever with respect to this Agreement, the related Notes, any Loan or Term Loan made by it or the related Notes, or change the basis of taxation of payments to the Lender or such Noteholder in respect thereof (except for Indemnified Taxes or Other Taxes covered by Section 7.02 hereof and the imposition of, or any change in the rate of any Excluded Taxes payable by the Lender, the Lender's parent or holding company or such Noteholder or such Noteholder's parent or holding company); or

(iii) impose on the Lender, the Lender's parent or holding company or any Noteholder, or such Noteholder's parent or holding company any other condition, cost or expense affecting this Agreement or the related Notes or the Term Loans;

and the result of any of the foregoing shall be to increase the cost to the Lender, the Lender's parent or holding company, or such Noteholder or such Noteholder's parent or holding company of making Loans or Term Loans or maintaining the Commitment, or to reduce the amount of any sum received or receivable by the Lender, the Lender's parent or holding company, or such Noteholder hereunder, under the related Notes, under any Loan or under the Term Loan(s) (whether of principal, interest or any other amount) then, upon written request of the Lender or such Noteholder as set forth in clause (c) below, the District shall promptly pay to the Lender or such Noteholder, as the case may be, such additional amount or amounts as will compensate the Lender, the Lender's parent or holding company, or such Noteholder, or such Noteholder's parent or holding company, as the case may be, for such additional costs incurred or reduction suffered.

(b) *Capital or Liquidity Requirements.* If the Lender or any Noteholder reasonably determines that any Change in Law affecting the Lender, the Lender's parent or holding company, or such Noteholder or such Noteholder's parent or holding company regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on the Lender's, the Lender's parent's or holding company's, or such Noteholder's or such Noteholder's parent or holding company capital or liquidity as a consequence of this Agreement, or of making Loans or Term Loans or maintaining the Commitment, to a level below that which the Lender, the Lender's parent or holding company, or such Noteholder could have achieved but for such Change in Law (taking into consideration the Lender's, Lender's parent or holding company's, or such Noteholder's or such Noteholder's parent or holding company policies with respect to capital or liquidity adequacy), then from time to time upon written request of the Lender or such Noteholder as set forth in clause (c) below the District shall promptly pay to the Lender or such Noteholder, as the case may be, such additional amount or amounts as will compensate the Lender, the Lender's parent or holding company, or such Noteholder or such Noteholder's parent or holding company for any such reduction suffered.

(c) *Certificates for Reimbursement.* A certificate of the Lender or any Noteholder setting forth the amount or amounts necessary to compensate the Lender, the Lender's parent or holding company, or any such Noteholder or such Noteholder's parent or holding company, as the case may be, as specified in paragraph (a) or (b) of this Section in reasonable detail setting forth the computation of such compensation (including the reason therefor), and delivered to the District, shall be conclusive absent manifest error. The District shall pay the Lender or any such

Noteholder, as the case may be, the amount shown as due on any such certificate within sixty (60) days after receipt thereof.

(d) *Delay in Requests.* Failure or delay on the part of the Lender or the Noteholder to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of the Lender's or the Noteholder's right to demand such compensation. The District shall not be required to compensate the Lender or any Noteholder pursuant to this Section 7.01 in respect of a period occurring more than six (6) months prior to the date the above-described written demand is given to the District with respect thereto.

(e) *Participants.* Each Participant will be entitled to the benefits of this Section 7.01 to the same extent as if it were a direct party hereto and references to the Lender in this Section 7.01 will be deemed to refer to each Participant to the extent the District is notified in writing of such participation and such Participant complies with the provisions of Section 8.05(d) hereof in connection with its participation. Notwithstanding the foregoing, in no event shall the District be required to pay to any Participant any increased cost in excess of the amount the District would have paid to the Lender if the Lender had not entered into a participation with such Participant.

(f) *Survival.* Without prejudice to the survival of any other agreement of the District hereunder, the agreements and obligations of the District contained in this Section shall survive the termination of this Agreement and the payment in full of the Loans, the Term Loans and the obligations of the District thereunder and hereunder; *provided* that this paragraph (f) will not be deemed to extend any applicable statute of limitations. In no event shall increased costs be payable in respect of any period subsequent to the later of (i) the Termination Date, and (ii) the date on which no Note, or interest thereon, remains outstanding.

Section 7.02. Taxes. (a) Any and all payments to the Lender or any Noteholder by the District hereunder or with respect to the Loans and Term Loans shall be made free and clear of and without deduction or withholding for any and all Indemnified Taxes. If the District shall be required by law to deduct or withhold any Indemnified Taxes imposed by the United States of America or any political subdivision thereof from or in respect of any sum payable hereunder or with respect to the Loans and/or Term Loans, then (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Lender or such Noteholder receives an amount equal to the sum it would have received had no such deductions been made, (ii) the District shall make such deductions, and (iii) the District shall timely pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. If the District shall make any payment under this Section to or for the benefit of the Lender or such Noteholder with respect to Indemnified Taxes and if the Lender or such Noteholder shall claim any credit or deduction for such Indemnified Taxes against any other taxes payable by the Lender or such Noteholder to any taxing jurisdiction in the United States of America then the Lender or such Noteholder shall pay to the District an amount equal to the amount by which such other taxes are actually reduced; *provided*, that the aggregate amount payable by the Lender or such Noteholder pursuant to this sentence shall not exceed the aggregate amount previously paid by the District with respect to such Indemnified Taxes. In addition, the District agrees to pay any present or future stamp, recording or documentary taxes and any other excise or property taxes, charges or similar

levies that arise under the laws of the United States of America or any state of the United States from any payment made hereunder or under the Loans, the Term Loans or from the execution or delivery of this Agreement or the Notes, or otherwise with respect to this Agreement, the Loans or the Term Loans (hereinafter referred to as “*Other Taxes*”). The Lender or such Noteholder shall provide to the District within a reasonable time a copy of any written notification it receives with respect to Indemnified Taxes or Other Taxes owing by the District to the Lender or such Noteholder hereunder; *provided*, that the Lender or such Noteholder’s failure to send such notice shall not relieve the District of its obligation to pay such amounts hereunder.

(b) The District shall, to the fullest extent permitted by law and subject to the provisions hereof, pay the Lender or such Noteholder for the full amount of Indemnified Taxes and Other Taxes including any Indemnified Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section paid by the Lender or such Noteholder or any liability (including penalties, interest and expenses) arising therefrom or with respect thereto; *provided*, that the District shall not be obligated to pay the Lender or such Noteholder for any penalties, interest or expenses relating to Indemnified Taxes or Other Taxes arising from the Lender or such Noteholder’s negligence or willful misconduct. The Lender or such Noteholder agrees to give notice to the District of the assertion of any claim against the Lender or such Noteholder relating to such Indemnified Taxes or Other Taxes as promptly as is practicable after being notified of such assertion; *provided*, that the Lender or such Noteholder’s failure to notify the District promptly of such assertion shall not relieve the District of its obligation under this Section. Payments by the District pursuant to this Section shall be made within thirty (30) days from the date the Lender or such Noteholder makes written demand therefor, which demand shall be accompanied by a certificate describing in reasonable detail the basis thereof. The Lender or such Noteholder agrees to repay to the District any refund (including that portion of any interest that was included as part of such refund) with respect to Indemnified Taxes or Other Taxes paid by the District pursuant to this Section received by the Lender or such Noteholder for Indemnified Taxes or Other Taxes that were paid by the District pursuant to this Section and to contest, with the cooperation and at the expense of the District, any such Indemnified Taxes or Other Taxes which the Lender or such Noteholder or the District reasonably believes not to have been properly assessed.

(c) Within thirty (30) days after the date of any payment of Indemnified Taxes by the District, the District shall furnish to the Lender or such Noteholder, as applicable, the original or a copy of a receipt evidencing payment thereof.

(d) Without prejudice to the survival of any other agreement of the District hereunder, the agreements and obligations of the District contained in this Section shall survive the termination of this Agreement and the payment in full of the Loans, the Term Loans and the obligations of the District thereunder and hereunder; *provided* that this paragraph (d) will not be deemed to extend any applicable statute of limitations. In no event shall taxes set forth herein be payable in respect of any period subsequent to the later of (i) the Termination Date, and (ii) the date on which no Note, or interest thereon, remains outstanding.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Notices. All notices, requests, consents and other communications to either party hereunder shall be in writing (including bank wire, facsimile transmission or similar writing) and shall be given to such party at its address or facsimile number set forth on the signature page hereof or at such other address or facsimile number as such party may hereafter specify for the purpose by at least five (5) Business Days' prior notice to the other party, unless otherwise described herein. Each such notice, request, consent or other communication shall be effective (i) if given by facsimile, when such facsimile is transmitted to the facsimile number specified in this Section and the appropriate answerback is received, (ii) if given by mail, 72 hours after such communication is deposited in the mails with first class postage prepaid, addressed as aforesaid, or (iii) if given by any other means, when delivered at the address specified in this Section; *provided* that notices to the Lender under Article II or Article VII shall not be effective until received.

Lender: [Lender]

Telephone: _____
Email: _____

Wiring instructions: [Wiring Instructions]

If to the District: Los Angeles Unified School District
333 South Beaudry Avenue, 26th Floor
Los Angeles, California 90017
Attention: Chief Business Officer
Facsimile: _____
Telephone: _____

Section 8.02. No Waivers. No course of dealing and no delay or failure of the Lender in exercising any right, power or privilege under this Agreement or the other Related Documents shall affect any other or future exercise thereof or exercise of any right, power or privilege; nor shall any single or partial exercise of any such right, power or privilege or any abandonment or discontinuance of steps to enforce such a right, power or privilege preclude any further exercise thereof or of any other right, power or privilege. The rights and remedies of the Lender under this Agreement are cumulative and not exclusive of any rights or remedies which the Lender would otherwise have under any Related Documents, at law or in equity.

Section 8.03. Expenses; Documentary Taxes; Indemnification. (a) The District shall pay (i) reasonable out-of-pocket expenses of the Lender, including reasonable fees and disbursements of counsel for the Lender, in connection with the preparation of this Agreement (not to exceed \$50,000), any waiver or consent hereunder or any amendment hereof or any Default or alleged

Default hereunder, (ii) reasonable out-of-pocket expenses incurred by the Lender, including reasonable fees and disbursements of counsel, in connection with any Default or Event of Default, and collection, bankruptcy, insolvency and other enforcement proceedings resulting therefrom and any workout or restructuring or negotiations in connection with the Loans. The District shall, to the extent permitted by law, indemnify and hold the Lender harmless (on a net after tax basis) from any present or future claim or liability for any transfer taxes, documentary taxes, assessments or charges made by any Governmental Authority by reason of the execution and delivery of this Agreement or the Notes.

(b) To the fullest extent permitted by applicable law, the District agrees to indemnify the Lender and each Noteholder and hold the Lender and each Noteholder harmless from and against any and all liabilities, losses, damages, costs and expenses of any kind, including, reasonable attorney fees, which may be incurred by the Lender or such Noteholder by reason of the District's adoption of the Resolution or the execution, delivery or performance by the District of this Agreement or any other Related Document and the use or proposed use of proceeds of the Loans; *provided* that the Lender or such Noteholder shall not have the right to defense or be indemnified hereunder for its own gross negligence or willful misconduct. The agreements and obligations of the District contained in this Section shall survive the termination of this Agreement and the payment in full of the Loans, the Term Loans and the obligations of the District thereunder and hereunder subject to any applicable statute of limitations and limited to liabilities, losses, damages, costs and expenses arising from this Agreement.

(c) To the fullest extent permitted by applicable law, the District shall not assert, and hereby waives, and acknowledges that no other Person shall have, any claim against the Lender or any Noteholder on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Related Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, the Loans, or the use of the proceeds thereof. Neither the Lender nor any Noteholder shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by the Lender or such Noteholder through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Related Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of the Lender or any Noteholder as determined by a final and nonappealable judgment of a court of competent jurisdiction.

Section 8.04. Amendments and Waivers. Any provision of this Agreement or the Notes may be amended or waived if, but only if, such amendment or waiver is in writing and is signed by the District and the Lender, and unless, the Commitment shall have terminated, any party holding all or any portion of the Commitment; *provided* that no such amendment or waiver shall (i) increase the Commitment or shorten the duration of the Commitment or affect any right or remedy to terminate the Commitment without the written consent of each party affected thereby, (ii) reduce the principal amount of any Loan or Term Loan or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Noteholder affected thereby; (iii) postpone the scheduled date of payment of the principal amount of any Loan or Term

Loan, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, without the written consent of each Noteholder affected thereby, or (iv) change any of the provisions of this Section.

Section 8.05. Successors and Assigns.

(a) *Successors and Assigns Generally.* This Agreement is a continuing obligation and shall be binding upon the District, its successors, transferees and assigns and shall inure to the benefit of the Noteholders and their respective permitted successors, transferees and assigns as set forth herein. The District may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Lender. Each Noteholder may, in its sole discretion and in accordance with applicable law, from time to time assign, sell or transfer in whole or in part, this Agreement, its interest in the Notes and the Related Documents in accordance with the provisions of paragraph (c) of this Section. Each Noteholder may at any time and from time to time enter into participation agreements in accordance with the provisions of paragraph (d) of this Section. Each Noteholder may at any time pledge or assign a security interest subject to the restrictions of paragraph (e) of this Section. The Lender does not intend to assign its obligations to advance or make Loans or Term Loans pursuant to the terms of this Agreement, and, notwithstanding anything to the contrary set forth herein, the Lender may not assign its obligations to advance or make Loans or Term Loans pursuant to the terms of this Agreement without the prior written consent of the District in its sole discretion. In addition, were the Lender to become a Noteholder, it (i) shall intend to hold any Notes for its own account and for an indefinite period of time, and (ii) shall hold any Notes for its own account and for an indefinite period of time and shall not dispose of all or any part of such Notes except to the extent as may be provided for in Section 8.05(c), 8.05(d) or 8.05(d) below.

(b) *Sales and Transfers by Noteholder to a Non-Lender Transferee.* Without limitation of the foregoing generality, a Noteholder may at any time sell or otherwise transfer to one or more transferees each of which constitutes (i) an Affiliate of the Noteholder, (ii) a “qualified institutional buyer” as defined in Rule 144A promulgated under the 1933 Act or “accredited investors” as defined in Rule 501 of Regulation D under the 1933 Act and (iii) a commercial bank organized under the laws of the United States, or any state thereof, having a combined capital and surplus, determined as of the date of any transfer pursuant to this clause (b), of not less than \$5,000,000,000 (each a “Non-Lender Transferee” and, together with any Lender Transferee, an “Assignee”) all or a portion of the Notes if (A) written notice of such sale or transfer, including that such sale or transfer is to a Non-Lender Transferee, together with addresses and related information with respect to the Non-Lender Transferee, shall have been given to the District and the Lender (if different than the Noteholder) by such selling Noteholder and Non-Lender Transferee and (B) the Non-Lender Transferee shall have delivered to the District and the selling Noteholder, an investment letter in substantially the form delivered by the Lender on the Closing Date (the “Investor Letter”).

(c) *Participations.* (i) The Lender shall have the right to grant participations in all or a portion of the Lender’s interest in the Notes, this Agreement and the other Related Documents (on a participating basis but not as a party to this Agreement or any other Related Document, each, a “Participation”)) to one or more other banking institutions, without the consent of the District

(each, a “*Participant*”); *provided*, that the Lender shall give the District notice of the grant of any Participation upon the effectiveness thereof.

(ii) Unless not legally entitled to do so:

(A) each Assignee or Participant, if requested by the District in writing, shall deliver such forms or other documentation prescribed by applicable law or reasonably requested by the District as will enable the District to determine whether or not such Assignee or Participant is subject to backup withholding or information reporting requirements;

(B) any foreign Assignee or Participant that is entitled to an exemption from or reduction of any Taxes with respect to payments hereunder or under any other Related Document shall deliver to the District, on or prior to the date on which it becomes an Assignee or a Participant under this Agreement (and from time to time thereafter, as may be necessary in the determination of the District, each in the reasonable exercise of its sole discretion), such properly completed and duly executed forms or other documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate of withholding;

(C) without limiting the generality of the foregoing, in the event that the District is a resident for tax purposes in the United States, any foreign Assignee or Participant shall deliver to the District (in such number of copies as shall be requested by the District) on or prior to the date on which it becomes an Assignee or a Participant under this Agreement (and from time to time thereafter, as may be necessary in the determination of the District, in the reasonable exercise of its sole discretion), whichever of the following is applicable:

(1) properly completed and duly executed copies of Internal Revenue Service Form W-8BEN claiming eligibility for benefits of an income tax treaty to which the United States is a party,

(2) properly completed and duly executed copies of Internal Revenue Service Form W-8ECI,

(3) in the case of a foreign Assignee or Participant claiming the benefits of the exemption “portfolio interest” under Section 881(c) of the Internal Revenue Code, (A) a duly executed certificate to the effect that such foreign Assignee or Participant is not (i) a “bank” within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, (ii) a ten-percent shareholder (within the meaning of Section 881(c)(3)(B) of the Internal Revenue Code) of the District or (iii) a controlled foreign corporation described in Section 881(c)(3)(C) of the Internal Revenue Code and (B) properly completed and duly executed copies of Internal Revenue Service Form W-8BEN; and

(4) properly completed and duly executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction

in any Taxes, in each case together with such supplementary documentation as may be prescribed by applicable law to permit the District to determine the withholding or deduction required to be made, if any;

(D) without limiting the generality of the foregoing, in the event that the District is resident for tax purposes in the United States, any foreign Assignee or Participant that does not act or ceases to act for its own account with respect to any portion of any sums paid or payable to the Lender under this Agreement (for example, in the case of a typical participation by the Lender) shall deliver to the District (in such number of copies as shall be requested by the District), on or prior to the date such foreign Assignee or Participant becomes an Assignee or a Participant, or on such later date when such foreign Assignee or Participant ceases to act for its own account with respect to any portion of any such sums paid or payable, and from time to time thereafter, as may be necessary in the determination of the District (each in the reasonable exercise of its sole discretion):

(1) duly executed and properly completed copies of the forms and statements required to be provided by such foreign Assignee or Participant under clause (c) of this Section 8.05 to establish the portion of any such sums paid or payable with respect to which the Assignee or Participant acts for its own account and may be entitled to an exemption from or a reduction of the applicable Taxes, and

(2) duly executed and properly completed copies of Internal Revenue Service Form W-8IMY (or any successor forms) properly completed and duly executed by such foreign Participant, together with any information, if any, such foreign Participant chooses to transmit with such form, and any other certificate or statement of exemption required under the Internal Revenue Code or the regulations thereunder, to establish that such foreign Assignee or Participant is not acting for its own account with respect to a portion of any such sums payable to such foreign Assignee or Participant;

(E) without limiting the generality of the foregoing, in the event that the District is resident for tax purposes in the United States, the Assignee or Participant that is not a foreign Participant and has not otherwise established to the reasonable satisfaction of the District that it is an exempt recipient (as defined in Section 6049(b)(4) of the Internal Revenue Code and the United States Treasury Regulations thereunder) shall deliver to the District (in such number of copies as shall be requested by the District) on or prior to the date on which the Assignee or Participant becomes an Assignee or a Participant under this Agreement (and from time to time thereafter as prescribed by applicable law or upon the written request of the District), duly executed and properly completed copies of Internal Revenue Service Form W-9; and

(F) without limiting the generality of the foregoing, each Participant shall, from time to time after the initial delivery by the Assignee or Participant, as applicable, of such forms, whenever a lapse in time or change in circumstances renders such forms, certificates or other evidence so delivered obsolete or inaccurate in any material respect, promptly

(1) deliver to the District two original copies of renewals, amendments or additional or successor forms, properly completed and duly executed by the Participant, as applicable, together with any other certificate or statement of exemption required in order to confirm or establish that such Assignee or Participant is entitled to an exemption from or reduction of any Taxes with respect to payments to such Assignee or Participant, as applicable, under this Agreement and, if applicable, that such Participant does not act for its own account with respect to any portion of such payment, or (2) notify the District of its inability to deliver any such forms, certificates or other evidence.

(d) *Certain Pledges.* The Lender may at any time pledge or grant a security interest in all or any portion of its rights under the Notes, this Agreement and the Related Documents to secure obligations of the Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, the United States Treasury or to any state or local governmental entity or with respect to public deposits; *provided* that no such pledge or assignment shall release the Lender from any of its obligations hereunder or substitute any such pledgee or assignee for the Lender as a party hereto.

Section 8.06. Governing Law; Venue. (a) This Agreement shall be governed by the laws of the State of California, without regard to conflict of law principles that would require the application of different governing law.

(b) All litigation arising out of, or relating to this Agreement, shall be brought in a state or federal court located in the County of Los Angeles in the State of California. The parties irrevocably agree to submit to the exclusive jurisdiction of such courts and waive any defense of *forum non conveniens*. If for any reason no State or Federal court sitting in the County of Los Angeles can and will accept jurisdiction over any such suit, action or proceeding, then the exclusivity of jurisdiction in such courts in the County of Los Angeles shall not apply and such suit, action or proceeding may be brought in any other state or federal court in the State of California which will accept jurisdiction over such matter. Notwithstanding anything in this Agreement to the contrary, no action, suit or other proceeding may be maintained against the District unless notice and presentment of such claim shall have been given in accordance with the procedural laws of the State of California and the County of Los Angeles. Service of process may be accomplished by registered mail, return receipt requested to each of the parties at the address listed for notice in Section .8.01 hereof; *provided, however*, that service of process with respect to the District shall be made to the Executive Officer-Clerk of the Board of Education.

Section 8.07. Counterparts; Integration. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement constitutes the entire agreement and understanding among the parties hereto and supersedes any and all prior agreements and understandings, oral or written, relating to the subject matter hereof.

Section 8.08. Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

Section 8.09. Severability. The invalidity or unenforceability of anyone or more phrases, sentences, clauses, or sections contained in this Agreement shall not affect the validity or enforceability of the remaining portions of this Agreement, or any part thereof.

Section 8.10. Government Regulations. The Lender is subject to the Patriot Act (as hereinafter defined) and hereby notifies the District that pursuant to the requirements of the USA Patriot Act Title III of Pub. L. 107-56 (signed into law October 26, 2001) (the “*Patriot Act*”), it is required to obtain, verify and record information that identifies the District, which information includes the name and address of the District and other information that will allow the Lender, to identify the District in accordance with the Patriot Act. The District shall promptly provide such information on request by the Lender. The District hereby agrees (a) that it is not and shall not be listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by the Office of Foreign Assets Control (“*OFAC*”), the Department of the Treasury or included in any Executive Orders, that prohibits or limits the Lender from making any advance or extension of credit to the District or from otherwise conducting business with the District and (b) to ensure that the proceeds of the Loans and Notes shall not be used to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto.

Section 8.11. No Advisory or Fiduciary Relationship. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Related Document), the District acknowledges and agrees that: (a)(i) the services regarding this Agreement provided by the Lender are arm’s-length commercial transactions between the District, on the one hand, and the Lender, on the other hand, (ii) the District has consulted its own legal, accounting, regulatory, tax, financial and other advisors to the extent it has deemed appropriate, and (iii) the District is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Related Documents; (b)(i) the Lender is and has been acting solely as a principal for its own interests and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor (municipal, financial or otherwise), agent or fiduciary, for the District, and has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to the District with respect to this transaction and the discussions, undertakings and procedures leading thereto (irrespective of whether the Lender has provided other services or is currently providing other services to the District on other matters), (ii) the Lender has no obligation to the District with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Related Documents, (iii) the only obligations the Lender has to the District with respect to this transaction are set forth in this Agreement; and (iv) the Lender is not recommending that the District take an action with respect to the transaction described in this Agreement and the other Related Documents; and (c) the Lender may be engaged in a broad range of transactions that involve interests that differ from those of the District, and the Lender has no obligation to disclose any of such interests to the District.

Section 8.12. Electronic Signatures. The parties agree that the electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. The parties acknowledge and agree that this document and any related documents, and any amendments or waivers hereto or thereto, may be executed and delivered by facsimile, electronic copies in portable document format (“*PDF*”) or by any other

electronic means intended to preserve the original graphic and pictorial appearance of a document, or by combination of such means or by any digital or electronic signature process or program, and that any signature so delivered shall be treated as and have the same force and effect as an original signature, and copies of the same may be used and introduced as evidence at any legal proceedings including, without limitation, trials and arbitrations, relating to or arising under this document. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. Notwithstanding the foregoing, the Lender may, in its sole and exclusive discretion, also require delivery of this document and any related documents, and any amendments or waivers hereto or thereto, with an original signature for its records and two or more duplicate originals of this Agreement may be signed by the parties, each of which shall be an original but all of which together shall constitute one and the same instrument.

Section 8.13. Representation by Legal Counsel; Joint Preparation. The parties hereto have participated jointly in the negotiation and drafting of this Agreement and each of the parties was represented by its respective legal counsel during the negotiation and execution of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

Section 8.14. District Business Policies; Taxpayer Identification Number (TIN). The Lender declares that its authorized U.S. Federal TIN is _____. No payment will be made under this Agreement without a valid TIN number.

Section 8.15. Prior Understandings. This Agreement and the other Related Documents *supersede* all other prior understandings and agreements, whether written or oral, among the parties hereto relating to the transactions provided for herein and therein.

Section 8.16. Continuing Obligation. The obligations of the District under this Agreement shall continue until the later of the date this Agreement terminates and the date upon which all amounts owing to the Lender, each Noteholder and each Participant hereunder and under the Notes shall have been paid in full, *provided* that the obligations of the District to pay accrued but unpaid amounts pursuant to Article II and Article VIII hereof shall survive the termination of this Agreement. This Agreement shall be binding upon the District and its successors and assigns and shall inure to the benefit of and be enforceable by the Lender and its successors, transferees and assigns, *provided* that the District may not assign all or any part of this Agreement without the prior written consent of the Lender. Nothing contained in this Section shall be construed to be a waiver of any applicable statute of limitations.

Section 8.17. US QFC Stay Rules.

(a) *Recognition of U.S. Resolution Regimes.* In the event that any party that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of this Agreement (and any interest and obligation in or under this Agreement and any property securing this Agreement) from such Covered Entity will be effective to the same extent as the

transfer would be effective under the U.S. Special Resolution Regime if this Agreement (and any such interest, obligation and property) were governed by the laws of the United States or a state of the United States. In the event that any party that is a Covered Entity or a BHC Act Affiliate of such party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights against such party with respect to this Agreement are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States. The requirements of this paragraph (a) apply notwithstanding the provisions of paragraph (b).

(b) *Limitation on the Exercise of Certain Rights Related to Affiliate Insolvency Proceedings.* Notwithstanding anything to the contrary in this Agreement or any related agreement, but subject to the requirements of paragraph (a), no party to this Agreement shall be permitted to exercise any Default Right against a party that is a Covered Entity with respect to this Agreement that is related, directly or indirectly, to a BHC Act Affiliate of such Covered Entity becoming subject to Insolvency Proceedings, except to the extent the exercise of such Default Right would be permitted under 12 C.F.R. § 252.84, 12 C.F.R. § 47.5, or 12 C.F.R. § 382.4, as applicable. After a BHC Act Affiliate of a party that is a Covered Entity has become subject to Insolvency Proceedings, any party that seeks to exercise a Default Right against such Covered Entity with respect to this Agreement shall have the burden of proof, by clear and convincing evidence, that the exercise of such Default Right is permitted hereunder.

(c) *Definitions.* As used in this Section 8.17:

“*BHC Act Affiliate*” of a party means an “*affiliate*” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“*Covered Entity*” means any of the following:

(a) a “*covered entity*” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(b) a “*covered bank*” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(c) a “*covered FSI*” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“*Default Right*” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“*Insolvency Proceeding*” means a receivership, insolvency, liquidation, resolution, or similar proceeding.

“*U.S. Special Resolution Regime*” means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Revolving Credit Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

LOS ANGELES UNIFIED SCHOOL DISTRICT

By: _____

Name: _____

Title: _____

[LENDER]

By: _____

Name: _____

Title: Authorized Officer

EXHIBIT A

FORM OF NOTICE OF BORROWING

[Date]

To: [Lender]

From: Los Angeles Unified School District

Re: Revolving Credit Agreement (the “*Agreement*”)
dated as of [____], 2024 between the
Los Angeles Unified School District and the Lender

We hereby give notice, pursuant to Section 2.02(a) of the Agreement, of the following proposed Borrowing:

Date of Borrowing..... [Date]
Loan Principal Amount [\$xx,xxx,xxx]
Amount of Loans Outstanding [\$xxx,xxx,xxx]
Interest Payment Date [Quarterly]
The Facility Maturity Date..... [Date]

The proceeds of such Loan are to be transferred to the following account(s):

To: [Third-Party Administrator Trustee]
[Wiring Information to Come]

The Rate for such Loan is to be:

SIFMA Index Rate*
SOFR Index Rate

The Loan constituting such Borrowing is to be a (check applicable box):

Taxable Loan ☐
Tax-exempt Loan ☐

Attached hereto are executed copies of (1) the case number(s) and amount of the Judgment(s) to be funded, (2) an irrevocable instruction to the [Third-Party Administrator Trustee]

* Only if Tax-exempt Loan

executed by a Designated Representative of the District to pay the Judgment Oblige(s) from proceeds of the Loan, (3) invoices to pay costs of issuance, if any, and (3) if the Loan a Tax-exempt Loan, the Supplemental Tax Certificate which includes the related form 8038.

Terms used herein have the meanings assigned to them in the Agreement.

LOS ANGELES UNIFIED SCHOOL DISTRICT

By: _____
Name: _____
Title: _____

EXHIBIT B

[FORM OF NOTICE OF CONTINUATION/CONVERSION]

NOTICE OF CONTINUATION/CONVERSION

[Lender]

Re: Los Angeles Unified School District

Ladies and Gentlemen:

The undersigned, a Designated Representative, refers to the Revolving Credit Agreement, dated as of [____], 2024 (together with any amendments or supplements thereto, the “*Agreement*”), between the Los Angeles Unified School District and the Lender (the terms defined therein being used herein as therein defined) and hereby gives Lender notice irrevocably, pursuant to Section 2.02(a)(ii) of the Agreement, of the [conversion] [continuation] of the Loan(s) specified herein, that:

1. The Business Day of the proposed [conversion] [continuation] is _____, 20__ (the “*Conversion/Continuation Date*”), which is at least [two Business Days following the date hereof].

2. The aggregate amount of the Loan(s) to be [converted] [continued] is \$_____.

3. The Loan(s) to be [converted] [continued] is/are currently bearing interest with respect to [the SOFR Index Rate] [the SIFMA Index Rate] and is/are [a Taxable Loan(s)] or [a Tax-exempt Loan(s)].

4. The Loan(s) is/are to be [converted into] [continued as] Loans bearing interest with respect to [the SOFR Index Rate] [the SIFMA Index Rate].

5. Following the Interest Period for the Loan, which ends on _____, 20__, the Loan(s) are to be [converted] [continued] to bearing interest with respect to [the SOFR Index Rate] [the SIFMA Index Rate].

6. The principal amount of the Loans to be outstanding following the [conversion] [continuation] will not exceed the Commitment as of the Conversion/Continuation Date set forth in 1 above.

7. Notwithstanding anything set forth herein to the contrary, the District may not request a conversion of a Loan to a Tax-exempt Loan without the prior written consent

of the Lender and the obligation of the Lender to convert a Loan to a Tax-exempt Loan shall be in its sole and absolute discretion.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Notice of Continuation/Conversion as of the ____ day of _____, ____.

LOS ANGELES UNIFIED SCHOOL DISTRICT

By: _____
Name: _____
Title: _____

EXHIBIT C

FORM OF COMPLIANCE CERTIFICATE

This Compliance Certificate (this “*Certificate*”) is furnished to [Lender] (the “*Lender*”) pursuant to the Revolving Credit Agreement dated as of [____], 2024 (the “*Agreement*”), between the Los Angeles Unified School District (the “*District*”) and the Lender. Unless otherwise defined herein, the terms used in this Certificate shall have the meanings assigned thereto in the Agreement.

The undersigned hereby certifies that:

1. They are a Designated Representative of the District;
2. No Default or Event of Default has occurred and is continuing; and
3. There has been no material adverse change (in the reasonable judgment of the District) in the financial condition of the District since [____], 20__, from that date set forth in the District’s Annual Audited Financial Report, as of, and for the period ended on, that date except as otherwise disclosed to the Lender in writing.

Described below are the exceptions, if any, to paragraph 2 by listing, in detail, the nature of the condition or event, the period during which it has existed and the action which the District has taken, is taking, or proposes to take with respect to each such condition or event:

The foregoing certifications in support hereof, are made and delivered this ____ day of _____, 20__.

LOS ANGELES UNIFIED SCHOOL DISTRICT

By: _____
 Name: _____
 Title: _____

EXHIBIT D

FORM OF TAXABLE NOTE (SOFR)

LOS ANGELES UNIFIED SCHOOL DISTRICT

JUDGMENT OBLIGATION CREDIT NOTE

TRANSFER OF THIS NOTE IS RESTRICTED AS SET FORTH IN THE AGREEMENT

Principal Amount

Date

For value received, the Los Angeles Unified School District (the “*District*”), a political subdivision of the State of California, promises to pay, solely from the funds hereafter referred to, to [Lender] (the “*Lender*”), in accordance with wire transfer instructions provided in the Agreement (hereinafter defined), (i) the principal sum of _____ dollars (\$ _____) or, if less, the aggregate unpaid principal amount of all Loans which are Taxable Loans bearing interest with respect to a SOFR Index Rate (or, if applicable, the Default Rate, the Maximum Interest Rate or rate determined in accordance with Section 2.05(e) of the Agreement) made by the Lender to the District, payable at such times as are specified in the Agreement, and (ii) interest on the unpaid principal amount of each Loan which is a Taxable Loan bearing interest with respect to a SOFR Index Rate (or, if applicable, the Default Rate, the Maximum Interest Rate or rate determined in accordance with Section 2.05(e) of the Agreement) made by the Lender, from the date of each such Taxable Loan made to the District until such principal amount is paid in full, at such interest rates, and payable at such times, as are specified in the Agreement, in lawful money of the United States of America, in federal or other immediately available funds, from the date hereof until this Note is paid in full, in like money and funds at such office.

The District promises to make all other payments owed by it under the Agreement. All capitalized terms used herein and not otherwise defined herein shall have the meanings specified in the Agreement.

This Note is subject to prepayment, and amounts prepaid prior to the last day of the Revolving Credit Period may be reborrowed, all pursuant to the terms and under the conditions of the Revolving Credit Agreement dated as of [____], 2024 (as amended, the “*Agreement*”), between the District and the Lender. Reference is made to the Agreement for provisions as to the prepayment hereof and for reborrowing. Reference is also made to the Agreement for provisions providing for additional interest and other amounts to be payable under certain circumstances. If the Noteholder enforces this Note upon default, the District shall reimburse the Noteholder for reasonable costs and expenses incurred by the Noteholder in collection, including reasonable attorneys’ fees and expenses as set out in Section 2.06 and 8.03 of the Agreement. This Note shall be construed in accordance with and governed by the internal laws of the State of California.

The parties hereto, including the undersigned maker and all guarantors, endorser and pledgors that may exist at any time with respect hereto, hereby waive presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Note and assent to the extensions of the time of payment or forbearance or other indulgence without notice.

This Note, including the interest hereon, is payable solely from the general fund of the District as set forth in Section 4.09(a) of the Agreement. This Note does not constitute a general obligation or indebtedness of the District within the meaning of any constitutional, charter, or statutory limitations or provisions (and the Noteholder hereof shall never have the right to require or compel the levy of ad valorem taxes for the payment of the principal of and interest on this Note). Further reference is made to the Agreement for the provisions relating to the security of this Note and the duties and obligations of the District.

It is hereby certified, recited and declared that all conditions, acts and things essential to the validity of this Note exist, have happened and have been done and that every requirement of law affecting the issuance hereof has been duly complied with.

[SIGNATURE PAGE TO FOLLOW]

Made and executed at Los Angeles, California, as of the date and year first above written.

LOS ANGELES UNIFIED SCHOOL DISTRICT

By: _____
Name: _____
Title: _____

Attest:

By: _____
Clerk of the Board

EXHIBIT E

FORM OF TAX-EXEMPT NOTE (SOFR)

LOS ANGELES UNIFIED SCHOOL DISTRICT

JUDGMENT OBLIGATION CREDIT NOTE

TRANSFER OF THIS NOTE IS RESTRICTED AS SET FORTH IN THE AGREEMENT

Principal Amount

Date

For value received, the Los Angeles Unified School District (the “*District*”), a political subdivision of the State of California, promises to pay, solely from the funds hereafter referred to, to [Lender] (the “*Lender*”), in accordance with wire transfer instructions provided in the Agreement (hereinafter defined), (i) the principal sum of _____ dollars (\$ _____) or, if less, the aggregate unpaid principal amount of all Loans which are Tax-exempt Loans bearing interest with respect to a SOFR Index Rate (or, if applicable, the Taxable Rate, the Default Rate, the Maximum Interest Rate or rate determined in accordance with Section 2.05(e) of the Agreement) made by the Lender to the District, payable at such times as are specified in the Agreement, and (ii) interest on the unpaid principal amount of each Loan which is a Tax-exempt Loan bearing interest with respect to a SOFR Index Rate (or, if applicable, the Taxable Rate, the Default Rate, the Maximum Interest Rate or rate determined in accordance with Section 2.05(e) of the Agreement) made by the Lender, from the date of each such Tax-exempt Loan related to the District until such principal amount is paid in full, at such interest rates, and payable at such times, as are specified in the Agreement, in lawful money of the United States of America, in federal or other immediately available funds, from the date hereof until this Note is paid in full, in like money and funds at such office.

The District promises to make all other payments owed by it under the Agreement. All capitalized terms used herein and not otherwise defined herein shall have the meanings specified in the Agreement.

This Note is subject to prepayment, and amounts prepaid prior to the last day of the Revolving Credit Period may be reborrowed, all pursuant to the terms and under the conditions of the Revolving Credit Agreement dated as of [____], 2024 (as amended, the “*Agreement*”), between the District and the Lender. Reference is made to the Agreement for provisions as to the prepayment hereof and for reborrowing. Reference is also made to the Agreement for provisions providing for additional interest and other amounts to be payable under certain circumstances. If the Noteholder enforces this Note upon default, the District shall reimburse the Noteholder for reasonable costs and expenses incurred by the Noteholder in collection, including reasonable attorneys’ fees and expenses as set out in Section 2.06 and 8.03 of the Agreement. This Note shall be construed in accordance with and governed by the internal laws of the State of California.

The parties hereto, including the undersigned maker and all guarantors, endorsers and pledgors that may exist at any time with respect hereto, hereby waive presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance

and enforcement of this Note and assent to the extensions of the time of payment or forbearance or other indulgence without notice.

This Note, including the interest hereon, is payable solely from the general fund of the District as set forth in Section 4.09(a) of the Agreement. This Note does not constitute a general obligation or indebtedness of the District within the meaning of any constitutional, charter, or statutory limitations or provisions (and the Noteholder hereof shall never have the right to require or compel the levy of ad valorem taxes for the payment of the principal of and interest on this Note). Further reference is made to the Agreement for the provisions relating to the security of this Note and the duties and obligations of the District.

It is hereby certified, recited and declared that all conditions, acts and things essential to the validity of this Note exist, have happened and have been done and that every requirement of law affecting the issuance hereof has been duly complied with.

[SIGNATURE PAGE TO FOLLOW]

Made and executed at Los Angeles, California, as of the date and year first above written.

LOS ANGELES UNIFIED SCHOOL DISTRICT

By: _____
Name: _____
Title: _____

Attest:

By: _____
Clerk of the Board

EXHIBIT F**RESERVED****FORM OF TAX-EXEMPT NOTE (SIFMA)****LOS ANGELES UNIFIED SCHOOL DISTRICT****JUDGMENT OBLIGATION CREDIT NOTE****TRANSFER OF THIS NOTE IS RESTRICTED AS SET FORTH IN THE AGREEMENT**

Principal Amount

Date

For value received, the Los Angeles Unified School District (the “*District*”), a political subdivision of the State of California, promises to pay, solely from the funds hereafter referred to, to [Lender] (the “*Lender*”), in accordance with wire transfer instructions provided in the Agreement (hereinafter defined), (i) the principal sum of _____ dollars (\$_____) or, if less, the aggregate unpaid principal amount of all Loans which are Tax-exempt Loans bearing interest with respect to a SIFMA Index Rate (or, if applicable, the Taxable Rate, the Default Rate, the Maximum Interest Rate or rate determined in accordance with Section 2.05(e) of the Agreement) made by the Lender to the District, payable at such times as are specified in the Agreement, and (ii) interest on the unpaid principal amount of each Loan which is a Tax-exempt Loan bearing interest with respect to a SIFMA Index Rate (or, if applicable, the Taxable Rate, the Default Rate, the Maximum Interest Rate or rate determined in accordance with Section 2.05(e) of the Agreement) made by the Lender, from the date of each such Tax-exempt Loan related to the District until such principal amount is paid in full, at such interest rates, and payable at such times, as are specified in the Agreement, in lawful money of the United States of America, in federal or other immediately available funds, from the date hereof until this Note is paid in full, in like money and funds at such office.

The District promises to make all other payments owed by it under the Agreement. All capitalized terms used herein and not otherwise defined herein shall have the meanings specified in the Agreement.

This Note is subject to prepayment, and amounts prepaid prior to the last day of the Revolving Credit Period may be reborrowed, all pursuant to the terms and under the conditions of the Revolving Credit Agreement dated as of [____], 2024 (as amended, the “*Agreement*”), between the District and the Lender. Reference is made to the Agreement for provisions as to the prepayment hereof and for reborrowing. Reference is also made to the Agreement for provisions providing for additional interest and other amounts to be payable under certain circumstances. If the Noteholder enforces this Note upon default, the District shall reimburse the Noteholder for reasonable costs and expenses incurred by the Noteholder in collection, including reasonable attorneys’ fees and expenses as set out in Section 2.06 and 8.03 of the Agreement. This Note shall be construed in accordance with and governed by the internal laws of the State of California.

The parties hereto, including the undersigned maker and all guarantors, endorsers and pledgors that may exist at any time with respect hereto, hereby waive presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Note and assent to the extensions of the time of payment or forbearance or other indulgence without notice.

This Note, including the interest hereon, is payable solely from the general fund of the District as set forth in Section 4.09(a) of the Agreement. This Note does not constitute a general obligation or indebtedness of the District within the meaning of any constitutional, charter, or statutory limitations or provisions (and the Noteholder hereof shall never have the right to require or compel the levy of ad valorem taxes for the payment of the principal of and interest on this Note). Further reference is made to the Agreement for the provisions relating to the security of this Note and the duties and obligations of the District.

It is hereby certified, recited and declared that all conditions, acts and things essential to the validity of this Note exist, have happened and have been done and that every requirement of law affecting the issuance hereof has been duly complied with.

[SIGNATURE PAGE TO FOLLOW]

Made and executed at Los Angeles, California, as of the date and year first above written.

LOS ANGELES UNIFIED SCHOOL DISTRICT

By: _____
Name: _____
Title: _____

Attest:

By: _____
Clerk of the Board

EXHIBIT G

FORM OF TAXABLE TERM NOTE

LOS ANGELES UNIFIED SCHOOL DISTRICT
JUDGMENT OBLIGATION CREDIT NOTE

TRANSFER OF THIS NOTE IS RESTRICTED AS SET FORTH IN THE AGREEMENT

Principal Amount

Date

For value received, the Los Angeles Unified School District (the “*District*”), a political subdivision of the State of California, promises to pay, solely from the funds hereafter referred to, to [Lender] (the “*Lender*”), in accordance with wire transfer instructions provided in the Agreement (hereinafter defined), (i) the principal sum of _____ dollars (\$_____) or, if less, the aggregate unpaid principal amount of the Term Loan that is a Taxable Loan that refunded the Loans made by the Lender to the District, payable at such times as are specified in the Agreement, and (ii) interest on the unpaid principal amount of the Term Loan that is a Taxable Loan that refunded the Loans made by the Lender, from the date of such Term Loan related to the District until such principal amount is paid in full, at such interest rates, and payable at such times, as are specified in the Agreement, in lawful money of the United States of America, in federal or other immediately available funds, from the date hereof until this Note is paid in full, in like money and funds at such office.

The District promises to make all other payments owed by it under the Agreement. All capitalized terms used herein and not otherwise defined herein shall have the meanings specified in the Agreement.

This Note is subject to prepayment, all pursuant to the terms and under the conditions of the Revolving Credit Agreement dated as of [____], 2024 (as amended, the “*Agreement*”), between the District and the Lender. Reference is made to the Agreement for provisions as to the prepayment hereof. Reference is also made to the Agreement for provisions providing for additional interest and other amounts to be payable under certain circumstances. If the Noteholder enforces this Note upon default, the District shall reimburse the Noteholder for reasonable costs and expenses incurred by the Noteholder in collection, including reasonable attorneys’ fees and expenses as set out in Section 2.06 and 8.03 of the Agreement. This Note shall be construed in accordance with and governed by the internal laws of the State of California.

The parties hereto, including the undersigned maker and all guarantors, endorsers and pledgors that may exist at any time with respect hereto, hereby waive presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Note and assent to the extensions of the time of payment or forbearance or other indulgence without notice.

This Note, including the interest hereon, is payable solely from the general fund of the District as set forth in Section 4.09(a) of the Agreement. This Note does not constitute a general obligation or indebtedness of the District within the meaning of any constitutional, charter, or

statutory limitations or provisions (and the Noteholder hereof shall never have the right to require or compel the levy of ad valorem taxes for the payment of the principal of and interest on this Note). Further reference is made to the Agreement for the provisions relating to the security of this Note and the duties and obligations of the District.

It is hereby certified, recited and declared that all conditions, acts and things essential to the validity of this Note exist, have happened and have been done and that every requirement of law affecting the issuance hereof has been duly complied with.

[SIGNATURE PAGE TO FOLLOW]

Made and executed at Los Angeles, California, as of the date and year first above written.

LOS ANGELES UNIFIED SCHOOL DISTRICT

By: _____
Name: _____
Title: _____

Attest:

By: _____
Clerk of the Board

EXHIBIT H

FORM OF TAX-EXEMPT TERM NOTE

LOS ANGELES UNIFIED SCHOOL DISTRICT

JUDGMENT OBLIGATION CREDIT NOTE

TRANSFER OF THIS NOTE IS RESTRICTED AS SET FORTH IN THE AGREEMENT

Principal Amount

Date

For value received, the Los Angeles Unified School District (the “*District*”), a political subdivision of the State of California, promises to pay, solely from the funds hereafter referred to, to [Lender] (the “*Lender*”), in accordance with wire transfer instructions provided in the Agreement (hereinafter defined), (i) the principal sum of _____ dollars (\$_____) or, if less, the aggregate unpaid principal amount of the Term Loan that is a Tax-exempt Loan that refunded the Loans made by the Lender to the District, payable at such times as are specified in the Agreement, and (ii) interest on the unpaid principal amount of the Term Loan that is a Tax-exempt Loan that refunded the Loans made by the Lender, from the date of such Term Loan related to the District until such principal amount is paid in full, at such interest rates, and payable at such times, as are specified in the Agreement, in lawful money of the United States of America, in federal or other immediately available funds, from the date hereof until this Note is paid in full, in like money and funds at such office.

The District promises to make all other payments owed by it under the Agreement. All capitalized terms used herein and not otherwise defined herein shall have the meanings specified in the Agreement.

This Note is subject to prepayment, all pursuant to the terms and under the conditions of the Revolving Credit Agreement dated as of [____], 2024 (as amended, the “*Agreement*”), between the District and the Lender. Reference is made to the Agreement for provisions as to the prepayment hereof. Reference is also made to the Agreement for provisions providing for additional interest and other amounts to be payable under certain circumstances. If the Noteholder enforces this Note upon default, the District shall reimburse the Noteholder for reasonable costs and expenses incurred by the Noteholder in collection, including reasonable attorneys’ fees and expenses as set out in Section 2.06 and 8.03 of the Agreement. This Note shall be construed in accordance with and governed by the internal laws of the State of California.

The parties hereto, including the undersigned maker and all guarantors, endorsers and pledgors that may exist at any time with respect hereto, hereby waive presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Note and assent to the extensions of the time of payment or forbearance or other indulgence without notice.

This Note, including the interest hereon, is payable solely from the general fund of the District as set forth in Section 4.09(a) of the Agreement. This Note does not constitute a general obligation or indebtedness of the District within the meaning of any constitutional, charter, or

statutory limitations or provisions (and the Noteholder hereof shall never have the right to require or compel the levy of ad valorem taxes for the payment of the principal of and interest on this Note). Further reference is made to the Agreement for the provisions relating to the security of this Note and the duties and obligations of the District.

It is hereby certified, recited and declared that all conditions, acts and things essential to the validity of this Note exist, have happened and have been done and that every requirement of law affecting the issuance hereof has been duly complied with.

[SIGNATURE PAGE TO FOLLOW]

Made and executed at Los Angeles, California, as of the date and year first above written.

LOS ANGELES UNIFIED SCHOOL DISTRICT

By: _____
Name: _____
Title: _____

Attest:

By: _____
Clerk of the Board

EXHIBIT I

FORM OF REQUEST FOR TERM LOAN

[Date]

[Lender]

Ladies and Gentlemen:

Reference is hereby made to that certain Revolving Credit Agreement dated as of [____], 2024 (as amended, restated, or otherwise modified from time to time, the “*Credit Agreement*”), between Los Angeles Unified School District (the “*District*”) and [Lender] (the “*Lender*”). All capitalized terms contained herein which are not specifically defined shall have the meanings assigned to such terms in the Credit Agreement.

The District hereby requests, pursuant to Section 2.12(a) of the Credit Agreement, to convert all Loans outstanding on the Facility Maturity Date to Term Loans evidenced and payable as provided in Section 2.12 of the Credit Agreement.

In connection with such request, the District hereby represents and warrants that:

- (a) no Default or Event of Default described in Section 6.01 of the Agreement shall have occurred and be continuing, or would result therefrom; and
- (b) representations and warranties of the District set forth in Article IV of the Credit Agreement are true and correct in all material respects as if made on the date that is the thirtieth (30th) day immediately succeeding the Facility Maturity Date.

We have enclosed along with this request the following information:

- (1) the outstanding amount of the Loans on the date hereof;
- (2) any other pertinent information previously requested by the Lender.

LOS ANGELES UNIFIED SCHOOL DISTRICT

By: _____
 Name: _____
 Title: _____

EXHIBIT J

FORM OF SECTION 8.18 NOTICE

[Date]

Los Angeles Unified School District
 333 South Beaudry Avenue, 26th Floor
 Los Angeles, California 90017
 Attention: Chief Business Officer

Ladies and Gentlemen:

Reference is hereby made to that certain Revolving Credit Agreement dated as of [____], 2024 (as amended, restated, or otherwise modified from time to time, the “*Credit Agreement*”), between Los Angeles Unified School District (the “*District*”) and [Lender] (the “*Lender*”). All capitalized terms contained herein which are not specifically defined shall have the meanings assigned to such terms in the Credit Agreement.

The Lender hereby agrees (i) to allow the District to request that the Lender advance Tax-exempt Loans or request conversions to Tax-exempt Loans and (ii) to honor Tax-exempt Loans or conversions to Tax-exempt Loans under the Credit Agreement, in each case, subject to the terms and conditions of the Credit Agreement.

[LENDER]

By: _____
 Name: _____
 Title: _____

FEE AND INTEREST RATE AGREEMENT

This Fee and Interest Rate Agreement is dated as of [____], 2024 (as amended, restated, supplemented, or otherwise modified from time to time in accordance with the terms hereof, the “*Fee Agreement*”). Reference is hereby made to that certain Revolving Credit Agreement dated as of [____], 2024 (as amended, restated, supplemented, or otherwise modified from time to time in accordance with its terms, the “*Agreement*”), between the LOS ANGELES UNIFIED SCHOOL DISTRICT, a school district duly organized and validly existing under the laws of the State of California (the “*District*”), and [LENDER], acting through its branch located at _____, together with its successors and assigns (the “*Lender*”). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

The purpose of this Fee Agreement is to confirm the agreement between the Lender and the District with respect to the Commitment Fees, the Applicable Spread for Taxable Loans, and the Applicable Spread for Tax-exempt Loans (each as defined below) and certain other fees payable to the Lender. This Fee Agreement is the Fee Agreement referenced in the Agreement and the terms of this Fee Agreement are incorporated by reference into the Agreement. This Fee Agreement and the Agreement are to be construed as one agreement between the District and the Lender, and all obligations hereunder are to be construed as obligations thereunder. All references to amounts due and payable under the Agreement will be deemed to include all amounts, fees, and expenses payable under this Fee Agreement.

ARTICLE I

FEES

Section 1.1. Commitment Fees. (a) The District agrees to pay to the Lender a nonrefundable commitment fee (the “*Commitment Fee*”) payable quarterly in arrears with the first payment being due on [____], 2024 (for the period commencing on the Closing Date and ending on [____], 2024), and thereafter on the first Business Day of each January, April, July and October to and including the Termination Date, and on the Termination Date, equal to the product of the rate per annum (the “*Commitment Fee Rate*”) for each day in the related fee period then-ending, in an amount equal to the product of the rate per annum specified below (the “*Commitment Fee Rate*”) corresponding to the applicable Rating (as hereinafter defined) set forth in the applicable Level in the pricing matrix below for each such day during the related fee period multiplied by the Commitment for each such day during each related fee period:

UNDERLYING RATINGS

LEVEL	MOODY'S	FITCH	S&P	COMMITMENT FEE RATE
I	Aa3 or above	AA- or above	AA- or above	%
II	A1	A+	A+	
III	A2	A	A	
IV	A3	A-	A-	
V	Baa1	BBB+	BBB+	
VI	Baa2	BBB	BBB	
VII	Baa3	BBB-	BBB-	

(b) “*Rating*” as used above shall mean the long-term unenhanced debt rating assigned by any of Moody’s, Fitch, and S&P to the general obligation bonds of the District. In the event of a split rating (*i.e.*, the Rating of any of Moody’s, Fitch, or S&P is at a different level than the Rating of either of the other Rating Agencies), the Commitment Fee Rate shall be based upon the Level in which the middle of the three Ratings appears (or if two of the Ratings are the same, then the such similar Ratings), or if there are only two Ratings, the lower of the two Ratings (for avoidance of doubt, Level V above is the Level with the lowest Ratings and Level I is the Level with the highest Ratings for purposes of the above pricing matrix). Any change in the Commitment Fee Rate resulting from a change in any Rating shall be and become effective as of and on the date of the announcement of the change in such Rating. References to ratings above are references to rating categories as presently determined by Moody’s, Fitch, or S&P, as applicable, and in the event of adoption of any new or changed rating system by any of Moody’s, Fitch, or S&P or a “global” rating scale by any such Rating Agency, each of the Ratings from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. The District acknowledges that as of the Closing Date the Commitment Fee Rate is that specified above in Level I. Such fee shall accrue from (and including) the Closing Date through (and including) the Termination Date and shall be calculated on the basis of a 360-day year based upon the actual number of days elapsed. In the event the Rating assigned by any Rating Agency is withdrawn, suspended or otherwise unavailable, but not solely as a result of debt maturity or defeasance (and such Rating Agency stipulates in writing that the rating action is being taken for non-credit related reasons) and results in less than two remaining Ratings or upon the occurrence and during the continuance of any Event of Default, then in each such case, upon notice to the District, the Commitment Fee Rate shall increase automatically and immediately by an additional [_____] % over the Commitment Fee Rate then otherwise in effect.

Section 1.2. Amendment Fee. The District also hereby agrees to pay to the Lender within thirty (30) days of the date any amendment to the Agreement is entered into between the parties to the Agreement, an amendment fee in such amount agreed to by the District and the Lender with respect to such amendment, plus the reasonable fees of any domestic or foreign legal counsel, as applicable, retained by the Lender in connection therewith; *provided, however*, there shall be no amendment fee for amendments to the Agreement solely for the purposes of extending the Facility Maturity Date.

Section 1.3. No Termination or Reduction Fee. The District shall pay to the Lender no optional reduction fee or termination fee in connection with any optional reduction or termination of all or any portion of the Commitment.

Section 1.4. Applicable Spread. For purposes of the Agreement, “*Applicable Spread*” means a rate per annum associated with the Level corresponding to the Ratings, as specified below.

LEVEL	MOODY’S RATING	S&P RATING	FITCH RATING	APPLICABLE SPREAD FOR TAX-EXEMPT LOANS	APPLICABLE SPREAD FOR TAXABLE LOANS
I	Aa3 or above	AA- or above	AA- or above	%	%
II	A1	A+	A+		
III	A2	A	A		
IV	A3	A-	A-		
V	Baa1	BBB+	BBB+		
VI	Baa2	BBB	BBB		
VII	Baa3	BBB-	BBB-		

The following clauses shall apply to the pricing matrix set forth above.

(a) The term “*Rating*” shall be determined pursuant to Section 1.1(b) herein. In the event of a split rating (*i.e.*, the Rating of any of Moody’s, Fitch, or S&P is at a different level than the Rating of either of the other Rating Agencies), the Applicable Spread for Taxable Loans, and the Applicable Spread for Tax-exempt Loans shall be based upon the Level in which the middle of the three Ratings appears (or if two of the Ratings are the same, then the such similar Ratings), or if there are only two Ratings, the lower of the two Ratings (for avoidance of doubt, Level V above is the Level with the lowest Ratings and Level I is the Level with the highest Ratings for purposes of the above pricing matrix). References to ratings above are references to rating categories as presently determined by Moody’s, Fitch, or S&P, as applicable, and in the event of adoption of any new or changed rating system by any of Moody’s, Fitch, or S&P or a “global” rating scale by any such Rating Agency, each of the Ratings from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect.

(b) Any change in the Applicable Spread for Taxable Loans and the Applicable Spread for Tax-exempt Loans resulting from a change in the Rating shall be and become effective as of and on the date of the announcement of such change. The District acknowledges that as of the Closing Date the Applicable Spread for Taxable Loans and the Applicable Spread for Tax-exempt Loans are the spreads that are specified above for Level 1.

ARTICLE II

MISCELLANEOUS

Section 2.1. Amendments. No amendment to this Fee Agreement shall become effective without the prior written consent of the District and the Lender.

Section 2.2. Governing Law; Venue. (a) This Fee Agreement shall be governed by the laws of the State of California, without regard to conflict of law principles that would require the application of different governing law.

(b) All litigation arising out of, or relating to this Fee Agreement, shall be brought in a state or federal court in the District of Los Angeles in the State of California. The parties irrevocably agree to submit to the exclusive jurisdiction of such courts and waive any defense of forum non conveniens. If for any reason no state or federal court sitting in the County of Los Angeles can and will accept jurisdiction over any such suit, action or proceeding, then the exclusivity of jurisdiction in such courts in the County of Los Angeles shall not apply and such suit, action or proceeding may be brought in any other state or federal court in the State of California which will accept jurisdiction over such matter. Notwithstanding anything in this Fee Agreement to the contrary, no action, suit or other proceeding may be maintained against the District unless notice and presentment of such claim shall have been given in accordance with the procedural laws of the State of California and the County of Los Angeles. Service of process may be accomplished by registered mail, return receipt requested to each of the parties at the address listed for notice in Section 8.01 of the Agreement; *provided, however*, that service of process with respect to the District shall be made to the [Executive Officer of the Board].

Section 2.3. Counterparts. This Fee Agreement may be executed in multiple counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one instrument.

Section 2.4. Severability. Any provision of this Fee Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

Section 2.5. Electronic Signatures. The parties agree that the electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. The parties acknowledge and agree that this document and any related documents, and any amendments or waivers hereto or thereto, may be executed and delivered by facsimile, electronic copies in portable document format (“PDF”) or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, or by combination of such means or by any digital or electronic signature process or program, and that any signature so delivered shall be treated as and have the same force and effect as an original signature, and copies of the same may be used and introduced as evidence at any legal proceedings including, without limitation, trials and arbitrations, relating to or arising under this document.

Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. Notwithstanding the foregoing, the Lender may, in its sole and exclusive discretion, also require delivery of this document and any related documents, and any amendments or waivers hereto or thereto, with an original signature for its records and two or more duplicate originals of this Agreement may be signed by the parties, each of which shall be an original but all of which together shall constitute one and the same instrument.

Section 2.6. Representation by Legal Counsel; Joint Preparation. The parties hereto have participated jointly in the negotiation and drafting of this Fee Agreement, and each of the parties was represented by its respective legal counsel during the negotiation and execution of this Fee Agreement. In the event an ambiguity or question of intent or interpretation arises, this Fee Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Fee Agreement.

Section 2.7. No Disclosure. Unless required by law, the District shall not deliver or permit, authorize or consent to the delivery of this Fee Agreement to any Person or for posting on the Electronic Municipal Market Access website as provided by the Municipal Securities Rulemaking Board unless the Lender provides its prior written consent.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Fee and Interest Rate Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

LOS ANGELES UNIFIED SCHOOL DISTRICT

By: _____
Name: _____
Title: _____

[LENDER]

By: _____
Name: _____
Title: Authorized Officer

INDENTURE

by and between

LOS ANGELES UNIFIED SCHOOL DISTRICT

and

**[TRUSTEE],
AS TRUSTEE**

Dated as of _____ 1, 2024

Relating to:

**Los Angeles Unified School District
Judgment Obligation Bonds**

and

**\$ _____
Los Angeles Unified School District
Judgment Obligation Bonds, Series 2024A**

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INDENTURE

THIS INDENTURE (this “**Indenture**”), dated as of _____ 1, 2024, by and between the LOS ANGELES UNIFIED SCHOOL DISTRICT, a school district organized and existing under the Constitution and laws of the State of California (the “**District**”), and [TRUSTEE], a national banking association organized and existing under the laws of the United States of America, as trustee (the “**Trustee**”),

W I T N E S S E T H:

WHEREAS, the District is obligated, and anticipates the potential to be obligated on similar terms, to pay certain claimants and/or plaintiffs (each, a “**Judgment Obligee**” and, collectively, the “**Judgment Obligees**”) with respect to final judgments or orders for monetary damages against the District following concluded litigation or stipulated settlement (each such judgment or order which is entered against the District by the applicable court or courts and which is not subject to appeal or further appeal, or which the District has indicated that it will not appeal, being referred to herein as,, a “**Judgment**” and, collectively, the “**Judgments**”) by the applicable court or courts, including, without limitation, the California Superior Court before which several claims are currently pending, as a result of litigation brought by application of California Code of Civil Procedure Section 340.1 and California Assembly Bill Number 218, chaptered by the California Secretary of State on October 13, 2019 (“**AB 218**”) [and similar claims for tort liability]; and

WHEREAS, the District is authorized pursuant to Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Division 2 of Title 5 of the California Government Code (the “**Refunding Law**”) to issue refunding notes or bonds for the purpose of refunding any evidence of indebtedness of the District; and

WHEREAS, the Board of Education of the District (the “**Board**”) has determined that it is in the best interests of the District to refund, from time to time, the District’s obligations to the Judgment Obligees evidenced by the Judgments; and

WHEREAS, for the purposes of providing interim satisfaction and refunding of the District’s obligations to the Judgment Obligees evidenced by the Judgments, the Board has determined that it would be in the best interests of the District to enter into one or more revolving credit agreements (each, a “**Revolving Credit Agreement**” or, collectively, the “**Revolving Credit Agreements**”) with one or more banks, each as a lender (each, a “**Lender**” or, collectively, the “**Lenders**”), that will be drawn upon only as funds are needed to satisfy any Judgment or Judgments; and

WHEREAS, the District’s obligations under each Revolving Credit Agreement shall be evidenced by judgment obligation promissory notes to be issued by the District as provided therein (each, a “**Promissory Note**” or, collectively, the “**Promissory Notes**”) evidencing the short-term borrowing by the District; and

WHEREAS, to confirm the agreement between each Lender and the District with respect to certain commitment fees and certain other fees payable to such Lender under the related Revolving Credit Agreement, the Board has determined to enter into one or more fee agreements (each, a “**Fee Agreement**” or, collectively, the “**Fee Agreements**”) with each Lender; and

WHEREAS, to provide additional short-term borrowing options and flexibility, the District may by separate action of the Board from time to time and pursuant to its authority under applicable law, including Sections 53850 to 53858, both inclusive, of the California Government Code (being Article 7.6, Chapter 4, Part 1, Division 2, Title 5 of the Government Code), authorize other forms of temporary borrowing by the District in the form of notes to be issued from time to time (each, a “**Temporary Note**” or, collectively, the “**Temporary Notes**” and, together with the Promissory Notes, the “**Notes**”), the proceeds of which are used to satisfy and refund one or more Judgments; and

WHEREAS, pursuant to the Resolution of the Board adopted on _____, 2024 (the “**Resolution**”), for purposes of providing a more permanent financing solution for the District’s obligations to the Judgment Obligees evidenced by the Judgments consistent with the District’s long-term budgetary objectives, the Board has authorized the issuance of its Los Angeles Unified School District Judgment Obligation Bonds in one or more series on one or more sale dates each on a federally tax-exempt or taxable basis (as further defined herein, the “**Bonds**”) to represent the aggregate amounts to be payable to Judgment Obligees in satisfaction of Judgments from time to time including, without limitation, amounts payable to (a) each Lender or other holders of Notes then outstanding and issued in satisfaction of any Judgment or Judgments from time to time (including, without limitation, the obligation to pay all amounts allocable, as and when due and owing under the related Notes, Revolving Credit Agreement, and Fee Agreement, and costs of issuance of such Notes (including underwriter’s discount or placement agent fee)), (b) Judgment Obligees directly in satisfaction of any Judgment or Judgments from time to time, and (c) holders of Bonds then outstanding which previously refunded any Notes, any Judgment or Judgments, and/or any previously issued Bonds, each as authorized herein, and (d) related costs of issuance of such Bonds (including underwriter’s discount or placement agent fee and bond insurance premium, if any); and

WHEREAS, it is acknowledged that as an obligation of the District, each and every refunding Note issued to refund and discharge a related Judgement and/or Bond issued to refund and discharge a related Note and/or Judgement, take on the character of and represent the refunded obligation of the District as an obligation imposed by law to pay a Judgment Obligor or Judgment Obligees as a result of a Judgment or Judgments; and

WHEREAS, the District is obligated to pay the [Series 2024A Judgment Obligees] [the Series 2024A Lender][the holders of Series 2024A Notes] specified in Appendix B to this Indenture to be refunded; and

[**WHEREAS**, the District's obligation to pay is specified in the Series 2024A Revolving Credit Agreement pursuant to which the Series 2024A Notes were issued by the District in satisfaction of the Series 2024A Judgments and payments to the Series 2024A Judgment Obligees specified in Appendix B to this Indenture, all to be refunded as provided in this Indenture; and]

WHEREAS, as authorized and in furtherance of the terms of the Resolution, the Board desires to cause the District to issue the first series of Bonds to be designated “Los Angeles Unified School District Judgment Obligation Bonds, Series 2024A” (the “**Series 2024A Bonds**”), in the aggregate principal amount of \$ _____; and

WHEREAS, the District desires to provide for the issuance of additional Bonds (the “**Additional Bonds**”) payable on a parity with the Series 2024A Bonds (the Series 2024A Bonds and any such Additional Bonds being collectively referred to as the “**Bonds**”); and

WHEREAS, in order to provide for the execution, authentication and delivery of the Bonds, to establish and declare the conditions and terms upon which the Bonds are to be issued and to secure the payment of the interest thereon and the principal thereof, the District has authorized the execution and delivery of this Indenture; and

WHEREAS, the District has determined that all acts and proceedings required by law necessary to make the Bonds, when executed by the District and authenticated and delivered by the Trustee hereunder, valid, binding and legal obligations of the District payable in accordance with their terms, and to constitute this Indenture a valid and binding agreement of the parties hereto for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Indenture has been in all respects duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the interest on and the principal of all Bonds at any time issued and outstanding hereunder according to their tenor, and to secure the performance and observance of all the agreements and covenants herein and therein set forth, and to declare the conditions and terms upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants contained herein and of the purchase and acceptance of the Bonds by the respective registered owners thereof, and for other valuable considerations, the receipt whereof is hereby acknowledged, the District does hereby agree and covenant with the Trustee, for the benefit of the respective registered owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS; EQUAL SECURITY

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes of this Indenture and of any certificate, opinion or other document herein or therein mentioned, have the meanings herein specified.

“Additional Bonds” means Bonds other than Series 2024A Bonds issued hereunder in accordance with the provisions of Sections 2.10 and 2.11 hereof.

“Authorized Denominations” means, with respect to the Bonds, \$5,000 and any integral multiple thereof.

“Authorized Representative” means the Superintendent of the District, the Chief Business Officer of the District, the Deputy Chief Business Officer of the District and the Controller of the District, including anyone serving as an interim or provisional officer in such positions, and any other Person authorized by the Board of the District or the Superintendent to act on behalf of the District under or with respect to this Indenture designated as an Authorized Representative in a Written Certificate of the District filed with the Trustee.

“Available Amount” has the meaning ascribed thereto in Treasury Regulations Section 1.148-6(d)(3)(iii) and, for any Fiscal Year, generally means all amounts (excluding unspent proceeds of the Bonds) that, as of July 1 of such Fiscal Year (a) are available for appropriation by the District or any related person for working capital or normal operating expenditures of the District, and (b) are not subject to a legislative, judicial or contractual requirement that the amount expended be reimbursed to the fund or account of the District from which it was withdrawn, which legislative, judicial or contractual requirements shall have been adopted or entered into for *bona fide* governmental purposes and without any view towards increasing the amounts that could be borrowed on a tax-exempt basis or treated as unavailable by or on behalf of the District or any related person.]

“Bond Counsel” means a firm of nationally recognized bond counsel selected by the District and acceptable to the Trustee.

“Bond Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.02 hereof.

“Bonds” means the Los Angeles Unified School District Judgment Obligation Bonds issued in accordance with this Indenture and includes the Series 2024A Bonds and any Additional Bonds.

“Book-Entry Bonds” means the Bonds of a Series registered in the name of the nominee of DTC, or any successor securities depository for such Series of Bonds, as the registered owner thereof pursuant to the terms and provisions of Section 2.09 hereof.

“Board” means the Board of Education of the District.

“Business Day” means a day other than (a) Saturday or Sunday, (b) a day on which banking institutions in the city or cities in which the principal corporate trust office of the Trustee is located are authorized or required by law to be closed, or (c) a day on which the New York Stock Exchange is closed.

“Cede & Co.” means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

“Closing Date” means, as appropriate to the context, _____, 2024 as the date of closing and delivery of the Series 2024A Bonds, and/or the closing date(s) for any series of Additional Bonds.

“Code” means the Internal Revenue Code of 1986.

“Continuing Disclosure Certificate (Series 2024A Bonds)” means the Continuing Disclosure Certificate, dated the Series 2024A Closing Date, of the District, as originally executed and as it may from time to time be amended in accordance with the provisions thereof.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the District relating to the refunding of any Judgments and/or Notes (including, without limitation, the obligation to pay all amounts allocable, as and when due and owing under such Notes, related Revolving Credit Agreement and Fee Agreement, and costs of issuance of such Notes (including underwriter’s discount or placement agent fee)), the authorization, issuance, sale and delivery of the Bonds, and any costs of refunding of Bonds, including but not limited to printing expenses, rating agency fees, bond insurance premiums, filing and recording fees, initial fees, expenses and charges of the Trustee and its counsel (including the Trustee’s first annual administrative fee), fees, charges and disbursements of attorneys, financial advisors, accounting firms, consultants and other professionals, fees and charges for preparation, execution and safekeeping of the Bonds and any other cost, charge or fee in connection with the original issuance of the Bonds.

“Costs of Issuance Fund” means the fund by that name established and held by the Trustee pursuant to Section 3.03 hereof.

“District” means the Los Angeles Unified School District, a school district organized and existing under the Constitution and laws of the State of California.

“DTC” means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors as securities depository for the Bonds, including any such successor appointed pursuant to Section 2.09 hereof.

“Event of Bankruptcy” means the filing of a petition in bankruptcy or the commencement of a proceeding under the United States Bankruptcy Code or any other applicable law concerning insolvency, reorganization or bankruptcy by or against the District.

“Event of Default” means an event described as such in Section 9.01 hereof.

“Federal Securities” means (a) direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), and (b) obligations of any agency, department or instrumentality of the United States of America the timely payment of principal of and interest on which are fully guaranteed by the United States of America.

“Fee Agreement” means, as the context suggests, the related Fee Agreement, together with any amendments or supplements thereto, between the District and the respective Lender.

“Fiscal Year” means the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other annual accounting period hereafter designated by the District as its Fiscal Year in accordance with applicable law.

“Indenture” means this Indenture, dated as of _____ 1, 2024, by and between the District and the Trustee, as originally executed or as it may from time to time be amended or supplemented by any Supplemental Indenture.

“Insurance Policy” means the Municipal Bond Insurance Policy, if any, issued by the applicable Insurer and guaranteeing, in whole or in part, the scheduled payment of principal of and interest on a Series of Bonds when due.

“Insured Bonds” shall mean [the Insured Series 2024A Bonds and] any [other] Bonds the payment of the principal of or interest on which is guaranteed by an Insurer.

[**“Insured Series 2024A Bonds”** shall mean the Series 2024A Bonds maturing on [October] 1, 20__ through 20__, inclusive.]

“Insurer” means the issuer or issuers, if any, of a policy or policies of municipal bond insurance obtained by the District to insure the payment of the principal of or interest on a Series of Bonds issued under the Indenture, when due otherwise than by acceleration, and which, in fact, are at any time insuring such Series of Bonds. [The Insurer with respect to the Series 2024A Bonds is [Bond Insurer], a New York stock insurance company, or any successor thereto or assignee thereof.]

“Insurer Expenses” means any and all charges, fees, costs and expenses which the Insurer may reasonably pay or incur in connection with (a) the administration, enforcement, defense or preservation of any rights or security hereunder, (b) the pursuit of any remedies hereunder or otherwise afforded by law or equity, (c) any amendment, waiver or other action with respect to, or related to, this Indenture, whether or not executed or completed, (d) the violation by the District of any law, rule or regulation, or any judgment, order or decree applicable to it, or (e) any litigation or other dispute in connection with this Indenture or the transactions contemplated hereby, other than amounts resulting from the failure of the Insurer to honor its obligations under the Insurance Policy.

“Interest Payment Date” means [April] 1 and [October] 1 of each year, commencing, _____ 1, 20__ with respect to the Series 2024A Bonds, so long as any Series 2024A Bonds remain Outstanding.

“Judgment” or “Judgments” has the meaning set forth in the first WHEREAS clause above [and as to a Series of Bonds, the Judgment or Judgments refunded thereby].

“Judgment Obligees” means the Persons to whom the District is obligated to make payments pursuant to the terms of the Judgment or Judgments as set forth in the first WHEREAS clause above.

“Lender” means the respective lending bank under a Revolving Credit Agreement.

“Moody’s” means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns except that if such entity shall no longer perform the functions of a securities rating agency for any reason, the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the District and specified to the Trustee in writing.

“Note” or “Notes” has the meaning set forth in the third WHEREAS clause above.

“Office of the Trustee” means the principal corporate trust office of the Trustee in [____], California; provided, however, that for purposes of payment, exchange, transfer, surrender and cancellation of Bonds, such term means the principal corporate trust office of the Trustee in [____], California, or such other office as may be specified to the District by the Trustee in writing.

“Original Purchaser” means, with respect to the Series 2024A Bonds, _____, the original purchasers of the Series 2024A Bonds from the District.

[“Other Replacement Proceeds” means, for any Fiscal Year, the remainder of (a) the Available Amount for such Fiscal Year, less (b) the Working Capital Reserve for such Fiscal Year, less (c) the amount, if any, expected to be necessary to reduce the operating deficit of the District in such Fiscal Year, calculated pursuant to Treasury Regulations Section 1.148-6(d)(3).]

“Outstanding,” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 12.08 hereof) all Bonds except (a) Bonds theretofore canceled and destroyed by the Trustee or surrendered to the Trustee for cancellation and destruction, (b) Bonds paid or deemed to have been paid within the meaning hereof, and (c) Bonds in lieu of or in substitution for which other Bonds shall have been executed by the District and authenticated and delivered by the Trustee pursuant hereto.

“Owner” means, with respect to a Bond, the Person in whose name such Bond is registered on the Registration Books.

“Participant” means any entity which is recognized as a participant by DTC in the book-entry system of maintaining records with respect to Book-Entry Bonds.

“Participating Underwriter (Series 2024A Bonds)” has the meaning ascribed thereto in the Continuing Disclosure Certificate (Series 2024A Bonds).

“Permitted Investments” means any of the following to the extent then permitted by applicable laws: [TO BE REVISED AND ABBREVIATED IN CONSIDERATION OF LIMITED HOLDING OF FUNDS]

(1) (a) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America (“United States Treasury Obligations”), (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated (collectively “United States Obligations”). These include, but are not necessarily limited to:

- U.S. Treasury obligations
All direct or fully guaranteed obligations
- Farmers Home Administration
Certificates of beneficial ownership
- General Services Administration
Participation certificates
- U.S. Maritime Administration
Guaranteed Title XI financing
- Small Business Administration
Guaranteed participation certificates
- Guaranteed pool certificates
- Government National Mortgage Association (GNMA)
GNMA-guaranteed mortgage-backed securities
GNMA-guaranteed participation certificates
- U.S. Department of Housing & Urban Development
Local authority bonds

(2) Obligations of instrumentalities or agencies of the United States of America limited to the following: (a) the Federal Home Loan Bank Board (“FHLB”); (b) the Federal Home Loan Mortgage Corporation (“FHLMC”); (c) the Federal National Mortgage Association (FNMA); (d) Federal Farm Credit Bank (“FFCB”); (e) Government National

Mortgage Association (“GNMA”); (f) Student Loan Marketing Association (“SLMA”); and (g) guaranteed portions of Small Business Administration (“SBA”) notes.

(3) Commercial Paper having original maturities of not more than 270 days, payable in the United States of America and issued by corporations that are organized and operating in the United States with total assets in excess of \$500 million and having “A” or better rating for the issuer’s long-term debt as provided by Moody’s, S&P, or Fitch and “P-1,” “A-1,” “F1” or better rating for the issuer’s short-term debt as provided by Moody’s, S&P, or Fitch, respectively.

(4) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as “bankers’ acceptances,” having original maturities of not more than 180 days. The institution must have a minimum short-term debt rating of “A-1,” “P-1,” or “F1” by S&P, Moody’s, or Fitch, respectively, and a long-term debt rating of no less than “A” by S&P, Moody’s, or Fitch.

(5) Shares of beneficial interest issued by diversified management companies, known as money market funds, registered with the U.S. Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 *et seq.*) and whose fund either (a) is restricted to obligations issued or guaranteed as to payment of principal and interest by the full faith and credit of the United States or (b) is rated in the highest rating category by either S&P or Moody’s.

(6) Certificates of deposit issued by a nationally- or state-chartered bank or a state or federal association (as defined by Section 5102 of the California Financial Code) or by a state-licensed branch of a foreign bank, in each case which has, or which is a subsidiary of a parent company which has, obligations outstanding having a rating in the “A” category or better from S&P, Moody’s, or Fitch.

(7) Pre-refunded municipal obligations meeting the following requirements:

(a) the municipal obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(b) the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(c) the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations (“Verification”);

(d) the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

(e) no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

(f) the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

(8) Municipal obligations rated “Aaa/AAA” or general obligations of States with a rating of “A2/A” or higher by both Moody’s and S&P

(9) Repurchase agreements which have a maximum maturity of 30 days and are fully secured at or greater than 102% of the market value plus accrued interest by obligations of the United States Government, its agencies and instrumentalities, in accordance with number (2) above.

(10) Investment agreements and guaranteed investment contracts with issuers having a long-term debt rating of at least “AA-” or “Aa3” by S&P or Moody’s, respectively.

(11) Pre-refunded municipal obligations rated “AAA” by S&P and “Aaa” by Moody’s meeting the following requirements:

(a) the municipal obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(b) the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(c) the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations (“Verification”);

(d) the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

(e) no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

(f) the cash or the United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

“Person” means an individual, corporation, firm, association, partnership, limited liability company, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“Rebate Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.03 hereof.

“Rebate Requirement” has the meaning ascribed thereto in the Tax Certificate.

“Record Date” means the 15th calendar day of the month preceding each Interest Payment Date, whether or not such day is a Business Day.

“Refunding Fund” means the fund by that name established and held by the Trustee pursuant to Section 3.04 hereof.

“Refunding Law” means Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Division 2 of Title 5 of the California Government Code.

“Registration Books” means the records maintained by the Trustee for the registration of ownership and registration of transfer of the Bonds pursuant to Section 2.04 hereof.

“Representation Letter” means the Letter of Representations from the District to DTC, or any successor securities depository for the Bonds, in which the District makes certain representations with respect to issues of its securities for deposit by DTC or such successor depository.

“Resolution” has the meaning set forth in the fourth WHEREAS clause above.

“Revolving Credit Agreement” means, as the context suggests, the related Revolving Credit Agreement, together with any amendments or supplements thereto, between the District and the respective Lender.

“S&P” means S&P Global Ratings, a division of S&P Global Inc., and its successors and assigns, except that if such entity shall no longer perform the functions of a securities rating agency for any reason, the term “S&P” shall be deemed to refer to any other nationally recognized securities rating agency selected by the District and specified to the Trustee in writing.

“Series” means the initial series of Bonds executed, authenticated and delivered on the date of initial issuance of the Bonds and identified pursuant to this Indenture as the Series 2024A Bonds, and any Additional Bonds issued pursuant to a Supplemental Indenture and identified as a separate Series of Bonds.

“Series 2024A Bonds” means the Los Angeles Unified School District Judgment Obligation Bonds, Series 2024A issued hereunder.

“Series 2024A Closing Date” means _____, 2024 as the date of closing and delivery of the Series 2024A Bonds.

“Series 2024A Cost of Issuance Account” means the account by that name established and held by the Trustee in the Cost of Issuance Fund pursuant to Section 3.03 hereof.]

“Series 2024A Insurance Policy” means the insurance policy issued by the Series 2024A Insurer guaranteeing the scheduled payment of the principal of and interest on the Series 2024A Bonds when due.]

“Series 2024A Insurer” means [Bond Insurer], a New York stock insurance company, or any successor thereto or assignee thereof.

“Series 2024A Judgment Obligees” means the Judgment Obligees specified in Appendix B to this Indenture.]

“Series 2024A Judgments” means the Judgments specified in Appendix B to this Indenture.]

“Series 2024A Note Resolution” means the resolution of the District providing for the issuance of notes as a temporary borrowing by the District for the purpose of refunding one or more Judgments as specified therein.]

“Series 2024A Notes” means the notes issued to refund one or more Judgments as specified in Appendix B to this Indenture as promissory notes as provided in the related Series 2024A Revolving Credit Agreement and/or the Notes issued as a temporary borrowing pursuant to the Series 2024A Note Resolution.]

“Series 2024A Lender” means _____.]

“Series 2024A Refunding Account” means the account by that name established and held by the Trustee in the Refunding Fund pursuant to Section 3.04 hereof.

“State” means the State of California.

“Supplemental Indenture” means any supplemental indenture amendatory of or supplemental to this Indenture, but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

“Tax Certificate” means, collectively, or with respect to a Series of Bonds, as the context suggests, the Tax Certificate executed by the District at the time of issuance of the related Series of Bonds relating to the requirements of Section 148 of the Code, as originally executed and as it may from time to time be amended in accordance with the provisions thereof, including, without limitation, the Tax Certificate (Series 2024A Bonds).

“Tax Certificate (Series 2024A Bonds)” means the Tax Certificate executed by the District at the time of issuance of the Series 2024A Bonds, relating to the requirements of Section 148 of the Code, as originally executed and as it may from time to time be amended in accordance with the provisions thereof.

“Tax-Exempt” means, with respect to interest on any obligations of a state or local government including, without limitation, interest on the Series 2024A Bonds, that such interest is excluded from the gross income of the holders thereof for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax under the Code.

["Tax-Exempt Obligations"] means obligations the interest on which is not includable in gross income under Section 103 of Code and obligations which are not specified private activity bonds (as defined in Section 57(a)(5)(C) of the Code).]

“Trustee” means [Trustee] a national banking association organized and existing under the laws of the United States of America, or any successor thereto as Trustee hereunder, appointed as provided herein.

["Working Capital Reserve"] means, for any Fiscal Year, an amount equal to 5% of the actual working capital expenditures paid with current revenues of the District during the immediately preceding Fiscal Year.]

“Written Certificate” and **“Written Request”** of the District mean, respectively, a written certificate or written request signed in the name of the District by its Authorized Representative. Any such certificate or request may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

Section 1.02. Equal Security. In consideration of the acceptance of the Bonds by the Owners thereof, this Indenture shall be deemed to be and shall constitute a contract among the District, the Trustee and the Owners from time to time of all Bonds authorized, executed, issued and delivered hereunder and then Outstanding to secure the full and final payment of the principal of and interest on all Bonds which may from time to time be authorized, executed, issued and delivered hereunder, subject to the agreements, conditions, covenants and provisions contained herein; and all agreements and covenants set forth herein to be performed by or on behalf of the District shall be for the equal and proportionate benefit, protection and security of all Owners of the Bonds without distinction, preference or priority as to security or otherwise of any Bonds over any other Bonds by reason of the number or date thereof or the time of authorization, sale, execution, issuance or delivery thereof or for any cause whatsoever, except as expressly provided herein or therein.

ARTICLE II

THE BONDS

Section 2.01. Authorization of Bonds; Bonds Constitute Obligations Imposed by Law. The District hereby authorizes the issuance of the Bonds under and subject to the terms of this Indenture, the Refunding Law and other applicable laws of the State of California for the purpose of satisfying the District's payment obligations under, and the refunding of, the Judgments and the Notes, Revolving Credit Agreements, and Fee Agreements (including costs of issuance of such Notes, underwriter's discount or placement agent fee) and Bonds then Outstanding under this Indenture (including costs of issuance and underwriter's discount or placement agent fee) the proceeds of which has previously refunded a Judgement or Judgments, each as specified in this Indenture as related to such Series of Bonds. The Bonds may consist of one or more Series of varying denominations, dates, maturities, interest rates and other provisions, subject to the provisions and conditions contained herein. The Bonds shall be designated generally as the "Los Angeles Unified School District Judgment Obligation Bonds," each Series thereof to bear such additional designation as may be necessary or appropriate to distinguish such Series from every other Series of Bonds.

The obligations of the District under the Bonds, including the obligation to make all payments of the interest on and the principal of the Bonds when due are obligations of the District imposed by law and are absolute and unconditional, without any right of set-off or counterclaim. The Bonds do not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation, and neither the Bonds nor the obligation of the District to make payment of the interest on or the principal of the Bonds constitutes an indebtedness of the District or the State, or any of its political subdivisions, in contravention of any constitutional or statutory debt limitation or restriction.

Section 2.02. Terms of Series 2024A Bonds. (a) The Series 2024A Bonds shall be designated "Los Angeles Unified School District Judgment Obligation Bonds, Series 2024A." The aggregate principal amount of Series 2024A Bonds that may be issued and Outstanding under this Indenture shall not exceed \$_____, except as may be otherwise provided in Section 2.08 hereof.

(b) The Series 2024A Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof, so long as no Series 2024A Bond shall have more than one maturity date. The Series 2024A Bonds shall be dated as of the Series 2024A Closing Date, shall be issued in the aggregate principal amount of \$_____, shall mature on [October] 1 of each year and shall bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) at the rates per annum as follows:

<u>Maturity Date</u> <u>([October] 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
[2024]		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		
20__		
20__		
20__		
20__		

(c) Interest on the Series 2024A Bonds shall be payable from the Interest Payment Date next preceding the date of authentication thereof unless (i) a Series 2024A Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it shall bear interest from such Interest Payment Date; (ii) a Series 2024A Bond is authenticated on or before the first Record Date, in which event interest thereon shall be payable from the Series 2024A Closing Date; or (iii) interest on any Series 2024A Bond is in default as of the date of authentication thereof, in which event interest thereon shall be payable from the date to which interest has been paid in full or made available for such payment, payable on each Interest Payment Date. Interest shall be paid in lawful money of the United States on each Interest Payment Date to the Persons in whose names the ownership of the Series 2024A Bonds is registered on the Registration Books at the close of business on the immediately preceding Record Date, except as provided below. Except as otherwise provided in the Letter of Representations, interest shall be paid by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Owners at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date, except that in the case of an Owner of \$1,000,000 or more in aggregate principal amount of Series 2024A Bonds, upon the written request of such Owner to the Trustee, received at least ten days prior to a Record Date, specifying the account or accounts to which such payment shall be made, payment of interest shall be made by wire transfer of immediately available funds on the following Interest Payment Date. Any such request shall remain in effect until revoked or revised by such Owner by an instrument in writing delivered to the Trustee.

(d) The principal of and premium, if any, on the Series 2024A Bonds shall be payable in lawful money of the United States of America upon presentation and surrender thereof upon maturity or earlier redemption at the Office of the Trustee.

Section 2.03. Transfer and Exchange of Bonds. Any Bond may, in accordance with its terms, be transferred upon the Registration Books by the Person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. Whenever any Bond or Bonds shall be surrendered for transfer, the District shall execute and the Trustee shall authenticate and shall deliver a new Bond or Bonds of the same Series and maturity in a like aggregate principal amount, in any Authorized Denomination. The Trustee shall require the Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer.

The Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of Bonds of the same Series and maturity in a like aggregate principal amount of other Authorized Denominations. The Trustee shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

Section 2.04. Registration Books. The Trustee will keep or cause to be kept, at the Office of the Trustee, sufficient records for the registration and transfer of ownership of the Bonds, which shall be open to inspection during regular business hours and upon reasonable notice by the District; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such records, the ownership of the Bonds as hereinbefore provided.

Section 2.05. Form of Series 2024A Bonds. The Series 2024A Bonds shall be in substantially the form set forth in Appendix A hereto, with appropriate or necessary insertions, omissions and variations as permitted or required hereby. Only such of the Series 2024A Bonds as shall bear thereon a certificate of authentication substantially in the form set forth in Appendix A hereto, manually executed by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of or on behalf of the Trustee shall be conclusive evidence that the Series 2024A Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

Section 2.06. Execution of Bonds. The Bonds shall be executed in the name and on behalf of the District with the manual or facsimile signature of the President of the Board of the District or the Chief Business Officer of the District, countersigned by the manual or facsimile signature of the Executive Officer of the Board of the District. The District's seal, or a facsimile thereof, may be reproduced, imprinted or impressed on the Bonds. The Bonds shall then be delivered to the Trustee for authentication by it. In case any of the officers who shall have signed or attested any of the Bonds shall cease to be such officer or officers of the District before the Bonds so signed or attested shall have been authenticated or delivered by the Trustee, or issued by the District, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the District as though those who signed and attested the same had continued to be such officers of the District, and also any Bonds may be

signed and attested on behalf of the District by such Persons as at the actual date of execution of such Bonds shall be the proper officers of the District although at the nominal date of such Bonds any such Person shall not have been such officer of the District.

Section 2.07. Temporary Bonds. The Bonds may be issued in temporary form exchangeable for definitive Bonds when ready for delivery. Any temporary Bonds may be printed, lithographed or typewritten, shall be of such Authorized Denominations as may be determined by the District, shall be in fully registered form without coupons and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the District and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the District issues temporary Bonds it shall execute and deliver definitive Bonds as promptly thereafter as practicable, and thereupon the temporary Bonds may be surrendered, for cancellation, at the Office of the Trustee and the Trustee shall authenticate and deliver in exchange for such temporary Bonds a like aggregate principal amount of definitive Bonds of the same maturity in Authorized Denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds authenticated and delivered hereunder.

Section 2.08. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the District, at the expense of the Owner of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be destroyed by it. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence and indemnity satisfactory to the Trustee shall be given, the District, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in replacement for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured, instead of issuing a replacement Bond, the Trustee may pay the same without surrender thereof). The District may require payment by the Owner of a sum not exceeding the actual cost of preparing each replacement Bond issued under this Section and of the expenses which may be incurred by the District and the Trustee. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the District whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Indenture with all other Bonds secured by this Indenture.

Section 2.09. Book-Entry Bonds. (a) Except as provided in subsection (c) of this Section, the registered Owner of all of the Series 2024A Bonds shall be DTC and the Series 2024A Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Notwithstanding anything to the contrary contained in this Indenture, payment of interest with respect to any Bond registered as of each Record Date in the name of Cede & Co. shall be made by wire transfer of same-day funds to the account of Cede & Co. on the payment date for the Bonds at the address indicated on the Record Date for Cede & Co. in the Registration Books or as otherwise provided in the Representation Letter.

(b) The Series 2024A Bonds shall be initially issued in the form of separate single fully registered Bonds in the amount of each separate stated maturity of the Bonds. Upon initial

issuance, the ownership of such Bonds shall be registered in the Registration Books in the name of Cede & Co., as nominee of DTC. The Trustee and the District may treat DTC (or its nominee) as the sole and exclusive Owner of the Bonds registered in its name for the purposes of payment of the principal or interest with respect to the Bonds, giving any notice permitted or required to be given to Owners of Bonds registered in the name of Cede & Co., as nominee for DTC, under this Indenture, registering the transfer of such Bonds, obtaining any consent or other action to be taken by Owners of such Bonds and for all other purposes whatsoever, and neither the Trustee nor the District shall be affected by any notice to the contrary. Neither the Trustee nor the District shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the Registration Books as being an Owner, with respect to the accuracy of any records maintained by DTC or any Participant; the payment by DTC or any Participant of any amount in respect of the principal or interest with respect to the Bonds registered in the name of Cede & Co., as nominee for DTC; any notice which is permitted or required to be given to Owners of Bonds under this Indenture; or any consent given or other action taken by DTC as Owner of Bonds. The Trustee shall pay all principal and interest with respect to the Bonds registered in the name of Cede & Co., as nominee for DTC, only to DTC, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to the principal and interest with respect to the Bonds registered in the name of Cede & Co., as nominee for DTC, to the extent of the sum or sums so paid. Except under the conditions of (c) below, no person other than DTC shall receive an executed Bond for each separate stated maturity. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to record dates, the term "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

(c) In the event (i) DTC, including any successor as securities depository for the Bonds, determines not to continue to act as securities depository for the Bonds; or (ii) the District determines that the incumbent securities depository shall no longer so act, and delivers a written certificate to the Trustee to that effect, then the District will discontinue the book-entry system with the incumbent securities depository for such Bonds. If the District determines to replace the incumbent securities depository for the Bonds of a Series with another qualified securities depository, the District shall prepare or direct the preparation of a new single, separate fully registered Bond for the aggregate outstanding principal amount of Bonds of each maturity of such Series, registered in the name of such successor or substitute qualified securities depository, or its nominee, or make such other arrangement acceptable to the District, the Trustee and the successor securities depository for the Bonds registered in the name of Cede & Co., as nominee for DTC, as are not inconsistent with the terms of this Indenture. If the District fails to identify another qualified successor securities depository of the Bonds registered in the name of Cede & Co., as nominee for DTC, to replace the incumbent securities depository, then the Bonds shall no longer be restricted to being registered in the Registration Books in the name of the incumbent securities depository or its nominee, but shall be registered in whatever name or names the incumbent securities depository for the Bonds, or its nominee, shall designate. In such event the Trustee shall authenticate and deliver a sufficient quantity of Bonds as to carry out the transfers and exchanges provided in Sections 2.03, 2.07 and 2.08. All such Bonds shall be in fully registered form in denominations authorized by this Indenture.

(d) Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of DTC, or its nominee, all payments with respect to the principal and interest with respect to such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the Representation Letter.

(e) In connection with any notice or other communication to be provided to Owners of Book-Entry Bonds pursuant to this Indenture by the District or the Trustee with respect to any consent or other action to be taken by Owners, the District or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than 15 calendar days in advance of such record date to the extent possible.

Section 2.10. Conditions for the Issuance of Additional Bonds. The District may at any time issue Additional Bonds on a parity with the Series 2024A Bonds, but only subject to the following specific conditions, which are hereby made conditions precedent to the issuance of any such Additional Bonds:

(a) The District shall be in compliance with all agreements and covenants contained herein.

(b) The issuance of such Additional Bonds shall have been authorized pursuant to the Refunding Law and shall have been provided for by a Supplemental Indenture which shall specify the following:

(i) The purpose for which such Additional Bonds are to be issued; provided that such Additional Bonds shall be applied solely for (i) refunding the District's obligations to the Judgment Obligees evidenced by the Judgments, (ii) refunding the District's obligations to any Lender or other holders of Notes then outstanding and issued in satisfaction of any Judgment or Judgments from time to time (including, without limitation, the obligation to pay all amounts allocable, as and when due and owing under the related Notes, Revolving Credit Agreement, and Fee Agreement, and costs of issuance of such Notes (including underwriter's discount or placement agent fee), (iii) refunding Bonds Outstanding under this Indenture, and (iv) paying costs incidental to or connected with the issuance of Additional Bonds for such purpose;

(ii) Specification of the respective Judgment Obligees and/or the respective Lenders or other holders of the related Notes to be refunded by such Additional Bonds;

(iii) The principal amount and Series designation of such Series of Additional Bonds and the denomination or denominations of the Additional Bonds, which shall be Authorized Denominations;

(iv) That such Additional Bonds shall be payable as to interest on the Interest Payment Dates, except that the first installment of interest may be payable on either [April] 1 or [October] 1.

(v) The date, the maturity date or dates and the dates on which mandatory sinking fund redemptions, if any, are to be made for such Additional Bonds; provided, that (A) the serial Bonds of such Series of Additional Bonds shall be payable as to principal annually on [October] 1 of each year in which principal falls due, and the term Bonds of such Series of Additional Bonds shall

have annual mandatory sinking fund redemptions on [October] 1, (B) all Additional Bonds of a Series of like maturity shall be identical in all respects, except as to number or denomination, and (C) serial maturities of serial Bonds or mandatory sinking fund redemptions for term Bonds, or any combination thereof, shall be established to provide for the redemption or payment of such Additional Bonds on or before their respective maturity dates;

(vi) The redemption premiums, if any, and the redemption terms, if any, for such Additional Bonds; and

(vii) Such other provisions (including the requirements of a book-entry bond registration system, if any) as are necessary or appropriate and not inconsistent herewith.

Section 2.11. Procedure for the Issuance of Additional Bonds. At any time after the sale of any Additional Bonds in accordance with the Refunding Law, the District shall execute such Additional Bonds for issuance hereunder and shall deliver them to the Trustee, and thereupon such Additional Bonds shall be authenticated and delivered by the Trustee to the purchaser thereof upon the Written Request of the District, but only upon receipt by the Trustee of the following documents or money or securities, all of such documents dated or certified, as the case may be, as of the date of delivery of such Additional Bonds by the Trustee:

(a) An executed copy of the Supplemental Indenture authorizing the issuance of such Additional Bonds;

(b) A Written Request of the District as to the delivery of such Additional Bonds;

(c) An Opinion of Counsel to the effect that (i) the District has duly executed and delivered the Supplemental Indenture and the Supplemental Indenture constitutes a valid and binding obligation of the District, and (ii) such Additional Bonds are valid and binding obligations of the District;

(d) A Written Certificate of the District stating that all requirements of Section 2.10 have been complied with and containing any other such statements as may be reasonably necessary to show compliance with the conditions for the issuance of such Additional Bonds contained herein; and

(e) Such further documents, money or securities as are required by the provisions of the Supplemental Indenture providing for the issuance of such Additional Bonds.

ARTICLE III

ISSUANCE OF BONDS

Section 3.01. Issuance of Bonds. The District may, at any time, execute the Bonds and deliver the same to the Trustee. The Trustee shall authenticate the Bonds and deliver the Bonds to the Original Purchaser upon receipt of a Written Request of the District and upon receipt of the purchase price therefor.

Section 3.02. Application of Proceeds of the Series 2024A Bonds. On the Series 2024A Closing Date, the proceeds of the sale of the Series 2024A Bonds shall be paid to the Trustee and said amounts shall be deposited by the Trustee as follows:

(a) The Trustee shall deposit the amount of \$ _____ in the Series 2024A Costs of Issuance Account.

(b) The Trustee shall deposit the amount of \$ _____ in the Series 2024A Refunding Account, constituting the remainder of said proceeds.

Section 3.03. Costs of Issuance Fund. There is hereby established a separate fund to be known as the “Costs of Issuance Fund,” which shall be held by the Trustee in trust. Within the Costs of Issuance Fund, the Trustee shall establish and maintain a separate account designated the “Series 2024A Costs of Issuance Account.” Upon the issuance of Additional Bonds, the Trustee shall also establish and maintain, within the Costs of Issuance Fund, a separate Costs of Issuance Account for each Series of Additional Bonds. On the Series 2024A Closing Date, the Trustee shall deposit in the Series 2024A Costs of Issuance Account the amount specified in Section 3.02(a).

The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance upon submission of a Written Request of the District stating (a) the Person to whom payment is to be made, (b) the amount to be paid, (c) the purpose for which the obligation was incurred, (d) that such payment is a proper charge against the Costs of Issuance Fund, and (e) that such amounts have not been the subject of a prior disbursement from the Costs of Issuance Fund; in each case together with a statement or invoice for each amount requested thereunder. On the date that is six months after the Series 2024A Closing Date, any amounts then remaining in the Series 2024A Costs of Issuance Account shall be withdrawn therefrom by the Trustee transferred to the Bond Fund and upon such transfer the Series 2024A Costs of Issuance Account shall be closed.

Section 3.04. Refunding Fund. (a) There is hereby established a separate fund to be known as the “Refunding Fund,” which shall be held by the Trustee in trust. Within the Refunding Fund, the Trustee shall establish and maintain a separate account designated the “Series 2024A Refunding Account.” Upon the issuance of Additional Bonds, the Trustee shall also establish and maintain, within the Refunding Fund, a separate Refunding Account for each Series of Additional Bonds. On the Series 2024A Closing Date, the Trustee shall deposit in the Series 2024A Refunding Account the amount specified in Section 3.02(b).

(b) On the Series 2024A Closing Date, the District shall deliver to the Trustee a Written Request of the District stating (1) that the Board has duly authorized the refunding of the [Series

2024A Judgments][and the] [Series 2024A Notes] with net proceeds of the Series 2024A Bonds, (2) that the amount in the Series 2024A Refunding Account shall be paid directly, or through the Third-Party Administrator, to the [Series 2024A Judgment Obligees and/or the Series 2024A Lender or other holders of Series 2024A Notes], and (3) instructions as to how such payment or payments are to be made directly or through the Third-Party Administrator, to [the Series 2024A Judgment Obligees and/or the Series 2024A Lender or other holders of Series 2024A Notes], including the names and addresses of the Series 2024A Judgment Obligees and/or the Series 2024A Lender or other holders of Series 2024A Notes to be so paid and, if applicable, the bank account number or numbers to which such payment or payments are to be made. The Trustee shall make such payment or payments on the Series 2024A Closing Date and, after such payment or payments have been made, the Series 2024A Refunding Account shall be closed.

(c) Upon the issuance of Additional Bonds, the District shall deliver to the Trustee a Written Request of the District stating (1) that the Board has duly authorized the refunding of the applicable Judgments, Notes and/or Bonds with net proceeds of such Series of Additional Bonds, (2) that the amount in the separate Refunding Account established for such Series of Additional Bonds shall be paid directly, or through the Third-Party Administrator, to the applicable Judgment Obligees, Lenders or other holders of the related Notes or Owners of the related Bonds to be so paid, and (3) instructions as to how such payment or payments are to be made directly or through the Third-Party Administrator, to such Judgment Obligees, Lenders or other holders or Owners, including the names and addresses of such Judgment Obligees, Lenders or other holders or Owners and, if applicable, the bank account number or numbers to which such payment or payments are to be made.

ARTICLE IV

REDEMPTION OF BONDS

Section 4.01. Optional Redemption of Series 2024A Bonds. [The Series 2024A Bonds maturing on or after [October] 1, 20__ are subject to redemption prior to their respective stated maturities at the written direction of the District, from any moneys deposited by the District, as a whole or in part on any date (in such maturities as are designated in writing by the District to the Trustee) on or after [October] 1, 20__, at a redemption price of 100% of the principal amount of Series 2024A Bonds called for redemption, together with accrued interest to the date fixed for redemption.

The District shall give the Trustee written notice of its intention to redeem Series 2024A Bonds pursuant to this Section not less than 45 days prior to the applicable redemption date, unless a later date is agreed to by the Trustee in its reasonable discretion or as directed by the Owners of not less than a majority of the Outstanding Series 2024A Bonds.]

Section 4.02. Mandatory Sinking Fund Redemption of Series 2024A Bonds. (i) The Series 2024A Bonds maturing on [October] 1, 20__ shall be subject to mandatory sinking fund redemption, in part, on [October] 1 in each year, commencing [October] 1, 20__, at a redemption price equal to the principal amount of the Series 2024A Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption, in the aggregate respective principal amounts in the respective years as follows:

Sinking Fund Redemption Date ([October] 1)	Principal Amount to be Redeemed
<hr/>	<hr/>
	\$

If some but not all of the Series 2024A Bonds are redeemed pursuant to Section 4.01, the principal amount of the Series 2024A Bonds to be redeemed pursuant to this Section 4.02 on any subsequent [October] 1 shall be reduced by the aggregate principal amount of the Series 2024A Bonds so redeemed pursuant to Section 4.01, such reduction to be allocated among redemption dates in Authorized Denominations, as designated by the District in a Written Certificate of the District.

(ii) The Series 2024A Bonds maturing on [October] 1, 20__ shall be subject to mandatory sinking fund redemption, in part, on [October] 1 in each year, commencing [October] 1, 20__, at a redemption price equal to the principal amount of the Series 2024A Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption, in the aggregate respective principal amounts in the respective years as follows:

Sinking Fund Redemption Date ([October] 1)	Principal Amount to be Redeemed
	\$

If some but not all of the Series 2024A Bonds are redeemed pursuant to Section 4.01, the principal amount of the Series 2024A Bonds to be redeemed pursuant to this Section 4.02 on any subsequent [October] 1 shall be reduced by the aggregate principal amount of the Series 2024A Bonds so redeemed pursuant to Section 4.01, such reduction to be allocated among redemption dates in Authorized Denominations, as designated by the District in a Written Certificate of the District.

Section 4.03. Selection of Bonds for Redemption and Series 2024A Bonds for Redemption. [Whenever provision is made in this Indenture for the redemption of less than all of the Bonds, the Trustee shall select the Bonds to be redeemed from all Bonds not previously called for redemption (a) with respect to any optional redemption of Bonds, as directed in a Written Certificate of the District, and (b) with respect to any other redemption of Additional Bonds, among maturities as provided in the Supplemental Indenture pursuant to which such Additional Bonds are issued, and by lot among Bonds of the same Series with the same maturity in any manner which the Trustee in its sole discretion shall deem appropriate and fair. The Trustee shall promptly notify the District in writing of the numbers of the Bonds so selected for redemption on such date. For purposes of such selection, any Bond may be redeemed in part in Authorized Denominations.]

[Whenever provision is made in this Indenture for the redemption of less than all of the Series 2024A Bonds, the Trustee shall select the Series 2024A Bonds to be redeemed from all Series 2024A Bonds not previously called for redemption as directed in a Written Certificate of the District. For purposes of such selection, all Series 2024A Bonds shall be deemed to be comprised of separate Authorized Denominations and such separate denominations shall be treated as separate Series 2024A Bonds which may be separately redeemed.]

Section 4.04. Partial Redemption of Bonds. Upon surrender of any Bonds redeemed in part only, the District shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the District, a new Bond or Bonds of the same Series in Authorized Denominations equal in aggregate principal amount representing the unredeemed portion of the Bonds surrendered.

Section 4.05. Notice of Redemption. The Trustee on behalf and at the expense of the District shall mail (by first class mail) notice of any redemption to the respective Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books at least 20 but not more than 60 days prior to the date fixed for redemption. Such notice shall state the date of the notice, the redemption date, the redemption place and the redemption price and shall designate the CUSIP numbers, if any, the Series, the Bond numbers of the Bonds to be redeemed, and, if all of the Outstanding Bonds are being redeemed on such redemption date, shall require that such Bonds be then surrendered at the Office of the Trustee for redemption at the

redemption price, giving notice also that further interest on such Bonds will not accrue from and after the date fixed for redemption. Neither the failure to receive any notice so mailed, nor any defect in such notice, shall affect the validity of the proceedings for the redemption of the Bonds or the cessation of accrual of interest thereon from and after the date fixed for redemption.

With respect to any notice of any optional redemption of Bonds of a Series, unless at the time such notice is given the Bonds to be redeemed shall be deemed to have been paid within the meaning of Section 10.02 hereof, such notice shall state that such redemption is conditional upon receipt by the Trustee, on or prior to the date fixed for such redemption, of moneys that, together with other available amounts held by the Trustee, are sufficient to pay the redemption price of, and accrued interest on, the Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the District shall not be required to redeem such Bonds. In the event a notice of redemption of Bonds contains such a condition and such moneys are not so received, the redemption of Bonds as described in the conditional notice of redemption shall not be made and the Trustee shall, within a reasonable time after the date on which such redemption was to occur, give notice to the Persons and in the manner in which the notice of redemption was given, that such moneys were not so received and that there shall be no redemption of Bonds pursuant to such notice of redemption.

Section 4.06. Effect of Notice of Redemption. Notice having been mailed as aforesaid, and moneys for the redemption (including the interest to the applicable redemption date) of the Bonds to be redeemed having been deposited in the Bond Fund, such Bonds shall become due and payable on said date, and said Bonds shall be paid at the redemption price thereof, together with interest accrued and unpaid to said date.

If, on said redemption date, moneys for the redemption of all the Bonds to be redeemed, together with interest to said date, shall be held by the Trustee so as to be available therefor on such date, and, if notice of redemption thereof shall have been mailed as aforesaid and not canceled, then, from and after said date, interest on said Bonds shall cease to accrue and become payable. All moneys held by or on behalf of the Trustee for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions hereof shall be canceled upon surrender thereof and the Trustee shall deliver a certificate of destruction to the District.

ARTICLE V

SECURITY FOR BONDS; FLOW OF FUNDS; INVESTMENTS

Section 5.01. Pledge. Subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, the District pledges and grants a lien on and a security interest in all of the amounts held in the Bond Fund as security for the payment of the principal of and interest on the Bonds in accordance with their terms, the provisions of this Indenture and the Refunding Law. Said pledge shall constitute a first lien on such assets. The District expressly reserves the right to issue or incur other obligations for any of its corporate purposes.

Section 5.02. Bond Fund. (a) The Trustee shall establish, maintain and hold in trust a special fund designated the “Bond Fund.” The Trustee shall deposit in the Bond Fund the amounts required to be deposited therein pursuant to Section 5.02(b) hereof and pursuant to any Supplemental Indenture.

(b) The District agrees and covenants that not later than two days prior to each Interest Payment Date, it will transfer to the Trustee an amount which, together with the amount then on deposit in the Bond Fund, will equal the amount of the principal of and interest on the Bonds becoming due on such Interest Payment Date. The Trustee shall, upon receipt, deposit such amount in the Bond Fund.

(c) On or before each Interest Payment Date, the Trustee shall withdraw from the Bond Fund for payment to the Owners of the Bonds the principal, if any, of and interest then due and payable on the Bonds. If there are insufficient funds in the Bond Fund to pay the principal, if any, of and interest on the Bonds, the Trustee shall apply the available funds first to the payment of interest on the Bonds, then to the payment of principal of the Bonds.

Section 5.03. Rebate Fund. (a) [The Trustee shall establish and maintain a special fund designated the “Rebate Fund.” There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Certificate, as specified in a Written Request of the District. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement, for payment to the United States of America. Notwithstanding defeasance of the Bonds pursuant to Article IX hereof or anything to the contrary contained herein, all amounts required to be deposited into or on deposit in the Rebate Fund shall be governed exclusively by this Section and by the Tax Certificate (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the written directions of the District, and shall have no liability or responsibility to enforce compliance by the District with the terms of the Tax Certificate.

(b) Any funds remaining in the Rebate Fund after payment in full of all of the Tax-Exempt Bonds and after payment of any amounts described in this Section, shall be withdrawn by the Trustee and shall be transferred to the District to be expended for any lawful purpose of the District.]

Section 5.04. Investment of Moneys. Except as otherwise provided herein, all moneys in any of the funds or accounts established pursuant to this Indenture shall be invested by the Trustee solely in Permitted Investments, as directed in a Written Request of the District received no later than two Business Days prior to the making of such investment. Moneys in all funds and accounts shall be invested in Permitted Investments maturing not later than the date on which the District estimates that such moneys will be required for the purposes specified in this Indenture. Absent timely written direction from the District, the Trustee shall invest any funds held by it in Permitted Investments described in clause [(5)] of the definition thereof.

Subject to the provisions of Section 6.08, all interest, profits and other income received from the investment of moneys in any fund or account established pursuant to this Indenture shall be retained therein.

Permitted Investments acquired as an investment of moneys in any fund established under this Indenture shall be credited to such fund. All investments of amounts deposited in any fund or account created by or pursuant to this Indenture shall be acquired, disposed of, and valued at fair market value.

Permitted Investments held in the Bond Fund shall be subject to the pledge, lien, and security interest described herein.

The Trustee or an affiliate thereof may act as principal or agent in the making or disposing of any investment and shall be entitled to its reasonable and customary fee therefor. Upon the Written Request of the District, the Trustee shall sell or present for redemption any Permitted Investments so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investments is credited, and the Trustee shall not be liable or responsible for any loss resulting from any investment made or sold pursuant to this Section. For purposes of investment, the Trustee may commingle moneys in any of the funds and accounts established hereunder.

ARTICLE VI

COVENANTS

Section 6.01. Punctual Payment and Performance. The District shall punctually pay the interest on and principal of every Bond issued in accordance with this Indenture in strict conformity with the terms hereof and of the Bonds, and shall faithfully observe and perform all the agreements and covenants required to be observed or performed by the District contained herein and in the Bonds.

Section 6.02. Extension of Payment of Bonds. The District shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase of such Bonds or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any Event of Default hereunder, to the benefits hereof, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended; provided, that nothing in this Section shall be deemed to limit the right of the District to issue Bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

Section 6.03. Additional Obligations. The District expressly reserves the right to issue or incur other obligations for any of its corporate purposes.

Section 6.04. Power to Issue Bonds. The District is duly authorized to issue the Bonds and to enter into this Indenture. The Bonds and the provisions of this Indenture are and will be the legal, valid and binding obligations of the District in accordance with their terms. The Bonds constitute obligations imposed by law.

Section 6.05. Prosecution and Defense of Suits. The District shall defend against every suit, action or proceeding at any time brought against the District upon any claim to the extent involving the failure of the District to fulfill its obligations hereunder; provided, however, that the Trustee or any Owner at its election may appear in and defend any such suit, action or proceeding.

Section 6.06. Other Replacement Proceeds. [The District shall, no later than [August] 1 of each year, calculate and determine the amount, if any, of Other Replacement Proceeds for such Fiscal Year. If Other Replacement Proceeds exist for a Fiscal Year, such Other Replacement Proceeds shall be invested in Tax-Exempt Obligations until such Other Replacement Proceeds are spent.]

Section 6.07. District Budgets. The District shall in each Fiscal Year include in its budget a provision to provide funds in an amount sufficient to pay the principal of and interest on the Bonds coming due in such Fiscal Year.

Section 6.08. Tax Covenants. (a) [The District shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of interest on the Series 2024A Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the District shall comply with the requirements of Section

6.06 hereof and the Tax Certificate (Series 2024A Bonds), which is incorporated herein as if fully set forth herein. Except as set forth in the Tax Certificate (Series 2024A Bonds), this covenant shall survive payment in full or defeasance of the Series 2024A Bonds.

(b) In the event that at any time the District is of the opinion that for purposes of this Section it is necessary or helpful to restrict or limit the yield on the investment of any moneys held by the Trustee in any of the funds or accounts established hereunder, the District shall so instruct the Trustee in writing, and the Trustee shall act in accordance with such instructions.

(c) Notwithstanding any provisions of this Section, if the District shall provide to the Trustee an opinion of Bond Counsel to the effect that any specified action required under this Section or Section 6.06 hereof is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Series 2024A Bonds, the Trustee may conclusively rely on such opinion in complying with the requirements of this Section, Section 6.06 hereof and of the Tax Certificate (Series 2024A Bonds), and the covenants hereunder shall be deemed to be modified to that extent.]

Section 6.09. Continuing Disclosure. The District shall comply with and carry out all of the provisions of the Continuing Disclosure Certificate (Series 2024A Bonds) relating to the Series 2024A Bonds. Notwithstanding any other provision of this Indenture, failure of the District to comply with such Continuing Disclosure Certificate (Series 2024A Bonds) shall not constitute an Event of Default hereunder; provided, however, that the Trustee, at the written direction of any Participating Underwriter (Series 2024A Bonds) or the holders of at least 25% of the aggregate principal amount of Outstanding Series 2024A Bonds, shall, upon receipt of indemnification reasonably satisfactory to the Trustee, or any holder or Beneficial Owner of the Series 2024A Bonds may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

Section 6.10. Further Assurances. Whenever and so often as reasonably requested to do so by the Trustee or any Owner, the District shall promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents or instruments, and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Trustee and the Owners all rights, interests, powers, benefits, privileges and advantages conferred or intended to be conferred upon them hereby.

ARTICLE VII

THE TRUSTEE

Section 7.01. Duties and Liabilities of Trustee. (a) *Duties of Trustee Generally.* The Trustee shall, prior to an Event of Default, and after the curing of all Events of Default which may have occurred, perform such duties and only such duties as are expressly and specifically set forth in this Indenture. The Trustee shall, during the existence of any Event of Default which has not been cured, exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(b) *Removal of Trustee.* The District may upon 30 days' prior written notice remove the Trustee at any time unless an Event of Default shall have occurred and then be continuing, and the District shall remove the Trustee if at any time requested to do so by the Insurer (so long as the Insurer is not in default in its payment obligations under the Insurance Policy) or by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or if at any time the Trustee shall cease to be eligible in accordance with subsection (e) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Trustee and thereupon shall appoint a successor Trustee by an instrument in writing.

(c) *Resignation of Trustee.* The Trustee may at any time resign by giving written notice of such resignation by first class mail, postage prepaid, to the District, and to the Owners at the respective addresses shown on the Registration Books. Upon receiving such notice of resignation, the District shall promptly appoint a successor Trustee by an instrument in writing. The Trustee shall not be relieved of its duties until such successor Trustee has accepted appointment.

(d) *Appointment of Successor Trustee.* Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee; provided, however, that under any circumstances the successor Trustee shall be qualified as provided in subsection (e) of this Section. If no qualified successor Trustee shall have been appointed and have accepted appointment within 45 days following giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Owner (on behalf of himself and all other Owners) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice, if any, as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing and delivering to the District and to its predecessor Trustee a written acceptance thereof, and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Written Request of the District or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more

fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the District shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the District shall mail or cause the successor Trustee to mail, by first class mail postage prepaid, a notice of the succession of such Trustee to the trusts hereunder to the Owners at the addresses shown on the Registration Books. If the District fails to mail such notice within 15 days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the District.

(e) *Qualifications of Trustee.* The Trustee shall be a trust company or bank having the powers of a trust company, having (or if such bank or trust company is a member of a bank holding company system, its parent bank holding company shall have) a combined capital and surplus of at least [\$75,000,000], and subject to supervision or examination by federal or state agency. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining agency above referred to, then for the purpose of this subsection the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

Section 7.02. Merger or Consolidation. Any bank or trust company into which the Trustee may be merged or converted or with which it may be consolidated or any bank or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank or trust company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank or trust company shall be eligible under subsection (e) of Section 7.01 shall be the successor to such Trustee, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 7.03. Liability of Trustee. (a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the District, and the Trustee shall not assume responsibility for the correctness of the same, or make any representations as to the validity or sufficiency of this Indenture or of the Bonds or shall incur any responsibility in respect thereof, other than as expressly stated herein in connection with the respective duties or obligations herein or in the Bonds assigned to or imposed upon it. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of any Bonds, or in respect of the security afforded by this Indenture and the Trustee shall incur no responsibility in respect thereof. The Trustee shall be under no responsibility or duty with respect to (i) the issuance of the Bonds for value, (ii) the application of the proceeds thereof except to the extent that such proceeds are received by it in its capacity as Trustee, or (iii) the application of any moneys paid to the

District or others in accordance with this Indenture except as the application of any moneys paid to it in its capacity as Trustee. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture. The Trustee and its officers and employees may become the Owner of Bonds with the same rights it would have if it were not Trustee, and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bond Owners, whether or not such committee shall represent the Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

(b) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

(c) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(d) No provision of this Indenture shall require the Trustee to risk or expend its own funds in the performance of its rights and duties hereunder.

Section 7.04. Right to Rely on Documents. The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bonds or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel to the District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith; provided, however, the Trustee shall in no event delay any payment with respect to the Bonds in anticipation of any such opinion.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Written Certificate of the District, and such Written Certificate shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such Written Certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

Section 7.05. Accounting Records and Reports; Preservation and Inspection of Documents. The Trustee will keep or cause to be kept proper books of record and accounts in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocation and application of all money on deposit in the accounts and funds

established hereunder, which such books shall be available for inspection by the District at reasonable hours and under reasonable conditions.

All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject during business hours and upon 24 hours' notice to the inspection of the District, the Owners and their agents and representatives duly authorized in writing.

Section 7.06. Compensation and Indemnification. The District shall pay to the Trustee from time to time all reasonable compensation for all services rendered under this Indenture, and also all reasonable expenses, charges, legal and consulting fees and other disbursements and those of its attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Indenture. The District further agrees, to the extent permitted by law, to indemnify, defend and save the Trustee harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder and under any related documents, including the enforcement of any remedies and the defense of any suit, and which are not due to its negligence or its willful misconduct. The duty of the District to indemnify and compensate the Trustee shall survive the termination and discharge of this Indenture and the resignation or removal of the Trustee.

ARTICLE VIII

SUPPLEMENTAL INDENTURES

Section 8.01. Modifications and Amendments Permitted. (a) This Indenture and the rights and obligations of the District, the Owners of the Bonds and the Trustee may be modified or amended from time to time and at any time by a Supplemental Indenture, which the District and the Trustee may enter into with the written consent of the Owners of a majority in aggregate principal amount of all Bonds then Outstanding, which shall have been filed with the Trustee. No such modification or amendment shall (i) extend the fixed maturity of any Bonds, or reduce the amount of principal thereof, or reduce the interest rate borne thereby, or extend or accelerate the time of payment thereof, without the consent of the Owner of each Bond so affected, or (ii) reduce the aforesaid percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment, without the consent of the Owners of all of the Bonds then Outstanding. It shall not be necessary for the consent of the Owners to approve the particular form of any Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof.

(b) This Indenture and the rights and obligations of the District, the Trustee and the Owners of the Bonds may also be modified or amended from time to time and at any time by a Supplemental Indenture, which the District and the Trustee may enter into without the consent of any Bond Owners for any one or more of the following purposes:

(i) to add to the covenants and agreements of the District contained in this Indenture, other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the District;

(ii) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision contained in this Indenture;

(iii) to modify, amend or supplement this Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute;

(iv) to provide for the issuance of one or more Series of Additional Bonds, and to provide the terms and conditions under which such Series of Additional Bonds may be issued, subject to and in accordance with the provisions of Section 2.10 and Section 2.11 hereof;

(v) to modify, amend or supplement this Indenture in such manner as to cause interest on Tax-Exempt Bonds to be excludable from gross income for purposes of federal income taxation by the United States of America; and

(vi) in any other respect whatsoever as the District may deem necessary or desirable and consistent with the Refunding Law, provided that such modification or amendment does not materially adversely affect the interests of the Owners hereunder.

(c) Promptly after the execution by the District and the Trustee of any Supplemental Indenture, the Trustee shall mail a notice (the form of which shall be furnished to the Trustee by the District), by first class mail postage prepaid, setting forth in general terms the substance of such Supplemental Indenture, to the Owners of the Bonds at the respective addresses shown on the Registration Books, and to the Insurer, if any. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

Section 8.02. Effect of Supplemental Indenture. Upon the execution and delivery of any Supplemental Indenture pursuant to this Article, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the District, the Trustee and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 8.03. Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after the execution of any Supplemental Indenture pursuant to this Article may, and if the District so determines shall, bear a notation by endorsement or otherwise in form approved by the District and the Trustee as to any modification or amendment provided for in such Supplemental Indenture, and, in that case, upon demand of the Owner of any Bonds Outstanding at the time of such execution and presentation of his Bonds for the purpose at the Office of the Trustee a suitable notation shall be made on such Bonds. If the Supplemental Indenture shall so provide, new Bonds so modified as to conform, in the opinion of the District and the Trustee, to any modification or amendment contained in such Supplemental Indenture, shall be prepared and executed by the District and authenticated by the Trustee, and, in that case, upon demand of the Owner of any Bond Outstanding at the time of such effective date, and presentation of such Bond for such purpose at the Office of the Trustee, such a new Bond in equal principal amount of the same Series, interest rate and maturity shall be exchanged for such Owner's Bond so surrendered.

Section 8.04. Amendment of Particular Bonds. The provisions of this Article shall not prevent any Bond Owner from accepting any amendment as to the particular Bonds held by such Owner.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

Section 9.01. Events of Default. [FOR DISCUSSION: If any of the following events occur, they shall constitute Events of Default hereunder, namely:

(a) If default shall be made by the District in the due and punctual payment of the interest on any Bond when and as the same shall become due and payable;

(b) If default shall be made by the District in the due and punctual payment of the principal of any Bond when and as the same shall become due and payable;

(c) If default shall be made by the District in the performance of any of the other agreements or covenants required herein to be performed by the District, and such default shall have continued for a period of 30 days after the District shall have been given notice in writing of such default by the Trustee, the Insurer or the Owners of not less than 5% in aggregate principal amount of the Outstanding Bonds, specifying such default and requiring the same to be remedied; provided, however, if in the reasonable opinion of the District the failure stated in the notice can be corrected, but not within such 30 day period, such failure shall not constitute an Event of Default if corrective action is instituted by the District within such 30 day period and the District shall thereafter diligently and in good faith cure such failure in a reasonable period of time; or

(d) If an Event of Bankruptcy shall occur, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody control of the District or of the whole or any substantial part of its property.

Section 9.02. Remedies for Events of Default. If an Event of Default occurs and is continuing, the Trustee may and, upon the written direction of the Owners of not less than 25% in aggregate principal amount of the Outstanding Bonds, shall, with the consent of the Insurer, by written notice to the District, declare immediately due and payable the principal of all Outstanding Bonds and the accrued interest thereon, whereupon the same shall become immediately due and payable without any further action or notice; provided, however, that if at any time after such acceleration and before any judgment or decree for the payment of money with respect thereto has been entered all amounts payable to the Trustee hereunder on the Bonds subject to acceleration under this paragraph (except interest on or principal of the Bonds which are due solely by reason of such acceleration) shall have been paid or provided for by deposit with the Trustee and all existing Events of Default shall have been cured or waived, then the Owners of not less than 25% in aggregate principal amount of the Outstanding Bonds may, with the consent of the Insurer, annul such acceleration and its consequences by written notice to the District and the Trustee, which annulment shall be binding upon the District, the Trustee and all of the Owners, but no such annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon.

Section 9.03. Application of Funds Upon Acceleration. All money in the Bond Fund upon the date of the declaration of acceleration by the Trustee as provided in Section 9.02 hereof

and all amounts thereafter received by the Trustee hereunder shall be applied by the Trustee in the following order--

(a) To the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Owners and payment of reasonable fees, charges and expenses of the Trustee (including reasonable fees and disbursements of its counsel) incurred in and about the performance of its powers and duties under this Indenture;

(b) To the payment of the principal of and interest then due with respect to the Bonds (upon presentation of the Bonds to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of this Indenture, as follows:

First: To the payment to the Persons entitled thereto of all installments of interest then due in the order of the maturity of such installments and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the Persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the Persons entitled thereto of the unpaid principal of any Bonds which shall have become due, whether at maturity, with interest on the overdue principal at the rate borne by the respective Bonds on the date of maturity, and, if the amount available shall not be sufficient to pay in full all the Bonds, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the Persons entitled thereto, without any discrimination or preference.

(c) To the payment of Insurer Expenses.

(d) Any remaining funds shall be transferred by the Trustee to the Bond Fund.

Section 9.04. Power of Trustee to Enforce. All rights of action under this Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of the Owners of such Bonds, subject to the provisions of this Indenture. If one or more of the events of default shall happen and be continuing, the Trustee may with the prior written consent of the Insurer, and upon the written request of the Holders of a majority in principal amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the Holders of Bonds under this Indenture by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained in this Indenture, or in aid of the execution of any power herein granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as the Trustee shall deem most effectual in support of any of its rights and duties under this Indenture.]

Section 9.05. Bond Owners Direction of Proceedings. Anything in this Indenture to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, and upon indemnification of the Trustee to its reasonable satisfaction, to direct the method of conducting all remedial proceedings taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law and the provisions of this Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Owners not parties to such direction.

Section 9.06. Limitation on Bond Owners' Right to Sue. No Owner of any Bonds shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Indenture, the Refunding Law or any other applicable law with respect to such Bonds, unless (a) such Owner shall have given to the Trustee written notice of the occurrence of an Event of Default, (b) the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name, (c) such Owner or said Owners shall have tendered to the Trustee indemnity against the costs, expenses and liabilities to be incurred in compliance with such request, and (d) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture or the rights of any other Owners of Bonds, or to enforce any right under the Bonds, this Indenture, the Refunding Law or other applicable law with respect to the Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Owners of the Outstanding Bonds, subject to the provisions of this Indenture.

Section 9.07. Absolute Obligation. Nothing in any provision of this Indenture or in the Bonds contained shall affect or impair the obligation of the District, which is absolute and unconditional, to pay the principal of and interest on the Bonds to the respective Owners of the Bonds at their respective dates of maturity, as herein provided, or affect or impair the right of such Owners, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds.

Section 9.08. Termination of Proceedings. In case any proceedings taken by the Trustee or any one or more Owners on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Owners, then in every such case the District, the Trustee and the Owners, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and

respectively, and all rights, remedies, powers and duties of the District, the Trustee and the Owners shall continue as though no such proceedings had been taken.

Section 9.09. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Owners of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

Section 9.10. No Waiver of Default. No delay or omission of the Trustee or of any Owner to exercise any right or power arising upon the occurrence of any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy given by this Indenture to the Trustee or to the Owners may be exercised from time to time and as often as may be deemed expedient.

ARTICLE X

DEFEASANCE

Section 10.01. Discharge of Indenture. If the District shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Outstanding Bonds the principal thereof and the interest thereon at the times and in the manner stipulated herein and therein, then all agreements, covenants and other obligations of the District to the Owners of such Bonds hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the District all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the District all money or securities held by it pursuant hereto which are not required for the payment of the principal of and interest on such Bonds.

Subject to the provisions of the above paragraph, when any of the Bonds shall have been paid and if, at the time of such payment, the District shall have kept, performed and observed all of the covenants and promises in such Bonds and in this Indenture required or contemplated to be kept, performed and observed by the District or on its part on or prior to that time, then this Indenture shall be considered to have been discharged in respect of such Bonds and such Bonds shall cease to be entitled to the pledge, lien and security interest of this Indenture and such pledge, lien and security interest and all covenants, agreements and other obligations of the District hereunder shall cease, terminate become void and be completely discharged as to such Bonds.

Notwithstanding the satisfaction and discharge of this Indenture or the discharge of this Indenture in respect of any Bonds of one or more Series, those provisions of this Indenture relating to the maturity of the Bonds of such Series, interest payments and dates thereof, exchange and transfer of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, non-presentment of Bonds, and the duties of the Trustee in connection with all of the foregoing, shall remain in effect and shall be binding upon the Trustee and the Owners of the Bonds and the Trustee shall continue to be obligated to hold in trust any moneys or investments then held by the Trustee for the payment of the principal of and interest on the Bonds, to pay to the Owners of Bonds the funds so held by the Trustee as and when such payment becomes due.

Section 10.02. Bonds Deemed to Have Been Paid. If moneys shall have been set aside and held by the Trustee for the payment of any Bonds and the interest thereon at the maturity thereof, such Bonds shall be deemed to have been paid within the meaning and with the effect provided in Section 10.01. Any Outstanding Bonds shall prior to the maturity date thereof be deemed to have been paid within the meaning of and with the effect expressed in Section 10.01 if (a) there shall have been deposited with the Trustee either (i) money in an amount which shall be sufficient, or (ii) Federal Securities that are not subject to redemption other than at the option of the holder thereof, the interest on and principal of which when paid will provide money which, together with the money, if any deposited with the Trustee at the same time, shall be sufficient to pay when due the interest to become due on such Bonds on and prior to the maturity date thereof and the principal of such Bonds, which sufficiency shall be verified in a report of an independent firm of nationally recognized certified public accountants, and (b) in the event such Bonds are not by their terms subject to payment within the next succeeding 60 days, the District shall have given

the Trustee in form satisfactory to it irrevocable instructions to mail as soon as practicable, a notice to the owners of such Bonds that the deposit required by clause (a) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Section and stating the maturity date upon which money is to be available for the payment of the principal of such Bonds.

To accomplish the discharge of liability in respect of the Bonds described in the preceding paragraph, the District shall cause to be delivered (a) a report of an independent firm of nationally recognized certified public accountants or such other accountant as shall be acceptable to the Insurer of such Bonds to be paid or discharged verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity or payment date (“Verification”), (b) an escrow agreement (which shall be acceptable in form and substance to the Insurer of such Bonds to be paid or discharged), and (c) an opinion of nationally recognized bond counsel to the effect that the Bonds are no longer “Outstanding” under this Indenture; each Verification and defeasance opinion shall be acceptable in form and substance to the District and the Insurer of such Bonds to be paid or discharged, and shall be addressed to the District, the Trustee and the Insurer of such Bonds to be paid or discharged. In the event a forward purchase agreement is to be employed in the refunding, such agreement shall be subject to the approval of the Insurer of such Bonds to be paid or discharged and shall be accompanied by such opinions of counsel as may be required by the Insurer of such Bonds to be paid or discharged. The Insurer of such Bonds to be paid or discharged shall be provided with final drafts of the above-referenced documentation not less than five Business Days prior to the funding of the escrow. Bonds shall remain Outstanding hereunder unless and until they are in fact paid and retired or the criteria in this paragraph are met.

Section 10.03. Payment of Bonds After Discharge of Indenture. Notwithstanding any provisions of this Indenture, to the extent permitted by law, any moneys held by the Trustee in trust for the payment of the principal of or interest on, any Bonds and remaining unclaimed for two years after the date of deposit of such moneys, shall be repaid to the District free from the trusts created by this Indenture, and all liability of the Trustee with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to the District as aforesaid, the Trustee may (at the cost of the District) first mail, by first class mail postage prepaid, to the Owners of Bonds which have not yet been paid, at the respective addresses shown on the Registration Books, a notice, in such form as may be deemed appropriate by the Trustee with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the District of the moneys held for the payment thereof.

ARTICLE XI

INSURANCE POLICY PROVISIONS

Section 11.01. Series 2024A Insurer to Be Deemed Owner; Rights of the Series 2024A Insurer; Payments by the Series 2024A Insurer; Notices. [EXEMPLAR PROVISIONS SUBJECT TO REVIEW BY SERIES 2024A INSURER] (a) Notwithstanding any provision of this Indenture to the contrary, so long as the Series 2024A Insurer is not in default in its payment obligations under the Series 2024A Insurance Policy, the provisions of this [Article XI] shall govern and the Series 2024A Insurer shall at all times be deemed the sole and exclusive Owner of the Outstanding Insured 2024A Bonds for the purposes of all approvals, consents, waivers, institution of any action, and the direction of all remedies, including but not limited to approval of or consent to any amendment of or supplement to this Indenture which requires (i) the consent or approval of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding pursuant to this Indenture, or (ii) the consent or approval of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding pursuant to this Indenture; provided, however, that the Series 2024A Insurer shall not be deemed to be the sole and exclusive Owner of the Outstanding Insured 2024A Bonds with respect to any amendment or supplement to this Indenture which seeks to amend or supplement this Indenture for the purposes set forth in clauses (i) or (ii) of Section 8.01(a) hereof, and provided, further, that the Series 2024A Insurer shall not be deemed the sole and exclusive Owner of the Outstanding Insured 2024A Bonds with respect to any amendment or supplement to this Indenture, and shall not have the right to direct or consent to District, Trustee or Owner action as provided herein, if:

(i) the Series 2024A Insurer shall be in payment default under the Series 2024A Insurance Policy;

(ii) any material provision of the Series 2024A Insurance Policy shall be held to be invalid by a final, non-appealable order of a court of competent jurisdiction, or the validity or enforceability thereof shall be contested by the Series 2024A Insurer; or

(iii) a proceeding shall have been instituted in a court having jurisdiction in the premises seeking an order for relief, rehabilitation, reorganization, conservation, liquidation or dissolution in respect of the Series 2024A Insurer under Article 16 of the Insurance Law of the State of New York or any successor provision thereto and such proceeding is not terminated for a period of 90 consecutive days or such court enters an order granting the relief sought in such proceeding.

(b) To the extent that the Series 2024A Insurer makes payment of any principal of or interest on a Insured 2024A Bond, it shall be fully subrogated to all of the Owner's rights thereunder in accordance with the terms of the Series 2024A Insurance Policy to the extent of such payment, including the Owner's rights to payment thereof.

(c) In the event that the principal of or interest on a Insured 2024A Bond shall be paid by the Series 2024A Insurer pursuant to the terms of the Series 2024A Insurance Policy (i) such Insured 2024A Bond shall continue to be "outstanding" under this Indenture, and (ii) the Series

2024A Insurer shall be fully subrogated to all of the rights of the Owner thereof in accordance with the terms and conditions of subsection (b) of this Section and the Series 2024A Insurance Policy.

(d) This Indenture shall not be discharged unless and until all amounts due to the Series 2024A Insurer have been paid in full or duly provided for.

(e) The rights granted under this Indenture to the Series 2024A Insurer to request, consent to or direct any action are rights granted to the Series 2024A Insurer in consideration of its issuance of the Series 2024A Insurance Policy. Any exercise by the Series 2024A Insurer of such rights is merely an exercise of the Series 2024A Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit of or on behalf of the Owners, nor does such action evidence any position of the Series 2024A Insurer, positive or negative, as to whether Owner consent is required in addition to consent of the Series 2024A Insurer.

(f) Notwithstanding anything to the contrary otherwise set forth in this Indenture, and to the extent permitted by law, in the event amounts paid under the Series 2024A Insurance Policy are applied to claims for payment of principal of or interest on the Insured 2024A Bonds, interest on the principal of and interest on such Insured 2024A Bonds shall accrue and be payable from the date of such payment at the 2024A Default Rate. [The term "Series 2024A Default Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time as the prime rate reported in The Wall Street Journal (or the average prime rate if a high and a low prime rate are therein reported) ("Prime Rate") plus [3]%, and (ii) the then applicable rate of interest on the Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Default Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days.]

(g) Any amendment, supplement, modification to, or waiver of, the terms of this Indenture that requires the consent of Owners or adversely affects the rights and interests of the Bond Insurer shall be subject to the prior written consent of the Bond Insurer. Copies of any modification, amendment or supplement to this Indenture shall be sent to Moody's and S&P at least ten days prior to the effective date thereof.

(h) [Each of the District and the Trustee covenant and agree to take such action as is necessary from time to time to preserve the priority of the pledge of, lien on and security interest in amounts held in the Bond Fund under applicable law.]

(i) In determining whether any amendment, consent or other action to be taken, or any failure to act, under this Indenture would adversely affect the security for the Bonds or the rights of the Owners, the Trustee shall consider the effect of any such amendment, consent, action or inaction as if there were no Series 2024A Insurance Policy.

Section 11.02. Deposits to Series 2024A Policy Payments Account; Payments Under the Series 2024A Insurance Policy. [EXEMPLAR PROVISIONS SUBJECT TO REVIEW BY SERIES 2024A INSURER] (a) So long as the Series 2024A Insurance Policy shall be in full force and effect, the District and the Trustee hereby agree to comply with the provisions of this Section.

(b) If, on the third Business Day prior to the related scheduled Interest Payment Date there is not on deposit with the Trustee, after making all transfers and deposits required hereunder, moneys sufficient to pay the principal of and interest on the Series 2024A Bonds due on such Interest Payment Date, the Trustee shall give notice to the Series 2024A Insurer and to its designated agent (if any) (the “Series 2024A Insurer’s Fiscal Agent”) by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Interest Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Series 2024A Bonds due on such Interest Payment Date, the Trustee shall make a claim under the Series 2024A Insurance Policy and give notice to the Series 2024A Insurer and the Series 2024A Insurer’s Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Insured 2024A Bonds and the amount required to pay principal of the Insured 2024A Bonds, confirmed in writing to the Series 2024A Insurer and the Series 2024A Insurer’s Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Series 2024A Insurance Policy.

(c) The Trustee shall designate any portion of payment of principal on Insured 2024A Bonds paid by the Series 2024A Insurer, whether by virtue of maturity or other advancement of maturity, on its books as a reduction in the principal amount of Insured 2024A Bonds registered to the then current Owner, whether DTC or its nominee or otherwise, and shall issue a replacement Bond to the Series 2024A Insurer, registered in the name of the Series 2024A Insurer, in a principal amount equal to the amount of principal so paid (without regard to Authorized Denominations); provided, however, that the Trustee’s failure to so designate any payment or issue any replacement Bond shall have no effect on the amount of principal or interest payable by the District on any Insured 2024A Bond or the subrogation rights of the Series 2024A Insurer.

(d) Upon payment of a claim under the Series 2024A Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of Owners of Insured 2024A Bonds referred to herein as the “Series 2024A Policy Payments Account” and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Series 2024A Insurance Policy in trust on behalf of Owners of Insured 2024A Bonds and shall deposit any such amount in the Series 2024A Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Owners of Insured 2024A Bonds in the same manner as principal and interest payments are to be made with respect to the Insured 2024A Bonds under the provisions hereof regarding payment of Insured 2024A Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Funds held in the Series 2024A Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any funds remaining in the Series 2024A Policy Payments Account following an Interest Payment Date shall promptly be remitted to the Series 2024A Insurer.

(e) The Trustee shall keep a complete and accurate record of all funds deposited by the Series 2024A Insurer into the Series 2024A Policy Payments Account and the allocation of such funds to payment of interest on and principal paid in respect of any Insured 2024A Bond. The

Series 2024A Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

(f) The District shall, to the extent permitted by law pay or reimburse the Series 2024A Insurer any and all Series 2024A Insurer Expenses.

(g) The Series 2024A Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of this Indenture.

(h) The Series 2024A Insurer shall be entitled to pay principal of or interest on the Insured 2024A Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Series 2024A Insurance Policy) and any amounts due on the Insured 2024A Bonds as a result of acceleration of the maturity thereof in accordance with this Indenture, whether or not the Series 2024A Insurer has received a Notice of Nonpayment (as such term is defined in the Series 2024A Insurance Policy) or a claim upon the Series 2024A Insurance Policy.

Section 11.03. Reporting Requirements. [EXEMPLAR PROVISIONS SUBJECT TO REVIEW BY SERIES 2024A INSURER] The Series 2024A Insurer shall be provided with the following information:

(a) Annual audited financial statements of the District on or before the later of (i) [150] days after the end of the District's Fiscal Year and (ii) 30 days after the statements become available (in each case together with a certification of the District that it is not aware of any default or Event of Default under this Indenture) and the District's annual budget within 30 days after the approval thereof, together with such other information, data or reports as the Series 2024A Insurer reasonably request from time to time;

(b) Notice of any default known to the Trustee or the District within five Business Days after knowledge thereof;

(c) Prior notice of the advance refunding of any of the Insured 2024A Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(d) Notice of the resignation or removal of the Trustee and the appointment of, and acceptance of duties by, any successor thereto;

(e) Notice of the commencement of any proceeding by or against the District commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding");

(f) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Series 2024A Bonds;

(g) A full original transcript of all proceedings relating to the execution of any amendment or supplement to this Indenture or the respective Continuing Disclosure Certificate (Series 2024A Bonds); and

(h) All reports, notices and correspondence to be delivered under the terms of this Indenture or the respective Continuing Disclosure Certificate (Series 2024A Bonds).

ARTICLE XII

MISCELLANEOUS

Section 12.01. Benefits of the Indenture Limited; Third-Party Beneficiary. Nothing contained herein, expressed or implied, is intended or shall be construed to confer upon, or to give or grant to any Person or entity other than the Trustee, the District, the Owners and the Insurer any right and remedy or claim under or by reason hereof, and any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements contained in this Indenture by and on behalf of the District shall be for the sole and exclusive benefit of the Trustee, the Owners and the Insurer. [The Insurer shall be a third-party beneficiary of this Indenture to the extent deemed as Owner of any Outstanding Insured Bonds.]

Section 12.02. Successor is Deemed Included in All References to Predecessor. Whenever herein either the District or any officer or employee thereof or the Trustee is named or referred to, such reference shall be deemed to include the successor or assigns thereof, and all agreements and covenants required hereby to be performed by or on behalf of the District or any officer or employee thereof or the Trustee shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 12.03. Destruction of Bonds. Whenever in this Indenture provision is made for the cancellation by the Trustee and the delivery to the District of any Bonds, the Trustee shall, in lieu of such cancellation and delivery, destroy such Bonds.

Section 12.04. Waiver of Notice; Requirement of Mailed Notice. Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the Person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. Whenever in this Indenture any notice shall be required to be given by mail, such requirement shall be deemed given and satisfied 72 hours after such notice is deposited with the United States mail, postage prepaid, by first class mail.

Section 12.05. Severability of Invalid Provisions. If any one or more of the provisions contained in this Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of this Indenture, and this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The District hereby declares that it would have entered into this Indenture and each and every other Section, subsection, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, subsections, paragraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable.

Section 12.06. Notices. Any written notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication to be given hereunder shall be

given to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to the District:

Los Angeles Unified School District
333 S. Beaudry Avenue, 26th Floor
Los Angeles, California
Attention: Chief Business Officer

If to the Trustee:

[Trustee]

Attention: Corporate Trust Department

If to the Lender:

[Lender]

Attention: Managing Director – Surveillance
Re: Policy No. _____

[If to the Series 2024A Insurer:]

[Series 2024A Insurer]

Attention: Managing Director – Surveillance
Re: Policy No. _____

Each such notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication hereunder shall be deemed delivered to the party to whom it is addressed (a) if personally served or delivered, upon delivery, (b) if given by electronic communication, whether by telex, telegram or telecopier, upon the sender's receipt of an appropriate answerback or other written acknowledgment, (c) if given by mail, postage prepaid, by first class mail, 72 hours after such notice is deposited with the United States mail, (d) if given by overnight courier, with courier charges prepaid, 24 hours after delivery to said overnight courier, or (e) if given by any other means, upon delivery at the address specified in this Section.

[In each case in which notice or other communication refers to an event of default or with respect to which failure on the part of the Series 2024A Insurer to respond shall be deemed to constitute consent or acceptance, then a copy of such notice or other communication shall also be

sent to the attention of the General Counsel of the Series 2024A Insurer and shall be marked to indicate “URGENT MATERIAL ENCLOSED.”]

Section 12.07. Evidence of Rights of Bond Owners. Any request, consent or other instrument required or permitted by this Indenture to be signed and executed by Owners may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Owners in Person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, or of the holding by any Person of Bonds transferable by delivery, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and the District if made in the manner provided in this Section.

The fact and date of the execution by any Person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the Person signing such request, consent or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

The ownership of Bonds shall be proved by the Registration Books.

Any request, consent, or other instrument or writing of the Owner of any Bond shall bind every future Owner of the same Bond and the Owner of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the District in accordance therewith or reliance thereon.

Section 12.08. Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are known by the Trustee to be owned or held by or for the account of the District, or by any other obligor on the Bonds, or by any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the District or any other obligor on the Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination.

Section 12.09. Money Held for Particular Bonds. The money held by the Trustee for the payment of the interest or principal due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto, subject, however, to the provisions of Section 10.03 hereof but without any liability for interest thereon.

Section 12.10. Funds and Accounts. Any fund or account required by this Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with prudent corporate trust industry standards to the extent practicable, and with due regard for the requirements hereof and for the protection of the security

of the Bonds and the rights of every Owner thereof. The Trustee may establish any such additional funds or accounts as it deems necessary to perform its obligations hereunder.

Section 12.11. Payment on Non-Business Days. In the event any payment is required to be made hereunder on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day with the same effect as if made on such non-Business Day.

Section 12.12. Waiver of Personal Liability. No member, officer, agent or employee of the District shall be individually or personally liable for the payment of the principal of or interest on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such officer, agent or employee from the performance of any official duty provided by law or by this Indenture.

Section 12.13. Interpretation. Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to include the neuter, masculine or feminine gender, as appropriate.

Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

Section 12.14. Execution in Several Counterparts. This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

Section 12.15. Governing Law. This Indenture shall be governed by and construed in accordance with the laws of the State.

IN WITNESS WHEREOF, the District has caused this Indenture to be signed in its name by one of its duly authorized officers, and the Trustee, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its name by one of its duly authorized officers, all as of the day and year first above written.

**LOS ANGELES UNIFIED SCHOOL
DISTRICT**

By: _____
[Chief Business Officer]

[TRUSTEE], as Trustee

By: _____
Authorized Officer

APPENDIX A
FORM OF BOND

No. _____ \$ _____

LOS ANGELES UNIFIED SCHOOL DISTRICT
JUDGMENT OBLIGATION BOND, SERIES 2024A

INTEREST RATE _____%	MATURITY DATE [October] 1, 20__	DATED DATE _____, 2024	CUSIP _____
--------------------------------	---	----------------------------------	-----------------------

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The Los Angeles Unified School District (the “District”), for value received, hereby promises to pay to the Registered Owner identified above or registered assigns (the “Registered Owner”), on the Maturity Date identified above, the Principal Amount identified above in lawful money of the United States of America; and to pay interest thereon at the Rate of Interest identified above in like lawful money from the date hereof, payable semiannually on [April] 1 and [October] 1 in each year, commencing _____ 1, 20__ (the “Interest Payment Dates”), until payment of such Principal Amount in full. This Bond is issued pursuant to an Indenture, dated as of _____ 1, 2024 (the “Indenture”), by and between the District and [Trustee], as trustee. Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Indenture.

This Bond shall bear interest from the Interest Payment Date next preceding the date of authentication of this Bond (unless this Bond is authenticated on or before an Interest Payment Date and after the fifteenth calendar day of the month preceding such Interest Payment Date, whether or not such day is a business day, in which event it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated on or prior to _____ 15, 20__, in which event it shall bear interest from the Dated Date identified above; provided, however, that if, at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest hereon has previously been paid or duly provided for). The Principal Amount hereof is payable upon surrender hereof upon maturity at the principal corporate trust office of [Trustee], as trustee, or any successor trustee under the Indenture (the “Trustee”), in [_____], California; provided, however, that for purposes of payment, exchange, transfer, surrender and cancellation of Bonds, such term means the principal corporate trust office of the Trustee in [_____], California, or such other office as may be specified to the District by the Trustee in writing (the “Office of the Trustee”). Except as otherwise provided in the Letter of Representations, interest hereon is payable by check of the Trustee, mailed by first class mail on each Interest Payment Date to the Registered Owner hereof at the address of the Registered Owner as it appears on the Registration Books of the Trustee as of the close of business on the fifteenth calendar day of the month preceding such Interest Payment Date.

This Bond is one of a duly authorized issue of bonds of the District designated as the “[Los Angeles Unified School District Judgment Obligation Bonds, Series 2024A]” (the “Series 2024A Bonds”) in the aggregate principal amount of \$_____ all of which Bonds are of like tenor and date (except for such variations as may be required to designate varying numbers, denominations, maturities or interest rates), and is issued under and pursuant to the provisions of Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Division 2 of Title 5 of the California Government Code and all laws amendatory thereof or supplemental thereto (the “Refunding Law”) and under and pursuant to the provisions of the Indenture (copies of which are on file at the Office of the Trustee).

The Series 2024A Bonds are being issued for the purpose of satisfying the District’s payment obligations under the [Series 2024A Judgments][Series 2024A Notes] as defined in the Indenture. The Series 2024A Bonds are obligations imposed by law payable from funds to be appropriated by the District. Reference is hereby made to the Refunding Law and to the Indenture and any and all amendments thereof for a description of the terms on which the Series 2024A Bonds are issued, for the rights of the Owners of the Series 2024A Bonds, for the security for payment of the Series 2024A Bonds, for the remedies upon default and limitations thereon and for the provisions for the amendment of the Indenture (with or without consent of the Owners of the Series 2024A Bonds); and all the terms of the Indenture are hereby incorporated herein and constitute a contract between the District and the Registered Owner of this Series 2024A Bond, to all the provisions of which the Registered Owner of this Series 2024A Bond, by acceptance hereof, agrees and consents.

The Indenture provides for the issuance of additional bonds (the “Additional Bonds”) payable on a parity with the Series 2024A Bonds (the Series 2024A Bonds and any such Additional Bonds being collectively referred to as the “Bonds”).

The obligations of the District under the Bonds, including the obligation to make all payments of the interest on and the principal of the Bonds when due are obligations of the District imposed by law and are absolute and unconditional, without any right of set-off or counterclaim. The Bonds do not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation, and neither the Bonds nor the obligation of the District to make payment of the interest on or the principal of the Bonds constitutes an indebtedness of the District or the State of California, or any of its political subdivisions, in contravention of any constitutional or statutory debt limitation or restriction.

[The Series 2024A Bonds are subject to redemption prior to maturity as provided in the Indenture.]

If an Event of Default, as that term is defined in the Indenture, shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture; provided, that the Indenture provides that in certain events such declaration and its consequences may be rescinded under the circumstances as provided therein.

The Bonds are issuable as fully registered Bonds without coupons in denominations of \$5,000 or any integral multiple thereof. Subject to the limitations and upon payment of the

charges, if any, provided in the Indenture, Bonds may be exchanged at the Office of the Trustee for a new Bond or Bonds of the same Series and maturity in a like aggregate principal amount, in any Authorized Denomination.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new fully registered Bond or Bonds, of the same Series and maturity in an Authorized Denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange herefor. The District and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the District and the Trustee shall not be affected by any notice to the contrary.

The Indenture and the rights and obligations of the District, the owners of the Bonds and the Trustee may be modified or amended from time to time and at any time in the manner, to the extent, and upon the terms provided in the Indenture; provided that no such modification or amendment shall (a) extend the fixed maturity of any Bonds, or reduce the amount of principal thereof, or reduce the interest rate borne thereby, or extend or accelerate the time of payment thereof, without the consent of the owner of each Bond so affected, or (b) reduce the percentage of Bonds the consent of the owners of which is required to effect any such amendment or modification, without the consent of the owners of all outstanding Bonds.

The Indenture contains provisions permitting the District to make provision for the payment of interest on, and the principal of any of the Bond so that such Bonds shall no longer be deemed to be outstanding under the terms of the Indenture.

This Bond shall not be entitled to any benefit, protection or security under the Indenture or become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been executed and dated by an authorized signatory of the Trustee.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Trustee for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof Cede & Co., has an interest herein.

It is hereby certified that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, the Los Angeles Unified School District has caused this Bond to be executed in its name and on its behalf by the signature of the [Chair of the Board of Education of the District][Chief Business Officer of the District], and to be countersigned by the manual or

facsimile signature of the Executive Officer of the Board of Education of the District, who has impressed the seal of the District hereon, all as of the Dated Date identified above.

**LOS ANGELES UNIFIED SCHOOL
DISTRICT**

By: _____
[Chief Business Officer]

[SEAL]

Countersigned:

[Executive Officer to the Board of Education]

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Indenture and registered on the Registration Books.

Date: _____

[TRUSTEE], as Trustee

By: _____
Authorized Officer

STATEMENT OF INSURANCE

[Bond Insurer] (“[BOND INSURER]”), New York, New York, has delivered its municipal bond insurance policy with respect to the scheduled payments due of principal of and interest on this Bond to [Trustee], [_____], California, or its successor, as trustee for the Bonds (the “Trustee”). Said Policy is on file and available for inspection at the Office of the Trustee and a copy thereof may be obtained from [BOND INSURER] or the Trustee.]

ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto _____ whose address and social security or other tax identifying number is _____, the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Note: Signature(s) must be guaranteed by an eligible guarantor.

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

APPENDIX B

[SERIES 2024A JUDGMENT OBLIGEEES AND/OR SERIES 2024A NOTES]

APPENDIX C
FORM OF SUPPLEMENTAL INDENTURE

_____ **SUPPLEMENTAL INDENTURE**

by and between

LOS ANGELES UNIFIED SCHOOL DISTRICT

and

**[TRUSTEE],
AS TRUSTEE**

Dated as of _____ 1, 20__

**Relating to
\$ _____
Los Angeles Unified School District
Judgment Obligation Bonds, Series _____**

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_____ **SUPPLEMENTAL INDENTURE**

THIS _____ SUPPLEMENTAL INDENTURE (this “_____ **Supplemental Indenture**”), dated as of _____ 1, 2024, by and between the LOS ANGELES UNIFIED SCHOOL DISTRICT, a political subdivision of the State of California (the “**District**”), and [TRUSTEE], a national banking association organized and existing under the laws of the United States of America, as trustee (the “**Trustee**”),

W I T N E S S E T H:

WHEREAS, for the purpose of refunding the District’s obligations to the [Series _____ Judgment Obligees] [the Lender or other holders of Series _____ Notes] [and/or] [the Owners of the Series _____ Prior Bonds] specified in Appendix C-B to this _____ Supplemental Indenture, the District has determined to issue its Los Angeles Unified School District Judgment Obligation Bonds, Series _____ (the “**Series _____ Bonds**”), in the aggregate principal amount of \$ _____;

WHEREAS, the Indenture, dated as of _____ 1, 2024 (the “Original Indenture” and, together with all supplemental indentures thereto, the “Indenture”), by and between the District and the Trustee, provides that, subject to the conditions set forth therein, in addition to the Los Angeles Unified School District Judgment Obligation Bonds, Series 2024A, issued in the aggregate principal amount of \$ _____, the District and the Trustee may by execution of a Supplemental Indenture, without the consent of the Owners of the Bonds, provide for the issuance of Additional Bonds; and

WHEREAS, the Trustee and the District are entering into this _____ Supplemental Indenture in order to provide for the issuance of the Series _____ Bonds, to establish and declare the conditions and terms upon which the Series _____ Bonds are to be issued and to secure the payment of the interest thereon and the principal thereof, and to expressly identify the [Series _____ Judgment Obligees] [the Lender or other holders of Series _____ Notes] [and/or] [the Owners of the Series _____ Prior Bonds] specified in Appendix C-B to this _____ Supplemental Indenture to be refunded; and

WHEREAS, the District is obligated to pay the [Series _____ Judgment Obligees] [the Series _____ Lender][the holders of Series _____ Notes][the Owners of the Series _____ Prior Bonds] specified in Appendix C-B to this _____ Supplemental Indenture to be refunded; and

[**WHEREAS**, the District's obligation to pay is specified in the Series _____ Revolving Credit Agreement pursuant to which the Series _____ Notes were issued by the District in satisfaction of the Series _____ Judgments and payments to the Series _____ Judgment Obligees specified in Appendix C-B to this _____ Supplemental Indenture, all to be refunded as provided in this _____ Supplemental Indenture; and]

WHEREAS, the District has determined that all acts and proceedings required by law necessary to make the Series _____ Bonds, when executed by the District and authenticated and delivered by the Trustee hereunder, valid, binding and legal obligations of the District payable in accordance with their terms, and to constitute this _____ Supplemental Indenture a valid and binding agreement of the parties hereto for the uses and purposes herein set forth in accordance

with its terms, have been done and taken, and the execution and delivery of this _____ Supplemental Indenture has been in all respects duly authorized;

NOW, THEREFORE, in consideration of the premises and of the mutual agreements and covenants contained herein and for other valuable consideration, the parties do hereby agree as follows:

PART 1

PARTICULAR AMENDMENTS

Part 1.1 **Amendments to Section 1.01.** (a) Section 1.01 of the Indenture is hereby amended by modifying the following terms:

“Closing Date” means, as appropriate to the context, _____, 2024 as the date of closing and delivery of the Series 2024A Bonds, the Series _____ Closing Date and/or the closing date(s) for any series of Additional Bonds.

“Indenture” means the Indenture, dated as of _____ 1, 2024, by and between the District, and [Trustee], as originally executed or as it may from time to time be amended or supplemented by any Supplemental Indenture including this _____ Supplemental Indenture.

“Interest Payment Date” means, (a) with respect to the Series 2024A Bonds, means [April] 1 and [October] 1 of each year, commencing, _____ 1, 20____, so long as any Series 2024A Bonds remain Outstanding, and (b) with respect to the Series _____ Bonds, means [April] 1 and [October] 1 of each year, commencing, _____ 1, 20____, so long as any Series _____ Bonds remain Outstanding.

“Original Purchaser” means (a) with respect to the Series 2024A Bonds, _____, the original purchasers of the Series 2024A Bonds from the District, (b) with respect to the Series _____ Bonds, _____, the original purchasers of the Series _____ Bonds from the District.

“Rebate Requirement” has the meaning ascribed thereto in the Tax Certificate (Series 2024A Bonds) or the Tax Certificate (Series _____ Bonds), as applicable.

(b) Section 1.01 of the Indenture is hereby amended by adding thereto the following definitions:

“Continuing Disclosure Certificate (Series _____ Bonds)” means the Continuing Disclosure Certificate, dated the Series _____ Closing Date, of the District, relating to the Series _____ Bonds, as originally executed and as it may from time to time be amended in accordance with the provisions thereof.

“Participating Underwriter (Series _____ Bonds)” has the meaning ascribed thereto in the Continuing Disclosure Certificate (Series _____ Bonds).

“Series _____ Closing Date” means the date upon which the Series _____ Bonds are delivered to the Original Purchaser thereof, being _____, 20__.

“Series _____ Bonds” means the Los Angeles Unified School District Judgment Obligation Bond, Series _____, issued under the Indenture including as specified in this _____ Supplemental Indenture.

[“Series _____ Judgment Obligees” means the Judgment Obligees specified in Appendix C-B to this _____ Supplemental Indenture.]

[“Series _____ Judgments” means the Judgments specified in Appendix C-B to this _____ Supplemental Indenture.]

[“Series _____ Lender” means _____]

[“Series _____ Note Resolution” means the resolution of the District providing for the issuance of notes as a temporary borrowing by the District for the purpose of refunding one or more Judgments as specified therein.]

[“Series _____ Notes” means the notes issued to refund one or more Judgments as specified in Appendix C-B to this _____ Supplemental Indenture as promissory notes as provided in the Series _____ Revolving Credit Agreement and/or the Notes issued as a temporary borrowing pursuant to the Series _____ Note Resolution.]

[“Series _____ Prior Bonds” means the Los Angeles Unified School District Judgment Obligation Bond, Series _____, issued under the Indenture including as specified in the _____ Supplemental Indenture, dated as of _____ 1, 20__, by and between the District and the Trustee.]

“Series _____ Revolving Credit Agreement” means the Revolving Credit Agreement, dated as of _____ 1, 2024, together with any amendments or supplements thereto, between the District and the Series _____ Lender, or its successor, as lender.

“Tax Certificate (Series _____ Bonds)” means the Tax Certificate executed by the District at the time of issuance of the Series _____ Bonds relating to the requirements of Section 148 of the Code, as originally executed and as it may from time to time be amended in accordance with the provisions thereof.

Part 1.2 Amendment to Section 3.04. Section 3.04 of the Indenture is hereby supplemented to add an additional subsection ([]) thereto to read as follows:

([]) On the Series _____ Closing Date, the District shall deliver to the Trustee a Written Request of the District stating (1) that the Board has duly authorized the refunding of the [Series _____ Judgments] [Series _____ Notes] [and/or] [Series _____ Prior Bonds] with net proceeds of the Series _____ Bonds, (2) that the amount in the Series _____ Refunding Account shall be paid directly, or through the Third-Party Administrator, to the [Series _____ Judgment Obligees] [the respective Lender or other holders of Series _____ Notes] [and/or]

Owners of the [Series _____ Prior Bonds], and (3) instructions as to how such payment or payments are to be made directly or through the Third-Party Administrator, to [the Series _____ Judgment Obligees] [the Lenders or other holders of Series _____ Notes] [and/or] [Owners of the [Series _____ Prior Bonds], including the names and addresses of [the Series _____ Judgment Obligees] [the Lenders or other holders of Series _____ Notes] [and/or] [Owners of the [Series _____ Prior Bonds] to be so paid and, if applicable, the bank account number or numbers to which such payment or payments are to be made. The Trustee shall make such payment or payments on the Series _____ Closing Date and, after such payment or payments have been made, the Series _____ Refunding Account shall be closed.

PART 2

ADDITION OF ARTICLE [____]

Part 2.1 Addition of Article [____]. The Indenture is hereby amended and supplemented by adding thereto an additional Article as follows:

ARTICLE XIII

SERIES _____ BONDS

Section [____].01 Issuance of Series _____ Bonds. The District may, at any time, execute the Series _____ Bonds, in the aggregate principal amount of \$_____, for issuance hereunder and deliver the same to the Trustee. The Trustee shall authenticate the Series _____ Bonds and deliver the Series _____ Bonds to the original purchaser thereof upon receipt of a Written Request of the District and upon receipt of the purchase price therefor.

Section [____].02 Terms of Series _____ Bonds; Interest Computation. (a) The Series _____ Bonds shall be designated the “Los Angeles Unified School District Judgment Obligation Bond, Series _____.” The Series _____ Bonds shall be issued in fully registered form without coupons in Authorized Denominations, so long as no Series _____ Bond shall have more than one maturity date. The Series _____ Bonds shall be dated the Series _____ Closing Date, shall be issued in the aggregate principal amount of \$_____, shall mature on [October] 1 of each year and shall bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) at the rates per annum as follows:

Maturity Date ([October] 1)	Principal Amount	Interest Rate
20__		
20__		
20__		
20__		
20__		
20__		
20__		
20__		
20__		
20__		
20__		
20__		
20__		
20__		
20__		
20__		

(b) Interest on the Series _____ Bonds shall be payable from the Interest Payment Date next preceding the date of authentication thereof unless (i) a Series _____ Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it shall bear interest from such Interest Payment Date; (ii) a Series _____ Bond is authenticated on or before the first Record Date, in which event interest thereon shall be payable from the Series _____ Closing Date; or (iii) interest on any Series _____ Bond is in default as of the date of authentication thereof, in which event interest thereon shall be payable from the date to which interest has been paid in full or made available for such payment, payable on each Interest Payment Date. Interest shall be paid in lawful money of the United States on each Interest Payment Date to the Persons in whose names the ownership of the Series _____ Bonds is registered on the Registration Books at the close of business on the immediately preceding Record Date, except as provided below. [Except as otherwise provided in the Letter of Representations], interest shall be paid by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Owners at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date, except that in the case of an Owner of \$1,000,000 or more in aggregate principal amount of Series _____ Bonds, upon the written request of such Owner to the Trustee, received at least ten days prior to a Record Date, specifying the account or accounts to which such payment shall be made, payment of interest shall be made by wire transfer of immediately available funds on the following Interest Payment Date. Any such request shall remain in effect until revoked or revised by such Owner by an instrument in writing delivered to the Trustee.

(c) The principal and premium, if any, of the Series _____ Bonds shall be payable in lawful money of the United States of America [to the Persons in whose names the ownership of the Series _____ Bonds is registered on the Registration Books or] upon presentation and surrender thereof upon maturity or earlier redemption at the Office of the Trustee.

(d) The Series _____ Bonds shall be subject to redemption as provided in Section [____].05.

(e) The Series _____ Bonds shall initially be issued as Book-Entry Bonds, except as provided in subsection (c) of Section 2.09 of the Indenture, the registered Owner of all of the Series _____ Bonds shall be DTC and the Series _____ Bonds shall be registered in the name of Cede & Co., as nominee for DTC, and the Series _____ Bonds shall be subject to Section 2.09 of the Indenture.

Section [____].03 Form of Series _____ Bonds. The Series _____ Bonds shall be in substantially the form set forth in Appendix C-A hereto, with appropriate or necessary insertions, omissions and variations as permitted or required hereby. Only such of the Series _____ Bonds as shall bear thereon a certificate of authentication substantially in the form set forth in Appendix C-A hereto, manually executed by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of the Indenture, and such certificate of or on behalf of the Trustee shall be conclusive evidence that the Series _____ Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of the Indenture.

Section [____].04 Establishment of Accounts for the Series _____ Bonds. The following funds and accounts are hereby created and established and shall be maintained by the Trustee:

(a) the “Series _____ Cost of Issuance Account” as an account by that name established, held and maintained by the Trustee in the Cost of Issuance Fund pursuant to Section 3.03 of the Indenture (the “Series _____ Cost of Issuance Account”);

(b) the “Series _____ Refunding Account” as an account by that name established, held and maintained by the Trustee in the Refunding Fund pursuant to Section 3.04 of the Indenture (the “Series _____ Refunding Account”).

The Trustee may establish additional accounts or subaccounts of the above-described funds and accounts as the Trustee shall deem necessary and prudent in furtherance of its duties pursuant to this _____ Supplemental Indenture upon written notification to, and consent by, the District.

Section [____].05 Deposit of Proceeds of Series _____ Bonds. On the Series _____ Closing Date, the proceeds of the sale of the Series _____ Bonds shall be paid to the Trustee and said amounts shall be deposited by the Trustee as follows:

(1) The Trustee shall deposit the amount of \$_____ in the Series _____ Costs of Issuance Account. On the date that is six months after the Series _____ Closing Date, any amounts then remaining in the Series _____ Costs of Issuance Account shall be withdrawn therefrom by the Trustee and transferred to the Bond Fund and upon such transfer the Series _____ Costs of Issuance Account shall be closed.

(2) The Trustee shall deposit the amount of \$_____ in the Series _____ Refunding Account, constituting the remainder of said proceeds.

Section [____].06 Redemption of Series _____ Bonds. The Series _____ Bonds shall be subject to redemption as follows:

(a) *Optional Redemption of Series _____ Bonds.* The Series _____ Bonds maturing on or after [October] 1, 20__ are subject to redemption prior to their respective stated maturities at the written direction of the District, from any moneys deposited by the District, as a whole or in part on any date (in such maturities as are designated in writing by the District to the Trustee) on or after [October] 1, 20__, at a redemption price of 100% of the principal amount of Series _____ Bonds called for redemption, together with accrued interest to the date fixed for redemption.

The District shall give the Trustee written notice of its intention to redeem Series _____ Bonds pursuant to this Section not less than 45 days prior to the applicable redemption date, unless a later date is agreed to by the Trustee in its reasonable discretion or as directed by the Owners of not less than a majority of the Outstanding Series _____ Bonds.

(b) *Mandatory Sinking Fund Redemption of Series _____ Bonds.* (i) The Series _____ Bonds maturing on [October] 1, 20__ shall be subject to mandatory sinking fund redemption, in part, on [October] 1 in each year, commencing [October] 1, 20__, at a redemption price equal to the principal amount of the Series _____ Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption, in the aggregate respective principal amounts in the respective years as follows:

Sinking Fund Redemption Date ([October] 1)	Principal Amount to be Redeemed
	\$

If some but not all of the Series _____ Bonds are redeemed pursuant to Section [____].06(a), the principal amount of the Series _____ Bonds to be redeemed pursuant to this Section 4.02 on any subsequent [October] 1 shall be reduced by the aggregate principal amount of the Series _____ Bonds so redeemed pursuant to Section [____].06(a), such reduction to be allocated among redemption dates in Authorized Denominations, as designated by the District in a Written Certificate of the District.

(ii) The Series _____ Bonds maturing on [October] 1, 20__ shall be subject to mandatory sinking fund redemption, in part, on [October] 1 in each year, commencing [October] 1, 20__, at a redemption price equal to the principal amount of the Series _____ Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption, in the aggregate respective principal amounts in the respective years as follows:

Sinking Fund Redemption Date ([October] 1)	Principal Amount to be Redeemed
	\$

If some but not all of the Series _____ Bonds are redeemed pursuant to Section [_____]06(a), the principal amount of the Series _____ Bonds to be redeemed pursuant to this Section 4.02 on any subsequent [October] 1 shall be reduced by the aggregate principal amount of the Series _____ Bonds so redeemed pursuant to Section [_____]06(a), such reduction to be allocated among redemption dates in Authorized Denominations, as designated by the District in a Written Certificate of the District.

(c) *Selection.* If some but not all of the Series _____ Bonds are redeemed pursuant to Section [_____]06(a) hereof, the Trustee shall select the Series _____ Bonds to be redeemed from all Series _____ Bonds not previously called for redemption as directed in a Written Certificate of the District. For purposes of such selection, all Series _____ Bonds shall be deemed to be comprised of separate Authorized Denominations and such separate denominations shall be treated as separate Series _____ Bonds which may be separately redeemed.

Section [_____]07 Tax Covenants. (a) [The District shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of interest on the Series _____ Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the District shall comply with the requirements of Section 6.06 of the Indenture and the Tax Certificate (Series _____ Bonds), which is incorporated herein as if fully set forth herein. Except as set forth in the Tax Certificate (Series _____ Bonds), this covenant shall survive payment in full or defeasance of the Series _____ Bonds.

(b) In the event that at any time the District is of the opinion that for purposes of this Section it is necessary or helpful to restrict or limit the yield on the investment of any moneys held by the Trustee in any of the funds or accounts with respect to the Series _____ Bonds established hereunder, the District shall so instruct the Trustee in writing, and the Trustee shall act in accordance with such instructions.

(c) Notwithstanding any provisions of this Section, if the District shall provide to the Trustee an opinion of Bond Counsel to the effect that any specified action required under this Section or Section 6.06 of the Indenture is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Series _____ Bonds, the Trustee may conclusively rely on such opinion in complying with the requirements of this Section, Section 6.06 of the Indenture and of the Tax Certificate (Series _____ Bonds), and the covenants hereunder shall be deemed to be modified to that extent.]

Section [_____]08 Rebate Fund. (a) [There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Certificate (Series _____ Bonds). All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Certificate (Series _____ Bonds)), for payment to the United States of America. Notwithstanding defeasance of the Series _____ Bonds pursuant to Article X of the Indenture or anything to the contrary contained herein, all amounts required to be deposited into or on deposit in the Rebate Fund with respect to

the Series _____ Bonds shall be governed exclusively by this Section and by the Tax Certificate (Series _____ Bonds) (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the written directions of the District and shall have no liability or responsibility to enforce compliance by the District with the terms of the Tax Certificate (Series _____ Bonds). The Trustee may conclusively rely upon the District's determinations, calculations and certifications required by the Tax Certificate (Series _____ Bonds). The Trustee shall have no responsibility to independently make any calculation or determination or to review the District's calculations.]

(b) Any funds remaining in the Rebate Fund with respect to the Series _____ Bonds after payment in full of all of the Series _____ Bonds and after payment of any amounts described in this Section, shall, upon receipt by the Trustee of a Written Request of the District, be withdrawn by the Trustee and remitted to the District.

Section [____].09 Continuing Disclosure. The District shall comply with and carry out all of the provisions of the Continuing Disclosure Certificate (Series _____ Bonds). Notwithstanding any other provision of the Indenture, failure of the District to comply with the Continuing Disclosure Certificate (Series _____ Bonds) shall not constitute an Event of Default hereunder; provided, however, that the Trustee, at the written direction of any Participating Underwriter (Series _____ Bonds) or the holders of at least 25% of the aggregate principal amount of Outstanding Series _____ Bonds, shall, upon receipt of indemnification reasonably satisfactory to the Trustee, or any holder or Beneficial Owner of the Series _____ Bonds may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

Section [____].10 Series _____ Insurer to Be Deemed Owner; Rights of the Series Insurer; Payments by the Series Insurer; Notices. [EXEMPLAR PROVISIONS SUBJECT TO REVIEW BY SERIES _____ INSURER] (a) Notwithstanding any provision of this Indenture to the contrary, so long as the Series _____ Insurer is not in default in its payment obligations under the Series _____ Insurance Policy, the provisions of Sections [____].10, [____].11 and [____].12 of this this _____ Supplemental Indenture shall govern and the Series _____ Insurer shall at all times be deemed the sole and exclusive Owner of the Outstanding Insured _____ Bonds for the purposes of all approvals, consents, waivers, institution of any action, and the direction of all remedies, including but not limited to approval of or consent to any amendment of or supplement to this Indenture which requires (i) the consent or approval of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding pursuant to this Indenture, or (ii) the consent or approval of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding pursuant to this Indenture; provided, however, that the Series _____ Insurer shall not be deemed to be the sole and exclusive Owner of the Outstanding Insured _____ Bonds with respect to any amendment or supplement to this Indenture which seeks to amend or supplement this Indenture for the purposes set forth in clauses (i) or (ii) of Section 8.01(a) of the Indenture, and provided, further, that the Series _____ Insurer shall not be deemed the sole and exclusive Owner of the Outstanding Insured _____ Bonds with respect to any amendment or supplement to this Indenture, and shall not have the right to direct or consent to District, Trustee or Owner action as provided herein, if:

(i) the Series _____ Insurer shall be in payment default under the Series _____ Insurance Policy;

(ii) any material provision of the Series _____ Insurance Policy shall be held to be invalid by a final, non-appealable order of a court of competent jurisdiction, or the validity or enforceability thereof shall be contested by the Series _____ Insurer; or

(iii) a proceeding shall have been instituted in a court having jurisdiction in the premises seeking an order for relief, rehabilitation, reorganization, conservation, liquidation or dissolution in respect of the Series _____ Insurer under Article 16 of the Insurance Law of the State of New York or any successor provision thereto and such proceeding is not terminated for a period of 90 consecutive days or such court enters an order granting the relief sought in such proceeding.

(b) To the extent that the Series _____ Insurer makes payment of any principal of or interest on a Insured _____ Bond, it shall be fully subrogated to all of the Owner's rights thereunder in accordance with the terms of the Series _____ Insurance Policy to the extent of such payment, including the Owner's rights to payment thereof.

(c) In the event that the principal of or interest on a Insured _____ Bond shall be paid by the Series _____ Insurer pursuant to the terms of the Series _____ Insurance Policy (i) such Insured _____ Bond shall continue to be "outstanding" under this Indenture, and (ii) the Series _____ Insurer shall be fully subrogated to all of the rights of the Owner thereof in accordance with the terms and conditions of subsection (b) of this Section and the Series _____ Insurance Policy.

(d) This Indenture shall not be discharged unless and until all amounts due to the Series _____ Insurer have been paid in full or duly provided for.

(e) The rights granted under this Indenture to the Series _____ Insurer to request, consent to or direct any action are rights granted to the Series _____ Insurer in consideration of its issuance of the Series _____ Insurance Policy. Any exercise by the Series _____ Insurer of such rights is merely an exercise of the Series _____ Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit of or on behalf of the Owners, nor does such action evidence any position of the Series _____ Insurer, positive or negative, as to whether Owner consent is required in addition to consent of the Series _____ Insurer.

(f) Notwithstanding anything to the contrary otherwise set forth in this Indenture, and to the extent permitted by law, in the event amounts paid under the Series _____ Insurance Policy are applied to claims for payment of principal of or interest on the Insured _____ Bonds, interest on the principal of and interest on such Insured _____ Bonds shall accrue and be payable from the date of such payment at the Series _____ Default Rate. [The term ["Series _____ Default Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time as the prime rate reported in The Wall Street Journal (or the average prime rate if a high and a low prime rate are therein reported) ("Prime Rate") plus [3]%, and (ii) the then applicable rate of interest on the Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Default Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days.]

(g) Any amendment, supplement, modification to, or waiver of, the terms of this Indenture that requires the consent of Owners or adversely affects the rights and interests of the Bond Insurer shall be subject to the prior written consent of the Bond Insurer. Copies of any modification, amendment or supplement to this Indenture shall be sent to Moody's and S&P at least ten days prior to the effective date thereof.

(h) [Each of the District and the Trustee covenant and agree to take such action as is necessary from time to time to preserve the priority of the pledge of, security interest in, and lien on amounts held in the Bond Fund under applicable law.]

(i) In determining whether any amendment, consent or other action to be taken, or any failure to act, under this Indenture would adversely affect the security for the Bonds or the rights of the Owners, the Trustee shall consider the effect of any such amendment, consent, action or inaction as if there were no Series _____ Insurance Policy.

Section [____].11 Deposits to Series _____ Policy Payments Account; Payments Under the Series _____ Insurance Policy. [EXEMPLAR PROVISIONS SUBJECT TO REVIEW BY SERIES _____ INSURER] (a) So long as the Series _____ Insurance Policy shall be in full force and effect, the District and the Trustee hereby agree to comply with the provisions of this Section.

(b) If, on the third Business Day prior to the related scheduled Interest Payment Date there is not on deposit with the Trustee, after making all transfers and deposits required hereunder, moneys sufficient to pay the principal of and interest on the Series _____ Bonds due on such Interest Payment Date, the Trustee shall give notice to the Series _____ Insurer and to its designated agent (if any) (the "Series _____ Insurer's Fiscal Agent") by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Interest Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Series _____ Bonds due on such Interest Payment Date, the Trustee shall make a claim under the Series _____ Insurance Policy and give notice to the Series _____ Insurer and the Series _____ Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Insured _____ Bonds and the amount required to pay principal of the Insured _____ Bonds, confirmed in writing to the Series _____ Insurer and the Series _____ Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Series _____ Insurance Policy.

(c) The Trustee shall designate any portion of payment of principal on Insured _____ Bonds paid by the Series _____ Insurer, whether by virtue of maturity or other advancement of maturity, on its books as a reduction in the principal amount of Insured _____ Bonds registered to the then current Owner, whether DTC or its nominee or otherwise, and shall issue a replacement Bond to the Series _____ Insurer, registered in the name of the Series _____ Insurer, in a principal amount equal to the amount of principal so paid (without regard to Authorized Denominations); provided, however, that the Trustee's failure to so designate any payment or issue any replacement Bond shall have no effect on the amount of principal or interest payable by the District on any Insured _____ Bond or the subrogation rights of the Series _____ Insurer.

(d) Upon payment of a claim under the Series _____ Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of Owners of Insured _____ Bonds referred to herein as the “Series _____ Policy Payments Account” and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Series _____ Insurance Policy in trust on behalf of Owners of Insured _____ Bonds and shall deposit any such amount in the Series _____ Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Owners of Insured _____ Bonds in the same manner as principal and interest payments are to be made with respect to the Insured _____ Bonds under the provisions hereof regarding payment of Insured _____ Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Funds held in the Series _____ Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any funds remaining in the Series _____ Policy Payments Account following an Interest Payment Date shall promptly be remitted to the Series _____ Insurer.

(e) The Trustee shall keep a complete and accurate record of all funds deposited by the Series _____ Insurer into the Series _____ Policy Payments Account and the allocation of such funds to payment of interest on and principal paid in respect of any Insured _____ Bond. The Series _____ Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

(f) The District shall, to the extent permitted by law pay or reimburse the Series _____ Insurer any and all Series _____ Insurer Expenses.

(g) The Series _____ Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of this Indenture.

(h) The Series _____ Insurer shall be entitled to pay principal of or interest on the Insured _____ Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Series _____ Insurance Policy) and any amounts due on the Insured _____ Bonds as a result of acceleration of the maturity thereof in accordance with this Indenture, whether or not the Series _____ Insurer has received a Notice of Nonpayment (as such term is defined in the Series _____ Insurance Policy) or a claim upon the Series _____ Insurance Policy.

Section [____].12 Reporting Requirements. [EXEMPLAR PROVISIONS SUBJECT TO REVIEW BY SERIES _____ INSURER] The Series _____ Insurer shall be provided with the following information:

(a) Annual audited financial statements of the District on or before the later of (i) [150] days after the end of the District’s Fiscal Year and (ii) 30 days after the statements become available (in each case together with a certification of the District that it is not aware of any default or Event of Default under this Indenture) and the District’s annual budget within 30 days after the approval thereof, together with such other information, data or reports as the Series _____ Insurer reasonably request from time to time;

(b) Notice of any default known to the Trustee or the District within five Business Days after knowledge thereof;

(c) Prior notice of the advance refunding of any of the Insured _____ Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(d) Notice of the resignation or removal of the Trustee and the appointment of, and acceptance of duties by, any successor thereto;

(e) Notice of the commencement of any proceeding by or against the District commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an “Insolvency Proceeding”);

(f) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Series _____ Bonds;

(g) A full original transcript of all proceedings relating to the execution of any amendment or supplement to this Indenture or the respective Continuing Disclosure Certificate (Series _____ Bonds); and

(h) All reports, notices and correspondence to be delivered under the terms of this Indenture or the respective Continuing Disclosure Certificate (Series _____ Bonds).

PART 3

MISCELLANEOUS

Part 3.1 **Effect of _____ Supplemental Indenture.** This _____ Supplemental Indenture and all of the terms and provisions herein contained shall form part of the Indenture as fully and with the same effect as if all such terms and provisions had been set forth in the Indenture. The Indenture is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as heretofore amended and supplemented, and as amended and supplemented hereby. If there shall be any conflict between the terms of this _____ Supplemental Indenture and the terms of the Indenture (as in effect on the day prior to the effective date of this _____ Supplemental Indenture), the terms of this _____ Supplemental Indenture shall prevail.

Part 3.2 **Execution in Counterparts.** This _____ Supplemental Indenture may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

Part 3.3 **Governing Law.** This _____ Supplemental Indenture shall be construed and governed in accordance with the laws of the State of California.

Part 3.4 **Effective Date.** This _____ Supplemental Indenture shall become effective upon Series _____ Closing Date.

IN WITNESS WHEREOF, the District has caused this _____ Supplemental Indenture to be signed in its name by one of its duly authorized officers, and the Trustee, in token of its acceptance of the trusts created hereunder, has caused this _____ Supplemental Indenture to be signed in its name by one of its duly authorized officers, all as of the day and year first above written.

**LOS ANGELES UNIFIED SCHOOL
DISTRICT**

By: _____
[Chief Business Officer]

[TRUSTEE], as Trustee

By: _____
Authorized Officer

APPENDIX C-A

FORM OF SERIES _____ BOND

No. _____

\$ _____

**LOS ANGELES UNIFIED SCHOOL DISTRICT
JUDGMENT OBLIGATION BOND, SERIES _____**

INTEREST RATE

_____%

MATURITY DATE

[October] 1, 20__

DATED DATE

_____, 20__

CUSIP

REGISTERED OWNER:**PRINCIPAL AMOUNT:**

The Los Angeles Unified School District (the “District”), for value received, hereby promises to pay to the Registered Owner identified above or registered assigns (the “Registered Owner”), on the Maturity Date identified above, the Principal Amount identified above in lawful money of the United States of America; and to pay interest thereon at the Rate of Interest identified above in like lawful money from the date hereof, payable semiannually on [April] 1 and [October] 1 in each year, commencing _____ 1, 20__ (the “Interest Payment Dates”), until payment of such Principal Amount in full. This Bond is issued pursuant to an Indenture, dated as of _____ 1, 2024, as supplemented and amended to the date hereof including by that _____ Supplemental Indenture, dated as of _____ 1, 20__, (together, the “Indenture”), each by and between the District and [Trustee], as trustee. Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Indenture.

This Bond shall bear interest from the Interest Payment Date next preceding the date of authentication of this Bond (unless this Bond is authenticated on or before an Interest Payment Date and after the fifteenth calendar day of the month preceding such Interest Payment Date, whether or not such day is a business day, in which event it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated on or prior to _____ 15, 20__, in which event it shall bear interest from the Dated Date identified above; provided, however, that if, at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest hereon has previously been paid or duly provided for). The Principal Amount hereof is payable upon surrender hereof upon maturity at the principal corporate trust office of [Trustee], as trustee, or any successor trustee under the Indenture (the “Trustee”), in [_____], California; provided, however, that for purposes of payment, exchange, transfer, surrender and cancellation of Bonds, such term means the principal corporate trust office of the Trustee in [_____], California, or such other office as may be specified to the District by the Trustee in writing (the “Office of the Trustee”). Except as otherwise provided in the Letter of Representations, interest hereon is payable by check of the Trustee, mailed by first class mail on each Interest Payment Date to the Registered Owner hereof at the address of the

Registered Owner as it appears on the Registration Books of the Trustee as of the close of business on the fifteenth calendar day of the month preceding such Interest Payment Date.

This Bond is one of a duly authorized issue of bonds of the District designated as the “[Los Angeles Unified School District Judgment Obligation Bonds, Series _____]” (the “Series _____ Bonds”) in the aggregate principal amount of \$_____. The Series _____ Bonds are on a parity with the Los Angeles Unified School District Judgment Obligation Bonds, Series 2024A (the “Series 2024A Bonds”) and will be on a parity with any Additional Bonds as may be issued hereafter in accordance with the Indenture. As defined in the Indenture, the term “Bonds” means the Los Angeles Unified School District Judgment Obligation Bonds issued in accordance with the Indenture, and includes the Series 2024A Bonds, the Series _____ Bonds and any Additional Bonds, all of which Bonds are of like tenor and date (except for such variations as may be required to designate varying numbers, denominations, maturities or interest rates), and is issued under and pursuant to the provisions of Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Division 2 of Title 5 of the California Government Code and all laws amendatory thereof or supplemental thereto (the “Refunding Law”) and under and pursuant to the provisions of the Indenture (copies of which are on file at the Office of the Trustee). [Certain parity obligations payable under the Refunding Law, consisting of _____ may also be outstanding from time to time as interim financing to refund Judgements (as defined in the Indenture).]

The Series _____ Bonds are being issued for the purpose of satisfying the District’s payment obligations under the [Series _____ Judgments][Series _____ Notes][Series _____ Prior Bonds] as defined in the Indenture] as defined in the Indenture. The Series _____ Bonds are obligations imposed by law payable from funds to be appropriated by the District. Reference is hereby made to the Refunding Law and to the Indenture and any and all amendments thereof for a description of the terms on which the Series _____ Bonds are issued, for the rights of the Owners of the Series _____ Bonds, for the security for payment of the Series _____ Bonds, for the remedies upon default and limitations thereon and for the provisions for the amendment of the Indenture (with or without consent of the Owners of the Series _____ Bonds); and all the terms of the Indenture are hereby incorporated herein and constitute a contract between the District and the Registered Owner of this Series _____ Bond, to all the provisions of which the Registered Owner of this Series _____ Bond, by acceptance hereof, agrees and consents.

The obligations of the District under the Bonds, including the obligation to make all payments of the interest on and the principal of the Bonds when due are obligations of the District imposed by law and are absolute and unconditional, without any right of set-off or counterclaim. The Bonds do not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation, and neither the Bonds nor the obligation of the District to make payment of the interest on or the principal of the Bonds constitutes an indebtedness of the District or the State of California, or any of its political subdivisions, in contravention of any constitutional or statutory debt limitation or restriction.

[The Series _____ Bonds are subject to redemption prior to maturity as provided in the Indenture.]

If an Event of Default, as that term is defined in the Indenture, shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture; provided, that the Indenture provides that in certain events such declaration and its consequences may be rescinded under the circumstances as provided therein.

The Bonds are issuable as fully registered Bonds without coupons in denominations of \$5,000 or any integral multiple thereof. Subject to the limitations and upon payment of the charges, if any, provided in the Indenture, Bonds may be exchanged at the Office of the Trustee for a new Bond or Bonds of the same Series and maturity in a like aggregate principal amount, in any Authorized Denomination.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new fully registered Bond or Bonds, of the same Series and maturity in an Authorized Denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange herefor. The District and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the District and the Trustee shall not be affected by any notice to the contrary.

The Indenture and the rights and obligations of the District, the owners of the Bonds and the Trustee may be modified or amended from time to time and at any time in the manner, to the extent, and upon the terms provided in the Indenture; provided that no such modification or amendment shall (a) extend the fixed maturity of any Bonds, or reduce the amount of principal thereof, or reduce the interest rate borne thereby, or extend or accelerate the time of payment thereof, without the consent of the owner of each Bond so affected, or (b) reduce the percentage of Bonds the consent of the owners of which is required to effect any such amendment or modification, without the consent of the owners of all outstanding Bonds.

The Indenture contains provisions permitting the District to make provision for the payment of interest on, and the principal of any of the Bond so that such Bonds shall no longer be deemed to be outstanding under the terms of the Indenture.

This Bond shall not be entitled to any benefit, protection or security under the Indenture or become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been executed and dated by an authorized signatory of the Trustee.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Trustee for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof Cede & Co., has an interest herein.

It is hereby certified that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, the Los Angeles Unified School District has caused this Bond to be executed in its name and on its behalf by the signature of the President of the Board of Education of the District][Chief Business Officer of the District], and to be countersigned by the manual or facsimile signature of the Executive Officer of the Board of Education of the District, who has impressed the seal of the District hereon, all as of the Dated Date identified above.

**LOS ANGELES UNIFIED SCHOOL
DISTRICT**

By: _____
[Chief Business Officer]

[SEAL]

Countersigned:

[Executive Officer to the Board of
Education]

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Indenture and registered on the Registration Books.

Date: _____

[TRUSTEE], as Trustee

By: _____
Authorized Officer

STATEMENT OF INSURANCE

[Bond Insurer] (“[BOND INSURER]”), New York, New York, has delivered its municipal bond insurance policy with respect to the scheduled payments due of principal of and interest on this Bond to [Trustee], [_____], California, or its successor, as trustee for the Bonds (the “Trustee”). Said Policy is on file and available for inspection at the Office of the Trustee and a copy thereof may be obtained from [BOND INSURER] or the Trustee.]

ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto _____ whose address and social security or other tax identifying number is _____, the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Note: Signature(s) must be guaranteed by an eligible guarantor.

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

APPENDIX C-B

[SERIES _____ JUDGMENT OBLIGEEES][SERIES _____ NOTES] [AND/OR]
[SERIES _____ PROR BONDS]

BOND PURCHASE AGREEMENT

Dated _____, 2024

Relating to

**\$ _____
Los Angeles Unified School District
Judgment Obligation Bonds, Series 2024A**

THIS BOND PURCHASE AGREEMENT (the “Purchase Agreement”) is dated _____, 2024, by and among [REPRESENTATIVE], as representative (the “Representative”) of the underwriters named on Exhibit A hereto (collectively, the “Underwriters”) and the LOS ANGELES UNIFIED SCHOOL DISTRICT, a unified school district organized and existing under the laws of the State of California (the “District”), relating to the issuance of \$ _____ aggregate principal amount of Los Angeles Unified School District Judgment Obligation Bonds, Series 2024A (the “Series 2024A Bonds”) pursuant to Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Division 2 of Title 5 of the California Government Code (the “Refunding Law”) and the Indenture (as defined below). The Series 2024A Bonds shall be dated their date of delivery and shall mature on the dates and bear interest at the rates as set forth on Exhibit B hereto.

RECITALS

1. The District is obligated and may become obligated to pay certain claimants and/or plaintiffs seeking monetary damages against the District following concluded and or stipulated settlement as a result of litigation brought by application of California Code of Civil Procedure Section 340.1 and California Assembly Bill Number 218, chaptered by the California Secretary of State on October 13, 2019 (“AB 218”).

2. The Series 2024A Bonds are being issued to refund the District’s obligation under certain Series 2024A Notes (as defined herein) issued in satisfaction of a [stipulated settlement] entered by the Superior Court of the State of California, County of Los Angeles in _____ v. _____, Case No. _____ (the “Series 2024A Judgment”) as described in this Purchase Agreement and to pay certain expenses in connection with the issuance of the Series 2024A Bonds.

3. On _____, 2024, the District refunded the Series 2024A Judgment was refunded with an advance of funds under the revolving credit agreement dated as of _____ 1, 2024 (the “Series 2024A Revolving Credit Agreement”), by and between the District and _____, as lender, and the issuance of the Series 2024A Notes in accordance therewith. The agreement between the Lender and the District with respect to certain commitment fees and certain other fees payable to such Lender under the Revolving Credit Agreement is further provided in an Fee and Interest Rate Agreement, dated as of _____ 1, 2024 (the “Fee and Interest Rate Agreement”).

4. The obligation of the District to pay the Series 2024A Bonds to refinance these obligations is an existing obligation of the District and is an obligation imposed by law. The Series 2024A Bonds do not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation, and neither the Series 2024A Bonds nor the obligation of the District to make payment of the interest on or the principal of the Series 2024A Bonds constitutes an indebtedness of the District or the State, or any of its political subdivisions, in contravention of any constitutional or statutory debt limitation or restriction.

5. On June __, 2024, the Board of Education of the District (the “Board”) adopted its resolution of the Board with respect to that program of finance of the District’s obligations to the

Judgment Obligees evidenced by the Judgments consistent with the District's long-term budgetary objectives (the "Resolution"), and approving the within transaction. The Resolution provides a more permanent financing solution for the District's obligations to the Judgment Obligees evidenced by the Judgments consistent with the District's long-term budgetary objectives. The Series 2024A Bonds, and any Additional Bonds to be issued in accordance with the Indenture will represent the aggregate amounts to be payable to Judgment Obligees in satisfaction of Judgments from time to time. The Resolution approves the issuance and sale of the Series 2024A Bonds as provided therein.

6. The Representative, acting on behalf of and as the representative of itself and Underwriters, and not as an agent or representative of the District, offers to enter into this Purchase Agreement which, upon the District's acceptance, will be binding upon the District and upon the Underwriters. This offer is made subject to the District's written acceptance hereof on or before 11:59 p.m., California time, on the date hereof, or such other time as the parties hereto mutually agree upon in writing and, if not so accepted, will be subject to withdrawal by the Representative upon written notice (by telecopy or otherwise) delivered to the District at any time prior to the acceptance hereof by the District.

7. Upon the District's acceptance, this Purchase Agreement will be binding upon the District and upon the Underwriters. This offer is made subject to the District's written acceptance hereof on or before 11:59 p.m., California time, on the date hereof, or such other time as the parties hereto mutually agree upon in writing and, if not so accepted, will be subject to withdrawal by the Representative upon written notice (by telecopy or otherwise) delivered to the District at any time prior to the acceptance hereof by the District. Capitalized terms used herein not otherwise defined shall have meanings ascribed to such terms in the hereinafter referenced Indenture.

Terms used herein and not otherwise defined herein shall have the meanings specified in the Preliminary Official Statement (defined below).

Section 1. Obligation to Purchase.

Upon the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the District hereby agrees to sell \$_____ aggregate principal amount of the Series 2024A Bonds, and the Underwriters hereby agree to purchase all of the Series 2024A Bonds for offering to the public.

The Series 2024A Bonds shall be dated their date of delivery and shall mature on the dates and bear interest at the rates per annum as set forth on Exhibit B attached hereto. The Series 2024A Bonds shall be substantially in the form described in, shall be executed, authenticated and issued under and pursuant to, and shall be payable and subject to redemption as provided in, the Indenture, dated as of _____ 1, 2024 (the "Indenture"), by and between the District and [Trustee], as trustee (the "Trustee"), substantially in the form previously submitted to the Underwriters, with only such changes therein as shall be mutually agreed upon by the Representative, and the District.

Subject to the terms of the Purchase Agreement, the Underwriters agree to make a bona fide public offering of the Series 2024A Bonds at the initial offering prices or yields set forth in Exhibit B hereto; provided, however, that the Underwriters reserve the right to make concessions to dealers and to change such initial offering prices or yields as the Underwriters shall deem necessary in connection with the marketing of the Series 2024A Bonds.

Section 2. Purchase Price.

The Underwriters agree to purchase, all (but not less than all) of the Series 2024A Bonds at an aggregate purchase price of \$_____ (representing the \$_____ aggregate principal amount of Series 2024A Bonds, [plus/less] original issue [premium/discount] of \$_____, and less an Underwriters' discount of \$_____) (the "Purchase Price").

Section 3. Official Statement.

(a) The District hereby authorizes the Underwriters to use, in connection with the offer and sale of the Series 2024A Bonds, the Resolution, the Series 2024A Notes, the Revolving Credit Agreement, the Fee and Interest Rate Agreement, the Indenture, and the Continuing Disclosure Certificate, to be dated as of _____ 1, 2024 (the "Continuing Disclosure Certificate" and together with the Resolution, the Series 2024A Notes, the Revolving Credit Agreement, the Fee and Interest Rate Agreement, the Indenture, the "District Documents"), of the District, this Purchase Agreement, and the Preliminary Official Statement and the Official Statement (both as defined herein), and all information contained herein and therein, and all of the documents, certificates or statements furnished by the District to the Underwriters in connection with the transactions contemplated by this Purchase Agreement.

(b) The Underwriters hereby represent that they have received and reviewed the Preliminary Official Statement, dated _____, 2024 (including the cover page, inside cover page, the introduction and all appendices thereto, any documents incorporated therein by reference and as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form, the "Preliminary Official Statement"), with respect to the Series 2024A Bonds. The District represents that it has deemed the Preliminary Official Statement to be final as of its date, except for information permitted to be omitted therefrom by Rule 15c2-12 of the Securities and Exchange Commission under the Securities and Exchange Act of 1934, as amended (the "Rule") and that the District is the obligated person for purposes of the Rule.

The Underwriters agree that prior to the time the Official Statement (as defined below) relating to the Series 2024A Bonds is available, the Underwriters will send to any potential purchaser of the Series 2024A Bonds, upon the request of such potential purchaser, a copy of the Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first class mail (or other equally prompt means) or electronic copy posted on an accessible website not later than the first business day following the date upon which each such request is received.

(c) The District shall provide, or cause to be provided, to the Representative as soon as practicable after the date of its acceptance of this Purchase Agreement (but, in any event, not later than within seven business days after the District's acceptance of this Purchase Agreement

and in sufficient time to accompany any confirmation that requests payment from any customer) copies of the final Official Statement relating to the Series 2024A Bonds, dated the date hereof (including the cover page, inside cover page, the introduction and all appendices thereto, as the same may be amended and supplemented in accordance with this Purchase Agreement, the “Official Statement”), substantially in the form of the Preliminary Official Statement, with only such changes as shall have been accepted by the Representative, approved for distribution pursuant to the Resolution, in such quantity as the Representative shall request in order for the Underwriters to comply with Section (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board (the “MSRB”). The District further confirms the authority of the Underwriters to use, and consents to the use of, the Official Statement (in printed or electronic form) with respect to the Series 2024A Bonds, in connection with the public offering and sale of the Series 2024A Bonds.

The District hereby agrees to deliver or cause to be delivered to the Official Statement, (a) in “designated electronic format” (as defined in Rule G-32 of the Municipal Securities Rulemaking Board), and (b) in printed form in such reasonable quantity as the Underwriters shall request in order to comply with the rules of the Municipal Securities Rulemaking Board.

The Underwriters agree to file the Official Statement with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system or as otherwise provided by the Securities Exchange Commission or Municipal Securities Rulemaking Board within one business day after receipt thereof from the District, but in no event later than the Closing Date (as defined herein).

Section 4. Closing.

(a) At or before 8:00 a.m., California time, on _____, 2024, or at such other time or on such earlier or later date as the parties hereto shall agree upon (the “Closing” or “Closing Date”), the District will deliver or cause to be delivered to the Underwriters through the facilities of The Depository Trust Company (“DTC”), New York, New York, or at such other place upon which the Representative and the District may mutually agree, the Series 2024A Bonds in the form of a single fully registered bond (which may be printed, copied photostatically or typewritten) for each maturity of the Series 2024A Bonds, duly executed, authenticated and issued, and cause to be delivered to the Underwriters, at the offices of Orrick, Herrington & Sutcliffe LLP in Los Angeles, California (“Bond Counsel”), or at such other place as may be mutually agreed upon, the other documents mentioned herein. Upon satisfaction of all conditions to the Closing set forth herein, the Representative will accept such delivery and pay the purchase price thereof in immediately available funds (by check, wire transfer or other manner of payment as to which the Representative and the District may mutually agree) to the order of the Trustee.

(b) [Upon the written acceptance of this Purchase Agreement by the District, the Representative, on behalf of the Underwriters, shall deliver on _____, 2024, by federal funds wire transfer (to the Trustee and payable in immediately available funds), for the account of the District, the amount of \$_____, as a good-faith deposit (the “Good Faith Deposit”) for the performance by the Underwriters of their obligation to accept and pay for the Series 2024A Bonds at Closing in accordance with the provisions of this Purchase Agreement. Upon

receipt, such amount shall be held by the Trustee pending Closing (except as provided below), although the proceeds thereof may be invested by the Trustee as directed by the District pending the Closing. At the Closing, the Underwriters shall pay or cause to be paid the Purchase Price of the Series 2024A Bonds, less the amount of such Good Faith Deposit, without accrued interest, and thereupon the District shall apply the amount of the Good Faith Deposit, to the payment of the balance of such Purchase Price. In the event of the District's inability to deliver the Series 2024A Bonds at the Closing, or if the District is unable to satisfy the conditions to the Underwriters' obligations contained herein (unless such conditions are waived by the Representative), or if the Underwriters' obligations shall be terminated for any reason permitted hereby, the District shall cause the Trustee to forthwith return the amount of the Good Faith Deposit to the Representative immediately and such return shall constitute a full release and discharge of all claims by the Underwriters against the District arising out of the transactions contemplated by this Purchase Agreement (except for the respective obligations of the parties set forth in Section 9 herein). In the event that the Underwriters fail (other than for a reason permitted hereby) to accept and pay for the Series 2024A Bonds at the Closing as herein provided, the proceeds of the Good Faith Deposit, shall be retained and applied by the District in full and complete liquidated damages (and not as a penalty) for such failure and as a discharge of all damages suffered on the part of the District as a result of such failure.]

(c) The Series 2024A Bonds shall be issued and sold under and in accordance with the provisions of this Purchase Agreement and the Indenture. The Series 2024A Bonds shall bear CUSIP Service Bureau numbers, but the failure to print any such number on any of the Series 2024A Bonds shall not constitute cause for a failure or refusal by the Underwriters to accept delivery of, or pay for, the Series 2024A Bonds in accordance with this Purchase Agreement. The Series 2024A Bonds shall be made available to the Representative in Los Angeles, California, for inspection at least one business day Prior to the Closing Date.

Section 5. Covenants, Representations and Warranties of the District. The District hereby covenants, represents, warrants, and agrees that:

(a) The District is a unified school district duly organized and validly existing under the constitution and laws of the State of California (the "State"). Each of the Resolution and the Sale Resolution has been duly adopted, has not been modified, repealed, or rescinded in any respect, and is in full force and effect. The District has all necessary power and authority and has taken all official actions necessary to execute and deliver the Official Statement and to execute, deliver and perform its duties under this Purchase Agreement and the District Documents, and this Purchase Agreement and each of the District Documents has been duly authorized, has or will be executed and delivered by the District and, assuming the due authorization, execution and delivery by the other respective parties thereto, when executed and delivered by the District will constitute legally valid and binding obligations of the District enforceable against the District in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or limiting creditors' rights generally or principles of equity involving judicial discretion.

(b) The District is not in material breach of, or default under, any applicable constitutional provision, law or administrative rule or regulation of the State of California or the United States of America material to the conduct of its governmental or financial functions or

any applicable judgment or decree or any loan agreement, indenture, bond, certificate, note, resolution or other agreement or instrument to which the District is a party or to which the District or any of its properties is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any of the foregoing; and the authorization, execution and delivery of this Purchase Agreement, the District Documents and the Series 2024A Bonds, and compliance with the provisions hereof and thereof, will not conflict with or constitute a material breach of or default under any constitutional provision, law, administrative rule or regulation, or any judgment, decree, license, permit, loan agreement, indenture, bond, certificate, note, resolution, agreement or other instrument to which the District (or any of its officers in their respective capacities as such) is subject or by which it or any of its properties is bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument except as may be provided by the Series 2024A Bonds or the District Documents.

(c) There is no consent, approval, authorization or other order of, or filing with, or certification by, any regulatory entity having jurisdiction over the District required for the execution and delivery of this Purchase Agreement or the District Documents, or the execution and sale of the Series 2024A Bonds or the consummation by the District of the transactions contemplated herein, in the Official Statement or in the District Documents, which has not been duly obtained or made on or prior to the date hereof.

(d) Except as disclosed in the Preliminary Official Statement and the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or governmental or public entity pending (in which service of process has been completed against the District) or, to the best knowledge of the District, threatened against the District (i) which affects or seeks to prohibit, restrain or enjoin the execution and delivery of the District Documents and this Purchase Agreement or the issuance of the Series 2024A Bonds, (ii) contesting the validity of this Purchase Agreement, the Series 2024A Bonds or any of the District Documents, or the powers of the District to enter into or perform its obligations under this Purchase Agreement or the District Documents or the existence or powers of the District, or (iii) which, if determined adversely to the District, would materially impair the District's ability to meet its obligations under the District Documents or materially and adversely affect the District's financial condition.

(e) The preparation and distribution of the Preliminary Official Statement and the Official Statement has been duly authorized by the District and the statements and information contained in the Preliminary Official Statement were, as of the date thereof, and are, as of the date hereof (excluding any information permitted to be omitted pursuant to the Rule), and the statements and information contained in the Official Statement will be, as of the Closing Date and the date which is 25 days following the end of the "underwriting period" (as defined in the Rule), true and correct in all material respects and such statements and information did not, do not and will not, as applicable, contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(f) The District agrees that, for a period of 25 days after the “end of the underwriting period” (as defined in the Rule), if any event of which it has actual knowledge occurs as a result of which the information in the Official Statement as then in existence would include any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading, the District shall promptly prepare, or cooperate in the preparation of, an amendment or supplement to the Official Statement which will correct such statement or omission. The District shall advise the Underwriters promptly of any proposal to so amend or supplement the Official Statement and shall effect such amendment or supplement in a form and manner approved by the Representative. The Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which made, not misleading. The District shall promptly advise the Underwriters of the commencement of any action, suit, proceeding, inquiry, or investigation seeking to prohibit, restrain or otherwise affect the use of the Official Statement in connection with the offering, sale, or distribution of the Series 2024A Bonds. Unless the Underwriters otherwise advise the District that the end of the underwriting period shall be another specified date, the end of the underwriting period shall be the Closing Date.

(g) The District agrees to cooperate with the Underwriters in endeavoring to qualify the Series 2024A Bonds for offer and sale under the securities or Blue Sky laws of such jurisdictions of the United States as the Representative may reasonably request; provided, however, that the District will not be required to consent to service of process in any such jurisdiction or to qualify as a foreign corporation in connection with any such qualification in any jurisdiction and that the Underwriters shall be solely responsible for the cost of such qualification.

(h) Between the date hereof and the Closing, without the prior written consent of the Underwriters, the District will not have issued in the name of the District any bonds, notes, or other obligations for borrowed money except for such borrowing as may be described in or contemplated by the Preliminary Official Statement and the Official Statement.

(i) To assist the Underwriters in complying with the Rule, the District will undertake, pursuant to the Resolution and the Continuing Disclosure Certificate, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement. Except as described in the Preliminary Official Statement and the Official Statement, the District has not failed to comply in any material respect with any continuing disclosure obligation entered into pursuant to the Rule in the past five years.

(j) The audited financial statements of the District for the fiscal year ended June 30, [2023] (selected information from which is included as Appendix B to the Official Statement), were prepared in accordance with generally accepted accounting principles consistently applied and fairly present the financial position and results of operation of the District for the period and at the date set forth therein, and there has been no material adverse change in the business, affairs, financial position, results of operations or condition, financial or otherwise, of the District since the date of such financial statements, except as otherwise disclosed in the Official Statement.

(k) Any certificates signed by any officer of the District and delivered to the Representative shall be deemed a representation and warranty by the District to the Underwriters, but not by the person signing the same, in such person's individual capacity, as to the statements made therein.

Section 6. Representations, Warranties and Agreements of the Underwriters. The Underwriters represent to and agree with the District that, as of the date hereof and as of the date of Closing:

(a) The Representative is duly authorized and has been duly authorized by the Underwriters to execute this Purchase Agreement, to act hereunder on behalf of the Underwriters and to take any action under this Purchase Agreement required to be taken by the Underwriters.

(b) The Underwriters have, and have had, no financial advisory relationship (as such term is defined in California Government Code Section 53590) with the District with respect to the Series 2024A Bonds, and no investment firm controlling, controlled by or under common control with any of the Underwriters has or has had any such financial advisory relationship (as such term is defined in California Government Code Section 53590).

(c) The Underwriters are in compliance with MSRB Rule G-37 with respect to the District and are not prohibited thereby from acting as underwriters with respect to securities of the District.

(d) The Underwriters have reasonably determined that the District's undertaking to provide continuing disclosure with respect to the Series 2024A Bonds pursuant to Section 5(k) hereof is sufficient to effect compliance with Rule 15c2-12.

Section 7. Underwriters Not Acting as Fiduciaries. The District acknowledges and agrees that the purchase and sale of the Series 2024A Bonds pursuant to this Purchase Agreement is an arm's-length commercial transaction between the District and the Underwriters, and the Underwriters are acting solely as underwriters and principals in connection with the matters contemplated by and with respect to all communications under this Purchase Agreement and are not acting as the agents or fiduciaries of the District or the District's advisors in connection with the matters contemplated by this Purchase Agreement. In connection with the purchase and sale of the Series 2024A Bonds, the District has consulted its own financial and other advisors to the extent they have deemed appropriate.

Section 8. Conditions to the Obligations of the Underwriters. The Underwriters have entered into this Purchase Agreement in reliance upon the representations and warranties of the District contained herein and the performance by the District of its obligations hereunder, both as of the date hereof and as of the date of Closing. The obligation of the Underwriters to accept delivery of and pay for the Series 2024A Bonds on the Closing Date shall be subject, in the opinion of the Representative, to the accuracy in all material respects of the representations, warranties and agreements on the part of the District contained herein, in the District Documents, as of the date hereof and as of the Closing Date, to the accuracy in all material respects of the statements of the officers and other officials of the Trustee, [the Lender,] and the District made in any certificates or other documents furnished pursuant to the provisions hereof or of the District

Documents, and to the performance by the Trustee, [the Lender,] and the District of their respective obligations, as applicable, to be performed hereunder and under the District Documents on or prior to the Closing Date, and to the following additional conditions:

(a) As of the Closing Date, the Series 2024A Bonds, the Resolution, the District Documents and the Official Statement shall have been duly authorized or adopted, as applicable, executed and delivered by the respective parties thereto, in substantially the forms heretofore submitted to the Underwriters with only such changes as shall have been agreed to in writing by the Representative, and such agreements shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Representative, and there shall have been taken in connection therewith, with the execution, authentication and issuance of the Series 2024A Bonds and with the transactions contemplated thereby and by this Purchase Agreement, all such actions as Bond Counsel shall deem to be necessary and appropriate in order to permit it to render the opinion set forth in Appendix D to the Official Statement;

(b) As of the Closing Date, the Official Statement shall not have been amended, modified, or supplemented, except as may have been agreed to by the Representative and the District;

(c) No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Purchase Agreement (and not reversed on appeal or otherwise set aside), or to the best knowledge of the District, shall be pending (in which service of process has been completed against the District) or threatened which has any of the effects described in Section 5(d) hereof or contesting in any way the completeness or accuracy of either the Preliminary Official Statement or the Official Statement;

(d) Between the date hereof and the Closing Date, the market price or marketability, at the initial offering prices set forth in the Official Statement, of the Series 2024A Bonds shall not have been materially adversely affected (evidenced by a written notice from the Representative to the District terminating the obligation of the Underwriters to accept delivery of and pay for the Series 2024A Bonds) by reason of any of the following:

(1) legislation enacted by the Congress of the United States, or by the legislature of the State, or introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court of the United States or the State or by the United States Tax Court, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made, by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, to the effect that the Series 2024A Bonds, or obligations of the general character of the Series 2024A Bonds, including any and all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or that the Indenture is not exempt from qualification under the Trust Indenture Act of 1939, as amended;

(2) the declaration of war or engagement in major military hostilities or escalation of hostilities by the United States, the occurrence of an act of terrorism involving the United States or the occurrence or escalation of any other national

emergency or calamity relating to the effective operation of the government or the financial community in the United States;

(3) the declaration of a general banking moratorium by federal, New York or State authorities having jurisdiction, or the general suspension of trading on any national securities exchange or fixing of minimum or maximum prices for trading or maximum ranges for prices for securities on any national securities exchange, whether by virtue or a determination by that exchange or by order of the Securities and Exchange Commission or any other governmental authorities, or a major financial crisis or a material disruption in commercial banking or securities settlement or clearances services shall have occurred or the general suspension of trading on any national securities exchange;

(4) the imposition by the New York Stock Exchange, other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Series 2024A Bonds, or obligations of the general character of the Series 2024A Bonds, or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, Underwriters;

(5) an order, decree or injunction of any court of competent jurisdiction, or order, filing, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Series 2024A Bonds, or the execution, delivery, offering or sale of the Series 2024A Bonds, including any or all underlying obligations, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws as amended and then in effect;

(6) any rating on the Series 2024A Bonds or other general fund obligations of the District has been downgraded, suspended or withdrawn by a national rating service or assigned a negative qualification (e.g., “credit watch” or “negative outlook” designation) or other announcement is made by a national rating service that the Series 2024A Bonds or other general fund obligations of the District are under review without indication of a potentially favorable result, which, in the reasonable opinion of the Representative, materially adversely affects the marketability or market price of the Series 2024A Bonds;

(7) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriters, makes untrue in any material adverse respect any statement or information contained in the Preliminary Official Statement, or has the effect that the Preliminary Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; or

(8) except as disclosed in or contemplated by the Preliminary Official Statement and the Official Statement, any material adverse change in the affairs of the District.

(e) On or prior to the Closing Date, the Underwriters shall have received the following documents, in each case satisfactory in form and substance to the Representative:

(1) A certificate of the District to the effect that such copy is a true and correct copy of the Resolution, and that the Resolution was duly adopted and has not been modified, amended, rescinded, or revoked and is in full force and effect on the Closing Date;

(2) copies of this Purchase Agreement and the District Documents duly executed and delivered by the respective parties thereto, with such amendments, qualifications or supplements as may have been agreed to in writing by the Representative;

(3) the approving opinion of Bond Counsel substantially in the form included as Appendix D to the Official Statement, dated the Closing Date and addressed to the District, and a reliance letter or letters addressed to the Representative and the Trustee, of Bond Counsel, together with a supplemental opinion, dated the Closing Date and addressed to the Representative, substantially in the form appended hereto as Exhibit D;

(4) the opinion of _____, Disclosure Counsel to the District, substantially in the form attached hereto as Exhibit C, dated the date of Closing and addressed to the District, with a reliance letter addressed to the Representative to the effect that the Underwriters may rely upon the opinion of Disclosure Counsel;

(5) the opinion of general counsel to the District, addressed to the District, the Trustee, and the Representative, dated the Closing Date, substantially in the form appended hereto as Exhibit E;

(6) the opinion of _____, Underwriters' Counsel, dated the date of Closing and addressed to the Underwriters, satisfactory in form and substance to the Representative;

(7) a copy of the final judgment entered in favor of the District in connection with the complaint for validation filed in the Superior Court of California, County of Los Angeles;

(8) a copy of the District's AAFR for the Fiscal Year ended June 30, [2023];

(9) a certificate, together with a fully executed copy of the Resolution, of the Executive Officer of the Board of Education to the effect that:

(i) such copy is a true and correct copy of such Resolution; and

(ii) that the Resolution was duly adopted and has not been modified, amended, rescinded, or revoked and is in full force and effect on the date of the Closing;

(10) a certificate of the District evidencing the District's determination respecting the Preliminary Official Statement in accordance with Rule 15c2 12;

(11) a certificate of the District, dated the Closing Date, signed by an official of the District as may be acceptable to the Representative, and in form and substance satisfactory to the Representative, to the effect that:

(i) the District Documents have each been validly authorized and duly executed and delivered by officers of the District designated for such purpose in the Resolution, and, assuming due authorization, execution and delivery by the other parties thereto, constitute the valid and binding obligations of the District, enforceable in accordance with their respective terms; provided, however, that the representation as to enforceability may be limited by bankruptcy, moratorium, insolvency or other laws affecting creditor's rights and may be subject to general principals of equity;

(ii) the representations and agreements of the District contained in the District Documents and this Purchase Agreement are true and correct as of and as if made on the Closing Date; provided that with respect to any representation made therein pertaining to litigation affecting the District, such representation may be made subject to the extent such litigation is disclosed in the Official Statement;

(iii) the District has complied with all agreements, covenants, and conditions to be complied with by the District on or prior to the Closing Date under the District Documents and this Purchase Agreement;

(iv) no litigation is pending (with service of process completed on the District) or, to the best of such official's knowledge, threatened (either in state or federal courts): (A) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices or the titles of the officials of the District to such offices; (B) seeking to restrain or enjoin the issuance or delivery of the Bonds, the application of the proceeds of the sale of the Series 2024A Bonds, or in any way contesting or affecting the validity or enforceability of the Series 2024A Bonds, the District Documents or this Purchase agreement [or any of the Judgements] or the authority of the District to enter into the District Documents or this Purchase Agreement, (C) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, (D) contesting or affecting the powers of the District in connection with any action contemplated by the Preliminary Official Statement, the Official Statement or the District Documents or this Purchase Agreement, or (E) in which a final adverse decision could (1) result in any material adverse change to the business, properties, assets or the financial condition of the District or to its ability

to pay principal of or interest on the Series 2024A Bonds when due, or (2) materially adversely affect the operations of the District or the consummation of the transactions contemplated by the District Documents or this Purchase Agreement, and there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (A) through (D) of this sentence;

(v) except as disclosed in the Preliminary Official Statement and the Official Statement, there is no action, suit, proceeding, inquiry, or investigation before or by any court or public board or body pending (with service of process completed on the District) or, to such counsel's knowledge, threatened wherein an unfavorable decision, ruling, or finding would adversely affect the transactions contemplated by the Series 2024A Bonds, the District Documents, this Purchase Agreement or any other agreement, document, or certificate related to such transaction; and

(vi) the statements and information contained in the Preliminary Official Statement and the Official Statement are true, correct and complete in all material respects and such statements and information do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the information and statements made therein, in the light of the circumstances under which they were made, not misleading; and

(vii) the District has not been delivered a qualified or negative certification for the [current or prior fiscal year] or the Los Angeles County Office of Education ("LACOE") shall have reported its determination under California Education Code Section 42133 that the District's repayment of the Series 2024A Bonds is probable;

(12) a certificate and incumbency certificate of the Third Party Administrator signed by a duly authorized officer of the Third Party Administrator, in form and substance satisfactory to Bond Counsel, the Representative and the Trustee;

(13) a certificate of the Trustee dated the Closing Date, signed by a duly authorized officer of the Trustee, and in form and substance satisfactory to the Representative, to the effect that:

(i) the Trustee is a national banking association organized and existing under and by virtue of the laws of the United States, having the full power and being qualified to enter into and perform its duties under the Indenture and to authenticate the Series 2024A Bonds to the Underwriters pursuant to the Indenture;

(ii) when delivered to and paid for by the Underwriters on the Closing Date, the Series 2024A Bonds will have been duly authenticated by the Trustee in accordance with the Indenture;

(iii) the execution and delivery of the Indenture, and compliance with the provisions on the Trustee's part contained therein, will not conflict with or

constitute a breach of or default under any law, administrative regulation, judgment, decree, material agreement or other material instrument to which the Trustee is a party or is otherwise subject (except that no representation, warranty or agreement is made with respect to any federal or state securities or blue sky laws or regulations), nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets held by the Trustee pursuant to the lien created by the Indenture under the terms of any such law, administrative regulation, judgment, decree, material agreement or other material instrument, except as provided by the Indenture;

(iv) the Series 2024A Bonds were examined by the Trustee and found to be in the form required by the Indenture and the Trustee has authenticated the Series 2024A Bonds pursuant to the provisions of the Indenture in the name of and on behalf of the Trustee, by authorized signatories of the Trustee duly authorized to so authenticate the Series 2024A Bonds, registered and delivered by the Trustee pursuant to the Indenture and the Written Request of the District (as such term is defined in the Indenture), as directed by the Representative; and

(v) to the knowledge of the Trustee, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental or public entity pending or threatened against the Trustee, affecting the existence of the Trustee, or the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the authentication and issuance of the Series 2024A Bonds by the Trustee, or in any way contesting or affecting the validity or enforceability of the Indenture against the Trustee, or contesting the powers of the Trustee or its authority to enter into, adopt or perform its obligations under any of the foregoing to which it is a party, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Indenture or the ability of the Trustee to perform its obligations thereunder;

(14) an opinion of counsel to the Trustee, subject to the satisfaction of the Representative, dated the date of the closing and addressed to the District, the Representative and the to the effect that:

(i) the Trustee is a national banking association organized and existing under and by virtue of the laws of the United States and is authorized to exercise trust powers.

(ii) the Trustee has all requisite corporate power, authority, and legal right to execute and deliver, and is qualified to enter into and perform its duties under, the Indenture and has taken all necessary corporate action to execute and deliver the Indenture;

(iii) the Indenture has been validly authorized and duly executed and delivered by officers of the Trustee designated for such purpose in the Bylaws of the Trustee, and, assuming due authorization execution and delivery by the District, constitutes the valid and binding obligation of the Trustee, enforceable in accordance with their respective terms; provided, however, that the opinion as to enforceability may be limited by bankruptcy, moratorium, insolvency or other laws affecting creditors' rights and may be subject to general principles of equity;

(iv) the execution and delivery of the Indenture, and compliance with the provisions on the Trustee's part contained therein, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, material agreement or other material instrument to which the Trustee is a party or is otherwise subject (except that no representation, warranty or agreement is made with respect to any federal or state securities or blue sky laws or regulations), nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets held by the Trustee pursuant to the lien created by the Indenture under the terms of any such law, administrative regulation, judgment, decree, material agreement or other material instrument, except as provided by the Indenture;

(v) to such counsel's knowledge, no authorization, approval, consent, or order of any governmental agency or regulatory authority having jurisdiction over the Trustee that has not been obtained by the Trustee is required for the authorization, execution, delivery and performance by the Trustee of the Indenture;

(vi) the Series 2024A Bonds have been duly authenticated by the Trustee in accordance with the Indenture; and

(vii) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental or public entity pending or threatened against the Trustee, affecting the existence of the Trustee, or the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the authentication and issuance of the Series 2024A Bonds by the Trustee, or in any way contesting or affecting the validity or enforceability of the Indenture against the Trustee, or contesting the powers of the Trustee or its authority to enter into, adopt or perform its obligations under any of the foregoing to which it is a party, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Indenture or the ability of the Trustee to perform its obligations thereunder;

(15) [copies of each of those documents and opinions specified in Section 3.01 of the Revolving Credit Agreement, together with a certificate of the Lender, including:

- (i) opinion of General Counsel to the District;
- (ii) opinion of Note Counsel with a reliance letter addressed to the Lender;
- (iii) opinion of counsel to the Lender; and
- (iv) certificate of the District];

(16) [a certificate of an authorized officer of the Lender in form and substance satisfactory to the District, Bond Counsel, the Underwriters, and counsel to the Underwriters, dated the Closing Date, to the effect that:

(i) the officers who signed the Revolving Credit Facility on behalf of the Lender are duly authorized to execute the Revolving Credit Facility;

(ii) the Series 2024A Note has been delivered to the Lender by the District in accordance with the Revolving Credit Agreement; and

(iii) the Lender has furnished the information concerning the Lender (the “Bank Information”) included in the Preliminary Official Statement and in the Official Statement set forth under the caption “THE JUDGMENT AND THE PLAN OF FINANCE - Refunding of the Series 2024A Judgment” with respect to the Lender, the Revolving Credit Agreement and the Series 2024A Note, for inclusion therein, has consented to the use of such Bank Information therein and the Lender Information is true and correct in all material respects as of the date hereof; and]

(17) [an opinion of counsel to the Lender addressed to the District, the Lender, the Trustee and the Underwriters in form and substance satisfactory to Bond Counsel, the Representative and counsel to the Underwriters, dated the Closing Date, to the effect that:

(i) the Lender is a national banking association, validly existing under the laws of the United States, and has the power and authority to execute and deliver the Revolving Credit Facility and to perform its obligations thereunder;

(ii) the Revolving Credit Facility has been duly authorized, executed and delivered by the Lender and, assuming the due authorization, execution and delivery thereof by the District, and the enforceability thereof against the District, the Revolving Credit Facility constitutes the legal, valid and binding obligation of the Lender, enforceable against the Lender in accordance with its terms, except as such enforcement may be subject to certain exceptions in form and substance reasonably satisfactory to the Underwriter; and

(iii) the information in the Preliminary Official Statement and in the Official Statement relating to the Revolving Credit Facility under the caption “THE JUDGMENT AND THE PLAN OF FINANCE - Refunding of the Series

2024A Judgment” with respect to the Lender, the Revolving Credit Agreement and the Series 2024A Note, accurately summarizes those corresponding portions of the Revolving Credit Facility for purposes of the Preliminary Official Statement and in the Official Statement;]

(18) evidence that any ratings described in the Official Statement are in full force and effect as of the Closing Date;

(19) a blue sky survey as to the marketability of the Series 2024A Bonds within the United States;

(20) a copy of the Preliminary and Final Notices of Sale required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 8855(g) of the California Government Code; and

(21) such additional legal opinions, certificates, proceedings, instruments and other documents as the Representative or Bond Counsel may reasonably request.

Section 9. Expenses.

All expenses and costs of the District incident to the performance of its obligations in connection with the authorization, execution, sale and delivery of the Series 2024A Bonds to the Underwriters, including (a) the cost of preparation, printing, authentication and issuance of the Series 2024A Bonds; (b) the acceptance fees of the Trustee and any fees and expenses of Trustee's counsel; (c) any fees charged by any rating agency in connection with obtaining a rating for the Series 2024A Bonds, including interstate travel; (d) the cost of preparation, distribution and delivery of the Preliminary Official Statement and the final Official Statement; (e) the fees and expenses of Bond Counsel and Disclosure Counsel; (f) the fees and expenses of validation counsel and costs of validation; and (g) fees and expenses of District consultants, including the District's Municipal Advisor; shall be paid by the District. All out-of-pocket expenses of the Underwriters, including California Debt and Investment Advisory Commission fees, CUSIP Service Bureau registration fees, Municipal Securities Rulemaking Board fees, expenses for travel and other expenses of the Underwriters, shall be paid by the Underwriters; provided, however, that (i) the District shall pay for expenses incurred on behalf of District employees in connection with implementing this Purchase Agreement, including, but not limited to, meals, transportation, and lodging of those employees, if any, and (ii) if: (A) the Series 2024A Bonds are not delivered to the Underwriters by the District (unless such delivery is prevented by the Underwriters' default under this Purchase Agreement, in which case the Underwriters shall pay such costs and expenses); (B) the District is unable to satisfy the conditions in Section 8: or (C) the District is unable to fulfill its obligations set forth in this Purchase Agreement, the District shall reimburse the Underwriters for out-of-pocket expenses reasonably incurred by the Underwriters in connection with this Purchase Agreement or the offering contemplated hereunder. The District acknowledges that it has had an opportunity in consultation with such advisors as they may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred in connection with the issuance and sale of the Series 2024A Bonds.

(b) The Underwriters shall pay (from the expense component of the underwriting spread): (i) the cost of preparation and printing of this Purchase Agreement and the preliminary blue sky memorandum and final blue sky memorandum; (ii) all advertising expenses and blue sky filing fees in connection with the public offering of the Series 2024A Bonds; and (iii) the fees of Digital Assurance Certification, L.L.C. for a continuing disclosure undertaking compliance review; and (iv) all other expenses incurred by the Underwriters in connection with the public offering of the Series 2024A Bonds, including the fees and disbursements of Underwriters' Counsel.

Section 10. Notices.

Any notices to be given the Underwriters shall be given in writing to [REPRESENTATIVE], [ADDRESS], Attention: _____. Any notices to be given to the District shall be given in writing to the District at 333 South Beaudry Avenue, 26th Floor, Los Angeles, California 90017, Attention: Chief Business Officer.

Section 11. Parties in Interest; Survival of Representations and Warranties.

This Purchase Agreement when accepted by the District in writing as heretofore specified shall constitute the entire agreement between the District and the Underwriters. This Purchase Agreement is made solely for the benefit of the District and the Underwriters (including the successors or assigns of the Underwriters). No person shall acquire or have any rights hereunder or by virtue hereof. All the representations, warranties and agreements of the District in this Purchase Agreement shall survive, unless waived by the Underwriters regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriters, (b) delivery of and payment by the Underwriters for the Series 2024A Bonds hereunder, and (c) any termination of this Purchase Agreement.

Section 12. Applicable Law.

This Purchase Agreement shall be interpreted, governed, and enforced in accordance with the laws of the State of California, applicable to contracts made and performed in such State.

Section 13. Effectiveness.

This Purchase Agreement shall become effective upon the execution hereof by the Representative and the District, and shall be valid and enforceable from and after the time of such execution.

Section 14. Severability.

In the event any provision of this Purchase Agreement shall be declared invalid or unenforceable by any court of competent jurisdiction, such shall not invalidate or render unenforceable any other provision hereof.

Section 15. Counterparts.

This Purchase Agreement may be executed simultaneously in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

Section 16. Electronic Signatures.

Each of the parties hereto agrees that the transaction consisting of this Purchase Agreement may be conducted by electronic means. Each party agrees, and acknowledges that it is such party's intent (i) that, by signing this Purchase Agreement using an electronic signature, it is signing, adopting, and accepting this Purchase Agreement, and (ii) that signing this Purchase Agreement using an electronic signature is the legal equivalent of having placed the undersigned officer's handwritten signature on this Purchase Agreement on paper. Each party acknowledges that it is being provided with an electronic or paper copy of this Purchase Agreement in a usable format.

IN WITNESS WHEREOF, each of the undersigned has executed this Purchase Agreement by its duly authorized officer.

[REPRESENTATIVE],
as Representative of the Several Underwriters

By _____
Authorized Officer

The foregoing is hereby agreed to
and accepted as of the date first
above written:

LOS ANGELES UNIFIED SCHOOL DISTRICT

By _____
[Chief Business Officer]

EXHIBIT A
PARTICIPATING UNDERWRITERS

[TO LIST]

EXHIBIT B

MATURITY SCHEDULE

\$ _____
LOS ANGELES UNIFIED SCHOOL DISTRICT
JUDGMENT OBLIGATION BONDS, SERIES 2024A

Maturity ([October 1])	Principal Amount	Interest Rate	Yield	Price
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\$ _____ % Series 2024A Term Bonds due October 1, 20__ – Price _____ %
 \$ _____ % Series 2024A Term Bonds due October 1, 20__ – Price _____ %

REDEMPTION PROVISIONS

The Series 2024A Bonds shall be subject to redemption as follows:

Optional Redemption of Series 2024A Bonds. The Series 2024A Bonds maturing on or after [October] 1, 20__ are subject to redemption prior to their respective stated maturities at the written direction of the District, from any moneys deposited by the District, as a whole or in part on any date (in such maturities as are designated in writing by the District to the Trustee) on or after [October] 1, 20__, at a redemption price of 100% of the principal amount of Series 2024A Bonds called for redemption, together with accrued interest to the date fixed for redemption.

Mandatory Sinking Fund Redemption of Series 2024A Bonds. The Series 2024A Bonds maturing on [October] 1, 20__ shall be subject to mandatory sinking fund redemption, in part, on [October] 1 in each year, commencing [October] 1, 20__, at a redemption price equal to the principal amount of the Series 2024A Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption, in the aggregate respective principal amounts in the respective years as follows:

Sinking Fund Redemption Date ([October] 1)	Principal Amount to be Redeemed
<hr/>	<hr/>
	\$

The Series 2024A Bonds maturing on [October] 1, 20__ shall be subject to mandatory sinking fund redemption, in part, on [October] 1 in each year, commencing [October] 1, 20__, at a redemption price equal to the principal amount of the Series 2024A Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption, in the aggregate respective principal amounts in the respective years as follows:

Sinking Fund Redemption Date ([October] 1)	Principal Amount to be Redeemed
<hr/>	<hr/>
	\$

EXHIBIT C
FORM OF DISCLOSURE COUNSEL OPINION

EXHIBIT D
FORM OF SUPPLEMENTAL OPINION

EXHIBIT E

FORM OF DISTRICT COUNSEL OPINION

_____, 2024

Los Angeles Unified School District
Los Angeles, California

[Trustee], as Trustee
Los Angeles, California

[REPRESENTATIVE]

Los Angeles Unified School District
Judgment Obligation Bonds, Series 2024A

Ladies and Gentlemen:

This opinion is rendered to you in my capacity as general counsel to the Los Angeles Unified School District (the “District”) in connection with the issuance of \$ _____ aggregate principal amount of the Los Angeles Unified School District Judgment Obligation Bonds, Series 2024A (the “Bonds”), on the date hereof pursuant to the Indenture, dated as of _____ 1, 2024 (the “Indenture”), by and between the District and [Trustee], as trustee (the “Trustee”). This letter is addressed to you pursuant to Section 8(e)(5) of the Bond Purchase Agreement, dated _____, 2024 (the “Purchase Agreement”), by and between the District and [REPRESENTATIVE], as representative (the “Representative”) of itself and _____ (the “Underwriters”), providing for the purchase of the Bonds. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Purchase Agreement.

[In such connection, we have reviewed the Indenture, the Continuing Disclosure Certificate, the Revolving Credit Agreement, dated as of _____ 1, 2024 (the “Revolving Credit Agreement”), by and between the District and _____ (the “Lender”), the Fee and Interest Rate Agreement, dated as of _____ 1, 2024 (the “Fee and Interest Rate Agreement” and, together with the Revolving Credit Agreement, the Indenture, and the Purchase Agreement, the “District Documents”), by and between the District and the Lender, the Purchase Agreement, [the Notes and] the related Judgments being refunded] a copy of the resolution of the Board adopted on June __, 2024 with respect to that program of finance of the District’s obligations to the Judgment Obligees evidenced by the Judgments consistent with the District’s long-term budgetary objectives (the “Resolution”), the Official Statement, and such other documents, records and instruments, and made such investigations of law and fact, as I have deemed necessary to render the opinions expressed herein.]

[In rendering this opinion, I have examined the Resolution, the Indenture, the Purchase Agreement, the Continuing Disclosure Certificate (collectively, the “District Documents”), the Official Statement and such other documents, records, and instruments, and made such investigations of law and fact, as I have deemed necessary to render the opinions expressed herein.]

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings, and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events, or matters. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the District. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted, or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Purchase Agreement and the Indenture. We call attention to the fact that the rights and obligations under the Purchase Agreement, and the Indenture, and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors’ rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against school districts in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), arbitration, judicial reference, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the assets described in the Revolving Credit Agreement, the Fee and Interest Rate Agreement, or the Indenture or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such property. Our services did not include financial or other non-legal advice.

Based on the foregoing, and solely with respect to the laws of the State of California (the “State”), I am of the following opinions, as of the date hereof:

1. The District is a unified school district validly existing pursuant to the Constitution and the laws of the State of California with full legal right, power, and authority to execute, deliver and perform all of its obligations under the Purchase Agreement and the other District Documents, and to participate in the transactions contemplated by the Official Statement;

2. The Resolution was duly adopted at a meeting of the Board, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the Resolution is in full force has not been modified, amended, or rescinded;

3. The District has the full right and lawful authority to enter into and perform its duties and obligations under the District Documents [to issue the Notes] and to authorize the sale of the Bonds.

4. The District has duly authorized the distribution of the Preliminary Official Statement and the Official Statement and the District Documents have been duly authorized, executed and delivered and, assuming due authorization, execution and delivery by the other parties thereto, constitute the legally valid and binding obligations of the District enforceable against the District in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought.

5. No authorization, approval, consent or other order of the State or any local agency of the State, other than such authorizations, approvals and consents which have been obtained, is required for the valid authorization, execution and delivery by the District of the District Documents or the consummation by the District of the other transactions contemplated by such agreements (provided that no opinion need be expressed as to any action required under state securities or blue sky laws in connection with the purchase or distribution of the Series 2024A Bonds by the Underwriters).

6. Except as disclosed in the Preliminary Official Statement and the Official Statement, there is no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court or public body, pending (with service of process completed on the District) or to her knowledge threatened against the District, to restrain or enjoin the execution, delivery or performance of the District Documents, the Series 2024A Bonds or any of the proceedings taken with respect to the delivery of the Series 2024A Bonds, the application of monies to the payment of the Series 2024A Bonds or in any manner questioning the proceedings and authority under which the Series 2024A Bonds were authorized or challenging the validity of the Series 2024A Bonds, the existence or boundaries of the District or the title of the officials of the District who have acted with respect to the proceedings for the issuance of the Series 2024A Bonds and the District Documents on behalf of the District to their respective offices.

7. Except as disclosed in the Preliminary Official Statement and the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or public body, pending (with service of process completed on the District), or to her knowledge, threatened against the District contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or the due adoption of the Resolution, and there is no breach or default under any other instruments which is caused by the issuance of the Series 2024A Bonds or the execution and delivery of the District Documents.

With respect to the foregoing opinion, please be advised that the rights and obligations under the District Documents and with respect to the Bonds are subject to bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights in general, to the application of general principles of equity (regardless of whether such enforceability is considered in equity or at law), and to limitations on legal remedies imposed in actions against public entities in the State. I express no opinion as to the availability of equitable remedies or as

to the effect the federal bankruptcy laws may have on the provisions of the District Documents or the Bonds.

This letter is furnished by us as general counsel to the District. No attorney-client relationship has existed or exists between our firm and you in connection with the Bonds or by virtue of this letter. This letter is delivered pursuant to Section 8(e)(5) of the Purchase Agreement and is solely for your benefit in connection with the issuance of the Bonds and is not to be used, circulated, quoted, or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to, and may not, be relied upon by owners of the Bonds or by any other party to whom it is not specifically addressed.

Very truly yours,

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Los Angeles Unified School District (the “District”) in connection with the issuance of \$_____ principal amount of Los Angeles Unified School District Judgment Obligation Bonds, Series 2024A (the “Series 2024A Bonds”). The Series 2024A Bonds are being issued pursuant to an Indenture, dated as of _____ 1, 2024 (the “Indenture”), by and between the District and _____, as trustee (the “Trustee”). The District covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District and the Dissemination Agent for the benefit of the Holders and Beneficial Owners of the Series 2024A Bonds and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 4 and 5 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2024A Bonds (including persons holding Series 2024A Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2024A Bonds for federal income tax purposes.

“Bonds” shall mean the Series 2024A Bonds and any Additional Bonds issued under the Indenture.

“County” shall mean the County of Los Angeles, California.

“CUSIP Numbers” shall mean the Committee on Uniform Security Identification Procedure’s unique identification number for each public issue of a security.

“Dissemination Agent” shall mean Digital Assurance Certification, L.L.C., or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

“Disclosure Counsel” shall mean an attorney-at-law, or a firm of such attorneys, of nationally recognized standing in matters pertaining to the disclosure obligations under the Rule, duly admitted to the practice of law before the highest court of any state of the United States of America.

“EMMA System” shall mean the MSRB’s Electronic Municipal Market Access system, the current internet address of which is <http://emma.msrb.org>.

“Financial Obligation” shall mean, for purposes of the Listed Events set out in Section 6(b)(xv) and Section 6(b)(xvi), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Holder” shall mean either the registered owners of the Series 2024A Bonds, or if the Series 2024A Bonds are registered in the name of The Depository Trust Company or another recognized depository, any applicable participant in such depository system.

“Listed Events” shall mean any of the events listed in Section 6(b) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Disclosure Certificate.

“Official Statement” shall mean the Official Statement dated _____, 2024A, with respect to the Series 2024A Bonds.

“Participating Underwriters” shall mean the original underwriters of the Series 2024A Bonds required to comply with the Rule in connection with execution and delivery of the Series 2024A Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Transmission of Notices, Documents, and Information. (a) Unless otherwise required by the MSRB, all notices, documents and information provided to the MSRB shall be provided to the EMMA System.

(b) All notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB.

Section 4. Provision of Annual Reports. (a) The District shall, or shall cause the Dissemination Agent to, not later than 240 days following the end of the District’s fiscal year (currently ending June 30), commencing with the report for the 2023-24 fiscal year (which is due not later than February 25, 2025), provide to the MSRB through its EMMA System an Annual Report which is consistent with the requirements of Section 5 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 5 of this Disclosure Certificate. If the District’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 6(c).

(b) Not later than thirty (30) days (not more than sixty (60) days) prior to the date on which the Annual Report is to be provided pursuant to subsection (a), the Dissemination Agent shall give notice to the District that the Annual Report is so required to be filed in accordance with the terms of this Disclosure Certificate. Not later than fifteen (15) days prior to said date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If the District is unable to provide to the MSRB through its EMMA System an Annual Report by the date required in subsection (a), the Dissemination Agent shall send a timely notice of such fact to the MSRB through its EMMA System.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report to the EMMA System the date on which such Annual Report shall be due and notify the District of such date; and

(ii) (if the Dissemination Agent is other than the District) file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and that it was provided to the MSRB through the EMMA System.

Section 5. Content of Annual Reports. The District's Annual Report shall contain or include by reference the following:

(a) Audited financial statements of the District for the preceding fiscal year, prepared in accordance with the laws of the State of California and including all statements and information prescribed for inclusion therein by the Controller of the State of California. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 4 hereof, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) To the extent not included in the audited financial statements of the District, the Annual Report shall also include the following:

(i) Adopted budget of the District for the current fiscal year;

(ii) Information regarding total assessed valuation of taxable properties within the District as set forth in Table A-4 of Appendix A to the Official Statement;

(iii) Information regarding total tax levies and collections on taxable properties within the District as set forth in Table A-10 of Appendix A to the Official Statement;

(iv) District outstanding debt as set forth in Tables A-27 – “Proposition BB (Election of 1997) Bonds,” Table A-28 – “Measure K (Election of 2002) Bonds,” Table A-29 – “Measure R (Election of 2004) Bonds,” Table A-30 – “Measure Y (Election of 2005) Bonds,” Table A-31 – “Measure Q (Election of 2008) Bonds” and Table A-32 – “Measure RR (Election of 2020) Bonds” of Appendix A to the Official Statement, [and] the aggregate

debt service on the District's outstanding certificates of participation as set forth in Table A-33 – "Certificates of Participation Lease Obligations Debt Service Schedule" of Appendix A to the Official Statement [and the aggregate debt service on the District's outstanding judgment obligation bonds as set forth in Table A-__ – "Judgment Obligation Bonds Debt Service Schedule" of Appendix A to the Official Statement];

(v) District average daily attendance as set forth in Table A-1 of Appendix A to the Official Statement entitled "Average Daily Attendance"; and

(vi) Statement of revenues, expenditures, and changes in general fund balances of the District.

(c) It shall be sufficient for purposes of Section 4 hereof if the District provides annual financial information by specific reference to documents (i) available to the public on the MSRB Internet Web site (currently, www.emma.msrb.org) or (ii) filed with the Securities and Exchange Commission. The District shall clearly identify each such other document so included by reference. The provisions of this Section 5(c) shall not apply to notices of Listed Events pursuant to Section 6 hereof.

(d) The descriptions contained in clause (b) above of financial information and operating data constituting to be included in the Annual Report are of general categories or types of financial information and operating data. When such descriptions include information that no longer can be generated because the operations to which it related have been materially changed or discontinued, or due to changes in accounting practices, legislative or organizational changes, a statement to that effect shall be provided in lieu of such information. Comparable information shall be provided if available.

Section 6. Reporting of Listed Events. (a) If a Listed Event occurs, the District shall provide or cause to be provided, in a timely manner not in excess of ten (10) Business Days of the District having notice of such Listed Event, notice of such Listed Event to (i) the EMMA System of the MSRB and (ii) the Dissemination Agent.

(b) Pursuant to the provisions of this Section 6, the District shall give, or cause to be given, notice of the occurrence of any of the following events (each, a "Listed Event") with respect to the Series 2024A Bonds:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) modifications to rights of Holders, if material;
- (iv) Certificate calls, if material and tender offers;
- (v) defeasances;
- (vi) rating changes;

(vii) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (Internal Revenue Service Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(viii) unscheduled draws on the debt service reserves reflecting financial difficulties;

(ix) unscheduled draws on the credit enhancements reflecting financial difficulties;

(x) release, substitution, or sale of property securing repayment of the Bonds, if material;

(xi) bankruptcy, insolvency, receivership or similar event of the District (such event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District);

(xii) substitution of credit or liquidity providers, or their failure to perform;

(xiii) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) incurrence of a Financial Obligation of the District, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material;

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties; and

(xvii) any amendment or waiver of a provision of this Disclosure Certificate.

The District intends to comply with the Listed Events described in Section 6(b)(xv) and Section 6(b)(xvi), and the definition of “Financial Obligation” in Section 1, with reference to the

Rule, any other applicable federal securities laws and the guidance provided by the Securities and Exchange Commission in Release No. 34-83885, dated August 20, 2018 (the “2018 Release”), and any further amendments or written guidance provided by the Securities and Exchange Commission or its staff with respect the amendments to the Rule effected by the 2018 Release. The District notes that items (viii), (ix), (x) and (xii) are not applicable to the Series 2024A Bonds.

(c) If the District determines that a Listed Event has occurred, the District shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to Section 3 hereof.

(d) If the Dissemination Agent has been instructed by the District to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB through its EMMA System.

(e) Notwithstanding the foregoing, notice of Listed Events described in subsections (b)(iv) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Series 2024A Bonds pursuant to the Indenture.

Section 7. CUSIP Numbers. Whenever providing information to the Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements and notices of Listed Events, the District shall indicate the full name of the Series 2024A Bonds and the 9-digit CUSIP numbers for the Series 2024A Bonds as to which the provided information relates.

Section 8. Termination of Reporting Obligation. (a) The District’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption, or payment in full of all of the Series 2024A Bonds. If such termination occurs prior to the final maturity of the Series 2024A Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 6(c).

(b) This Disclosure Certificate, or any provision hereof, shall cease to be effective in the event that the District (1) delivers to the Dissemination Agent an opinion of Disclosure Counsel, addressed to the District and the Dissemination Agent, to the effect that those portions of the Rule which require this Disclosure Certificate, or such provision, as the case may be, do not or no longer apply to the Series 2024A Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion, and (2) delivers copies of such opinion to the MSRB.

Section 9. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall be Digital Assurance Certification, L.L.C. If at any time there is no designated Dissemination Agent appointed by the District, or if the Dissemination Agent so appointed is unwilling or unable to perform the duties of the Dissemination Agent hereunder, the District shall be the Dissemination Agent and undertake or assume its obligations hereunder. The Dissemination Agent (other than the District) shall not be

responsible in any manner for the content of any notice or report required to be delivered by the District pursuant to this Disclosure Certificate.

Section 10. Amendment; Waiver. (a) This Disclosure Certificate may be amended by the District without the consent of the holders of the Series 2024A Bonds (except to the extent required under clause (a)(iv)(2) below), if all of the following conditions are satisfied:

(i) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the District or the type of business conducted thereby;

(ii) this Disclosure Certificate as so amended would have complied with the requirements of the Rule as of the date of this Disclosure Certificate, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances;

(iii) the District shall have received an opinion of a nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the District, to the same effect as set forth in (a)(ii) above;

(iv) either (1) the District shall have received an opinion of a nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the District, to the effect that the amendment does not materially impair the interests of the holders of the Series 2024A Bonds or (2) is approved by the Holders of the Series 2024A Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Holders; and

(v) the District shall have delivered copies of such opinion and amendment to the MSRB through its EMMA system within ten (10) Business Days from the execution thereof.

(b) In addition to subsection 10(a) above, this Disclosure Certificate may be amended and any provision of this Disclosure Certificate may be waived, by written certificate of the District, without the consent of the holders of the Series 2024A Bonds, if all of the following conditions are satisfied:

(i) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date of this Disclosure Certificate which is applicable to this Disclosure Certificate;

(ii) the District shall have received an opinion of a nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the District, to the effect that performance by the District under this Disclosure Certificate as so amended or giving effect to such waiver, as the case may be, will not result in a violation of the Rule; and

(iii) the District shall have delivered copies of such opinion and amendment to the MSRB through its EMMA system.

(c) In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 6 hereof, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 11. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 12. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate, the Dissemination Agent may (and, at the request of any Participating Underwriters or the Holders or Beneficial Owners of at least 25% of aggregate principal amount of the Series 2024A Bonds then outstanding, shall) or any Holders or Beneficial Owners of the Series 2024A Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate; provided that any such action may be instituted only in the Superior Court of the State of California in and for the County of Los Angeles or in the U.S. District Court in the County of Los Angeles. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 13. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2024A Bonds.

Section 14. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters and Holders and

Beneficial Owners from time to time of the Series 2024A Bonds, and shall create no rights in any other person or entity.

Section 15. Electronic Signatures. Each of the undersigned hereto agrees that the transaction consisting of this Disclosure Certificate may be conducted by electronic means. Each of the undersigned agrees, and acknowledges that it is such party's intent (i) that, by signing this Disclosure Certificate using an electronic signature, it is signing, adopting, and accepting this Disclosure Certificate, and (ii) that signing this Disclosure Certificate using an electronic signature is the legal equivalent of having placed the undersigned officer's handwritten signature on this Disclosure Certificate on paper. Each party acknowledges that it is being provided with an electronic or paper copy of this Disclosure Certificate in a usable format.

Section 16. Execution in Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same certificate.

Dated: _____, 2024

LOS ANGELES UNIFIED SCHOOL DISTRICT

By: _____
David D. Hart
Chief Business Officer

ACKNOWLEDGED AND AGREED TO BY:
DIGITAL ASSURANCE CERTIFICATION,
L.L.C., as Dissemination Agent

By: _____
Dissemination Agent

NEW ISSUE
FULL BOOK-ENTRY

RATINGS: Fitch : “____”
Moody’s : “____”
(See “RATINGS” herein)

[DAC Logo]

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2024A Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. Bond Counsel is of the opinion that interest on the Series 2024A Bonds is exempt from State of California personal income taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2024A Bonds. See “TAX MATTERS” herein.

[District
Logo]

\$ _____ *

**LOS ANGELES UNIFIED SCHOOL DISTRICT
JUDGMENT OBLIGATION BONDS, SERIES 2024A**

Dated: Date of Delivery

Due: October 1, as described herein

This cover page contains information for reference only. Investors must read the entire Official Statement to obtain information essential in making an informed investment decision. Capitalized terms used in this cover page shall have the meanings given such terms herein.

The Los Angeles Unified School District Judgment Obligation Bonds, Series 2024A, in the aggregate principal amount of \$ _____* (the “Series 2024A Bonds”), are being issued by the Los Angeles Unified School District (the “District”) pursuant to the provisions of Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Division 2 of Title 5 of the California Government Code and all laws amendatory thereof or supplemental thereto (the “Act”) and under the Indenture (the “Indenture”), dated as of _____ 1, 2024, by and between the District and _____, as trustee (the “Trustee”). The Series 2024A Bonds are being issued to refund the District’s obligation under certain Series 2024A Notes (as defined herein) issued in satisfaction of a court approved settlement agreement (the “Series 2024A Judgment”) to make payments to certain persons (the “Series 2024A Judgment Obligees”). The obligation of the District to pay the Series 2024A Bonds to refinance these obligations is an existing obligation of the District and is an obligation imposed by law. See “THE JUDGMENT AND THE PLAN OF FINANCE” and “ESTIMATED SOURCES AND USES OF FUNDS” herein. Pursuant to the Indenture, additional bonds (“Additional Bonds”) may be issued by the District on a parity with the Series 2024A Bonds, as described in this Official Statement. The Series 2024A Bonds and any such Additional Bonds are collectively referred to as the “Bonds.”

The obligations of the District under the Bonds and under the Indenture, including the obligation to make all payments of the interest on and the principal of the Bonds when due are obligations of the District imposed by law and are absolute and unconditional, without any right of set-off or counterclaim. The Bonds do not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation, and neither the Bonds nor the obligation of the District to make payment of the interest on or the principal of the Bonds constitutes an indebtedness of the District or the State of California, or any of its political subdivisions, in contravention of any constitutional or statutory debt limitation or restriction.

The Series 2024A Bonds will be dated as of their initial date of delivery and will mature on [October] 1 of each year and in the amounts and will bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) at the rates per annum set forth on the inside front cover page hereof. Interest on the Series 2024A Bonds will be payable on [April] 1 and [October] 1 of each year, commencing [April 1, 2025], so long as any Series 2024A Bonds remain Outstanding. See “THE SERIES 2024A BONDS” herein.

The Series 2024A Bonds will be initially delivered only in book-entry form and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Series 2024A Bonds. Individual purchases of the Series 2024A Bonds will be made in book-entry form only. Purchasers of Series 2024A Bonds will not receive physical certificates representing their ownership interests in the Series 2024A Bonds purchased. The Series 2024A Bonds will be delivered in denominations of \$5,000 or any integral multiple thereof. Principal and interest payments on the Series 2024A Bonds are payable directly to DTC by the Trustee. Upon receipt of payments of principal and interest on the Series 2024A Bonds, DTC will in turn distribute such payments to DTC Participants for subsequent disbursement to the beneficial owners of the Series 2024A Bonds. See “THE SERIES 2024A BONDS – Book-Entry Only System” and APPENDIX G – “BOOK-ENTRY-ONLY SYSTEM.”

[The Series 2024A Bonds are subject to redemption prior to maturity as described herein. See “THE SERIES 2024A BONDS – Redemption.”]

See “RISK FACTORS” for a discussion of factors that should be considered, in addition to the other matters set forth herein, in evaluating the investment quality of the Series 2024A Bonds.

MATURITY SCHEDULE – See Inside Cover

The Series 2024A Bonds will be offered when, as and if issued, and received by the Underwriters, subject to the approval as to their legality by Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, Bond Counsel to the District, and certain other conditions. Certain legal matters will be passed upon for the District by the General Counsel to the District and by Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, Disclosure Counsel to the District, and for the Underwriters by _____, Los Angeles, California. It is anticipated that the Series 2024A Bonds, in book-entry form, will be available for delivery through the facilities of DTC on or about _____, 2024.

[UNDERWRITERS TO COME]

Dated: _____, 2024.

* Preliminary, subject to change.

MATURITY SCHEDULE*

\$ _____
LOS ANGELES UNIFIED SCHOOL DISTRICT
JUDGMENT OBLIGATION BONDS, SERIES 2024A

BASE CUSIP†: 544648

Maturity Date (October 1,)	Principal Amount	Interest Rate	Yield	CUSIP† Number
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* Preliminary, subject to change.

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**LOS ANGELES UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION**

District	Member	Term Ending
5	Jackie Goldberg, President	December 16, 2024
3	Scott Schmerelson, Vice President	December 16, 2024
1	Dr. George J. McKenna III	December 16, 2024
2	Dr. Rocio Rivas	December 12, 2026
4	Nick Melvoin	December 12, 2026
6	Kelly Gonez	December 12, 2026
7	Tanya Ortiz Franklin	December 16, 2024

DISTRICT OFFICIALS

Alberto M. Carvalho, *Superintendent*
Jaime G. Torrens, *Senior Advisor to the Superintendent*
Pedro Salcido, *Deputy Superintendent of Business Services and Operations*
Devora Navera Reed, *General Counsel*
David D. Hart, *Chief Business Officer*
Nolberto Delgadillo, *Deputy Chief Business Officer – Finance*
Ernie Thomas, *Controller*
Timothy S. Rosnick, *Director of Capital Planning & Budgeting*

PROFESSIONAL SERVICES

Bond Counsel

Orrick, Herrington & Sutcliffe LLP
Los Angeles, California

Municipal Advisor

Public Resources Advisory Group
Los Angeles, California

Disclosure Counsel

Orrick, Herrington & Sutcliffe LLP
Los Angeles, California

Counsel to the District

Office of the General Counsel
Los Angeles, California

Trustee

Los Angeles, California

No dealer, broker, salesperson, or other person has been authorized by the District or the Underwriters to give any information or to make any representations with respect to the Series 2024A Bonds other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the District or the Underwriters. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2024A Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation, or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Series 2024A Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, are intended solely as such and are not to be construed as representations of fact.

The information contained herein has been obtained from sources that are believed to be reliable. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the District since the date hereof.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

THE SERIES 2024A BONDS HAVE NOT BEEN REGISTERED WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS.

When used in this Official Statement or in any continuing disclosure by the District, in any press release by the District or in any oral statement made with the approval of an authorized officer of the District, the words or phrases “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimate,” “project,” “forecast,” “expect,” “intend” and similar expressions identify “forward-looking statements.” Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

The District maintains a website at www.lausd.org. However, reference to such website address is for informational purposes only. Unless specified otherwise, such website and the information or links contained therein are not incorporated by reference herein, should not be relied upon in making an investment decision with respect to the Series 2024A Bonds, and are not part of this Official Statement for purposes of and as that term is defined in Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

CUSIP® is a registered trademark of The American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of The American Bankers Association by FactSet Research Systems Inc. CUSIP data herein is set forth for convenience of reference only. The District and the Underwriters assume no responsibility for the selection or uses of the CUSIP data or for the accuracy or correctness of such data. The CUSIP numbers for the Series 2024A Bonds are subject to being changed after the delivery of the Series 2024A Bonds as a result of various subsequent actions.

The Underwriters may offer and sell the Series 2024A Bonds to certain securities dealers and dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page hereof and said public offering prices may be changed from time to time by the Underwriters.

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OFFICIAL STATEMENT

§ _____^{*} LOS ANGELES UNIFIED SCHOOL DISTRICT JUDGMENT OBLIGATION BONDS, SERIES 2024A

INTRODUCTION

This Introduction is not a summary of this Official Statement. It is only a brief description of, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and inside cover page, through the appendices hereto, and the documents summarized or described herein. The offering of the Series 2024A Bonds to potential investors is made only by means of the entire Official Statement. A full review should be made of the entire Official Statement

General

This Official Statement (which includes the cover page, inside cover page, and Appendices hereto) (this “Official Statement”), sets forth certain information concerning the issuance by the Los Angeles Unified School District (the “District”) of its Los Angeles Unified School District Judgment Obligation Bonds, Series 2024A, in the aggregate principal amount of \$ _____^{*} (the “Series 2024A Bonds”). The Series 2024A Bonds are being issued pursuant to the provisions of Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Division 2 of Title 5 of the California Government Code and all laws amendatory thereof or supplemental thereto (the “Act”) and under the Indenture, dated as of _____ 1, 2024 (the “Indenture”), by and between the District and _____, as trustee (the “Trustee”).

The Series 2024A Bonds are being issued to refund the District’s obligation under certain Series 2024A Notes (as defined herein) issued in satisfaction of a court approved settlement agreement (the “Series 2024A Judgment”), as a result of litigation brought by application of California Code of Civil Procedure Section 340.1 and California Assembly Bill Number 218, chaptered by the California Secretary of State on October 13, 2019 (“AB 218”), to make payments to certain persons (the “Series 2024A Judgment Obligees”). The obligation of the District to pay the Series 2024A Bonds to refinance the District’s obligations to the Series 2024A Judgment Obligees pursuant to the terms of the Series 2024A Judgment is an existing obligation of the District and is an obligation imposed by law. See “THE JUDGMENTS AND THE PLAN OF FINANCE.”

Pursuant to the Indenture, additional bonds (“Additional Bonds”) may be issued by the District on a parity with the Series 2024A Bonds, as described in this Official Statement to refund obligations pursuant to the terms of any similar court approved settlement agreement (the “Judgments”), as a result of litigation brought by application of California Code of Civil Procedure Section 340.1 and AB 218, or similar claims of tort liability, to make payments to certain persons (the “Judgment Obligees”). The Series 2024A Bonds and any such Additional Bonds are collectively referred to as the “Bonds.”

The District

The District, encompassing approximately 710 square miles, is located in the western section of the County of Los Angeles (the “County”) in the State of California (the “State”). The District’s boundaries include virtually all of the City of Los Angeles (the “City”), all of the Cities of Cudahy, Gardena, Huntington Park, Lomita, Maywood, San Fernando, Vernon and West Hollywood, and portions of the

^{*} Preliminary, subject to change.

Cities of Bell, Bell Gardens, Beverly Hills, Calabasas, Carson, Commerce, Culver City, Downey, Hawthorne, Inglewood, Long Beach, Lynwood, Montebello, Monterey Park, Rancho Palos Verdes, Rolling Hills Estates, Santa Clarita, Santa Monica, South Gate, and Torrance. In addition, the District provides services to several unincorporated areas of the County which include residential and industrial areas. The boundaries for the District are approximately 80% coterminous with the City, with the remaining 20% included in the smaller neighboring cities and unincorporated County areas described above. The District was formed in 1854 as the Common Schools for the City and became a unified school district in 1960. Additional information on the District is set forth in APPENDIX A – “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION” and APPENDIX B – “AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023.”

The District is the largest public school district in the State and the largest self-governing public school district in the United States. [At the time of preparation of the District’s second interim report for fiscal year 2023-24 (the “Fiscal Year 2023-24 Second Interim Report”), the transitional kindergarten (“TK”) through 12th grade enrollment in the District for fiscal year 2023-24 was projected to be approximately 412,341 students, including those attending magnet, opportunity, and continuation schools and centers, locally-funded affiliated charter schools (“Affiliated Charter Schools”), and schools for people with disabilities. Such enrollment represents a decrease of 1,482 students or a decline of approximately 0.36% from the budgeted TK-12 enrollment in the District at the time of preparation of the District’s original adopted budget for fiscal year 2023-24 (the “Fiscal Year 2023-24 Budget”). Such enrollment does not include students attending fiscally independent charter schools (“Fiscally Independent Charter Schools”) that was budgeted at 108,702 students at the time of preparation of the Fiscal Year 2023-24 Budget. Based on enrollment projections at the time of preparation of the Fiscal Year 2023-24 Second Interim Report, the District was projecting enrollment to decline by 2.49% on average through fiscal year 2025-26. For more information regarding District enrollment and average daily attendance, see APPENDIX A – “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT GENERAL INFORMATION – Enrollment and Average Daily Attendance.” See also APPENDIX A – “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT FINANCIAL INFORMATION – District Budget – LACOE’s Responses to Fiscal Year 2023-24 Budget,” for information regarding District operating deficits in relation to declining enrollment. As reflected in the District’s Audited Annual Financial Report for fiscal year 2022-23, the District operated 1,238 schools and centers, which consisted of 434 elementary schools, 78 middle/junior high schools, 87 senior high schools, 59 options schools, 262 magnet centers, 67 magnet schools, 30 multi-level schools, 12 special education schools, 2 community adult schools, 7 regional occupational centers, 2 skills centers, 87 early education centers, 4 infant centers, 18 primary school centers, and 89 California State preschools in fiscal year 2022-23. As reflected in the District’s Audited Annual Financial Report for fiscal year 2022-23, 51 of the District’s schools were operated as Affiliated Charter Schools. In addition, as reflected in the District’s Audited Annual Financial Report for fiscal year 2022-23, the District oversaw 224 Fiscally Independent Charter Schools within the District’s boundaries. See APPENDIX A – “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – STATE FUNDING OF SCHOOL DISTRICTS – Charter School Funding.”]

Assembly Bill 218 and Tort Liabilities

AB 218, which became effective on January 1, 2020, extended the statute of limitations for commencing an action for recovery of damages suffered as a result of childhood sexual assault to 22 years after the plaintiff reaches the age of majority (i.e., until age 40) or within five years of the date the plaintiff discovers or reasonably should have discovered that the psychological injury or illness occurring after the age of majority was caused by sexual assault, whichever is later. AB 218 also revived a three-year window

to file certain claims that were previously barred and excluded certain claims from the procedures set forth in the Government Claims Act. The District is defending a significant number of lawsuits arising from AB 218 and similar childhood sexual assault, abuse and/or molestation claims for tort liability. The Series 2024A Notes, including as issued to refund the Series 2024A Judgment, each relates to the settlement of [] AB 218 [and similar childhood sexual assault, abuse and/or molestation] related claims against the District.

Since the District is in the middle of litigation on many of the pending AB 218 and similar childhood sexual assault, abuse and/or molestation lawsuits, the District cannot fully predict the extent of its liability in such cases, whether the claimants will prevail, and if so, how a final court decision or settlement agreement with respect to each such lawsuit may affect the financial status, policies or operations of the District, as the nature of the applicable courts' remedies and the responses thereto are unknown at the present time. The District may finance or refinance other Judgements entered against the District as a result of such cases, including by issuing Additional Bonds on parity with the Series 2024A Bonds.

For specific information on the Series 2024A Notes, the Series 2024A Judgment, and the impact of litigation resulting from AB 218 and similar childhood sexual assault, abuse and/or molestation claims for tort liability on the District's operations and finances, see "RISK FACTORS – Assembly Bill 218 and Related Claims" and APPENDIX A – "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – STATE FUNDING OF SCHOOL DISTRICTS – Risk Management and Litigation" and "– Sexual Misconduct Cases – Assembly Bill 218 and Related Claims" thereunder.

Additional information on the District is set forth in Appendices A and B. See APPENDIX A – "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION" and APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023." For information regarding potential additional financings the District may undertake relating to the Judgements and other capital needs, see APPENDIX A – "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT FINANCIAL INFORMATION – Future Financings."

The Series 2024A Bonds

The Series 2024A Bonds will be dated as of their initial date of delivery and will mature on [October] 1 of each year and will bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) at the rates per annum as set forth on the inside cover page hereof. Interest on the Series 2024A Bonds will be payable on [April] 1 and [October] 1 of each year, commencing [April 1, 2025], so long as any Series 2024A Bonds remain Outstanding. See "THE SERIES 2024A BONDS" herein. The Series 2024A Bonds will be initially delivered only in book-entry form and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2024A Bonds. Purchasers of Series 2024A Bonds will not receive certificates representing their ownership interests in the Series 2024A Bonds purchased. The Series 2024A Bonds are issuable as fully registered Series 2024A Bonds without coupons in denominations of \$5,000 or any integral multiple thereof. Payments of principal of and interest on the Series 2024A Bonds are payable directly to DTC by the Trustee. Upon receipt of payments of principal and interest, DTC will in turn distribute such payments to the beneficial owners of the Series 2024A Bonds. See APPENDIX G – "BOOK-ENTRY-ONLY SYSTEM."

[The Series 2024A Bonds are subject to redemption prior to maturity as described herein. See "THE SERIES 2024A BONDS – Redemption."]

Security and Sources of Payment

The Series 2024A Bonds are obligations imposed by law payable from funds to be appropriated by the District. The Series 2024A Bonds are unconditional obligations of the District, payable as to principal, premium (if any) and interest from all taxes, income, revenue, cash receipts and other legally available money of the District. Payment of principal of and interest on the Series 2024A Bonds is not limited to any special source of funds. The District has covenanted in the Indenture to include in its budget in each Fiscal Year a provision for funds in an amount sufficient to pay the principal of and interest on the Bonds coming due in such Fiscal Year.

The obligations of the District under the Bonds and under the Indenture, including the obligation to make all payments of the interest on and the principal of the Bonds when due are obligations of the District imposed by law and are absolute and unconditional, without any right of set-off or counterclaim. The Bonds do not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation, and neither the Bonds nor the obligation of the District to make payment of the interest on or the principal of the Bonds constitutes an indebtedness of the District or the State, or any of its political subdivisions, in contravention of any constitutional or statutory debt limitation or restriction. Reference is made to the Act and to the Indenture for a description of the terms on which the Bonds are issued, for the rights of the Owners of the Bonds, for the security for payment of the Bonds, for the remedies upon default and limitations thereon and for the provisions for the amendment of the Indenture.

For more complete and detailed information, see “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.” For a discussion of certain risks associated with the District’s ability to pay debt service on the Bonds, see “RISK FACTORS.”

Bond Owners’ Risks

Certain events could affect the ability of the District to pay debt service on the Bonds when due. See “RISK FACTORS” for a discussion of certain factors that should be considered, in addition to other matters set forth herein, in evaluating an investment in the Bonds.

Continuing Disclosure

The District has covenanted for the benefit of the holders and Beneficial Owners of the Series 2024A Bonds to provide, or to cause to be provided, to the Municipal Securities Rulemaking Board (the “MSRB”) through its Electronic Municipal Market Access system or such other electronic system designated by the Municipal Securities Rulemaking Board (the “EMMA System”) certain annual financial information and operating data relating to the District (the “Annual Report”) by not later than 240 days following the end of the District’s fiscal year (currently ending June 30), commencing with the report for fiscal year [2024-25] and notice of the occurrence of certain enumerated events (“Notice Events”) in a timely manner not in excess of ten business days after the occurrence of such a Notice Event. The specific nature of the information to be contained in the Annual Report and the notices of Notice Events is set forth in APPENDIX E – “FORM OF CONTINUING DISCLOSURE CERTIFICATE.” Copies of the District’s annual reports and notices of Listed Event filings are available at the website of Digital Assurance Certification, L.L.C. (“DAC”), www.dacbond.com, and at the website of the Emma System, emma.msrb.org. The information presented on these websites is not incorporated by reference in this Official Statement and should not be relied upon in making an investment decision with respect to the Series 2024A Bonds. These covenants have been made in order to assist the Underwriters in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (“SEC”).

[Due to the impact of COVID-19 on California school district operations during fiscal year 2019-20, California Senate Bill 98 extended the deadline for school districts to file their audited financial statements for fiscal year 2019-20 with the State to March 31, 2021. As a result, at the time of filing the District's Annual Report for fiscal year 2019-20, the District's audited financial statements for fiscal year 2019-20 were not yet available. The District's audited financial statements for fiscal year 2019-20 were subsequently filed to EMMA on March 30, 2021. Additionally, within the past five years, certain of the District's annual reports and Listed Events filings required in connection with its prior continuing disclosure undertakings were not properly linked to all CUSIP numbers for the District's outstanding bonds.]

Forward-Looking Statements

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements are generally identifiable by the terminology used, such as "plan," "expect," "estimate," "budget," "intend" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The District does not plan to issue any updates or revisions to those forward-looking statements if or when their expectations, or events, conditions, or circumstances on which such statements are based, occur.

Other Information

The information and expressions of opinion herein speak only as of their date and are subject to change without notice. Neither the delivery of this Official Statement nor any sale made hereunder nor any future use of this Official Statement shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. The presentation of information, including tables of receipt of revenues, is intended to show recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the District. No representation is made that past experience, as it might be shown by such financial and other information, will necessarily continue or be repeated in the future. This Official Statement is current only as of its date, and the information contained herein is subject to change.

For a more complete description of the Bonds and the basic documentation pursuant to which they are being sold and delivered, see "THE SERIES 2024A BONDS," "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" and APPENDIX C – "SUMMARY OF INDENTURE." The summaries and descriptions in this Official Statement of the Indenture and other agreements relating to the Bonds are qualified in their entirety by the respective form thereof and the information with respect thereto included in such documents. The descriptions herein of the Indenture and any other agreements relating to the Bonds are qualified in their entirety by reference to such documents, and the descriptions herein of the Bonds are qualified in their entirety by the form thereof and the information with respect thereto included in the aforementioned documents. See APPENDIX C – "SUMMARY OF INDENTURE."

Copies of the Indenture and the Revolving Credit Agreement are available for inspection at the District at 333 South Beaudry Avenue, Los Angeles, California 90017, by request to the Office of the Chief Business Officer, and, following delivery of the Series 2024A Bonds, will be on file at the offices of the Trustee in Los Angeles, California.

THE SERIES 2024A BONDS

General

The Series 2024A Bonds will be dated as of their initial date of delivery and will mature on [October] 1 of each year and will bear interest at the rates per annum as set forth on the inside cover page hereof. Interest on the Series 2024A Bonds will be payable on [April] 1 and [October] 1 of each year, commencing [April 1, 2025], so long as any Series 2024A Bonds remain Outstanding (each, an “Interest Payment Date”). Interest on the Series 2024A Bonds will be computed on the basis of a 360-day year consisting of twelve, 30-day months. The Series 2024A Bonds will be issued as fully registered bonds without coupons in denominations of \$5,000 or any integral multiple thereof. The principal of and premium, if any, on the Series 2024A Bonds will be payable in lawful money of the United States of America upon presentation and surrender thereof upon maturity or earlier redemption at the Office of the Trustee.

The Series 2024A Bonds will be initially delivered only in book-entry form and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Series 2024A Bonds. Individual purchases of the Series 2024A Bonds will be made in book-entry form only. Purchasers of Series 2024A Bonds will not receive certificates representing their ownership interests in the Series 2024A Bonds purchased. Rather, in accordance with the Book-Entry System, purchasers of Series 2024A Bonds will have beneficial ownership interests in the purchased Series 2024A Bonds through DTC Participants. For more information concerning the Book-Entry System, see APPENDIX G – “BOOK-ENTRY-ONLY SYSTEM” herein.

Interest on the Series 2024A Bonds will be payable from the Interest Payment Date next preceding the date of authentication thereof unless (i) a Series 2024A Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it will bear interest from such Interest Payment Date; (ii) a Series 2024A Bond is authenticated on or before the first Record Date, in which event interest thereon will be payable from the Series 2024A Closing Date; or (iii) interest on any Series 2024A Bond is in default as of the date of authentication thereof, in which event interest thereon will be payable from the date to which interest has been paid in full or made available for such payment, payable on each Interest Payment Date. Interest will be paid in lawful money of the United States on each Interest Payment Date to the Persons in whose names the ownership of the Series 2024A Bonds is registered on the Registration Books at the close of business on the immediately preceding Record Date, except as provided below. Except as otherwise provided in the Letter of Representations, interest will be paid by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Owners at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date, except that in the case of an Owner of \$1,000,000 or more in aggregate principal amount of Series 2024A Bonds, upon the written request of such Owner to the Trustee, received at least ten days prior to a Record Date, specifying the account or accounts to which such payment will be made, payment of interest will be made by wire transfer of immediately available funds on the following Interest Payment Date. Any such request shall remain in effect until revoked or revised by such Owner by an instrument in writing delivered to the Trustee. Payments of principal of and interest on the Series 2024A Bonds are payable directly to DTC by the Trustee. Upon receipt of payments of principal and interest, DTC will in turn distribute such payments to the beneficial owners of the Series 2024A Bonds. See APPENDIX G – “BOOK-ENTRY-ONLY SYSTEM.” As defined in the Indenture, the term “Record Date” means the 15th calendar day of the month preceding each Interest Payment Date, whether or not such day is a Business Day.

The Trustee and the District may treat DTC (or its nominee) as the sole and exclusive Owner of the Series 2024A Bonds registered in its name for the purposes of payment of the principal or Redemption Price of, or interest on the Series 2024A Bonds, selecting the Series 2024A Bonds or portions thereof to be

redeemed, giving any notice permitted or required to be given to Owners of Series 2024A Bonds under the Indenture, registering the transfer of Series 2024A Bonds, obtaining any consent or other action to be taken by Owners of Series 2024A Bonds and for all other purposes whatsoever, and neither the Trustee nor the District will be affected by any notice to the contrary. Neither the Trustee nor the District will have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Series 2024A Bonds under or through DTC or any Participant, or any other person which is not shown on the Registration Books as being an Owner, with respect to the accuracy of any records maintained by DTC or any Participant; the payment by DTC or any Participant of any amount in respect of the principal or Redemption Price of, or interest on the Series 2024A Bonds; any notice which is permitted or required to be given to Owners of Series 2024A Bonds under the Indenture; the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Series 2024A Bonds; or any consent given or other action taken by DTC as Owner of Series 2024A Bonds. While the Series 2024A Bonds are subject to the Book-Entry System, payments of principal or Redemption Price of, or interest on, the Series 2024A Bonds will be made by the Trustee to DTC, which in turn is obligated to remit such principal and interest to its DTC Participants for subsequent disbursement to beneficial owners of the Series 2024A Bonds as described herein. See APPENDIX G – “BOOK-ENTRY-ONLY SYSTEM” herein.

Redemption of Series 2024A Bonds

Optional Redemption of Series 2024A Bonds. [The Series 2024A Bonds maturing on or after [October] 1, 20__ are subject to redemption prior to their respective stated maturities at the written direction of the District, from any moneys deposited by the District, as a whole or in part on any date (in such maturities as are designated in writing by the District to the Trustee) on or after [October] 1, 20__, at a redemption price of 100% of the principal amount of Series 2024A Bonds called for redemption, together with accrued interest to the date fixed for redemption.

Mandatory Sinking Fund Redemption of Series 2024A Bonds. The Series 2024A Bonds maturing on [October] 1, 20__ will be subject to mandatory sinking fund redemption, in part, on [October] 1 in each year, commencing [October] 1, 20__, at a redemption price equal to the principal amount of the Series 2024A Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption, in the aggregate respective principal amounts in the respective years as follows:

Sinking Fund Redemption Date ([October] 1	Principal Amount
<hr/>	<hr/>
	\$

If some but not all of the Series 2024A Bonds are redeemed by optional redemption, the principal amount of the Series 2024A Bonds to be subject to sinking fund redemption on any subsequent [October] 1 will be reduced by the aggregate principal amount of the Series 2024A Bonds so redeemed by optional redemption, such reduction to be allocated among redemption dates in Authorized Denominations, as designated by the District in a Written Certificate of the District.

The Series 2024A Bonds maturing on [October] 1, 20__ will be subject to mandatory sinking fund redemption, in part, on [October] 1 in each year, commencing [October] 1, 20__, at a redemption price equal to the principal amount of the Series 2024A Bonds to be redeemed, without premium, plus accrued

interest thereon to the date of redemption, in the aggregate respective principal amounts in the respective years as follows:

Sinking Fund Redemption Date ([October] 1	Principal Amount
	\$

If some but not all of the Series 2024A Bonds are redeemed by optional redemption, the principal amount of the Series 2024A Bonds to be subject to sinking fund redemption on any subsequent [October] 1 will be reduced by the aggregate principal amount of the Series 2024A Bonds so redeemed by optional redemption, such reduction to be allocated among redemption dates in Authorized Denominations, as designated by the District in a Written Certificate of the District.

Selection of Series 2024A Bonds for Redemption. [Whenever provision is made in the Indenture for the redemption of less than all of the Bonds, the Trustee will select the Bonds to be redeemed from all Bonds not previously called for redemption (a) with respect to any optional redemption of Bonds, as directed in a Written Certificate of the District, and (b) with respect to any other redemption of Additional Bonds, among maturities as provided in the Supplemental Indenture pursuant to which such Additional Bonds are issued, and by lot among Bonds of the same Series with the same maturity in any manner which the Trustee in its sole discretion shall deem appropriate and fair. The Trustee will promptly notify the District in writing of the numbers of the Bonds so selected for redemption on such date. For purposes of such selection, any Bond may be redeemed in part in Authorized Denominations.]

[Whenever provision is made in the Indenture for the redemption of less than all of the Series 2024A Bonds, the Trustee will select the Series 2024A Bonds to be redeemed from all Series 2024A Bonds not previously called for redemption as directed in a Written Certificate of the District. For purposes of such selection, all Series 2024A Bonds will be deemed to be comprised of separate Authorized Denominations and such separate denominations will be treated as separate Series 2024A Bonds which may be separately redeemed.]

Partial Redemption of Bonds. Upon surrender of any Bonds redeemed in part only, the District will execute and the Trustee will authenticate and deliver to the Owner thereof, at the expense of the District, a new Bond or Bonds of the same Series in Authorized Denominations equal in aggregate principal amount representing the unredeemed portion of the Bonds surrendered.

Notice of Redemption. The Trustee on behalf and at the expense of the District will mail (by first class mail) notice of any redemption to the respective Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books at least 20 but not more than 60 days prior to the date fixed for redemption. Such notice will state the date of the notice, the redemption date, the redemption place and the redemption price and will designate the CUSIP numbers, if any, the Series, the Bond numbers of the Bonds to be redeemed, and, if all of the Outstanding Bonds are being redeemed on such redemption date, will require that such Bonds be then surrendered at the Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue from and after the date fixed for redemption. Neither the failure to receive any notice so mailed, nor any defect in such notice, shall affect the validity of the proceedings for the redemption of the Bonds or the cessation of accrual of interest thereon from and after the date fixed for redemption.

With respect to any notice of any optional redemption of Bonds of a Series, unless at the time such notice is given the Bonds to be redeemed shall be deemed to have been paid in accordance with the Indenture, such notice will state that such redemption is conditional upon receipt by the Trustee, on or prior to the date fixed for such redemption, of moneys that, together with other available amounts held by the Trustee, are sufficient to pay the redemption price of, and accrued interest on, the Bonds to be redeemed, and that if such moneys shall not have been so received said notice will be of no force and effect and the District will not be required to redeem such Bonds. In the event a notice of redemption of Bonds contains such a condition and such moneys are not so received, the redemption of Bonds as described in the conditional notice of redemption will not be made and the Trustee will, within a reasonable time after the date on which such redemption was to occur, give notice to the Persons and in the manner in which the notice of redemption was given, that such moneys were not so received and that there will be no redemption of Bonds pursuant to such notice of redemption.

Effect of Notice of Redemption. Notice having been mailed as aforesaid, and moneys for the redemption (including the interest to the applicable redemption date) of the Series 2024A Bonds to be redeemed having been deposited in the Bond Fund, such Series 2024A Bonds will become due and payable on said date, and said Series 2024A Bonds will be paid at the redemption price thereof, together with interest accrued and unpaid to said date.

If, on said redemption date, moneys for the redemption of all the Series 2024A Bonds to be redeemed, together with interest to said date, will be held by the Trustee so as to be available therefor on such date, and, if notice of redemption thereof shall have been mailed as aforesaid and not canceled, then, from and after said date, interest on said Series 2024A Bonds will cease to accrue and become payable. All moneys held by or on behalf of the Trustee for the redemption of Series 2024A Bonds will be held in trust for the account of the Owners of the Series 2024A Bonds so to be redeemed.

All Series 2024A Bonds paid at maturity or redeemed prior to maturity pursuant to the Indenture will be canceled upon surrender thereof and the Trustee will deliver a certificate of destruction to the District.

Transfer and Exchange of Series 2024A Bonds

The following provisions regarding the exchange and transfer of the Series 2024A Bonds apply only during any period in which the Series 2024A Bonds are not subject to the Book-Entry System. While the Series 2024A Bonds are subject to the Book-Entry System, their exchange and transfer will be effected through DTC and the DTC Participants and will be subject to the procedures, rules and requirements established by DTC.

Any Series 2024A Bond may, in accordance with its terms, be transferred upon the Registration Books by the Person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. Whenever any Series 2024A Bond or Series 2024A Bonds will be surrendered for transfer, the District will execute and the Trustee will authenticate and will deliver a new Series 2024A Bond or Series 2024A Bonds of the same maturity in a like aggregate principal amount, in any authorized denomination. The Trustee will require the Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer.

The Series 2024A Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of Series 2024A Bonds of the same maturity of other authorized denominations. The Trustee will require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

Book-Entry Only System

General. DTC will act as securities depository for the Series 2024A Bonds. The Series 2024A Bonds will be executed and delivered as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Series 2024A Bond will be issued for each stated Principal Payment Date of the Series 2024A Bonds, each in the aggregate amount of the principal evidenced by Series 2024A Bonds with such stated Principal Payment Date, and will be deposited with DTC. See APPENDIX G – "BOOK-ENTRY ONLY SYSTEM."

Discontinuance of DTC. In the event that (a) DTC determines not to continue to act as securities depository for the Series 2024A Bonds or (b) the District determines that continuation of the book-entry system is not in the best interest of the beneficial owners of the Series 2024A Bonds or the District, then the District may discontinue the book-entry system with DTC. If the District determines to replace DTC with another qualified securities depository, the District shall prepare or direct the preparation of a new single, separate, fully registered Series 2024A Bond for each of the different maturity dates and interest rates of such Series 2024A Bonds, registered in the name of such successor or substitute qualified securities depository or its nominee as provided in Indenture. If the District fails to identify another qualified securities depository to replace DTC, then the Series 2024A Bonds shall no longer be restricted to being registered in the Series 2024A Bond Register in the name of the nominee, but shall be registered in whatever name or names the Owners transferring or exchanging such Series 2024A Bonds shall designate, in accordance with the transfer and exchange provisions of the Indenture summarized in APPENDIX C – "SUMMARY OF INDENTURE."

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Nature of the Bonds

The Indenture provides that the District is obligated to transfer to the Trustee, not later than two days prior to each Interest Payment Date, an amount which, together with the amount then on deposit in the Bond Fund, will equal the amount of the principal of and interest on the Bonds becoming due on such Interest Payment Date. The District has covenanted in the Indenture to include in its budget in each Fiscal Year a provision for funds in an amount sufficient to pay the principal of and interest on the Bonds coming due in such Fiscal Year.

The Series 2024A Bonds do not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation. The obligation of the District to make payments with respect to the Series 2024A Bonds is an absolute and unconditional obligation of the District imposed upon the District and enforceable against the District pursuant to law. See APPENDIX A – "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION" and APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023."

As provided in the Indenture, the District pledges and grants a lien on and a security interest in all of the amounts held in the Bond Fund as security for the payment of the principal of and interest on the Bonds in accordance with their terms, the provisions of the Indenture and the Refunding Law. The Indenture provides that said pledge shall constitute a first lien on such assets. The District expressly reserves the right to issue or incur other obligations for any of its corporate purposes.

In accordance with the Indenture, the Trustee will establish, maintain, and hold in trust a special fund designated the "Refunding Fund" and a special fund designated the "Bond Fund." The Indenture

provides that not later than two days prior to each Interest Payment Date, the District will transfer to the Trustee an amount which, together with the amount then on deposit in the Bond Fund, will equal the amount of the principal of and interest on the Bonds becoming due on such Interest Payment Date. The Indenture provides that the Trustee shall, upon receipt, deposit such amount in the Bond Fund. On or before each Interest Payment Date, the Trustee is required to withdraw from the Bond Fund for payment to the Owners of the Bonds the principal, if any, of and interest then due and payable on the Bonds. If there are insufficient funds in the Bond Fund to pay the principal, if any, of and interest on the Bonds, the Trustee shall apply the available funds first to the payment of interest on the Bonds, then to the payment of principal of the Bonds.

THE OBLIGATIONS OF THE DISTRICT UNDER THE SERIES 2024A BONDS AND UNDER THE INDENTURE, INCLUDING THE OBLIGATION TO MAKE ALL PAYMENTS OF THE INTEREST ON AND THE PRINCIPAL OF THE SERIES 2024A BONDS WHEN DUE ARE OBLIGATIONS OF THE DISTRICT IMPOSED BY LAW AND ARE ABSOLUTE AND UNCONDITIONAL, WITHOUT ANY RIGHT OF SET-OFF OR COUNTERCLAIM. THE SERIES 2024A BONDS DO NOT CONSTITUTE AN OBLIGATION OF THE DISTRICT FOR WHICH THE DISTRICT IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE DISTRICT HAS LEVIED OR PLEDGED ANY FORM OF TAXATION, AND NEITHER THE SERIES 2024A BONDS NOR THE OBLIGATION OF THE DISTRICT TO MAKE PAYMENT OF THE INTEREST ON OR THE PRINCIPAL OF THE SERIES 2024A BONDS CONSTITUTES AN INDEBTEDNESS OF THE DISTRICT OR THE STATE, OR ANY OF ITS POLITICAL SUBDIVISIONS, IN CONTRAVENTION OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

If an Event of Default, as that term is defined in the Indenture, will occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture; provided, that the Indenture provides that in certain events such declaration and its consequences may be rescinded under the circumstances as provided therein. See “Action on Default” below.

The Indenture and the rights and obligations of the District, the owners of the Bonds and the Trustee may be modified or amended from time to time and at any time in the manner, to the extent, and upon the terms provided in the Indenture; provided that no such modification or amendment will (a) extend the fixed maturity of any Bonds, or reduce the amount of principal thereof, or reduce the interest rate borne thereby, or extend or accelerate the time of payment thereof, or modify the redemption provisions applicable thereto, without the consent of the owner of each Bond so affected, or (b) reduce the percentage of Bonds the consent of the owners of which is required to effect any such amendment or modification, without the consent of the owners of all outstanding Bonds.

For a discussion of certain risks associated with the District’s ability to pay debt service on the Bonds, see “RISK FACTORS.”

Covenant to Appropriate Funds

The District has covenanted in the Indenture to include in its budget in each Fiscal Year a provision to provide funds in an amount sufficient to pay the principal of and interest on the Bonds coming due in such Fiscal Year.

Absolute Obligation

As provided in the Indenture, nothing in any provision of the Indenture or in the Bonds shall affect or impair the obligation of the District, which is absolute and unconditional, to pay the principal of and interest on the Bonds to the respective Owners of the Bonds at their respective dates of maturity, as provided

therein, or affect or impair the right of such Owners, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds.

No Reserve Fund

The Indenture does not require a reserve fund in connection with the issuance of the Series 2024A Bonds. Amounts held or to be held in a debt service reserve fund or account established for any other obligations payable from the District's General Fund may not be used or drawn upon to pay principal of or interest on the Series 2024A Bonds.

Risk Management, Insurance and General Fund Reserves

For information regarding the District's risk management programs, insurance, and operating reserves, see APPENDIX A – "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION" and APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023."

Additional Bonds

The District may at any time issue Additional Bonds on a parity with the Series 2024A Bonds, but only subject to the following specific conditions, which are hereby made conditions precedent to the issuance of any such Additional Bonds:

(a) The District shall be in compliance with all agreements and covenants contained in the Indenture.

(b) The issuance of such Additional Bonds shall have been authorized pursuant to the Refunding Law and shall have been provided for by a Supplemental Indenture which shall specify the following:

(i) The purpose for which such Additional Bonds are to be issued; provided that such Additional Bonds shall be applied solely for (i) refunding the District's obligations to the Judgment Obligees evidenced by the Judgments, (ii) refunding the District's obligations to any Lender or other holders of Notes then outstanding and issued in satisfaction of any Judgment or Judgments from time to time (including, without limitation, the obligation to pay all amounts allocable, as and when due and owing under the related Notes, Revolving Credit Agreement, and Fee Agreement, and costs of issuance of such Notes (including underwriter's discount or placement agent fee), (iii) refunding Bonds Outstanding under the Indenture, and (iv) paying costs incidental to or connected with the issuance of Additional Bonds for such purpose;

(ii) Specification of the respective Judgment Obligees and/or the respective Lenders or other holders of the related Notes to be refunded by such Additional Bonds;

(iii) The principal amount and Series designation of such Series of Additional Bonds and the denomination or denominations of the Additional Bonds, which shall be Authorized Denominations;

(iv) That such Additional Bonds shall be payable as to interest on the Interest Payment Dates, except that the first installment of interest may be payable on either [April] 1 or [October] 1.

(v) The date, the maturity date or dates and the dates on which mandatory sinking fund redemptions, if any, are to be made for such Additional Bonds; provided, that (A) the serial Bonds of such

Series of Additional Bonds shall be payable as to principal annually on [October] 1 of each year in which principal falls due, and the term Bonds of such Series of Additional Bonds shall have annual mandatory sinking fund redemptions on [October] 1, (B) all Additional Bonds of a Series of like maturity shall be identical in all respects, except as to number or denomination, and (C) serial maturities of serial Bonds or mandatory sinking fund redemptions for term Bonds, or any combination thereof, shall be established to provide for the redemption or payment of such Additional Bonds on or before their respective maturity dates;

(vi) The redemption premiums, if any, and the redemption terms, if any, for such Additional Bonds; and

(vii) Such other provisions (including the requirements of a book-entry bond registration system, if any) as are necessary or appropriate and not inconsistent herewith.

At any time after the sale of any Additional Bonds in accordance with the Refunding Law, the District shall execute such Additional Bonds for issuance under the Indenture and shall deliver them to the Trustee, and thereupon such Additional Bonds shall be authenticated and delivered by the Trustee to the purchaser thereof upon the Written Request of the District, as provided in the Indenture. APPENDIX C – “SUMMARY OF INDENTURE – THE BONDS – Conditions for the Issuance of Additional Bonds” and “– Procedure for the Issuance of Additional Bonds.”

Action on Default

Should the District default under the Indenture, the Trustee may, and upon the written direction of the Owners of not less than 25% in aggregate principal amount of the Outstanding Bonds, will, by written notice to the District, declare immediately due and payable as provided in the Indenture the principal of all Outstanding Bonds and the accrued interest thereon. See APPENDIX C – “SUMMARY OF INDENTURE – Events of Default and Remedies.” All money in the Refunding Fund and the Bond Fund upon the date of the declaration of acceleration by the Trustee and all amounts thereafter received by the Trustee under the Indenture will be applied by the Trustee to the payment of any expenses of the Trustee incurred in and about the performance of its powers and duties under the Indenture and thereafter to the payment of the principal of and interest then due on the Bonds as provided in the Indenture. For a description of the events of default and permitted remedies of the Trustee under the Indenture, see APPENDIX C – “SUMMARY OF INDENTURE – Events of Default and Remedies.”

THE JUDGMENTS AND THE PLAN OF FINANCE

Refunding of the Series 2024A Judgment

The Series 2024A Bonds are being issued to refund the District’s obligation under certain Series 2024A Notes (as defined herein) issued in satisfaction of the Series 2024A Judgment to make payments to the Series 2024A Judgment Obligees. To ease the financial burden and the potential hardship on the District, the District resolved the issue of damages with the Series 2024A Judgment Obligees, which resolution was memorialized in a Settlement and Release Agreement (the “Settlement Agreement”). The Settlement Agreement established an exact sum for the payment of damages at \$ _____ as of _____ 2024, plus interest to accrue thereon until payment, in settlement of claims brought by _____ claimants pursuant to California Code of Civil Procedure Section 340.1 and AB 218. On _____, 2024, the Superior Court of California, County of Los Angeles, entered the Series 2024A Judgment in the action which approved and incorporated the terms of the Settlement Agreement as the judgment of the Court. On _____, 2024, the Series 2024A Judgment was refunded with an advance of funds under the revolving credit agreement dated as of _____ 1, 2024 (the “Series 2024A Revolving Credit Agreement”), by and between the District

and _____, as lender, and the issuance of certain Notes (the “Series 2024A Notes”) in accordance therewith.

The Series 2024A Bonds are being issued to refund the District’s obligation under the “Series 2024A Notes in satisfaction of the Series 2024A Judgment. The proceeds from the sale of the Series 2024A Bonds will be used to (i) refund the Series 2024A Notes evidencing the payment of the Series 2024A Judgment and (ii) pay the costs incurred in connection with the authorization and issuance of the Series 2024A Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS.”

The obligation of the District to pay the Series 2024A Bonds to refinance these obligations is an existing obligation of the District and is an existing obligation of the District and is an obligation imposed by law. Additionally, the Series 2024A Bonds, the Indenture and any and all contracts and agreements relating thereto, relate to and constitute the refunding of such obligation imposed by law exempt from the debt limitation of Article XVI, Section 18 of the California Constitution. See “VALIDATION PROCEEDING.”

For additional current information, see APPENDIX A – “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION - DISTRICT FINANCIAL INFORMATION - Risk Management and Litigation” and “– Sexual Misconduct Cases – Assembly Bill 218 and Related Claims” thereunder.

Refunding Program (AB 218)

Currently, the District is obligated, and anticipates the potential to be obligated on similar terms, to pay certain claimants and/or plaintiffs (each, a “Judgment Obligor” and, collectively, the “Judgment Obligors”) with respect to final judgments or orders for monetary damages against the District following concluded litigation or stipulated settlement (each such judgment or order which is entered against the District by the applicable court or courts and which is not subject to appeal or further appeal, or which the District has indicated that it will not appeal, being referred to herein as, a “Judgment” and, collectively, the “Judgments”) by the applicable court or courts, including, without limitation, the California Superior Court before which several claims are currently pending, as a result of litigation brought by application of California Code of Civil Procedure Section 340.1 and AB 218 and similar childhood sexual assault, abuse and/or molestation claims for tort liability. [The District estimates, as of _____, 2024, a total potential liability resulting from California Code of Civil Procedure Section 340.1 and AB 218 and such similar claims to be \$_____.]

In response, the District has coordinated a program of short-term and longer-term borrowings for the purposes of providing interim satisfaction and refunding of the District’s obligations to the Judgment Obligors evidenced by the Judgments, including revolving credit agreements (each, a “Revolving Credit Agreement” or, collectively, the “Revolving Credit Agreements”) with one or more banks, each as a lender (each, a “Lender” or, collectively, the “Lenders”), with the District’s obligations under each Revolving Credit Agreement to be evidenced by judgment obligation promissory notes to be issued by the District as provided therein, as well as other forms of temporary borrowing by the District in the form of notes to be issued from time to time (each, a “Temporary Note” or, collectively, the “Temporary Notes” and, together with the Promissory Notes, the “Notes”), the proceeds of which are used to satisfy and refund one or more Judgments and which will be drawn upon only as funds are needed to satisfy any Judgment or Judgments.

For purposes of providing a more permanent financing solution for the District’s obligations to the Judgment Obligors evidenced by the Judgments consistent with the District’s long-term budgetary objectives, the Board has authorized under the Resolution the issuance of its Los Angeles Unified School

District Judgment Obligation Bonds in or more series on parity with the Series 2024A Bonds (as further defined herein, the “Bonds”) to represent the aggregate amounts to be payable to Judgment Obligees.

As an obligation of the District, each and every refunding Note issued to refund and discharge a related Judgment and/or Bond issued to refund and discharge a related Note and/or Judgment, take on the character of and represent the refunded obligation of the District as an obligation imposed by law to pay a Judgment Obligee or Judgment Obligees as a result of a Judgment or Judgments.

Risk Management Authority Reinsurance Coverage

[The District has established and capitalized a Risk Management Authority to provides an insurance program for the District and the Los Angeles Trust Children’s Health Inc. The Risk Management Authority allows the District to purchase reinsurance for excess liability coverage which is not presently available to self-insured public agencies such as the District. This insurance program provides and alternative source of funds to resolve claim determined not to be refunded as described herein. For additional current information, see APPENDIX A – “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION - DISTRICT FINANCIAL INFORMATION - Risk Management and Litigation” and “– Sexual Misconduct Cases – Assembly Bill 218 and Related Claims” thereunder.]

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds with respect to the Series 2024A Bonds are shown below.

Estimated Sources of Funds

Principal Amount of Series 2024A Bonds
Plus [Net] Original Issue Premium
Total Sources

Estimated Uses of Funds

Refunding Fund
Underwriters’ Discount
Costs of Issuance⁽¹⁾
Total Uses

⁽¹⁾ Includes legal, municipal advisor and rating agency fees, printing and other fees and miscellaneous costs of issuance of the Series 2024A Bonds.

DEBT SERVICE SCHEDULE

The table below sets forth the amount required in each fiscal year for the payment of principal of and interest on the Series 2024A Bonds assuming no prior redemptions. The Bonds mature on [October] 1 of each year as set forth below.

**LOS ANGELES UNIFIED SCHOOL DISTRICT
JUDGMENT OBLIGATION BONDS, SERIES 2024A
DEBT SERVICE SCHEDULE**

Interest Payment Date	Principal	Interest	Total Semi-Annual Debt Service	Total Annual Debt Service
04/01/2024				
10/01/2024				
04/01/2025				
10/01/2025				
04/01/2026				
10/01/2026				
04/01/2027				
10/01/2027				
04/01/2028				
10/01/2028				
04/01/2029				
10/01/2029				
04/01/2030				
10/01/2030				
04/01/2031				
10/01/2031				
04/01/2032				
10/01/2032				
04/01/2033				
10/01/2033				
04/01/2034				
10/01/2034				
04/01/20__				
10/01/20__				
Total:				

RISK FACTORS

The following factors, along with the other information in this Official Statement, should be considered by potential investors in evaluating the purchase of the Series 2024A Bonds. However, they do not purport to be an exhaustive listing of risks and other considerations which may be relevant to an investment in the Series 2024A Bonds. In addition, the order in which the following factors are presented is not intended to reflect the relative importance of any such risks.

Bonds are a General Fund Obligation of the District

The obligation of the District to make debt service payments on the Bonds does not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation.

The Indenture does not create a pledge, lien, or encumbrance upon the funds of the District. Pursuant to law, the Bonds are payable from any available funds of the District. The District covenants in the Indenture to punctually pay the interest on and principal of every Bond in strict conformity with the terms thereof and of the Indenture. The District is liable and may become liable on other obligations payable from general revenues, some of which may have a priority over payments of the principal of, premium, if

any, and interest on, the Bonds, or which the District, in its discretion, may determine to pay prior to the principal of, premium, if any, and interest on, the Bonds.

The District has the capacity to enter into other obligations payable from the District's General Fund without the consent of or prior notice to the Owners of the Bonds, and has expressly reserved the right to issue or incur other obligations for any of its corporate purposes. To the extent that additional obligations are incurred by the District, the funds available to make payments of the principal of, premium, if any, and interest on, the Bonds may be decreased. In the event the District's revenue sources are less than its total obligations, the District could choose to fund other activities before making payment of the principal of, premium, if any, and interest on, the Bonds. The same result could occur if State constitutional expenditure limitations were to prohibit the District from appropriating and spending all of its otherwise available revenues.

Cash Management

[To the extent the Board is required to make needed budget adjustments and to maintain a balanced budget, the District has numerous internal or external means to manage its cash flow, including but not limited to interfund borrowing, intrafund borrowing and tax and revenue anticipation notes. If the District does not take required actions and the budget remains out of balance, the cash requirements of the District may exceed available cash flow. The ability of the District to borrow on an interim basis to meet any cash shortfalls also may be limited if the budget remains out of balance for a sustained period of time.] See APPENDIX A – "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION" and APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023."

General Considerations and Other Obligations

The obligation of the District to make debt service payments on the Series 2024A Bonds does not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation, and neither the Series 2024A Bonds nor the obligation of the District to make payment of the interest on or the principal of the Series 2024A Bonds constitutes an indebtedness of the District or the State, or any of its political subdivisions, in contravention of any constitutional or statutory debt limitation or restriction..

[The District is currently liable and may become liable on other obligations payable from the District's General Fund, such as employee salaries and benefits, some of which may have a priority over the District's obligations to make debt service payments on the Bonds. For a discussion of certain other obligations of the District, see APPENDIX A – "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT FINANCIAL INFORMATION." The District has the capacity to enter into other obligations which may constitute additional charges against its revenues. To the extent that additional obligations are incurred by the District, the funds available to make debt service payments on the Bonds may be decreased. In the event the District's revenue sources are less than its total obligations, the District could choose to fund other activities before making debt service payments on the Bonds and other payments due under the Indenture. The same result could occur if, because of California Constitutional limits on expenditures, the District is not permitted to appropriate and spend all of its available revenues. See APPENDIX A – "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO AD VALOREM PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS – Article XIII B of the State Constitution."]

Assembly Bill 218 and Related Claims

[Pursuant to Assembly Bill 218 (AB 218 herein), which became effective on January 1, 2020, certain changes were made to the claim prerequisites and the applicable statute of limitations periods for claims of childhood sexual assault, including claims against public entities like the District. AB 218 has impacted the District's liability exposure because it (1) extended the statute of limitations periods for claims of childhood sexual assault, (2) did away altogether with the Tort Claims Act's presentation requirements for claims involving childhood sexual assault under which many claims were found to be late, and (3) revived certain claims for which applicable statute of limitations periods have otherwise already expired (if brought within three years of January 1, 2020). The District is currently defending approximately [] lawsuits (totaling 247 claimants) arising from AB 218 and similar childhood sexual assault, abuse and/or molestation claims for tort liability, relating to allegations of misconduct by former employees. Since the District is in the middle of litigation on many of the pending AB 218 lawsuits, the District cannot fully predict the extent of its liability in such cases, whether the claimants will prevail, and if so, how a final court decision or settlement agreement with respect to each such lawsuit may affect the financial status, policies or operations of the District, as the nature of the court's remedy and the responses thereto are unknown at the present time. Neither can the District predict the ultimate number of claimants nor the full extent of any monetary liability. As described herein, the District currently estimates its liability for the existing claims arising from AB 218 will likely exceed \$[] million. While the District has set aside an amount in its liability self-insurance fund to pay existing claims arising under AB 218 as well as other, unrelated claims based on an independent third-party actuarial estimate, the District's total liability arising from existing AB 218 claims could exceed the actuarial estimate and the amount available in its liability self-insurance fund.] See APPENDIX A – "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION - DISTRICT FINANCIAL INFORMATION - Risk Management and Litigation" and "– Sexual Misconduct Cases – Assembly Bill 218 and Related Claims" thereunder.

Default; Remedies Upon Default; Acceleration

Upon the occurrence of an Event of Default under the Indenture, the Trustee may and, upon the written direction of the Owners of not less than 25% in aggregate principal amount of the Outstanding Bonds, shall, [with the consent of the Insurer,] by written notice to the District, declare immediately due and payable the principal of all Outstanding Bonds and the accrued interest thereon, whereupon the same shall become immediately due and payable without any further action or notice; provided, however, that if at any time after such acceleration and before any judgment or decree for the payment of money with respect thereto has been entered all amounts payable to the Trustee under the Indenture on the Bonds subject to acceleration under this paragraph (except interest on or principal of the Bonds which are due solely by reason of such acceleration) shall have been paid or provided for by deposit with the Trustee and all existing Events of Default shall have been cured or waived, then the Owners of not less than 25% in aggregate principal amount of the Outstanding Bonds may[, with the consent of the Insurer,] annul such acceleration and its consequences by written notice to the District and the Trustee, which annulment shall be binding upon the District, the Trustee and all of the Owners, but no such annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon.

All rights of action under the Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of the Owners of such Bonds, subject to the provisions of the Indenture. If one or more of the events of default shall happen and be continuing, the Trustee may with the prior written consent of the Insurer, and upon the written request of the Holders of a majority in principal amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction therefor,

shall, proceed to protect or enforce its rights or the rights of the Holders of Bonds under the Indenture by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained in the Indenture, or in aid of the execution of any power granted under the Indenture, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as the Trustee shall deem most effectual in support of any of its rights and duties under the Indenture.

No Owner of any Bonds shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under the Indenture, the Refunding Law or any other applicable law with respect to such Bonds, unless (a) such Owner shall have given to the Trustee written notice of the occurrence of an Event of Default, (b) the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name, (c) such Owner or said Owners shall have tendered to the Trustee indemnity against the costs, expenses and liabilities to be incurred in compliance with such request, and (d) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any remedy under the Indenture or under law; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Indenture or the rights of any other Owners of Bonds, or to enforce any right under the Bonds, the Indenture, the Refunding Law or other applicable law with respect to the Bonds, except in the manner provided in the Indenture, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Owners of the Outstanding Bonds, subject to the provisions of the Indenture.

APPENDIX C – “SUMMARY OF INDENTURE – EVENTS OF DEFAULT AND REMEDIES.”

Limitations on Remedies

The enforcement of any remedies provided in the Indenture could prove both expensive and time consuming. The rights of the Owners of the Series 2024 Bonds are subject to certain limitations on legal remedies against governmental entities in the State, including but not limited to a limitation on enforcement against funds that are otherwise needed to serve the public welfare and interest. Additionally, the rights of the Owners of the Series 2024 Bonds may be subject to (i) bankruptcy, insolvency, reorganization, moratorium, or similar laws limiting or otherwise affecting the enforcement of creditors' rights generally (as such laws are now or hereafter may be in effect), (ii) equity principles (including but not limited to concepts of materiality, reasonableness, good faith and fair dealing) and the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or law, (iii) the exercise by the United States of America of the powers delegated to it by the Constitution, and (iv) the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Under Chapter 9 of the Bankruptcy Code (Title 11, United States Code), which governs bankruptcy proceedings for public agencies, there are no involuntary petitions in bankruptcy. If the District were to file a petition under Chapter 9 of the Bankruptcy Code, the Owners and the Trustee could be prohibited or severely restricted from taking any steps to enforce their rights under the Lease Agreement and from taking any steps to collect amounts due from the District under the Lease Agreement. See “Bankruptcy” below and APPENDIX C – “SUMMARY OF INDENTURE – EVENTS OF DEFAULT AND REMEDIES.”

Bond Counsel has limited its opinion as to the enforceability of the Series 2024 Bonds and of the Indenture to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium, or other similar laws affecting generally the enforcement of creditor's rights, by equitable principles and by the exercise of judicial discretion. Additionally, the Series 2024 Bonds are not subject to acceleration in the event of the breach of any covenant or duty under the Indenture. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay, limitation, or modification of the rights of the Owners of the Series 2024 Bonds.

Bankruptcy

Generally. In addition to the limitations on remedies described above, the rights and remedies provided in the Indenture may be limited by and are subject to provisions of federal bankruptcy laws, as now or hereafter enacted, and to other laws or equitable principles that may affect the enforcement of creditors' rights.

Bankruptcy of District. [The District may be eligible to become a debtor in a Chapter 9 bankruptcy case. If the District is in bankruptcy, the parties (including the Trustee and the Owners of the Series 2024A Bonds) may be prohibited from taking any action to collect any amount from the District or to enforce any obligation of the District, unless the permission of the bankruptcy court is obtained. These restrictions may also prevent the Trustee from making payments to the Owners of the Series 2024A Bonds from funds in the Trustee's possession.

The District may be able, without the consent and over the objection of the Trustee and the Owners of the Series 2024A Bonds, to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Indenture, the Series 2024A Bonds, and other transaction documents, as long as the bankruptcy court determines that the alterations are fair and equitable.

The District could threaten to take any of the actions described above as part of negotiations to alter its obligations under the Indenture, or other transaction documents.]

Regardless of any specific adverse determinations in a bankruptcy case of the District, the fact of such a bankruptcy case could have an adverse effect on the liquidity and value of the Series 2024A Bonds.

Limitation on Remedies. The opinion of Bond Counsel, the proposed form of which is included as APPENDIX D, is qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor's rights. As discussed above, bankruptcy proceedings, if initiated, could subject the owners of the Series 2024A Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

Natural Disasters, Drought, Climate Change and Sea Level Rise

Earthquakes. The District, like most regions in the State, and its facilities are located in an area of seismic activity from movements along active fault zones and, therefore, could be subject to potentially destructive earthquakes. Additionally, numerous minor faults transect the area. Active earthquake faults include the San Andreas Fault that runs throughout the County, the Palos Verdes fault that runs along the coast and through a small portion of the County, and other smaller faults including the Lower Elysian Park thrust, the Upper Elysian Park fault and Puente Hills blind thrust system. Seismic hazards encompass both potential surface rupture and ground shaking. Although its facilities have been designed and constructed or retrofitted and modernized pursuant to earthquake-resistant standards in accordance with the Field Act (Section 17280 *et seq.* of the Education Code), damage from an earthquake could be substantial. The

occurrence of severe seismic activity could result in substantial damage and interference with the District's right to use and occupy all or a substantial portion of the District's facilities, which could result in a material impact to District operations. The District is not required to obtain or maintain earthquake insurance for its facilities [and maintains minimal coverage for such damage].

Wildfires. In recent years, portions of California, including the County and adjacent counties, have experienced wildfires that have burned thousands of acres and destroyed thousands of homes and structures. The occurrence of wildfires in the area of the District could result in substantial damage and interference with the District's right to use and occupy a portion of its facilities. [The District maintains casualty insurance insuring its facilities against fire and other risks (excluding earthquake). See APPENDIX A – "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT FINANCIAL INFORMATION – Risk Management and Litigation."]

Drought. Most recently, the State has experienced periods of extreme precipitation, after having experienced severe drought conditions that led to the Governor of California (the "Governor") declaring a Statewide drought emergency in spring 2021. While storms have helped ease drought impacts, regions and communities across the State continue to experience water supply shortages, especially communities that rely on groundwater supplies that have been severely depleted in recent years. In March 2023, the Governor rolled back some drought emergency provisions that are no longer needed due to current water conditions, while maintaining other measures that support regions and communities still facing water supply challenges, and that continue building up long-term water resilience. The District cannot predict the extent to which drought conditions within the County or any of the adjoining counties could cause reduced economic activity within the boundaries of the District or the extent to which drought conditions may impact District facilities or the assessed value of taxable property within the District.

Flood. As discussed further below in "– Climate Change and Sea Level Rise," the District may be susceptible to flooding from extreme rainfall events and from sea level rise.

Climate Change and Sea Level Rise. The direct risks posed by climate change currently include or are expected to include more extreme heat events, rising sea levels, changes in precipitation levels, flooding, and more intense storms. In order to address these risks, California law (the Global Warming Solutions Act) requires the State to significantly reduce its emissions of greenhouse gases (GHGs), which contribute to climate change.

Sources of GHG emissions in the District include cars and trucks, electricity and natural gas use in buildings, decomposition of solid waste, landscaping and construction equipment, and water and wastewater distribution, treatment, and use. On-road vehicle use represents the largest source of GHGs, followed by energy use in residential and nonresidential buildings. As a part of the State's effort to reduce GHG emissions, the California Air Resources Board approved a regulation to rapidly scale down emissions from cars starting with the 2026 model year through the 2035 model year, at which time all new car sales in the State must be zero-emission vehicles. Going forward, the GHG emissions within the District will continue to change due to new policies, technological improvements, and population growth and new development.

Current science indicates that sea level rise is directly linked to climate change, and sea level is expected to increase over time. Sea level rise threatens even inland areas by exacerbating flooding from very high tides, and by contributing to flooding from extreme rainfall events. The various scientific studies that forecast the amount and timing of adverse impacts of climate change are based on assumptions contained in such studies, but actual events may vary materially. In addition, the scientific understanding of climate change and its effects continues to evolve. Accordingly, the District cannot predict the timing,

extent, or severity of climate change, GHG emissions or sea level rise, and the impact on the District and its facilities, and on the State and local economies.

Events of Force Majeure. Operation of District facilities may also be at risk from other events of force majeure, such as damaging storms, fires and explosions, strikes, sabotage, riots, and spills of hazardous substances, among other events. The District cannot predict what force majeure events may occur in the future. For additional information regarding the District’s risk management programs and required insurance coverages, see APPENDIX A – “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT FINANCIAL INFORMATION – Risk Management and Litigation” and APPENDIX B – “AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023.”

Economic Conditions in California; State Funding of Education

State income tax and other receipts can fluctuate significantly from year to year, depending on economic conditions in the State and the nation. Because much of the District’s revenues derive from State funding under the local control funding formula (the “LCFF”), the District’s revenues can vary significantly from year to year, even in the absence of significant education policy changes. Decreases in the State’s general fund revenues may significantly affect appropriations made by the State to school districts, including the District. See APPENDIX A – “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – STATE FUNDING OF SCHOOL DISTRICTS – State Budget Act.”

While the California Constitution contains certain minimum funding requirements for public education pursuant to Proposition 98, State funding can be affected by a number of factors, including poor performance of the California economy and State budget shortfalls. At times since the implementation of Proposition 98, the State has sought to preserve general fund cash while avoiding increases in the base guaranteed amount through various mechanisms: by treating any excess appropriations as advances against subsequent years’ Proposition 98 minimum funding levels rather than current year increases; by deferring apportionments of Proposition 98 funds from one fiscal year to the next, as the State did in fiscal years 2019-20 and 2020-21; by suspending Proposition 98, as the State did in fiscal year 2004-05, fiscal year 2010-11, fiscal year 2011-12 and fiscal year 2012-13; and by proposing to amend the State Constitution’s definition of the guaranteed amount and settle-up requirement under certain circumstances.

The State and national economy reflect some signs of an economic slowdown that could push the State and national economy into a recession. In the event the State or national economy experiences a recession during the term to maturity or earlier redemption of the Series 2024A Bonds, there may continue to be adverse effects on the budgets of school districts caused by the general economic slowdowns in the State and the State’s own budget difficulties. See APPENDIX A – “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – STATE FUNDING OF SCHOOL DISTRICTS – State Budget Act – [2023-24 State Budget,” “– 2024-25 State Budget,” and “– May Revise to 2024-25 State Budget.”] Other events resulting in changing economic conditions may also impact State revenue sources and have negative effects upon the amount of and the manner in which the District receives money from the State. The District cannot predict whether events that may result in changing economic conditions will occur or the extent that a change in economic conditions will impact the financial outlook of the State or the District from year to year.

Information about the State budget and State spending for education is regularly available at various State-maintained websites. Text of proposed and adopted budgets may be found at the website of the Department of Finance, www.dof.ca.gov, under the heading “California Budget.” An impartial analysis of the budget is posted by the Office of the Legislative Analyst at www.lao.ca.gov. In addition, various State

official statements, many of which contain a summary of the current and past State budgets and the impact of those budgets on school districts in the State, may be found at the website of the State Treasurer, www.treasurer.ca.gov. The information referred to is prepared by the respective State agency maintaining each website and not by the District, and the District can take no responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references. See APPENDIX A – “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – STATE FUNDING OF SCHOOL DISTRICTS – State Budget Act.”

Infectious Disease Outbreak

[In general, the outbreak of a highly contagious disease or epidemic disease could harm the District’s financial results or result in a temporary shutdown of the District’s facilities. Many school districts in the State are funded based on the LCFF, which allocates a base grant per unit of average daily attendance with additional supplemental grants based on certain factors. Thus, a temporary shutdown of a school or an entire school district would reduce the average daily attendance and could impact the funding a school district receives (unless the State legislature or California Department of Education takes action to exclude such days from the calculations for funding purposes). Further, any impact on the State’s tax and other revenue receipts as a result of a highly contagious or epidemic disease may in turn impact other educational funding that the District receives from the State. See “– Economic Conditions in California; State Funding of Education” above. In addition, the District may incur increased operational costs to clean, sanitize and maintain its facilities either before or after an outbreak of an infectious disease.

The outbreak of COVID-19 and the resulting pandemic has significantly impacted school districts throughout California, including the District. For more information regarding the impact of the COVID-19 pandemic on the District’s operations and finances, see APPENDIX A – “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – STATE FUNDING OF SCHOOL DISTRICTS – Infectious Disease Outbreak.”]

Cybersecurity

School districts, like other governmental and business entities, face significant risks relating to the use and application of computer software and hardware for educational, operational and management purposes. The District collects, processes, and distributes an enormous amount of private, protected, and personal information on students, staff, parents, visitors, and contractors. As the custodian of such information, the District is constantly facing a variety of persistent and evolving cybersecurity threats. For more information regarding recent cyber incidents involving the District and actions the District has taken to protect its systems and minimize future cyberattacks, see APPENDIX A – “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT GENERAL INFORMATION – Cybersecurity.”

THE DISTRICT

A description of the District, including information concerning its finances and organization, its major revenue sources, funds, liabilities and indebtedness, and certain factors affecting its finances and operations, is set forth in Appendix A.

The District’s Audited Annual Financial Report for fiscal year ended June 30, 2023, including its general purpose financial statements for the fiscal year ended June 30, 2023, is included as Appendix B. The basic financial statements of the District for the fiscal year 2022-23 have been audited by Simpson & Simpson, independent certified public accountants, as stated in their report appearing in Appendix B. The

District has not requested nor has the District obtained the consent of Simpson & Simpson to the inclusion of its report in Appendix B. Simpson & Simpson has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Simpson & Simpson has not been requested to perform and has not performed any procedures relating to the Official Statement.

MATERIAL LITIGATION

[The District is currently defending approximately [] lawsuits (totaling [] claimants) relating to allegations of misconduct by former employees with respect to childhood sexual assault, abuse and/or molestation. These claims in this number, and potentially more, are brought pursuant to California Code of Civil Procedure Section 340.1 and by application of a change in California law, brought by AB 218, which became effective on January 1, 2020, and similar childhood sexual assault, abuse and/or molestation claims for tort liability. There are also a number of other lawsuits and claims pending against the District. [Update current litigation, including AB 218] See APPENDIX A – “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – STATE FUNDING OF SCHOOL DISTRICTS – Risk Management and Litigation” and “– Sexual Misconduct Cases – Assembly Bill 218 and Related Claims” thereunder.

Except as described above, there is no material litigation pending against the District or, to the knowledge of its executive officers, threatened, (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices or the titles of the officials of the District to such offices; (ii) seeking to restrain or enjoin the issuance or delivery of the Series 2024A Bonds, the application of the proceeds of the sale of the Series 2024A Bonds, or in any way contesting or affecting the validity of the Bonds, the Revolving Credit Agreement, the Indenture, or the Continuing Disclosure Certificate, or materially affecting payment of the Series 2024A Bonds or payment of any other obligations of the District, or contesting the powers of the District or any authority for the issuance of the Series 2024A Bonds; (iii) contesting the completeness or accuracy of the preliminary or final Official Statement; or (iv) in which a final adverse decision could result in any material adverse change in the business, properties, assets or the financial condition of the District or which may have a material adverse effect on the ability of the District to meet its obligations under the Series 2024A Bonds, the Revolving Credit Agreement, the Indenture, or the Continuing Disclosure Certificate. See APPENDIX A – “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT FINANCIAL INFORMATION – Risk Management and Litigation.”

TAX MATTERS

[In the opinion of Orrick, Herrington & Sutcliffe LLP, bond counsel to the District (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2024A Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel is of the opinion that interest on the Series 2024A Bonds is exempt from State of California personal income taxes. Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Series 2024A Bonds. The proposed form of opinion of Bond Counsel is contained in Appendix D hereto.

The following discussion summarizes certain U.S. federal income tax considerations generally applicable to holders of the Series 2024A Bonds that acquire their Series 2024A Bonds in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors

should note that no rulings have been or are expected to be sought from the U.S. Internal Revenue Service (the “IRS”) with respect to any of the U.S. federal income tax considerations discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with U.S. tax consequences applicable to any given investor, nor does it address the U.S. tax considerations applicable to all categories of investors, some of which may be subject to special taxing rules (regardless of whether or not such investors constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their Series 2024A Bonds as part of a hedge, straddle or an integrated or conversion transaction, investors whose “functional currency” is not the U.S. dollar, or certain taxpayers that are required to prepare certified financial statements or file financial statements with certain regulatory or governmental agencies. Furthermore, it does not address (i) alternative minimum tax consequences, (ii) the net investment income tax imposed under Section 1411 of the Code, or (iii) the indirect effects on persons who hold equity interests in a holder. This summary also does not consider the taxation of the Series 2024A Bonds under state, local or non-U.S. tax laws. In addition, this summary generally is limited to U.S. tax considerations applicable to investors that acquire their Series 2024A Bonds pursuant to this offering for the issue price that is applicable to such Series 2024A Bonds (i.e., the price at which a substantial amount of the Series 2024A Bonds is sold to the public) and who will hold their Series 2024A Bonds as “capital assets” within the meaning of Section 1221 of the Code.

As used herein, “U.S. Holder” means a beneficial owner of a Series 2024A Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). As used herein, “Non-U.S. Holder” generally means a beneficial owner of a Series 2024A Bond (other than a partnership) that is not a U.S. Holder. If a partnership holds Series 2024A Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Series 2024A Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Series 2024A Bonds (including their status as U.S. Holders or Non-U.S. Holders).

Prospective investors should consult their own tax advisors in determining the U.S. federal, state, local or non-U.S. tax consequences to them from the purchase, ownership, and disposition of the Series 2024A Bonds in light of their particular circumstances.

U.S. Holders - Interest. Interest on the Series 2024A Bonds generally will be taxable to a U.S. Holder as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder’s method of accounting for U.S. federal income tax purposes.

[To the extent that the issue price of any maturity of the Series 2024A Bonds is less than the amount to be paid at maturity of such Series 2024A Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series 2024A Bonds) by more than a de minimis amount, the difference may constitute original issue discount (“OID”). U.S. Holders of Series 2024A Bonds will be required to include OID in income for U.S. federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest (which may be before the receipt of cash payments attributable to such income). Under this method, U.S. Holders generally will be required to include in income increasingly greater amounts of OID in successive accrual periods.]

Series 2024A Bonds purchased for an amount in excess of the principal amount payable at maturity (or, in some cases, at their earlier call date) will be treated as issued at a premium. A U.S. Holder of a Series 2024A Bond issued at a premium may make an election, applicable to all debt securities purchased at a premium by such U.S. Holder, to amortize such premium, using a constant yield method over the term of such Series 2024A Bond.

U.S. Holders - Sale or Other Taxable Disposition of the Series 2024A Bonds. Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, retirement (including pursuant to an offer by the District) or other disposition of a Series 2024A Bond will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a Series 2024A Bond will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the Series 2024A Bond, which will be taxed in the manner described above) and (ii) the U.S. Holder's adjusted U.S. federal income tax basis in the Series 2024A Bond (generally, the purchase price paid by the U.S. Holder for the Series 2024A Bond, decreased by any amortized premium[, and increased by the amount of any OID previously included in income by such U.S. Holder with respect to such Series 2024A Bond]). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the Series 2024A Bonds, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. holder's holding period for the Series 2024A Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

U.S. Holders - Defeasance of the Series 2024A Bonds. If the District defeases any Series 2024A Bond, the Series 2024A Bond may be deemed to be retired and "reissued" for U.S. federal income tax purposes as a result of the defeasance. In that event, in general, a holder will recognize taxable gain or loss equal to the difference between (i) the amount realized from the deemed sale, exchange or retirement (less any accrued qualified stated interest which will be taxable as such) and (ii) the holder's adjusted U.S. federal income tax basis in the Series 2024A Bond.

U.S. Holders - Information Reporting and Backup Withholding. Payments on the Series 2024A Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate U.S. Holder of the Series 2024A Bonds may be subject to backup withholding at the current rate of 24% with respect to "reportable payments," which include interest paid on the Series 2024A Bonds and the gross proceeds of a sale, exchange, redemption, retirement, or other disposition of the Series 2024A Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against the U.S. Holder's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain U.S. holders (including among others, corporations, and certain tax-exempt organizations) are not subject to backup withholding. A holder's failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

Non-U.S. Holders - Interest. Subject to the discussions below under the headings “Information Reporting and Backup Withholding” and “Foreign Account Tax Compliance Act (“FATCA”) – U.S. Holders and Non-U.S. Holders,” payments of principal of, and interest on, any Series 2024A Bond to a Non-U.S. Holder, other than (1) a controlled foreign corporation described in Section 881(c)(3)(C) of the Code and (2) a bank which acquires such Series 2024A Bond in consideration of an extension of credit made pursuant to a loan agreement entered into in the ordinary course of business, will not be subject to any U.S. federal withholding tax provided that the beneficial owner of the Series 2024A Bond provides a certification completed in compliance with applicable statutory and regulatory requirements, which requirements are discussed below under the heading “Information Reporting and Backup Withholding,” or an exemption is otherwise established.

Non-U.S. Holders - Disposition of the Series 2024A Bonds. Subject to the discussions below under the headings “Information Reporting and Backup Withholding” and “Foreign Account Tax Compliance Act (“FATCA”) – U.S. Holders and Non-U.S. Holders,” any gain realized by a Non-U.S. Holder upon the sale, exchange, redemption, retirement (including pursuant to an offer by the District or a deemed retirement due to defeasance of the Series 2024A Bond) or other disposition of a Series 2024A Bond generally will not be subject to U.S. federal income tax, unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States; or (ii) in the case of any gain realized by an individual Non-U.S. Holder, such holder is present in the United States for 183 days or more in the taxable year of such sale, exchange, redemption, retirement (including pursuant to an offer by the District) or other disposition and certain other conditions are met.

Non-U.S. Holders - Information Reporting and Backup Withholding. Subject to the discussion below under the heading “Foreign Account Tax Compliance Act (“FATCA”) – U.S. Holders and Non-U.S. Holders,” under current U.S. Treasury Regulations, payments of principal and interest on any Series 2024A Bonds to a holder that is not a United States person will not be subject to any backup withholding tax requirements if the beneficial owner of the Series 2024A Bond or a financial institution holding the Series 2024A Bond on behalf of the beneficial owner in the ordinary course of its trade or business provides an appropriate certification to the payor and the payor does not have actual knowledge that the certification is false. If a beneficial owner provides the certification, the certification must give the name and address of such owner, state that such owner is not a United States person, or, in the case of an individual, that such owner is neither a citizen nor a resident of the United States, and the owner must sign the certificate under penalties of perjury. The current backup withholding tax rate is 24%.

Foreign Account Tax Compliance Act (“FATCA”)—U.S. Holders and Non-U.S. Holders. Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to foreign financial institutions, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Under current guidance, failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest on the Series 2024A Bonds. In general, withholding under FATCA currently applies to payments of U.S. source interest (including OID) and, under current guidance, will apply to certain “passthru” payments no earlier than the date that is two years after publication of final U.S. Treasury Regulations defining the term “foreign passthru payments.” Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

The foregoing summary is included herein for general information only and does not discuss all aspects of U.S. federal taxation that may be relevant to a particular holder of Series 2024A Bonds in light of the holder’s particular circumstances and income tax situation. Prospective investors are urged to consult their own tax advisors as to any tax consequences to them from the purchase, ownership, and disposition of Series 2024A Bonds, including the application and effect of state, local, non-U.S., and other tax laws.]

RATINGS

Fitch Ratings, Inc. (“Fitch”) and Moody’s Investors Service Inc. (“Moody’s”) have assigned their ratings of “___” and “___,” respectively, to the Series 2024A Bonds. Each rating agency may have obtained and considered information and material which has not been included in this Official Statement. Generally, rating agencies base their ratings on information and material so furnished and on their own investigations, studies and assumptions made by them (which may include information and material from the District which is not included in this Official Statement). Each rating is not a recommendation to buy, sell or hold the Series 2024A Bonds. Each rating reflects only the view of the respective rating agency, and an explanation of the significance of such rating may be obtained from it. There is no assurance that any such rating of a rating agency will be maintained for any given period of time or that such rating may not be revised downward or withdrawn entirely by the rating agency, if in its own judgment, circumstances warrant. Any such downward change in or withdrawal may have an adverse effect on the market price of the Series 2024A Bonds. Neither the Underwriters nor the District have undertaken any responsibility after the issuance and delivery of the Series 2024A Bonds to assure the maintenance of the ratings or to oppose any such revision or withdrawal.

VALIDATION PROCEEDING

On _____, 2024, the District filed a complaint in the Superior Court of the State of California for the County of Los Angeles seeking judicial confirmation of the validity of the transactions relating to its authorizing and approving the issuance of the Bonds including, without limitation, the Series 2024A Bonds and the execution and delivery of the Indenture, the Revolving Credit Agreement and related Notes, and any and all contracts and agreements executed and delivered in connection therewith, and with respect to certain obligations of the District arising under the Judgments. The action was brought against all interested persons pursuant to the provisions of Sections 860 *et seq.* of the California Code of Civil Procedure. The court entered a judgment in the District’s favor on _____, 2024 to the effect, among other things, that the District has the authority under California law to issue the Series 2024A Bonds, and

that the Bonds and the Indenture and the Notes and the Revolving Credit Agreement are valid, legal, and binding obligations of the District under California law. Pursuant to Section 870 of the California Code of Civil Procedure and Rule 2(a) of the California Rules of Court, the period during which a notice of appeal to this judgment could be timely filed expired on _____, 2004 and the judgment is binding and conclusive in accordance with California law.

CERTAIN LEGAL MATTERS

Certain legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, Bond Counsel. A complete copy of the proposed form of Bond Counsel opinion is contained in Appendix D. Bond Counsel, as such, undertakes no responsibility for the accuracy, completeness, or fairness of this Official Statement. Certain legal matters will be passed upon for the District by Orrick, Herrington & Sutcliffe LLP, as Disclosure Counsel to the District, for the Underwriters by _____, and for the District by General Counsel to the District.

Each of Bond Counsel, Disclosure Counsel and Underwriters' Counsel will receive compensation contingent upon the execution and delivery of the Series 2024A Bonds. From time to time, Bond Counsel and Disclosure Counsel each may represent the Underwriters in matters unrelated to the District or the Series 2024A Bonds.

MUNICIPAL ADVISOR

Public Resources Advisory Group (the "Municipal Advisor"), has been engaged by the District to perform financial services in connection with the issuance of the Series 2024A Bonds and certain other financial matters. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading, or distributing municipal securities or other public securities. The Municipal Advisor is not contractually obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

UNDERWRITING

The Series 2024A Bonds are being purchased by _____ and _____, [on behalf of a syndicate that also includes the other underwriters set forth on the cover hereof] (collectively, the "Underwriters"). The Underwriters have agreed, subject to certain terms and conditions set forth in the Bond Purchase Agreement, dated _____, 2024, by and between the Underwriters and the District, to purchase the Series 2024A Bonds at a purchase price of \$_____ (which represents the aggregate principal amount of the Series 2024A Bonds, plus \$_____ of original issue premium, and less \$_____ of Underwriters' discount). The Underwriters will purchase all the Series 2024A Bonds if any are purchased.

The Series 2024A Bonds may be offered and sold to certain dealers (including dealers depositing said Series 2024A Bonds into investment trusts) and others at prices lower than the initial public offering price, and the public offering price may be changed from time to time by the Underwriters.

Certain of the Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, the Underwriters and their affiliates may have certain creditor and/or other rights against the District and its affiliates in connection with such activities. In the various course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a

broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the District. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities, and instruments.

[UW DISTRIBUTION LANGUAGE TO COME.]

MISCELLANEOUS

References are made herein to certain documents and reports which are brief summaries thereof which do not purport to be complete or definitive and reference is made to such documents and reports for full and complete statements of the contents thereof.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or Owners of any of the Series 2024A Bonds.

The District has duly authorized the execution and delivery of this Official Statement.

LOS ANGELES UNIFIED SCHOOL DISTRICT

By: _____
Chief Business Officer

APPENDIX A

**DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC
AND DEMOGRAPHIC INFORMATION**

APPENDIX B

**AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT
FOR FISCAL YEAR ENDED JUNE 30, 2023**

APPENDIX C
SUMMARY OF INDENTURE

APPENDIX D**FORM OF BOND COUNSEL OPINION**

Upon the delivery of the Series 2024A Bonds, Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District, proposes to render its final approving opinion in substantially the following form:

APPENDIX E
FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX F

THE LOS ANGELES COUNTY TREASURY POOL

The Treasurer and Tax Collector of the County of Los Angeles (the “Treasurer”) manages, in accordance with California Government Code Section 53600 et seq., funds deposited with the Treasurer by County school and community college districts, various special districts and some cities. State law generally requires that all moneys of the County, school districts and certain special districts be held in the County’s Treasury Pool (the “Treasury Pool”) as described below. The composition and value of investments under management in the Treasury Pool vary from time to time, depending on the cash flow needs of the County and the other public agencies invested in the Treasury Pool, the maturity or sale of investments, purchase of new securities and fluctuations in interest rates generally. Additionally, the Treasurer, with the consent of the Board of Supervisors of the County of Los Angeles (the “County”), may change the County investment policy at any time. Therefore, there can be no assurance that the values of the various investments in the Treasury Pool will not vary significantly from the values described herein. Neither the District, the Municipal Advisor nor the Underwriters make any representation as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained herein is correct as of any time subsequent to its date. The Treasurer maintains a website, the address of which is <https://ttc.lacounty.gov/monthly-reports/>, on which the Treasurer periodically places information relating to the Treasury Pool. However, the information presented there is not part of this Official Statement, is not incorporated by reference herein and should not be relied upon in making an investment decision with respect to the Bonds.

The County of Los Angeles Pooled Surplus Investments
[TO BE UPDATED PRIOR TO POS POSTING]

The Treasurer and Tax Collector (the “Treasurer”) of the County of Los Angeles (the “County”) has the delegated authority to invest funds on deposit in the County Treasury (the “Treasury Pool”). As of February 29, 2024, investments in the Treasury Pool were held for local agencies including school districts, community college districts, special districts and discretionary depositors such as cities and independent districts in the following amounts:

Local Agency	Invested Funds (in billions)
County of Los Angeles and Special Districts	\$22.953
Schools and Community Colleges	29.866
Discretionary Participants	3.712
Total	<u>\$56.531</u>

The Treasury Pool participation composition is as follows:

Non-discretionary Participants	93.43%
Discretionary Participants:	
Independent Public Agencies	6.44%
County Bond Proceeds and Repayment Funds	0.13%
Total	<u>100.00%</u>

Decisions on the investment of funds in the Treasury Pool are made by the County Investment Officer in accordance with established policy, with certain transactions requiring the Treasurer’s prior approval. In Los Angeles County, investment decisions are governed by Chapter 4 (commencing with

Section 53600) of Part 1 of Division 2 of Title 5 of the California Government Code, which governs legal investments by local agencies in the State of California, and by a more restrictive Investment Policy developed by the Treasurer and adopted by the Los Angeles County Board of Supervisors on an annual basis. The Investment Policy adopted on March 21, 2023, reaffirmed the following criteria and order of priority for selecting investments:

1. Safety of Principal
2. Liquidity
3. Return on Investment

The Treasurer prepares a monthly Report of Investments (the “Investment Report”) summarizing the status of the Treasury Pool, including the current market value of all investments. This report is submitted monthly to the Board of Supervisors. According to the Investment Report dated April 1, 2024, the February 29, 2024 book value of the Treasury Pool was approximately \$56.531 billion, and the corresponding market value was approximately \$54.130 billion.

An internal controls system for monitoring cash accounting and investment practices is in place. The Treasurer’s Compliance Auditor, who operates independently from the Investment Officer, reconciles cash and investments to fund balances daily. The Compliance Auditor’s staff also reviews each investment trade for accuracy and compliance with the Board adopted Investment Policy. On a quarterly basis, the County’s outside independent auditor (the “External Auditor”) reviews the cash and investment reconciliations for completeness and accuracy. Additionally, the External Auditor reviews investment transactions on a quarterly basis for conformance with the approved Investment Policy and annually accounts for all investments.

The following table identifies the types of securities held by the Treasury Pool as of February 29, 2024:

Type of Investment	% of Pool
Certificates of Deposit	4.07%
U.S. Government and Agency Obligations	69.37
Bank Acceptances	0.00
Commercial Paper	26.47
Municipal Obligations	0.07
Corporate Notes & Deposit Notes	0.02
Repurchase Agreements	0.00
Asset Backed Instruments	0.00
Other	0.00
	<u>100.00%</u>

The Treasury Pool is highly liquid. As of February 29, 2024, approximately 33.28% of the investments mature within 60 days, with an average of 705 days to maturity for the entire portfolio.

APPENDIX G

BOOK-ENTRY ONLY SYSTEM

The following information has been provided by DTC for use in securities offering documents, and none of the District or the Underwriters takes any responsibility for the accuracy or completeness thereof.

The Depository Trust Company (“DTC”), will act as securities depository for the Series 2024A Bonds. The Series 2024A Bonds will be executed and delivered as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Series 2024A Bond will be issued for each stated Principal Payment Date of the Series 2024A Bonds, each in the aggregate amount of the principal evidenced by Series 2024A Bonds with such stated Principal Payment Date, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The information on such website is not incorporated into this Official Statement by reference or otherwise.

Purchases of Series 2024A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2024A Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2024A Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners, however, are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2024A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2024A Bonds, except in the event that use of the book-entry system for the Series 2024A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2024A Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2024A Bonds with DTC and their

registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2024A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2024A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2024A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2024A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Indenture and the Revolving Credit Agreements. For example, Beneficial Owners of Series 2024A Bonds may wish to ascertain that the nominee holding the Series 2024A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Series 2024A Bonds with a particular stated Principal Payment Date are being prepaid, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series 2024A Bonds to be prepaid.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2024A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2024A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal, premium, if any, interest, and other payments evidenced by the Series 2024A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the District or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments of principal, premium, if any, interest, and other payments evidenced by the Series 2024A Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Trustee, and disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2024A Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2024A Bonds are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Series 2024A Bonds will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

THE DISTRICT AND THE TRUSTEE CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC WILL DISTRIBUTE TO PARTICIPANTS, OR THAT PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL, INTEREST OR ANY PREMIUM EVIDENCED BY THE SERIES 2024A BONDS PAID TO DTC OR ITS NOMINEE AS THE REGISTERED OWNER, OR ANY PREPAYMENT OR OTHER NOTICES, TO THE BENEFICIAL OWNERS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE DISTRICT AND THE TRUSTEE ARE NOT RESPONSIBLE OR LIABLE FOR THE FAILURE OF DTC OR ANY PARTICIPANTS TO MAKE ANY PAYMENT OR GIVE ANY NOTICE TO A BENEFICIAL OWNER WITH RESPECT TO THE SERIES 2024A BONDS OR ANY ERROR OR DELAY RELATING THERETO.

THE FOREGOING DESCRIPTION OF THE PROCEDURES AND RECORD KEEPING WITH RESPECT TO BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2024A BONDS, PAYMENT OF PRINCIPAL, INTEREST AND OTHER PAYMENTS EVIDENCED BY THE SERIES 2024A BONDS TO PARTICIPANTS OR BENEFICIAL OWNERS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN SUCH BONDS AND OTHER RELATED TRANSACTIONS BY AND BETWEEN DTC, THE PARTICIPANTS AND THE BENEFICIAL OWNERS IS BASED ON INFORMATION PROVIDED BY DTC. ACCORDINGLY, THE DISTRICT TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

APPENDIX A

**DISTRICT FINANCIAL INFORMATION AND
REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION**

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This Appendix A provides information concerning the operations and finances of the Los Angeles Unified School District (the “District”) and certain demographic information in the area covered by the District. Investors must read the entire Official Statement, including this Appendix A, to obtain information essential to making an informed investment decision. The Series 2024A Bonds are obligations of the District imposed by law and are absolute and unconditional, without any right of set-off or counterclaim. The Series 2024A Bonds do not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation, and neither the Series 2024A Bonds nor the obligation of the District to make payment of the interest on or the principal of the Series 2024A Bonds constitutes an indebtedness of the District or the State, or any of its political subdivisions, in contravention of any constitutional or statutory debt limitation or restriction. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” in the forepart of this Official Statement. See also “GLOSSARY OF CERTAIN TERMS AND ABBREVIATIONS” herein for a description of certain terms and abbreviations used in this Appendix A.

**[DISTRICT AND OTHER INCLUDED INFORMATION TO BE UPDATED
AS AND WHEN NEW INFORMATION BECOMES AVAILABLE.]**

DISTRICT GENERAL INFORMATION

District Boundaries

The District, encompassing approximately 710 square miles, is located in the western section of the County of Los Angeles (the “County”) in the State of California (the “State”). The District’s boundaries include virtually all of the City of Los Angeles (the “City”), all of the Cities of Cudahy, Gardena, Huntington Park, Lomita, Maywood, San Fernando, Vernon and West Hollywood, and portions of the Cities of Bell, Bell Gardens, Beverly Hills, Calabasas, Carson, Commerce, Culver City, Downey, Hawthorne, Inglewood, Long Beach, Lynwood, Montebello, Monterey Park, Rancho Palos Verdes, Rolling Hills Estates, Santa Clarita, Santa Monica, South Gate, and Torrance. In addition, the District provides services to several unincorporated areas of the County, which include residential and industrial areas. The boundaries for the District are approximately 80% coterminous with the City, with the remaining 20% included in the smaller neighboring cities and unincorporated County areas described above. The District was formed in 1854 as the Common Schools for the City and became a unified school district in 1960.

District Governance; Senior Management

District Board. The District is governed by a seven-member Board of Education (the “District Board”), each member of which is a voting member and elected by voters within such member’s designed district. The members of the District Board are elected to four-year terms in alternate slates of three and four, with elections held every two years. In an election year, if a candidate receives a majority of the votes cast for a District Board seat in the primary election, that candidate is elected to the office. In the event no candidate receives a majority of the votes cast for a District Board seat, there is a runoff election at the general election between the two candidates receiving the highest number of votes for the seat in the primary election. The current members of the District Board along with their district and term are set forth below.

District	Member	Term Ending
5	Jackie Goldberg, President	December 16, 2024
3	Scott Schmerelson, Vice President	December 16, 2024
1	Dr. George J. McKenna III	December 16, 2024
2	Dr. Rocio Rivas	December 12, 2026
4	Nick Melvoin	December 12, 2026
6	Kelly Gonez	December 12, 2026
7	Tanya Ortiz Franklin	December 16, 2024

The District Board seats in the odd-numbered districts are up for election in 2024. The incumbent members of the District Board for district 3, Scott Mark Schmerelson, and district 7, Tanya Ortiz Franklin, ran in the March 2024 primary election to remain on the District Board. The incumbent members of the District Board for district 1, George McKenna, and district 5, Jackie Goldberg, did not run to remain on the District Board. At the primary election held on March 5, 2024, Tanya Ortiz Franklin received a majority of the votes for the district 7 District Board seat and was re-elected to such seat. The remaining District Board seats (districts 1, 3 and 5) will have runoff elections in the general election on November 5, 2024. The district 1 runoff will be between Sherlett Hendy Newbill and Khallid A. Al-Alim; the district 3 runoff will be between Scott Mark Schmerelson and Dan Chang; and the district 5 runoff will be between Karla Griego and Graciela “Grace” Ortiz.

Superintendent. The chief executive officer of the District, appointed by the District Board to manage the day-to-day operations of the District, is the Superintendent of Schools (the “Superintendent”). The District Board appointed Alberto M. Carvalho to serve as the Superintendent effective February 2022.

Strategic Plan. On June 21, 2022, the District Board unanimously adopted a strategic plan for the next four years (the “2022-26 Strategic Plan”) that focuses on the goal of ensuring that all District students graduate “ready for the world” and prepared to thrive in college, career, and life. The 2022-26 Strategic Plan revolves around five pillars, each consisting of four priorities, that represent critical areas the District will focus on: academic excellence; joy and wellness; engagement and collaboration; operational effectiveness; and investing in staff.

Pursuant to the 2022-26 Strategic Plan, the first pillar of “Academic Excellence” prioritizes improving student outcomes through high-quality instruction, delivering enriching experiences to instill lifelong learning, eliminating opportunity gaps, and encouraging multiple paths for college and career readiness. The second pillar of “Joy and Wellness” prioritizes creating welcoming and inclusive learning environments, addressing student well-being through health, nutrition, and wellness services, cultivating strong social-emotional skills, and ensuring outstanding attendance to achieve consistent learning. The third pillar of “Engagement and Collaboration” prioritizes strengthening relationships between students, families, and schools, providing accessible information to the community, leading on local, state, and national levels, and honoring the perspectives of students. The fourth pillar of “Operational Effectiveness” prioritizes developing data-driven decision-making, modernizing facilities and technological infrastructure, sustainably implementing school and District budgets, and making the District a district of choice of families. The fifth pillar of “Investing in Staff” prioritizes recruiting and retaining a diverse workforce, providing rigorous and relevant professional learning, cultivating staff wellness, and maintaining consistent and high performance standards.

The District developed an Implementation Guide for the 2022-26 Strategic Plan with actions and practices for practitioners to implement in schools and classrooms. Pursuant to the 2022-26 Strategic Plan, the District intends to, among other endeavors, ensure processes and systems are in alignment by reviewing budgets, updating reporting structures, offering professional development for school and

central office staff, and providing additional support for aligning school-level plans to the 2022-26 Strategic Plan. Furthermore, to ensure the 2022-26 Strategic Plan remains on track, the District is regularly engaging with the community to solicit feedback on its actions and expenditures, and has established districtwide systems to monitor progress of ongoing implementation, as well progress toward achieving its targets for success – at both the central-office and school-site levels.

Regions. In addition to the Superintendent of the District, the District organizes its schools into four (formerly six) geographically-based regions (each, a “Region”). Each Region has a separate superintendent to oversee the schools in the related area of the District. The current Region Superintendents are Dr. David Baca (North), Andre Spicer (South), José P. Huerta (East), and Dr. Denise Collier (West).

Biographies. Brief biographical information for Superintendent Alberto M. Carvalho and other senior management of the District is set forth below.

Alberto M. Carvalho, Superintendent. Alberto M. Carvalho has served as Superintendent of the District, the nation’s largest self-governing public school district, since February 2022. He was selected by the District Board in a unanimous vote following a comprehensive community engagement process and a nationwide search.

During his 14-year tenure as Superintendent of Miami-Dade County Public Schools (“M-DCPS”), Superintendent Carvalho garnered local, state, national and international recognition. His honors include Florida’s 2014 Superintendent of the Year; the 2014 National Superintendent of the Year; the 2016 winner of the Harold W. McGraw Prize in Education; the 2018 National Urban Superintendent of the Year; the 2019 National Association for Bilingual Education (NABE) Superintendent of the Year Award; making him the most accomplished Superintendent in America’s history.

Superintendent Carvalho currently serves on the National Assessment Governing Board, appointed by the U.S. Secretary of Education. He also serves as a committee member for the National Academies of Science, Engineering, and Medicine and as an Advisory Committee Member to the Harvard Program on Education Policy and Governance. Superintendent Carvalho is a dedicated member of the National Board of Directors for Common Threads and the Posse Foundation.

Under his tenure, M-DCPS became one of the nation’s highest-performing urban school systems, receiving systemwide accreditation from AdvancEd in 2014. M-DCPS was named as the 2014 College Board Advanced Placement Equity and Excellence District of the Year and the 2012 winner of the Broad Prize for Urban Education. He is now seeking to elevate the District to the premier spot in American urban education.

Superintendent Carvalho has been awarded many honorary degrees. He has been honored by the President of Portugal with the “Ordem de Mérito Civil,” by Mexico with the “Ohtli Award” and was awarded the Official Cross of the Orden de Isabel la Católica (Order of Isabella the Catholic) on behalf of King Felipe VI of Spain.

Jaime G. Torrens, Senior Advisor to the Superintendent. Mr. Torrens, Senior Advisor to the Superintendent of the District, is responsible for assisting and supporting the Superintendent in the overall operation of the largest self-governing public school district in the nation.

Mr. Torrens previously served as Deputy Superintendent and Chief of Staff for M-DCPS where he oversaw a broad portfolio of functional areas. Among other duties, he led the M-DCPS’ response and recovery related to COVID-19 (as defined herein).

As Chief Facilities Officer for over 12 years he was responsible for all aspects of facilities planning, construction, maintenance, operations and inspections at the fourth largest school system in the nation. As a member of the Superintendent's Cabinet, he directed a staff of 1,000 professional and technical personnel responsible for all aspects of 3,100 buildings comprising 45 million square feet on over 400 school campuses and ancillary facilities.

Mr. Torrens also led the implementation of M-DCPS' \$1.2 billion General Obligation Bond program approved by voters in 2012 to renovate, construct and modernize school facilities throughout Miami-Dade County. This extensive capital improvement program included instructional technology upgrades at every school to provide equity throughout all campuses. Concurrently, he helped launch a comprehensive business development program which drastically expanded participation of small, minority and women-owned businesses that had been historically underrepresented in the construction industry.

Mr. Torrens served M-DCPS in various positions of increasing responsibility related to facilities management and district/emergency operations. He led M-DCPS' infusion of sustainability principles into design criteria and specifications for capital projects, implemented the Guaranteed Energy Performance Contracting Program and opened the first Gold Certified comprehensive high school under the LEED for Schools Program.

Mr. Torrens holds a Master of Science in Management Information Systems and a Bachelor of Science in Electrical Engineering from Florida International University, and he is a LEED Accredited Professional.

Mr. Pedro Salcido, Deputy Superintendent of Business Services and Operations. Since joining the District in 2012, Pedro Salcido has served in a variety of roles. Appointed in November 2022, he is currently the Deputy Superintendent of Business Services and Operations overseeing the critical work and divisions that enable the District to run, including school operations, food services, transportation, finance, information technology, facilities, medical services, and procurement. Current strategic initiatives under his purview include closing the digital divide, school bus electrification and systems modernization, healthier and more appealing school meals, wireless network modernization, school building modernization projects, and zero-based budgeting.

Prior to becoming Deputy Superintendent of Business Services and Operations, Mr. Salcido served as the Chief of Staff, managing all District academic and nonacademic operations and activities, while also serving as the Superintendent's principal liaison to the District Board. He oversaw the execution of all District policies and was instrumental in the development of Superintendent Carvalho's 100-Day Plan and 2022-26 Strategic Plan. Mr. Salcido has a demonstrated track record in expanding equitable programmatic and financial practices. Most notably, he served as the leading staff member who developed and implemented the District's Student Equity Needs Index (SENI), an equity-based funding allocation that today has grown to distribute nearly \$700 million to the neediest schools in the District.

Mr. Salcido also served as the District's Senior Executive Director of Finance and Policy, and the Director of Government Relations during which he managed state, federal and local advocacy efforts and supervised internal and external efforts related to finance, labor negotiations and general board policies. Moreover, for five years, he led the work on the initial development and implementation of the District's Local Control and Accountability Plan ("LCAP"), the result of which was the establishment of a system of common accountability and budget alignment with the LCAP Scorecard and broad community engagement efforts.

As a first-generation Mexican American son of immigrants and a first-generation high school and college graduate, Mr. Salcido often relies on his own lived experiences to connect with both the educational and personal experiences of the students we serve. He seeks to listen often to the perspectives of staff, students, and families to effectively contribute to the decisions that shape the daily experiences of Los Angeles students and families. Mr. Salcido holds a Master's in Public Administration from the University of Southern California and holds dual degrees in Politics and Latin American Studies from the University of California, Santa Cruz.

Devora Navera Reed, General Counsel. Devora Navera Reed serves as the General Counsel for the District. She has been serving the District since 2006 and previously held the position of Chief Education and Legal Services Counsel. Ms. Navera Reed oversaw legal issues and litigation in areas dealing with special education, school law and operations, charter schools, equity and access, and constitutional issues, to name a few. As General Counsel for the District, Ms. Navera Reed is responsible for administering and overseeing the legal activities of the District's legal staff and outside legal firms. In addition, she advises the District Board, Superintendent, and senior leadership related to matters of major importance to the District. Prior to joining the District in 2006, Ms. Navera Reed served as an attorney for the Children's Law Center of Los Angeles for nearly a decade, where she represented and advocated for children in dependency court and the foster care system. In addition to her legal responsibilities, Ms. Navera Reed serves as a board member of the California Minority Counsel Program promoting diversity, equity and inclusion in the legal field. Ms. Navera Reed earned a Bachelor of Arts from the University of Southern California in 1992 and a Juris Doctorate degree from the University of San Francisco School of Law in 1996.

David D. Hart, Chief Business Officer. Mr. Hart began serving as the District's Chief Business Officer in January 2020. Before coming to the District, Mr. Hart served as the Chief Financial Officer of the Cherry Creek School District for approximately three years – the last 18 months of which he also served as Cherry Creek's Chief Operating Officer. Before joining Cherry Creek, Mr. Hart was a Director at The PFM Group for nearly two years and a Senior Vice President in Public Finance at D.A. Davidson & Co. for approximately a year. Prior to that time, Mr. Hart served as the Chief Financial Officer for Denver Public Schools for four years and as Chief Financial Officer of the Douglas County School District for three years. He has also served as Manager of Revenue for the City and County of Denver, as Treasurer for the City and County of Denver and as Budget Director for the Douglas County School District. Mr. Hart attended the University of Colorado at Denver, where he received his Master of Public Administration: Policy Analysis and Evaluation.

Nolberto Delgadillo, Deputy Chief Business Officer – Finance. Mr. Delgadillo joined the District in July 2023, taking on the role to support the District's fiscal strategy. He came to the District from Portland Public Schools (Oregon) where he served as Chief Financial Officer. Prior to his time at Portland Public Schools he served in the same role for Tulsa Public Schools (Oklahoma). Mr. Delgadillo has a track record for being responsible for ensuring that school district funds are managed responsibly and reported accurately while leading the full spectrum of financial services. Before his time with Tulsa Public Schools, Mr. Delgadillo served as Chief Operations Officer in Los Angeles, at the LA Promise Fund. He also previously supported finance operations at Green Dot Public Schools (California). Mr. Delgadillo also spent over 12 years in the health care sector. He is a graduate from the University of Southern California earning degrees in Chemistry and Spanish and earning an MBA from Loyola Marymount University. He also completed a two-year program through The Broad Center, earning a Master's in Educational Leadership.

Ernie Thomas, Controller. Mr. Thomas joined the District in January 2024 from a national non-profit organization focused on education where he served for a decade, first as Controller and eventually as Treasurer and Controller for the last six years. He previously served as Corporate Controller for a

community sector organization for two years. Prior to that, he served as Vice President at National Community Renaissance for a year. Before that, Mr. Thomas served at an entertainment company for over a decade, where he first held the position of Controller for three years, and then Chief Financial Officer for the last nine years. Mr. Thomas was also an auditor at Authur Andersen & Co. and is a Certified Public Accountant (inactive). Mr. Thomas graduated from UCLA with a Bachelor of Arts degree in Economics.

Timothy S. Rosnick, Director of Capital Planning and Budgeting. Mr. Rosnick joined the District in October 2006 and served as the District's Director of Accounting Controls from October 2006 through June 2007 and the Director of Treasury and Accounting Controls from July 2007 through June 2008. Mr. Rosnick served as the District's Controller from June 2008 through June 2011 and served as the District's Deputy Controller from June 2011 through September 2023. Mr. Rosnick became Director of Capital Planning and Budgeting in September 2023. Prior to joining the District, Mr. Rosnick served as an Administrator at the Orange County Department of Education and as a Financial Officer with LACOE. Mr. Rosnick graduated from the University of Washington with a Bachelor of Arts degree with Distinction in Economics and received a Master of Business Administration degree from the University of Texas at Austin. Mr. Rosnick is a member of the Government Finance Officers Association and the CFA Institute.

School Facilities

The District is the largest public school district in the State and the largest self-governing public school district in the United States. As reflected in the District's Audited Annual Financial Report for fiscal year 2022-23, the District operated 1,238 schools and centers in fiscal year 2022-23, which consisted of 434 elementary schools, 78 middle/junior high schools, 87 senior high schools, 59 options schools, 262 magnet centers, 67 magnet schools, 30 multi-level schools, 12 special education schools, 2 community adult schools, 7 regional occupational centers, 2 skills centers, 87 early education centers, 4 infant centers, 18 primary school centers, and 89 California State preschools in fiscal year 2022-23. As reflected in the District's Audited Annual Financial Report for fiscal year 2022-23, 51 of the District's schools were operated as locally-funded affiliated charter schools ("Affiliated Charter Schools"). In addition, as reflected in the District's Audited Annual Financial Report for fiscal year 2022-23, the District oversaw 224 fiscally independent charter schools ("Fiscally Independent Charter Schools") within the District's boundaries in fiscal year 2022-23. See "STATE FUNDING OF SCHOOL DISTRICTS – Charter School Funding."

Enrollment and Average Daily Attendance

At the time of preparation of the District's second interim report for fiscal year 2023-24 (the "Fiscal Year 2023-24 Second Interim Report"), the transitional kindergarten ("TK") through 12th grade enrollment in the District for fiscal year 2023-24 was projected to be approximately 412,341 students, including those attending magnet, opportunity, and continuation schools and centers, Affiliated Charter Schools, and schools for people with disabilities. Such enrollment represents a decrease of 1,482 students or a decline of approximately 0.36% from the budgeted TK-12 enrollment in the District at the time of preparation of the District's original adopted budget for fiscal year 2023-24 (the "Fiscal Year 2023-24 Budget"). Such enrollment does not include students attending Fiscally Independent Charter Schools that was budgeted at 108,702 students at the time of preparation of the Fiscal Year 2023-24 Budget. Based on enrollment projections at the time of preparation of the Fiscal Year 2023-24 Second Interim Report, the District was projecting enrollment to decline by 2.49% on average through fiscal year 2025-26. For information regarding District operating deficits in relation to declining enrollment, see "DISTRICT FINANCIAL INFORMATION – District Budget – LACOE's Response to Fiscal Year 2023-24 Budget." While the District expects enrollment to continue to decline, the District's projected enrollment declines

are subject to change as conditions change and more data becomes available throughout the fiscal year. The District attributes declining enrollment to, among other things, the reduced birth rate in the County, increased costs of living and housing costs in southern California, declining immigration trends in the Los Angeles area, and residual impacts of the Coronavirus Disease 2019 (“COVID-19”) pandemic. The District’s Strategic Enrollment & Program Planning Office continues to lead coordination of District-wide enrollment efforts by utilizing data-driven decision-making to expand successful district programs, improve marketing and outreach to communities, implement student retention and matriculation strategies, and streamline TK-12 pathways and programs.

As a result of declining enrollment in District schools, the District’s annual average daily attendance (“ADA”) has declined in recent years and is expected to further decline in fiscal years 2023-24 through 2025-26 based on projections contained in the Fiscal Year 2023-24 Second Interim Report. To ensure funding stability regardless of instructional model in light of the COVID-19 pandemic, the State budget for fiscal year 2020-21 included a hold-harmless provision for the purpose of calculating apportionments in fiscal year 2020-21, and it provided that average daily attendance for fiscal year 2020-21 was based on fiscal year 2019-20 (specifically, the period July 1, 2019 through February 29, 2020). Although the State budget for fiscal year 2021-22 did not include an extension of the ADA hold-harmless provision in fiscal year 2021-22, school districts with enrollment declines in fiscal year 2021-22, like the District, retained the ability to receive their apportionment based on the higher of their fiscal year 2019-20 or fiscal year 2021-22 ADA as provided under the Local Control Funding Formula (the “LCFF”). See “STATE FUNDING OF SCHOOL DISTRICTS – Local Control Funding Formula.” In light of pervasive declining enrollment throughout nearly all school districts in the State, the Governor’s State budget for fiscal year 2022-23 revised the LCFF calculation beginning with fiscal year 2022-23 to consider the greater of a school district’s current fiscal year, prior fiscal year, or the average of three prior fiscal years’ ADA to allow school districts more time to adjust to enrollment-related LCFF funding declines. For purposes of fiscal year 2021-22, if a school district could demonstrate it provided independent study offerings to students in fiscal year 2021-22, such school district could consider the greater of its fiscal year 2021-22 ADA or its fiscal year 2021-22 enrollment adjusted for pre-COVID-19 absence rates. Such adjustment was applicable to fiscal year 2021-22 for purposes of calculating a school district’s prior year ADA or the average of three prior years’ ADA in fiscal year 2022-23 and beyond in accordance with the amendments made in connection with the Governor’s State budget for fiscal year 2022-23. The following Table A-1 sets forth the District’s actual and funded ADA for fiscal years 2014-15 through 2023-24. As reflected in Table A-1, the District’s funded ADA for fiscal years 2014-15 through 2021-22 was based largely on actual prior year ADA for the second period of attendance (“P-2”) for traditional TK-12 students, but current year P-2 ADA for students attending Affiliated Charter Schools. For fiscal years 2022-23 and 2023-24, the District’s funded ADA was based largely on the average of three prior fiscal years’ P-2 ADA for traditional TK-12 students, as adjusted in accordance with the COVID-19 ADA relief measures, but current year P-2 ADA for students attending Affiliated Charter Schools. As is shown in Table A-1, the revised LCFF calculation allowing the greater of a school district’s current fiscal year, prior fiscal year, or the average of three prior fiscal years’ ADA delays, but does not eliminate, the effects of enrollment declines on LCFF funding, such effects to eventually be felt as higher attendance levels from earlier years continue phasing out of the District’s average.

TABLE A-1
LOS ANGELES UNIFIED SCHOOL DISTRICT
Average Daily Attendance
Fiscal Years 2014-15 through 2023-24⁽¹⁾

Fiscal Year	Actual ADA			Funded ADA
	TK-12 ⁽²⁾	Affiliated Charter Schools ⁽³⁾	Total	Total
2014-15	476,285	39,944	516,229	524,591 ⁽⁷⁾
2015-16	463,735	39,632	503,367	512,625 ⁽⁷⁾
2016-17	450,713	41,143	491,856	500,648 ⁽⁷⁾
2017-18	438,359	40,232	478,591	483,710 ⁽⁷⁾
2018-19	415,100	38,910	454,010	470,127 ⁽⁷⁾
2019-20 ⁽⁴⁾	413,965	40,940	454,905	454,792 ⁽⁷⁾
2020-21 ⁽⁵⁾	N/A	N/A	N/A	455,356 ⁽⁷⁾
2021-22	345,896	35,043	380,939	449,912 ⁽⁷⁾
2022-23	348,544	35,466	384,010	434,269 ⁽⁸⁾
2023-24 ⁽⁶⁾	337,884	34,579	372,463	410,586 ⁽⁸⁾

⁽¹⁾ Data may differ from other District disclosures because adjustments were made in certain fiscal years due to additional attendance for non-public students, corrected attendance reports for District students, and/or audit findings.

⁽²⁾ Includes non-public school special education students and District students attending schools operated by the County.

⁽³⁾ Includes charter schools that are fiscally-affiliated with the District.

⁽⁴⁾ Condensed reporting period. Does not reflect actual student attendance after February 29, 2020 due to the COVID-19 pandemic.

⁽⁵⁾ Attendance reporting not required for fiscal year 2020-21. The fiscal year 2020-21 State budget included a hold harmless provision for the purpose of calculating apportionments under LCFF in fiscal year 2020-21, providing that ADA for fiscal year 2020-21 was based on ADA for fiscal year 2019-20 (specifically, the period July 1, 2019 through February 29, 2020), as discussed in more detail above.

⁽⁶⁾ Funded ADA, as reflected in the Fiscal Year 2023-24 Second Interim Report.

⁽⁷⁾ Funded ADA is based largely on actual prior year P-2 ADA for TK-12 and current year P-2 ADA for Affiliated Charter Schools. For more information, see the discussion of ADA funding in the paragraph immediately preceding this table.

⁽⁸⁾ Funded ADA is based largely on the average of three prior fiscal years' P-2 ADA for TK-12, as adjusted in accordance with the COVID-19 ADA relief measures, and current year P-2 ADA for Affiliated Charter Schools. For more information, see the discussion of ADA funding in the paragraph immediately preceding this table.

Sources: Los Angeles Unified School District Audited Annual Financial Report for fiscal year 2021-22 (actual ADA for fiscal years 2012-13 through 2021-22); unaudited actuals reports for fiscal years 2012-13 through 2022-23 (funded ADA for fiscal years 2012-13 through 2022-23; actual ADA for fiscal year 2022-23); Fiscal Year 2023-24 Second Interim Report (funded ADA for fiscal year 2023-24).

Cybersecurity

The District collects, processes, and distributes protected and personal information on students, staff, parents, and contractors. The size of the District's information assets creates a target-rich environment for a variety of threats such as cyber criminals and natural disasters. In 2019, the District experienced a cyberattack that resulted in unauthorized access to a limited number of student records; the software vulnerability was resolved the same day it was discovered. In March 2020, in response to the COVID-19 pandemic, the District rapidly implemented new remote learning and remote working capabilities, which increased the District's cyberattack surface area. The District implemented additional layers of technical and administrative controls to mitigate remote access risks. In August 2022, a Data Center power outage triggered by a failed electrical transformer owned by Los Angeles Department of Water and Power, resulted in temporary unavailability of some information systems. The District mitigated the risk by increasing electrical line and backup power capacity and successfully performing functional load tests.

On September 3, 2022, the District became aware of a cyberattack on its information technology assets and proactively suspended network traffic in and out of its data centers. In response to such incident, the District swiftly activated its incident response protocol and commenced an investigation with

support from Kroll, LLC, an outside cybersecurity firm, to assist with containment, remediation, and forensic analysis. The Microsoft Detection and Response Team also assisted with the forensic investigation. The District also notified local and federal law enforcement agencies and continues to support their ongoing investigations. The District has identified, contained, and remediated the ransomware, and it has not found evidence of additional malware related to the cyberattack or any other persistent malicious activity on its network or systems.

The District's investigation of the incident determined that on or about July 31, 2022, the threat actor began conducting digital monitoring of the District's environment remotely using a contractor account to gain unauthorized access to systems. The District did not pay a ransom to the threat actor in connection with the incident. The threat actor posted approximately 500 gigabytes of data it stole from the District to its "leak site" on the dark web. Most of the files exfiltrated by the threat actor were located on the District's facilities servers and systems. The District provided required notifications to those individuals and entities with personal information included among those materials posted by the threat actor. This included employees, former employees, job applicants, and employees and contractors of facilities services division vendors who had personally identifiable information posted. The District offered credit monitoring services to such individuals. Notifications were also provided to individuals, including students and employees, who had personal "medical information" posted in the form of positive COVID-19 test results collected through the District's COVID-19 testing program, and to individuals, mostly former students, who had information contained in student assessment reports, most of which was dated, posted.

As a result of the incident, the District initially restricted access to its servers and systems, including access to user accounts, email, and software applications. Many operations and processes that were automated or facilitated by technology had to be completed manually, and some still remain manual at this time. Nonetheless, school sites remained operational. Most servers and systems were gradually restored within days as they were determined to be safe, with the District's most critical systems being restored first. The District restored certain impacted systems from backups and continues to work to rebuild others. While the District maintains cyber liability insurance, not all costs incurred are covered thereunder, and certain covered costs, which continue to be identified and calculated may ultimately exceed applicable coverage limits. Further, the District is planning to implement various security enhancements in light of the incident, but the District cannot currently predict the total cost of such enhancements.

Three related lawsuits relating to the incident remain pending against the District, which were filed on behalf of individuals allegedly impacted by the cyberattack, and unidentified classes of others impacted. At this early stage, the District cannot predict the outcome or any potential financial impact that may result from such litigation. Further, the District cannot predict whether any other claims or litigation will be filed or estimate any potential financial impact that may result. For more information about the existing lawsuits, see "DISTRICT FINANCIAL INFORMATION – Risk Management and Litigation."

The District has implemented several protective measures with respect to access requirements to its systems to reduce the likelihood of a similar incident from occurring in the future. The District established an Independent Information Technology Task Force comprised of cybersecurity experts from private and public sectors to develop a set of recommendations to further strengthen the District's cybersecurity. The District has augmented its cybersecurity team, retained cybersecurity service providers, and implemented additional security controls and monitoring of its systems.

To minimize the impact and frequency of cybersecurity incidents, the District previously hired a Director of Information Technology Security in 2016 to develop and implement a risk-based information security management program ("ISMP"). The ISMP is designed to protect the confidentiality, integrity,

and availability of information assets managed by the District's Information Technology Division and comply with all applicable information protection regulations including the Family Educational Rights and Privacy Act, Children's Internet Protection Act, and the Health Insurance Portability and Accountability Act. The ISMP includes a number of technical, administrative, and physical security safeguards that take into account the District's unique threats and vulnerabilities. Safeguards include, but are not limited to, policies that require employees, students, and parents to acknowledge their obligation to protect District information, cybersecurity training for employees, next generation network security technologies, access control systems, and cyber liability insurance. The District and its third-party IT vendors are required to carry cyber liability insurance to offset the cost of business disruptions caused by cybersecurity incidents.

No assurance can be made in any networked environment that a future cyberattack or natural disaster would not compromise the confidentiality, integrity or availability of District information assets. The only viable mitigation of cybersecurity risks is a layered defense strategy. The District implements layered defenses as a principal driver of its information security program and continuously monitors the effectiveness of the program to proactively modify it when the cyberattack landscape changes.

The District relies on other entities and service providers in the course of operating the District, including the County with respect to the levy and collection of *ad valorem* property taxes and its servers and systems for accounting and other matters, as well as other trustees, fiscal agents, dissemination agents and project management firms. No assurance can be given that future cyber threats and attacks against third party entities or service providers will not directly or indirectly impact the District or the owners of the Series 2024A Bonds, including the possibility of impacting the timely payments of debt service on the Series 2024A Bonds or timely filings pursuant to the District's continuing disclosure undertakings.

STATE FUNDING OF SCHOOL DISTRICTS

General

School districts in the State receive operating revenues from federal, State and local sources, including appropriations from the State's general fund and local property taxes derived from a school district's share of the 1% *ad valorem* property tax. School districts also currently receive revenues from the State attributable to temporary tax increases implemented by Proposition 30 (defined herein). In connection with voter approval of Proposition 55 (defined herein), certain of such temporary tax increases were extended by twelve years through 2030. See "CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS – Proposition 30" herein. School districts, such as the District, may be eligible for other special categorical funding, including funding for certain State and federal programs. The amount of categorical funding appropriated to a school district may vary significantly from other school districts and yearly. At the time of preparation of the Fiscal Year 2023-24 Second Interim Report, the District projected to receive approximately 60.42% of District General Fund revenues from funds of or controlled by the State. As a result, decreases in State revenues, or in State legislative appropriations made to fund education, may significantly affect District operations. For more information regarding the District's funding for fiscal year 2023-24, see "– State Budget Act – 2023-24 State Budget," "– State Budget Act – Proposed 2024-25 State Budget," "– Local Control Funding Formula" and "DISTRICT FINANCIAL INFORMATION – District Budget" herein.

Article XVI of the State Constitution requires that from all State revenues, there first be set apart the moneys to be applied by the State for support of the public school system and public institutions of higher education. See "CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND

APPROPRIATIONS – Constitutionally Required Funding of Education” herein. The State Legislature and the Governor approve the State’s authorized appropriations for school districts each fiscal year in connection with the adoption of the State Budget Act (defined herein). Proposition 98 (“Proposition 98”), approved in November 1988 as a combined initiative constitutional amendment and statute called the “Classroom Instructional Improvement and Accountability Act,” provides the minimum funding formula for school districts. See “CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS – Proposition 98” herein. Under Proposition 98 (as modified by Proposition 111, which was enacted on June 5, 1990), there are currently three tests which determine the minimum level of K-14 funding. See “CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS” and “STATE FUNDING OF SCHOOL DISTRICTS– Local Control Funding Formula” herein. Proposition 98 permits the State Legislature, by two-thirds vote of both houses and with the Governor’s concurrence, to suspend the K-14 schools’ minimum funding formula for a one-year period. The amount of suspension is required to be repaid according to a specified State Constitutional formula, thereby restoring Proposition 98 funding to the level that would have been required in the absence of such suspension.

The actual appropriations and the timing of such appropriations are subject to, among other things, the estimated amount of State general fund revenues during the fiscal year and subsequent changes in State law. At times since the implementation of Proposition 98, the State has also sought to preserve general fund cash while avoiding increases in the base guaranteed amount through various mechanisms: by treating any excess appropriations as advances against subsequent years’ Proposition 98 minimum funding levels rather than current year increases; by deferring apportionments of Proposition 98 funds from one fiscal year to the next, as the State did in fiscal years 2019-20 and 2020-21; by suspending Proposition 98, as the State did in fiscal year 2004-05, fiscal year 2010-11, fiscal year 2011-12 and fiscal year 2012-13; and by proposing to amend the State Constitution’s definition of the guaranteed amount and settle-up requirement under certain circumstances. For more information on the Proposition 98 minimum guarantee under the 2023-24 State Budget, see “– State Budget Act – 2023-24 State Budget” herein. For a description and an analysis of the Governor’s proposed use of amounts in the Proposition 98 Rainy Day Fund (defined below) as a budget solution in the Proposed 2024-25 State Budget in relation to the Proposition 98 minimum guarantee and concerns expressed by the Legislative Analyst’s Office with respect to such use, see also “–The State Budget Process – State Budget Act – *Proposed 2024-25 State Budget*” and “–The State Budget Process – State Budget Act – *LAO Analysis of the Proposed 2024-25 State Budget*” herein.

Since fiscal year 2013-14, the amount of funds an individual school district receives from State revenues depends on the amount of revenues the State calculates that the school district should receive based on the LCFF, less the amount the school district derives from such school district’s share of the 1% *ad valorem* property tax. See “– Local Control Funding Formula” and “CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS – Constitutionally Required Funding of Education” herein.

The State Budget Process

The State’s fiscal year begins on July 1 and ends on June 30. According to the State Constitution, the Governor of the State (the “Governor”) is required to propose a budget for the next fiscal year (the “Governor’s Budget”) to the State Legislature no later than January 10 of each year. State law requires the Governor to update the Governor’s Budget projections and budgetary proposals by May 14 of each year (the “May Revision”). Proposition 25, which was adopted by voters in the State at an election held on November 2, 2010, amended the State Constitution such that a final budget must be adopted by a simple

majority vote of each house of the State Legislature by no later than June 15 and the Governor must sign the adopted budget by no later than June 30. The budget becomes law upon the signature of the Governor (the “State Budget Act”).

Under State law, the annual proposed Governor’s Budget cannot provide for projected expenditures in excess of projected revenues and balances available from prior fiscal years. Following the submission of the Governor’s Budget, the State Legislature takes up the proposal. Under the State Constitution, money may be drawn from the State Treasury only through an appropriation made by law. The primary source of the annual expenditure authorizations is the State Budget Act, as approved by the State Legislature and signed by the Governor. The Governor may reduce or eliminate specific line items in the State Budget Act or any other appropriations bill without vetoing the entire bill. Such individual line-item vetoes are subject to override by a two-thirds majority vote of each House of the State Legislature. Appropriations also may be included in legislation other than the State Budget Act. Bills containing appropriations (except for K-14 education) must be approved by a two-thirds majority vote in each House of the State Legislature and be signed by the Governor. Bills containing K-14 education appropriations require only a simple majority vote. Continuing appropriations, available without regard to fiscal year, may also be provided by statute or the State Constitution. Funds necessary to meet an appropriation need not be in the State Treasury at the time such appropriation is enacted; revenues may be appropriated in anticipation of their receipt. However, delays in the adoption of a final State budget in any fiscal year may affect payments of State funds during such budget impasse. See “– State Funding of Schools Without a State Budget” herein for a description of payments of appropriations during a budget impasse.

The description above and below of the State’s budget has been obtained from publicly available information which the District believes to be reliable; however, the District, its counsel (including Bond Counsel and Disclosure Counsel), the Municipal Advisor, the Underwriters and their counsel do not guarantee the accuracy or completeness of this information and have not independently verified such information. Additional information regarding State budgets is available at various State-maintained websites, including www.dof.ca.gov. The website is not incorporated herein by reference and the District, its counsel (including Bond Counsel and Disclosure Counsel), the Municipal Advisor, the Underwriters and their counsel do not make any representation as to the accuracy of the information provided therein.

State Budget Act

2023-24 State Budget. The Governor signed the fiscal year 2023-24 State budget on June 27, 2023, which was amended through a series of legislative bills (as amended, the “2023-24 State Budget”). The discussion below describes the 2023-24 State Budget. However, the 2023-24 State Budget was enacted based on then available information and a multitude of assumptions and expectations, including State revenue projections. Achievement of certain results or other expectations contained in the 2023-24 State Budget involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described therein to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. See “– State Budget Act – Proposed 2024-25 State Budget” and “– State Budget Act – LAO Analysis of the Proposed 2024-25 State Budget” herein, for more current State budget information as well as a discussion of certain instances where expectations expressed in the 2023-24 State Budget were different than actual results.

As enacted, the 2023-24 State Budget reflected a downturn in revenues and slower revenue growth than previous projections due to the declining stock market, high inflation, rising interest rates and layoffs in high-wage sectors. It provided that the 2023-24 State Budget was able to address the shortfall with balanced solutions that would protect core State programs and services by paying down the State’s debt and using one-time surplus funds on one-time commitments. The 2023-24 State Budget included a

package of solutions to bridge an approximately \$31.7 billion then-projected shortfall while avoiding what it described as deep and damaging program cuts. Specifically, the 2023-24 State Budget shifted approximately \$9.3 billion of spending commitments from the State's general fund to other funds, reduced or pulled back approximately \$8.1 billion in previously approved State general fund spending, delayed approximately \$7.9 billion in spending across multiple years, included approximately \$6.1 billion in additional revenue, primarily from the Managed Care Organization tax as well as internal borrowing from special fund balances not projected for programmatic purposes, and built in approximately \$340.0 million in trigger reductions that were then projected to be restored in the then proposed State budget for fiscal year 2024-25, assuming sufficient funds. The 2023-24 State Budget provided that it avoids new significant ongoing commitments and maintains fiscal discipline by setting aside a record \$37.8 billion in total budgetary reserves. The 2023-24 State Budget noted that a tax filing delay due to unprecedented storms in fiscal year 2022-23 had delayed the then projected receipt of \$42.0 billion in State tax receipts to October 2023, including \$28.4 billion from personal income tax and \$13.3 billion from corporation tax, representing nearly one-fourth of the fiscal year 2022-23 total then projected personal income tax, and nearly one-third of the fiscal year 2022-23 then projected corporation tax.

The 2023-24 State Budget projected total resources available in fiscal year 2022-23 of approximately \$260.9 billion, including revenues and transfers of approximately \$205.1 billion and a prior year balance of approximately \$55.8 billion, and total expenditures in fiscal year 2022-23 of approximately \$234.6 billion. The 2023-24 State Budget projected total resources available for fiscal year 2023-24 of approximately \$235.0 billion, inclusive of revenues and transfers of approximately \$208.7 billion and a prior year balance of approximately \$26.4 billion. The 2023-24 State Budget projected total expenditures in fiscal year 2023-24 of approximately \$225.9 billion, inclusive of non-Proposition 98 expenditures of approximately \$147.5 billion and Proposition 98 expenditures of approximately \$78.4 billion. Citing revenue risks and uncertainties, the 2023-24 State Budget included a historic level of reserves as an important resiliency tool, setting aside a total of \$37.8 billion in fiscal year 2023-24 and allocated reserves as follows: approximately \$22.3 billion in the State Rainy Day Fund (the "State Rainy Day Fund") for fiscal emergencies, approximately \$10.8 billion in the Public School System Stabilization Account (the "Proposition 98 Rainy Day Fund"), approximately \$900.0 million in the Safety Net Reserve (the "Safety Net Reserve"), and approximately \$3.8 billion to the State's Special Fund for Economic Uncertainties (the "State Special Fund for Economic Uncertainties"). In addition, the 2023-24 State Budget allocated approximately \$5.3 billion of the State general fund's then projected fund balance in fiscal year 2023-24 to the State's Reserve for Liquidation of Encumbrances. The 2023-24 State Budget provided that the State Rainy Day Fund would be at its constitutional maximum of 10% of State general fund revenues.

The 2023-24 State Budget included total funding of \$129.2 billion for all K-12 education programs, including \$79.5 billion from the State's general fund and \$49.7 billion from other funds. The 2023-24 State Budget reflected significant Proposition 98 funding that was to provide increased support for core programs such as the LCFF, special education, transitional kindergarten, nutrition, and preschool.

Certain budgeted programs and adjustments for K-12 education set forth in the 2023-24 State Budget included the following:

- Proposition 98 Minimum Guarantee. The 2023-24 State Budget reflected Proposition 98 funding levels of \$110.6 billion in fiscal year 2021-22, \$107.4 billion in fiscal year 2022-23, and \$108.3 billion in fiscal year 2023-24. The 2023-24 State Budget provided that such funding represented approximately 38.5% of the State's general fund revenues, plus local property tax revenues. To accommodate enrollment increases related to the expansion of transitional kindergarten, the 2023-24 State Budget increased the funding level from approximately 38.2% to approximately 38.5% to increase the percentage of State general fund revenues due to the minimum guarantee.

- Proposition 98 Rainy Day Fund (Public School System Stabilization Account). The 2023-24 State Budget included payments required to be made to the Proposition 98 Rainy Day Fund in fiscal years 2021-22 through 2023-24 for a total expected account balance of \$10.8 billion at the end of fiscal year 2023-24. The 2023-24 State Budget indicated that the expected balance of approximately \$9.9 billion in fiscal year 2022-23 would trigger the cap on school district reserves beginning in fiscal year 2023-24. See “– Limitations on School District Reserves” and “CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2 – SB 751” herein.
- Local Control Funding Formula. The 2023-24 State Budget included a LCFF cost-of-living adjustment (“COLA”) of 8.22%, which is the largest COLA in the history of LCFF. The 2023-24 State Budget provided approximately \$556.3 million ongoing Proposition 98 general fund resources to reflect the COLA for specified categorical programs. The 2023-24 State Budget provided that the COLA, when combined with projected declining enrollment adjustments, increased the year-over-year projected discretionary funds available to local education agencies by approximately \$3.4 billion. The 2023-24 State Budget also reflected the utilization of approximately \$1.6 billion one-time Proposition 98 State general fund resources to support the overall costs of the LCFF in fiscal year 2023-24, and provided an increase of approximately \$80.0 million ongoing Proposition 98 State general fund resources to support county offices of education serving students in juvenile court and other alternative school settings.
- Accountability Improvements and Equity Multiplier. The 2023-24 State Budget indicated that it reflects a comprehensive package to support accountability and a continuous improvement system to ensure student group and school site equity gaps within a local education agency are identified and addressed through the Local Control and Accountability Plan. To complement these efforts, the 2023-24 State Budget provided approximately \$300.0 million ongoing Proposition 98 State general fund resources to establish an Equity Multiplier as an add-on to the LCFF to accelerate gains in closing opportunity and outcome gaps, and approximately \$2.0 million ongoing Proposition 98 general fund resources to support the critical work of the new Equity Leads within the statewide system of support.
- Literacy. The 2023-24 State Budget provided approximately \$250.0 million one-time Proposition 98 general fund resources to build upon the existing Literacy Coaches and Reading Specialists Grant Program, which funds high-poverty schools to train and hire literacy coaches and reading specialists for one-on-one and small group intervention for struggling readers.
- State Preschool Program. The 2023-24 State Budget included the following set asides to fund any adjustments related to reimbursement for preschool providers: approximately \$343.1 million in Proposition 98 general fund resources and \$20,000 in non-Proposition 98 general fund resources from fiscal year 2022-23; approximately \$369.3 million in Proposition 98 general fund resources and \$126.1 million in general fund resources from fiscal year 2023-24; and approximately \$445.7 million in Proposition 98 general fund resources and \$186.5 million in general fund resources from fiscal year 2024-25. Consistent with this approach, the 2023-24 State Budget suspended the annual COLA applicable to the State Preschool Program in fiscal years 2023-24 and 2024-25.

The 2023-24 State Budget reallocated approximately \$4.4 million non-Proposition 98 general fund resources and approximately \$5.3 million Proposition 98 general fund resources from the 2022-23 State budget to continue to waive family fees from July 1, 2023 through September 30,

2023, and provided approximately \$112.0 million in available federal funds to provide temporary stipends for State Preschool Program employees.

- Transitional Kindergarten. The 2023-24 State Budget provided approximately \$357.0 million in ongoing Proposition 98 general fund resources for fiscal year 2022-23 to support the first year of expanded eligibility for transitional kindergarten to all children turning five-years-old between September 2 and February 2. The 2023-24 State Budget also provided approximately \$283.0 million in Proposition 98 general fund resources to provide one additional certificated or classified staff person in each transitional kindergarten classroom. Additionally, the 2023-24 State Budget provided approximately \$597.0 million in ongoing Proposition 98 general fund resources beginning in fiscal year 2023-24 to support the second year of expanded eligibility for transitional kindergarten to all children turning five-years-old between September 2 and April 2. The 2023-24 State Budget also provided approximately \$165.0 million in Proposition 98 general fund resources to support the second year of adding one additional certificated or classified staff person in each transitional kindergarten classroom.
- Arts, Music, and Instructional Materials Discretionary Block Grant. The 2023-24 State Budget decreased one-time Proposition 98 general fund support for the Arts, Music, and Instructional Materials Block Grant by approximately \$200.0 million, reducing total one-time program support from approximately \$3.5 billion to approximately \$3.3 billion. The Arts and Music in Schools: Funding Guarantee and Accountability Act (Proposition 28) will provide approximately \$938.0 million ongoing Proposition 98 general fund resources beginning in fiscal year 2023-24.
- Learning Recovery Emergency Block Grant. The 2023-24 State Budget delays approximately \$1.1 billion one-time Proposition 98 general fund resources for the Learning Recovery Emergency Block Grant to fiscal years 2025-26, 2026-27, and 2027-28.
- Zero-Emission School Buses. The 2023-24 State Budget delayed approximately \$1.0 billion one-time Proposition 98 general fund resources to support greening school bus fleets through programs operated by the California Air Resources Board and the California Energy Commission to fiscal years 2024-25 and 2025-26.
- California Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program (the “Full-Day Kindergarten Facilities Grant Program”). The 2022-23 State budget included \$100.0 million one-time general fund resources and reflected an additional \$550.0 million in fiscal year 2023-24 to support the Full-Day Kindergarten Facilities Grant Program. The 2023-24 State Budget delayed the planned \$550.0 million investment for this program to fiscal year 2024-25.
- School Facility Program. The 2023-24 State Budget provided approximately \$2.0 billion one-time general fund resources, which is \$100.0 million less than previously planned, to support the School Facility Program in fiscal year 2023-24.
- Nutrition. The 2023-24 State Budget provided an additional \$154.0 million in ongoing Proposition 98 general fund resources and an additional \$110.0 million one-time Proposition 98 general fund resources to fully fund the universal school meals program in fiscal years 2022-23 and 2023-24.
- Bipartisan Safer Communities Act, Stronger Connections Program. The 2023-24 State Budget provided approximately \$119.6 million in one-time federal funds to support local education

activities related to improving school climate and safety through the Stronger Connections Program.

- Charter School Facility Grant Program. Consistent with the 2022-23 State budget, the 2023-24 State Budget provided a one-time investment of \$30.0 million Proposition 98 general fund resources to support eligible facilities costs.

The complete 2023-24 State Budget is available from the California Department of Finance website at www.dof.ca.gov or www.ebudget.ca.gov. The District can take no responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

Proposed 2024-25 State Budget. The Governor released the fiscal year 2024-25 proposed State budget (the “Proposed 2024-25 State Budget”) on January 10, 2024, which provides that it maintains the State’s fiscal stability using some of the money saved in historic budget reserves. The Proposed 2024-25 State Budget notes that the estimated \$37.9 billion budget shortfall poses a substantial challenge and is rooted in two separate but related developments during fiscal years 2022-23 and 2023-24 – the substantial decline in the stock market that drove down revenues in fiscal year 2022-23 and the unprecedented delay in critical income tax collections in fiscal year 2023-24. The Governor’s proposed budgets in January and May 2023 warned of this increased budgetary uncertainty, and in June 2023, the State passed a budget that planned accordingly, setting aside record reserves of just under \$38.0 billion. The Proposed 2024-25 State Budget provides that it solves for last fiscal year’s shortfall while adjusting State spending to ensure continued fiscal stability in future fiscal years.

The Proposed 2024-25 State Budget provides that the stock market recovery and improved economic growth support its forecast assumptions that revenue growth will resume in fiscal year 2023-24 following the steep correction in fiscal year 2022-23, with potential upside through fiscal year 2024-25 if the markets continue to outperform the forecast. In addition, it provides that the Federal Reserve has indicated it intends to cut interest rates throughout 2024, which may stimulate real estate transactions and other sectors of State’s economy. However, the Proposed 2024-25 State Budget provides that several risk factors such as a significant financial shock from tightening financial conditions, stock market and asset price volatility, and declines and geopolitical turmoil, could negatively impact the economy going forward. The Proposed 2024-25 State Budget provides that even after the proposed withdrawals from State reserves, total reserves in fiscal year 2024-25 will remain substantial at \$18.4 billion. This includes \$11.1 billion in the State Rainy Day Fund, \$3.9 billion in the Proposition 98 Rainy Day Fund, and \$3.4 billion in the State Special Fund for Economic Uncertainties.

The Proposed 2024-25 State Budget incorporates the following measures to close the budgetary shortfall in fiscal year 2024-25:

- \$13.1 billion in budget withdrawals from the State’s reserves, including \$10.4 billion from the mandatory State Rainy Day Fund and Transfer Suspension, \$1.8 billion from the discretionary State Rainy Day Fund, and \$900.0 million from the Safety Net Reserve.
- \$8.5 billion in various budget spending reductions, including, but not limited to, \$500.0 million in reductions to the School Facilities Aid Program and \$494.0 million in reductions to the Student Housing Revolving Loan Fund Program.
- \$5.7 billion in support from revenue sources and internal borrowing from special funds.

- \$5.1 billion in delayed budgetary funding for multiple items spread across a three-year period, beginning in fiscal year 2025-26, including but not limited to, a \$550.0 million funding delay to the Full-Day Kindergarten Facilities Grant Program.
- \$3.4 billion in budget fund shifts of certain expenditures from the State general fund to other funds, including, but not limited to, a \$1.3 billion reduction on State plans retirement contributions using Proposition 2 debt repayment funding.
- \$2.1 billion in funding deferrals to fiscal year 2025-26.

In addition to the budgetary measures listed above, the Proposed 2024-25 State Budget includes withdrawals from the Proposition 98 Rainy Day Fund of \$5.7 billion to maintain support for local educational agencies and community college districts. However, see “– *LAO Analysis of the Proposed 2024-25 State Budget*” below, for an analysis of the Governor’s proposed use of amounts in the Proposition 98 Rainy Day Fund as a budget solution in the Proposed 2024-25 State Budget in relation to the Proposition 98 minimum guarantee.

The Proposed 2024-25 State Budget estimates total resources available in fiscal year 2023-24 of approximately \$238.9 billion, including revenues and transfers of approximately \$196.9 billion and a prior year balance of approximately \$42.1 billion, and total expenditures in fiscal year 2023-24 of approximately \$230.9 billion. The Proposed 2024-25 State Budget projects total resources available for fiscal year 2024-25 of approximately \$222.7 billion, inclusive of revenues and transfers of approximately \$214.7 billion and a prior year balance of approximately \$8.0 billion. The Proposed 2024-25 State Budget projects total expenditures in fiscal year 2024-25 of approximately \$208.7 billion, inclusive of non-Proposition 98 expenditures of approximately \$131.8 billion and Proposition 98 expenditures of approximately \$76.9 billion. The Proposed 2024-25 State Budget includes approximately \$29.0 billion in reserves in fiscal year 2024-25 and allocates reserves as follows: approximately \$11.1 billion in the State Rainy Day Fund for fiscal emergencies, approximately \$3.9 billion in the Proposition 98 Rainy Day Fund, approximately \$10.6 million in the Reserve for Liquidation and Encumbrances, and approximately \$3.4 billion in the State Special Fund for Economic Uncertainties.

The Proposed 2024-25 State Budget includes total funding of approximately \$126.8 billion for all K-12 education programs, including approximately \$76.4 billion from the State’s general fund and approximately \$50.4 billion from other funds. Per-pupil funding totals \$17,653 per pupil in Proposition 98 funding and \$23,519 per pupil when accounting for all funding sources. However, see “– *LAO Analysis of the Proposed 2024-25 State Budget*” below, for an assessment of the Governor’s proposed K-12 education funding.

Certain budgeted programs and adjustments for K-12 education set forth in the Proposed 2024-25 State Budget include the following:

- Proposition 98 Minimum Guarantee. The revised estimates of State general fund revenues in the Proposed 2024-25 State Budget result in notable adjustments to the Proposition 98 minimum guarantee, resulting in funding estimates of approximately \$98.3 billion in fiscal year 2022-23, \$105.6 billion in fiscal year 2023-24, and \$109.1 billion in fiscal year 2024-25, representing a three-year decrease in the minimum guarantee of approximately \$11.3 billion over the level funded in the 2023-24 State Budget. Recognizing that the delay in the State tax filing deadline in fiscal year 2022-23 impacted State revenue projections for fiscal year 2022-23 available at the time the 2023-24 State Budget was enacted, the Proposed 2024-25 State Budget proposes statutory changes to address approximately \$8.0 billion of this decrease to avoid impacting existing school district and community college district budgets.

- Proposition 98 Rainy Day Fund. The 2023-24 State Budget projected a total balance of \$10.8 billion in the Proposition 98 Rainy Day Fund. The Proposed 2024-25 State Budget reflects revised fiscal year 2022-23 and 2023-24 payments, and a fiscal year 2024-25 payment, of approximately \$339.0 million, \$288.0 million, and \$752.0 million, respectively, into the Proposition 98 Rainy Day Fund, and withdrawals of approximately \$3.0 billion in fiscal year 2023-24 and \$2.7 billion in fiscal year 2024-25, for a total revised account balance of more than \$3.8 billion at the end of fiscal year 2024-25. There is a cap of 10% on school district reserves in fiscal years immediately succeeding those in which the balance in the Proposition 98 Rainy Day Fund is equal to or greater than 3% of the total K-12 share of the Proposition 98 minimum guarantee. See “STATE FUNDING OF SCHOOL DISTRICTS – Limitations on School District Reserves” and “CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2 – *SB 751*” herein. The Proposed 2024-25 State Budget provides that the balance of \$5.7 billion in the Proposition 98 Rainy Day Fund in fiscal year 2023-24 continues to trigger school district reserve caps in fiscal year 2024-25.
- Local Control Funding Formula. The Proposed 2024-25 State Budget includes a LCFF COLA of approximately 0.76%, down from the 3.94% COLA estimated at the time of the enactment of the 2023-24 State Budget. The 2023-24 State Budget provides that, when combined with population growth adjustments, this will result in a decrease of approximately \$1.4 billion in discretionary funds for local educational agencies. To fully fund this increase and to maintain the level of current year principal apportionments, the Proposed 2024-25 State Budget proposes withdrawing approximately \$2.8 billion from the Proposition 98 Rainy Day Fund to support ongoing LCFF costs in fiscal year 2023-24, withdrawing approximately \$2.2 billion from the Proposition 98 Rainy Day Fund to support ongoing LCFF costs in fiscal year 2024-25, and using available reappropriation and reversion funding totaling \$38.6 million to support ongoing LCFF costs in fiscal year 2024-25.
- Local Property Tax Adjustments. The Proposed 2024-25 State Budget includes decreases of Proposition 98 general fund resources for school districts and county offices of education of \$113.0 million and \$996.0 million, respectively, in fiscal year 2023-24 and fiscal year 2024-25, as a result of increased offsetting property taxes.
- Instructional Continuity. To provide students with needed instructional continuity including when facing challenges such as severe climate events, illness, or other barriers that impact attendance, the Proposed 2024-25 State Budget proposes statutory changes to allow local educational agencies to provide attendance recovery opportunities to students to make up lost instructional time, thereby offsetting student absences, and mitigating learning loss and chronic absenteeism, as well as related fiscal impacts.
- California State Preschool Program. To support reimbursement rate increases previously supported by available one-time federal stimulus funding, the Proposed 2024-25 State Budget includes \$53.7 million in general fund resources. These resources are in addition to approximately \$140.6 million in general fund resources and \$206.3 million in Proposition 98 general fund resources identified in the 2023-24 State Budget.
- Teacher Preparation and Professional Development. To support training for educators to administer literacy screenings, the Proposed 2024-25 State Budget proposes \$25.0 million in ongoing Proposition 98 general fund resources through the K-12 Mandate Block Grant.

To further assist educators in teaching mathematics aligned to the State Board of Education's newly adopted Mathematics Framework, the Proposed 2024-25 State Budget proposes \$20.0 million in one-time Proposition 98 general fund resources for a county office of education to work with the University of California Subject Matter Projects, as well as other well-qualified governmental or non-profit providers, to develop and provide training for mathematics coaches and leaders who can in turn provide training and support to math teachers to deliver high-quality instruction.

The Proposed 2024-25 State Budget also proposes to make statutory changes to focus the use of unexpended allocated Learning Recovery Emergency Block Grant funds on actions to address the needs of students most impacted by learning loss, based on an assessment of needs and incorporated into the existing Local Control and Accountability Plan (LCAP) development process, and to clarify that the allowable uses of such grant funds include professional development aligned to the new Mathematics Framework.

- School Facility Program. The Kindergarten through Community College Public Education Facilities Bond Act of 2016 (Proposition 51), approved by voters in November 2016, authorized \$9.0 billion in State general obligation bonds to support K-12 and community college school facilities construction. With Proposition 51 bond authority funds nearly exhausted, the 2022-23 State budget and 2023-24 State Budget provided approximately \$1.3 billion in one-time general fund resources and \$2.0 billion in one-time general fund resources, respectively, for the School Facility Program, for K-12 school facilities construction. To address the projected budget shortfall, the Proposed 2024-25 State Budget adjusts a planned fiscal year 2024-25 investment for the School Facility Program from \$875.0 million to \$375.0 million in one-time general fund resources.
- Full-Day Kindergarten Facilities Grant Program. The Full-Day Kindergarten Facilities Grant Program supports the construction of new school facilities or retrofitting existing school facilities for the purpose of providing transitional kindergarten, full-day kindergarten, or preschool classrooms. The 2022-23 State budget included \$100.0 million in one-time general fund resources for the Full-Day Kindergarten Facilities Grant Program, and the 2023-24 State Budget reflected an additional \$550.0 million in fiscal year 2024-25 to support the Full-Day Kindergarten Facilities Grant Program. To address the projected budget shortfall, the Proposed 2024-25 State Budget delays the fiscal year 2024-25 planned investment of \$550.0 million to fiscal year 2025-26.
- Zero-Emission School Buses. The Proposed 2024-25 State Budget maintains \$500.0 million one-time Proposition 98 general fund resources to support greening school bus fleets through programs operated by the California Air Resources Board and the California Energy Commission in fiscal year 2024-25.
- Nutrition. The Proposed 2024-25 State Budget includes an increase of \$122.2 million in ongoing Proposition 98 general fund resources to fully fund the universal school meals program in fiscal year 2024-25.

The complete Proposed 2024-25 State Budget is available from the California Department of Finance website at www.dof.ca.gov or www.ebudget.ca.gov. The District can take no responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

LAO Analysis of the Proposed 2024-25 State Budget. The Legislative Analyst’s Office (“LAO”), a nonpartisan State office which provides fiscal and policy information and advice to the State legislature, released its report on the Proposed 2024-25 State Budget entitled “The 2024-25 Budget: Proposition 98 and K-12 Education” on February 15, 2024 (the “2024-25 Proposed Budget Analysis”). In the 2024-25 Proposed Budget Analysis, the LAO assesses changes related to the Proposition 98 Rainy Day Fund and Proposition 98 minimum guarantee and analyzes the major proposals for K-12 education.

The LAO notes that Proposition 98 sets aside a minimum amount of funding for schools based upon a set of constitutional formulas. Due to reductions in State revenue and the delayed deadline for personal income and corporation tax payments, the Proposed 2024-25 State Budget estimates the funding requirement to be down significantly over the fiscal years 2022-23 through 2024-25. Specifically, the delayed payments show that State tax collections for fiscal year 2022-23 were nearly \$26.0 billion lower than the levels the State estimated in June 2023. The Proposed 2024-25 State Budget revised the estimate of the Proposition 98 minimum guarantee down nearly \$9.1 billion for fiscal year 2022-23. The LAO observes that the reduction in the guarantee primarily reflects the significant drop in general fund revenue, but is offset slightly by a small increase in property tax revenue. The downward revision is the largest reduction to the guarantee in a prior year since the passage of Proposition 98 in 1988. By contrast, previous downward revisions to the prior-year guarantee have never been larger than a couple hundred million dollars. The LAO notes that nearly half of the increase, however, is due to two special adjustments. First, the State adjusts the guarantee up by more than \$930.0 million to account for the arts education program established by Proposition 28 in the year 2022. Second, it makes a further upward adjustment of more than \$630.0 million to account for the continued expansion of eligibility for transitional kindergarten. The LAO estimates the Proposition 98 guarantee is \$7.7 billion lower than the Proposed 2024-25 State Budget level over the period. Specifically, estimates are \$5.2 billion lower in fiscal year 2023-24 and \$2.5 billion lower in fiscal year 2024-25.

The Proposed 2024-25 State Budget anticipates a rapid recovery and assumes an 8.0% increase in general fund revenue relative to the lower fiscal year 2022-23 level, including a 12.0% increase in personal income tax receipts. The Proposed 2024-25 State Budget anticipates a relatively strong rebound in general fund revenue for fiscal year 2023-24, but the State tax collections through January 2024 point to continuing weakness. Tax receipts from regular income tax withholding (the largest portion of the personal income tax) came in \$1.0 billion or 11.0% below the estimates in the Proposed 2024-25 State Budget. Receipts from the quarterly estimated payments were even worse, coming in \$3.0 billion or 27.0% below the budget estimate. Based on the recent tax collection data, the LAO sees a high level of downside risk to the revenue estimates in the Proposed 2024-25 State Budget. Specifically, LAO’s updated estimate of general fund revenue (released in February 2024) is \$15.3 billion lower than the Proposed 2024-25 State Budget estimates for fiscal year 2023-24 and \$8.4 billion lower for fiscal year 2024-25. The LAO notes that there is low probability that revenues will approach the levels in the Proposed 2024-25 State Budget. The LAO estimates that the lower general fund revenue reduce the guarantee by nearly 40 cents for each dollar of lower revenue. Increases in local property tax, however, increase the Proposition 98 minimum guarantee on a dollar-for-dollar basis.

LAO’s estimates of property tax revenue are somewhat higher than the levels in the Proposed 2024-25 State Budget. The LAO observes that the most important factor affecting local property tax revenue is the rate of growth in assessed property values. The Proposed 2024-25 Proposed Budget estimates assessed values will grow 5.1% in fiscal year 2023-24 and 4.7% in fiscal year 2024-25. The LAO observes that this growth assumption is somewhat below the historical average of about 5.5%. Accounting for all of the factors, the overall increase in local property tax revenue is about 4.0% in each year. The Proposed 2024-25 State Budget forecasts Proposition 98 guarantee to grow to \$111.9 billion in fiscal year 2025-26, an increase of \$2.8 billion or 2.6% from the fiscal year 2024-25 level. The LAO observes that approximately \$1.1 billion of this increase in the guarantee is attributable to an adjustment

for transitional kindergarten. Most notably, recent data from the Board of Equalization show that assessed property values grew nearly 6.7% in fiscal year 2023-24, compared with the estimate of 5.1% in the Proposed 2024-25 State Budget.

The LAO emphasizes that the Proposed 2024-25 State Budget's largest solution is a funding maneuver that would move some prior-year school spending to the non-Proposition 98 side of the budget and delay budgetary recognition of the expenditure for several years. In effect, the State would be using its cash resources to finance payments to schools that exceed the Proposition 98 guarantee in the prior year and creating an internal obligation to recognize the underlying budgetary cost at some point in the future. Unlike a traditional loan, however, the State would not score this mechanism as borrowing, make payments to an external creditor, or accrue any interest. The Proposed 2024-25 State Budget also proposes a \$4.9 billion discretionary withdrawal to cover school spending that would otherwise exceed the minimum guarantee. Of this amount, the budget would use \$2.8 billion for LCFF in fiscal year 2023-24 and \$2.1 billion for LCFF in fiscal year 2024-25. These withdrawals would leave \$3.9 billion in the reserve for future use. This balance exceeds the threshold triggering the cap on local school district reserves, meaning the cap would remain operative for at least another year. Furthermore, most of the school districts will experience funding declines in fiscal year 2024-25 as their higher attendance levels from earlier years continue phasing out of their average. The Proposed 2024-25 State Budget estimates this phaseout will reduce LCFF statewide by \$2.0 billion or 2.6%. Partially offsetting this reduction, the Proposed 2024-25 State Budget estimates an LCFF increase of \$796.0 million related to the expansion of transitional kindergarten. This increase consists of \$635.0 million for base, supplemental, and concentration grant funding generated by students who are newly eligible in fiscal year 2024-25 and \$161.0 million to support lower staffing ratios for these students. Accounting for the attendance phaseout and the expansion of transitional kindergarten, the overall reduction in LCFF costs is \$1.2 billion.

The LAO notes that the Proposed 2024-25 State Budget recognizes the budget problem and introduces a few reasonable ideas. Most notably, the inclination to access funds in the Proposition 98 Rainy Day Fund and identify savings in the State Preschool program. However, the LAO expresses major concerns with the proposal to allow schools to keep cash disbursements above the minimum guarantee without recognizing the budgetary cost of those payments. According to the LAO, this proposal creates a new type of budget solution: effectively, an interest-free loan from the State's cash resources and, as such, it sets a problematic precedent. If the State legislature were to avoid the funding maneuver entirely and reduce funding to LAO's lower estimates of the guarantee, the State would need to identify a total of \$14.0 billion in reductions or solutions affecting schools. Discretionary withdrawals from the Proposition 98 Rainy Day Fund as a one-time solution is contingent upon the State Governor declaring a budget emergency and the State legislature enacting a law authorizing the withdrawal. The LAO shares the view that a reserve withdrawal is warranted but has concerns about the way the Proposed 2024-25 State Budget would use these funds. The Proposed 2024-25 State Budget would use reserves to cover costs in fiscal years 2023-24 and 2024-25, including to free-up funding for spending increases. Using reserve withdrawals to support new spending seems contrary to the core purpose of the reserve—protecting existing programs—and diminishes an important tool that could mitigate the prior-year shortfall. The LAO notes that the reduction for State preschool program is reasonable, however, if program enrollment increases, the costs associated with providing certain payments in fiscal year 2024-25 will increase. Additionally, the Proposed 2024-25 State Budget funds the full COLA in fiscal year 2024-25 even though the guarantee cannot even support existing program costs. The LAO estimates that if the State had reduced the COLA rate for fiscal year 2023-24, it would face little or no ongoing shortfall in fiscal year 2024-25.

The LAO has offered recommendations to address the budget shortfall. The LAO recommends that the State legislature should prioritize core school programs but also promote stability for the budget moving forward. Taking this approach would require the State legislature to make some difficult choices

this year but offers substantial advantages. The LAO notes that the Proposed 2024-25 State Budget proposed funding maneuver is bad fiscal policy, sets a problematic precedent, and creates a binding obligation on the State that will worsen future deficits and require more difficult decisions. The LAO strongly recommends the State legislature to reject the funding maneuver. The LAO recommends that the State legislature should begin identifying alternative reductions and solutions it would need to balance the budget. Specifically, the LAO recommends the following one-time and ongoing spending solutions:

- Build a budget that (a) contains a discretionary reserve withdrawal and (b) directs the entire withdrawal toward addressing the shortfall in fiscal year 2022-23. To the extent the State is required to withdraw any funds that remain in the reserve after covering the shortfall in fiscal year 2022-23, the LAO recommends directing those funds toward existing program costs that would otherwise exceed the guarantee in fiscal year 2023-24.
- Reject all of the one-time increases proposed in the Proposed 2024-25 State Budget to achieve savings of \$599.0 million.
- Review existing grants with unallocated funding and reduce or eliminate any grants that do not represent highest priorities. The LAO recommends that one reasonable starting point would be to rescind some of the funding for community schools.
- For a few ongoing programs, the State likely could make one-time reductions that school districts could accommodate by drawing upon unspent carryover funding. Two of the programs for which the LAO anticipates school districts have unspent funds available are Expanded Learning Opportunities Program (“ELOP”) and the Special Education Early Intervention Grant.
- Zero out the COLA for the upcoming year. Rejecting the COLA would reduce the ongoing shortfall by \$628.0 million and help the state avoid committing to an ongoing spending level it would have difficulty maintaining in the future.
- Reject most other ongoing increases in the Proposed 2024-25 State Budget, including the increases for school meals and the funding for literacy screeners.
- Plan to adopt lower LCFF cost estimates than the Proposed 2024-25 State Budget anticipates for fiscal years 2023-24 and 2024-25 and use updated data to calibrate estimates. Related to these recommendations, the LAO recommends ensuring the estimates account for the interaction between the expansion of transitional kindergarten and the three-year rolling average attendance calculation. Under LAO’s latest estimates, the overall cost of LCFF would be \$1.8 billion lower across fiscal years 2023-24 and 2024-25.
- Explore changes to ongoing programs that could generate additional savings. The LAO outlines options for reducing costs in five large programs: ELOP allocations, State Preschool program, School Nutrition program, School Transportation program and Transitional Kindergarten Staffing Add-On program.
- Eliminate or scale back by revisiting three LCFF add-ons that provide additional funding for certain districts based on historical factors to reduce historical funding inequities among school districts, simplify the LCFF, and provide ongoing savings. The LAO

profiles three such add-ons: Targeted Instructional Improvement Block Grants, Minimum State Aid and Economic Recovery Targets.

Governor and Legislature Early Action Agreement. On April 4, 2024, the Governor and the State Legislature agreed to an early action budget package (the “Early Action Agreement”) to reduce the existing shortfall in the Proposed 2024-25 State Budget, to be addressed in the final budget for fiscal year 2024-25, by approximately \$17.3 billion. The Early Action Agreement consists of a mix of budgetary actions, including \$3.6 billion in budgetary reductions (primarily to one-time funding), \$5.2 billion in revenue and borrowing, \$5.2 billion in delays and deferrals, and \$3.4 billion in shifts of costs from the general fund to other State funds. With respect to the budgeted programs for K-12 education, the Early Action Agreement includes a \$500.0 million reduction to the School Facility Aid Program and a \$550.0 million funding delay with respect to the Full-Day Kindergarten Facilities Grant Program. On April 11, 2024, the Early Action Agreement was passed by the State Legislature. The Early Action Agreement does not address the Proposition 98 funding maneuver proposed in the Proposed 2024-25 State Budget. The Early Action Agreement is available from the State of California website at www.ca.gov. The District can take no responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

[May Revision to Proposed 2024-25 State Budget.]

[LAO Analysis of the 2024-25 May Revision.]

Changes in State Budget. The final fiscal year 2024-25 State budget, which requires approval by a majority vote of each house of the State Legislature, may differ substantially from the Proposed 2024-25 State Budget. [In May 2024, the Governor will revise the Proposed 2024-25 State Budget based on updated information available at such time. Such revision in May 2024 may also differ substantially from the Proposed 2024-25 State Budget.] The final fiscal year 2024-25 State budget may be affected by national and State economic conditions and other factors which the District cannot predict. Accordingly, the District cannot provide any assurances that there will not be any changes in the final fiscal year 2024-25 State budget from the Proposed 2024-25 State Budget. The District cannot predict the impact that the final fiscal year 2024-25 State budget, or subsequent budgets, will have on its finances and operations.

Future Budgets and Budgetary Actions. The District cannot predict what future actions will be taken by the State Legislature and the Governor to address changing State revenues and expenditures or the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors beyond the District’s ability to predict or control. Certain actions could result in a significant shortfall of revenue and cash and could impair the State’s ability to fund schools during fiscal year 2023-24 and in future fiscal years. Certain factors, like an economic recession, could result in State budget shortfalls in any fiscal year and could have a material adverse financial impact on the District.

Additional Information. Information about the State budget and State spending for education is regularly available at various State-maintained websites. Text of the State budget may be found at the website of the Department of Finance, www.dof.ca.gov, under the heading “California Budget.” Various analyses of the budget may be found at the website of the LAO at www.lao.ca.gov. In addition, various State official statements, many of which contain a summary of the current and past State budgets and the impact of those budgets on school districts in the State, may be found via the website of the State Treasurer, www.treasurer.ca.gov. The information presented in these websites is not incorporated by reference in this Official Statement.

State Funding of Schools Without a State Budget

Although the State Constitution requires that the State Legislature adopt a budget for the State by June 15 of the prior fiscal year and that the Governor sign a budget by June 30, this deadline has been missed from time to time. Delays in the adoption of a Budget Act in any fiscal year could impact the receipt of State funding by the District. On May 29, 2002, the California Court of Appeal for the Second District decided the case of *Howard Jarvis Taxpayers Association, et al. v. Kathleen Connell* (as Controller of the State of California), et al. (also referred to as *White v. Davis*) (“Connell”). The California Court of Appeal concluded that, absent an emergency appropriation, the State Controller may authorize the payment of State funds during a budget impasse only when payment is either (i) authorized by a “continuing appropriation” enacted by the State Legislature, (ii) authorized by a self-executing provision of the State Constitution, or (iii) mandated by federal law. The Court of Appeal specifically concluded that the provisions of Article XVI, Section 8 of the State Constitution—the provision establishing minimum funding of K-14 education enacted as part of Proposition 98—did not constitute a self-executing authorization to disburse funds, stating that such provisions merely provide formulas for determining the minimum funding to be appropriated every budget year but do not appropriate funds. Nevertheless, the State Controller has concluded that the provisions of the State Education Code establishing K-12 and county office of education revenue limit funding (the predecessor to the LCFF) do constitute continuing appropriations enacted by the State Legislature and, therefore, has indicated that State payments of such amounts would continue during a budget impasse. The State Controller, however, has concluded that K-12 categorical programs are not authorized pursuant to a continuing appropriation enacted by the State Legislature and, therefore, cannot be paid during a budget impasse. To the extent the Connell decision applies to State payments reflected in the District’s budget, the requirement that there be either a final budget bill or an emergency appropriation may result in the delay of some payments to the District while such required legislative action is delayed, unless the payments are self-executing authorizations, continuing appropriations or are subject to a federal mandate.

Local Control Funding Formula

General. Funding for school districts, charter schools and county offices of education in connection with the LCFF includes State apportionments for general operating costs (“State Aid”) and funding for categorical programs. During fiscal year 2022-23, approximately 55.99% of the District’s General Fund revenues were pursuant to the LCFF. At the time of preparation of the Fiscal Year 2023-24 Second Interim Report, the District projected that approximately 60.48% of the District’s fiscal year 2023-24 General Fund revenues will consist of funds determined under the LCFF. For fiscal years 2020-21 through 2023-24, LCFF revenues comprise a lower percentage of the District’s total General Fund revenues as a result of increases in one-time federal funding for COVID-19 relief. The following Table A-2 sets forth the percentage of the District’s General Fund revenues that are derived from revenues under the LCFF, federal revenues, other State revenues and other local revenues for fiscal years 2019-20 through 2023-24.

TABLE A-2

LOS ANGELES UNIFIED SCHOOL DISTRICT
General Fund Revenue Sources
Percentage of Total District General Fund Revenues⁽¹⁾
Fiscal Years 2019-20 through 2023-24

Revenue Source	Fiscal Year 2019-20	Fiscal Year 2020-21	Fiscal Year 2021-22	Fiscal Year 2022-23	Fiscal Year 2023-24⁽²⁾
LCFF	74.47%	64.68%	62.42%	55.99%	60.48%
Federal Revenues	8.31	19.15	19.13	19.57	19.05
Other State Revenues	14.98	13.99	18.08	22.77	15.36
Other Local Revenues	2.24	2.18	0.37	1.67	5.12

⁽¹⁾ Sum of percentages may not equal 100% due to rounding.

⁽²⁾ Projected. For more information regarding State funding during fiscal year 2023-24, including information about the establishment of an Equity Multiplier as an add-on to the LCFF in the 2023-24 State Budget and impacts on the Fiscal Year 2023-24 Budget, see “– State Budget Act – 2023-24 State Budget” and “DISTRICT FINANCIAL INFORMATION – District Budget – *Revisions to Fiscal Year 2023-24 Budget.*”

Sources: Audited Annual Financial Report for fiscal years 2019-20 through 2022-23; Fiscal Year 2023-24 Second Interim Report for fiscal year 2023-24.

The LCFF allocates State funding based on a school district’s demographics. Each school district receives a base grant (the “Base Grant”) per ADA in an amount determined by the State. The Governor’s State budget for fiscal year 2022-23 revised the LCFF calculation beginning with fiscal year 2022-23 to consider the greater of a school district’s current fiscal year, prior fiscal year, or the average of three prior fiscal years’ ADA. See “DISTRICT GENERAL INFORMATION – Enrollment and Average Daily Attendance.” Pursuant to the LCFF, each local education agency (“LEA”) is required to, among other things, show progress toward an average class enrollment of no more than 24 pupils in kindergarten through grade 3, unless the LEA has entered into a collective bargaining agreement specifying an annual alternative average class enrollment in those grades for each school. Accordingly, the LCFF includes an adjustment to the Base Grant for kindergarten through grade 3 (the “K-3 Grade Span Adjustment”) of approximately 10.4% in order to cover the costs associated with class size reduction. In addition, the LCFF includes an adjustment to the Base Grant for grades 9 through 12 of approximately 2.6% to cover the costs of, among other things, providing career technical education.

Based on the ADA of the given demographic classification, school districts are eligible to receive a 20% supplemental grant (the “Supplemental Grant”) for students classified as English learners (“EL”), students eligible to receive a free or reduced-price meal (“FRPM”), and students classified as foster youth (“LI”). The State expects the Supplemental Grants to reflect the additional costs associated with the education of EL, FRPM and LI students. In addition, school districts are eligible to receive a concentration grant (the “Concentration Grant”) if the school district has a significant concentration of students classified as EL, FRPM or LI (collectively, “Unduplicated Pupils”). The LCFF uses an unduplicated student count to determine the amount of the Supplemental Grant and Concentration Grant authorized for a school district. A school district may only count a student one time if such student is classified in more than one of the EL, FRPM and LI categories. In the event the percentage of Unduplicated Pupils exceeds 55% of a school district’s total enrollment, the LCFF provides additional funding to the school district through a Concentration Grant. The Concentration Grant will be an amount equal to an additional 65% of the school district’s adjusted Base Grant, which includes the cost of living adjustment and grade span adjustments, if any, for each Unduplicated Pupil above the 55% threshold.

Starting with the 2023-24 fiscal year, an additional Equity Multiplier was added for LEAs who qualify by having both (1) a prior year nonstability rate of greater than 25% and (2) a prior year socioeconomically disadvantaged pupil rate of greater than 70%. The nonstability rate refers to the

percentage of students who do not complete the year due to factors like expulsion or other reason without stable subsequent enrollment at another school. The socioeconomically disadvantaged pupil rate refers to the percentage of students who (i) do not have a parent with a high school diploma, (ii) are eligible for free or reduced-price meals, (iii) are migratory, (iv) are homeless youth, (v) are foster youth or (vi) are enrolled in a county juvenile court school. Every year, the state will allocate \$300 million to the qualifying LEAs on a per-unit basis based on the LEA's prior year adjusted cumulative enrollment, but each qualifying school will receive at least \$50,000. The Equity Multiplier revenue must be used for evidence-based services and support for pupils.

The Base Grants are based on four uniform, grade-span base rates. For fiscal year 2023-24, the LCFF provided to school districts and charter schools: (a) a Base Grant for each LEA equivalent to \$10,951 per ADA for kindergarten through grade 3; (b) a Base Grant for each LEA equivalent to \$10,069 per ADA for grades 4 through 6; (c) a Base Grant for each LEA equivalent to \$10,367 per ADA for grades 7 and 8; (d) a Base Grant for each LEA equivalent to \$12,327 per ADA for grades 9 through 12. The Base Grant amount for fiscal year 2023-24 includes a COLA of 8.22%. The amount of actual funding allocated to the Base Grant, Supplemental Grants and Concentration Grants is subject to the discretion of the State.

Since the full implementation of the LCFF in fiscal year 2018-19, there is no longer a gap between a school district's prior year funding and the target amount of funding under the LCFF for the current year. Further, there is no longer a difference between the District's target entitlement under the LCFF – the amount available once the LCFF is fully funded – and the District's transition entitlement. In fiscal year 2018-19, the District reached its target entitlement for the District and the Affiliated Charter Schools, such that there is no transition entitlement for the District and the Affiliated Charter Schools. Accordingly, the District's historically significant increases in LCFF funding from year to year are not reflective of the District's current and expected LCFF funding since the LCFF is fully funded.

The difference between the amount a school district or charter school would have received under the old funding system and the estimated amount it would receive for LCFF funding at full implementation, based on certain criteria is referred to as the "Economic Recovery Target." Only school districts and charter schools that were at, or below, the 90th percentile of per-pupil funding rates of school districts under the pre-fiscal year 2013-14 funding system, as determined at the certification of the State's second principal apportionment in fiscal year 2013-14, are eligible for Economic Recovery Target payments. Based on this criteria, the District is not entitled to receive Economic Recovery Target funding. However, certain of the District's Affiliated Charter Schools are entitled to the Economic Recovery Target funding and received \$990,310, collectively, in fiscal year 2022-23, and will receive the same amount, collectively, in fiscal year 2023-24.

The District has the largest ADA in the State. See "DISTRICT GENERAL INFORMATION – Enrollment and Average Daily Attendance" herein. In addition, the District's ADA includes a significant number of students classified as Unduplicated Pupils. Accordingly, the District expects to receive more LCFF funding than other school districts in the State. The Fiscal Year 2023-24 Second Interim Report projects that approximately 85.67% of students attending non-charter schools of the District will be classified as Unduplicated Pupils under the LCFF during fiscal year 2023-24. The percentage of students classified as Unduplicated Pupils is based on a three-year rolling average. The District's calculation of ADA with respect to Unduplicated Pupils, which is used to determine Supplemental and Concentration Grant revenues, is subject to adjustment upon review thereof by the District's independent auditor.

The following Table A-3 sets forth the District's Base Grant per ADA for fiscal years 2014-15 through 2023-24 under the LCFF.

TABLE A-3
LOS ANGELES UNIFIED SCHOOL DISTRICT
Adjusted Base Grant Per Average Daily Attendance
Fiscal Years 2014-15 through 2023-24

<u>Fiscal Year</u>	<u>Grades K-3</u>	<u>Grades 4-6</u>	<u>Grades 7-8</u>	<u>Grades 9-12</u>
2014-15	\$7,740	\$7,116	\$7,328	\$8,712
2015-16	7,820	7,189	7,403	8,801
2016-17	7,820	7,189	7,403	8,801
2017-18	7,941	7,301	7,518	8,939
2018-19 ⁽¹⁾	8,235	7,571	7,796	9,269
2019-20	8,503	7,818	8,050	9,572
2020-21	8,503	7,818	8,050	9,572
2021-22	8,934	8,214	8,458	10,057
2022-23	9,520	8,754	9,013	10,716
2023-24	10,951	10,069	10,367	12,327

⁽¹⁾ LCFF was fully funded in fiscal year 2018-19.

Sources: Los Angeles Unified School District Comprehensive Annual Financial Report for fiscal years 2014-15 and 2015-16; the District for fiscal years 2016-17 through 2022-23; and Fiscal Year 2023-24 Second Interim Report for fiscal year 2023-24.

Local Control and Accountability Plan. Pursuant to the LCFF, since July 1, 2014, school districts, county offices of education and charter schools have been required to develop, adopt and annually update a three-year LCAP. The LCAP is required to identify goals and measure progress for student subgroups across multiple performance indicators. The Education Code requires each school district to file with the county superintendent of schools such school district's LCAP or annual update thereof not later than five days after its adoption. On or before August 15 of each year, the county superintendent of schools may seek clarification, in writing, from the governing board of such school district about the contents of the LCAP. The school district has the opportunity to respond to such request and the county superintendent is authorized to submit recommendations for amendments to the LCAP. On or before October 8 of each year, the county superintendent of schools is required to approve each school district's LCAP pending a determination that the school district has adhered to the template adopted by the State Board of Education, the school district's budget includes expenditures sufficient to implement the specific actions and strategies included in the LCAP based on projected costs, and the school district has adhered to the Education Code with respect to funds apportioned for Unduplicated Pupils.

The State's priorities for each LCAP include, among other things, compliance with requirements with respect to appropriateness of teacher assignments, ensuring that teachers are fully credentialed in the subject areas and for the pupils they are teaching, and ensuring that every pupil in the school district has sufficient access to the standards-aligned instructional materials as determined in accordance with the Education Code. In addition, school facilities are to be maintained in good repair. The State requires proper implementation of the academic content and performance standards adopted by the State Board of Education and will measure parental involvement (e.g., efforts to seek input from parents or guardians regarding decisions for the district and the school site), pupil achievement (e.g. performance on Statewide assessments, the academic performance index, readiness for college or career technical education, progress towards English proficiency, performance on advance placement examinations), pupil engagement (e.g., school attendance rates, chronic absenteeism rates, middle school dropout rates, high school dropout and graduation rates, pupil suspension and expulsion rates, etc.), access and enrollment in a broad course of study including the core subject areas and programs and services developed and provided to Unduplicated Pupils, and pupil outcomes in the subject areas comprising a broad course of study.

In November 2014, the State Board of Education adopted final regulations to govern the expenditure of the Supplemental Grant and Concentration Grant funding. These regulations require school districts, county offices of education, and charter schools to increase and improve services for Unduplicated Pupils and provide authority for school districts to spend funds school-wide when significant populations of Unduplicated Pupils attend a school. Pursuant to the regulations, LEAs are required to obtain input from parents of students and the general public in connection with the development, revision and updates of LCAPs. In addition, the regulations require County superintendents to review school district LCAPs and require county offices of education to provide technical assistance if they disapprove an LCAP. The Education Code grants the State Superintendent of Public Instruction authority to intervene if a school district or charter school fails to show improvement across multiple subgroups in three out of four consecutive years.

Infectious Disease Outbreak

In general, the outbreak of a highly contagious disease or epidemic disease could harm the District's financial results or result in a temporary shutdown of the District's facilities. As discussed above, school districts in California are funded based on the LCFF, which allocates a base grant per unit of average daily attendance with additional supplemental grants based on certain factors. Thus, a temporary shutdown of a school or an entire school district would reduce the average daily attendance and could impact the funding a school district receives unless the State legislature or California Department of Education takes action to exclude such days from the calculations for funding purposes. Further, any impact on the State's tax and other revenue receipts as a result of a highly contagious or epidemic disease may in turn impact other educational funding that the District receives from the State. "– State Budget Act – *Future Budgets and Budgetary Actions*." In addition, the District may incur increased operational costs to conduct distance learning or to clean, sanitize and maintain its facilities either before or after an outbreak of an infectious disease.

COVID-19 Background. The outbreak of the respiratory disease caused by COVID-19 was previously declared a pandemic by the World Health Organization, a national emergency by former President Trump and a state of emergency by the Governor of the State. The national and public health emergency declarations ended on May 11, 2023. Additionally, the Governor of the State issued a proclamation terminating the State's COVID-19 state of emergency on February 28, 2023.

Federal Response. On March 13, 2020, former President Trump declared a nationwide emergency pursuant to Section 501(b) of the Stafford Act, regarding the COVID-19 pandemic. On March 22, 2020, former President Trump approved the Major Disaster Declaration for the State of California, authorizing federal emergency aid related to COVID-19 administered through the Federal Emergency Management Agency ("FEMA"). As a result, local educational agencies were permitted to submit a request for FEMA public assistance through the California Office of Emergency Services for reimbursement of certain costs incurred as a result of COVID-19. The District submitted all requests for FEMA public assistance for eligible cleaning, sanitation, COVID-19 testing, vaccination, and meal programs expenses incurred through June 30, 2023. As of February 29, 2024, the District has received \$344.7 million for testing and miscellaneous response costs. In addition, the District received four obligation letters from FEMA totaling \$159.6 million for testing, vaccinations and miscellaneous response costs. The District is working to maximize its reimbursement from FEMA and anticipates that a significant majority of the amount of assistance requested from FEMA will ultimately be deemed eligible and reimbursed.

On March 27, 2020, the U.S. House of Representatives approved and former President Trump signed into law the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"). The CARES Act provided \$30 billion to education, specifically \$3 billion allocated to state governors to be used at

their discretion to address the emergency, \$13.5 billion for K-12 education, and \$14.25 billion for postsecondary institutions. School districts are able to use their share of the \$13.5 billion K-12 education allocation under the CARES Act, which was based on the proportion of Title I funding received for the then most recent fiscal year, for purposes authorized by federal law and other specified uses. The District received approximately \$858.1 million in funding under the CARES Act, which is the full amount allocated to the District under the CARES Act and included approximately \$289.7 million from the Elementary and Secondary School Emergency Relief Fund (the “ESSER”) provided directly from the federal government to the District, and amounts allocated by the State of California through its Learning Loss Mitigation Fund, including approximately \$488.6 million from the Coronavirus Relief Fund (the “CRF”) provided from CARES Act funding, approximately \$31.9 million from the Governor’s Emergency Education Relief Fund (the “GEER”) provided from CARES Act funding, and approximately \$47.9 million from the State’s general fund. The District has also received approximately \$22.0 million in supplemental reimbursements at a rate of 75 cents per meal for meals served to students between March 2020 and August 2020; a portion of such funding was provided by federal sources under the CARES Act and the other portion of such funding was provided by State funds. In addition, the District has been awarded approximately \$6.0 million in grant funds by the State under the California Community Schools Partnership Program for expenditures relating to the District’s community schools. As of June 30, 2023, the District has received all \$6.0 million of such grant funding.

On December 27, 2020, the Consolidated Appropriations Act of 2021 (“HR 133”) was enacted, which includes a \$900 billion COVID-19 relief package. HR 133 provided approximately \$81.9 billion to education, specifically about \$4.1 billion allocated to state governors to be used at their discretion to address the emergency, of which approximately \$2.75 billion was reserved for private K-12 education, about \$54.3 billion for K-12 education, around \$22.7 billion for postsecondary institutions, and about \$819 million for outlying areas and Bureau of Indian Affairs schools. School districts are able to use their share of the approximately \$54.3 billion K-12 education allocation under HR 133, which was based on the proportion of Title I funding received for the then most recent fiscal year, for purposes authorized by federal law and other specified uses. Pursuant to HR 133, \$154 million was allocated to the State in the form of funding for public schools from the GEER (the “GEER II”), and the State ultimately incorporated such funds into the expanded learning opportunity grant funding discussed below. In addition, pursuant to HR 133, the District is eligible to receive approximately \$1.15 billion in funding from the ESSER (the “ESSER II”) for eligible expenditures obligated through September 30, 2023. The District has received all \$1.15 billion in ESSER II funding as of June 30, 2023. In addition, under HR 133, the District received a one-time child development stipend of approximately \$4 million for costs associated with childcare programs.

On March 11, 2021, the American Rescue Plan Act of 2021 (“HR 1319”), a \$1.9 trillion COVID-19 relief package, was enacted. HR 1319 provided approximately \$165.15 billion to education, specifically about \$122.8 billion to public K-12 education, around \$2.75 billion to private K-12 education and about \$39.6 billion to postsecondary institutions. Of the approximately \$122.8 billion in K-12 funding, about \$7.2 billion was set aside for purchasing technology to support digital learning and around \$800 million is set aside for supporting homeless students. HR 1319 allocated K-12 funding to states and school districts according to the proportion of Title I funding received for the then most recent fiscal year. It further stipulated that of the K-12 funds received by states, 90% must be distributed to local educational agencies, 5% must be used to address learning loss, 1% must be used for summer enrichment programs and 1% must be used for comprehensive afterschool programs, and of the K-12 funds received directly by school districts, 20% must be used to address learning loss. Pursuant to HR 1319, the District expects to receive approximately \$2.6 billion in additional funding from the ESSER (the “ESSER III”) for expenditures obligated through September 30, 2024. As of February 29, 2024, the District has received approximately \$2.1 billion in ESSER III funding. Pursuant to HR 1319, the District also may receive up to \$281.6 million from the amounts dedicated to technology and digital learning (the “Emergency

Connectivity Fund”). As of February 29, 2024, the District has received approximately \$50.4 million of funding from the Emergency Connectivity Fund.

Pursuant to a grant from the U.S. Department of Health and Human Services, LACOE received funding for COVID testing to allocate to school districts within its jurisdiction. Accordingly, the District was allocated approximately \$82.2 million in funding for COVID testing expenses during fiscal year 2021-22, all of which the District received during fiscal year 2021-22.

State Legislation Relating to School Districts. On March 17, 2020, the Governor signed Senate Bill 117 (“SB 117”) as urgency legislation effective immediately. For purposes of school district funding for fiscal year 2019-20, SB 117 limited the average daily attendance reported to the California Department of Education to include the full school months from July 1, 2019, to February 29, 2020. This condensed ADA period applied to school districts that complied with Executive Order N-26-20. SB 117 further states the intent of the State Legislature is that a school district’s employees and contractors be paid during the period of a school closure due to COVID-19. SB 117 also waived instructional time penalties that would otherwise accrue, as long as the school district superintendent, county superintendent or charter school administrator certify that the closure due to COVID-19 caused the school district to fall below applicable instructional time requirements. SB 117 also included \$100 million in additional funding to school districts for certain costs incurred as a result of COVID-19. The District received approximately \$7.9 million, which includes amounts for Affiliated Charter Schools, from such additional State funding in fiscal year 2019-20.

The Governor signed Assembly Bill 86 (“AB 86”) into law on March 5, 2021. AB 86 provided approximately \$6.6 billion to local educational agencies to encourage a return to in-person education, with a focus on students who are younger (TK-2) and most disproportionately impacted by the COVID-19 pandemic. Funding was distributed as follows: \$725 per student, an additional \$1,000 per homeless student, and funds remaining after these apportionments are distributed proportionally based on LCFF. \$2 billion was set aside as incentive for school districts that return to in-person instruction by March 31, 2021 for at least TK-2 and ramping up to include higher grades if county transmission rates allow. Beginning April 1, 2021, school districts’ apportioned incentive funding was reduced by 1% for every academic calendar day they do not offer in-person education until May 15, 2021, after which school districts forfeit their entire apportionment of incentive funding. AB 86 allocated approximately \$4.6 billion to local educational agencies to support expanded learning opportunities that target learning loss resulting from the COVID-19 pandemic. School districts must implement learning recovery programs that include, at minimum, supplemental instruction, resources for social and emotional well-being and meal programs. AB 86 also established reporting requirements to monitor COVID-19 cases and in-person education status and apportioned \$25 million to the State’s “Safe Schools For All Team” to provide technical assistance, community engagement, oversight and accountability to school districts. AB 86 further set aside 10% of the State’s vaccine supply for childcare and TK-12 education staff. Pursuant to AB 86, the District expects to receive approximately \$572.5 million in additional funding following its reopening of schools for in-person hybrid instruction throughout April 2021. As of February 29, 2024, the District has received approximately \$561.7 million in such funding.

The Governor signed Assembly Bill 130 (“AB 130”) into law on July 9, 2021. Pursuant to AB 130, the District received approximately \$243.2 million in funding in fiscal year 2021-22 and is eligible for \$457.10 million per year thereafter for the operation of afterschool and summer school enrichment programs through the Expanded Learning Opportunities Program. In addition, pursuant to AB 130, the District received an additional \$45.7 million in funding through the Special Education Learning Recovery Support program and approximately \$10.1 million for dispute prevention and dispute resolution. While the Expanded Learning Opportunities Program is not a traditional one-time COVID relief funding source

like the other COVID relief funding discussed above, it is part of the State's on-going response to educational challenges exacerbated by the COVID-19 pandemic.

As of February 29, 2024, in aggregate from federal and State funding sources described above from fiscal year 2019-20 through fiscal year 2023-24, the District expects to receive approximately \$5.6 billion in COVID-19 relief funding, which does not include the funding that the District received through the Expanded Learning Opportunities Program in fiscal year 2021-22 or the funds that the District expects to receive through the Expanded Learning Opportunities Program on an ongoing basis. As of February 29, 2024, the District has received approximately \$4.8 billion in such COVID-19 relief funding, which does not include any funds received through the Expanded Learning Opportunities Program.

District Response. As a result of the outbreak of COVID-19, on March 10, 2020, the District Board declared that emergency conditions exist throughout the District and authorized the Superintendent to take any and all actions necessary to ensure the health and safety of students and staff. Under such authority, the Superintendent closed all schools within the District for in-person instruction effective March 16, 2020. The District implemented a distance learning model for the remainder of the 2019-20 school year.

The District utilized the distance learning model for much of the 2020-21 school year, which commenced on August 18, 2020, given the ongoing COVID-19 pandemic. However, the District began reopening schools for in-person hybrid instruction the week of April 12, 2021, starting with 61 elementary schools and 11 early education centers. The remaining elementary schools and early education centers reopened for in-person hybrid instruction the week of April 19, 2021, and middle schools and high schools reopened for in-person hybrid instruction the week of April 26, 2021. Distance learning also remained available to students throughout the 2020-21 school year. To ensure that the reopening was as safe as possible for students, employees, and the communities, the District published its COVID-19 Containment, Response and Control Plan in February 2021, which details plans, practices and health and safety protocols for reopening schools and is available on the District's website. The District also offered vaccinations to all District employees, administered vaccinations at multiple school sites, and operated a mass vaccination center at Hollywood Park to serve its employees and charter school employees. Baseline COVID-19 testing and subsequent periodic testing on a weekly basis was made available to all students and staff located at school facilities.

The District fully opened its school facilities to full-time in-person instruction at the outset of the 2021-22 school year. The District operates an independent study program for students who do not want to return to in-person instruction. Beginning in October 2021, the District required all employees to be vaccinated against COVID-19, but on September 26, 2023, the Board of Education rescinded that requirement. During the 2021-22 school year, the District conducted weekly testing of all staff and students for COVID-19. During the 2022-23 school year, the District no longer required weekly testing, but provided rapid antigen tests for symptomatic and exposed students and staff. The District continues to implement strict health and safety measures to ensure the safety of its staff and students.

In response to the COVID-19 pandemic, the District incurred costs totaling approximately \$5.1 billion from March 2020 through February 29, 2024, including costs associated with instructional connectivity, learning lost mitigation, meals, cleaning and protective equipment, COVID-19 testing, and business continuity and connectivity. As a result of the COVID-19 pandemic, the District currently projects approximately \$915.6 million in COVID-19 related costs associated with operating schools during the 2023-24 school year. More specifically, based on the Fiscal Year 2023-24 Second Interim Report, the District projects (1) approximately \$23.3 million in costs associated with strategies for continuous and safe in-person learning; (2) approximately \$246.4 million in costs associated with addressing lost instructional time; and (3) approximately \$645.9 million in costs for addressing additional

district priorities. For more information on the District’s COVID-19 relief funding expectations for fiscal year 2023-24, see “DISTRICT FINANCIAL INFORMATION – District Budget.”

While the State and federal one-time COVID-19 relief funding discussed above has provided and will continue to provide some immediate relief to school districts, including the District, the long-term impacts of the COVID-19 outbreak on the District’s operations and finances are not fully known as the situation continues to evolve. The District cannot predict whether similar legislation would be enacted in the event the outbreak severity of COVID-19 returns or a similar or other outbreak of a highly contagious disease or epidemic disease were to occur in the future.

Charter School Funding

A charter school is a public school authorized by a school district, county office of education or the State Board of Education. State law requires that charter petitions be approved if they comply with the statutory criteria. The District has certain fiscal oversight and other responsibilities with respect to both Affiliated Charter Schools and Fiscally Independent Charter Schools located in the District geographic boundaries. However, Fiscally Independent Charter Schools are separate LEAs and receive revenues directly from the State. Affiliated charter schools receive their funding from the District and are included in the District’s budgets and audit reports. Information regarding enrollment, ADA, budgets and other financial information relating to Fiscally Independent Charter Schools is not included in the District’s audit reports or in this Official Statement unless otherwise noted.

Pursuant to the LCFF, Fiscally Independent Charter Schools and Affiliated Charter Schools will receive a Base Grant per ADA and are eligible to receive Supplemental Grants, Concentration Grants and Equity Multiplier funds. See “ – Local Control Funding Formula” herein. In fiscal year 2023-24, the District operates 51 Affiliated Charter Schools and oversees 221 Fiscally Independent Charter Schools within the District boundaries. The fiscal year 2023-24 funded ADA of the Affiliated Charter Schools and the Fiscally Independent Charter Schools is anticipated to be approximately 34,658 and 101,678, respectively. An increase in the number of Fiscally Independent Charter Schools within the boundaries of a school district or an increase in the number of students transferring to a Fiscally Independent Charter School or an Affiliated Charter School from a traditional school within a school district may cause a net reduction in the District’s ADA.

Limitations on School District Reserves

Unless a school district is granted an exemption by its county superintendent of schools, amounts in its reserves may not exceed the limitations set forth in the Education Code once certain conditions precedent are met. Pursuant to Section 42127.01 of the Education Code, in a fiscal year immediately after a fiscal year in which the amount of moneys in the Proposition 98 Rainy Day Fund is equal to or exceeds 3% of the combined total of State general fund revenues appropriated for school districts and allocated local proceeds of taxes for that fiscal year, a school district budget that is adopted or revised shall not contain a combined assigned or unassigned ending general fund balance that is in excess of 10% of total General Fund expenditures and other financing uses. A county superintendent of schools may grant a school district under its jurisdiction an exemption from the reserves limitation for up to two consecutive fiscal years within a three-year period if the school district provides documentation indicating that extraordinary fiscal circumstances, including, but not limited to, multiyear infrastructure or technology projects, substantiate the need for a combined assigned or unassigned ending general fund balance that is in excess of the reserves limitation. The limitation applies once the Superintendent of Public Instruction notifies school districts and county offices of education that the conditions precedent are met. The Superintendent of Public Instruction is also required to notify school districts and county offices of education when those conditions no longer exist.

The State-imposed minimum recommended reserve for the District is accounted for in the District's reserve for economic uncertainties. Payments allocated to the Proposition 98 Rainy Day Fund by the State in fiscal years 2021-22 and 2022-23 triggered certain limitations on school district reserves under the Education Code in fiscal years 2022-23 and 2023-24. In fiscal years 2022-23 and 2023-24, the District Board has committed funds comprising portions of the General Fund ending balance to (1) proportionality resources that are allocated to schools to increase or improve services for low income, English language learner, and foster youth students, (2) the primary promise program for elementary school students to build a foundation in literacy, math, and critical thinking skills, (3) inflation protection, and (4) financial obligations pursuant to labor agreements. At the time of preparation of the 2023-24 Second Interim Report, the District's assigned and unassigned ending General Fund balance for fiscal year 2023-24 did exceed 10% of the total General Fund expenditures and other financing uses. However, the reserve cap is not checked for compliance at interim reporting periods; it is checked at budget adoption and at the reporting of unaudited actuals. Should the District appear to exceed the reserve cap at the time of preparation of the District's fiscal year 2023-24 unaudited actuals, the District would take appropriate action to ensure compliance.

Even with the Governor's proposed withdrawals in fiscal years 2023-24 and 2024-25 in the Proposed 2024-25 State Budget (see " – Proposed 2024-25 State Budget"), the Proposed 2024-25 State Budget indicates the projected balance of \$5.7 billion in the Proposition 98 Rainy Day Fund in fiscal year 2023-24 continues to trigger school district reserve limitations in fiscal year 2024-25.

Local Property Taxation

General. As required by State law, the District uses the services of the County for the assessment and collection of taxes for District purposes. District taxes are collected at the same time and on the same tax rolls as are the County, the City of Los Angeles and other local agency and special district taxes.

State law exempts \$7,000 of the full cash value of an owner-occupied dwelling from property tax, but this exemption does not result in any loss of revenue to local entities, including the District, because an amount equivalent to the taxes which would have been payable on such exempt values is paid by the State to the County for distribution to local agencies. The County levies property taxes on behalf of taxing agencies in the County for each fiscal year on taxable real and personal property which is situated in the County as of the preceding January 1. However, upon a change in ownership of property or completion of new construction, State law permits the County to recognize changes in the assessed valuation of real property before the next regular assessment role is complete in order to levy taxes based on the new assessed value. In such instances, the property is reassessed and a supplemental tax bill is sent to the new owner based on the new value prorated for the balance of the tax year.

The fiscal year 2023-24 Assessment Roll for property within the District's boundaries reflects an increase of approximately 5.96% in assessed value from the prior year. Under State law, in addition to reassessments requested by property owners pursuant to Proposition 8 when the current market value of property is less than assessed value as of January 1, the county assessor annually initiates reviews of property for reassessments due to decline-in-value. See "*—Appeals of Assessed Valuation; Blanket Reductions of Assessed Values*" below.

TABLE A-4

LOS ANGELES UNIFIED SCHOOL DISTRICT
Historical Gross Assessed Valuation of Taxable Property⁽¹⁾
Fiscal Years 2009-10 through 2023-24
(\$ in thousands)

Fiscal Year	Secured⁽²⁾	Unsecured	Total⁽²⁾	Change From Prior Year	Percent Change
2009-10	\$451,127,882	\$23,849,409	\$474,977,291	\$187,493	--
2010-11	442,092,473	21,753,078	463,845,551	(11,131,740)	(2.34)%
2011-12	447,830,204	21,265,021	469,095,225	5,249,674	1.13
2012-13	458,767,053	21,308,439	480,075,492	10,980,267	2.34
2013-14	482,043,584	21,634,336	503,677,920	23,602,428	4.92
2014-15	510,371,502	22,562,705	532,934,207	29,256,287	5.81
2015-16	546,807,059	23,362,404	570,169,464	37,235,257	6.99
2016-17	581,473,213	24,495,794	605,969,007	35,799,543	6.28
2017-18	619,162,082	25,342,665	644,504,747	38,535,740	6.36
2018-19	665,355,078	27,377,547	692,732,625	48,227,878	7.48
2019-20	710,954,606	28,442,486	739,397,092	46,664,467	6.73
2020-21	759,004,739	28,679,270	787,684,010	48,286,918	6.53
2021-22	790,822,215	27,581,051	818,403,266	30,719,256	3.90
2022-23	848,435,713	29,196,328	877,632,041	59,228,775	7.24
2023-24	898,345,149	31,634,928	929,980,077	52,348,036	5.96

⁽¹⁾ Full cash value.

⁽²⁾ Includes utility valuations.

Source: California Municipal Statistics, Inc.

Assessed Valuation Reductions. Assessments may be adjusted during the course of the year when real property changes ownership or new construction is completed. Assessments may also be appealed by taxpayers seeking a reduction as a result of economic and other factors beyond the District's control, such as a general market decline in property values, including potential market declines caused by the effects of a reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), pandemic, or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, drought, flood, landslide, liquefaction, levee failure, fire, toxic dumping, etc. When necessitated by changes in assessed value in the course of a year, taxes are pro-rated for each portion of the tax year. See also “—*Appeals of Assessed Valuation; Blanket Reductions of Assessed Values*” below.

Property values could be reduced by factors beyond the District's control, including a depressed real estate market due to general economic conditions or other events. A pandemic, like the COVID-19 pandemic, may result in an economic recession or depression that causes a general market decline in property values therefore affecting the assessed value of property in the District. For more information on the impact of the COVID-19 pandemic, see “— STATE FUNDING OF SCHOOL DISTRICTS – Infectious Disease Outbreak.” Events resulting in changing economic conditions may also alter the willingness or the ability of local taxpayers to pay *ad valorem* property taxes levied to repay the District's general obligation bonds. The District cannot predict whether events that may result in changing economic conditions will occur or the extent that a change in economic conditions will impact assessed value of property in the District or the willingness or ability of local taxpayers to pay *ad valorem* property taxes.

Aside from economic conditions, property values could be reduced by natural or manmade disasters. In recent years, portions of California, including the County and adjacent counties, have experienced wildfires that have burned thousands of acres and destroyed thousands of homes and structures. Moreover, the District is located in a seismically active region. Active earthquake faults include the San Andreas Fault that runs throughout the County, the Palos Verdes fault that runs along the coast and through a small portion of the County, and other smaller faults including the Lower Elysian Park thrust, the Upper Elysian Park fault and Puente Hills blind thrust system. Furthermore, California has experienced severe drought conditions in recent years, but has most recently experienced periods of extreme precipitation. These and other extreme weather events are all effects of climate change. As greenhouse gas emissions continue to accumulate, climate change may intensify and increase the frequency of such extreme weather events. The District cannot predict the timing, extent, or severity of any potential natural or manmade disaster and its impact on property values in the District.

Appeals of Assessed Valuation; Blanket Reductions of Assessed Values. There are two basic types of property tax assessment appeals provided for under State law. The first type of appeal, commonly referred to as a base year assessment appeal, involves a dispute on the valuation assigned by the assessor immediately subsequent to an instance of a change in ownership or completion of new construction. If the base year value assigned by the assessor is reduced, the valuation of the property cannot increase in subsequent years more than 2% annually unless and until another change in ownership and/or additional new construction or reconstruction activity occurs. Any base year appeal must be made within four years of the change of ownership or new construction date.

The second type of appeal, commonly referred to as a Proposition 8 appeal, can result if factors occur causing a decline in the market value of the property to a level below the property's then current taxable value (escalated base year value). Pursuant to State law, a property owner may apply for a Proposition 8 reduction of the property tax assessment for such owner's property by filing a written application with the appropriate county board of equalization or assessment appeals board. A property owner desiring a Proposition 8 reduction of the assessed value of such owner's property in any one year must submit an application to the county assessment appeals board (the "Appeals Board"). Following a review of the application by the county assessor's office, the county assessor may offer to the property owner the opportunity to stipulate to a reduced assessment, or may confirm the assessment. If no stipulation is agreed to, and the applicant elects to pursue the appeal, the matter is brought before the Appeals Board (or, in some cases, a hearing examiner) for a hearing and decision. The Appeals Board generally is required to determine the outcome of appeals within two years of each appeal's filing date. Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which the written application is filed. The assessed value increases to its pre-reduction level (such pre-reduction level escalated by the annual inflation rate of no more than 2%) following the year for which the reduction application is filed. However, the county assessor has the power to grant a reduction not only for the year for which application was originally made, but also for the then current year and any intervening years as well. In practice, such a reduced assessment may and often does remain in effect beyond the year in which it is granted.

In addition, Article XIII A of the State Constitution provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. This measure is computed on a calendar year basis. According to representatives of the County assessor's office, the County has in the past, pursuant to Article XIII A of the State Constitution, ordered blanket reductions of assessed property values and corresponding property tax bills on single family residential properties when the value of the property has declined below the current assessed value as calculated by the County.

No assurance can be given that property tax appeals and/or blanket reductions of assessed property values will not significantly reduce the assessed valuation of property within the District in the future.

Assessed Valuation by Jurisdiction. The following Table A-5 describes the percentage and value of the total assessed value of the property within the District's boundaries that resides in the various cities and unincorporated portions of the County, as well as the assessed value of property within the District relative to the County's assessed value, for fiscal year 2023-24.

TABLE A-5

LOS ANGELES UNIFIED SCHOOL DISTRICT
Fiscal Year 2023-24 Assessed Valuation by Jurisdiction

Jurisdiction	Assessed Valuation in District	% of District	Assessed Valuation of Jurisdiction	% of Jurisdiction in District
City of Bell	\$1,898,648,181	0.20%	\$2,386,832,811	79.55%
City of Bell Gardens	64,627,089	0.01	2,357,100,409	2.74
City of Beverly Hills	206,172,057	0.02	44,985,003,719	0.46
City of Calabasas	750,267	0.00	10,384,929,447	0.01
City of Carson	18,971,870,845	2.04	21,126,060,071	89.80
City of Commerce	393,476,151	0.04	7,130,442,900	5.52
City of Cudahy	1,082,136,157	0.12	1,082,375,575	99.98
City of Culver City	62,179,384	0.01	16,462,393,824	0.38
City of Downey	676	0.00	14,983,555,256	0.00
City of Gardena	8,656,755,345	0.93	8,656,755,345	100.00
City of Hawthorne	898,857,307	0.10	10,842,229,863	8.29
City of Huntington Park	4,024,858,436	0.43	4,024,858,436	100.00
City of Inglewood	43,767,072	0.00	16,123,306,112	0.27
City of Lomita	3,090,826,491	0.33	3,090,826,491	100.00
City of Long Beach	467,031,174	0.05	75,868,478,130	0.62
City of Los Angeles	819,314,948,319	88.10	819,772,705,348	99.94
City of Lynwood	60,507,001	0.01	4,538,648,661	1.33
City of Maywood	1,331,533,103	0.14	1,331,533,103	100.00
City of Montebello	12,963,135	0.00	7,950,856,621	0.16
City of Monterey Park	302,702,231	0.03	9,715,095,200	3.12
City of Rancho Palos Verdes	1,592,479,481	0.17	16,396,993,841	9.71
City of Rolling Hills Estates	26,956,445	0.00	4,672,574,538	0.58
City of San Fernando	2,609,359,578	0.28	2,609,359,578	100.00
City of Santa Clarita	54,430	0.00	44,856,053,742	0.00
City of Santa Monica	1,109,849	0.00	48,958,244,546	0.00
City of South Gate	6,327,886,721	0.68	7,756,779,545	81.58
City of Torrance	60,748,689	0.01	38,198,891,637	0.16
City of Vernon	7,948,251,550	0.85	7,948,251,550	100.00
City of West Hollywood	16,955,678,507	1.82	16,955,678,507	100.00
Unincorporated Los Angeles County	33,572,941,168	3.61	137,490,774,283	24.42
Total District	\$929,980,076,839	100.00%		
Los Angeles County	\$929,980,076,839	100.00%	\$2,005,261,690,790	46.38%

Source: California Municipal Statistics, Inc.

Assessed Valuation by Land Use. The following Table A-6 sets forth the assessed valuation by land use of property within the District in fiscal year 2023-24.

TABLE A-6

LOS ANGELES UNIFIED SCHOOL DISTRICT
Local Secured Assessed Valuation and Parcels by Land Use
Fiscal Year 2023-24

	2023-24 Assessed Valuation⁽¹⁾	% of Total	No. of Parcels	% of Total
<u>Non-Residential:</u>				
Commercial/Office Building	\$150,905,944,798	16.80%	51,111	5.28%
Industrial	94,627,787,691	10.53	24,867	2.57
Recreational	2,635,325,413	0.29	1,234	0.13
Government/Social/Institutional	4,599,858,112	0.51	5,129	0.53
Miscellaneous	499,608,202	0.06	994	0.1
Subtotal Non-Residential	\$253,268,524,216	28.20%	83,335	8.61%
<u>Residential:</u>				
Single Family Residence	\$408,068,510,052	45.43%	578,883	59.83%
Condominium/Townhouse	80,954,041,301	9.01	138,017	14.27
Mobile Home Related	517,690,748	0.06	115	0.01
2-4 Residential Units	52,740,752,621	5.87	96,441	9.97
5+ Residential Units/Apartments	97,260,923,369	10.83	42,215	4.36
Miscellaneous Residential	53,660,212	0.01	320	0.03
Subtotal Residential	\$639,595,578,303	71.21%	855,991	88.48%
Vacant Parcels	\$5,369,854,036	0.60%	28,149	2.91%
Total	\$898,233,956,555	100.00%	967,475	100.00%

⁽¹⁾ Local Secured Assessed Valuation, excluding tax-exempt property.

Source: California Municipal Statistics, Inc.

Assessed Valuation of Single-Family Homes. The following Table A-7 sets forth the distribution of single-family homes within the District within various assessed valuation ranges in fiscal year 2023-24.

TABLE A-7

LOS ANGELES UNIFIED SCHOOL DISTRICT
Assessed Valuations of Single Family Homes Per Parcel
Fiscal Year 2023-24

	No. of Parcels	2023-24 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single-Family Residential	578,883	\$408,068,510,052	\$704,924	\$444,269

2023-24 Assessed Valuation	No. of Parcels⁽¹⁾	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
\$0 - \$99,999	46,072	7.959%	7.959%	\$2,971,697,039	0.728%	0.728%
\$100,000 - \$199,999	64,820	11.197	19.156	9,924,757,997	2.432	3.160
\$200,000 - \$299,999	83,585	14.439	33.595	20,838,318,544	5.107	8.267
\$300,000 - \$399,999	68,324	11.803	45.398	23,794,903,026	5.831	14.098
\$400,000 - \$499,999	57,567	9.944	55.342	25,831,034,834	6.330	20.428
\$500,000 - \$599,999	49,439	8.540	63.883	27,109,248,408	6.643	27.071
\$600,000 - \$699,999	41,147	7.108	70.991	26,677,628,507	6.538	33.609
\$700,000 - \$799,999	32,051	5.537	76.528	23,972,795,061	5.875	39.484
\$800,000 - \$899,999	24,268	4.192	80.720	20,573,688,859	5.042	44.525
\$900,000 - \$999,999	17,693	3.056	83.776	16,763,609,387	4.108	48.633
\$1,000,000 - \$1,099,999	12,562	2.170	85.946	13,155,607,699	3.224	51.857
\$1,100,000 - \$1,199,999	9,592	1.657	87.603	11,010,712,840	2.698	54.556
\$1,200,000 - \$1,299,999	7,797	1.347	88.950	9,731,103,852	2.385	56.940
\$1,300,000 - \$1,399,999	7,181	1.240	90.191	9,675,405,438	2.371	59.311
\$1,400,000 - \$1,499,999	5,887	1.017	91.208	8,522,869,688	2.089	61.400
\$1,500,000 - \$1,599,999	5,151	0.890	92.097	7,968,768,045	1.953	63.353
\$1,600,000 - \$1,699,999	4,581	0.791	92.889	7,547,907,532	1.850	65.202
\$1,700,000 - \$1,799,999	3,886	0.671	93.560	6,796,839,459	1.666	66.868
\$1,800,000 - \$1,899,999	3,422	0.591	94.151	6,327,362,819	1.551	68.418
\$1,900,000 - \$1,999,999	3,118	0.539	94.690	6,078,345,159	1.490	69.908
\$2,000,000 - \$2,099,999	2,533	0.438	95.127	5,188,748,001	1.272	71.180
\$2,100,000 - \$2,199,999	2,186	0.378	95.505	4,696,463,036	1.151	72.330
\$2,200,000 - \$2,299,999	1,972	0.341	95.846	4,437,475,795	1.087	73.418
\$2,300,000 - \$2,399,999	1,758	0.304	96.149	4,131,607,664	1.012	74.430
\$2,400,000 - \$2,499,999	1,639	0.283	96.432	4,015,802,966	0.984	75.414
\$2,500,000 - \$2,599,999	1,404	0.243	96.675	3,577,290,317	0.877	76.291
\$2,600,000 - \$2,699,999	1,366	0.236	96.911	3,614,539,205	0.886	77.177
\$2,700,000 - \$2,799,999	1,253	0.216	97.127	3,441,950,720	0.843	78.020
\$2,800,000 - \$2,899,999	1,092	0.189	97.316	3,110,456,960	0.762	78.783
\$2,900,000 - \$2,999,999	1,053	0.182	97.498	3,103,766,802	0.761	79.543
\$3,000,000 and greater	14,484	2.502	100.000	83,477,804,393	20.457	100.000
Total	578,883	100.000%		\$408,068,510,052	100.000%	

⁽¹⁾ Improved single-family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: California Municipal Statistics, Inc.

Largest Secured Taxpayers in the District. The following Table A-8 sets forth the twenty taxpayers with the greatest combined ownership of secured taxable property in the District on the fiscal year 2023-24 tax roll, and the secured assessed valuation of all property owned by those taxpayers in all taxing jurisdictions within the District.

TABLE A-8

LOS ANGELES UNIFIED SCHOOL DISTRICT
Largest Local Secured Taxpayers⁽¹⁾
Fiscal Year 2023-24

	Property Owner	Primary Land Use	2023-24 Assessed Valuation	% of Total⁽²⁾
1.	Universal Studios LLC	Movie Studio	\$3,119,828,062	0.35%
2.	Douglas Emmett LLC	Office Building	2,976,972,693	0.33
3.	Essex Portfolio LP	Apartments	2,702,864,870	0.30
4.	Rexford Industrial Realty LP	Industrial	2,285,203,101	0.25
5.	Century City Mall LLC	Shopping Center/Mall	1,110,574,262	0.12
6.	Next Century Partners LLC	Residential/Hotel	1,097,659,368	0.12
7.	FSP South Flower Street	Office Building	1,003,714,148	0.11
8.	CJDB LLC	Shopping Center/Mall	967,010,182	0.11
9.	Rochelle H. Sterling	Apartments	898,094,714	0.10
10.	Hanjin International Corp.	Hotel	891,027,387	0.10
11.	Anheuser Busch Commercial	Industrial	843,163,069	0.09
12.	One Hundred Towers LLC	Office Building	715,390,295	0.08
13.	Trizec 333 LA LLC	Office Building	701,018,682	0.08
14.	Onni Wilshire Courtyard LLC	Office Building	673,342,925	0.07
15.	Maguire Partners 355 S. Grand LLC	Office Building	655,596,686	0.07
16.	BRE HH Property Owner LLC	Office Building	650,561,002	0.07
17.	Olympic and Georgia Partners LLC	Hotel	625,519,745	0.07
18.	Tishman Speyer Archstone Smith	Apartments	623,996,307	0.07
19.	LA Live Properties LLC	Commercial	582,531,585	0.06
20.	Maguire Properties 555 W. Fifth	Office Building	574,760,357	0.06
			\$23,698,829,440	2.64%

⁽¹⁾ Excludes taxpayers with values derived from mineral rights or a possessory interest. Historically, among the top 10 taxpayers within the District are landowners with primary land use of oil and gas production, including Marathon Petroleum Corporation, Phillips 66 Company and Valero Energy Corporation, which are not reflected in the table above.

⁽²⁾ Local Secured Assessed Valuation, excluding tax-exempt property and utility valuations: \$898,233,956,555.
Source: California Municipal Statistics, Inc.

The more property (by assessed value) owned by a single taxpayer, the more tax collections are exposed to weakness, if any, in such taxpayer's financial situation and ability or willingness to pay property taxes in a timely manner. Furthermore, assessments may be appealed by taxpayers seeking a reduction as a result of economic and other factors beyond the District's control.

Tax Rates, Levies and Collections

General. Taxes are levied for each fiscal year on taxable real and personal property as of the preceding January 1. Real property that changes ownership or is newly constructed is revalued at the time the change occurs or the construction is completed. The current year property tax rate is applied to the reassessed value, and the taxes are then adjusted by a proration factor that reflects the portion of the remaining tax year for which taxes are due. The annual tax rate is based on the amount necessary to pay

all obligations payable from *ad valorem* property taxes and the assessed value of taxable property in a given year. Economic and other factors beyond the District's control, such as a general market decline in land values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), pandemic, or the complete or partial destruction of taxable property caused by natural or manmade disaster such as earthquake, drought, flood, fire, toxic dumping, etc., could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the annual tax rate to be levied to pay the principal of and interest on the District's outstanding general obligation bonds.

For assessment and collection purposes, property is classified as either "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing property (real or personal) the taxes on which are a lien sufficient, in the opinion of the County Assessor, to secure payment of the taxes. Other property is listed on the "unsecured roll."

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year, and become delinquent on December 10 and April 10, respectively. A penalty of 10% attaches immediately to all delinquent payments. Properties on the secured roll with respect to which taxes are delinquent become tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of a penalty of 1.5% per month to the time of redemption, plus costs and a redemption fee. If taxes are unpaid for a period of five years or more, the property is deeded to the State and then may be sold at public auction by the County Treasurer.

Property taxes on the unsecured roll are due in one payment on the January 1 lien date and become delinquent after August 31. A 10% penalty attaches to delinquent unsecured taxes. If unsecured taxes are unpaid at 5 p.m. on October 31, an additional penalty of 1.5% attaches to them on the first day of each month until paid. The County has four ways of collecting delinquent unsecured personal property taxes: (i) a civil action against the taxpayer; (ii) filing a judgment in the office of the County Clerk specifying certain facts in order to obtain a lien on certain property of the taxpayer; (iii) filing a certificate of delinquency for record in the County Recorder's office in order to obtain a lien on certain property of the taxpayer; and (iv) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee.

Proposition 13 and its implementing legislation impose the function of property tax allocation on counties in the State and prescribe how levies on countywide property values are to be shared with local taxing entities within each county. The limitations in Proposition 13, however, do not apply to *ad valorem* property taxes or special assessments to pay the interest and redemption charges on indebtedness, like the District's general obligation bonds, approved by the voters.

The County levies a 1% *ad valorem* property tax on behalf of all taxing agencies in the County. The taxes collected are allocated on the basis of a formula established by State law enacted in 1979. Under this formula, the County and all other taxing entities receive a base year allocation plus an allocation on the basis of "situated" growth in assessed value (new construction, change of ownership, inflation) prorated among the jurisdictions that serve the tax rate areas within which the growth occurs. Tax rate areas are specifically defined geographic areas, which were developed to permit the levying of taxes for less than county-wide or less than city-wide special and school districts. In addition, the County levies and collects additional approved property taxes and assessments on behalf of any taxing agency within the County.

State Government Code Sections 29100 through 29107 provide the procedures that all counties must follow for calculating tax rates. The secured tax levy within the District consists of the District's share of the 1% general *ad valorem* property and unitary taxes assessed on a County-wide basis and amounts levied that are in excess of the 1% general *ad valorem* property taxes. These tax receipts are part of the District's operations. In addition, the secured tax levy also includes the amount for the District's share of special voter-approved *ad valorem* property taxes assessed on a District-wide basis, such as the *ad valorem* property taxes assessed for the District's general obligation bonds issued pursuant to the Authorizations and any related general obligation refunding bonds. *Ad valorem* property taxes levied for general obligation bonds are deposited with the County and may only be applied to pay the principal of, redemption premium, if any, and interest on the District's general obligation bonds and general obligation refunding bonds. The District does not receive such funds nor are they available to pay any of the District's operating expenses. In addition, the total secured tax levy includes special assessments, improvement bonds, supplemental taxes or other charges which have been assessed on property within the District. Since State law allows homeowners' exemptions (described above) and certain business exemptions from *ad valorem* property taxation, such exemptions are not included in the total secured tax levy. See also "– California Constitutional and Statutory Provisions Relating to *Ad Valorem* Property Taxes" above.

Further, State Education Code Section 15251 provides that all taxes levied with respect to general obligation bonds when collected will be paid into the county treasury of the county whose superintendent of schools has jurisdiction over the school district on behalf of which the tax was levied, to the credit of the debt service fund (or interest and sinking fund) of the school district, and will be used for the payment of the principal of and interest on the general obligation bonds and general obligation refunding bonds of the school district and for no other purpose. Accordingly, the County may not borrow or spend such amounts nor can the District receive such funds and use them for operating purposes.

Typical Tax Rate Area. The following Table A-9 shows *ad valorem* property tax rates for the last five fiscal years in a typical Tax Rate Area of the District (TRA 0067). TRA 0067 comprises approximately 30.19% of the total fiscal year 2023-24 assessed value of the District.

TABLE A-9

LOS ANGELES UNIFIED SCHOOL DISTRICT
Typical Tax Rates per \$100 of Assessed Valuation (TRA 0067)
Fiscal Years 2019-20 through 2023-24

	2019-20	2020-21	2021-22	2022-23	2023-24
General	1.000000%	1.000000%	1.000000%	1.000000%	1.000000%
Los Angeles Unified School District ⁽¹⁾	0.125520	0.139929	0.113228	0.121072	0.124219
Los Angeles Community College District ⁽¹⁾	0.027175	0.040162	0.043759	0.024882	0.060231
City of Los Angeles ⁽¹⁾	0.018084	0.016538	0.014721	0.016066	0.011448
Metropolitan Water District of Southern California ⁽²⁾	0.003500	0.003500	0.003500	0.003500	0.003500
Total	1.174279%	1.200129%	1.175208%	1.165520%	1.199398%

⁽¹⁾ Tax rate relates to bonds authorized by voters subsequent to the approval of Proposition 13.

⁽²⁾ Tax rate relates to bonds authorized by voters pursuant to a special election held in 1966 (prior to the approval of Proposition 13) in the service area of the Metropolitan Water District of Southern California.

Source: California Municipal Statistics, Inc.

Secured Tax Charges and Delinquencies. The following Table A-10A sets forth the real property tax charges and corresponding delinquencies for the District's general obligation bond debt service levy, with respect to the property located in the District, for fiscal years 2013-14 through 2022-23. For reference and as an indication of comparative delinquency rates, Table A-10B sets forth the real

property tax charges and corresponding delinquencies for the portion of the County's 1% general fund levy that is allocated to the District, with respect to property located in the District for fiscal years 2013-14 through 2022-23. The portion of the County's 1% general fund levy that is allocated to the District is not pledged to and does not secure the repayment of the District's general obligation bonds.

TABLE 10

LOS ANGELES UNIFIED SCHOOL DISTRICT
Secured Tax Charges and Delinquencies
Fiscal Years 2013-14 through 2022-23

A. District General Obligation Bond Debt Service Levy

Fiscal Year	Secured Tax Charge⁽¹⁾	Amount Delinquent June 30	Percentage Delinquent June 30
2013-14	\$707,334,806.26	\$11,937,445.89	1.69%
2014-15	752,855,468.94	13,128,310.26	1.74
2015-16	711,852,286.31	10,350,374.48	1.45
2016-17	762,676,169.42	10,152,397.66	1.33
2017-18	765,484,783.08	11,238,395.43	1.47
2018-19	826,147,438.29	13,737,180.29	1.66
2019-20	903,922,222.21	25,782,448.86	2.85
2020-21	1,072,754,468.10	22,715,092.01	2.12
2021-22	904,728,597.58	16,272,122.21	1.80
2022-23	1,033,041,998.26	20,269,504.57	1.96

B. 1% General Fund Apportionment Levy

Fiscal Year	Secured Tax Charge⁽²⁾	Amount Delinquent June 30	Percentage Delinquent June 30
2013-14	\$948,210,266.65	\$13,991,567.53	1.48%
2014-15	1,005,565,868.63	14,501,753.32	1.44
2015-16	1,078,286,485.58	15,318,415.41	1.42
2016-17	1,142,718,955.32	13,595,654.87	1.19
2017-18	1,222,916,327.88	15,217,873.23	1.24
2018-19	1,311,715,583.78	17,950,532.81	1.37
2019-20	1,405,968,051.67	31,757,910.59	2.26
2020-21	1,499,191,370.12	25,590,654.61	1.71
2021-22	1,556,962,602.77	24,377,000.99	1.57
2022-23	1,665,617,645.15	26,045,738.38	1.56

⁽¹⁾ District's general obligation bond debt service levy.

⁽²⁾ 1% General Fund apportionment. Excludes redevelopment agency impounds.

Source: California Municipal Statistics, Inc.

Property tax delinquencies may be impacted by economic and other factors beyond the District's control, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression could be caused by many factors outside the control of the District, including reduced consumer confidence, reduced real wages or reduced economic activity as a result of a pandemic or natural or manmade disaster, such as earthquake, drought, flood, fire, toxic dumping. It is not possible for the District to make any representation regarding the

extent to which an economic recession or depression could impact the ability or willingness of property owners within the District to pay property taxes in the future. For more information on the impact of the COVID-19 pandemic, see APPENDIX A – “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – STATE FUNDING OF SCHOOL DISTRICTS – Infectious Disease Outbreak.” If delinquencies increase substantially as a result of events outside the control of the District, the County does have the authority to increase allowances for annual reserves in the tax levy to avoid fluctuating tax levies.

The County Does Not Participate in a Teeter Plan. Certain counties in the State operate under a statutory program entitled Alternate Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “Teeter Plan”). Under the Teeter Plan local taxing entities receive 100% of their tax levies net of delinquencies, but do not receive interest or penalties on delinquent taxes collected by the county. The County has not adopted the Teeter Plan, and consequently the Teeter Plan is not available to local taxing entities within the County, such as the District. The District’s receipt of property taxes is therefore subject to delinquencies.

The District Participates in CSDTFA. The District is a member of the California Statewide Delinquent Tax Finance Authority (“CSDTFA”). CSDTFA is a joint exercise of powers agency formed for the purpose of purchasing delinquent *ad valorem* property taxes of its members in accordance with Section 6516.6 of the Government Code of the State of California. Historically, CSDTFA has from time to time purchased delinquent *ad valorem* property tax receivables related to the District’s share of the 1% general *ad valorem* property tax levy (not the additional *ad valorem* property tax levy for debt service on the District’s general obligation bonds) from the District. However, the District cannot predict whether CSDTFA will continue to make such purchases in the future. [CSDTFA purchased the District’s delinquent *ad valorem* property tax receivables related to the 1% general *ad valorem* property tax levy attributable to fiscal year 2022-23 from the District at a purchase price equal to 108% of such receivables and is expected to purchase the District’s delinquent *ad valorem* property tax receivables related to the 1% general *ad valorem* property tax levy attributable to fiscal year 2023-24 from the District at a substantially similar purchase price.] Any penalty charges collected with respect to such delinquencies will be retained by CSDTFA.

DISTRICT FINANCIAL INFORMATION

District Financial Policies and Related Practices

General. The District has three key financial policies: a budget and finance policy (the “Budget and Finance Policy”), a debt management policy (the “Debt Management Policy”) and an investment policy (the “Investment Policy”).

Budget and Finance Policy. The District has adopted a Budget and Finance Policy pursuant to which the District creates and funds reserves for operating purposes (collectively, the “Operating Reserves”) and liability management purposes (collectively, the “Liability Reserves”). The Budget and Finance Policy reflects reserve categories promulgated by the Government Accounting Standards Board (“GASB”) and incorporates certain reserve categories established by the District. See “STATE FUNDING OF SCHOOL DISTRICTS – Limitations on School District Reserves” herein.

Operating Reserves. The District uses the Operating Reserves to manage its budget for each fiscal year. A portion of the District’s authorized appropriations are set aside in the Operating Reserves. The District generally appropriates amounts from the General Fund based on the amount estimated in its budget. However, the District may appropriate funds from unspent balances within the Operating Reserves, if necessary. Accordingly, the District uses the Operating Reserves to ensure that appropriations

reflect the District's actual General Fund expenditures. The current Operating Reserves include nonspendable reserves, restricted reserves, committed reserves, assigned reserves, and unassigned reserves, the latter of which includes the District's reserve for economic uncertainties. Pursuant to the California Code of Regulations, school districts with an ADA between 30,001 and 400,000 students, such as the District, must maintain a reserve for economic uncertainties of 2% of General Fund appropriations.

Pursuant to the Budget and Finance Policy, the District's total General Fund balance may not be less than an amount equal to 5% of total General Fund expenditures and net transfers out during a fiscal year (the "5% Minimum Reserve Threshold"). In addition, the Budget and Finance Policy requires the projected General Fund balance to satisfy the 5% Minimum Reserve Threshold in each of the two subsequent fiscal years which the District includes in its interim financial reports. In the event that the District's estimates indicate that the total General Fund balance will not satisfy the 5% Minimum Reserve Threshold in any of the current fiscal year or two subsequent fiscal years, the Budget and Finance Policy directs the District to develop and implement budget proposals to restore reserve balances to the 5% Minimum Reserve Threshold.

Based on the Fiscal Year 2023-24 Second Interim Report, the District's Operating Reserves are expected to satisfy both the 5% Minimum Reserve Threshold and the 2% statutory reserve requirement for fiscal years 2023-24, 2024-25 and 2025-26. Unlike the 5% Minimum Reserve Threshold, the 2% statutory reserve requirement is based on the unrestricted and unassigned ending fund balance (including the reserve for economic uncertainties) only and does not take into account the restricted, committed, or assigned ending fund balances. See "– District Budget – Fiscal Year 2023-24 Second Interim Report" herein.

Liability Reserves. Pursuant to the Budget and Finance Policy, the District must establish several Liability Reserves, including a self-insurance reserve, a workers' compensation reserve (the "Workers' Compensation Fund"), a health and welfare reserve (the "Health and Welfare Benefits Fund"), an other-post-employment benefits ("OPEB") reserve (the "OPEB Trust Fund"), and a pension (CalSTRS and CalPERS) reserve (the "Pension Reserve").

The amount required to be on deposit in the Workers' Compensation Fund is established with information from an independent actuary. The District determines the annual budget for workers' compensation by reviewing the amount necessary to fund its outstanding workers' compensation liability to the actuarially recommended level based on the central estimate approach and by additionally calculating the amount necessary for claims and operation of the Workers' Compensation Fund. The District uses the difference of the current fiscal year's central estimate versus that from the previous fiscal year to establish the amount necessary to fund projected liabilities. With respect to funding claims activity, the amount required to be on deposit in the Workers' Compensation Fund is based on the anticipated increase in claims cost in the current fiscal year versus the prior fiscal year. Such amount is generally higher than the amount recommended in the actuarial report. See "– Risk Management and Litigation" herein.

The District Board approved the creation of an irrevocable trust for its OPEB liability (the "OPEB Trust Fund") in May 2014. The Budget and Finance Policy directs the District, subject to approval by the District Board, to make annual contributions to the OPEB Trust Fund when the balance in the General Fund exceeds the 5% Minimum Reserve Threshold to the extent possible. In the event that the unrestricted portion of the General Fund is above 5% of the unrestricted revenues (after the annual OPEB contribution has been determined), the Budget and Finance Policy directs the District to make an additional contribution from the assigned OPEB reserve to the OPEB Trust Fund. See "– Other Postemployment Benefits" herein. As of June 30, 2023, the net position of the OPEB Trust Fund was approximately \$499.9 million. This amount does not reflect the \$33.3 million contribution designated for

internal purposes as a fiscal year 2022-23 contribution but not deposited into the OPEB Trust Fund until August 11, 2023 or the monthly amounts totaling \$17.6 million deposited into the OPEB Trust Fund from September 2023 through April 2024, which monthly deposits are expected to continue through June 2024 with an additional \$35 million expected to be deposited into the OPEB Trust Fund.

The Health and Welfare Benefits Fund is used to pay all health and welfare payments for active employees and retirees. The District determines funding of the Health and Welfare Benefits Fund based on the applicable health benefits agreement for each of the applicable years. See “– Employees and Labor Relations – *Negotiations Regarding Labor Contracts*” herein. As of June 30, 2023, the net position of the Health and Welfare Benefits Fund was approximately \$107.7 million.

Budgeting Practices. Beginning in fiscal year 2022-23, the District implemented new budgeting practices. As part of such new budgeting practices, the District prepares quarterly budget to actuals analysis for various departments to inform internal budget adjustments or reallocations that may occur throughout the fiscal year. Such new budgeting practices also include zero-based budgeting that involves developing a new budget each fiscal year, as opposed to starting with the previous fiscal year’s budget and making adjustments, in order to ensure that all expenses are justified for the new fiscal year. As part of the development of the Fiscal Year 2023-24 Budget, zero-based budgeting was implemented in certain departments, including Information Technology Services, Procurement Services, Maintenance and Operations, and Federal and State Education Programs. In the development of the District’s fiscal year 2024-25 budget, the District is implementing zero-based budgeting in additional departments, including Early Childhood Education, Transportation Services, Food Services, and Multilingual and Multicultural Education. The District plans to continue phasing in zero-based budgeting to additional departments over time.

Debt Management Policy. The Debt Management Policy establishes formal guidelines for the issuance and management of the District’s debt and other financial obligations. The Debt Management Policy establishes targets and ceilings for certificates of participation (“COPs”) and unhedged variable rate exposure and sets forth benchmark debt ratios that include both COPs and the District’s general obligation bonds. The Debt Management Policy also requires the District to annually publish a comprehensive debt report that, among other things, provides information on tax rates related to the District’s general obligation bonds and credit factors that reflect the District’s ratings.

The Debt Management Policy is required to be reviewed annually. The current Debt Management Policy was approved by the District Board on June 13, 2023. The District is in compliance with the Debt Management Policy. The Debt Management Policy establishes a ceiling of 2.0% for the ratio of COPs gross annual debt service to District General Fund expenditures. The District Board may increase the target at the time a new debt issuance is proposed, but such authority is not intended to exceed the ceiling established in the Debt Management Policy. As of March 1, 2024, the maximum fiscal year COPs debt service was approximately 0.43% of the District’s General Fund budgeted expenditures for fiscal year 2023-24. As of March 1, 2024, the District has outstanding COPs in the aggregate principal amount of approximately \$471.6 million. (See “– District Debt – *Certificates of Participation*” for more information.) The Debt Management Policy limits unhedged variable rate debt to \$100 million and requires reporting of the debt ratios and benchmarks. The District currently has no variable interest rate exposure.

Investment Policy. The foremost objective of the District’s Investment Policy is safety. In addition, the Investment Policy directs the District to invest public funds in a manner that will maximize the investment return on all of its funds with maximum security while meeting the daily cash flow demands of each portfolio of the District and conforming to all federal, State, and local statutes governing the investment of public funds. Further, the Investment Policy directs that all investments of the District

be undertaken to ensure the preservation of capital in the overall portfolio. To attain this objective, the District may diversify its investments by investing funds among a variety of securities offering independent returns. In addition, the Investment Policy requires the District's investment portfolios remain sufficiently liquid to enable the District to meet its operating requirements and be structured to attain a maximum return commensurate with its investment risk constraints and the cash flow characteristics of each portfolio. The District is in compliance with the Investment Policy.

The District's operating funds and all of the debt service funds maintained for repayment of general obligation bonds are deposited in the County Treasury Pool in accordance with State law and managed pursuant to the County's Investment Policy, a copy of which can be found at <http://ttc.lacounty.gov/>. Such website is not incorporated herein by reference and the District, its counsel (including Bond Counsel and Disclosure Counsel), the Municipal Advisor, the Underwriters and their counsel do not make any representation as to the accuracy of the information provided therein. See APPENDIX F – "THE LOS ANGELES COUNTY TREASURY POOL." However, with the concurrence of the County's Treasurer and Tax Collector, the District may direct the investment of funds in certain of its operating funds and debt service funds so long as such direction complies with both the County's investment policy and the District's Investment Policy. In addition, the District can direct the investment of indentured funds held by third party trustees with regard to certain issuances of COPs pursuant to a prescribed list of permitted investments.

Significant Accounting Policies, System of Accounts and Audited Financial Statements

The CDE imposes by law uniform financial reporting and budgeting requirements for K-12 school districts. Financial transactions are accounted for in accordance with the California School Accounting Manual. The District uses fund accounting and maintains governmental funds, proprietary funds and fiduciary funds. The General Fund is the chief operating fund of the District. For a description of the other major funds of the District, see the description thereof contained in APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023." Note 1 to such audited financial statements sets forth significant accounting policies that the District follows. Simpson & Simpson Certified Public Accountants ("Simpson"), Los Angeles, California, served as independent auditor to the District for its audited financial statements for fiscal year 2021-22. Simpson has not been requested to consent to the use or to the inclusion of its reports in this Official Statement, and it has not audited or reviewed this Official Statement. The District's audited financial statements for the fiscal year ended June 30, 2023, are included as Appendix B to this Official Statement. The complete audited financial statements of the District, including the notes thereto, are an integral part of this Official Statement.

Typically, the District is required to file its audited financial statements for the preceding fiscal year with the State Controller's Office, the CDE and the County Superintendent of Schools by December 15 of each year. During the last five years, the District timely filed its audited financial reports with the State Controller's Office, the CDE, and LACOE pursuant to the Education Code and any applicable legislation amending the filing deadline thereof by the respective deadlines therefor.

The audited financial statements for fiscal year 2022-23 include certain audit findings and questioned costs. With respect to the audited financial statements for fiscal year 2022-23, Simpson identified 18 audit findings and questioned costs totaling approximately \$808.5 million. For detailed information regarding such findings and questioned costs, see Appendix B. Notably, in fiscal year 2022-23 – like fiscal year 2020-21 and fiscal year 2021-22 – the District did not meet the minimum threshold of General Fund spending on classroom teacher salaries and benefits in accordance with Education Code Section 41372. Under Education Code Section 41372, a unified school district, like the District, is required to spend a minimum of 55% of its General Fund resources on classroom salaries and benefits. In

fiscal year 2022-23, the District spent approximately 47.05% of its General Fund resources on classroom salaries and benefits, which is approximately 7.95% or \$687.6 million below such minimum threshold set forth in the Education Code. Such discrepancy is the result of the COVID-19 pandemic that caused the District to spend significant General Fund revenues on COVID-19 related expenses that were non-classroom teacher salaries and benefits. In each of fiscal year 2020-21 and fiscal year 2021-22, the District Board approved the submission of a waiver request to the County Superintendent, and each was approved by the County Superintendent. The District expects to submit a waiver request with respect to fiscal year 2022-23 to the County Superintendent.

In addition, the audited financial statements for fiscal year 2022-23 included a finding that the District did not meet the minimum instructional minute and instructional day requirements of Education Code Sections 46207 and 46207 due to a work stoppage in March 2023 which resulted in the closure of all District schools for three days. The District offered 177 instructional days in sampled schools, not the minimum 180-day requirement. All the sampled schools not meeting the minimum number of instructional minutes (64,800 instructional minutes) where high schools. The calculated penalty for both the instructional days and the instructional time amounted to approximately \$110.96 million. The District expects to file for a waiver and, to comply with the conditions for the penalty waiver, the District is offering 183 instructional days for the 2023-24 and 2024-25 school years, with comprehensive high schools offering over 66,000 annual instructional minutes for each of the school years. See “– Employees and Labor Relations – *Negotiations Regarding Labor Contracts*” for a discussion of the District’s agreements relating to the instructional calendar for fiscal years 2023-24 and 2024-25 and the provision of three additional instructional days to make up for lost instructional days in March 2023. A similar finding regarding instructional minutes was made with respect to the District’s Affiliated Charter Schools in the audited financial statements for fiscal year 2022-23.

Copies of the District’s audited financial statements as well as budgets and interim financial reports may be obtained from the website of the District: www.lausd.org. The website is not incorporated herein by reference and the District, its counsel (including Bond Counsel and Disclosure Counsel), the Municipal Advisor, the Underwriters and their counsel do not make any representation as to the accuracy of the information provided therein.

District Budget

General School District Budget Process and Oversight. State law requires that each school district maintain a balanced budget in each fiscal year. The California Department of Education imposes a uniform budgeting and accounting format for school districts. Under current law, a school district governing board must adopt and file with the county superintendent of schools a budget by July 1 in each fiscal year. The District is under the jurisdiction of the County of Los Angeles Superintendent of Schools.

The county superintendent of schools must approve, conditionally approve, or disapprove the adopted budget for each school district by September 15 in accordance with the Education Code. The county superintendent of schools is required to examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance with the established standards. The county superintendent of schools is also required to determine whether the adopted budget will allow the school district to meet its financial obligations during the fiscal year and is consistent with a financial plan that will enable the school district to satisfy its multiyear financial commitments. The Education Code directs the county superintendent of schools to disapprove any school district budget if it determines that the budget does not include expenditures necessary to implement an LCAP or an annual update to the LCAP. See “STATE FUNDING OF SCHOOL DISTRICTS – Local Control Funding Formula – *Local Control and Accountability Plan*” herein for more information about LCAP.

In the event that the county superintendent of schools conditionally approves or disapproves the school district's budget, the county superintendent of schools will submit to the governing board of the school district no later than September 15 of such year recommendations regarding revisions of the budget and the reasons for the recommendations, including, but not limited to, the amounts of any budget adjustments needed before the county superintendent of schools can approve that budget. In addition, school districts must make available for public review any revisions to revenues and expenditures that it has made to its budget to reflect the funding made available by the State Budget Act (defined herein) not later than 45 days after the enactment of the State Budget Act.

The governing board of the school district, together with the county superintendent of schools, must review and respond to the recommendations of the county superintendent of schools before October 8 at a regular meeting of the governing board of the school district. The county superintendent of schools will examine and approve or disapprove of the revised budget by November 8 of such year. If the county superintendent of schools disapproves a revised budget, the county superintendent of schools will call for the formation of a budget review committee. By December 31 of each year, every school district must have an adopted budget, or the county superintendent of schools may impose a budget and will report such school district to the State Legislature and the Department of Finance. In prior years, LACOE has granted a conditional approval to certain of the District's budgets pending, among other things, approval of the District's LCAP, information regarding collective bargaining and other budgetary considerations. However, in the last ten years, LACOE has not disapproved any budget submitted to it by the District. LACOE approved the Fiscal Year 2023-24 Budget, including the District's revisions to the Fiscal Year 2023-24 Budget approved by the District Board on August 22, 2023. See "*– Fiscal Year 2023-24 Budget*," "*– Revisions to Fiscal Year 2023-24 Budget*" and "*– LACOE's Response to Fiscal Year 2023-24 Budget*" below.

Subsequent to approval, the county superintendent of schools will monitor each school district under its jurisdiction throughout the fiscal year pursuant to its adopted budget to determine on an ongoing basis if the school district can meet its current or subsequent year financial obligations. If the county superintendent of schools determines that a school district cannot meet its current or the subsequent year's obligations, the county superintendent of schools will notify the school district's governing board, the Superintendent of Public Instruction and the president of the State board (or the president's designee) of the determination and take at least one of the following actions, and all actions that are necessary to ensure that the school district meets its financial obligations: (a) develop and impose, after also consulting with the Superintendent of Public Instruction and the school district's governing board, revisions to the budget that will enable the school district to meet its financial obligations in the current fiscal year, (b) stay or rescind any action inconsistent with the ability of the school district to meet its obligations for the current or subsequent fiscal year, (c) assist in developing, in consultation with the school district's governing board, a financial plan that will enable the school district to meet its future obligations, (d) assist in developing, in consultation with the school district's governing board, a budget for the subsequent fiscal year and (e) as necessary, appoint a fiscal advisor to perform the aforementioned duties. The county superintendent of schools will also make a report to the Superintendent of Public Instruction and the president of the State board or the president's designee about the financial condition of the school district and the remedial actions proposed by the county superintendent of schools. However, the county superintendent of schools may not abrogate any provision of a collective bargaining agreement that was entered into prior to the date upon which the county superintendent of schools assumed authority.

Fiscal Stabilization Plan. While LACOE and the District will partner to implement actions necessary to stabilize and improve the financial condition of the District as and when needed, LACOE has not required nor has the District implemented a fiscal stabilization plan since 2019 in light of the District's positive certification on its recent interim reports. In the event that the District's financial

condition were to change in future fiscal years, LACOE may require the District to implement a fiscal stabilization plan to stabilize and improve the financial condition of the District.

Fiscal Year 2023-24 Budget. The Fiscal Year 2023-24 Budget was adopted by the District Board on June 20, 2023. The Fiscal Year 2023-24 Budget was developed with the assumptions contained in the Governor’s May revision to the proposed fiscal year 2023-24 State Budget, which were revised in the 2023-24 State Budget.

The Fiscal Year 2023-24 Budget projects a General Fund beginning balance of approximately \$5.18 billion, total budgeted revenues of \$10.53 billion, total budgeted expenditures of \$11.64 billion, budgeted other financing sources and uses of \$2.82 million, and a budgeted ending balance of \$4.07 billion. The Fiscal Year 2023-24 Budget projects that its budgeted General Fund ending balance of \$4.07 billion is expected to consist of approximately \$233.45 million for the mandatory reserve for economic uncertainties, \$43.00 million of non-spendable revolving cash, stores, and prepaid expenditures, \$1.26 billion of restricted ending balances, \$1.97 billion of committed ending balances, \$451.87 million of assigned ending balances, and \$113.70 million of undesignated and unassigned ending balances.

The Fiscal Year 2023-24 Budget includes certain assumptions and policies, including:

- a COLA of 8.22% for the LCFF;
- 8.22% statutory COLA for selected categorical programs outside of LCFF and Special Education;
- LCFF-funded ADA of 375,903.74 for non-charter schools, which is based on the average of 3 prior year’s ADA, and 34,020.45 for Affiliated Charter Schools, which is based on projected fiscal year 2023-24 ADA; the percentage of ADA to enrollment is 90%;
- estimated unduplicated pupil count and three-year rolling average unduplicated pupil percentage of 325,422 and 85.93%, respectively, for non-charter schools (including County Program students) and 17,663 and 46.93%, respectively, for Affiliated Charter Schools;
- an LCFF allocation of \$1.25 billion from the Education Protection Account (the “Education Protection Account”) established by Proposition 30 (defined herein) to be spent for instruction;
- LCFF supplemental and concentration expenditure of \$1.60 billion;
- no LCFF Equity Multiplier revenue;
- State Special Education funding reflects increased base rate of \$887 per ADA;
- lottery unrestricted rate per ADA is estimated at \$170 per ADA and restricted rate per ADA is estimated at \$67 per ADA;
- receipt of approximately \$1.8 billion in fiscal year 2022-23 from HR 1319 - Elementary and Secondary School Emergency Relief (ESSER) III, which is a one-time COVID-19 resource, and approximately \$579.9 million in fiscal year 2022-23 from Expanded Learning Opportunities Program;
- receipt of approximately \$68.9 million from HR 133 - Elementary and Secondary School Emergency Relief (ESSER) II and receipt of approximately \$881.6 million from HR 1319 - Elementary and Secondary School Emergency Relief (ESSER) III in fiscal year 2023-24, which

the District anticipates using for schools, operations, and continuity of learning in fiscal year 2023-24;

- receipt of approximately \$457.1 million from the ELOP in fiscal year 2023-24, which the District anticipates using, together with approximately \$456.4 million in ELOP funds carried over from fiscal year 2022-23, for expanded learning opportunities;
- a net enrollment decline of 8,453 from fiscal year 2022-23 for non-charter and Affiliated Charter Schools;
- an enrollment decline of approximately 1,759 students for Fiscally Independent Charter Schools;
- certificated and classified salaries include bargaining unit agreements with SEIU Local 99, AALA (Unit J – Classified Managers), and UTLA;
- funding for employee health and medical benefits at the per participant rate set forth in the Health and Welfare Agreement (defined herein);
- a contribution to the OPEB Trust Fund of \$211 million from all funds of the District for fiscal year 2023-24;
- a contribution rate for CalSTRS (defined herein) for fiscal year 2023-24 of 19.10%;
- an increase of 1.31% of the CalPERS (defined herein) employer contribution rate for fiscal year 2023-24 from 25.37% to 26.68%;
- a California consumer price index of 3.54% on other operating expenditures, except utilities which is projected to decline by 5.76% as a result of shifting from 24-hour HVAC to occupancy-based usage;
- ongoing and major maintenance resources of \$310.6 million, which constitutes approximately 3% of the District's budgeted General Fund expenditures and other financing uses, excluding CALSTRS on-behalf payments made by the State and COVID-19 expenditures from certain one-time funds related to ESSER II and ESSER III;
- support to the cafeteria program and child development from the General Fund of \$11.6 million and \$1.5 million, respectively, in fiscal year 2023-24;
- a contribution from all funds of the District of \$120.0 million to the Workers' Compensation Fund and inclusion of the total Workers' Compensation actuarially-determined funded liability of \$463.2 million;
- inclusion of general obligation bonds and COPs (defined herein) proceeds, debt service and other interfund transfer expenditures and revenues in fiscal year 2023-24;
- a reserve for economic uncertainties totaling \$233.5 million, which reflects the statutory 2% budgeted expenditure requirement and other financing uses;
- inclusion of beginning balances in the General Fund and other funds for fiscal year 2023-24, reflecting the updated estimated ending balance as of June 30, 2023, which includes expenditures related to COVID-19;

- estimated ending balances for the General Fund and other funds for fiscal year 2023-24, which reflect the difference between the estimated revenue and expenditure levels for fiscal year 2023-24;
- commitment of portions of the General Fund ending balances to meet the 10% limitation on reserves (calculated based on assigned and unassigned balances) (see “STATE FUNDING OF SCHOOL DISTRICTS – Limitations on School District Reserves” for more information);
- release of committed fund balance of \$300 million originally committed to Student Equity Needs Index (SENI), as approved by the District Board on May 9, 2023. SENI, funded at \$700 million, is intended to be funded with a combination of sources including, but not limited to, supplemental and concentration funds and the proposed equity multiplier;
- authority to transfer amounts, as necessary, to implement technical adjustments related to the Fiscal Year 2023-24 Budget;
- authority to implement new revenues for fiscal year 2023-24, if any, and increase budgeted appropriations accordingly; and
- a transfer from the Community Redevelopment Agency Fund to repay the General Fund in the amount of \$30 million initially paid for the ongoing and major maintenance resources.

Revisions to Fiscal Year 2023-24 Budget. The Fiscal Year 2023-24 Budget was developed with the assumptions contained in the Governor’s May revision to the proposed fiscal year 2023-24 State Budget, which were revised in the 2023-24 State Budget. On August 22, 2023, the District Board approved revisions to the Fiscal Year 2023-24 Budget that reflect the enacted 2023-24 State Budget as well as other significant changes affecting the District’s finances since the adoption of the Fiscal Year 2023-24 Budget, including impacts of certain completed labor negotiations. Significant approved revisions to the Fiscal Year 2023-24 Budget included:

- In June 2023, reopener negotiations concluded with CSEA with respect to employee bargaining Unit D – Technical and Business Services. As a result of such agreement, the District budgeted an increase in fiscal year 2023-24 expenditures of approximately \$67.07 million (all funds), of which approximately \$45.20 million relate to the District’s General Fund. Of such amounts, approximately \$37.14 million (all funds) of such expenditures (\$23.78 million related to the District’s General Fund) reflect expenditures accrued to fiscal years 2021-22 and 2022-23 but are to be paid in fiscal year 2023-24. For information regarding the negotiated terms of the agreement reached, see “– Employee and Labor Relations – *Negotiations Regarding Labor Contracts*” below.
- In June 2023, contract negotiations concluded with LASPA with respect to employee bargaining Unit A – School Police. As a result of such agreement, the District budgeted an increase in fiscal year 2023-24 expenditures of approximately \$7.27 million (all funds), of which approximately \$6.60 million relate to the District’s General Fund. Of such amounts, approximately \$2.26 million (all funds) of such expenditures (\$2.09 million related to the District’s General Fund) reflect expenditures accrued to fiscal year 2022-23 but are to be paid in fiscal year 2023-24. For information regarding the negotiated terms of the agreement reached, see “– Employee and Labor Relations – *Negotiations Regarding Labor Contracts*” below.
- In June 2023, contract negotiations concluded with LASPMA with respect to employee bargaining Unit H – School Police Management. As a result of such agreement, the District

budgeted an increase in fiscal year 2023-24 expenditures of approximately \$1.98 million (all funds), of which approximately \$1.96 million relate to the District's General Fund. Of such amounts, approximately \$643,397 (all funds) of such expenditures (\$637,352 related to the District's General Fund) reflect expenditures accrued to fiscal year 2022-23 but to be paid in fiscal year 2023-24. For information regarding the negotiated terms of the agreement reached, see “– Employee and Labor Relations – *Negotiations Regarding Labor Contracts*” below.

- In June 2023, contract negotiations concluded with “Trades” union with respect to employee bargaining Unit E. As a result of such agreement, the District budgeted an increase in fiscal year 2023-24 expenditures of approximately \$70.23 million (all funds), of which approximately \$65.95 million relate to the District's General Fund (\$65.83 million of which relate to restricted funds in the District's General Fund). Of such amounts, approximately \$34.58 million (all funds) of such expenditures (\$32.58 million related to the District's General Fund) reflect expenditures accrued to fiscal years 2021-22 and 2022-23 but are to be paid in fiscal year 2023-24. For information regarding the negotiated terms of the agreement reached, see “– Employee and Labor Relations – *Negotiations Regarding Labor Contracts*” below.
- In June 2023, the District entered into a memorandum of understanding with SEIU and UTLA modifying the three-year tentative instructional calendar approved by the District Board on March 27, 2023, to a two-year instructional calendar (fiscal years 2023-24 and 2024-25). As a result of such agreement, the District budgeted an increase in fiscal year 2023-24 expenditures of approximately \$93.15 million (all funds), of which approximately \$85.70 million relate to the District's General Fund. For information regarding the negotiated terms of the agreement reached, see “– Employee and Labor Relations – *Negotiations Regarding Labor Contracts*” below.
- The 2023-24 State Budget provides approximately \$300.00 million ongoing Proposition 98 State general fund resources to establish an Equity Multiplier as an add-on to the LCFF to accelerate gains in closing opportunity and outcome gaps. As a result, the District budgeted approximately \$26.9 million of additional general fund revenue in fiscal year 2023-24 to be placed in assigned ending balance.
- The 2023-24 State Budget decreases or delays one-time Proposition 98 general fund support for the Arts, Music, and Instructional Materials Block Grant and the Learning Recovery Emergency Block Grant. However, the reductions to these grants are lower compared to the reductions proposed in the Governor's May revision to the proposed fiscal year 2023-24 State Budget, which provides the District with amounts of approximately \$114 million and \$86 million, respectively, to be used as a budget balancing solution in fiscal year 2025-26 and help fund existing labor costs.
- Consistent with State law requirements, the amounts required to be budgeted for the District's Routine Restricted Maintenance Account (3% of General Fund expenditures) and the District's reserve for economic uncertainties (2% of General Fund appropriations for school districts, such as the District, with ADA between 30,001 and 400,000 students) are adjusted to reflect the revisions to the Fiscal Year 2023-24 Budget, which, as so adjusted, are budgeted at \$314.72 million (originally budgeted at \$310.55 million) and \$236.23 million (originally budgeted at \$233.45 million), respectfully.

At the time of the adoption of the Fiscal Year 2023-24 Budget revisions, the District recognized that it continues to have a structural deficit whereby in-year expenditures exceed in-year revenues; revenues continue to be impacted by declining enrollment and expenditures have not been reduced

commensurately. As a result, the Fiscal Year 2023-24 Budget revisions included the use of one-time State funding as well as the draw down of one-time committed ending fund balances over the multi-year projections as balancing solutions. The draw down of one-time committed ending fund balances consist of (i) for fiscal year 2023-24, the draw down of \$77 million committed unrestricted General Fund amounts previously designated to be contributed to the OPEB Trust Fund in fiscal year 2023-24 but released when restricted General Fund dollars and other District funds were allocated to contribute their respective shares to the District's \$211 million fiscal year 2023-24 budgeted contribution to the OPEB Trust Fund (see "DISTRICT FINANCIAL INFORMATION – Other Postemployment Benefits"), and (ii) for fiscal year 2024-25, the draw down of \$211 million committed unrestricted General Fund amounts previously designated to be contributed to the OPEB Trust Fund in fiscal year 2024-25. As a result of the Fiscal Year 2023-24 Budget revisions, the District's unrestricted/unassigned General Fund ending balance reserve percentage was then estimated to drop from 4.44% in fiscal year 2022-23 (the same as originally projected at the time of preparation of the Fiscal Year 2023-24 Budget) to 2.21% in fiscal year 2025-26 (originally projected at 2.19% at the time of preparation of the Fiscal Year 2023-24 Budget). The District recognized at the time of the adoption of the Fiscal Year 2023-24 Budget revisions that, in the absence of further balancing solutions, the cost of labor agreements with bargaining units that had not settled as of the time of the adoption of the revisions shall further lower the unrestricted/unassigned General Fund ending balances. Moreover, the District recognized that the uncertainty with the national and state economy brought about by the delayed tax receipts due to the postponement of federal and California tax filings until October 2023, interest rate hikes, and the prospect of a potential recession were risk factors that could affect the District's financial condition. For more information on recent bargaining unit agreements, see "– Employees and Labor Relations." See also "– *Second Interim Financial Report for Fiscal Year 2023-24.*"

LACOE's Response to Fiscal Year 2023-24 Budget. In its September 2023 letter to the District, LACOE approved the Fiscal Year 2023-24 Budget. LACOE noted that the District projected an operating deficit in its unrestricted General Fund in fiscal year 2023-24 and projected ongoing unrestricted General Fund operating deficits in fiscal years 2024-25 and 2025-26 primarily due to declining enrollment and ADA, resulting in reduced LCFF revenues, increased salary and health and welfare contributions as a result of recently settled multi-year bargaining unit agreements and increased contributions to restricted programs. As LACOE explained more specifically, the Fiscal Year 2023-24 Budget reflected a loss in funded ADA of approximately 42,306 from fiscal year 2023-24 to fiscal year 2025-26, which will impact the LCFF revenue received by the District (even with the change in the LCFF to allow for a calculation based on the average of three prior years' ADA). LACOE also pointed out that as of the preparation of the Fiscal Year 2023-24 Budget, some labor negotiations for fiscal year 2023-24 were unsettled and some labor agreements had not yet been calculated and incorporated into projected salary and benefit expenditures, so any potential financial impacts as a result of such labor negotiations were not reflected in the Fiscal Year 2023-24 Budget. For more information on revisions to the Fiscal Year 2023-24 Budget relating to labor negotiations, see "– *Revisions to Fiscal Year 2023-24 Budget.*" For more information on recent bargaining unit agreements, see "– *Employees and Labor Relations.*" See also "– *Second Interim Financial Report for Fiscal Year 2023-24.*"

District General Fund Budgets and Audited Actuals. The following Table A-11 sets forth the District's Final Adopted Budgets for the District General Fund, inclusive of regular and specially funded programs, for fiscal years 2019-20 through 2023-24 and the actual results for fiscal years 2019-20 through 2022-23. The budgeted beginning balance for each fiscal year reflects the estimated ending balance for the prior fiscal year based upon information as of the budget adoption date. Accordingly, the budgeted ending balance for a fiscal year and the subsequent budgeted beginning balance may differ from the actual ending balance and actual beginning balance.

TABLE A-11

LOS ANGELES UNIFIED SCHOOL DISTRICT
District General Fund Budget for Fiscal Years 2019-20 through 2023-24
Audited Actuals for Fiscal Years 2019-20 through 2022-23⁽¹⁾⁽²⁾⁽³⁾
(\$ in millions)

	Final Adopted Budget <u>2019-20</u>	Audited Actuals <u>2019-20</u>	Revised Adopted Budget <u>2020-21⁽⁴⁾</u>	Audited Actuals <u>2020-21</u>	Final Adopted Budget <u>2021-22</u>	Audited Actuals <u>2021-22</u>	Final Adopted Budget <u>2022-23</u>	Audited Actuals <u>2022-23</u>	Final Adopted Budget <u>2023-24⁽⁵⁾</u>
Beginning Balance	\$2,010.8	\$2,216.9	\$1,866.7	\$2,049.5	\$2,714.4	\$2,855.3	\$3,567.6	\$3,328.3	\$5,179.3
Revenue									
State Apportionment	\$4,364.8	\$4,264.8	\$4,122.2	\$4,133.6	\$4,357.5	\$4,487.2	\$4,573.8	\$4,844.3	\$5,080.1
Property Taxes	<u>1,222.5</u>	<u>1,388.6</u>	<u>1,407.7</u>	<u>1,522.3</u>	<u>1,466.2</u>	<u>1,551.0</u>	<u>1,511.6</u>	<u>1,749.9</u>	<u>1,658.2</u>
Total LCFF	<u>5,587.4</u>	<u>5,653.4</u>	<u>5,529.9</u>	<u>5,655.9</u>	<u>5,823.7</u>	<u>6,038.2</u>	<u>6,085.4</u>	<u>6,594.2</u>	<u>6,738.3</u>
Federal	767.8	631.1	1,576.6	1,674.4	4,446.0	1,850.5	2,823.3	2,304.2	1,840.5
Other State	873.5	1,137.0	963.1	1,223.8	1,374.3	1,748.8	1,717.9	2,681.9	1,678.0
Other Local	<u>142.4</u>	<u>170.1</u>	<u>142.5</u>	<u>190.8</u>	<u>132.5</u>	<u>35.5</u>	<u>168.1</u>	<u>196.2</u>	<u>274.2</u>
Total Revenue	<u>\$7,371.0</u>	<u>\$7,591.6</u>	<u>\$8,212.1</u>	<u>\$8,745.0</u>	<u>\$11,776.5</u>	<u>\$9,672.9</u>	<u>\$10,794.7</u>	<u>\$11,776.5</u>	<u>\$10,531.0</u>
Total Beginning Balance and Revenue	<u>\$9,381.8</u>	<u>\$9,808.5</u>	<u>\$10,078.8</u>	<u>\$10,794.5</u>	<u>\$14,490.9</u>	<u>\$12,528.2</u>	<u>\$14,362.3</u>	<u>\$15,104.8</u>	<u>\$15,710.3</u>
Expenditures									
Certificated Salaries	\$3,008.7	\$2,998.9	\$3,252.1	\$3,086.7	\$3,411.4	\$3,379.8	\$3,772.5	\$3,474.9	\$3,730.4
Classified Salaries	986.1	1,077.6	1,073.5	1,159.8	1,107.2	1,257.2	1,260.8	1,346.1	1,434.0
Employee Benefits	2,172.6	2,300.9	2,169.1	2,151.4	2,437.6	2,370.1	2,798.4	2,592.9	2,820.2
Books and Supplies	698.5	267.0	1,001.9	621.3	1,638.0	479.4	2,793.8	670.5	1,893.1
Other Operating Expenses	862.0	975.0	893.4	1,067.8	1,076.5	1,726.4	1,045.9	1,272.1	1,718.5
Capital Outlay	101.4	128.1	81.5	95.7	54.3	94.9	17.9	111.1	53.6
Debt Service	0.5	0.3	0.4	0.1	0.3	5.7	0.1	22.4	4.8
Other Outgo	7.7	5.6	7.7	5.5	7.7	5.5	5.3	6.9	5.8
Transfers of Indirect Cost	<u>(27.3)</u>	<u>(23.2)</u>	<u>(27.0)</u>	<u>(22.3)</u>	<u>(31.6)</u>	<u>(24.9)</u>	<u>(30.4)</u>	<u>(24.0)</u>	<u>(20.0)</u>
Total Expenditures	<u>\$7,810.3</u>	<u>\$7,730.3</u>	<u>\$8,452.7</u>	<u>\$8,166.0</u>	<u>\$9,701.5</u>	<u>\$9,294.1</u>	<u>\$11,664.3</u>	<u>\$9,472.9</u>	<u>\$11,640.2</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(439.3)	(138.7)	(240.6)	579.0	2,075.0	378.9	(869.6)	2,303.6	(1,109.2)
Total Other Financing Sources (Uses)	(36.5)	(28.7)	286.6	226.8	(25.1)	94.2	4.6	76.3	2.8
Change in Fund Balance	(475.7)	(167.4)	46.0	805.8	2,049.9	473.0	(865.0)	2,379.9	(1,106.4)
Ending Balance	<u>\$1,535.1</u>	<u>\$2,049.5</u>	<u>\$1,912.7</u>	<u>\$2,855.3</u>	<u>\$4,764.3</u>	<u>\$3,328.3</u>	<u>\$2,702.6</u>	<u>\$5,708.2</u>	<u>\$4,072.9</u>

TABLE A-11

LOS ANGELES UNIFIED SCHOOL DISTRICT
District General Fund Budget for Fiscal Years 2019-20 through 2023-24
Audited Actuals for Fiscal Years 2019-20 through 2022-23⁽¹⁾⁽²⁾⁽³⁾

(Continued)
(\$ in millions)

Fund Balance⁽⁶⁾

Nonspendable	\$ 27.6	\$ 37.7	\$ 27.3	\$ 58.0	\$ 37.7	\$ 48.0	\$ 46.6	\$ 47.5	\$ 43.0
Restricted	56.7	103.9	55.2	200.0	2,731.6	544.3	208.6	1,843.0	1,258.0
Committed	87.6	87.6	--	--	--	--	1,491.3	2,920.9	1,972.8
Assigned	618.0	1,248.9	568.2	1,064.1	592.1	1,596.0	351.6	510.9	451.9
Reserved for Economic Uncertainties	79.0	79.0	85.2	92.0	97.7	199.9	234.1	238.8	233.5
Undesignated/Unassigned	<u>666.3</u>	<u>492.4</u>	<u>1,176.8</u>	<u>1,441.3</u>	<u>1,305.3</u>	<u>940.2</u>	<u>370.4</u>	<u>147.1</u>	<u>113.7</u>
	<u>\$1,535.1</u>	<u>\$2,049.5</u>	<u>\$1,912.7</u>	<u>\$2,855.3</u>	<u>\$4,764.3</u>	<u>\$3,328.3</u>	<u>\$2,702.6</u>	<u>\$5,708.2</u>	<u>\$4,072.9</u>

⁽¹⁾ Totals may not equal sum of component parts due to rounding.

⁽²⁾ Includes the Regular Program and the Specially-Funded Programs.

⁽³⁾ Amounts set forth in Table A-11 reflect the "Estimated Amounts" in the District's budget for the respective fiscal year rather than the "Authorized Amount." Pursuant to the Education Code, school districts may not spend more than Authorized Amount in the Final Adopted Budget as adjusted during the fiscal year.

⁽⁴⁾ The District's original budget for fiscal year 2020-21 was adopted by the District Board on June 30, 2020. On August 25, 2020, the District Board adopted a revised budget for fiscal year 2020-21, which reflects the revised assumptions contained in the Governor's fiscal year 2020-21 State budget. Figures are based on the revised budget for fiscal year 2020-21.

⁽⁵⁾ For significant revisions to the Fiscal Year 2023-24 Budget approved by the District Board on August 22, 2023, see "-- District Budget -- *Revisions to Fiscal Year 2023-24 Budget*" above. In addition, for a discussion of pending labor agreements not reflected in the Fiscal Year 2023-24 Budget and not included in Fiscal Year 2023-24 Budget revisions approved by the District Board on August 22, 2023, see "-- Employee and Labor Relations -- *Negotiations Regarding Labor Contracts*" below.

⁽⁶⁾ The nonspendable, restricted, committed, assigned, reserved for economic uncertainties and undesignated/unassigned general fund balances in millions of dollars for fiscal years 2013-14 through 2018-19 are as follows: \$19.6, 192.9, --, 336.4, 65.4 and 85.9, respectively, for fiscal year 2013-14; \$20.7, 126.5, --, 418.4, 65.4 and 188.8, respectively, for fiscal year 2014-15; \$31.1, 182.8, 218.3, 558.7, 72.4 and 247.0, respectively, for fiscal year 2015-16; \$23.5, 163.1, --, 783.9, 73.4, and 721.3, respectively, for fiscal year 2016-17; \$27.6, 135.8, --, 1,057.4, 75.4, and 714.7, respectively, for fiscal year 2017-18; and \$27.3, 114.6, 174.6, 916.1, 75.6, and 908.6, respectively, for fiscal year 2018-19.

Sources: Los Angeles Unified School District's Final Adopted Budgets for fiscal years 2019-20 through 2023-24; Audited Annual Financial Report for fiscal years 2019-20 through 2022-23.

Historical Review of District General Fund Actual Revenues and Expenditures. The following Table A-12 sets forth the District's total revenues, total expenditures and the difference reflected in the actual results for fiscal years 2003-04 through 2022-23.

TABLE A-12

LOS ANGELES UNIFIED SCHOOL DISTRICT
Historical Review of District General Fund Audited Revenues and Expenditures for
Fiscal Years 2003-04 through 2022-23
(\$ in millions)

Fiscal Year	Total Revenues⁽¹⁾	Total Expenditures⁽²⁾	Difference
2003-04	\$ 5,881.69	\$ 6,136.75	\$ (255.06)
2004-05	6,461.93	6,436.35	25.58
2005-06	6,572.70	6,487.75	84.95
2006-07	6,994.08	6,733.36	260.72
2007-08	6,954.29	6,992.29	(38.00)
2008-09	6,764.50	6,671.80	92.70
2009-10	6,302.12	6,389.17	(87.05)
2010-11	6,428.93	6,193.37	235.56
2011-12	5,919.59	5,998.31	(78.72)
2012-13	5,722.96	5,955.05	(232.09)
2013-14	5,896.35	5,788.82	107.53
2014-15	6,452.84	6,333.28	119.56
2015-16	7,213.53	6,723.15	490.38
2016-17	7,292.27	6,837.31	454.96
2017-18	7,308.08	7,062.45	245.63
2018-19	7,788.71	7,582.63	206.08
2019-20	7,613.72	7,781.09	(167.37)
2020-21	9,010.00	8,204.19	805.82
2021-22	9,781.49	9,308.46	473.03
2022-23	11,868.39	9,488.47	2,379.92 ⁽³⁾

⁽¹⁾ Includes Other Financing Sources.

⁽²⁾ Includes Other Financing Uses.

⁽³⁾ See “– Second Interim Financial Report for Fiscal Year 2023-24,” for a discussion of the use of the projected unrestricted unassigned/unappropriated components of the fiscal year 2023-24 General Fund ending balance to balance future budgets.

Sources: Audited Annual Financial Report for fiscal years 1999-00 through 2022-23.

District Interim Financial Reports. A State law adopted in 1991 (known as “A.B. 1200”) imposed financial reporting requirements on school districts and established guidelines for emergency State aid apportionments. Under the provisions of A.B. 1200 and the Education Code (Section 42100 *et. seq.*), each school district is required to file two interim certifications with the county superintendent of schools (on December 15, for the period ended October 31, and by mid-March for the period ended January 31) as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent fiscal year. The county superintendent of schools reviews the certification and issues either a positive, negative or qualified certification. In the past five fiscal years, the District has received a qualified certification for its first and second interim reports for fiscal year 2018-19 and its first interim report for fiscal year 2021-22.

A positive certification is assigned to any school district that, based on then current projections, will meet its financial obligations for the current fiscal year and the subsequent two fiscal years. A negative certification is assigned to any school district that, based on then current projections, will be unable to meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal year. A qualified certification is assigned to any school district that, based on then current projections, may not

meet its financial obligations for the current fiscal year or the two subsequent fiscal years. A certification may be revised to a negative or qualified certification by the county superintendent of schools, as appropriate. A school district that receives a qualified or negative certification for its second interim report must provide to the county superintendent of schools, the State Controller and the Superintendent no later than June 1, financial statement projections of the school district's fund and cash balances through June 30 for the period ending April 30. Any school district that receives a qualified or negative certification in any fiscal year may not issue, in that fiscal year or in the next succeeding fiscal year, certificates of participation, tax and revenue anticipation notes, revenue bonds or any other debt instruments that do not require the approval of the voters of the school district, unless the county superintendent of schools determines that the school district's repayment of indebtedness is probable.

For school districts under fiscal distress, the county superintendent of schools is authorized to take a number of actions to ensure that the school district meets its financial obligations, including budget revisions. However, the county superintendent of schools is not authorized to approve any diversion of revenue from *ad valorem* property taxes levied to pay debt service on district general obligation bonds. A school district that becomes insolvent may, upon the approval of a fiscal plan by the county superintendent of schools, request an emergency appropriation from the State, in which case the county superintendent of schools, the Superintendent of Public Instruction and the president of the State board or the president's designee will appoint a trustee to serve the school district until it has adequate fiscal systems and controls in place. The acceptance by a school district of an emergency apportionment exceeding 200% of the reserve recommended for that school district constitutes an agreement that the county superintendent of schools will assume control of the school district in order to ensure the school district's return to fiscal solvency.

In the event the State elects to provide an emergency apportionment to a school district, such apportionment will constitute an advance payment of apportionments owed to the school district from the State School Fund and the Education Protection Account. The emergency apportionment may be accomplished in two ways. First, a school district may participate in a two-part financing in which the school district receives an interim loan from the State general fund, with the agreement that the school district will subsequently enter into a lease financing with the California Infrastructure and Economic Development Bank for purposes of financing the emergency apportionment, including repaying such amounts advanced to the State general fund. State law provides that so long as bonds from such lease financing are outstanding, the recipient school district (via its administrator) cannot file for bankruptcy. As an alternative, a school district may receive an emergency apportionment from the State general fund that must be repaid in 20 years. Each year, the Superintendent of Public Instruction will withhold from the apportionments to be made to the school district from the State School Fund and the Education Protection Account an amount equal to the emergency apportionment repayment that becomes due that year. The determination as to whether the emergency apportionment will take the form of a lease financing or an emergency apportionment from the State general fund will be based upon the availability of funds within the State general fund.

Second Interim Financial Report for Fiscal Year 2023-24. Like the District's First Interim report for fiscal year 2023-24 (the "Fiscal Year 2023-24 First Interim Report"), the District submitted the Fiscal Year 2023-24 Second Interim Report to LACOE with a positive certification. Based on the Fiscal Year 2023-24 Second Interim Report, the District expects to meet its financial commitments and satisfy the 5% Minimum Reserve Threshold and the 2% statutory reserve requirement for fiscal years 2023-24, 2024-25 and 2025-26. However, the Fiscal Year 2023-24 Second Interim Report provides that the District continues to be challenged with deficit spending wherein expenditures are greater than projected revenues, and projects deficits in fiscal years 2024-25 and 2025-26 of \$1,589.6 million and \$94.5 million, respectively.

The Fiscal Year 2023-24 Second Interim Report provides that the District's practice of using one-time/non-recurring resources for ongoing expenses is not consistent with prevailing best practices and has drawn comments from LACOE. See "DISTRICT FINANCIAL INFORMATION – District Budget – *LACOE's Response to Fiscal Year 2023-24 Budget*," for LACOE's review of the District's Fiscal Year 2023-24 Budget and discussion of the District's operating deficits and the contributing factors to such deficits, which include declining enrollment, resulting reductions in LCFF revenue, and increased salary and health and welfare contributions as a result of recently settled multi-year bargaining unit agreements. See also "DISTRICT GENERAL INFORMATION – Enrollment and Average Daily Attendance" for a discussion of the District's enrollment and ADA, including information about the District's declining ADA over the last ten years, and "DISTRICT FINANCIAL INFORMATION – Employee and Labor Relations – *Negotiations Regarding Labor Contracts*" for information regarding recently settled multi-year bargaining unit agreements.

The Fiscal Year 2023-24 Second Interim Report projects a General Fund ending balance of \$6,272.9 million for fiscal year 2023-24, consisting of a projected unrestricted General Fund ending balance of \$4,441.6 million and a projected restricted General Fund ending balance of \$1,831.3 for fiscal year 2023-24. The projected Fiscal Year 2023-24 unrestricted General Fund ending balance consists of non-spendable, committed, assigned, unassigned reserve for economic uncertainties and unassigned/unappropriated components in the amounts of \$47.9 million, \$2,902.7 million, \$441.6 million, \$244.9 million and \$804.5 million, respectively. The Fiscal Year 2023-24 Second Interim Report indicates that the unrestricted unassigned/unappropriated General Fund amounts are expected to be used to balance future year budgets, and the Fiscal Year 2023-24 Second Interim Report projects a fiscal year 2025-26 unrestricted General Fund ending balance of \$2,757.6 million, with the unassigned/unappropriated portion of such fiscal year 2025-26 ending balance projected to be \$72.2 million. The projected Fiscal Year 2023-24 restricted General Fund ending balance represents projected unspent balances from legally restricted funding sources. This is comprised primarily of State grants such as the Learning Recovery Emergency Block Grant, the Arts, Music and Instructional Materials Discretionary Block Grant, the Expanded Learning Opportunities Program, the Educator Effectiveness, and Literacy Coaches and Reading Specialists Grant Program.

The Fiscal Year 2023-24 Second Interim Report acknowledges the Proposed 2024-25 State Budget projected a state-wide budget shortfall of \$37.9 billion and that the Governor proposes a COLA for fiscal year 2024-25 of 0.76%, down from the 3.94% COLA estimated at the time of the enactment of the 2023-24 State Budget. The Fiscal Year 2023-24 Second Interim Report further acknowledges LAO's warning of worsening budget conditions ahead as the State's year-to-date revenue receipts are falling below forecasts and that there have been a wide disparity of revenue estimates between the LAO and the California Department of Finance. See "STATE FUNDING OF SCHOOL DISTRICTS – State Budget Act – *Proposed 2024-25 State Budget*" and "– State Budget Act – *LAO Analysis of the Proposed 2024-25 State Budget*." In May 2024, the Governor will revise the Proposed 2024-25 State Budget based on updated information available at such time. Such revision may differ substantially from the Proposed 2024-25 State Budget, and could result in even further negative impacts to State K-12 education funding in fiscal year 2024-25. The District cannot predict the impact that the final fiscal year 2024-25 State budget, or subsequent budgets, will have on its finances and operations.

The District revises its projections of revenues, expenditures, and ending fund balances contained in the Fiscal Year 2023-24 Budget as more financial data becomes available throughout the fiscal year. The Fiscal Year 2023-24 Second Interim Report reflects the District's projected actuals for fiscal year 2023-24 for the period from July 1, 2023 through January 31, 2024 and projections for the period from February 1, 2024 through June 30, 2024. It also reflects multi-year projections through fiscal year 2025-26. The Fiscal Year 2023-24 Second Interim Report, which was approved by the District Board on March 12, 2024, is also included in the table that follows and described throughout this Appendix A. The achievement of certain results or other expectations contained in the Fiscal Year 2023-24 Second Interim

Report involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described therein to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. All projections, forecasts, assumptions, expressions of opinions, estimates, and other forward-looking statements contained in the Fiscal Year 2023-24 Second Interim Report are expressly qualified in their entirety by the foregoing and the other cautionary statements.

The following Table A-13 sets forth budgeted revenues and expenditures and projected year-end amounts, including projected and year-end General Fund Balances, as reported in the Fiscal Year 2023-24 Budget and the Fiscal Year 2023-24 Second Interim Report.

TABLE A-13

LOS ANGELES UNIFIED SCHOOL DISTRICT
District General Fund Summary of Fund Balances, Revenues and Expenditures
Fiscal Year 2023-24
(\$ in millions)

	Fiscal Year 2023-24 Final Adopted Budget (June 2023)	Fiscal Year 2023-24 Second Interim Report (March 2024)⁽¹⁾
Beginning Balance	\$5,179.3	\$5,708.3 ⁽²⁾
Revenues	10,531.0	11,123.3
Expenditures	11,640.2	10,567.4
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources and Uses	(1,109.2)	555.9
Other Financings Sources/Uses	2.8	8.7
Ending Balance	\$4,072.9	\$6,272.9

⁽¹⁾ Reflects the District's unaudited actuals for fiscal year 2023-24 for the period from July 1, 2023 through January 31, 2024 and projections for the period from February 1, 2024 through June 30, 2024.

⁽²⁾ Beginning balance reflects the District's audited actuals for fiscal year 2022-23.

Sources: Los Angeles Unified School District Fiscal Year 2023-24 Final Adopted Budget; Fiscal Year 2023-24 Second Interim Report.

LACOE's Review of Fiscal Year 2023-24 Second Interim Report. In its April 2024 letter to the District, LACOE concurred with the District's positive certification on the Fiscal Year 2023-24 Second Interim Report. LACOE pointed out that the Fiscal Year 2023-24 Second Interim Report projected operating deficits in fiscal years 2024-25 and 2025-26, emphasizing the erosion of projected General Fund balances. LACOE acknowledged that the Fiscal Year 2023-24 Second Interim Report projected maintaining the required level of reserves but recommended that the District monitor causes for deficit spending to prevent additional fund balance erosion. LACOE also indicated that the Fiscal Year 2023-24 Second Interim Report reflected declining enrollment and funding under LCFF based on three-year average daily attendance for fiscal years 2023-24, 2024-25 and 2025-26, and highlighted the impacts of declining enrollment, emphasizing that continued declines in enrollment and attendance will result in a loss of revenue for the District in future years. LACOE recommended the District carefully monitor its enrollment and attendance trends and adjust financial projections for the current and subsequent fiscal years accordingly to reflect the resulting impact. LACOE also indicated that staffing needs and facilities planning should also be assessed and adjusted based on the projected rate of decline in enrollment.

Employees and Labor Relations

General. The District has twelve bargaining units with existing contracts. The largest bargaining unit among the District’s employees is United Teachers Los Angeles (“UTLA”), which is comprised of among other employees, teachers, counselors, adviser, nurses, psychologists, and social workers. In addition, certain employees are not represented by a formal bargaining unit (the “District Represented Employees”). The following Table A-14 sets forth the number of members of each bargaining unit as of April 1, 2024, and the expiration dates of the existing or successor labor agreements with each of the District’s employee bargaining units.

TABLE A-14

**LOS ANGELES UNIFIED SCHOOL DISTRICT
Employee Bargaining Units and Contract Expiration Dates
As of April 1, 2024**

Employee Bargaining Unit	Members	Contract Expiration Date (June 30)
Associated Administrators of Los Angeles (“AALA”) (Certificated)	3,060	2025
Unit A (School Police)	234	2025
Unit B (Instructional Aides)	13,251	2024
Unit C (Operations – Support Services)	8,505	2024
Unit D (Office – Technical and Business Services)	4,582	2026
Unit E (Skilled Crafts)	1,365	2025
Unit F (Teacher Assistants)	1,657	2024
Unit G (Playground Aides)	6,800	2024
Unit H (Sergeants and Lieutenants)	54	2025
Unit J (Classified Management)	416	2025
Unit S (Classified Supervisors)	3,283	2024
United Teachers Los Angeles	36,760	2025
District Represented Employees ⁽¹⁾	548	N/A

⁽¹⁾ District-represented employees include employees that are not represented by a union due to their designation as management, confidential or unrepresented employees. Does not include unrepresented seasonal employees or employees in positions not yet assigned to a union.

Source: Los Angeles Unified School District Office of Labor Relations.

Negotiations Regarding Labor Contracts. The United Teachers Los Angeles (“UTLA”) and the District reached a three-year agreement for fiscal years 2022-23 through 2024-25 (the “UTLA Agreement”). For fiscal year 2022-23, the UTLA Agreement provides for a 3% on schedule retroactive wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2022, and a 4% on schedule retroactive wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2023. For fiscal year 2023-24, the UTLA Agreement provides for a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2023, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2024. For fiscal year 2024-25, the UTLA Agreement provides for a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2024, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2025. In addition, the UTLA Agreement (a) provides for certain on schedule salary increases for certain employee groups, including special and early education teachers, nurses and table employees, (b) provides for academic class size reduction in certain schools, (c) for adjustments in staffing ratios for counselors, pupil services and attendance counselors (PSA) and psychiatric social workers (PSW), (d) provides for additional funding for certain community schools, (e)

for additional community school coach positions, and (f) includes differential pay increases for certain positions and programs. There are no reopeners provided for in the UTLA Agreement. The financial impacts of the UTLA Agreement are incorporated as expenditures in the Fiscal Year 2023-24 Budget. UTLA and the District are expected to begin successor negotiations for a three-year agreement for fiscal years 2025-26 through 2027-28 after January 1, 2025.

SEIU Local 99 (Units B, C, F and G) and the District reached a one-year agreement for fiscal year 2020-21, and a three-year agreement for fiscal years 2021-22 through 2023-24 (collectively, the “SEIU Agreements”). Under the SEIU Agreements, (a) based on the salary table effective July 1, 2021, all SEIU bargaining unit members will receive a 6% on-schedule wage increase applied to all pay scale groups and levels of the base salary tables; (b) based on the salary table effective July 1, 2022, all SEIU bargaining unit members will receive a 7% on-schedule wage increase applied to all pay scale groups and levels of the base salary tables; (c) based on the salary table effective July 1, 2023, all SEIU bargaining unit members will receive a 7% on-schedule wage increase applied to all pay scale groups and levels of the base salary tables, and (d) based on the salary table effective January 1, 2024, there will be a \$2.00 per hour on-schedule wage increase applied to all pay scale groups and levels of the base salary table. In addition, the SEIU Agreements (a) provide for the funding an Education and Professional Development Fund in the amount of \$3 million, (b) effective January 1, 2024, make employees assigned 4 hours per day or 80 hours per month, with respect to Units F and G, eligible (along with eligible dependents) to enroll in certain low cost health insurance plans or receive a cash amount if the employee opts out, and (c) include certain pay differentials and one-time pay increases. There are no reopeners provided for in the SEIU Agreements. The financial impacts of the SEIU Agreements are incorporated as expenditures in the Fiscal Year 2023-24 Budget. SEIU Local 99 (Units B, C, F and G) and the District are set to begin successor negotiations for a three-year agreement for fiscal years 2024-25 through 2026-27 in April 2024.

AALA (Certificated Administrators) and the District reached a three-year agreement for fiscal years 2022-23 through 2024-25 (the “AALA (Certificated Administrators) Agreement”) with on schedule salary increases to be applied to the AALA (Certificated Administrators) master salary table comparable to the increases provided to UTLA in the UTLA Agreement. There are no reopeners provided for in the AALA (Certificated Administrators) Agreement. As a result of such agreement, the District anticipates an increase in fiscal year 2023-24 expenditures of approximately \$87.07 million (all funds), of which approximately \$81.10 million relate to the District’s general fund. Of such amounts, approximately \$25.07 million (all funds) of such expenditures (\$23.36 million related to the District’s general fund) reflect expenditures attributable to fiscal year 2022-23 and are to be paid in fiscal year 2023-24. Due to the timing of such agreement, the financial impacts of the agreement are not incorporated into the Fiscal Year 2023-24 Budget. The additional expenditures associated with the AALA (Certificated Administrators) Agreement are reflected in the Fiscal Year 2023-24 Second Interim Report. AALA (Certificated Administrators) and the District are expected to begin successor negotiations for a three-year agreement for fiscal years 2025-26 through 2027-28 after January 1, 2025.

CSEA (Unit D – Technical and Business Services) and the District have reached a three-year agreement for fiscal years 2023-24 through 2025-26 (the “CSEA Agreement”). The CSEA Agreement provides for one reopener for fiscal year 2024-25 and fiscal year 2025-26. Based on the salary table effective July 1, 2023, all CSEA bargaining unit members will receive a 7% on-schedule wage increase applied to all pay scale groups and levels of the base salary tables, and based on the salary table effective January 1, 2024, there will be a \$2.00 per hour on-schedule wage increase applied to all pay scale groups and levels of the base salary table. The CSEA Agreement also provides for an increase to \$22.52 effective January 1, 2024, for the classifications of Office Technician, Parent Education Support Assistant, Parent Resource Assistant, Microfilm Operator, Clerk, and Student Integration Helper. As a result of such agreement, the District anticipates an increase in fiscal year 2023-24 expenditures of approximately \$43.50 million (all funds), of which approximately \$37.01 million relate to the District’s general fund. Due to the timing of such agreement, the financial impacts of the agreement are not incorporated into the

Fiscal Year 2023-24 Budget. The additional expenditures associated with the CSEA Agreement are reflected in the Fiscal Year 2023-24 Second Interim Report.

Under the District's prior agreement with CSEA (Unit D – Technical and Business Services) for fiscal years 2020-21 through 2022-23 (the “Prior CSEA Agreement”), reopeners for three articles – wages and salaries, vacation, and telecommuting – were provided for, and CSEA requested reopener negotiations with respect to fiscal years 2021-22 and 2022-23. In June 2023, reopener negotiations concluded with CSEA under the Prior CSEA Agreement. For fiscal year 2021-22, the reopener agreement provides for a 1% on schedule retroactive wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2021. This 1% is in addition to the 5% previously applied under the CSEA Agreement to all pay scale groups and levels of the base salary table for fiscal year 2021-22, for a total of 6%. For fiscal year 2022-23, the reopener agreement provides for a 7% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2023. The reopener agreement also included one-time retention and appreciation bonuses. Due to the timing of the reopener agreement, the financial impacts of the agreement are not incorporated into the Fiscal Year 2023-24 Budget. Such impacts were incorporated as expenditures in revisions to the Fiscal Year 2023-24 Budget approved by the District Board on August 22, 2023. For information regarding the expected impacts to the Fiscal Year 2023-24 Budget, see “– District Budget – *Revisions to Fiscal Year 2023-24 Budget*” above. CSEA (Unit D – Technical and Business Services) and the District are expected to begin successor negotiations for a three-year agreement for fiscal years 2026-27 through 2028-29 after January 1, 2026.

Teamsters (Unit S – Classified Supervisors) and the District reached a three-year agreement for fiscal years 2021-22 through 2023-24 (the “Teamsters Agreement”). Under the Teamsters Agreement (a) based on the salary table effective July 1, 2021, all Teamsters bargaining unit members will receive a 1% on-schedule wage increase applied to all pay scale groups and levels of the base salary tables (which is in addition to the 5% increase previously agreed to and applied); (b) based on the salary table effective July 1, 2022, all Teamsters bargaining unit members will receive a 7% on-schedule wage increase applied to all pay scale groups and levels of the base salary tables; (c) based on the salary table effective July 1, 2023, all Teamsters bargaining unit members will receive a 7% on-schedule wage increase applied to all pay scale groups and levels of the base salary tables, and (d) based on the salary table effective January 1, 2024, there will be a \$2.00 per hour on-schedule wage increase applied to all pay scale groups and levels of the base salary table. As a result of such agreement, the District anticipates an increase in fiscal year 2023-24 expenditures of approximately \$90.43 million (all funds), of which approximately \$61.51 million relate to the District's general fund. Of such amounts, approximately \$31.61 million (all funds) of such expenditures (\$21.38 million related to the District's general fund) reflect expenditures attributable to fiscal year 2022-23 and are to be paid in fiscal year 2023-24. Due to the timing of such agreement, the financial impacts of the agreement are not incorporated into the Fiscal Year 2023-24 Budget. The additional expenditures associated with the Teamsters Agreement are reflected in the Fiscal Year 2023-24 Second Interim Report. Teamsters (Unit S – Classified Supervisors) and the District are in successor negotiations for a three-year agreement for fiscal years 2024-25 through 2026-27.

LASPA (Unit A – School Police) and the District reached a three-year agreement for fiscal years 2022-23 through 2024-25 (the “LASPA Agreement”). The LASPA Agreement provides, with respect to sworn officers, (a) for fiscal year 2022-23, a 3% retroactive on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2022, and a 4% retroactive on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2023; (b) for fiscal year 2023-24, a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2023, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2024; and (c) for fiscal year 2024-25, a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2024, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2025. The LASPA Agreement provides, with respect

to school safety officers, (a) for fiscal year 2022-23, a 7% retroactive on schedule wage increase applied to the base salary tables effective July 1, 2022; (b) for fiscal year 2023-24, a 7% on schedule wage increase applied to the base salary tables effective July 1, 2023; and (b) for a Step 1 an increase to \$22.53 effective January 1, 2024, with the subsequent Steps applied accordingly. The classification of school safety officer is not included in the on-schedule fiscal year 2024-25 wage increase as the additional increase is being provided on January 1, 2024. There are no reopeners provided for in the LASPA Agreement. The financial impacts of the LASPA Agreement are not incorporated into the Fiscal Year 2023-24 Budget. Such impacts were incorporated as expenditures in revisions to the Fiscal Year 2023-24 Budget approved by the District Board on August 22, 2023. For information regarding the expected impacts to the Fiscal Year 2023-24 Budget, see “– District Budget – *Revisions to Fiscal Year 2023-24 Budget*” above. LASPA and the District are currently in dispute over LASPA’s assertion that they are entitled to a \$1.00 per hour increase for fiscal year 2019-20. LASPA (Unit A – School Police) and the District are expected to begin successor negotiations for a three-year agreement for fiscal years 2025-26 through 2027-28 after January 1, 2025.

LASPMA (Unit H – School Police Management) and the District reached a three-year agreement for fiscal years 2022-23 through 2024-25 (the “LASPMA Agreement”). For fiscal year 2022-23, the LASPMA Agreement provides for a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2022, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2023. For fiscal year 2023-24, the LASPMA Agreement provides for a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2023, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2024. For fiscal year 2024-25, the LASPMA Agreement provides for a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2024 and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2025. There are no reopeners provided for in the LASPMA Agreement. The financial impacts of the LASPMA Agreement are not incorporated into the Fiscal Year 2023-24 Budget. Such impacts were incorporated as expenditures in revisions to the Fiscal Year 2023-24 Budget approved by the District Board on August 22, 2023. For information regarding the expected impacts to the Fiscal Year 2023-24 Budget, see “– District Budget – *Revisions to Fiscal Year 2023-24 Budget*” above. LASPMA (Unit H – School Police Management) and the District are expected to begin successor negotiations for a three-year agreement for fiscal years 2025-26 through 2027-28 after January 1, 2025.

“Trades” (Unit E) and the District reached agreements for fiscal years 2020-21 and 2021-22 and for fiscal years 2022-23 through 2024-25 (the “Trades Agreements”). With respect to fiscal years 2020-21 and 2021-22, the Trades Agreements provide for a 5% on schedule retroactive wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2021. The Trades Agreements also provide for (a) one-time payments to certain employees that were employed during fiscal years 2020-21 and 2021-22 and did not receive an increase to their base salary in the fiscal year 2019-20 reopener, and (b) retention and appreciation bonuses for fiscal year 2021-22. With respect to fiscal years 2022-23 through 2024-25, the Trades Agreements provide (a) for fiscal year 2022-23, a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2022, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2023; (b) for fiscal year 2023-24, a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2023, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2024; and (c) for fiscal year 2024-25, a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2024, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2025. During the term of the Trades Agreements for fiscal years 2022-23 through 2024-25, the District and Trades have agreed to reopen on two items – health and welfare and deferred compensation, but have not begun negotiations. The financial impacts of

the Trades Agreements are not incorporated into the Fiscal Year 2023-24 Budget. Such impacts (other than agreed upon reopeners to be negotiated) were incorporated as expenditures in revisions to the Fiscal Year 2023-24 Budget approved by the District Board on August 22, 2023. For information regarding the expected impacts to the Fiscal Year 2023-24 Budget, see “– District Budget – *Revisions to Fiscal Year 2023-24 Budget*” above. “Trades” (Unit E) and the District are expected to begin successor negotiations for a three-year agreement for fiscal years 2025-26 through 2027-28 after January 1, 2025.

AALA (Unit J – Classified Managers) and the District reached a three-year agreement for fiscal years 2022-23 through 2024-25 (the “AALA Agreement”). The AALA Agreement provides (a) for fiscal year 2022-23, a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2022, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2023; (b) for fiscal year 2023-24, a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2023, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2024; and (c) for fiscal year 2024-25, a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2024, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2025. There are no reopeners provided for in the AALA Agreement. The financial impacts of the AALA Agreement are incorporated as expenditures in the Fiscal Year 2023-24 Budget. AALA (Unit J – Classified Managers) and the District are expected to begin successor negotiations for a three-year agreement for fiscal years 2025-26 through 2027-28 after January 1, 2025.

Employees that are classified as “District-represented” are not in a formal bargaining unit. In alignment with District Board-approved labor agreements discussed above, District-represented employees will receive comparable compensation adjustments. District-represented employees as well as employees in positions that have not yet been assigned a union, totaling approximately 2,200 positions, with salaries within the range of union-represented classifications, will receive a 21% wage increase, beginning with 3% effective July 1, 2022; 4% on January 1, 2023; 3% on July 1, 2023; 4% on Jan. 1, 2024; 3% on July 1, 2024; and 4% on Jan. 1, 2025. District-represented employees, totaling approximately 87 positions, with salaries outside of the range of union-represented classifications, will receive a 15% wage increase, beginning with 3% effective July 1, 2022; 4% on January 1, 2023; 2% on July 1, 2023; 2% on Jan. 1, 2024; 2% on July 1, 2024; and 2% on Jan. 1, 2025. As a result of such agreement, the District anticipates an increase in fiscal year 2023-24 expenditures of approximately \$30.0 million (all funds), of which approximately \$25.6 million relate to the District’s general fund. Of such amounts, approximately \$8.6 million (all funds) of such expenditures (\$7.3 million related to the District’s general fund) reflect expenditures attributable to fiscal year 2022-23 and are to be paid in fiscal year 2023-24. Due to the timing of such agreement, the financial impacts of the agreement are not incorporated into the Fiscal Year 2023-24 Budget. The additional expenditures associated with the District-represented agreement are reflected in the Fiscal Year 2023-24 Second Interim Report.

The District entered a memorandum of understanding with SEIU and UTLA modifying the three-year tentative instructional calendar approved by the District Board on March 27, 2023, to a two-year instructional calendar (fiscal years 2023-24 and 2024-25). The memorandum of understanding maintains a three-week (15 days) winter break, provides for three additional instructional days to make up for lost instructional days in March 2023, and provides for instruction, enrichment, nutrition and child supervision through a voluntary winter recess academy in each such fiscal year. The financial impacts of the memorandum of understanding with SEIU and UTLA are not incorporated into the Fiscal Year 2023-24 Budget. Such impacts were incorporated as expenditures in revisions to the Fiscal Year 2023-24 Budget approved by the District Board on August 22, 2023. For information regarding the expected impacts to the Fiscal Year 2023-24 Budget, see “– District Budget – *Revisions to Fiscal Year 2023-24 Budget*” above. Subsequently, on December 11, 2023, the District entered a memorandum of understanding with CSEA with the same provisions outlined above in the SEIU and UTLA instructional

calendar memorandum of understanding. As a result of such agreement, the District budgeted an increase in fiscal year 2023-24 expenditures of approximately \$0.28 million, all of which relate to the District's General Fund. The additional expenditures associated with the memorandum of understanding with CSEA are reflected in the Fiscal Year 2023-24 Second Interim Report.

Health and Welfare Agreement. On October 5, 2023, the District reached a two-year agreement (the "Health and Welfare Agreement") with all of its bargaining units for calendar years 2024 and 2025 to continue providing health and welfare benefits for active employees and retirees at no additional cost to participants. Under the Health and Welfare Agreement, the District will make contributions to fully fund the per-participant actual costs of current health and welfare benefits, including administrative cost, for the 2024 and 2025 calendar years. This is exclusive of any plan design changes that increase benefit costs and is different than previous agreements where the District's obligation was to pay a fixed dollar amount for each participant category. The Health and Welfare Agreement also provides that any unspent health care reserve funds held pursuant to the District's prior health and welfare agreements will be maintained as reserves for the term of the Health and Welfare Agreement and used to improve or adjust health care plan designs as agreed to from time to time by the parties and approved by the District Board. As of June 30, 2022 and June 30, 2023, the District had \$64.6 million and \$107.7 million (unaudited), respectively, in health care reserves. Future District health and welfare contributions are subject to negotiations for a successor agreement. It is anticipated that such negotiations will commence in 2024.

The District anticipates an increase in fiscal year 2023-24 expenditures related to the Health and Welfare Agreement of approximately \$106.4 million (all funds), of which approximately \$94.2 million relate to the District's general fund. Due to the timing of such agreement, the financial impacts of the agreement are not incorporated into the Fiscal Year 2023-24 Budget. The additional expenditures associated with the Health and Welfare Agreement are reflected in the Fiscal Year 2023-24 Second Interim Report.

Reduction in Force and Release Notices. In general, pursuant to Sections 44949 and 44951 of the Education Code, the District must give written notice to a certificated employee no later than March 15 if such certificated employee is to be released or reassigned for the ensuing school year. Similarly, pursuant to Section 45117 of the Education Code, the District must give written notice to a classified employee no later than March 15 if such classified employee is to be laid off for the ensuing school year. Further, pursuant to Sections 44955.5 and 45117(d) of the Education Code (as applicable), the District Board has the authority to terminate the services of certificated and classified employees between the period commencing five days after the enactment of the annual State Budget Act and August 15 of the fiscal year to which the State Budget Act applies if the District's LCFF apportionment per unit of ADA has not increased by at least 2% for such fiscal year. To provide flexibility in the event budget reductions are necessary in a given fiscal year, the District Board may approve the use of reduction in force and release notices for a portion of its certificated and classified employees. There were no such notices approved by the District Board prior to March 15, 2024, for the ensuing 2024-25 school year.

Retirement Systems

General. The District currently participates in CalSTRS, CalPERS and PARS (defined herein). The amounts of the District's contributions to CalSTRS, CalPERS and PARS are subject to, among other things, modifications to or approvals of collective bargaining agreements and any changes in actuarial assumptions used by CalSTRS, CalPERS and PARS.

The information set forth below regarding CalSTRS and CalPERS and their respective actuarial valuations and comprehensive annual financial reports has been obtained from publicly available sources and has not been independently verified by the District and is not guaranteed as to the accuracy or completeness thereof by or to be construed as a representation by the District. Furthermore, the summary

data below should not be read as current or definitive, as recent gains or losses on investments made by the retirement systems generally may have changed the unfunded actuarial accrued liabilities stated below.

The following Table A-15 sets forth the District's aggregate contributions to CalSTRS, CalPERS and PARS, inclusive of employee contributions to CalPERS paid by the District, for fiscal years 2019-20 through 2022-23 and the budgeted contribution for fiscal year 2023-24 and these contributions as a percentage of the District's Total Governmental Funds expenditures for fiscal years 2019-20 through 2023-24. See Table A-16 "Annual Regular CalSTRS Contributions," Table A-18 "Annual CalPERS Regular Contributions" and Table A-21 "Annual PARS Contribution." See also the District's financial statements for fiscal year 2022-23 contained in APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023."

TABLE A-15
LOS ANGELES UNIFIED SCHOOL DISTRICT
Aggregate Employer Contributions to CalSTRS, CalPERS and PARS
Fiscal Years 2019-20 through 2023-24
(\$ in millions)

Fiscal Year	District Contributions⁽¹⁾	District Contribution as Percentage of Total Governmental Funds Expenditures
2019-20	\$755.33	7.35%
2020-21	762.30	7.06
2021-22	869.20	7.12
2022-23	1,040.37	8.36
2023-24 ⁽²⁾	1,174.30	7.83

⁽¹⁾ Reflects data for all District Funds, including the District's General Fund. Excludes on-behalf payments from the State to CalSTRS and CalPERS.

⁽²⁾ Budgeted in Fiscal Year 2023-24 Budget. Amounts do not reflect labor agreements not reflected in Fiscal Year 2023-24 Budget. For significant revisions to the Fiscal Year 2023-24 Budget approved by the District Board on August 22, 2023, see "– District Budget – Revisions to Fiscal Year 2023-24 Budget" above. In addition, for a discussion of pending labor agreements not reflected in the Fiscal Year 2023-24 Budget and not included in Fiscal Year 2023-24 Budget revisions approved by the District Board on August 22, 2023, see "– Employee and Labor Relations – Negotiations Regarding Labor Contracts" above.

Sources: Audited Annual Financial Report for fiscal years 2019-20 through 2022-23; Fiscal Year 2023-24 Budget; and the District for the percentage of Total Governmental Funds Expenditures.

California State Teachers' Retirement System. CalSTRS is a defined benefit plan that covers all full-time certificated District employees and some classified District employees, which are District employees employed in a position that does not require a teaching credential from the State. Benefit provisions are established by State legislation in accordance with the State Teachers' Retirement Law. CalSTRS is operated on a Statewide basis and, based on publicly available information, has substantial unfunded liabilities. Additional funding of CalSTRS by the State and the inclusion of adjustments to such State contributions based on consumer price changes were provided for in 1979 Statutes, Chapter 282. Copies of the CalSTRS' comprehensive annual financial report may be obtained from CalSTRS, P.O. Box 15275, Sacramento, California 95851-0275. The information presented in these reports is not incorporated by reference in this Official Statement.

Member benefits are determined pursuant to the Education Code and are generally based on a member's age, final compensation and years of credited service. Members are 100% vested in retirement benefits after five years of credited service and are eligible for "normal" retirement at age 60 and for early retirement at age 55 or at age 50 with 30 years of credited service. The normal retirement benefit is 2% of final compensation (as defined in the Education Code) for each year of credited service (up to 2.4% of

final compensation for members retiring after age 60), and members who retire on or after January 1, 2011 with 30 or more years of service by December 31, 2010 receive monthly bonus payments of up to \$400 per month. Members hired on or after January 1, 2013 who retire at age 62 are eligible for a benefit equal to 2% of final compensation for each year of credited service (up to 2.4% of final compensation for members retiring after age 62). Benefits include a 2% cost of living increase (computed on a simple, non-compounded, basis based on the initial allowance) on each September 1 following the first anniversary of the effective date of the benefit. See “– *California Public Employees’ Pension Reform Act of 2013*” herein and Note 9 set forth in APPENDIX B – “AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023.”

Funding; Contributions. The CalSTRS defined benefit plan (the “DB Plan”) is funded through a combination of investment earnings and statutorily set contributions from members of CalSTRS, the participating employers (including the District) and the State. Prior to fiscal year 2014-15, the statutorily-set rate did not vary annually to adjust for funding shortfalls or actuarial surpluses. As a result, the combined employer, employee and State contributions to the DB Plan were not sufficient to pay actuarially required amounts. To address the shortfall, Assembly Bill 1469 (“AB 1469”), signed into law by the Governor as part of the State budget for fiscal year 2014-15, increased member, employer and State contributions as part of a plan to eliminate by June 30, 2046, CalSTRS’ unfunded liability for service credited to members of the CalSTRS defined benefit program before July 1, 2014.

Pursuant to AB 1469, since fiscal year 2021-22, the State Teachers’ Retirement Board is authorized to modify the percentages paid by employers and employees to eliminate by June 30, 2046, CalSTRS’ unfunded liability for service credited to members of the CalSTRS defined benefit program before July 1, 2014, based upon actuarial recommendations and subject to certain limitations. The State Teachers’ Retirement Board may not increase the employer contribution rate by more than 1% in any fiscal year up to a maximum contribution rate of 20.25%. The State Teachers’ Retirement Board may also adjust the State’s contribution rate by a maximum of 0.5% from year to year, based on the funding status of the CalSTRS actuarially determined unfunded liability. A decrease in investment earnings may result in increased employer contribution rates in order to timely eliminate by June 30, 2046, CalSTRS’ unfunded liability for service credited to members of the CalSTRS defined benefit program before July 1, 2014, based upon actuarial recommendations. The District cannot predict the impact of State, national, and international events on investment earnings and contribution rates or the amount the District will be required to pay for pension related costs in future fiscal years.

The State is not an employer (with certain limited exceptions) in any of the CalSTRS programs but contributes to the DB Plan and a supplemental benefits maintenance account pursuant to provisions of the Education Code. For fiscal year 2022-23, the State contributed 8.328% of members’ annual earnings to the DB Plan and an additional 2.5% of member earnings into the CalSTRS supplemental benefit maintenance account, which is used to maintain the purchasing power of benefits. The State’s contribution rate for fiscal year 2023-24 will remain at 8.328% of members’ annual earnings to the DB Plan and an additional payment of 2.5% of member earnings into the CalSTRS supplemental benefit maintenance account.

The District’s employer contribution rate for fiscal year 2022-23 was 19.10% of covered payroll. The District’s employer contribution rate for fiscal year 2023-24 will remain at 19.10% of covered payroll. The District’s employer contribution rate is inclusive of the employer base contribution of 8.25% of payroll provided by the Education Code.

The employee contribution rate for CalSTRS members first hired on or before December 31, 2012 to perform CalSTRS creditable activities (i.e., CalSTRS 2% at 60 members) was 10.25% for fiscal years 2016-17 through 2022-23 and will remain at 10.25% for fiscal year 2023-24. The employee contribution rate for CalSTRS members first hired on or after January 1, 2013 to perform CalSTRS

creditable activities (i.e., CalSTRS 2% at 62 members) was 9.205% for fiscal years 2016-17 and 2017-18, 10.205% for fiscal years 2018-19 through 2022-23, and will remain at 10.205% for fiscal year 2023-24.

The following Table A-16 sets forth the District's regular annual contributions to CalSTRS for fiscal years 2019-20 through 2022-23 and the budgeted contribution for fiscal year 2023-24 and such contributions as a percentage of the District's Total Governmental Funds expenditures for fiscal years 2019-20 through 2023-24. The District has always paid all required CalSTRS annual contributions. As of June 30, 2023, 37,684 District employees were members of CalSTRS.

TABLE A-16

LOS ANGELES UNIFIED SCHOOL DISTRICT
Annual Regular CalSTRS Contributions
Fiscal Years 2019-20 through 2023-24
(\$ in millions)

Fiscal Year	CalSTRS Employer Rate	District Contributions⁽¹⁾	District Contribution as Percentage of Total Governmental Funds Expenditures
2019-20	17.10%	\$509.0	4.95%
2020-21	16.15	497.7	4.61
2021-22	16.92	563.9	4.62
2022-23	19.10	663.9	5.33
2023-24 ⁽²⁾	19.10	728.3	4.86

⁽¹⁾ Reflects data for all District Funds, including the District's General Fund. Excludes on-behalf payments from the State to CalSTRS.

⁽²⁾ Budgeted in Fiscal Year 2023-24 Budget. Amounts do not reflect labor agreements not reflected in the Fiscal Year 2023-24 Budget. For significant revisions to the Fiscal Year 2023-24 Budget approved by the District Board on August 22, 2023, see "– District Budget – *Revisions to Fiscal Year 2023-24 Budget*" above. In addition, for a discussion of pending labor agreements not reflected in the Fiscal Year 2023-24 Budget and not included in Fiscal Year 2023-24 Budget revisions approved by the District Board on August 22, 2023, see "– Employee and Labor Relations – *Negotiations Regarding Labor Contracts*" above.

Sources: Audited Annual Financial Report for fiscal years 2019-20 through 2022-23; Fiscal Year 2023-24 Budget; and the District for the percentage of Total Governmental Funds Expenditures.

Actuarial Valuation. The State Teachers' Retirement Board has sole authority to determine the actuarial assumptions and methods used for the valuation of the DB Plan. CalSTRS actuarial consultant (the "Actuarial Consultant") determines the actuarial value of the DB Plan's assets by using a one-third smoothed recognition method of the difference between the actual market value of assets to the expected actuarial value of assets. Accordingly, the actuarial value of assets will not reflect the entire impact of certain investment gains or losses on an actuarial basis as of the date of the valuation or legislation enacted subsequent to the date of the valuation.

The actuarial valuation for the entire CalSTRS defined benefit program as of June 30, 2022 (the "2022 CalSTRS Actuarial Valuation") showed an estimated unfunded actuarial liability of \$88.55 billion, a decrease of approximately \$1.17 billion from the June 30, 2021 valuation. Such estimated unfunded actuarial liability was projected to increase in the June 30, 2021 valuation, which projected an unfunded actuarial liability of \$89.80 billion as of June 30, 2022. The actual unfunded actuarial liability as of June 30, 2022 represents a net actuarial gain of approximately \$1.25 billion. Such net actuarial gain is due primarily to member salary increases being more than assumed and market value returns (estimated at negative 2.40%) being less than assumed (7.00%). The funded ratios of the actuarial value of valuation assets over the actuarial accrued liabilities as of June 30, 2022 and June 30, 2021, based on the actuarial assumptions, were approximately 74.40% and 73.00%, respectively. According to the 2022 CalSTRS Actuarial Valuation, the funded ratio increased by 1.40% during the past year. As described in the 2022

CalSTRS Actuarial Valuation, the increase in the funded ratio is primarily due to the recognition of deferred investment gains from prior fiscal years that were used to offset the reported negative 2.40% return on investments on the market value of assets for fiscal year 2021-22, which is CalSTRS' first negative return on investments since fiscal year 2008-09. Other factors contributing to such increase include the additional State contributions made in the prior fiscal years and contributions to pay down the unfunded actuarial liability under the State Teachers' Retirement Board's valuation policy. Persistent negative returns on investments may result in increased employer contribution rates above the current level of expected increases. The District cannot predict the impact of State, national, and international events on investment returns and employer contribution rates or the amount the District will be required to pay for pension related costs. Accordingly, there can be no assurances that the District's required contributions to CalSTRS will not increase in the future, subject to the limitations of AB 1469.

The following are certain of the actuarial assumptions set forth in the 2022 CalSTRS Actuarial Valuation: measurement of accruing costs by the "Entry Age Normal Actuarial Cost Method," an assumed 7.00% investment rate of return for measurements subsequent to June 30, 2016, 3.00% interest on member accounts, 3.50% projected wage growth, and 2.75% projected inflation and demographic assumptions relating to mortality rates, length of service, rates of disability, rates of withdrawal, probability of refund, and merit salary increases. Future estimates of the actuarial unfunded liability may change due to market performance, legislative actions and other experience that may differ from the actuarial assumptions used for the CalSTRS valuation. The 2022 CalSTRS Actuarial Valuation also assumes that all members hired on or after January 1, 2013 are subject to the provisions of PEPRA (as defined herein). See "*California Public Employees' Pension Reform Act of 2013*" below for a discussion of the pension reform measure signed by the Governor in September 2012 expected to help reduce future pension obligations of public employers with respect to employees hired on or after January 1, 2013.

The CalSTRS Comprehensive Annual Financial Report for fiscal year 2021-22 (the "2021-22 CalSTRS CAFR") states that during fiscal year 2021-22, CalSTRS included 38,528 covered employees of the District in its State Teachers' Retirement Program and 3,485 covered employees of the District in its tax-deferred defined contribution plans under Sections 403(b) and 457 of the Internal Revenue Code (the "Pension2 Program"). Accordingly, covered employees of the District represented approximately 7.60% and 11.80% of covered employees in the State Teachers' Retirement Program and Pension2 Program, respectively.

The UAAL and funded status of the CalSTRS pension fund as of June 30 of fiscal years ended June 30, 2018, through June 30, 2022, are set forth in the following Table A-17. The fair market value of the CalSTRS pension fund as of June 30, 2021, and June 30, 2022, was approximately \$271.95 billion and \$260.29 billion, respectively, based on total system assets less amounts allocable to the CalSTRS Supplemental Benefits Maintenance Account Reserve. The individual funding progress for the District and the District's proportionate share of CalSTRS' net pension liability is set forth in the District's audited financial statements. See "*Pension Accounting and Financial Reporting Standards*" herein and Note 9 set forth in APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023."

TABLE A-17

Actuarial Value of CalSTRS Defined Benefit Program
Valuation Dates June 30, 2018 through June 30, 2022
(\$ in billions)

Valuation Date (June 30)	Actuarial Obligation	Actuarial Value of Assets⁽¹⁾	Market Value of Assets	Unfunded Actuarial Obligation	Funded Ratio (Actuarial Value)	Funded Ratio (Fair Market Value)
2018	\$297.603	\$190.451	\$211.367	\$107.2	64.0%	65.7%
2019	310.719	205.016	225.466	105.7	66.0	67.0
2020	322.127	216.252	233.253	105.9	67.1	66.5
2021	332.082	242.363	292.980	89.7	73.0	81.9
2022	346.089	257.537	283.340	88.6	74.4	75.2

⁽¹⁾ Actuarial Value of Assets does not include amounts allocable to the CalSTRS Supplemental Benefits Maintenance Account Reserve which was approximately \$15.76 billion as of June 30, 2018, \$17.38 billion as of June 30, 2019, \$19.13 billion as of June 30, 2020, \$21.03 billion as of June 30, 2021, and \$23.05 billion as of June 30, 2022.

Sources: California State Teachers' Retirement System Defined Benefit Program Actuarial Valuations as of June 30, 2018 through June 30, 2022.

District Proportionate Share. As of June 30, 2023, the District's proportionate share of CalSTRS' net pension liability was approximately \$3.9 billion, based on a discount rate of 7.10%. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the fiscal year 2021-22 employer contributions calculated by CalSTRS with consideration given to separately financed and irregular employer contributions relative to the projected contributions of all participating employer and non-employer contributing entities. At June 30, 2022, the District's proportionate rate was 5.497%. The District's proportionate share of the CalSTRS net pension liability was projected to be approximately \$1.60 billion if the discount rate was increased to 8.1% and approximately \$6.5 billion if the discount rate was decreased to 6.1%. See Note 9(b) of the District's financial statements in APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023."

California Public Employees' Retirement System. CalPERS is a defined benefit plan that covers classified personnel who work four or more hours per day. CalPERS is operated on a Statewide basis and, based on publicly available information, has significant unfunded liabilities. CalPERS issues a comprehensive annual financial report and actuarial valuations that include financial statements and required supplementary information. Copies of the CalPERS CAFR and actuarial valuations may be obtained from the CalPERS Financial Services Division, P.O. Box 942703, Sacramento, California 94229-2703. The information set forth therein is not incorporated by reference in this Official Statement. Benefit provisions are established by State legislation in accordance with the Public Employees' Retirement Law and are generally based on a member's age, final compensation, and years of credited service. For a description of member benefits for both the Safety Plan and Miscellaneous Plan of the District administered by CalPERS, see Note 9(a) set forth in APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023."

Funding; Contributions. All qualifying classified employees of K-12 school districts in the State are members in CalPERS. All school districts contributing to CalPERS participate in the same plan and share the same contribution rate in each year. However, unlike contributions to CalSTRS, which incrementally increase at statutorily set rates, school districts' contributions to CalPERS fluctuate each year and include a normal cost component and a component equal to an amortized amount of the unfunded liability of CalPERS. Accordingly, the District cannot provide any assurances that the District's

required contributions to CalPERS in future years will not significantly vary from any current projected levels of contributions to CalPERS.

CalPERS is funded by employee contributions and investment earnings, with the balance of the funding provided by employer contributions. School districts' contributions decrease when investment earnings rise and increase when investment earnings decline. As a result, declines in investment earnings may result in substantial increases in school district contributions. The District cannot make any predictions as to the effect of State, national or international events on investment earnings and school district contributions. Participating employees enrolled in CalPERS prior to January 1, 2013 contribute 7.00% of their respective salaries, while participating employees enrolled after January 1, 2013 contribute the higher of fifty percent of normal costs of benefits or an actuarially determined rate of 8.00% in fiscal year 2022-23, which will remain at 8.00% in fiscal year 2023-24. School districts are required to contribute to CalPERS at an actuarially determined rate, which was originally 20.733% and 22.68% of eligible salary expenditures for fiscal years 2019-20 and 2020-21, respectively. However, the employer contribution rate for fiscal year 2019-20 was reduced to 19.721% as a result of the State's buydown of employer contribution rates in fiscal year 2019-20. Similarly, the fiscal year 2020-21 State budget allocated funding to buy down employer contribution rates in fiscal years 2020-21 and 2021-22 to approximately 20.70% and 22.91%, respectively. The actuarially determined rate for employer contributions was 25.37% for fiscal year 2022-23 and is 26.68% for fiscal year 2023-24. For a description of employer and member contribution rates, see Note 9(a) set forth in APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023."

The following Table A-18 sets forth the District's employer contribution rates, regular annual contributions, inclusive of employee contributions paid by the District to CalPERS for fiscal years 2019-2020 through 2022-23, and the budgeted contribution for fiscal year 2023-24, and such contributions as a percentage of the District's Total Governmental Funds expenditures for fiscal years 2019-20 through 2023-24. The District has always paid all required CalPERS annual contributions. As of June 30, 2023, 29,689 District employees were members of CalPERS.

TABLE A-18
LOS ANGELES UNIFIED SCHOOL DISTRICT
Annual CalPERS Regular Contributions
Fiscal Years 2019-20 through 2023-24
(\$ in millions)

Fiscal Year	CalPERS Employer Rate (Miscellaneous)	CalPERS Employer Rate (Safety)	District Contributions⁽¹⁾	District Contribution as Percentage of Total Governmental Funds Expenditures
2019-20	19.721%	43.059%	\$239.1	2.33%
2020-21	20.700	47.268	257.3	2.38
2021-22	22.910	48.900	298.4	2.44
2022-23	25.370	50.130	370.3	2.98
2023-24 ⁽²⁾	26.680	53.680	436.9	2.91

⁽¹⁾ Reflects data for all District Funds, including the District's General Fund.

⁽²⁾ Budgeted in Fiscal Year 2023-24 Budget. Amounts do not reflect labor agreements not reflected in the Fiscal Year 2023-24 Budget. For significant revisions to the Fiscal Year 2023-24 Budget approved by the District Board on August 22, 2023, see “– District Budget – *Revisions to Fiscal Year 2023-24 Budget*” above. In addition, for a discussion of pending labor agreements not reflected in the Fiscal Year 2023-24 Budget and not included in Fiscal Year 2023-24 Budget revisions approved by the District Board on August 22, 2023, see “– Employee and Labor Relations – *Negotiations Regarding Labor Contracts*” above.

Sources: Audited Annual Financial Report for fiscal years 2019-20 through 2022-23; Fiscal Year 2023-24 Budget and District Budget Services and Financial Planning Division Financial Guide No. 1, dated May 19, 2023 for fiscal year 2023-24; and the District for the percentage of Total Governmental Funds Expenditures.

Actuarial Valuation. Since the June 30, 2015, valuation, CalPERS has employed an amortization and smoothing policy that apportions all gains and losses over a fixed 30-year period with the increases or decreases in the rate spread directly over a five-year period. In contrast, the previous policy spread investment returns over a 15-year period with experience gains and losses spread over a rolling 30-year period. The amounts of the pension/award benefit obligation or UAAL will vary from time to time depending upon actuarial assumptions, and actual rates of return on investments, salary scales, and levels of contribution. See Table A-19 – “Actuarial Value of Schools Portion of CalPERS – Historical Funding Status” herein.

The CalPERS Schools Pool Actuarial Valuation as of June 30, 2022 (the “2022 CalPERS Schools Pool Actuarial Valuation”), was released in September 2023, and such valuation reported an actuarial accrued liability of approximately \$116.98 billion with the market value of assets at approximately \$79.39 billion, and a funded status of approximately 67.90%. From June 30, 2021, to June 30, 2022, the funded status of the CalPERS Schools Pool decreased by approximately 10.40%, and the unfunded accrued liability increased by approximately \$13.61 billion, largely due to the difference between the expected and actual rate of return on investments.

CalPERS reported a negative 6.10% net return on investments for fiscal year 2021-22, which is CalPERS’ first negative return on investments since fiscal year 2008-09. The negative 6.10% net return on investments was less than the assumed annual rate of return on investments of 6.80%. Such negative return generated an actuarial investment loss of approximately \$12.40 billion, which will be amortized over 20 years with a five-year phase in, increasing the component of the expected employer contribution rate related to the unfunded liability contribution in fiscal year 2023-24 by 1.69% of payroll. The 2022 CalPERS Schools Pool Actuarial Valuation reports that the employer contribution rates for fiscal years 2024-25, 2025-26, 2026-27, 2027-28 and 2028-29 are projected to be 27.80%, 28.50%, 28.90%, 30.30% and 30.10%, respectively. Such projections assume that all actuarial assumptions will be realized, including net investment returns in such fiscal years of 6.80%, and that no further changes to

assumptions, contributions, benefits or funding will occur during such fiscal years. Persistent negative returns on investments may result in increased employer contribution rates above the current level of expected increases reflected in the 2022 CalPERS Schools Pool Actuarial Valuation. The District cannot predict the impact of State, national, and international events on investment returns and employer contribution rates. Accordingly, there can be no assurances that the District's required contributions to CalPERS will not significantly increase in the future.

The 2022 CalPERS Schools Pool Actuarial Valuation as summarized assumes, among other things, 2.30% price inflation, 2.80% wage inflation and payroll growth of 2.80% compounded annually. The 2022 CalPERS Schools Pool Actuarial Valuation as summarized reflects a discount rate of 6.80% compounded annually (net of administrative expenses) as of June 30, 2022. The CalPERS Board of Administration adopted new demographic assumptions on November 17, 2021, including a reduction in the discount rate from 7.00% as of June 30, 2020, to 6.80% as of June 30, 2021, a reduction in the inflation assumption from 2.50% as of June 30, 2020 to 2.30% as of June 30, 2021, and an increase in payroll growth from 2.75% as of June 30, 2020 to 2.80% as of June 30, 2021. Such assumption changes result in increases in both the normal cost and unfunded liabilities contributions to be paid in the future. The actuarial funding method used in the 2022 CalPERS Schools Pool Actuarial Valuation is the "Entry Age Normal Cost Method."

The UAAL and funded status of the Schools portion of CalPERS as of June 30 of fiscal years ended June 30, 2018 through June 30, 2022 are set forth in the following Table A-19.

TABLE A-19
Actuarial Value of Schools Portion of CalPERS
Historical Funding Status
Valuation Dates June 30, 2018 through June 30, 2022
(\$ in millions)

Valuation Date (June 30)	Actuarial Accrued Liabilities	Market Value of Assets (MVA)	Funded Status (MVA)	Unfunded Liabilities/ (Surplus) (MVA)	Projected Payroll for Determining Contributions	Unfunded Liability/ (Surplus) as a % of Payroll
2018	\$92,071	\$64,846	70.4%	\$27,225	\$14,234	191.3%
2019	99,528	68,177	68.5	31,351	14,844	211.2
2020	104,062	71,400	68.6	32,662	15,295	213.6
2021	110,507	86,519	78.3	23,988	15,181	158.0
2022	116,982	79,386	67.9	37,596	16,731	224.7

Source: CalPERS Schools Pool Actuarial Valuation as of June 30, 2022.

District Proportionate Share. As of June 30, 2023, the District reported a net pension liability of \$2.7 billion for its proportionate share of the net pension liability of the Miscellaneous Plan. The net pension liability of the Miscellaneous Plan was measured by CalPERS as of June 30, 2022, and the total pension liability for the Miscellaneous Plan used to calculate the net pension liability was determined by CalPERS pursuant to an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The District's proportion of the net pension liability was based on the fiscal year 2021-22 employer contributions calculated by CalPERS. As of June 30, 2023, the District's proportion of the CalPERS net pension liability was approximately 7.82%. See "*Pension Accounting and Financial Reporting Standards*" herein and Note 9(a) to the audited financial statements of the

District contained in APPENDIX B – “AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023.”

Safety Plan Actuarial Valuation; Net Pension Liability. The CalPERS Safety Plan of the Los Angeles Unified School District (Employer # 3614620780) Annual Valuation Report as of June 30, 2022 uses the “Entry Age Normal Cost Method” as the actuarial funding method and assumes, among other things, a 6.8% investment rate of return (net of administrative expenses), projected annual salary increases based on category, entry age, and duration of service, projected inflation of 2.30% and projected payroll growth of 2.80%. The UAAL and funded status of the District’s Safety Plan, which is an individual component of CalPERS, as of June 30 of fiscal years ended June 30, 2018 through June 30, 2022, are set forth in the following Table A-20. As of June 30, 2023, the District’s net pension liability under the CalPERS Safety plan was \$118.2 million. The net pension liability of the CalPERS Safety plan is measured as of June 30, 2022, using an annual actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, using standard update procedures. See Note 9(a) to the audited financial statements of the District contained in APPENDIX B – “AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023.”

TABLE A-20

**CalPERS Actuarial Value of LAUSD Safety Plan⁽¹⁾
Historical Funding Status
Valuation Dates June 30, 2018 through June 30, 2022
(\$ in millions)**

Valuation Date (June 30)	Accrued Liability	Market Value of Assets⁽²⁾	Unfunded Liability	Funded Ratio	Annual Covered Payroll
2018	\$414.6	\$301.3	\$113.3	72.7%	\$32.2
2019	438.7	320.7	118.0	73.1	33.7
2020	459.1	335.9	123.2	73.2	33.3
2021	479.3	412.9	66.4	86.1	26.2
2022	508.4	377.1	131.3	74.2	23.5

⁽¹⁾ Reflects information relating to the District’s Safety Plan and does not include information relating to the Miscellaneous Plan. Actuarial information relating to the historical funding status of the District’s Miscellaneous Plan is not available from CalPERS as a separate report but is incorporated in the combined schools portion of CalPERS’ pension fund as set forth in Table A-19 above.

⁽²⁾ CalPERS no longer uses an actuarial value of assets and only uses the market value of assets.

Source: CalPERS Safety Plan of the Los Angeles Unified School District (Employer # 3614620780) Annual Valuation Report as of June 30, 2022.

Public Agency Retirement System. On July 1, 1992, the District joined the Public Agency Retirement System (“PARS”), a multiple-employer retirement trust. This defined contribution plan covers the District’s part-time, seasonal, temporary and other employees not otherwise covered by CalPERS or CalSTRS, but whose salaries would otherwise be subject to Social Security tax. Benefit provisions and other requirements are established by District management based on agreements with various bargaining units. The District is unable to predict the amount of the contributions which the District may be required to make to PARS in the future. Accordingly, there can be no assurances that the District’s required contributions to PARS will not significantly increase in the future above current levels. The District has always paid all required PARS annual contributions.

The following Table A-21 sets forth the District's annual contributions to PARS for fiscal years 2019-20 through 2022-23 and the budgeted annual contribution to PARS for fiscal year 2023-24, and the contributions as a percentage of the District's Total Governmental Funds expenditures for fiscal years 2019-20 through 2023-24. As of June 30, 2023, 55,381 active District employees were members of PARS.

TABLE A-21
LOS ANGELES UNIFIED SCHOOL DISTRICT
Annual PARS Contribution
Fiscal Years 2019-20 through 2023-24
(\$ in millions)

Fiscal Year	District Contributions⁽¹⁾⁽²⁾	District Contribution as Percentage of Total Governmental Funds Expenditures
2019-20	\$7.2	0.07%
2020-21	7.3	0.07
2021-22	6.9	0.06
2022-23	6.2	0.05
2023-24 ⁽³⁾	9.1	0.06

⁽¹⁾ Reflects payments to PARS for pension costs associated with the District's regular and specially funded programs.

⁽²⁾ Includes amounts related to prior years' PARS contributions.

⁽³⁾ Budgeted in Fiscal Year 2023-24 Budget. Amounts do not reflect labor agreements not reflected in the Fiscal Year 2023-24 Budget. For significant revisions to the Fiscal Year 2023-24 Budget approved by the District Board on August 22, 2023, see "– District Budget – Revisions to Fiscal Year 2023-24 Budget" above. In addition, for a discussion of pending labor agreements not reflected in the Fiscal Year 2023-24 Budget and not included in Fiscal Year 2023-24 Budget revisions approved by the District Board on August 22, 2023, see "– Employee and Labor Relations – Negotiations Regarding Labor Contracts" above.

Sources: Audited Annual Financial Report for fiscal years 2019-20 through 2022-23; Fiscal Year 2023-24 Budget; and the District for the percentage of Total Governmental Funds Expenditures.

California Public Employees' Pension Reform Act of 2013. In September 2012, the Governor approved Assembly Bill 340, the California Public Employees' Pension Reform Act of 2013 ("PEPRA"). Among other things, PEPRA establishes new retirement formulas for employees hired on or after January 1, 2013 ("PEPRA Employees") and prohibits public employers from offering defined benefit pension plans to PEPRA Employees that exceed the benefits provided thereunder. PEPRA increases the retirement age for new State, school, city and local agency employees depending on job function and limits the annual CalPERS and CalSTRS pension benefit payouts. PEPRA applies to all public employers except the University of California, charter cities and charter counties. However, PEPRA is applicable to those entities which contract with CalPERS.

PEPRA mandates equal sharing of normal costs between a contracting agency or school employer and their employees and that employers not pay any of the required employee contribution. However, PEPRA limits the contribution to an amount not in excess of 8% of pay for local miscellaneous or school members, not more than 12% of pay for local police officers, local firefighters, and county peace officers, and not more than 11% of pay for all local safety members. PEPRA requires employers to complete a good faith bargaining process as required by law prior to implementing changes regarding the contribution requirements. The contribution requirements of PEPRA went into effect on January 1, 2018. See "– California State Teachers' Retirement System" and "– California Public Employees' Retirement System" herein.

In addition, PEPRA amends existing laws to redefine final compensation for purposes of pension benefits for PEPRA Employees. Further, PEPRA permits certain public employers who have offered a

lower defined benefit retirement plan before January 1, 2013 to continue to offer such plan to PEPRAs Employees. However, if a public employer adopts a new defined benefit plan on or after January 1, 2013, such plan will be subject to PEPRAs requirements unless, among other things, its retirement system's chief actuary and retirement board certify that the new plan is not riskier or costlier to the public employer than the defined benefit formula required under PEPRAs.

Pension Accounting and Financial Reporting Standards. In 2012, the Governmental Accounting Standards Board issued Governmental Accounting Standards Board Statement No. 68 – “Accounting And Financial Reporting For Pensions” (“GASB 68”), which revises and establishes new financial reporting requirements for most public employers, such as the District, that provide pension benefits to their employees. GASB 68, among other things, requires public employers providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability and provides greater guidance on measuring the annual costs of pension benefits, including thorough guidelines on projecting benefit payments, use of discount rates and use of the “entry age” actuarial cost allocation method. GASB 68 also enhances accountability and transparency through revised and new note disclosures and required supplementary information. GASB 68 became effective for the financial statements of plan employers, including the District's financial statements, commencing the fiscal year ended June 30, 2015.

Pursuant to GASB 68, CalSTRS and CalPERS will use a new blended rate that reflects a long-term rate of return on plan assets, which reflects a pension fund's long-term investment strategy, and a high-quality, non-taxable municipal bond index rate, to account for the potential need to borrow funds to pay pension benefits after net assets have been fully depleted. CalSTRS has cautioned that use of the new, blended discount rate may cause the financial statements of plans, such as CalSTRS, to reflect an increased unfunded liability.

Other Postemployment Benefits

General. In addition to employee health care costs, the District provides post-employment health care benefits (“OPEB”) in accordance with collective bargaining agreements and the health benefits agreement. The District's OPEB consists of post-employment benefits for health, prescription drug, dental, and vision coverage for retirees and their dependents. As of June 30, 2023, there were approximately 59,010 active employees who meet the eligibility requirements for OPEB benefits, 40,013 inactive employees or beneficiaries currently receiving benefits, and 139 inactive employees entitled to but not yet receiving benefits, for a total of 99,162 current and former employees entitled to receive benefits under the District's OPEB plan. Historically, the District has funded these benefits on a pay-as-you-go basis, paying an amount in each fiscal year equal to the benefits distributed or disbursed in that fiscal year. Beginning in fiscal year 2013-14, the District's policy, subject to District Board approval, is to prefund a portion of its OPEB costs for employees, retirees and their beneficiaries by allocating funds for the express purpose of funding future other postemployment benefit costs to the extent possible. See “– District Financial Policies and Related Practices – *Budget and Finance Policy* – Liability Reserves” herein. The District Board approved the creation of the OPEB Trust Fund in May 2014.

As of April 15, 2024, the District has contributed approximately \$548.3 million to the OPEB Trust Fund, inclusive of the District's contributions of \$60 million in July 2014, \$30 million in September 2014, \$45 million in September 2015, \$6 million in March 2016, \$78 million in October 2016, \$120 million in October 2017, \$33.3 million in August 2023, \$52.8 million in September 2023, and \$17.6 million in each of October 2023, November 2023, December 2023, January 2024, February 2024, March 2024 and April 2024. The District did not contribute to the OPEB Trust Fund in fiscal years 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23. At the time of preparation of the District's Fiscal Year 2022-23 Estimated Actuals, it was expected that the District would contribute \$141.00 million to the OPEB Trust Fund in fiscal year 2022-23. However, after the preparation of the 2022-23 Estimated Actuals in

connection with the approval of the Fiscal Year 2023-24 Budget, the fiscal year 2022-23 contribution was reduced by \$107.7 million and the transfer of the remaining \$33.3 million contribution was delayed until fiscal year 2023-24. Thus, although the District designated the \$33.3 million contribution as a fiscal year 2022-23 contribution for internal purposes, there was no transfer of funds to the OPEB Trust Fund in fiscal year 2022-23. As indicated above, the \$33.3 million was deposited in the OPEB Trust Fund in August 2023. Based on the Fiscal Year 2023-24 Budget, the District has budgeted to contribute \$244.3 million from all funds of the District (not just the General Fund) to the OPEB Trust Fund in fiscal year 2023-24, \$209.3 million of which has been deposited in the OPEB Trust Fund as of April 15, 2024. The District expects to deposit the remaining \$35 million budgeted for fiscal year 2023-24 in May and June of 2024 in the amounts of \$17.6 million and \$17.4 million, respectively.

In the June 2023 Actuarial Valuation Report Postretirement Health Benefits as of the June 30, 2022, measurement date for fiscal year 2022-23 (the “2022 Actuarial Valuation”), Aon Hewitt indicated that based on the District’s current funding policy, projected cash flows, and the assumed asset return, the assets in the OPEB Trust Fund are projected to be depleted in fiscal year 2035-36 if such assets were drawn upon to pay benefits as they come due without the District funding such benefits on a pay-as-you-go basis. The year of depletion was projected to be fiscal year 2029-30 in the District’s fiscal year audited financial statements. See Note 9 to the audited financial statements of the District contained in APPENDIX B – “AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023.”

The following Table A-22 sets forth the District’s funding of other postemployment benefits for fiscal years 2019-20 through 2022-23, the budgeted contribution for fiscal year 2023-24, and the contributions as a percentage of the District’s Total Governmental Funds expenditures for fiscal years 2019-20 through 2023-24. In addition, Table A-22 sets forth the District’s contribution to the OPEB Trust for fiscal years 2019-20 through 2023-24.

TABLE A-22

LOS ANGELES UNIFIED SCHOOL DISTRICT
Expenditures for Other Postemployment Benefits
Fiscal Years 2019-20 through 2023-24
(\$ in millions)

Fiscal Year	Pay-as-You-Go Amount	OPEB Trust Fund Contribution⁽²⁾	Total Amount	Expenditure as Percentage of Total Governmental Funds Expenditures
2019-20	\$221.2	\$0.0	\$221.2	2.15%
2020-21	231.2	0.0	231.2	2.14
2021-22	231.1	0.0	231.1	1.89
2022-23	235.9	0.0 ⁽³⁾	235.9	1.90
2023-24 ⁽¹⁾	198.0	244.3 ⁽⁴⁾	442.3	2.95

⁽¹⁾ Budgeted.

⁽²⁾ As of April 15, 2024, the District has contributed approximately \$548.3 million to the OPEB Trust Fund, inclusive of the District's contributions of \$60 million in July 2014, \$30 million in September 2014, \$45 million in September 2015, \$6 million in March 2016, \$78 million in October 2016, \$120 million in October 2017, \$33.3 million in August 2023, \$52.8 million in September 2023, and \$17.6 million in each of October 2023, November 2023, December 2023, January 2024, February 2024, March 2024 and April 2024.

⁽³⁾ At the time of preparation of the Fiscal Year 2022-23 Estimated Actuals, the net position of the OPEB Trust Fund for fiscal year 2022-23 was estimated at approximately \$628.8 million. This amount reflected a District fiscal year 2022-23 contribution of \$141.0 million to the OPEB Trust Fund. However, after the preparation of the 2022-23 Estimated Actuals in connection with the approval of the Fiscal Year 2023-24 Budget, the fiscal year 2022-23 contribution was reduced by \$107.7 million, and the transfer of the remaining \$33.3 million contribution was delayed until fiscal year 2023-24. Thus, although the District designated the \$33.3 million contribution as a fiscal year 2022-23 contribution for internal purposes, there was no transfer of funds to the OPEB Trust Fund in fiscal year 2022-23. As of June 30, 2023, the adjusted net position of the OPEB Trust Fund for fiscal year 2022-23 is \$499.9 million, which reflects the changes described above as well as unrealized gains/losses due to market fluctuations.

⁽⁴⁾ The \$244.3 million includes \$33.3 million the District, for internal purposes, designated as a fiscal year 2022-23 contribution. As of April 15, 2024, \$209.3 million of the \$244.3 million budgeted amount has been deposited in the OPEB Trust Fund, including the \$33.3 million designated as a fiscal year 2022-23 contribution. The District expects to deposit the remaining \$35 million budgeted for fiscal year 2023-24 in May and June of 2024 in the amounts of \$17.6 million and \$17.4 million, respectively.

Sources: Audited Annual Financial Reports for fiscal years 2019-20 through 2022-23; Fiscal Year 2023-24 Budget; and the District for the percentage of Total Governmental Funds Expenditures.

Postemployment Benefits Other Than Pensions Accounting and Financial Reporting Standards. In June 2015, the GASB issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (“GASB 75”), which revised and established new accounting and financial reporting requirements for state and local governments, such as the District, that offer OPEB to employees. Pursuant to GASB 75, net OPEB liabilities are required to be recognized in the financial statements for such state and local governments. In addition, GASB 75 provides additional guidance with respect to recognizing and measuring liabilities, deferred outflows and inflows of resources, and expense/expenditures. GASB 75 directs the use of “entry age normal” as the actuarial cost allocation method to be used and the various procedures, assumptions and discount rates to be used in connection with the calculation of liabilities. In connection therewith, states and local governments that do not pre-fund their respective OPEB obligations may report increased liabilities. GASB 75, among other things, requires additional note disclosures and the presentation of required supplementary information in financial statements. GASB 75 was implemented in the District’s audited financial statements beginning in fiscal year 2017-18.

The District’s net OPEB liability takes into consideration the adoption of GASB 75, under which the District is required to recognize in full its total net OPEB liability rather than on an incremental basis. Over the past few years, the District has taken steps to (i) reduce its OPEB liability through a more cost-effective healthcare plan and (ii) pre-fund its OPEB liability by making deposits from time to time to an irrevocable trust when its reserves exceed the 5% Minimum Reserve Threshold, subject to District Board approval.

Changes in Net OPEB Liability. The District’s net OPEB liability has fluctuated over time based on a variety of factors, including changes in healthcare plans and actuarial assumptions and the funded status of the OPEB Trust. In the 2022 Actuarial Valuation, the District’s actuary, Aon Hewitt, points out that a byproduct of the GASB 75 standards is the potential for increased volatility of results from year to year, which the District has experienced since the implementation of GASB 75. In January 2019, the District implemented a less costly healthcare plan, the Anthem Preferred PPO (50 state Medicare Advantage Plan) (the “Anthem PPO”), which replaced the United HealthCare Group Medicare Advantage Plan and the Anthem Blue Cross Medicare (EPO) plan. The implementation of the Anthem PPO together with certain updated actuarial assumptions resulted in a significant reduction in the District’s net OPEB liability from \$14.97 billion as of June 30, 2018 (prior to the Anthem PPO implementation) to \$11.18 billion as of June 30, 2019 (after the Anthem PPO implementation) to \$8.58 billion as of June 30, 2020 (based on further revised actuarial assumptions). However, the District’s net OPEB liability as of June 30, 2021 increased to \$11.06 billion and then decreased to \$10.19 billion as of June 30, 2022 based on certain changes in actuarial assumptions described in more detail below. See “– 2021 Actuarial Valuation” below for more information. As of June 30, 2023, the District’s net OPEB liability has further decreased to \$8.48 billion also based on certain changes in actuarial assumptions also described in more detail below. See “– 2022 Actuarial Valuation” below for more information.

2021 Actuarial Valuation. The District’s net OPEB liability decreased by nearly \$1 billion from \$11.06 billion as of June 30, 2021 to \$10.19 billion as of June 30, 2022. According to the March 2022 Actuarial Valuation Report Postretirement Health Benefits as of the June 30, 2021 measurement date for fiscal year 2021-22 (the “2021 Actuarial Valuation”), such decrease in net OPEB liability is primarily due to the healthcare experience gain reflected in the 2021 Actuarial Valuation as there were no other significant adjustments in actuarial assumptions from the Actuarial Valuation Report Postretirement Health Benefits as of the June 30, 2020 measurement date for fiscal year 2020-21 (the “2020 Actuarial Valuation”), prepared for the District by Aon Hewitt. The 2021 Actuarial Valuation reflects updated financial information for fiscal year 2021-22 and is based on the census data, actuarial assumptions, and plan provisions used in the 2020 Actuarial Valuation with the following changes:

- Assets: \$542,828,439 as of June 30, 2021 measurement date

- Municipal Bond Rate: 2.16% as of June 30, 2021, based on the *Bond Buyer* General Obligation Bond 20-Bond Municipal Bond Index
- Expected Long-Term Return on Assets: 7.00% as of June 30, 2021, based on District's revised expectations for certain asset allocations
- Discount Rate: 2.20% as of June 30, 2021, after reassessment based on updated assets and municipal bond rate as of June 30, 2021

2022 Actuarial Valuation. The District's net OPEB liability decreased by approximately \$1.70 billion from \$10.19 billion as of June 30, 2022 to \$8.48 billion as of June 30, 2023. According to the 2022 Actuarial Valuation, the 150-basis point increase in the discount rate from the 2021 Actuarial Valuation has a considerable impact in the 2022 Actuarial Valuation, decreasing the value of liabilities by more than 20%. As explained in the 2022 Actuarial Valuation, such impact, which is somewhat offset by low asset returns as of the measurement date, decreases the net OPEB liability and the OPEB expense for fiscal year 2022-23. The 2022 Actuarial Valuation reflects updated financial information for fiscal year 2022-23 and is based on the census data, actuarial assumptions, and plan provisions used in the 2021 Actuarial Valuation with the following changes:

- Assets: \$469,939,493 as of June 30, 2022, measurement date
- Municipal Bond Rate: 3.54% as of June 30, 2022, based on the *Bond Buyer* General Obligation Bond 20-Bond Municipal Bond Index
- Contributions: Additional contribution of \$211 million to OPEB Trust scheduled to be made for fiscal years ending 2023, 2024 and 2025. The District currently budgets to contribute \$244.3 million in fiscal year 2023-24, \$33.3 million of which the District, for internal purposes, designated as a fiscal year 2022-23 contribution.
- Expected Long-Term Return on Assets: 6.10% as of June 30, 2022, based on District's revised expectations for certain asset allocations
- Discount Rate: 3.70% as of June 30, 2022, after reassessment based on updated assets and municipal bond rate as of June 30, 2022

The following Table A-23 shows the impact of the changes to the actuarial assumptions in the 2022 Actuarial Valuation on the District's Net OPEB Liability for the fiscal year ending June 30, 2023 compared to fiscal year June 30, 2022 that was based on the 2021 Actuarial Valuation.

TABLE A-23
LOS ANGELES UNIFIED SCHOOL DISTRICT
NET OPEB LIABILITY
As of June 30, 2022 and June 30, 2023
(\$ in billions)

	Fiscal Year Ending June 30, 2022	Fiscal Year Ending June 30, 2023
(1) OPEB Liability		
(a) Retired Participants and Beneficiaries		
Receiving payment	\$ 3.019	\$2.755
(b) Active Participants	7.710	6.197
(c) Total	10.729	8.952
(2) Plan Fiduciary Net Position	0.543	0.470
(3) Net OPEB Liability	10.186	8.482
(4) Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	5.06%	5.25%
(5) Deferred Outflow of Resources for Contributions Made After Measurement Date	\$0.231	-

Source: 2022 Actuarial Valuation.

The District cannot predict the impact future changes in healthcare plans and actuarial assumptions and the funded status of the OPEB Trust will have on the District's net OPEB liability.

For more information on the District's OPEB plan, OPEB liability and related assumptions for fiscal year ended June 30, 2023, see Note 9 to the audited financial statements of the District contained in APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023" attached hereto.

Risk Management and Litigation

General. The District maintains various excess property, casualty and fidelity insurance programs, which are self-insured, with varying self-insured retentions. The District's excess property coverage is provided currently through its membership in the Public Entity Property Insurance Program ("PEPIP"), an insurance pool comprised of certain cities, counties and school districts. The District maintains excess property insurance on all District facilities under a combination of self-insurance retentions and varying sublimits through the excess insurance policies of PEPIP. The current self-insured retention for fire loss damage for excess property coverage is \$2,500,000 per occurrence and the aggregate policy limit is \$500 million. The District maintains what it considers to be adequate reserves to cover losses within the self-insurance retention. District General Fund resources are used to pay for property loss insurance and uninsured repairs for property damage. In addition to the above excess property policies, the District purchases a separate boiler and machinery policy with \$100 million in occurrence limits and a Fidelity crime coverage with \$15 million in occurrence limits.

Excess property insurance is maintained through a combination of excess policies with an occurrence limit of \$500 million. General liability insurance currently provides \$30 million coverage above a \$5 million self-insurance retention. The District expects to be reimbursed for settlements from its insurance carriers. The District maintains reserves at the level recommended by an independent actuarial analysis, which it believes are adequate to cover losses within the self-insured retention.

Prior to fiscal year 2013-14, the District's liability coverage generally included coverage for sexual misconduct and molestation with some limited exceptions as described herein with respect to Assembly Bill 218. See "*Sexual Misconduct Cases – Assembly Bill 218 and Related Claims*" herein. Liability coverage beginning in fiscal year 2013-14 did not include this coverage because the District determined that it is not available at reasonable rates from any insurance provider. In March 2014, the District Board approved a joint powers authority agreement by and between the District and the Los Angeles Trust Children's Health Inc. to establish the Los Angeles Unified School District Risk Management Authority (the "Risk Management Authority") which became effective July 1, 2014. The Risk Management Authority allows the District to purchase reinsurance for excess liability coverage for incidents such as sexual misconduct and molestation, to the extent such coverage is available. The Risk Management Authority was capitalized by the District and provides an insurance program for the District and the Los Angeles Trust Children's Health Inc. The Risk Management Authority allows the District to purchase reinsurance for excess liability coverage which is not presently available to self-insured public agencies such as the District. See "*Sexual Misconduct Cases*" herein. Sexual misconduct and molestation coverage is maintained with a limit of \$15 million above a \$5 million self-insurance retention.

The District believes that the amounts currently reserved for potential liabilities attributable to claims of wrongful death, catastrophic injury and sexual misconduct are adequate. See "*Wrongful Death Cases*," "*Catastrophic Injury Cases*" and "*Sexual Misconduct Cases*" herein. The District will increase the expenditures projected in its budget and interim financial reports if necessary and only to the extent that the District's liabilities exceed the amount budgeted for self-insurance or current excess liability coverage. The District expects that such an increase will occur if claims relating to wrongful death, catastrophic injury or sexual misconduct by former and suspended District employees exceed the amount reserved for settlements and monetary damages to date. Such liabilities could decrease the District's net position as of June 30, 2024 from the amount set forth in the District's financial statements for fiscal year 2022-23. See APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023."

Liabilities for loss and loss adjustment expenses under each of the District's insurance programs include the accumulation of estimates for losses reported prior to the balance sheet date, estimates of losses incurred but not reported and estimates of expenses for investigating and adjusting reported and unreported losses. Such liabilities are estimates of the future expected settlements and are based upon analysis of historical patterns of the number of incurred claims and their values. The District believes that, given the inherent variability in any such estimates, the aggregate liabilities are within a reasonable range of adequacy. Individual reserves are continually monitored and reviewed, and, as settlements are made or reserves adjusted, differences are reflected in current operations. See APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023."

Workers' Compensation. The District is self-insured for its Workers' Compensation Program. A separate fund is used to account for amounts set aside to pay claims incurred and related expenditures under the Workers' Compensation Program. The amount to be deposited in the Workers' Compensation Fund is established with information from an independent actuary. The District maintains at a minimum the actuarially required deposit in its Workers' Compensation Fund in accordance with its policy. See "*District Financial Policies and Related Practices – Budget and Finance Policy – Liability Reserves*" herein. The District's "Actuarial Study of Workers' Compensation Program" as of December 31, 2021, recommended a minimum funding level of approximately \$122.5 million for fiscal year 2022-23. The "Actuarial Study of Workers' Compensation Program" as of December 31, 2022, recommends a minimum funding level of approximately \$110.7 million for fiscal year 2023-24 and approximately \$106.8 million for fiscal year 2024-25. As of June 30, 2023, the total revenues in the District's Workers' Compensation Fund (operating revenues and nonoperating revenues) was \$150.5 million, which reflects a

negative year-end accounting adjustment of \$6.8 million to recognize the unrealized loss for the District's cash deposited in the County Treasury Pool.

Additionally, the District's actuarially determined total liability for the Workers' Compensation Program is fully funded. The District's most recent "Actuarial Study of Workers' Compensation Program" as of December 31, 2022 reflected total expected losses of approximately \$334.6 million (at a 4.0% interest rate) as of June 30, 2023 plus an additional amount of approximately \$24.6 million in estimated outstanding unallocated loss adjustment expenses (at a 4.0% interest rate) to create a total liability of approximately \$359.2 million as of June 30, 2023. The District has approximately \$635.5 million in cash available in the Workers' Compensation Fund as of June 30, 2023, which exceeds the amount necessary to fund the District's actuarially determined liability.

The following Table A-24 sets forth the actuary's recommended minimum funding levels for workers' compensation set forth in the actuarial report as of December 31, 2020, December 31, 2021 and the most recent actuarial report covering the period as of December 31, 2022.

TABLE A-24

LOS ANGELES UNIFIED SCHOOL DISTRICT
Recommended Minimum Funding Levels
Workers' Compensation
Fiscal Years 2021-22 through 2025-26
(\$ in millions)

Fiscal Year	Present Value of Projected Ultimate Losses (Discounted at 3.5% Unless Otherwise Noted)	Budgeted Expenses for Claims Handling and Administration	Recommended Minimum Funding Level
2021-22	\$102.20 ⁽¹⁾	\$17.57	\$119.77
2022-23	104.64 ⁽¹⁾	17.83	122.47
2023-24	92.31	18.40	110.71
2024-25	87.82	19.00	106.82
2025-26	88.51	19.60	108.11

⁽¹⁾ Discounted at 1.5%

Source: Los Angeles Unified School District Actuarial Study of Workers' Compensation Program as of December 31, 2020 for fiscal year 2021-22; Los Angeles Unified School District Actuarial Study of Workers' Compensation Program as of December 31, 2021 for fiscal years 2022-23; Los Angeles Unified School District Actuarial Study of Workers' Compensation Program as of December 31, 2022 for fiscal years 2023-24 thru 2025-26.

The following Table A-25 sets forth information on changes in the Workers Compensation Program's liabilities from fiscal years 2018-19 through 2022-23. The District uses separate funds to account for amounts set aside to pay claims incurred and related expenditures under the respective insurance programs. See "– District Financial Policies and Related Practices – *Budget and Finance Policy* – Liability Reserves" herein and Note 10 in the audited financial statements for fiscal year 2022-23 set forth in APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2023."

TABLE A-25

LOS ANGELES UNIFIED SCHOOL DISTRICT
Workers' Compensation Claims Paid
Fiscal Years 2018-19 through 2022-23
(\$ in millions)

Fiscal Year	Liability: Beginning of fiscal year	Current Year Claims and Changes in Estimates	Claims Paid	Liability: End of fiscal year
2018-19	\$455.4	\$85.1	\$(97.9)	\$442.7
2019-20	442.7	124.5	(87.2)	480.0
2020-21	480.0	3.1	(79.4)	403.6
2021-22	403.6	52.4	(72.6)	383.5
2022-23	383.5	56.6	(80.9)	359.2

Sources: Audited Annual Financial Report for fiscal years 2018-19 through 2022-23.

Pollution Legal Liability Policy. The District purchased a pollution legal liability (“PLL”) policy through Allied World National Assurance Company with coverage of \$10.0 million per incident and \$10.0 million in aggregate, effective May 1, 2023 to May 1, 2026.

Owner-Controlled Insurance Program. The District has arranged for its construction projects to be insured under its owner-controlled insurance program (“OCIP”). An OCIP is a single insurance program that insures the District, the District Board, all enrolled contractors, and enrolled subcontractors, and other designated parties for work performed at project sites. The District pays the insurance premiums for the OCIP coverages and requires each eligible bidder to exclude from its bid price the cost of insurance coverage. The exclusion of the cost of insurance premiums from each bid is intended to result in lower overall bids for projects, which would in turn lower the contract award amount and general obligation bond and other funds spent. In addition, the District may be able to pay a lower overall insurance cost than a single contractor because of the economies of scale gained by the purchase of an OCIP.

Litigation Regarding Insurance Providers. In September 2015, the District filed a lawsuit entitled *Los Angeles Unified School District v. ACE et al.* (the “Miramonte Coverage Action”), in Los Angeles County Superior Court seeking more than \$200 million in damages from twenty-seven of the District’s current and former insurance providers who failed to fund the defense and reimburse the District for settlement amounts paid by the District in connection with claims by hundreds of students and parents alleging that negligent hiring, supervision, and retention of former teachers Mark Berndt and Martin Springer at Miramonte Elementary School resulted in sexual abuse of the students. In April 2017, the District filed a second lawsuit in Los Angeles County Superior Court entitled *Los Angeles Unified School District vs. AIU Insurance Company, et. al.* (the “Telfair Coverage Action”), seeking more than \$40 million in damages from eight of the District’s current and former insurance providers in connection with the lawsuits filed against the District alleging that negligence of its employees in hiring, retaining, and supervising Paul Chapel resulted in sexual abuse of approximately twenty students at Telfair Elementary School. In August 2017, the District filed a third lawsuit in Los Angeles County Superior Court entitled *Los Angeles Unified School District v. Allied World et al.* (the “De La Torre Coverage Action”), seeking more than \$60 million in damages from seven of the District’s current and former insurance providers who failed to fund the defense and reimburse the District for settlement amounts paid by the District in connection with claims by over twenty students and their parents alleging that negligent hiring, supervision, and retention of former teacher Robert Pimentel at De La Torre Elementary School resulted in sexual abuse of the students. The District has not been reimbursed by any of the defendants for amounts expended in conjunction with resolving the underlying sexual abuse litigation described in this

section. While no insurer agreed to pay any of the District's defense costs before the coverage actions were filed, rulings obtained in the Miramonte Coverage Action have forced AIG to reimburse the District for over \$21 million in defense costs. Further, the District has alleged that the insurance providers have not only breached their respective insurance obligations owed to the District in connection with underlying litigation, but also breached the implied covenant of good faith and fair dealing. The District and the insurers continue to discuss terms for a mediation of all three coverage cases. In 2021, following a bench trial, the court found that the insurer breached its duty to indemnify the District under one insurance policy at issue in the Miramonte Coverage Action for its settlements of the underlying claims. The District is considering its options with respect to additional motion practice and appellate review.

On November 4, 2020, the District filed two new lawsuits against its insurers, *LAUSD v. Starr Indemnity & Liability Co., et al.* and *LAUSD v. Ins. Co. of the State of Pennsylvania, et al.*, in which it is seeking more than \$25 million and \$8 million, respectively, in settlement reimbursements plus defense costs relating to underlying litigation involving the alleged abuse of multiple students at Franklin High School and Cahuenga High School. The District cannot predict the final outcome of or remedy imposed by any court with respect to these complaints or the amounts, if any, by which any of the insurance providers will reimburse the District for settlements and defense costs in the underlying litigation matters. In 2021, the District moved for summary adjudication to establish that the Insurance Company of State of Pennsylvania (an AIG Co.) had breached its duty to defend the District under a 2002-2003 insurance policy, which the court denied. The District is considering its options with respect to additional motion practice and appellate review.

On September 29, 2022, the District filed a new lawsuit against its insurers, *LAUSD v. Everest National Insurance Company, et al.*, in which it is seeking more than \$11 million in settlement reimbursements plus defense costs relating to underlying litigation involving the alleged abuse of multiple students at El Sereno Elementary School. One insurer has reimbursed some, but not all, of the District's defense costs in connection with the underlying litigation. The District cannot predict the final outcome of or remedy imposed by any court with respect to this complaint or the amount, if any, by which any of the insurance providers will reimburse the District for settlements and defense costs in the underlying litigation.

Wrongful Death Cases. In August 2020, the mother of a Normandie Avenue Elementary School student filed a lawsuit seeking unspecified damages in excess of \$1,000,000 against the District for the alleged wrongful death of her son on December 26, 2019, after he died from injuries sustained while at a District employee's home, during the employee's non-working hours and when school was out for winter break. The death was later ruled a homicide and the employee was subsequently criminally convicted. A jury trial in the matter commenced on July 31, 2023, in the Van Nuys Courthouse of the Los Angeles Superior Court and on August 10, 2023, the jury found the District 90% at fault and awarded plaintiff \$30 million. On October 17, 2023, the District brought a motion for a new trial which the Court denied. On November 8, 2023, the District filed its Notice of Appeal and will seek to overturn the verdict based on a number of grounds that the District believes to have strong merit. Should the District's appeal be unsuccessful, thus obligating the District to pay its share of the judgment (\$27 million), the District's expected share will be \$5 million (self-insured retention amount) and the balance of the judgment would be expected to be covered by the District's reinsurers through the Risk Management Authority. The District is expected to file and serve its opening brief with respect to the appeal by May 2024.

In September 2022, a Helen Bernstein High School student was found deceased in a school bathroom after normal school hours from a Fentanyl drug overdose. The deceased student's friend was found in the courtyard of the school and survived after a hospital stay. On December 12, 2022, the deceased student's mother filed a complaint in the Los Angeles Superior Court against the District, seeking unspecified damages for negligence and wrongful death. Trial is currently scheduled for June 10,

2024. On October 13, 2023, a complaint was filed on behalf of the deceased student's friend against the District in the Los Angeles Superior Court, seeking unspecified damages for negligence.

In April 2016, a Palms Middle School student experienced sudden cardiac arrest during physical education class and died. On July 21, 2017, the father of the student filed a complaint in the Los Angeles Superior Court against the District, seeking unspecified damages for wrongful death. The case was tried to a jury in April 2023, resulting in a \$15 million verdict. On August 11, 2023, the District filed a Notice of Appeal, which is currently pending, and the District's opening brief will likely be filed by June 2024.

Catastrophic Injury Cases. In January 2020, a non-verbal special education student claims to have sustained injury on a District special education campus when he allegedly pulled a soccer goal post net, causing himself and the goal to fall, hitting him on the head. The student underwent emergency cervical spine surgery as a result of the incident, and his medical bills/costs known to date exceed \$1,000,000. On January 11, 2022, the court appointed conservator for the student filed a complaint in the Los Angeles Superior Court against the District, seeking unspecified damages. The matter is scheduled for trial on November 4, 2024.

In February 2017, a Marvin Avenue Elementary School student claims to have fallen and struck her head at the school. On November 22, 2017, the mother of the student filed a complaint in the Los Angeles Superior Court against the District, seeking unspecified damages for traumatic brain injury. Plaintiff alleges the District failed to provide the requisite medical care and failed to contact emergency medical personnel in a timely manner. Trial is currently scheduled for August 26, 2024.

COVID-19 Distance Learning Lawsuits. On September 24, 2020, a class action lawsuit was filed on behalf of nine named plaintiffs in Los Angeles County Superior Court asserting that the District's instructional plan in response to the COVID-19 pandemic denied plaintiffs' children their basic education rights under the California Constitution. The complaint alleges that the District's distance learning approach was inadequate in that it allegedly reduced instructional and professional development time, eliminated student assessments, failed to provide adequate access to technology, and failed to reengage students who did not participate in online learning in the spring of 2020 after the closure of school facilities due to the COVID-19 pandemic. The operative first amended complaint asserts various causes of action for injunctive and declaratory relief, including claims for alleged violations of statutory and Constitutional rights and claims of discrimination and disparate treatment. On April 9, 2021, the District's motion to strike certain allegations in the complaint with respect to individualized education program services was granted, but its demurrer to the first amended complaint was overruled. After plaintiffs filed a second amended complaint, the District filed another demurrer. On August 16, 2021, the Court sustained the District's demurrer with leave to amend. The Court further struck plaintiffs' claims seeking retrospective injunctive relief on a class wide basis. Plaintiffs were given 20 days to file an amended complaint. In September 2021, the Court dismissed the action in its entirety, with prejudice, and entered judgment in favor of the defendants, including the District. Plaintiffs subsequently filed a notice of appeal with the Court of Appeal of California, Second Appellate District. On September 19, 2023, the California Court of Appeal issued its decision reversing in part the September 2021 order dismissing the lawsuit. The Court of Appeal found that dismissal of the case and denial of class certification was premature, permitting the plaintiffs to move forward on three of their eight causes of action, but sustaining the dismissal of the remaining claims in favor of the District. The matter has now been remanded back to the trial court to proceed. The District will defend the case and also determine any potential settlement options.

COVID-19 Employee Vaccinations Lawsuit. Since the Fall of 2021, the District has been named in at least twenty-nine different lawsuits challenging the District's previous COVID-19 vaccination mandate, filed by current and former employees and job applicants, asserting various causes of action for wrongful termination, employment discrimination, and violations of Constitutional rights, among other

theories of recovery. As of December 2023, four of the twenty-nine cases had settled. While certain of the lawsuits have been filed on behalf of a single named plaintiff, others are filed on behalf of groups of plaintiffs ranging from 6 to 167. The earliest filed of such actions, *Health Freedom Defense Fund v. Carvalho, et al.*, is presently on appeal before the Ninth Circuit Court of Appeals, following the U.S. District Court for the Central District of California's grant of the District's motion for judgment on the pleadings in September 2022. Oral arguments were heard on September 14, 2023, and the District is awaiting a ruling by the Ninth Circuit Court of Appeals.

In general, the District believes it has strong defenses to these employee vaccination mandate lawsuits, and anticipates that most will result in defense verdicts. Nevertheless, given the inherent uncertainty of litigation and the different factual scenarios presented in each of them, the District faces potential exposure to claims for damages, including lost wages, a claim in at least one case for emotional distress damages, claims for punitive damages, and perhaps most significantly, exposure to potential awards of prevailing party attorneys' fees, which in some employment cases, can reach seven figures. The damages sought in these lawsuits vary significantly, particularly depending on the number of plaintiffs involved, the causes of action asserted, and remedies sought. As such, the District cannot predict the total damages that might be recovered in the event that it does not prevail in one or more of the lawsuits.

COVID-19 Student Vaccination Lawsuit. On October 13, 2021, two non-profit organizations purporting to represent groups of parents of children attending District schools filed a petition for writ of mandate and request for immediate stay with respect to the District's COVID-19 vaccination requirements for students. The petition alleges that the District lacked the authority to mandate students to be vaccinated for COVID-19, and seeks writs and orders vacating and setting aside the District's mandate, and enjoining the enforcement thereof. On April 15, 2022, the Superior Court heard and granted the District's demurrer to several of the claims in the plaintiffs' first amended complaint, but permitted the plaintiffs to provide additional pleading of facts to support their complaint. The District subsequently filed a demurrer in response to the plaintiffs' second amended complaint. In light of the July 5, 2022, Superior Court order in a similar student vaccination lawsuit that invalidated the mandate as preempted by State law, which was issued after the District's demurrer in this case, plaintiffs' counsel filed a motion for summary adjudication citing the July 5, 2022 order. Thereafter, the District filed an additional demurrer and motion to dismiss the matter as moot. The Court granted the demurrer and dismissed the case as moot. Plaintiffs chose not to appeal the matter and final judgment is pending. In response, plaintiffs' counsel filed a motion for attorneys' fees which the District opposed. The Court denied the motion concluding that plaintiffs failed to show that their lawsuit was a factor causing the District to delay implementation of its former student vaccine policy. Plaintiffs are still within their deadlines to file an appeal of the attorneys' fees issue. The District will respond accordingly in the event plaintiffs appeal the denial of the motion.

Sexual Misconduct Cases. The District is occasionally subject to claims relating to the sexual misconduct of District personnel and other students. There are currently threatened and pending claims against the District brought on behalf of minor students as a result of alleged sexual misconduct by District personnel. The District is in various stages of litigation relating to such pending claims and cannot predict the outcome and effects of such claims or provide any assurances that such claims will not be successful. The damages requested by the plaintiffs in the various pending sexual misconduct cases are substantial, but vary significantly, in multiple instances there are demands for several million dollars. However, the District cannot predict any final award of damages or settlement amounts. The District also cannot predict the damages sought by any threatened litigation.

Miramonte. In the Miramonte sexual abuse litigation, involving Mark Berndt (who in 2013 pleaded no contest to 23 felony counts of lewd acts on children and was sentenced to 25 years in prison), in which there have previously been approximately \$185 million in settlements with 176 students, there are multiple active cases remaining with 46 plaintiffs. The earliest trial date is scheduled May 20, 2024,

but that trial and most of the cases are expected to be resolved based on a recent tentative settlement reached at mediation with a group of 40 plaintiffs.

Assembly Bill 218 and Related Claims. Pursuant to Assembly Bill 218 (“AB 218”), which became effective on January 1, 2020, certain changes were made to the claim prerequisites and the applicable statute of limitations periods for claims of childhood sexual assault, including claims against public entities like the District. AB 218 has impacted the District’s liability exposure because it (1) extended the statute of limitations periods for claims of childhood sexual assault, (2) did away altogether with the Tort Claims Act’s presentation requirements for claims involving childhood sexual assault under which many claims were found to be late, and (3) revived certain claims for which applicable statute of limitations periods have otherwise already expired (if brought within three years of January 1, 2020). Pursuant to AB 218, a plaintiff now has twenty-two years from the age of majority or five years after the plaintiff discovered or reasonably should have discovered psychological injury or illness occurring after the age of majority caused by the alleged childhood sexual assault to bring an action, with certain actions being barred from commencement after the plaintiff’s fortieth birthday. With respect to claims that otherwise would have been barred as of January 1, 2020, AB 218 revived such claims for a period of three years, which period expired on December 31, 2022

The District is currently defending approximately 156 lawsuits (totaling 247 claimants) arising from AB 218, relating to allegations of misconduct by former employees. Since the District is in the middle of litigation on many of the pending AB 218 lawsuits, the District cannot fully predict the extent of its liability in such cases, whether the claimants will prevail, and if so, how a final court decision or settlement agreement with respect to each such lawsuit may affect the financial status, policies or operations of the District, as the nature of the court’s remedy and the responses thereto are unknown at the present time. Nonetheless, the District currently estimates its liability for the existing claims arising from AB 218 will likely exceed \$250 million. It should be noted that these cases include a significant number of claimants in the Miramonte sexual abuse litigation matters described above. While the District has set aside an amount in its liability self-insurance fund to pay existing claims arising under AB 218 as well as other, unrelated claims based on an independent third-party actuarial estimate, the District’s total liability arising from existing AB 218 claims could exceed the actuarial estimate and the amount available in its liability self-insurance fund. Further, the District may finance or refinance certain judgments arising from AB 218 claims. While the District may be able to access insurance coverage for a portion of some of the AB 218 claims, the District is not currently able to determine what amount of the total liability may be covered by prior insurance policies or existing insurance policies for excess coverage. The District has identified certain gaps in insurance coverage prior to 1992 for which it is actively investigating the availability of policies that may provide coverage for AB 218 claims. Additionally, under AB 218, individuals who were over the age of 26 and under 40 on December 31, 2022, will still be able to timely file a lawsuit until they turn 40, and the District is unable to estimate the potential liability associated with this group of potential claimants.

Within the District, the treatment of child abuse and related reporting has evolved significantly over the past several decades. Prior to 1981, District employees did not have child abuse and neglect reporting obligations under California law, and there was limited, if any, training provided to District employees. Since 1981, California law mandates District employees to report suspected child abuse or neglect. The District’s policies on such reporting have evolved and improved since then consistent with changes to California law. The District currently maintains (a) policies regarding child abuse and neglect reporting, sexual harassment (student-to-student, adult-to-student, and student-to-adult), social media for employees and associated persons, responsible use of technology, and ethics, (b) a code of conduct with students, and (c) protocols and procedures for reporting and investigating allegations of employee misconduct. The District also offers a variety of online and in-person training courses and resources to District employees. Currently, all District employees are subject to background checks prior to employment and are required to complete yearly child abuse training. For further reference, certain of the

District's policies, protocols, training materials are made available online at the District's website. The District regularly reviews its policies, procedures and protocols with respect to these topics and updates them periodically to address evolving circumstances.

Litigation Regarding September 2022 Cyberattack. Four separate lawsuits have been filed against the District relating to the 2022 cyberattack on the District. The first three cases have been deemed related, with the matter of *M.M., et al. v. Los Angeles Unified School District*, Case No. 22STCV37822, serving as the lead case. The three lawsuits, filed on behalf of named individuals and purported classes of individuals whose personal information was allegedly posted to the dark web as a result of the cyberattack, have been deemed complex, and plaintiffs' counsel filed a consolidated complaint against the District and Defendant Infosys, Ltd. Therein, on February 13, 2024. The District filed its demurrer in response to the consolidated complaint on March 22, 2024, which is set to be heard on May 9, 2024. A separate limited jurisdiction lawsuit related to the 2022 cyberattack filed in October 2023 has been settled and is expected to be dismissed shortly. For more information related to the cyberattack, see "DISTRICT GENERAL INFORMATION – Cybersecurity."

Charter School Co-Location Policy Litigation. On April 2, 2024, the California Charter Schools Association ("CCSA"), on behalf of itself, member charter schools and students they serve, filed a civil action in Los Angeles County Superior Court, challenging the District Board's September 26, 2023, adoption of the resolution titled, "Creating a Charter Schools Co-Location Policy to Mitigate Impacts Caused by Proposition 39" ("Charter School Co-Location Resolution") and March 19, 2024 approval of the "Proposition 39 Charter Schools Co-Location Policy" ("Charter School Co-Location Policy"). In a Verified Petition for Writ of Mandate and Complaint for Declaratory Relief ("CCSA Petition"), CCSA asserts two writ causes of action and a declaratory relief cause of action. The CCSA Petition claims that, among other things, by adopting the Charter School Co-Location Policy, the District has violated its mandatory and non-discretionary duty to comply with the California Education Code. The CCSA Petition also seeks a preliminary injunction prohibiting the District from implementing the Charter School Co-Location Resolution and the Charter School Co-Location Policy until the merits of the lawsuit have been determined. The CCSA Petition also alleges that the District has failed to comply with the California Public Records Act by refusing to make records available in response to CCSA's request seeking documents related to the District's Proposition 39 compliance and the development/passage of the Charter School Co-Location Resolution and the Charter School Co-Location Policy. The CCSA Petition seeks, among other things, a writ of mandate that sets aside the Charter School Co-Location Resolution and the Charter School Co-Location Policy, and rescinds all Board policies, administrative regulations and internal directives or guidance documents that restrict the availability of District facilities to charter schools for any reasons not expressly authorized by state law. Additionally, the CCSA Petition seeks a writ of mandate that commands the District to comply with the California Public Records Act by promptly providing to CCSA all of the records requested in its request. Further, the CCSA Petition seeks a declaratory judgment stating that the Charter School Co-Location Resolution and the Charter School Co-Location Policy do not comply with Proposition 39 and are unnecessary, unenforceable and void. The CCSA Petition also seeks a preliminary injunction commanding the District to not enforce the Charter School Co-Location Resolution and the Charter School Co-Location Policy. Lastly, the CCSA Petition seeks recovery of CCSA's attorneys' fees and costs. As it has recently been filed, the District is evaluating its options for responding to the CCSA Petition.

District Debt

General Obligation Bonds. From July 1997 through March 2003, the District issued the entire amount of \$2,400,000,000 general obligation bonds authorized pursuant to Proposition BB approved by voters on April 8, 1997 (the "Proposition BB Authorization"). From May 2003 to May 2010, the District issued the entire amount of \$3,350,000,000 general obligation bonds pursuant to Measure K approved by voters on November 5, 2002 (the "Measure K Authorization"). From September 2004 through October

2021, the District issued the entire amount of \$3,870,000,000 general obligation bonds pursuant to Measure R approved by voters on March 2, 2004 (the “Measure R Authorization”). From February 2006 through October 2021, the District issued the entire amount of \$3,985,000,000 general obligation bonds pursuant to Measure Y approved by voters on November 8, 2005 (the “Measure Y Authorization”).

A \$7,000,000,000 general obligation bond authorization was approved by voters on November 4, 2008 (the “Measure Q Authorization”). The District has issued \$4,275,955,000 of aggregate principal amount of Measure Q general obligation bonds, leaving \$2,724,045,000 aggregate principal amount available under the Measure Q Authorization. A \$7,000,000,000 general obligation bond authorization was approved by the voters on November 3, 2020 (the “Measure RR Authorization”). The District has issued \$1,025,000,000 aggregate principal amount of Measure RR general obligation bonds, leaving \$5,975,000,000 aggregate principal amount available under the Measure RR Authorization.

Under the District’s general obligation bond program, approximately 23,900 new school construction, rehabilitation, modernization and replacement projects, which are intended to upgrade facilities and improve the learning environment for students, have been completed. In addition, 896 projects valued at approximately \$7.5 billion are currently underway, including 607 projects valued at nearly \$2.8 billion in pre-construction, and 289 projects valued at nearly \$4.7 billion under construction.

Pursuant to Section 1(b)(3) of Article XIII A of the State Constitution, Chapters 1 and 1.5 of Part 10 of Division 1 of Title 1 of the State Education Code, as amended, and other applicable law (collectively, the “Act”), the District Board has appointed the LAUSD School Construction Bond Citizens’ Oversight Committee (the “Citizens’ Bond Oversight Committee”). The Citizens’ Bond Oversight Committee is composed of 15 members representing numerous community groups and operates to inform the public concerning the spending of Measure K, Measure R, Measure Y, Measure Q, and Measure RR Authorization bond funds authorized by the Act. The Citizens’ Bond Oversight Committee regularly reviews the potential bond projects and budgets and provides non-binding advice to the District Board on how to allocate and reallocate scarce bond proceeds in order to ensure the completion of viable projects and to avoid non-completion of projects once commenced. The Citizens’ Bond Oversight Committee also informs the public concerning the spending of funds attributable to the Proposition BB Authorization, although Proposition BB was approved under statutes other than the Act. The Citizens’ Bond Oversight Committee meets monthly in order to review all matters including, among other things, changes in budget, scope and schedules that relate to the District’s general obligation bonds and the projects proposed to be funded therefrom. In addition, the Citizens’ Bond Oversight Committee makes recommendations to the District Board regarding such matters. See “CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS – Proposition 39” herein. The District’s Office of the Inspector General conducts audits on a selected number of the construction management firms on an annual basis to ensure that funds from the School Upgrade Program (SUP) and other legacy bond programs are spent in compliance with the Act and the District’s policies relating thereto. The District’s outside auditor, Simpson & Simpson, currently prepares the required bond audits regarding the expenditures of general obligation bond proceeds.

The members of the District’s Citizens’ Bond Oversight Committee and the community groups represented by such members are set forth in Table A-26 below.

TABLE A-26

LOS ANGELES UNIFIED SCHOOL DISTRICT
Citizens' Bond Oversight Committee
(As of March 1, 2024)

Member	Community Group Represented
Margaret Fuentes, Chair	LAUSD Student Parent
D. Michael Hamner, Vice-Chair	American Institute of Architects
Samantha Rowles, Secretary	LAUSD Student Parent
Robert Campbell, Executive Member	Los Angeles County Auditor-Controller's Office
Scott Pansky, Executive Member	Los Angeles Area Chamber of Commerce
Neelura Bell	California Charter School Association
Chad Boggio	Los Angeles County Federation of Labor AFL-CIO
Jeffrey Fischbach	California Tax Reform Association
Aleigh Lewis	Los Angeles City Controller's Office
Patrick MacFarlane	Early Education Alliance
Jennifer McDowell	Los Angeles City Mayor's Office
Brian Mello	Associated General Contractors of California
Clarence Monteclaro	Tenth District Parent Teacher Student Association
William O. Ross IV	Thirty-First District Parent Teacher Student Association
Santa Ramirez	Tenth District Parent Teacher Student Association (Alternate)
Connie Yee	Los Angeles County Auditor-Controller's Office (Alternate)
(Vacant)	American Association of Retired Persons

The following Table A-27, Table A-28, Table A-29, Table A-30, Table A-31 and Table A-32 set forth the outstanding series of general obligation bonds and the amount outstanding as of March 1, 2024, under the Proposition BB, Measure K, Measure R, Measure Y, Measure Q, and Measure RR Authorizations, respectively.

TABLE A-27

LOS ANGELES UNIFIED SCHOOL DISTRICT
Proposition BB (Election of 1997) Bonds
(\$ in thousands)

Bond Issue	Aggregate Principal Amount	Outstanding Amount as of March 1, 2024	Date of Issue
2015 Refunding Bonds, Series A ⁽¹⁾	\$326,045	\$51,055	May 28, 2015
2016 Refunding Bonds, Series A ⁽¹⁾	202,420	88,535	April 5, 2016
2017 Refunding Bonds, Series A ⁽¹⁾	139,265	69,015	May 25, 2017
2021 Refunding Bonds, Series A ⁽¹⁾	<u>25,785</u>	<u>25,290</u>	April 29, 2021
TOTAL	<u>\$693,515</u>	<u>\$233,895</u>	

⁽¹⁾ Refunding bonds issued to refund general obligation bonds, which were issued pursuant to the Proposition BB Authorization are not counted against the Proposition BB Authorization of \$2.4 billion.

Source: Los Angeles Unified School District.

TABLE A-28

LOS ANGELES UNIFIED SCHOOL DISTRICT
Measure K (Election of 2002) Bonds
(\$ in thousands)

Bond Issue	Aggregate Principal Amount	Outstanding Amount as of March 1, 2024	Date of Issue
Series KRY Bonds (2009)			
(Federally Taxable Build America Bonds)	\$ 200,000	\$ 200,000	October 15, 2009
2014 Refunding Bonds, Series B ⁽¹⁾	323,170	44,175	June 26, 2014
2016 Refunding Bonds, Series B ⁽¹⁾	227,535	224,920	September 15, 2016
2017 Refunding Bonds, Series A ⁽¹⁾	941,565	629,645	May 25, 2017
2019 Refunding Bonds, Series A ⁽¹⁾	153,285	118,625	May 29, 2019
2020 Refunding Bonds, Series A ⁽¹⁾	112,350	107,445	October 6, 2020
2021 Refunding Bonds, Series B ⁽¹⁾	48,855	47,015	November 10, 2021
TOTAL	<u>\$2,006,760</u>	<u>\$1,371,825</u>	

⁽¹⁾ Refunding bonds issued to refund general obligation bonds, which were issued pursuant to the Measure K Authorization, are not counted against the Measure K Authorization of \$3.35 billion.

Source: Los Angeles Unified School District.

TABLE A-29

LOS ANGELES UNIFIED SCHOOL DISTRICT
Measure R (Election of 2004) Bonds
(\$ in thousands)

Bond Issue	Aggregate Principal Amount	Outstanding Amount as of March 1, 2024	Date of Issue
Series KRY Bonds (2009)			
(Federally Taxable Build America Bonds)	\$ 363,005	\$ 363,005	October 15, 2009
Series RY Bonds (2010)			
(Federally Taxable Build America Bonds)	477,630	477,630	March 4, 2010
2014 Refunding Bonds, Series C ⁽¹⁾	948,795	570,170	June 26, 2014
2016 Refunding Bonds, Series A ⁽¹⁾	56,475	29,265	April 5, 2016
2016 Refunding Bonds, Series B ⁽¹⁾	176,455	176,455	September 15, 2016
2019 Refunding Bonds, Series A ⁽¹⁾	349,350	263,255	May 29, 2019
Series RYQ Bonds (2020)	36,000	28,070	April 30, 2020
2020 Refunding Bonds, Series A ⁽¹⁾	113,150	102,125	October 6, 2020
Series RYRR (2021)	123,990	103,830	November 10, 2021
TOTAL	<u>\$2,644,850</u>	<u>\$2,113,805</u>	

⁽¹⁾ Refunding bonds issued to refund general obligation bonds, which were issued pursuant to the Measure R Authorization, are not counted against the Measure R Authorization of \$3.87 billion.

Source: Los Angeles Unified School District.

TABLE A-30

LOS ANGELES UNIFIED SCHOOL DISTRICT
Measure Y (Election of 2005) Bonds
(\$ in thousands)

Bond Issue	Aggregate Principal Amount	Outstanding Amount as of March 1, 2024	Date of Issue
Series KRY Bonds (2009) (Federally Taxable Build America Bonds)	\$ 806,795	\$ 806,795	October 15, 2009
Series H Bonds (2009) (Qualified School Construction Bonds)	318,800	318,800 ⁽²⁾	October 15, 2009
Series RY Bonds (2010) (Federally Taxable Build America Bonds)	772,955	772,955	March 4, 2010
Series J Bonds (2010) (Qualified School Construction Bonds)	290,195	290,195 ⁽³⁾	May 6, 2010
2014 Refunding Bonds, Series D ⁽¹⁾	153,385	65,490	June 26, 2014
2016 Refunding Bonds, Series A ⁽¹⁾	92,465	50,385	April 5, 2016
2016 Refunding Bonds, Series B ⁽¹⁾	96,865	96,865	September 15, 2016
Series M-1 Bonds (2018)	117,005	101,735	March 8, 2018
2019 Refunding Bonds, Series A ⁽¹⁾	91,970	71,220	May 29, 2019
Series RYQ Bonds (2020)	182,000	141,905	April 30, 2020
2020 Refunding Bonds, Series A ⁽¹⁾	76,500	74,215	October 6, 2020
Series RYRR (2021)	<u>70,150</u>	<u>58,745</u>	November 10, 2021
TOTAL	<u>\$3,069,085</u>	<u>\$2,849,305</u>	

⁽¹⁾ Refunding bonds issued to refund general obligation bonds, which were issued pursuant to the Measure Y Authorization, are not counted against Measure Y Authorization of \$3.985 billion.

⁽²⁾ Includes the set-aside deposits totaling \$69.760 million for fiscal years 2019-20 and 2020-21.

⁽³⁾ Includes the set-aside deposits totaling \$85.110 million for fiscal years 2018-19 through 2020-21.

Source: Los Angeles Unified School District.

TABLE A-31

LOS ANGELES UNIFIED SCHOOL DISTRICT
Measure Q (Election of 2008) Bonds
(\$ in thousands)

Bond Issue	Aggregate Principal Amount	Outstanding Amount as of March 1, 2024	Date of Issue
Series A Bonds (2016)	\$ 648,955	\$ 320,505	April 5, 2016
Series B-1 Bonds (2018)	1,085,440	949,510	March 8, 2018
Series RYQ Bonds (2020)	724,940	565,240	April 30, 2020
Series C Bonds (2020)	1,057,060	855,585	November 10, 2020
2021 Refunding Bonds, Series A ⁽¹⁾	164,095	160,360	April 29, 2021
Series QRR (2022)	100,000	95,060	November 22, 2022
Series QRR (2023)	<u>525,000</u>	<u>494,890</u>	November 7, 2023
TOTAL	<u>\$4,305,490</u>	<u>\$3,441,150</u>	

⁽¹⁾ Refunding bonds issued to refund general obligation bonds, which were issued pursuant to the Measure Q Authorization, are not counted against Measure Q Authorization of \$7.00 billion.

Source: Los Angeles Unified School District.

TABLE A-32

LOS ANGELES UNIFIED SCHOOL DISTRICT
Measure RR (Election of 2020) Bonds
(\$ in thousands)

Bond Issue	Aggregate Principal Amount	Outstanding Amount as of March 1, 2024	Date of Issue
Series RYRR (2021)	\$300,000	\$251,220	November 10, 2021
Series QRR (2022)	400,000	348,955	November 22, 2022
Series QRR (2023)	<u>325,000</u>	<u>306,640</u>	November 7, 2023
TOTAL	<u>\$1,025,000</u>	<u>\$906,815</u>	

Source: Los Angeles Unified School District.

Lease Obligations and Certificates of Participation. As of March 1, 2024, the District has outstanding lease obligations in the form of COPs in the aggregate principal amount of approximately \$471.6 million. The District estimates that the aggregate payment of principal and interest evidenced by COPs will be approximately \$658.1 million until the final maturity thereof. The District's lease obligations are not subject to acceleration in the event of a default thereof. The following Table A-33 sets forth the District's existing lease obligations paid from the District General Fund with respect to its outstanding COPs as of March 1, 2024. See " – Future Financings – *Lease Financings*" for more information.

TABLE A-33

LOS ANGELES UNIFIED SCHOOL DISTRICT
Certificates of Participation Lease Obligations Debt Service Schedule⁽¹⁾
(as of March 1, 2024)
(\$ in thousands)

Fiscal Year Ending (June 30)	Paid From General Fund ⁽²⁾⁽³⁾
2024 ⁽⁴⁾	\$12,784,131
2025	50,176,664
2026	50,166,678
2027	50,165,837
2028	50,170,829
2029	50,163,720
2030	48,411,327
2031	48,412,291
2032	38,004,125
2033	38,001,075
2034	37,992,000
2035	37,985,550
2036	36,406,750
2037	36,409,000
2038	36,410,750
2039	<u>36,408,000</u>
Total⁽³⁾	<u>\$658,068,727</u>

⁽¹⁾ The lease payments reflect the net obligations of the District due to the defeasance of certain COPs.

⁽²⁾ The District expects to pay all or a portion of the final debt service payments evidenced by certain series of COPs from funds on deposit in the related debt service reserve fund.

⁽³⁾ Total may not equal sum of component parts due to rounding.

⁽⁴⁾ Only reflects remaining debt service for fiscal year ending June 30, 2024, as of March 1, 2024. Total debt service for fiscal year ending June 30, 2024 is \$25.0 million.

Source: Los Angeles Unified School District.

Limitations Related to Receipt of Federal Subsidy Payments. On March 1, 2013, then-President Barack Obama signed an executive order (the “Sequestration Executive Order”) to reduce budgetary authority in certain accounts subject to sequester in accordance with the Budget Control Act of 2011 (the “Budget Control Act”) and the American Taxpayer Relief Act of 2012 (the “Taxpayer Relief Act”). Pursuant to the Sequestration Executive Order, budget authority for all accounts in the domestic mandatory spending category including, among others, accounts for the payments to issuers of “Direct Pay Bonds,” which includes the District’s outstanding Series KRY Bonds (2009) (Federally Taxable Build America Bonds) (the “Series KRY Bonds (2009)”) and Series RY Bonds (2010) (Federally Taxable Build America Bonds) (the “Series RY Bonds (2010)”) and Series J (Qualified School Construction Bonds) (the “Series J Bonds”), are subject to sequestration. Direct Pay Bonds are issued as taxable bonds and provide credits to the District from the federal government pursuant to Section 54AA(d) and 54AA(g) of the Code.

Pursuant to the Bipartisan Budget Act of 2013, enacted in December 2013, the District’s Direct Pay Bonds are subject to the full amount of sequestration budget cuts. The federal subsidy for the Direct Pay Bonds for the federal fiscal year ended September 30, 2023, was reduced by 5.7%, and the U.S. Treasury Department has announced a decrease in subsidy amounts by 5.7% through federal fiscal year ending 2031. During the federal fiscal year ended September 30, 2023, the sequester resulted in a

reduction in the aggregate amount of approximately \$4.2 million with respect to the refundable credits for the Series KRY Bonds (2009), Series RY Bonds (2010) and Series J Bonds. See “PLAN OF REFUNDING” in the forepart of this Official Statement for a discussion of the refunding of all or a portion of the Series KRY Bonds (2009) and the Series RY Bonds (2010).

Congress can terminate, extend or otherwise modify reductions in federal subsidy payments on Direct Pay Bonds due to sequestration at any time. Furthermore, due to recent federal legislation, it was reported that the Congressional pay-as-you-go or PAYGO budget rule and scorecard could increase the overall sequestration percentage from the current level of 5.7% (under the Budget Control Act) to 100%. The Consolidated Appropriations Act of 2023, enacted in December 2022, prevented the PAYGO sequestration provisions from being triggered in January 2023 and delaying PAYGO sequestration until January 2025, absent further legislation. Accordingly, the District cannot predict what action, if any, that Congress may take with respect to the federal subsidy and its impact on the District’s Direct Pay Bonds in future federal fiscal years. However, the District’s Series KRY Bonds (2009), Series RY Bonds (2010), and Series J Bonds are payable from and secured by *ad valorem* property taxes which are to be assessed in amounts sufficient to pay principal of and interest on the Series KRY Bonds (2009), Series RY Bonds (2010), and Series J Bonds when due. The County has levied and will continue to levy *ad valorem* property taxes in an amount sufficient to pay principal of and interest on the Series KRY Bonds (2009), Series RY Bonds (2010), and Series J Bonds when due regardless of the amount of federal subsidy.

Overlapping Debt Obligations

Set forth in Table 34 on the following page is the report prepared by California Municipal Statistics Inc. on [____], 2024, which provides information with respect to direct and overlapping debt within the District as of [____], 2024 (the “Overlapping Debt Report”). The Overlapping Debt Report is included for general information purposes only. The District has not reviewed the Overlapping Debt Report for completeness or accuracy and makes no representations in connection therewith. The Overlapping Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

The first column in Table 34 names each public agency which has outstanding debt as of the date of the report and whose territory overlaps the District in whole or in part. Column 2 shows the percentage of each overlapping agency’s assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in Table 34) produces the amount shown in column 3, which is the apportionment of each overlapping agency’s outstanding debt to taxable property in the District.

TABLE 34
LOS ANGELES UNIFIED SCHOOL DISTRICT
Schedule of Direct and Overlapping Bonded Debt
As of [____], 2024 [TO BE UPDATED PRIOR TO POS POSTING]

2023-24 Assessed Valuation: \$929,980,076,839

	<u>% Applicable</u>	<u>Debt [____]/1/24</u>
<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>		
Metropolitan Water District		
Los Angeles Community College District		
Pasadena Area Community College District		
Los Angeles Unified School District		(1)
City of Los Angeles		
Other Cities		
City Community Facilities Districts		
Other City and Special District 1915 Act Bonds		
TOTAL GROSS DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		_____
Less: Los Angeles Unified School District General Obligation Bonds, Election of 2005, Series J (2010) Qualified School Construction Bonds and Election of 2005, Series H (2009) Qualified School Construction Bonds: Amount accumulated in Interest and Sinking Fund and Set Asides for Repayment		(2)
TOTAL NET DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		_____
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
Los Angeles County General Fund Obligations		
Los Angeles County Superintendent of Schools Certificates of Participation		
Pasadena Area Community College District Certificates of Participation		
Los Angeles Unified School District Certificates of Participation		(3)
City of Los Angeles General Fund Obligations		
Other City General Fund and Pension Obligation Bonds		
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		_____
Less: City supported obligations		_____
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		_____
<u>OVERLAPPING TAX INCREMENT DEBT:</u>		
City of Los Angeles Redevelopment Agency (Successor Agency)		
Other Redevelopment Agencies (Successor Agency)		
TOTAL OVERLAPPING TAX INCREMENT DEBT		_____
GROSS COMBINED TOTAL DEBT		(4)
NET COMBINED TOTAL DEBT		_____

Ratios to 2023-24 Assessed Valuation:

Direct Debt (\$[____])	[____]%
Net Direct Debt (\$[____])	[____]%
Total Gross Overlapping Tax and Assessment Debt	[____]%
Total Net Overlapping Tax and Assessment Debt	[____]%
Gross Combined Direct Debt (\$[____])	[____]%
Net Combined Direct Debt (\$[____])	[____]%
Gross Combined Total Debt	[____]%
Net Combined Total Debt	[____]%

Ratios to Redevelopment Incremental Valuation (\$[____]):

Total Overlapping Tax Increment Debt	[____]%
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(1) Excludes the Refunding Bonds. Includes the Prior Bonds to be refunded with proceeds of the Refunding Bonds.

(2) Set aside amount through [fiscal year 2022-23].

(3) [FN to come re concurrent transactions.]

(4) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

Future Financings

General Obligation Bonds. The District may not issue general obligation bonds without voter approval and may not issue general obligation bonds in an amount greater than its bonding capacity. The District may not issue general obligation bonds under the Measure Q Authorization, or the Measure RR Authorization, as applicable, if the tax rate levied to meet the debt service requirements under the related Authorization for general obligation bonds is projected to exceed \$60 per year per \$100,000 of taxable property in accordance with Article XIII A of the State Constitution. See “CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS – Article XIII A of the State Constitution” and “– Proposition 39” herein.

Pursuant to the Education Code, the District’s bonding capacity for general obligation bonds may not exceed 2.5% of taxable property valuation in the District as shown by the last equalized assessment roll of the County. The taxable property valuation in the District for fiscal year 2023-24 is approximately \$929.98 billion, which results in a total current bonding capacity of approximately \$23.25 billion. The District’s available capacity for the issuance of new general obligation bonds is approximately \$12.53 billion (taking into account current outstanding debt). The fiscal year 2023-24 assessed valuation of property within the District’s boundaries of approximately \$929.98 billion reflects an increase of 5.96% from fiscal year 2022-23. See “STATE FUNDING OF SCHOOL DISTRICTS – Local Property Taxation” and “CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS – Article XIII A of the State Constitution” herein.

The District has \$2,724,045,000 authorized and unissued general obligation bond authorization remaining under the Measure Q Authorization. The District has \$5,975,000,000 authorized and unissued general obligation bond authorization remaining under the Measure RR Authorization. The District may issue additional general obligation bonds or general obligation refunding bonds in the future depending upon project needs and market conditions, and may, if authorized by the District Board, issue approximately \$1 billion of additional general obligation bonds in the fall of 2024.

As provided in the text of each of the ballots of Proposition BB, Measure K, Measure R, Measure Y, Measure Q, and Measure RR the District Board does not guarantee that the respective bonds authorized and issued under the Proposition BB, Measure K, Measure R, Measure Y, Measure Q, and Measure RR Authorizations will provide sufficient funds to allow completion of all potential projects listed in connection with said measures.

Lease Financings. The District may finance capital projects through the execution and delivery of certificates of participation or other obligations secured by general fund lease payments from time to time. In particular, the District may utilize lease financing, from time to time, to fund projects that are not eligible to be funded with general obligation bond proceeds, that are not authorized to be funded under existing general obligation bond measures, or for which there is not sufficient general obligation bond authorization to fund. Although the breadth of projects of such types is much larger, the District has identified projects of such types in the estimated amount of \$682 million that it may consider to lease finance in 2025-26 through 2027-28. See also “– District Financial Policies and Related Practices – Debt Management Policy” herein.

AB 218 Claims. See “DISTRICT FINANCIAL INFORMATION – Risk Management and Litigation – *Sexual Misconduct Cases* – Assembly Bill 218 and Related Claims,” for a discussion of the lawsuits arising from AB 218 and the possibility that the District may finance or refinance certain judgments arising from AB 218 claims.

Tax and Revenue Anticipation Notes. The District did not issue tax and revenue anticipation notes in fiscal year 2022-23 and does not expect to issue tax and revenue anticipation notes in fiscal year 2023-24. However, the District may issue tax and revenue anticipation notes in future fiscal years depending on State and federal funding.

CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS

Constitutionally Required Funding of Education

The State Constitution requires that from all State revenues there shall first be set apart the moneys to be applied by the State for the support of the public school system and public institutions of higher education. California school districts receive a significant portion of their funding from State appropriations. As a result, decreases as well as increases in State revenues can significantly affect appropriations made by the State Legislature to school districts.

Article XIII A of the State Constitution

On June 6, 1978, California voters approved Proposition 13 (“Proposition 13”), which added Article XIII A to the State Constitution (“Article XIII A”). On June 3, 1986, California voters approved Proposition 46 (“Proposition 46”) which amended Article XIII A to permit local governments and school districts to increase the *ad valorem* property tax rate above 1% if two-thirds of those voting in a local election approve the issuance of such bonds and the proceeds of such bonds are used to acquire or improve real property.

The provisions of Article XIII A were subsequently modified pursuant to Proposition 39, which was approved by California voters on November 7, 2000. See “– Proposition 39” below. Article XIII A defines full cash value to mean “the county assessor’s valuation of real property as shown on the 1975-76 tax bill under “full cash value,” or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment.” The full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or a reduction in the consumer price index or comparable local data at a rate not to exceed 2% per year or reduced in the event of declining property value caused by substantial damage, destruction or other factors including a general economic downturn. Subsequent amendments further limit the amount of any *ad valorem* tax on real property to 1% of the full cash value except that additional taxes may be levied to pay debt service on bonded indebtedness approved by the requisite percentage of voters voting on the proposition.

Legislation Implementing Article XIII A

Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any *ad valorem* property tax (except to pay voter-approved indebtedness). The 1% *ad valorem* property tax is automatically levied by the County and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1989.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the up to 2% annual inflationary adjustment of the 1% tax base are allocated among the various jurisdictions in the “taxing area” based upon their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years. Separate *ad valorem* property taxes to pay voter approved indebtedness such as general obligation bonds are levied by the County on behalf of the local agencies. Article XIII A effectively prohibits the levying of any other *ad valorem* property tax above the Proposition 13 limit except for taxes to support such indebtedness.

The full cash value of taxable property under Article XIII A represents the maximum taxable value for property. Accordingly, the fair market value for a given property may not be the equivalent of the full cash value under Article XIII A. During periods in which the real estate market within the District evidences an upward trend, the fair market value for a given property, which has not been reappraised due to a change in ownership, may exceed the full cash value of such property. During periods in which the real estate market demonstrates a downward trend, the fair market value of a given property may be less than the full cash value of such property and the property owner may apply for a “decline in value” reassessment pursuant to Proposition 8. Reassessments pursuant to Proposition 8, if approved by the Office of the County Assessor, lower valuations of properties (where no change in ownership has occurred) if the current value of such property is lower than the full cash value of record of the property. The value of a property reassessed as a result of a decline in value may change, but in no case may its full cash value exceed its fair market value. When and if the fair market value of a property which has received a downward reassessment pursuant to Proposition 8 increases above its Proposition 13 factored base year value, the Office of the County Assessor will enroll such property at its Proposition 13 factored base year value.

Article XIII B of the State Constitution

An initiative to amend the State Constitution entitled “Limitation of Government Appropriations” was approved on September 6, 1979 thereby adding Article XIII B to the State Constitution (“Article XIII B”). In June 1990, Article XIII B was amended by the voters through their approval of Proposition 111. Under Article XIII B, the State and each local governmental entity have an annual “appropriations limit” and are not permitted to spend certain moneys that are called “appropriations subject to limitation” (consisting of tax revenues, State subventions and certain other funds) in an amount higher than the appropriations limit. Article XIII B does not affect the appropriations of moneys that are excluded from the definition of “appropriations subject to limitation,” including debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by the voters. In general terms, the appropriations limit is to be based on certain 1978-79 expenditures and is to be adjusted annually to reflect changes in costs of living and changes in population, and adjusted where applicable for transfer of financial responsibility of providing services to or from another unit of government. Among other provisions of Article XIII B, if these entities’ revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years. However, in the event that a school district’s revenues exceed its spending limit, the district may, in any fiscal year, increase its appropriations limit to equal its spending by borrowing appropriations limit from the State, provided the State has sufficient excess appropriations limit in such year. See “STATE FUNDING OF SCHOOL DISTRICTS” herein.

The 2023-24 State Budget projects that the State will be below its appropriations limit (also referred to as the Gann Limit) for fiscal year 2023-24.

The District Board adopted the annual appropriation limit for both fiscal year 2022-23 and fiscal year 2023-24 of approximately \$3.9 billion. The limitation applies only to proceeds of taxes and therefore does not apply to service fees and charges, investment earnings on non-proceeds of taxes, fines, and revenue from the sale of property and taxes received from the State and federal governments that are tied to special programs.

Article XIII C and Article XIII D of the State Constitution

On November 5, 1996, the voters of the State of California approved Proposition 218, popularly known as the “Right to Vote on Taxes Act.” Proposition 218 added to the California Constitution Articles XIII C and XIII D (respectively, “Article XIII C” and “Article XIII D”), which contain a number of

provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the “Title and Summary” of Proposition 218 prepared by the California Attorney General, Proposition 218 limits “the authority of local governments to impose taxes and property-related assessments, fees and charges.” Among other things, Article XIIC establishes that every tax is either a “general tax” (imposed for general governmental purposes) or a “special tax” (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds percent vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIII A of the California Constitution and special taxes approved by a two-thirds percent vote under Article XIII A, Section 4.

On November 2, 2010, Proposition 26 was approved by State voters, which amended Article XIIC to expand the definition of “tax” to include “any levy, charge, or exaction of any kind imposed by a local government” except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity.

Article XIID deals with assessments and property-related fees and charges. Article XIID explicitly provides that nothing in Article XIIC or XIID shall be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development; however, it is not clear whether the initiative power is therefore unavailable to repeal or reduce developer and mitigation fees imposed by the District. Proposition 218 does not affect the *ad valorem* property taxes to be levied to pay debt service on the District’s general obligation bonds.

Proposition 98

On November 8, 1988, State voters approved Proposition 98, a combined initiative, constitutional amendment and statute called the “Classroom Instructional Improvement and Accountability Act” (the “Accountability Act”). The Accountability Act changed State funding of public education below the university level, and the operation of the State’s Appropriations Limit, primarily by guaranteeing State funding for K-12 school districts and community college districts (collectively, “K-14 districts”).

Under Proposition 98 (as modified by Proposition 111, which was enacted on June 5, 1990), K-14 districts are guaranteed the greater of (i) in general, a fixed percent of the State general fund’s revenues

(“Test 1”), (ii) the amount appropriated to K-14 districts in the prior year, adjusted for changes in the cost of living (measured as in Article XIII B by reference to State per capita personal income) and enrollment (“Test 2”), or (iii) a third test, which would replace Test 2 in any year when the percentage growth in per capita State general fund revenues from the prior year plus 0.05% is less than the percentage growth in State per capita personal income (“Test 3”). Under Test 3, schools would receive the amount appropriated in the prior year adjusted for changes in enrollment and per capita State general fund revenues, plus an additional small adjustment factor. If Test 3 is used in any year, the difference between Test 3 and Test 2 would become a “credit” to schools which would be the basis of payments in future years when per capita State general fund revenue growth exceeds per capita personal income growth. Legislation adopted prior to the end of fiscal year 1988-89 that implemented Proposition 98, determined the K-14 districts’ funding guarantee under Test 1 to be 40.3% of the State general fund tax revenues, based on 1986-87 appropriations. However, that percentage has been adjusted to 34.559% to account for a subsequent redirection of local property taxes whereby a greater proportion of education funding now comes from local property taxes.

Proposition 98 permits the State Legislature, by a two-thirds vote of both houses of the State Legislature and with the Governor’s concurrence, to suspend the K-14 districts’ minimum funding formula for a one-year period. In the fall of 1989, the State Legislature and the Governor utilized this provision to avoid having 40.3% of revenues generated by a special supplemental sales tax enacted for earthquake relief go to K-14 districts. In the fall of 2004, the State Legislature and the Governor agreed to suspend the K-14 districts’ minimum funding formula set forth pursuant to Proposition 98 in order to address a projected shortfall during fiscal year 2004-05. Proposition 98 also contains provisions transferring certain State tax revenues in excess of the Article XIII B limit to K-14 districts.

The 2023-24 State Budget projects the Proposition 98 guarantee to fall under Test 1 for fiscal years 2021-22, 2022-23, and 2023-24, resulting in funding estimates of \$110.6 billion in fiscal year 2021-22, \$107.4 billion in fiscal year 2022-23, and \$108.3 billion in fiscal year 2023-24. For more information on the Proposition 98 funding under the 2023-24 State Budget, see “STATE FUNDING OF SCHOOL DISTRICTS – State Budget Act –2023-24 State Budget” herein.

Proposition 39

Proposition 39, which was approved by California voters in November 2000 (“Proposition 39”), provides an alternative method for passage of school facilities bond measures by lowering the constitutional voting requirement from two-thirds to 55% of voters and allows property taxes to exceed the current 1% limit in order to repay such bonds. The lower 55% vote requirement would apply only to bond issues to be used for construction, rehabilitation, or equipping of school facilities or the acquisition of real property for school facilities. The State Legislature enacted additional legislation which placed certain limitations on this lowered threshold, requiring that (i) two-thirds of the governing board of a school district approve placing a bond issue on the ballot, (ii) the bond proposal be included on the ballot of a Statewide or primary election, a regularly scheduled local election, or a Statewide special election (rather than a school district election held at any time during the year), (iii) the tax rate levied as a result of any single election not exceed \$25 for a community college district, \$60 for a unified school district, or \$30 for an elementary school or high school district per \$100,000 of taxable property value, and (iv) the governing board of the school district appoint a citizen’s oversight committee to inform the public concerning the spending of the bond proceeds. In addition, the school board of the applicable district is required to perform an annual, independent financial and performance audit until all bond funds have been spent to ensure that the funds have been used only for the projects listed in the measure. The District’s Measure K, Measure R, Measure Y, Measure Q, and Measure RR bond programs were authorized pursuant to Proposition 39. See “DISTRICT FINANCIAL INFORMATION – District Debt – *General Obligation Bonds*” herein. The District is in full compliance with all Proposition 39 requirements.

Proposition 1A

Proposition 1A, which was approved by California voters in November 2004 (“Proposition 1A”), provides that the State may not reduce any local sales tax rate, limit existing local government authority to levy a sales tax rate or change the allocation of local sales tax revenues, subject to certain exceptions. Proposition 1A generally prohibits the State from shifting to schools or community colleges any share of property tax revenues allocated to local governments for any fiscal year, as set forth under the laws in effect as of November 3, 2004. Any change in the allocation of property tax revenues among local governments within a county must be approved by two-thirds of both houses of the Legislature. Proposition 1A provided, however, that beginning in fiscal year 2008-09, the State could shift to schools and community colleges up to 8% of local government property tax revenues, which amount must be repaid, with interest, within three years, if the Governor proclaims that the shift is needed due to a severe state financial hardship, the shift is approved by two-thirds of both houses of the State Legislature and certain other conditions are met. The State may also approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also provides that if the State reduces the vehicle license fee rate below 0.65% of vehicle value, the State must provide local governments with equal replacement revenues. Further, Proposition 1A requires the State, beginning July 1, 2005, to suspend State mandates affecting cities, counties and special districts, excepting mandates relating to employee rights, schools or community colleges, in any year that the State does not fully reimburse local governments for their costs to comply with such mandates. The State’s ability to initiate future exchanges and shifts of funds will be limited by Proposition 22. See “– Proposition 22” below.

Proposition 22

Proposition 22, which was approved by California voters in November 2010, prohibits the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services and prohibits fuel tax revenues from being loaned for cash-flow or budget balancing purposes to the State general fund or any other State fund. Due to the prohibition with respect to State’s ability to take, reallocate, and borrow money raised by local governments for local purposes, Proposition 22 supersedes certain provisions of Proposition 1A of 2004. See “– Proposition 1A” herein. In addition, Proposition 22 generally eliminated the State’s authority to temporarily shift property taxes from cities, counties, and special districts to schools, temporarily increased school and community college district’s share of property tax revenues, prohibited the State from borrowing or redirecting redevelopment property tax revenues or requiring increased pass-through payments thereof, and prohibited the State from reallocating vehicle license fee revenues to pay for State-imposed mandates. In addition, Proposition 22 requires a two-thirds vote of each house of the State Legislature and a public hearing process to be conducted in order to change the amount of fuel excise tax revenues shared with cities and counties. The LAO stated that Proposition 22 would prohibit the State from enacting new laws that require redevelopment agencies to shift funds to schools or other agencies. However, the California Supreme Court, in *California Redevelopment Association v. Matosantos*, held that the dissolution provisions set forth in Assembly Bill No. 26 of the First Extraordinary Session (2011) were constitutional and permitted the State to allocate revenues that would have been directed to the redevelopment agencies to make pass-through payments (*i.e.*, payments that such entities would have received under prior law) to local agencies and to successor agencies for retirement of the debts and certain administrative costs of the redevelopment agencies.

Proposition 22 prohibits the State from borrowing sales taxes or excise taxes on motor vehicle fuels or changing the allocations of those taxes among local government except pursuant to specified procedures involving public notices and hearings. In addition, Proposition 22 requires that the State apply the formula setting forth the allocation of State fuel tax revenues to local agencies revert to the formula in effect on June 30, 2009. The LAO stated that Proposition 22 would require the State to adopt alternative actions to address its fiscal and policy objectives, particularly with respect to short-term cash flow needs.

The District does not believe that the adoption of Proposition 22 will have a significant impact on their respective revenues and expenditures.

Proposition 30

Proposition 30, which was approved by voters in the State in November 2012 (“Proposition 30”) authorized the State to temporarily increase the maximum marginal personal income tax rates for individuals, heads of households and joint filers above 9.3% by creating three additional tax brackets of 10.3%, 11.3% and 12.3%. The tax increases set forth in Proposition 30 were in effect from tax year 2012 to tax year 2018. In addition, Proposition 30 temporarily increased the State’s sales and use tax rate by 0.25% from 2013 to 2016.

Pursuant to Proposition 30, the State included revenues from the temporary tax increases in the general fund calculation of the Proposition 98 minimum guarantee for education spending. The State deposited a portion of the new general fund revenues into an Education Protection Account established to support funding for schools and community colleges. The remainder of the new general fund revenues was available to help the State balance its budget through fiscal year 2017-18. However, the allocation of such revenues to particular programs was subject to the discretion of the Governor and the State Legislature.

In addition, Proposition 30 amended the State Constitution to address certain provisions relating to the realignment of State program responsibilities to local governments. Proposition 30 required the State to continue to provide tax revenues that were redirected in calendar year 2011 (or equivalent funds) to local governments to pay for transferred program responsibilities. Further, Proposition 30 permanently excluded sales tax revenues that are redirected to local governments from the calculation of the Proposition 98 minimum guarantee for schools and community colleges.

The Proposition 30 sales and use tax increases expired at the end of the 2016 tax year. Under Proposition 30, the personal income tax increases were set to expire at the end of the 2018 tax year. However, the voters approved on November 8, 2016 the California Tax Extension to Fund Education and Healthcare Initiative (“Proposition 55”), which extended by twelve years the temporary personal income tax increases on incomes over \$250,000 that was first enacted by Proposition 30. Revenues from the tax increase will be allocated to school districts and community colleges in the State.

Proposition 2

General. Proposition 2, which included certain constitutional amendments to the State Rainy Day Fund and, upon its approval, triggered the implementation of certain provisions which could limit the amount of reserves that may be maintained by a school district, was approved by the voters in the November 2014 election.

State Rainy Day Fund. The Proposition 2 constitutional amendments related to the State Rainy Day Fund (i) require deposits into the State Rainy Day Fund whenever capital gains revenues rise to more than 8% of general fund tax revenues; (ii) set the maximum size of the State Rainy Day Fund at 10% of general fund revenues; (iii) for the next 15 years, require half of each year’s deposit to be used for supplemental payments to pay down the budgetary debts or other long-term liabilities and, thereafter, require at least half of each year’s deposit to be saved and the remainder used for supplemental debt payments or savings; (iv) allow the withdrawal of funds only for a disaster or if spending remains at or below the highest level of spending from the past three years; (v) require the State to provide a multiyear budget forecast; and (vi) create a Proposition 98 reserve (defined herein as the “Proposition 98 Rainy Day Fund”) to set aside funds in good years to minimize future cuts and smooth school spending. The State may deposit amounts into such account only after it has paid all amounts owing to school districts relating

to the Proposition 98 maintenance factor for fiscal years prior to fiscal year 2014-15. The State, in addition, may not transfer funds to the Proposition 98 Rainy Day Fund unless the State is in a Test 1 year under Proposition 98 or in any year in which a maintenance factor is created. For more information on limitations on school district reserves and the District's commitment of funds in fiscal years 2022-23 and 2023-24, see "STATE FUNDING OF SCHOOL DISTRICTS – Limitations on School District Reserves."

SB 858. Senate Bill 858 ("SB 858") became effective upon the passage of Proposition 2. SB 858 includes provisions which could limit the amount of reserves that may be maintained by a school district in certain circumstances. Under SB 858, in any fiscal year immediately following a fiscal year in which the State has made a transfer into the Proposition 98 Rainy Day Fund, any adopted or revised budget by a school district would need to contain a combined unassigned and assigned ending fund balance that (a) for school districts with an ADA of less than 400,000, is not more than two times the amount of the reserve for economic uncertainties mandated by the Education Code, or (b) for school districts with an ADA that is more than 400,000, is not more than three times the amount of the reserve for economic uncertainties mandated by the Education Code. In certain cases, the county superintendent of schools may grant a school district a waiver from this limitation on reserves for up to two consecutive years within a three-year period if there are certain extraordinary fiscal circumstances.

SB 751. Senate Bill 751 ("SB 751"), enacted on October 11, 2017, alters the reserve requirements imposed by SB 858. Under SB 751, in a fiscal year immediately after a fiscal year in which the amount of moneys in the Proposition 98 Rainy Day Fund is equal to or exceeds 3% of the combined total general fund revenues appropriated for school districts and allocated local proceeds of taxes for that fiscal year, a school district budget that is adopted or revised cannot have an assigned or unassigned ending fund balance that exceeds 10% of those funds. SB 751 excludes from the requirements of those provisions basic aid school districts (also known as community funded districts) and small school districts having fewer than 2,501 units of average daily attendance.

The District, which has an ADA between 30,001 and 400,000 students, is required to maintain a reserve for economic uncertainty in an amount equal to 2.00% of its general fund expenditures and other financing uses. The District's assigned and unassigned ending General Fund balance for fiscal year 2023-24 does not exceed 10% of the total General Fund expenditures and other financing uses. Thus, the District complies with the limitations on reserves. For more information on limitations on school district reserves and the District's commitment of funds in fiscal year 2023-24, see "STATE FUNDING OF SCHOOL DISTRICTS – Limitations on School District Reserves."

State School Facilities Bonds

General. The District applies for apportionments from State bond initiatives and historically has received funding from such State bond initiatives. No assurances can be given that the District will continue to apply for apportionments from current or future State bond initiatives or that the District will continue to receive funding from State bond initiatives for which it applies.

Proposition 47. The Class Size Reduction Kindergarten – University Public Education Facilities Bond Act of 2002 appeared on the November 5, 2002 ballot as Proposition 47 ("Proposition 47") and was approved by State voters. Proposition 47 authorized the sale and issuance of \$13.05 billion in general obligation bonds by the State to fund construction and renovation of K-12 school facilities (\$11.4 billion) and higher education facilities (\$1.65 billion). Proposition 47 includes \$6.35 billion for acquisition of land and new construction of K-12 school facilities. Of this amount, \$2.9 billion is set aside to fund backlog projects for which school districts submitted applications to the State on or prior to February 1, 2002. The balance of \$3.45 billion would be used to fund projects for which school districts submitted applications to the State after February 1, 2002. To be eligible for bond proceeds under Proposition 47, K-12 school districts are required to pay 50% of the costs for land acquisition and new construction with local

revenues. In addition, Proposition 47 provided that up to \$100 million of the \$3.45 billion would be allocated for charter school facilities. Proposition 47 provides up to \$3.3 billion for reconstruction or modernization of existing K-12 school facilities. Of this amount, \$1.9 billion will be set aside to fund backlog projects for which school districts submitted applications to the State on or prior to February 1, 2002 and the balance of \$1.4 billion would be used to fund projects for which school districts submitted applications to the State after February 1, 2002. K-12 school districts will be required to pay 40% of the costs for reconstruction or modernization with local revenues. Proposition 47 provides a total of \$1.7 billion to K-12 school districts which are considered critically overcrowded, specifically to schools that have a large number of pupils relative to the size of the school site. In addition, \$50 million will be available to fund joint-use projects. Proposition 47 also includes \$1.65 billion to construct new buildings and related infrastructure, alter existing buildings and purchase equipment for use in the State's public higher education systems. As of March 1, 2024, the District has received approximately \$949.88 million in funds attributable to Proposition 47.

Proposition 55 (2004). The Kindergarten-University Public Education Facilities Bond Act of 2004 appeared on the March 2, 2004 ballot as Proposition 55 ("Proposition 55 (2004)") and was approved by State voters. Proposition 55 (2004) authorizes the sale and issuance of \$12.3 billion in general obligation bonds by the State to fund construction and renovation of public K-12 school facilities (\$10 billion) and public higher education facilities (\$2.3 billion). Proposition 55 (2004) includes \$5.26 billion for the acquisition of land and construction of new school buildings. Under Proposition 55 (2004), a school district is required to provide a 50% matching share for new construction or a 60% matching share for modernization projects with local resources unless it qualifies for state hardship funding. Proposition 55 (2004) also allocates up to \$300 million of new construction funds for charter school facilities.

Proposition 55 (2004) makes \$2.25 billion available for the reconstruction or modernization of existing public school facilities. School districts would be required to pay 40% of project costs from local resources. Proposition 55 (2004) directs a total of \$2.44 billion to school districts with schools which are considered critically overcrowded. These funds would go to schools that have a large number of pupils relative to the size of the school site. Proposition 55 (2004) also makes a total of \$50 million available to fund joint-use projects. Proposition 55 (2004) includes \$2.3 billion to construct new buildings and related infrastructure, alter existing buildings and purchase equipment for use in these buildings for the State's public higher education systems. The measure allocates \$690 million to the University of California and California State University and \$920 million to community colleges in the State. The Governor and the State Legislature select specific projects to be funded by the bond proceeds. As of March 1, 2024, the District has received approximately \$2.31 billion in funds attributable to Proposition 55 (2004).

Proposition 1D. The Kindergarten-University Public Education Facilities Bond Act of 2006 was approved by State voters at the November 7, 2006 ballot as Proposition 1D ("Proposition 1D"). Proposition 1D authorizes the sale and issuance of \$10.4 billion in general obligation bonds by the State to fund construction and renovation of public K-12 school facilities (\$7.3 billion) and public higher education facilities (\$3.1 billion). Proceeds of bonds issued by the State under Proposition 1D are required to be deposited in the 2006 State School Facilities Fund established in the State Treasury under the Greene Act and allocated by the State Allocation Board. Proposition 1D includes \$1.9 billion for land acquisition and construction of new school buildings. Under Proposition 1D, a school district is required to pay for 50% of costs with local resources unless it qualifies for state hardship funding. Proposition 1D also allocates \$500 million for charter school facilities.

Proposition 1D makes \$3.3 billion available for the reconstruction or modernization of existing public school facilities. Districts would be required to pay 40% of project costs from local resources. Proposition 1D directs a total of \$1.0 billion to school districts with schools that are considered critically overcrowded. These funds would go to schools that have a large number of pupils relative to the size of

the school site. Proposition 1D also makes a total of \$29 million available to fund joint-use projects. Proposition 1D includes \$3.1 billion to construct new buildings and related infrastructure, alter existing buildings and purchase equipment for use in these buildings for the State’s public higher education systems. Pursuant to Proposition 1D, the Governor and the State Legislature select specific projects to be funded by the bond proceeds. As of March 1, 2024, the District has received approximately \$819.50 million in funds attributable to Proposition 1D.

Proposition 51. The Kindergarten Through Community College Public Education Facilities Bond Act of 2016 was approved by State voters at the November 8, 2016 ballot as Proposition 51 (“Proposition 51”). Proposition 51 authorizes the sale and issuance of \$9 billion in general obligation bonds by the State to fund new construction of school facilities (\$3 billion), school facilities for charter schools (\$500 million), modernization of school facilities (\$3 billion), facilities for career technical education programs (\$500 million), and acquisition, construction, renovation, and equipping of community college facilities (\$2 billion). Proceeds of bonds issued by the State for K-12 under Proposition 51 are required to be deposited in the 2016 State School Facilities Fund established in the State Treasury under the Greene Act and allocated by the State Allocation Board. As of March 1, 2024, the District has received approximately 397.31 million in funds attributable to Proposition 51.

Future Initiatives

The foregoing described amendments to the State Constitution and propositions were each adopted as measures that qualified for the ballot pursuant to the State’s initiative process. From time to time, other initiative measures could be adopted that further affect District revenues or the District’s ability to expend revenues.

REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION

The District is located in the City of Los Angeles and portions of the County of Los Angeles. The following economic and demographic information pertains to the City of Los Angeles (the “City”) and the County of Los Angeles (the “County”). The historical data and results presented in the tables that follow may differ materially from future results as a result of economic or other factors.

The Series 2024A Bonds are obligations of the District imposed by law and are absolute and unconditional, without any right of set-off or counterclaim. The Series 2024A Bonds are not obligations of the City or the County.

Population

The following Table A-34 sets forth the estimates of the population of the City, the County and the State in calendar years 2019 through 2023.

TABLE A-34

**POPULATION ESTIMATES
2019 through 2023**

<u>Year</u> <u>(as of January 1)</u>	<u>City of</u> <u>Los Angeles</u>	<u>County of</u> <u>Los Angeles</u>	<u>State of</u> <u>California</u>
2019	3,986,031	10,163,139	39,605,361
2020	3,975,234	10,135,614	39,648,938
2021	3,853,323	9,931,338	39,303,157
2022	3,819,538	9,861,224	39,185,605
2023	3,766,109	9,761,210	38,940,231

Source: Department of Finance Demographic Research Unit.

Income

The following Table A-35 sets forth the median household income for the City, the County, the State and the United States for calendar years 2018 through 2022.

TABLE A-35

**MEDIAN HOUSEHOLD INCOME⁽¹⁾
2018 through 2022**

<u>Year</u>	<u>City of</u> <u>Los Angeles</u>	<u>County of</u> <u>Los Angeles</u>	<u>State of</u> <u>California</u>	<u>United States</u>
2018	\$62,474	\$68,093	\$75,277	\$61,937
2019	67,418	72,797	80,440	65,712
2020	65,290	71,358	78,672	64,994
2021	70,372	77,456	84,907	69,717
2022	76,135	82,516	91,551	74,755

⁽¹⁾ Estimated. In inflation-adjusted dollars.

Source: U.S. Census Bureau – Economic Characteristics – American Community Survey.

The following Table A-36 sets forth the distribution of income by certain income groupings per household for the City, the County, the State and the United States for calendar year 2022.

TABLE A-36
INCOME GROUPINGS 2022⁽¹⁾
(Percent of Households)

<u>Income Per Household</u>	<u>City of Los Angeles</u>	<u>County of Los Angeles</u>	<u>State of California</u>	<u>United States</u>
\$24,999 & Under	18.3%	15.9%	14.4%	16.0%
\$25,000-49,999	16.7	15.6	13.9	18.0
\$50,000 & Over	65.0	68.6	71.7	66.0

⁽¹⁾ Estimated. In inflation-adjusted dollars. Data may not add up due to rounding.

Source: U.S. Census Bureau – Economic Characteristics – American Community Survey.

Employment

The District is within the Los Angeles-Long Beach Primary Metropolitan Statistical Area Labor Market (Los Angeles County). The following Table A-37 sets forth wage and salary employment in the County from calendar years 2019 through 2023.

TABLE A-37
LABOR FORCE AND EMPLOYMENT IN THE COUNTY OF LOS ANGELES⁽¹⁾
2019 through 2023

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Civilian Labor Force	5,153,100	4,968,900	4,994,100	4,984,800	5,015,600
Employment	4,926,100	4,355,900	4,548,900	4,739,900	4,763,600
Unemployment	227,000	613,000	445,200	244,900	252,000
Unemployment Rate	4.4%	12.3%	8.9%	4.9%	5.0%
Wage and Salary Employment					
Farm	4,400	4,400	4,600	4,900	4,700
Mining and Logging	1,900	1,700	1,600	1,600	1,700
Construction	149,800	146,500	149,800	150,900	151,000
Manufacturing	340,700	315,100	311,700	321,800	319,200
Trade, Transportation and Utilities	851,000	788,000	817,600	837,400	826,400
Information	215,300	191,000	213,200	235,000	193,000
Financial Activities	223,600	212,600	210,800	215,900	211,000
Professional and Business Services	647,000	599,800	629,500	668,900	652,500
Educational and Health Services	839,900	820,300	839,600	873,600	914,500
Leisure and Hospitality	547,200	393,500	429,300	511,300	534,100
Other Services	158,400	128,700	134,100	153,500	157,800
Government	586,900	570,200	558,200	568,500	582,300
Total ⁽¹⁾	<u>4,566,100</u>	<u>4,171,700</u>	<u>4,300,000</u>	<u>4,543,400</u>	<u>4,548,200</u>

⁽¹⁾ Totals may not equal sum of component parts due to rounding.

Source: California Employment Development Department, Labor Market Information Division.

The following Table A-38 sets forth taxable sales in the County for the calendar years 2019 through 2023.

TABLE A-38
COUNTY OF LOS ANGELES
TAXABLE TRANSACTIONS⁽¹⁾
2019 through 2023
(\$ in thousands)

Type of Business	2019	2020	2021	2022	2023
Motor Vehicle and Parts Dealers	\$ 18,954,470	\$ 18,534,326	\$ 23,555,049	\$ 25,236,081	\$23,403,883
Home Furnishings and Appliance Stores	7,308,501	6,608,482	8,177,309	7,682,325	6,946,670
Building Materials and Garden Equipment and Supplies Dealers	8,698,495	9,556,946	10,450,185	10,997,781	10,640,811
Food and Beverage Stores	7,255,360	7,650,294	7,861,401	8,137,012	8,224,646
Gasoline Stations	12,491,790	8,132,307	12,405,237	16,114,153	14,239,588
Clothing and Clothing Accessories Stores	12,536,982	9,498,705	13,957,944	14,388,631	13,904,314
General Merchandise Stores	12,910,844	12,263,784	14,541,309	15,072,717	14,514,788
Food Services and Drinking Places	25,097,944	17,006,158	23,577,050	27,861,821	29,314,178
Other Retail Group	<u>17,190,290</u>	<u>24,164,972</u>	<u>24,407,441</u>	<u>24,618,548</u>	<u>24,281,294</u>
Total Retail and Food Services	<u>\$122,444,678</u>	<u>\$113,415,974</u>	<u>\$138,932,925</u>	<u>\$150,109,069</u>	<u>\$145,470,173</u>
All Other Outlets	<u>\$ 49,868,925</u>	<u>\$ 44,322,010</u>	<u>\$53,340,253</u>	<u>\$62,671,752</u>	<u>\$61,880,723</u>
TOTAL ALL OUTLETS	<u>\$172,313,603</u>	<u>\$157,737,984</u>	<u>\$192,273,178</u>	<u>\$212,780,821</u>	<u>\$207,350,896</u>

⁽¹⁾ Totals may not equal sum of component parts due to rounding.

Source: California Department of Tax and Fee Administration, Taxable Sales in California.

Leading County Employers

The economic base of the County is diverse with no one sector being dominant. Some of the leading activities include government (including education), business/professional management services (including engineering), health services (including training and research), tourism, distribution, and entertainment. The following Table A-39 sets forth the major employers in the County as of August 2023.

TABLE A-39

**COUNTY OF LOS ANGELES
MAJOR EMPLOYERS⁽¹⁾
2023**

<u>Employer</u>	<u>Product/Service</u>	<u>Employees</u>
Los Angeles County	Government	100,729
Los Angeles Unified School District	Education	74,000
University of California, Los Angeles	Education	51,597
U.S. Government – Federal Executive Board	Government	50,000
Kaiser Permanente Southern California	Nonprofit health plan	44,769
City of Los Angeles	Government	34,421
State of California	Government	32,300
University of Southern California	Private university	23,227
Northrop Grumman Corp.	Systems and products in aerospace, electronics and information systems	18,000
Cedars-Sinai	Health system	16,730
Allied Universal	Provider of security services and technology solutions	15,326
Target Corp.	Retailer	15,000
Providence	Health care	14,395
Ralphs/Food 4 Less (Kroger Co. division)	Grocery retailer	14,000
Walt Disney Co.	Media and entertainment	12,200
Boeing Co.	Aerospace and defense, commercial jetliners, space and security systems	12,005
Long Beach Unified School District	Education	12,000
Los Angeles County Metropolitan Transportation Authority	Transportation	11,700
UPS	Logistics, transportation and freight	11,643
Los Angeles Community College District	Education	11,618
Home Depot	Home improvement retailer	11,200
Los Angeles Department of Water & Power	Energy	11,000
NBCUniversal	Media and entertainment	11,000
Amazon	Online retailer	10,500
AT&T Inc.	Telecommunications, DirecTV, cable, satellite and television provider	10,500
Albertsons Cos.	Retail grocer	10,406
California Institute of Technology	Private university, operator of Jet Propulsion Laboratory	9,224
California State University, Long Beach	Education	8,477
Edison International	Electric utility, energy services	7,672
City of Hope	Treatment and research center for cancer, diabetes and other life-threatening diseases	7,535
ABM Industries Inc.	Facility services, energy solutions, commercial cleaning, maintenance and repair	7,400
FedEx Corp.	Shipping and logistics	6,750
Children's Hospital Los Angeles	Nonprofit freestanding children's hospital	6,644
Dignity Health	Health care	6,263
Costco Wholesale	Membership chain of warehouse stores	6,002
Space Exploration Technologies Corp.	Rockets and spacecraft	6,000
City of Long Beach	Government	5,395
Mt. San Antonio Community College District	Education	4,400
California State University, Northridge	Education	4,282
Glendale Unified School District	Education	4,000
Los Angeles World Airports	Airport authority owner and operator	3,662
Cal Poly Pomona	Education	3,094

⁽¹⁾ This information was provided by representatives of the employers themselves and annual budget reports. Government agencies and companies are ranked by the current number of full-time employees in the County. Several organizations and companies may have qualified for this list, but failed to submit information or do not break out local employment data.

Source: "Largest Public-Sector Employers" and "Largest Private Sector Employers," Los Angeles Business Journal, August 28-September 3, 2023.

Construction

The following Table A-40 sets forth the valuation of permits for new residential buildings and the number of new single-family and multi-family dwelling units in the City for the years 2019 through 2023.

TABLE A-40
CITY OF LOS ANGELES
PERMIT VALUATIONS AND UNITS OF CONSTRUCTION⁽¹⁾
2019 through 2023
(\$ in thousands)

Year	New Residential Valuation	New Single Family Dwelling Units	New Multi-Family Dwelling Units	Total New Units
2019	\$3,726,652	2,623	11,291	13,914
2020	3,235,640	1,887	10,448	12,335
2021	3,013,650	2,469	11,667	14,136
2022	3,783,606	3,042	13,049	16,091
2023 ⁽²⁾	1,518,970	737	4,252	4,989

⁽¹⁾ Total may not equal sum of component parts due to rounding.

⁽²⁾ Values include data through July 31, 2023.

Source: California Homebuilding Foundation | Construction Industry Research Board.

The following Table A-41 sets forth the lending activity, home prices and sales, recorded notices of default, unsold new housing and vacancy rates of properties within the County from 2018 through 2022.

TABLE A-41
COUNTY OF LOS ANGELES
REAL ESTATE AND CONSTRUCTION INDICATORS
2018 through 2022

Indicator	2018	2019	2020	2021	2022⁽³⁾
Construction Lending ⁽¹⁾	\$20,419	\$14,193	\$9,247	\$11,038	\$5,583
Residential Purchase Lending ⁽¹⁾	\$48,203	\$56,480	\$72,996	\$96,872	\$38,879
New & Existing Median Home Prices	\$598,387	\$614,080	\$674,964	\$777,767	\$844,008 ⁽²⁾
New & Existing Home Sales	75,086	73,548	71,479	90,259	38,471
Notices of Default Recorded	9,726	9,821	4,858	3,566	3,434
Office Market Vacancy Rates ⁽²⁾	14.4%	13.9%	14.9%	18.5%	19.5%
Industrial Market Vacancy Rates ⁽²⁾	1.4%	1.2%	1.8%	1.2%	0.9%

⁽¹⁾ Dollars in millions.

⁽²⁾ Average of quarterly data.

⁽³⁾ Values reflect second quarter of 2022.

Source: Real Estate Research Council of Southern California – Second Quarter 2022 (2018-2022).

The following Table A-42 sets forth information with respect to building permits and building valuations in the County from 2019 through 2023.

TABLE A-42

**COUNTY OF LOS ANGELES
BUILDING PERMITS AND VALUATIONS⁽¹⁾
2019 through 2023**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Residential Building Permits (Units)					
New Residential Permits					
Single Family	5,738	6,198	7,327	8,301	2,462
Multi-Family	<u>15,884</u>	<u>14,056</u>	<u>16,718</u>	<u>18,912</u>	<u>7,769</u>
Total Residential Building Permits	<u>21,622</u>	<u>20,254</u>	<u>24,045</u>	<u>27,213</u>	<u>10,231</u>
Building Valuations (\$ in millions)					
Residential Building Valuations					
Single Family	\$1,967	\$1,874	\$2,086	\$2,180	\$1,056
Multi-Family	2,961	2,790	3,027	3,524	1,369
Alterations and Additions	<u>1,626</u>	<u>1,014</u>	<u>908</u>	<u>1,423</u>	<u>1,060</u>
Residential Building Valuations	<u>\$6,554</u>	<u>\$5,678</u>	<u>\$6,021</u>	<u>\$7,127</u>	<u>\$3,485</u>
Subtotal					
Non-Residential Building Valuations					
New Industrial Buildings	\$ 64	\$ 32	\$ 28	\$ 25	\$ 129
Office Buildings	475	242	162	69	75
Store & Other Mercantile	1,338	897	170	879	348
Hotels and Motels	203	232	53	40	68
Alterations and Additions	3,404	1,241	946	2,417	1,352
Amusement and Recreation	32	2	38	3	15
Parking Garages	231	103	0	80	445
Service Stations and Repair Garages	1	72	1	6	1
Other	<u>840</u>	<u>691</u>	<u>466</u>	<u>661</u>	<u>497</u>
Non-Residential Building Valuations	<u>\$6,590</u>	<u>\$3,513</u>	<u>\$1,863</u>	<u>\$4,184</u>	<u>\$2,929</u>
Subtotal					
Total Building Valuations	<u>\$13,144</u>	<u>\$9,191</u>	<u>\$7,884</u>	<u>\$11,311</u>	<u>\$6,414</u>

⁽¹⁾ Totals may not equal sum of component parts due to rounding.

Sources: California Homebuilding Foundation | Construction Industry Research Board.

GLOSSARY OF CERTAIN TERMS AND ABBREVIATIONS

The following are definitions and abbreviations of certain terms used in this Appendix A.

“AALA” means the Associated Administrators of Los Angeles, which represents the middle managers in the District.

“ADA” means average daily attendance, a measure of pupil attendance used as the basis for providing revenue to school districts and as a measure of unit costs. ADA includes only in-seat attendance.

“CAFR” means comprehensive annual financial report.

“CalPERS” means the California Public Employees’ Retirement System, a defined benefit plan which covers classified personnel who work four or more hours per day.

“CalSTRS” means the California State Teachers’ Retirement System, a defined benefit plan which covers all full-time certificated and some classified District employees.

“CARES Act” means Coronavirus Aid, Relief and Economic Security Act.

“CDE” means the California Department of Education.

“COLA” means cost-of-living adjustments, which is used in determining the District’s funding from the State.

“Common Core” means Common Core State Standards.

“COPS” means certificates of participation.

“COVID-19” means Coronavirus Disease 2019.

“CSEA” means California School Employees Association.

“EL” means English learners, a classification for students.

“FRPM” means free or reduced-price meal.

“GASB” means the Governmental Accounting Standards Board, an operating entity of the Financial Accounting Foundation establish to set standards of financial accounting and reporting for state and local governmental entities.

“ISMP” means the Information Security Management Program.

“LACOE” means the Los Angeles County Office of Education.

“LAO” means the Legislative Analyst’s Office of the State of California.

“LASPA” means the Los Angeles Sheriff’s Professional Association.

“LASPMA” means the Los Angeles School Police Management Association.

“LCAP” means the Local Control and Accountability Plan.

“LCFF” means the Local Control Funding Formula.

“LEA” means local education agency as defined under the NCLB Act.

“LI” means students classified as foster youth.

“OCIP” means owner controlled insurance program.

“OPEB” means Other Post-Employment Benefits.

“PARS” means the Public Agency Retirement System, a defined contribution plan which covers the District’s part-time, seasonal, temporary and other employees not otherwise covered by CalPERS or CalSTRS, but whose salaries would otherwise be subject to Social Security tax.

“PEPIP” means the Public Entity Property Insurance Program, an insurance pool comprised of certain cities, counties and school districts.

“PEPRA” means the California Public Employees’ Pension Reform Act of 2013.

“PERB” means the Public Employee Relations Board.

“PLL” means pollution legal liability.

“SEIU” means Service Employees International Union.

“SUP” means School Upgrade Program.

“UAAL” means unfunded actuarial accrued liability.

“UTLA” means the United Teachers Los Angeles, which is the collective bargaining unit representing teachers and support service personnel of the District.

[Return to Order of Business](#)

TAB 9



Board of Education Report

File #: Rep-282-23/24, Version: 1

Approval of Routine Personnel Actions

June 18, 2024

Human Resources Division

Action Proposed:

Approve 17,627 routine personnel actions (including, but not limited to elections, promotions, transfers, leaves, terminations, separations, permits and approval of senior management contracts) according to the following breakdown:

Classified: 15,887
Certificated: 1,514
Unclassified: 226

Approve the following routine personnel actions (including, but not limited to elections, promotions, transfers, leaves, terminations, separations, permits and senior management contracts) be approved.

SAP transaction numbers: 3565445 to 3802611

ROUTINE PERSONNEL ACTIONS

	Total (this report) (4/03/2024 to 5/14/2024)	Total (Year-to-date)
1. Classified	15,887	64,757
2. Certificated	1,514	59,278
3. Unclassified	<u>226</u>	<u>9,295</u>
TOTAL	17,627	133,330

BREAKDOWN OF ACTIONS:

Actions	Classified	Certificated	Unclassified	Total
Hires	531	254	150	935
Leaves/Paid	334	180	0	514
Leaves/Unpaid	17	34	0	51
Reassignments/Demotions	11	0	0	11
Reassignments/Promotions	112	61	0	173
Reassignments/Transfers	98	239	3	340
Retirements	42	15	0	57

Actions	Classified	Certificated	Unclassified	Total
Separations/Non-Resignations	441	163	31	635
Separations/Resignations	191	48	35	274
Other Actions*	14,110	520	7	14,637

*Other actions include absences, conversion codes from legacy, change of pay, and change of work schedule and benefits.

REIMBURSEMENT AGREEMENT (ZERO-VALUE CONTRACT)

Approve the following reimbursement agreements be approved for the 2024-2025 school year:

<u>Agency</u>	<u>Agreement Number</u>
Regents of the University of California, UCLA Department of Statistics	HR 24/25-013
UCLA School of Education and Information Studies-Dean's Office	HR 24/25-014

The requesting agency will reimburse the District for all costs for salary and benefits for the temporary loan of the employee to the agency during the period of the detached service assignment.

Background:

This report is presented at each Board Meeting for approval of routine personnel actions.

Expected Outcomes:

Not applicable

Board Options and Consequences:

Specifically in regard to disciplinary action, a no vote may nullify the disciplinary action due to legal time constraints. A no vote impacts the timeliness of processing personnel actions for classified and certificated employees regarding their assignment, salary/rate, transfer, and new appointment and may be in conflict with procedural rights and benefits afforded them under applicable Education Code provisions, Personnel Commission Rules, District Policy, and respective Collective Bargaining Agreements (UTLA, AALA, Teamsters, Los Angeles School Police Sergeants and Lieutenants Association). Employees have procedural rights that are based on their status (permanent or probationary) associated with the specific personnel action being submitted and the respective rights available to them in accordance with the above. Additionally, based on Personnel Commission Rules, permanent classified employees have rights to appeals.

Policy Implications:

Not applicable

Budget Impact:

Cost Neutral

Student Impact:

Not applicable

File #: Rep-282-23/24, Version: 1

Equity Impact:

Not applicable

Issues and Analysis:

All actions affecting classified personnel and apprentice personnel reported herein are in accordance with Section 45123-45125, 45135, and 45240-45318 of the Education Code and with the Rules of the Personnel Commission.

Attachments:

Attachment A: Administrative Regulations 4214

Attachment B: Number of Routine Personnel Actions

Attachment C: Routine Personnel Actions

Attachment D: Senior Management Contracts


Informatives:

Reimbursement Agreement (Zero-Value Contract)

Submitted:

05/17/24

RESPECTFULLY SUBMITTED:



ALBERTO M. CARVALHO
Superintendent

APPROVED & PRESENTED BY:



FRANCISCO J. SERRATO
Chief Human Resources Officer
Human Resources Division

REVIEWED BY:



DEVORA NAVERA REED
General Counsel

☒ Approved as to form.

APPROVED BY:



PEDRO SALCIDO
Deputy Superintendent
Business Services & Operations

REVIEWED BY:



NOLBERTO DELGADILLO
Deputy Chief Business Officer, Finance

☒ Approved as to budget impact statement.

CERTIFIED BY:



DAVID GRECO
Personnel Director
Personnel Commission

Los Angeles Unified School District
Human Resources Division

ATTACHMENT A

DATE: 5/16/24

ADMINISTRATIVE REGULATION: 4214 SAP Transaction # 3565445-3802611

Each AR 4214 request has been reviewed and approved by a designee of the Superintendent.

TRANS#	NAME	FROM CLASS/LOCATION	TO CLASS	LOCATION
COMMENTS:				

NONE

Reasons For ESC Selection:

1. Special skills/special need (e.g. bilingual, school continuity, instructional expertise in literacy or math)
2. ESC recommends current limited acting incumbent
3. Reduction-in-Force (RIF)
4. Reassignment due to position closure/norm enrollment loss

LOS ANGELES UNIFIED SCHOOL DISTRICT
Personnel Commission

ATTACHMENT B

NUMBER OF ROUTINE PERSONNEL ACTIONS

This attachment addresses the total number of classified personnel actions (15,887) on the Board of Education Routine Personnel Actions Report for the June 18, 2024 meeting.

The following table represents a breakdown of the new hire, reassignment, and rehire actions for the June 18, 2024 board report for the period of April 3, 2024 to May 14, 2024.

Hire Data:

As presented in the attached table, the total number of classified hire and reassignment actions for the period of April 3, 2024 to May 14, 2024, is 1,665 of which 1,260 (76%) are rehires or reassignments, and 405 (24%) are new hires. With the exception of 190 assignments, all of the actions are for positions which are school-based or provide direct support to the schools or their operations.

All new hires to regular/permanent positions are for A, B, C, or E basis positions. The new hires consist of: Administrative Aide (2), Architectural Associate, Assistant Buyer (2), Assistant General Counsel II, Athletic Trainer, Building and Grounds Worker (7), Building/Construction Inspector, Carpenter, Data Analyst-School Police, Engineering Aide, Food Service Worker (6), Heavy Duty Bus-Truck Mechanic, IT Solutions Architect, Legal Secretary, Legislative Analyst, Library Aide (5), Medical Assistant (2), Office Technician (7), Operating Systems Specialist, Parent Education Support Assistant, Plasterer and Concrete Finisher, Plumber (4), Plumbing Inspector, Police Officer (6), School Facilities Attendant (Female) (Restricted), School Facilities Attendant (Restricted), Senior Financial Manager, Senior Legal Secretary, Senior Office Technician (2), Speech Language Pathology Assistant, Steel Inspector.

The following regular/permanent positions have been filled by promotional employees:

Administrative Analyst, Administrative Assistant (2), Area Bus Supervisor (2), Assistant Plant Manager I, Building and Grounds Worker (3), Cyber Security Engineer II, Deputy Budget Director (2), Deputy Controller, Early Education Center Office Manager, Environmental Safety Officer (2), Health Care Assistant (3), Human Resources Specialist III (4), Information Systems Security Assistant, Light Bus Driver, Migrant Program Technician, Network Operations Center Analyst (2), Office Technician (5), Paralegal, Parent Education Support Assistant, Plant Manager I (3), Plumber, Police Officer, Program and Policy Development Coordinator, School Administrative Assistant, Senior Financial Analyst (4), Senior Food Service Worker (10), Senior Locksmith, Senior Office Technician (3), Senior Secretary, Site Assessment Program Administrator, Special Education Assistant (39), Speech Language Pathology Assistant, Supervising Special Education Assistant.

Hire Data of All Classified Employees								
From April 3, 2024 to May 14, 2024								
By New Hire, Reassignment, and Rehire								
Classification	Prov	Reg / Perm	Restr	Return Retiree	Subs	Temp 1GXX	Temp	Grand Total
NEW HIRE								
Accounting Technician II					2			2
Administrative Aide		2						2
Architectural Associate		1						1
Assistant Buyer		2					1	3
Assistant General Counsel II		1						1
Athletic Trainer		1						1
Athletics Assistant					4			4
Building and Grounds Worker		7			29			36
Building/Construction Inspector		1						1
Campus Aide (Female/Restricted)			1					1
Campus Aide (Restricted)			20					20
Carpenter		1						1
Community Representative C and (Restricted)			5			2		7
Data Analyst, School Police		1						1
Early Education Center Aide I & (Restricted)					79			79
Education Aide III & (Restricted)			3					3
Engineering Aide		1						1
Financial Analyst							1	1
Food Service Manager II					1			1
Food Service Worker		6			22			28
Food Service Worker II (Driving)							1	1
Heavy Duty Bus-Truck Mechanic		1						1
Instructional Aide (Literacy) & (Restricted)			1					1
Instructional Aide (Math) & (Restricted)			1					1
Instructional Aide (Transitional Kindergarten) & (Restricted)			3					3
Instructional Aide I & (Restricted)			4					4
Interpreting Equipment Technician					1			1
IT Solutions Architect		1						1
Labor Compliance Technician					1			1
Legal Secretary		1						1
Legislative Analyst		1						1
Library Aide		5						5
Medical Assistant		2						2
Office Technician		7			7		1	15
Operating Systems Specialist		1						1
Out-of-School Program Supervisor and (Restricted)						14		14

Hire Data of All Classified Employees								
From April 3, 2024 to May 14, 2024								
By New Hire, Reassignment, and Rehire								
Classification	Prov	Reg / Perm	Restr	Return Retiree	Subs	Temp 1GXX	Temp	Grand Total
Out-of-School Program Worker and (Restricted)						36		36
Parent Education Support Assistant		1						1
Plasterer and Concrete Finisher		1						1
Plumber		4						4
Plumbing Inspector		1						1
Police Officer		6						6
School Facilities Attendant (Female) (Restricted)		1						1
School Facilities Attendant (Restricted)		1						1
School Supervision Aide and (Restricted)			17					17
Senior Financial Manager		1						1
Senior Food Service Worker							1	1
Senior Legal Secretary		1						1
Senior Office Technician		2			1			3
Special Education Assistant					49			49
Special Education Trainee					30			30
Speech Language Pathology Assistant		1						1
Steel Inspector		1						1
Stock Clerk (Music)					1			1
Stringed Instrument Technician					1			1
Student Integration Helper & (Restricted)			1					1
New Hire Total		64	56		228	52	5	405
REASSIGNMENT								
Accounting Technician II	1	1						2
Administrative Analyst		2					1	3
Administrative Assistant		2					1	3
Administrative Staff Aide							1	1
Area Bus Supervisor		2					1	3
Area Food Services Supervisor	2							2
Assignment Technician		1			2			3
Assistant Area Bus Supervisor							1	1
Assistant Buyer							1	1
Assistant General Counsel II		1						1
Assistant Plant Manager I		3					4	7
Assistant Plant Manager II							1	1
Associate IT Solutions Architect							2	2
Athletics Assistant					1			1

Hire Data of All Classified Employees								
From April 3, 2024 to May 14, 2024								
By New Hire, Reassignment, and Rehire								
Classification	Prov	Reg / Perm	Restr	Return Retiree	Subs	Temp 1GXX	Temp	Grand Total
Building and Grounds Worker		23			131		2	156
Bus Dispatcher	2							2
Buyer							2	2
Campus Aide (Female/Restricted)			1					1
Campus Aide (Restricted)		5	4				1	10
Chief of Police	1							1
Community Representative C and (Restricted)			3					3
Construction Manager	4	1						5
Contract Administration Analyst		1					1	2
Cyber Security Engineer II		1						1
Data Analyst, School Police		1						1
Deputy Budget Director		2						2
Deputy Controller		1						1
Director of Facilities Project Execution	1							1
Early Education Center Aide I & (Restricted)		6	59		13			78
Early Education Center Attendant		1						1
Early Education Center Office Manager	1	1						2
Education Aide III (Spanish Language/Restricted)			1					1
Educational Resource Aide (Restricted)							1	1
Engineering Aide		1						1
Environmental Safety Officer		2						2
Financial Analyst		3						3
Food Service Manager I	20	6					1	27
Food Service Manager II	14	5					2	21
Food Service Manager III	1							1
Food Service Manager IV	1	1					1	3
Food Service Manager V	4	1					3	8
Food Service Manager VI	3							3
Food Service Manager VII	1							1
Food Service Worker		94			8			102
Food Service Worker II (Driving)	1	2					1	4
Health Care Assistant		8					1	9
Heavy Bus Driver		1						1
Human Resources Specialist II	1							1
Human Resources Specialist III	1	4						5
Infant Care Aide and (Restricted)			1					1
Information Systems Security Assistant		1						1
Instructional Aide (Math) & (Restricted)			1				1	2

Hire Data of All Classified Employees								
From April 3, 2024 to May 14, 2024								
By New Hire, Reassignment, and Rehire								
Classification	Prov	Reg / Perm	Restr	Return Retiree	Subs	Temp 1GXX	Temp	Grand Total
Instructional Aide (Transitional Kindergarten) & (Restricted)			12				17	29
Instructional Aide for Students Who Are Deaf and Hard-of-Hearing-Signing		1						1
Instructional Aide I & (Restricted)			3				4	7
Interior Designer							1	1
Inventory Control Analyst							1	1
IT Administrator, Shared Technical Services							1	1
Library Aide		2						2
Light Bus Driver		20						20
Maintenance Worker		1						1
Migrant Program Technician		1						1
Network Operations Center Analyst		2						2
Office Technician		14			4		11	29
Office Technician (Korean Language)		1						1
Out-of-School Program Supervisor and (Restricted)						2		2
Out-of-School Program Worker and (Restricted)						2		2
Paralegal		1						1
Parent Education Support Assistant		2						2
Payroll Specialist I					1			1
Pest Management Technician		1						1
Plant Manager I		5					6	11
Plant Manager II							2	2
Plant Manager III							2	2
Plumber		3						3
Police Officer		1						1
Principal Financial Analyst	1							1
Program and Policy Development Coordinator		1						1
Project Engineer	9							9
Regional Facilities Director		1						1
School Administrative Assistant		3		1	1		3	8
School Climate Advocate & (Restricted)			3				1	4
School Facilities Attendant (Restricted)		3			3			6
School Supervision Aide and (Restricted)			1				5	6
Senior Accounting Analyst	1	1						2
Senior Financial Analyst		7					1	8
Senior Fiscal Specialist	1							1
Senior Food Service Worker	11	48					7	66

Hire Data of All Classified Employees								
From April 3, 2024 to May 14, 2024								
By New Hire, Reassignment, and Rehire								
Classification	Prov	Reg / Perm	Restr	Return Retiree	Subs	Temp 1GXX	Temp	Grand Total
Senior Heating and Air Conditioning Fitter		1						1
Senior Locksmith		1						1
Senior Office Technician		9					8	17
Senior Records and Archive Technician	1							1
Senior Secretary		2						2
Senior Window/Wall Washer		1						1
Sign Language Interpreter		1						1
Site Assessment Program Administrator		1						1
Special Education Assistant		183			75		35	293
Special Education Trainee		1		3	54		7	65
Speech Language Pathology Assistant		1					1	2
Stock Worker		1						1
Supervising Clerk		1						1
Supervising Personnel Clerk							1	1
Supervising Special Education Assistant		2					2	4
Transportation Planner							1	1
Transportation Router							6	6
Reassignment Total	83	508	89	4	293	4	153	1,134
REHIRE								
Accounting Technician II					1			1
Building and Grounds Worker					9			9
Campus Aide (Female/Restricted)			1					1
Campus Aide (Restricted)			2					2
Communication Support Assistant					2			2
Early Education Center Aide I & (Restricted)		2			17			19
Electrician		1						1
Food Service Manager I					1			1
Food Service Worker		3			8			11
Health Care Assistant		2						2
Heavy Bus Driver		1						1
Information Systems Business Analyst		1						1
Instructional Aide (Math) & (Restricted)			1					1
Instructional Aide for Students Who Are Deaf and Hard-of-Hearing-Signing		1						1
Instructional Aide I & (Restricted)			2					2
Instructional Aide-Computer Lab		1						1

Hire Data of All Classified Employees								
From April 3, 2024 to May 14, 2024								
By New Hire, Reassignment, and Rehire								
IT Support Technician		1						1
Library Aide		1						1
Light Bus Driver		1						1
Office Technician		2			3			5
Out-of-School Program Supervisor and (Restricted)						2		2
Out-of-School Program Worker and (Restricted)						13		13
Police Officer		1						1
School Supervision Aide and (Restricted)		1	5					6
Senior Assignment Technician		1						1
Special Education Assistant		6			16			22
Special Education Trainee					17			17
Rehire Total		26	11		74	15		126
GRAND TOTAL	83	598	156	4	595	71	158	1,665

Summary

Temporary and Substitute employees are often needed for short periods of time to assume responsibilities for regular employees when they are unavailable; they are not intended to replace regular employees for an extended period of time. Positions for several classifications, such as Education Aides and Instructional Aides, are typically filled by restricted status employees.

LOS ANGELES UNIFIED SCHOOL DISTRICT
Human Resources Division

ATTACHMENT C

ROUTINE PERSONNEL ACTIONS

The Human Resources Division reports 254 certificated new hires during the time period covered by this report and a summary list of hires appears below. The 254 certificated new hires serve at schools and programs throughout the District and are comprised of both former employees selected from rehire lists and newly employed certificated employees. Substitute teachers continue to be hired to ensure increased coverage capacity for teacher absences.

Adult Education Teacher, Day-to-Day Substitute	3
Arts Education Itinerant	1
Counselor, Pupil Services & Attendance	3
Early Childhood Ed Teacher	2
Early Childhood Ed Teacher, Substitute	4
Elementary Teacher	4
Elementary Teacher, Day-to-Day Substitute	144
K-12 Adaptive PE Teacher	1
Psychiatric Social Worker	1
ROC/ROP Teacher	1
School Counselor	2
School Nurse	45
School Nurse, Day-to-Day Substitute	1
Secondary Teacher	6
Special Education Teacher	1
Speech & Language Pathologist	2
Teacher Assistant-Degree Track	33

LOS ANGELES UNIFIED SCHOOL DISTRICT
Human Resources Division

ATTACHMENT D

ROUTINE PERSONNEL ACTIONS – SENIOR MANAGEMENT

Approval of contract of employment for senior management employees appointed by the Board of Education in closed session on May 07, 2024 and June 04, 2024. See attached list.

SENIOR MANAGEMENT CONTRACTS

1027

May 07, 2024

(NEW)

NAME	TITLE	SERVICE	START DATE	END DATE	**STEP	ANNUAL SALARY	AUTO/ALLOWANCE/ OTHER
Issam Dahdul	Deputy Director of Facilities Planning and Development	Classified	5/8/2024	6/30/2026	4 of 5	\$212,641.92	Automobile or \$250 per month
Joel Cisneros	Executive Director, Student Mental Health and Wellness Services	Certificated	5/8/2024	6/30/2025 +	Fixed Rate	\$201,449.76	Automobile or \$250 per month
Gerardo Cervantes	Executive Director, Federal & State Education Programs	Certificated	5/8/2024	6/30/2026	Fixed Rate	\$201,449.76	Automobile or \$250 per month
Jose Soto	Executive Director, Special Education	Certificated	5/8/2024	6/30/2026	Fixed Rate	\$201,449.76	Automobile or \$250 per month
Robert A. Samples	Director of Labor Relations	Classified	5/8/2024	6/30/2025	5 of 5	\$254,436.12	Automobile or \$250 per month
Carolyn Spaht Gonzalez	Chief of Staff	Classified	7/1/2024	6/30/2026	5 of 5	\$297,062.52	Automobile or \$250 per month

+Indicates that contract will be automatically renewed upon positive evaluation

* Employees who are in classifications with steps and are not at top step are eligible for an increase during contract.

SENIOR MANAGEMENT CONTRACTS
May 07, 2024
(RENEWALS)

NAME	TITLE	SERVICE	START DATE	END DATE	*STEP	*ANNUAL SALARY	AUTO/ ALLOWANCE
Abrahams, Keith	Executive Director, Student Integration Services	Certificated	07/01/24	06/30/26	Fixed Rate	\$207,493.00	Automobile or \$250 per month
Alvarez, Martha	Chief of Legislative Affairs and Governmental Relations	Classified	07/01/24	06/30/26	5/5	\$233,011.56	Automobile or \$250 per month
Atienza, Tony	Director of Budget Services and Financial Planning	Classified	07/01/24	06/30/26	5/5	\$233,011.56	Automobile or \$250 per month
Baca, David	Regional Superintendent	Certificated	07/01/24	06/30/26	5/5	\$283,450.00	Automobile or \$250 per month
Baez, Frances	Chief Academic Officer	Certificated	07/01/24	06/30/26	Fixed Rate	\$272,750.00	Automobile or \$250 per month
Ballardo, Jorge	Deputy Chief Procurement Officer (Facilities)	Classified	07/01/24	06/30/26	5/5	\$230,381.28	Automobile or \$250 per month
Boehm, Steve	Deputy Director of Facilities Project Execution	Classified	07/01/24	06/30/26	5/5	\$238,248.00	Automobile or \$250 per month
Bradburn, Dennis	Deputy Director of Facilities Maintenance and Operations	Classified	07/01/24	06/30/26	5/5	\$228,792.00	Automobile or \$250 per month
Bridgewater, Aaron Cory	Director of Facilities Planning and Development	Classified	07/01/24	06/30/25	5/5	\$254,354.88	Automobile or \$250 per month
Camacho, Mary Lu	Senior Administrator, IT Customer Support	Classified	07/01/24	06/30/26	5/5	\$252,955.20	Automobile or \$250 per month
Chait, Andres E.	Chief of School Operations	Certificated	07/01/24	06/30/26	Fixed Rate	\$272,750.00	Automobile or \$250 per month
Chau, Derrick	Senior Executive Director, Strategy and Innovation	Certificated	07/01/24	06/30/26	Fixed Rate	\$223,815.00	Automobile or \$250 per month
Cho, Mark	Deputy Director of Facilities, Maintenance and Operations	Classified	07/01/24	06/30/26	5/5	\$228,792.00	Automobile or \$250 per month

*Employees who are in classifications with steps and have not yet achieved the top step may receive an increase during the term of the agreement. Such step increases are generally, though not always 5.5%.

SENIOR MANAGEMENT CONTRACTS
May 07, 2024
(RENEWALS)

NAME	TITLE	SERVICE	START DATE	END DATE	*STEP	*ANNUAL SALARY	AUTO/ ALLOWANCE
Garcia, Greg	Director of Facilities Projects Execution	Classified	07/01/24	06/30/26	5/5	\$264,455.04	Automobile or \$250 per month
Hastings, Peter	Executive Director, Human Resources (Staff Relations)	Certificated	07/01/24	06/30/25	Fixed Rate	\$201,449.00	Automobile or \$250 per month
Hernandez, Marcos	Associate General Counsel II	Classified	07/01/24	06/30/26	5/5	\$259,524.84	Automobile or \$250 per month
Huerta, Jose	Regional Superintendent	Certificated	07/01/24	06/30/25	5/5	\$283,450.00	Automobile or \$250 per month
Huynh, My	Associate General Counsel II	Classified	07/01/24	06/30/26	5/5	\$259,524.84	Automobile or \$250 per month
Jimenez, Jaime	General Manager, KLCS	Classified	07/01/24	06/30/26	5/5	\$220,843.56	Automobile or \$250 per month
Johnston, William R.	Executive Director, Office of Data and Accountability	Classified	07/01/24	06/30/26	5/5	\$224,005.44	Automobile or \$250 per month
Kang, Daniel	Director of Transportation	Classified	07/01/24	06/30/25	3/5	\$211,509.48	Automobile or \$250 per month
Lee, Sung Yon	Deputy Chief Business Officer, Operations	Classified	07/01/24	06/30/26	5/5	\$264,455.04	Automobile or \$250 per month
Loxton, Deborah	Executive Director, Beyond the Bell Programs	Classified	07/01/24	06/30/25	Fixed Rate	\$244,005.44	Automobile or \$250 per month
Malhotra, Smita	Chief Medical Director	Classified	07/01/24	06/30/26	5/5	\$298,401.00	Automobile or \$250 per month
Miller, Mark A.	Associate General Counsel II	Classified	07/01/24	06/30/26	5/5	\$259,524.84	Automobile or \$250 per month
Neyra, Renny L.	Executive Director, Adult and Career Education	Certificated	07/01/24	06/30/26	Fixed Rate	\$207,493.00	Automobile or \$250 per month

*Employees who are in classifications with steps and have not yet achieved the top step may receive an increase during the term of the agreement. Such step increases are generally, though not always 5.5%.

SENIOR MANAGEMENT CONTRACTS
May 07, 2024
(RENEWALS)

NAME	TITLE	SERVICE	START DATE	END DATE	*STEP	*ANNUAL SALARY	AUTO/ ALLOWANCE
Pomakian, Mampre	Associate General Counsel II	Classified	07/01/24	06/30/26	5/5	\$259,524.84	Automobile or \$250 per month
Salcido, Pedro	Deputy Superintendent, Business Services & Operations	Classified	07/01/24	06/30/26	3/3	\$370,017.36	Automobile or \$250 per month
Singh, Manish	Director of Food Services	Classified	07/01/24	06/30/26	5/5	\$233,908.44	Automobile or \$250 per month
Stephens, Lydia Acosta	Executive Director, Multilingual and Multicultural Education	Certificated	07/01/24	06/30/26	Fixed Rate	\$207,493.00	Automobile or \$250 per month
Tagawa, Dean	Executive Director, Early Childhood Education	Certificated	07/01/24	06/30/26	Fixed Rate	\$207,493.00	Automobile or \$250 per month
Tatevossian, David	Deputy Director of Facilities Project Execution	Classified	07/01/24	06/30/26	5/5	\$238,248.00	Automobile or \$250 per month
Torrens, Jaime	Senior Advisor to the Superintendent	Classified	07/01/24	06/30/26	5/5	\$356,997.24	Automobile or \$250 per month
Torres, Carlos	Director of Environmental Health & Safety	Classified	07/01/24	06/30/26	5/5	\$233,908.44	Automobile or \$250 per month
Vladovic, John	Executive Director, Secondary Education	Certificated	07/01/24	06/30/26	Fixed Rate	\$201,449.00	Automobile or \$250 per month
Watkins, Dawn	Chief Risk Officer	Classified	07/01/24	06/30/25	3/5	\$217,532.16	Automobile or \$250 per month
Webb, Alfonzo	Senior Director, School Culture, Climate and Safety	Certificated	07/01/24	06/30/26	Fixed Rate	\$233,815.00	Automobile or \$250 per month
Wherritt, Amanda	Deputy Chief of Staff	Classified	07/01/24	06/30/26	5/5	\$245,943.60	Automobile or \$250 per month
Whitman, Robert	Education Transformation Officer	Certificated	07/01/24	06/30/26	Fixed Rate	\$238,720.00	Automobile or \$250 per month

*Employees who are in classifications with steps and have not yet achieved the top step may receive an increase during the term of the agreement. Such step increases are generally, though not always 5.5%.

SENIOR MANAGEMENT CONTRACTS

June 4, 2024

1031

NAME	TITLE	SERVICE	START DATE	END DATE	**STEP	ANNUAL SALARY	AUTO/ALLOWANCE/OTHER
Karla V. Estrada	Deputy Superintendent of Instruction	Certificated	7/1/2024	6/30/2026	3 of 3	\$370,017.36	Automobile or \$250 per month / ACSA, CMAA, AAPA, COBA Membership
Anthony Aguilar	Chief of Special Education and Specialized Programs	Certificated	7/1/2024	6/30/2025 +	Fixed Rate	\$272,750.00	Automobile or \$250 per month
Veronica Arreguin	Chief Strategy Officer	Certificated	7/1/2024	6/30/2026	Fixed Rate	\$272,750.00	Automobile or \$250 per month
Kristen Murphy	Associate Superintendent, Talent	Certificated	7/1/2024	6/30/2026	Fixed Rate	\$327,000.00	Automobile or \$250 per month

+Indicates that contract will be automatically renewed upon positive evaluation

* Employees who are in classifications with steps and are not at top step are eligible for an increase during contract.

INTEROFFICE CORRESPONDENCE
Los Angeles Unified School District
Human Resources Division

Board of Education Report
No. 282-23/24
For 6/18/24 Board Meeting

INFORMATIVE

DATE: June 18, 2024

TO: Members, Board of Education
Alberto M. Carvalho, Superintendent

FROM: Francisco J. Serrato, Ed.D.
Chief Human Resources Officer

SUBJECT: REIMBURSEMENT AGREEMENT (ZERO-VALUE CONTRACT)

This informative provides information regarding the reimbursement agreements for detached service assignments recommended for approval for the 2024-2025 school year.

<u>Agency</u>	<u>Agreement Number</u>	<u>Employee</u>	<u>Reimbursable Salary and Benefits for 2024-2025</u>	<u>Position serving for the Agency</u>
Regents of the University of California, UCLA Department of Statistics	HR 24/25-013	Joy Min	\$165,381	Introduction to Data Science Coach
UCLA School of Education and Information Studies-Dean's Office	HR 24/25-014	Alison Yoshimoto-Towery	\$230,495	Executive Director of the UC/CSU Collaborative

The District will benefit when the employee returns to the District and utilizes the knowledge, strategies, and leadership skills gained during the Detached Service assignment.

If you have any questions or concerns, please feel free to e-mail me.

Attachments

c: Kristen K. Murphy	Patricia Chambers
Pedro Salcido	Pia Sadapatmal
Devora Navera Reed	Sasha Lopez
Karla V. Estrada	Carol Delgado
Jaime Torrens	Michael McLean
Amanda Wherritt	Maria Voigt

INTEROFFICE CORRESPONDENCE

Los Angeles Unified School District
Human Resources Division

TO: All Persons Listed Below

DATE: May 9, 2024

FROM: Maria Voigt, Administrator
Human Resources Division

SUBJECT: **REQUEST TO PROCESS AN ASSIGNMENT FOR A DETACHED SERVICE
REIMBURSEMENT AGREEMENT WITH THE REGENTS OF THE UNIVERSITY OF
CALIFORNIA, UCLA DEPARTMENT OF STATISTICS, 2024-2025**

This is to request that an assignment be processed between the District and the Regents of the University of California, UCLA Department of Statistics to provide a full-time Detached Service assignment for the following employee:

Employee Name	E.N.	Salary	Paid Days	Job Code
Joy Min	800208	Preparation Salary (T)	204 paid days (C6)	11100736

The effective period of the Detached Service assignment is July 1, 2024 through June 30, 2025. During this time, Ms. Min will be released from her full-time District assignment to serve as an Introduction to Data Science Coach for UCLA Department of Statistics.

Ms. Min's full salary and benefits will continue to be paid by the District, and UCLA Department of Statistics will reimburse the District for all salary and benefits costs for the period specified above, including a service fee. Reimbursement will include health and welfare, retirement, unemployment insurance, and worker's compensation.

Budget Division will establish revenue and budget authority to set-up the position using fund 010, program code 10700 – Employee Loaned to Other Agencies. General Accounting will process the appropriate accounting lines for billing and payment procedures.

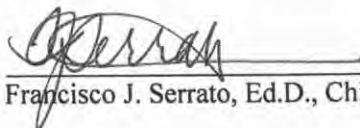
Ms. Min will be time reported from the Personnel Services and Research Branch (Division 53, Location 0599) during the period on loan.

For A basis employees, all vacation hours accrued during the period of the Detached Service assignment must be used in full prior to the end of the assignment. The District is not liable for any vacation hours accrued and not used during the Detached Service assignment.

The service fee is approximate and subject to adjustment. The employee listed above will be subject to any salary adjustments/furlough days that may be approved by the Board and/or Superintendent for employees for the 2024-2025 school year.

Please e-mail me at maria.voigt@lausd.net if clarification is needed.

Approved:



Francisco J. Serrato, Ed.D., Chief Human Resources Officer

5/16/2024
Date

MV/jrt

Attachments: Letter of Agreement, HR Form 1065, Cost Estimate

c: F. Serrato
L. Hannah
M. Salazar
M. Garza

A. Carrillo
T. Chen
J. Torralba
K. Ou

C. Crawford
E. Mirano
R. Ta
C. Ryu, UCLA

J. Min

LOS ANGELES UNIFIED SCHOOL DISTRICT

LETTER OF AGREEMENT For Temporary Loan of Employee

The Regents of the University of California, UCLA requests the temporary loan of services
(Requesting Agency)

of Joy Min 800208 commencing effective
(Employee) (Employee No.)

July 1, 2024 through June 30, 2025

The employee's full salary and benefits will continue to be paid by the District, and the requesting agency (Agency) will reimburse the District for all such costs, for the period specified above. Reimbursement will include a minimum 3% annual service fee and any increases or decreases during the period of the agreement arising from increases or decreases in employee salary, benefits, and/or number of work days. The employee listed above will be subject to any salary adjustments that may be approved by the Board and/or Superintendent for the period specified above. The employee is entitled to all leaves, holidays, and vacation days which fall within the employee's assignment basis, for which eligible. District shall submit to Agency itemized invoices indicating the service fee and benefit payments to be reimbursed, such reimbursement to be due upon submission of the invoice.

For A Basis employees, all vacation hours earned during the period on Organization Leave or Detached Service must be used prior to completion of that assignment and return to the District. The District will not assume liability for any unused vacation balance earned during the Organization Leave/Detached Service.

This agreement shall not be terminated prior to the ending date specified above without the mutual written agreement of both the District and the Agency.

Agency shall provide the District with a written attendance report at the end of each pay period.

District shall notify Agency of any changes to employee's salary or benefits.

Length of base work year for reimbursement (No. of Paid Days): 204(C) ☒ 221(B) ☐ 234(E) ☐ 261(A) ☐

Work hours per day: 6 hours ☒ 8 hours ☐

No. of additional paid days, if applicable:

Salary for reimbursement includes coordinating differential, if eligible: Yes ☐ No ☒

The employee will be released from the employee's District position and placed on a Detached Service/Paid Organization Leave assignment to serve as Introduction to Data Science Coach (title) and perform services for Agency as described in the Statement of Duties on page 2. While on Detached Service/Paid Organization Leave, the employee will maintain all required credentials and certifications valid, as required of the position from which on leave.

Name of Requesting Agency: Regents of the University of California, UCLA

Address Department of Statistics & Data Science, 520 Portola Plaza, 8125 Math Sciences Bldg., Box 951554

City Los Angeles Zip 90095-1554

Contact Person Chie Ryu Tel 310-560-1582

Email chie.ryu@stat.ucla.edu Fax

Payroll Time Reporter Chie Ryu Tel 310-560-1582

Email chie.ryu@stat.ucla.edu Fax

Address for Time Reporter 520 Portola Plaza, 8125 Math Sciences Bldg., Box 951554

City Los Angeles Zip 90095-1554

Letter of Agreement Statement of Duties

Requesting Agency Regents of the University of California, UCLA Employee Name Joy Min Employee No. 800208

If approved, the employee will be released from the employee's District position and placed on a Detached Service assignment to perform the following services for Agency. Describe how these services will mutually benefit the District and to what percent these services will comprise the work year. (Attach additional pages if necessary.)

Ms. Min will serve as Introduction to Data Science coach for the UCLA Department of Statistics & Data Science.

In this capacity, Ms. Min will support teachers by deepening their content and pedagogical knowledge,
add to their tool box of instructional strategies, strengthening their understanding of how different students learn,
helping them use data-driven inquiry, and support educators in becoming self-directed and resourceful in their practice.

Ms. Min will also work to strengthen the curriculum and professional learning associated with data science

teaching and learning. As part of the IDS teacher support team, Ms. Min will receive opportunities to strengthen

her own coaching and teaching practice through trainings such as Cognitive Coaching, Adaptive Schools,

and professional development through the Department of Statistics. These learning experiences will be of

benefit to the LAUSD as Ms. Min can always call on them to continue supporting teachers and students

upon her return to LAUSD. This position compromises 100% of the work year.

Both the District and the Agency shall maintain general liability, property damage, workers' compensation, and vehicle insurance or self-insurance, in amounts adequate to protect the District and the Agency as their interests may appear.

Each party hereto agrees to indemnify and hold the other party harmless from all liability for damage, actual or alleged, to persons or property arising out of the performance of this Agreement, but only in proportion to the extent such liability is caused by or results from the negligent or intentional acts or omissions of the indemnifying party. Agency shall be liable for any personal injury or property damage claim arising while employee is on detached leave and performing services for Agency in accordance with California law. Agency will indemnify and defend LAUSD should such a claim be mistakenly brought against LAUSD under the Government Claims Act.

LAUSD administrator familiar with the Program/Services to be performed by employee during proposed loan:

Name of LAUSD Administrator (Print) _____ Region/Division _____ Telephone No. _____

Employee will perform services at LAUSD sites: Often _____ Sometimes _____ Rarely _____ Other _____

District sites where services will be performed, if applicable: Schools/Region _____

FOR REQUESTING AGENCY:

I certify that I have fiscal authority to approve this Letter of Agreement on behalf of Agency, and that Agency has authorized funding for reimbursement as specified above. I understand that this is a legally binding document.

Chie Ryu _____ Chief Administrative Officer _____ 5-9-2024
Name (Print) _____ Title _____ Date _____
Signature Chie Ryu Tel 310-560-1582 Email chie.ryu@stat.ucla.edu

Complete and return original to: Los Angeles Unified School District, Human Resources Division
Administrative Assignments Unit
333 S. Beaudry Ave., 14th Floor, Los Angeles, CA 90017
Attention: Maria Voigt, Administrator
May be emailed to maria.voigt@lausd.net, but original must be received by U.S. mail.

FOR LAUSD:

Francisco J. Serrato
Francisco J. Serrato, Ed.D.
Chief Human Resources Officer

5/16/2024
Date

INTEROFFICE CORRESPONDENCE

Los Angeles Unified School District
Human Resources Division

TO: All Persons Listed Below

DATE: May 15, 2024

FROM: Maria Voigt, Administrator
Human Resources Division

SUBJECT: **REQUEST TO PROCESS AN ASSIGNMENT FOR A DETACHED SERVICE
REIMBURSEMENT AGREEMENT WITH THE UCLA SCHOOL OF EDUCATION AND
INFORMATION STUDIES-DEAN'S OFFICE, 2024-2025**

This is to request that an assignment be processed between the District and UCLA School of Education and Information Studies-Dean's Office to provide a full-time Detached Service assignment for the following employee:

Employee Name	E.N.	Salary	Paid Days	Job Code
Alison Yoshimoto-Towery	651174	Master Salary (G)	234 paid days (E8)	13100650

The effective period of the Detached Service assignment is July 1, 2024 through June 30, 2025. During this time, Ms. Yoshimoto-Towery will be released from her full-time District assignment to serve as Executive Director of the UC/CSU Collaborative for UCLA School of Education and Information Studies-Dean's Office.

Ms. Yoshimoto-Towery's full salary and benefits will continue to be paid by the District, and UCLA School of Education and Information Studies-Dean's Office will reimburse the District for all salary and benefits costs for the period specified above, including a service fee. Reimbursement will include health and welfare, retirement, unemployment insurance, and worker's compensation.

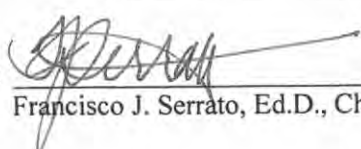
Budget Division will establish revenue and budget authority to set-up the position using fund 010, program code 10700 – Employees Loaned to Other Agencies. General Accounting will process the appropriate accounting lines for billing and payment procedures.

Ms. Yoshimoto-Towery will be time reported from the Personnel Services and Research Branch (Division 53, Location 0599) during the period on loan.

For A basis employees, all vacation hours accrued during the period of the Detached Service assignment must be used in full prior to the end of the assignment. The District is not liable for any vacation hours accrued and not used during the Detached Service assignment.

The service fee is approximate and subject to adjustment. The employee listed above will be subject to any salary adjustments/furlough days that may be approved by the Board and/or Superintendent for employees for the 2024-2025 school year.

Please e-mail me at maria.voigt@lausd.net if clarification is needed.

Approved: 

Francisco J. Serrato, Ed.D., Chief Human Resources Officer

5/16/2024
Date

MV/jrt

Attachments: Letter of Agreement, HR Form 1065, Cost Estimate

c: F. Serrato
T. Chen
J. Torralba
A. Cruz

K. Ou
C. Crawford
E. Mirano
R. Ta

K. Breen, UCLA
S. Thakur, UCLA
A. Yoshimoto-Towery

LOS ANGELES UNIFIED SCHOOL DISTRICT**LETTER OF AGREEMENT
For Temporary Loan of Employee**

The UCLA School of Education and Information Studies requests the temporary loan of services
(Requesting Agency)

of Alison Yoshimoto-Towery 651174 commencing effective
(Employee) (Employee No.)

7/1/2024 through 6/30/2025

The employee's full salary and benefits will continue to be paid by the District, and the requesting agency (Agency) will reimburse the District for all such costs, for the period specified above. Reimbursement will include a minimum 3% annual service fee and any increases or decreases during the period of the agreement arising from increases or decreases in employee salary, benefits, and/or number of work days. The employee listed above will be subject to any salary adjustments that may be approved by the Board and/or Superintendent for the period specified above. The employee is entitled to all leaves, holidays, and vacation days which fall within the employee's assignment basis, for which eligible. District shall submit to Agency itemized invoices indicating the service fee and benefit payments to be reimbursed, such reimbursement to be due upon submission of the invoice.

For A Basis employees, all vacation hours earned during the period on Organization Leave or Detached Service must be used prior to completion of that assignment and return to the District. The District will not assume liability for any unused vacation balance earned during the Organization Leave/Detached Service.

This agreement shall not be terminated prior to the ending date specified above without the mutual written agreement of both the District and the Agency.

Agency shall provide the District with a written attendance report at the end of each pay period.

District shall notify Agency of any changes to employee's salary or benefits.

Length of base work year for reimbursement (No. of Paid Days): 204(C) ____ 221(B) ____ 234(E) ☒ 261(A) ____
Work hours per day: 6 hours ____ 8 hours ☒
No. of additional paid days, if applicable: ____

Salary for reimbursement includes coordinating differential, if eligible: Yes ____ No ____

The employee will be released from the employee's District position and placed on a Detached Service/Paid Organization Leave assignment to serve as Executive Director, UC/CSU Collaborative (title) and perform services for Agency as described in the Statement of Duties on page 2. While on Detached Service/Paid Organization Leave, the employee will maintain all required credentials and certifications valid, as required of the position from which on leave.

Name of Requesting Agency: UCLA School of Education and Information Studies

Address 2005 Moore Hall, 457 Portola Plaza

City Los Angeles Zip 90095

Contact Person Sarika Thakur Tel 310-825-1881

Email thakur@gseis.ucla.edu Fax ____

Payroll Time Reporter Karla Breen Tel 310-206-0202

Email breen@gseis.ucla.edu Fax ____

Address for Time Reporter Same as above

City Los Angeles Zip 90095

Letter of Agreement Statement of Duties

Requesting Agency UCLA School of Education and Information Studies Employee Name Alison Yoshimoto-Towery Employee No. 651174

If approved, the employee will be released from the employee's District position and placed on a Detached Service assignment to perform the following services for Agency. Describe how these services will mutually benefit the District and to what percent these services will comprise the work year. (Attach additional pages if necessary.)

Serve as Executive Director in the UC/CSU Collaborative, an initiative focused on using emerging research to inform better practices for California's children with learning deficiencies. As Executive Director, Ms. Towery oversees the Collaborative that consists of UC and CSU campuses. This Collaborative works with California schools including LAUSD. The work of the Collaborative started with small sets of schools, but with the help of Alison in her role, LAUSD sites will be integrated into new pilot training program pre-service and in-service teachers and school site leaders. The Collaborative also plans to expand its integration of technology in how students learn in special education programs and neurodiverse learning environments that would better inform research and learning. This detached service opportunity will benefit the district as Ms. Towery will be the lead in connecting the Collaborative resources with district schools. Her expertise of the district will inform how the Collaborative services LAUSD and its various partners. Ms. Towery's last Principal assignment was at Level 43G, and she would like to be considered for a detached service at that level.

Both the District and the Agency shall maintain general liability, property damage, workers' compensation, and vehicle insurance or self-insurance, in amounts adequate to protect the District and the Agency as their interests may appear.

Each party hereto agrees to indemnify and hold the other party harmless from all liability for damage, actual or alleged, to persons or property arising out of the performance of this Agreement, but only in proportion to the extent such liability is caused by or results from the negligent or intentional acts or omissions of the indemnifying party. Agency shall be liable for any personal injury or property damage claim arising while employee is on detached leave and performing services for Agency in accordance with California law. Agency will indemnify and defend LAUSD should such a claim be mistakenly brought against LAUSD under the Government Claims Act.

LAUSD administrator familiar with the Program/Services to be performed by employee during proposed loan:

Name of LAUSD Administrator (Print) _____ Region/Division _____ Telephone No. _____

Employee will perform services at LAUSD sites: Often _____ Sometimes _____ Rarely ☒ Other _____

District sites where services will be performed, if applicable: Schools/Region _____

FOR REQUESTING AGENCY:

I certify that I have fiscal authority to approve this Letter of Agreement on behalf of Agency, and that Agency has authorized funding for reimbursement as specified above. I understand that this is a legally binding document.

Karla Breen _____ CFO/Assistant Dean of Finance _____ 5/15/2024
Name (Print) _____ Title _____ Date _____
Signature Karla Breen _____ Tel 310-206-0202 _____ Email breen@gseis.ucla.edu _____

Complete and return original to: Los Angeles Unified School District, Human Resources Division
Administrative Assignments Unit
333 S. Beaudry Ave., 14th Floor, Los Angeles, CA 90017
Attention: Maria Voigt, Administrator
May be emailed to maria.voigt@lausd.net, but original must be received by U.S. mail.

FOR LAUSD:

Francisco J. Serrato
Francisco J. Serrato, Ed.D.
Chief Human Resources Officer

5/16/2024
Date

[Return to Order of Business](#)

TAB 10



Board of Education Report

File #: Rep-289-23/24, Version: 1

Approval of Classified Salary Schedules for Fiscal Years 2021-2024 and Certificated Salary Schedules for Fiscal Years 2022-2024

June 18, 2024

Personnel Commission

Human Resources Division

Action Proposed:

Approval of the salary schedules 07/01/2021 through 7/01/2024 for the purpose of compliance with Government Code (GC) Section 20636.1 and California Code of Regulations (CCR) Section 570.5.

Background:

Government Code Section 20636.1 and California Code of Regulation Section 570.5 require employers to have actual salary tables approved by their Governing Board.

Expected Outcomes:

Board approval of the salary schedules 7/1/2021 through 7/1/2024 for the purpose of compliance with GC Section 20636.1 and CCR Section 570.5

Board Options and Consequences:

Approval of the salary schedules will satisfy the legal requirement which requires that pay rates must be reported pursuant to a publicly available pay schedule that has been duly approved and adopted by the employer in accordance with applicable public meeting laws and must identify the time base.

If the Board elects not to approve the salary schedules, the District will be out of compliance with CalPERS regulations which may affect and/or jeopardize employees' pensions.

Policy Implications:

The Board shall approve future salary schedules/tables as salaries are updated.

Budget Impact:

Not Applicable

Student Impact:

Not Applicable

Equity Impact:

Not Applicable

Issues and Analysis:

The Board approves salary rate increases for employees represented by bargaining units, and for District represented employees. Once these rate increases are approved, they are incorporated into the overall salary

File #: Rep-289-23/24, Version: 1

schedule table for classified and certificated employees. Government Code Section 20636.1 and California Code of Regulation Section 570.5 requires the additional step of taking the updated salary schedule to the Board and obtaining approval of the updated salary schedule.

Attachments:

The Classified and Certificated salary tables listed below can be view at the following link: [Classified and Certificated Salary Schedules](#)

<https://drive.google.com/drive/folders/1AcbENg5Igj6Qp6tGNC4VdEVK0i0E3rmJ?usp=sharing>

Attachment A - 2021-2022 Classified Salary Schedule

Attachment B - 2022-2023 Classified Salary Schedule

Attachment C - 2023-2024 Classified Salary Schedule

Attachment D - 2022-2023 Certificated Salary Schedule (3%)

Attachment E - 2022-2023 Certificated Salary Schedule (4%)

Attachment F - 2023-2024 Certificated Salary Schedule (3%)

Attachment G - 2023-2024 Certificated Salary Schedule (4%)

Informatives:

Not Applicable

Submitted:

05/15/24

File #: Rep-289-23/24, Version: 1

RESPECTFULLY SUBMITTED,


ALBERTO M. CARVALHO
Superintendent

APPROVED & PRESENTED BY:

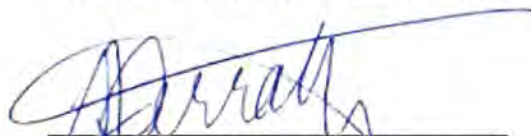

DAVID V. GRECO
Personnel Director
Personnel Commission

REVIEWED BY:


DEVORA NAVERA REED
General Counsel

☒ Approved as to form.

APPROVED & PRESENTED BY:


FRANCISCO J. SERRATO
Chief Human Resources Officer
Human Resources Division

REVIEWED BY:


NOLBERTO DELGADILLO
Deputy Chief Budget Services Officer and Finance

☒ Approved as to budget impact statement.

[Return to Order of Business](#)

TAB 11



Board of Education Report

File #: Rep-303-23/24, Version: 1

Provisional Internship Permits

June 18, 2024

Human Resources Division

Action Proposed:

Approve request for 2 teachers to be employed under the Provisional Internship Permit pursuant to Title 5 California Code of Regulations, Section 80021.1.

Background:

The Provisional Internship Permit became effective on July 1, 2005, in anticipation of the phasing out of the former authorizing document. The Provisional Internship Permit is valid for one year and may not be renewed. During the first year of employment, the Provisional Intern teacher must meet all requirements for entrance into an accredited intern program.

The Los Angeles County Office of Education grants authority to the District to employ potential Provisional Interns on a Temporary County Certificate until such time that the Board of Education approves their employment under the Provisional Internship Permit. Commission on Teacher Credentialing (CTC) regulations require that the request to employ Provisional Interns be approved by the Board and submitted to the CTC within three months of the teachers beginning their assignment.

The CTC requires that the governing board be presented with a list of teachers to be employed under the Provisional Internship Permit (Attachment A).

Expected Outcomes:

The approval of Provisional Internship Permits will enable the District to continue to staff teacher vacancies in shortage subject fields with individuals committed to completing the requirements to enter into an intern program and subsequently earn a full credential.

Board Options and Consequences:

Approval of Provisional Internship Permits will afford the District the opportunity to hire new multiple subject and special education teachers who will be required to follow a prescribed and rigorous pathway that results in the earning of both full state and federal teacher certification.

If the Provisional Internship Permits are not approved, and a full-time teacher cannot be hired, classroom vacancies would be staffed by a series of individuals in possession of only Emergency 30-Day Substitute Teaching Permits. Day-to-day substitutes are not required to be enrolled in a teacher education program and may only remain in a special education classroom for a maximum of twenty days, after which time they are deemed by the State as inappropriately assigned.

Policy Implications:

This action does not change District policy.

Budget Impact:

There is no impact on the District's budget.

Student Impact:

The goal of Human Resources Division is to insure that there is an appropriately authorized teacher in every classroom. In areas of high need such as multiple subject and special education where there might be a teacher shortage, the District may approve the use of Provisional Internship Permits, which authorize a teacher candidate to step into the classroom as the teacher of record while they take the necessary steps to enroll in a credential program.

Equity Impact:

Not applicable

Issues and Analysis:

Not applicable

Attachments:

Attachment A - Teachers with Provisional Intern Permits

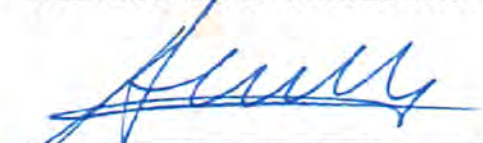
Informatives:

Not applicable

Submitted:

05/17/24

File #: Rep-303-23/24, Version: 1

RESPECTFULLY SUBMITTED:

ALBERTO M. CARVALHO
Superintendent

APPROVED & PRESENTED BY:

FRANCISCO J. SERRATO
Chief Human Resources Officer
Human Resources Division

REVIEWED BY:

DEVORA NAVERA REED
General Counsel

APPROVED & PRESENTED BY:

PEDRO SALCIDO
Deputy Superintendent
Business Services & Operations

☒ Approved as to form.

REVIEWED BY:

NORBERTO DELGADILLO
Deputy Chief Business Officer, Finance

☒ Approved as to budget impact statement.

Teachers with Provisional
Intern Permits

Attachment A

No.	Name	School	Region	BD	Subject	Effective
1	Siomara Chutan	Wilshire Crest EL	W	1	Multiple Subject	5/9/2024
2	Angelica Arizon	El Dorado Avenue EL	N	6	Mild/Moderate Support Needs and Extensive Support Needs	7/1/2024

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TAB 12



Board of Education Report

File #: Rep-261-23/24, Version: 1

Update to Los Angeles Unified School District's 2022-2026 Strategic Plan Goal 4: Social-Emotional/Wellness

June 18, 2024

Division of Instruction

Action Proposed:

Adoption of the updated Los Angeles Unified School District 2022-2026 Strategic Plan Goal 4: Social-Emotional/Wellness, as follows:

Through the integration of evidence based SEL instruction, elementary, middle, and high school teachers and support staff will provide students access to SEL lessons, activities, and strategies. By 2026, 50% of teachers of grades 2, 5/6, 8, 10 and 12 will support students in the creation and uploading of artifacts using the SEL portfolio in order to deepen our understanding of student development in the SEL competencies and provide multi-tiered systems of support. As a result, by 2026, a minimum of 40% of students using a portfolio will attain a "Meets Proficiency" as measured by a district wide rubric score average in the Social Emotional Learning competencies.

Background:

On June 21, 2022, the Board of Education (Board) approved updated goals outlining the student outcomes expected by 2026, and the Los Angeles Unified 2022-2026 Strategic Plan, which incorporated the four updated goals as District goals. These goals established a philosophy on the primary areas of success around which the District must organize - postsecondary preparedness, literacy, numeracy, and social-emotional wellness - to ensure Los Angeles Unified students are ready for the world. They also serve to build greater alignment on how to best meet the needs of students.

At the time, the District's fourth goal on Social-Emotional/Wellness, was articulated as follows:

At each school level, students in elementary, middle school, and high school will demonstrate growth of 8% in each of the social-emotional learning (SEL) competencies of growth mindset, self-efficacy, self-management, and social awareness, by June 2026, as preliminarily measured by the School Experience Survey, with full transition to a portfolio rubric to be implemented by the 2023-2024 school year.

There was a general understanding that this goal would likely need to be updated as the data from the School Experience Survey, although valid in measuring student understanding of the language of the SEL competencies, would not provide adequate information in determining student depth of knowledge and application of SEL since it is captured through self-reporting data (meaning, students answer prompts based on their SEL competency knowledge one moment in time per year).

Additionally, it would not address the need for increased direct SEL instruction and SEL academic integration, which has been determined to be a necessary focus to ensure student application of the SEL competencies

based on feedback from educators, District leadership and SEL partners. Lastly, written as a reflective goal, it would not drive the intended SEL instructional growth.

Staff explored a variety of options to further update the goal, including a direct SEL assessment, which was determined infeasible based on the burden an additional assessment would place on teachers and students. Ultimately it was determined that the goal would need to be aligned with the tools, resources and materials that directly inform instruction in the competencies leading to student growth in SEL. The proposed updated District Goal 4 does just this.

The SEL Portfolio is a Schoology folder that will be set up for all students in the targeted grades and serve as a storage folder for all SEL integration artifacts and applicable graded rubrics that students will upload per teacher instructions in those grade-level classes. This folder will serve to collect artifacts for use in future reflection assignments / assessment (e.g., cap-stone projects) for students to self-reflect on growth in SEL over time and set goals for areas of needed growth.

Expected Outcomes:

Approval of the updated District Goal 4 will provide greater focus on student achievement and access to integrated evidence-based SEL instruction.

Our goal of providing SEL instruction to 100% of students will help to ensure that access to these critical skills is equitable across the District and will result in the following expected outcomes:

- increase in integrated SEL instruction and access to SEL lessons, activities, and strategies in multiple facets in schools across the District;
- increased student application of SEL leading to improved student achievement and attendance rates;
- improved student response rates in understanding of the SEL competencies as measured by the School Experience Survey; and
- increased opportunities to build capacity in teacher collective efficacy which has been directly correlated with improved student outcomes (Hattie, 2023).

The SEL Portfolio on Schoology (Learning Management System) will curate student learning about their social emotional learning over time and will measure growth outcomes in the following ways:

- it will provide SEL academic integration tools for teachers in targeted grades 2, 5/6, 8, 10 and 12;
- it will increase family and educator awareness of SEL and strengthen the SEL classroom practices of teachers;
- it will provide students with opportunities to reflect on specific SEL skills within the competencies;
- it will provide data to measure student progress in their understanding of the SEL competencies;
- it will provide support staff with indicators (e.g., SEL lesson reflection prompts, Sel projects, and student SEL self-reflections) that will allow them to provide early Multi-Tiered Systems of Support interventions; and
- it will provide a platform for students to store artifacts to help inform and reflect upon their growth in the SEL competencies over time.

Schools will engage in the use of SEL reflections and rubrics which will be uploaded to a student SEL Portfolio on Schoology in the targeted grades. These rubric scores will be entered in Schoology and be aggregated and

used to measure and track evidence of student proficiency across the District in the SEL competencies. This data can be used to inform the need for individual student support. Data will also be collected to measure school, classroom, and student engagement in portfolio usage. The School Experience Survey will continue to be administered to students in grades 4-12 as an additional data point to measure growth in understanding of the students' SEL competencies. To support this implementation, a SEL Teacher Cadre was established in Spring 2024 to pilot and provide feedback for the SEL Portfolio reflections and rubrics. This teacher cadre will continue to support the Districtwide implementation and will pilot the use of the Portfolio with their students at the end of the current semester.

Board Options and Consequences:

A “Yes” vote, will directly align the monitoring of high-quality instruction and resources in pillars 1 & 2 with District Goal 4 of the Strategic Plan and will support growth of direct and integrated SEL instruction in all classes with usage of the District recommended SEL Portfolios which are aligned with the Graduate Student Profile and SEL Competency Frameworks as requested by the *Investing and Strengthening Social Emotional Learning Competencies and Practices Across Los Angeles Unified for College, Career and Beyond* Board Resolution (Res-032-21/22). Increased student capacity of the SEL competencies will support growth in all student outcomes.

A “No” vote, will result in the use of the current goal as written. Without a goal to measure Districtwide SEL instruction for students, it is unlikely the School Experience Survey SEL data will accurately measure student application of the SEL competencies, which is necessary for student outcomes to improve. Additionally, absent the goal of measuring SEL Portfolio usage and students meeting proficiency, it is unlikely that an increase of student application of the SEL competencies and an increase in students receiving SEL instruction will be realized as the SEL Portfolio provides tools that promote SEL academic integration across the District.

Policy Implications:

This action will include the classroom use of portfolio reflections and rubrics in grades 2, 5/6, 8, 10, and 12.

Budget Impact:

Board adoption of this action will require professional development to train all administrators and teachers implementing the SEL Portfolio in grades 2, 5/6, 8, 10 and 12. Current SEL funding through Title IV is used for SEL direct instruction PD. Supplemental funding will be identified to provide professional development for SEL Portfolio and reflection prompt training which will be used in conjunction with Title IV funding to expand SEL instructional opportunities for students.

Student Impact:

Students will have greater access and equity to materials, tools, and resources designed to accelerate their growth in the SEL competencies as a result of SEL academic integration. Teacher usage of portfolio reflections and rubrics will increase core classroom SEL instruction which will build capacity in student understanding and application of the SEL competencies. As research has suggested, an increase in student achievement and daily attendance has a direct correlation with an increased understanding of the SEL competencies (Cipriano, 2023). The Division of Instruction will continue to monitor the results of the School Experience Survey as a Measure of Success indicator for student growth in competencies with an expectation of correlated growth in academic outcomes.

File #: Rep-261-23/24, Version: 1

Equity Impact:

Component	Score	Score Rationale
Recognition	3	Affirmatively recognizes inequities by ensuring that all students have access to SEL instruction.
Resource Prioritization	3	Prioritizes resources based on student need by recognizing the need for additional support for students who receive scores of 1 or 2 on SEL reflection prompts. The goal recognizes that students of color and socioeconomically disadvantaged students have greater need for SEL intervention.
Results	3	Likely to result in closing the opportunity gap by providing support to students with demonstrated need.
TOTAL	9	

Issues and Analysis:

Not Applicable.

Attachments:

None.

Informatives:

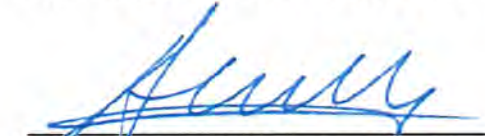
Not Applicable.

Submitted:

05/07/24

File #: Rep-261-23/24, Version: 1


RESPECTFULLY SUBMITTED,


ALBERTO M. CARVALHO
Superintendent

APPROVED & PRESENTED BY:

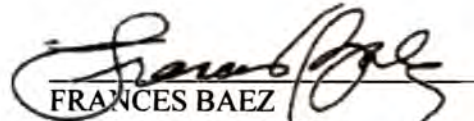

KARLA V. ESTRADA
Deputy Superintendent of Instruction

REVIEWED BY:


DEVORA NAVERA REED
General Counsel

☒ Approved as to form.

APPROVED & PRESENTED BY:


FRANCES BAEZ
Chief Academic Officer
Division of Instruction

REVIEWED BY:


NOLBERTO DELGADILLO
Deputy Chief Business Officer, Finance

☒ Approved as to budget impact statement.

[Return to Order of Business](#)

TAB 13



Board of Education Report

File #: Rep-320-23/24, Version: 1

Annual Report of the Los Angeles Unified School District Proposition 28: The Arts and Music in Schools Funding Guarantee and Accountability Act

June 18, 2024

Division of Instruction

Action Proposed:

Approve the Proposition 28: Arts and Music in Schools Funding Annual Report.

Background:

On November 8, 2022, California voters approved Proposition 28: The Arts and Music in Schools (AMS) Funding Guarantee and Accountability Act. The measure required the state to establish a new, ongoing program supporting arts instruction in schools beginning in 2023-24. The funding is allocated based on student enrollment and economic need and, as authorized by the ballot initiative, school sites have three fiscal years to spend each school year's allocation of funds they receive each year.

The ballot initiative allocates one percent of the kindergarten through grade twelve (K-12) portion of the Proposition 98 funding guarantee provided in the prior fiscal year, excluding funding appropriated for the AMS education program. Local educational agencies (LEAs) with 500 or more students are required to ensure that at least 80 percent of AMS funds to be expended are used to employ certificated or classified employees to provide arts education program instruction. The remaining funds must be used for training, supplies and materials, and arts educational partnership programs, with no more than one percent of funds received to be used for an LEA's administrative expenses. The law requires that non-Proposition 28 arts expenditures at the district level are higher than the previous years and does not factor in differences in spending at a school site level.

One of the conditions of receiving Proposition 28 funds is that "a local educational agency shall annually submit an annual board- or body- approved report in a manner determined by the Superintendent, that shall be posted on the local educational agency's and department's internet websites and that details the type of arts education programs funded by the program, the number of full-time equivalent teachers, classified personnel, and teaching aides, the number of pupils served, and the number of school sites providing arts education programs with those funds."

Thanks to Prop. 28 and increases to its Targeted Student Populations Arts and Cultural Arts Passport program, Los Angeles Unified increased its total Arts budget to \$206 million in the 2023-24 school year, compared to \$74 million spent in 2022-23.

	2022-2023 District Actuals	2023-2024 District Budget
Total non-Prop. 28 Arts Education Funds	\$74.4 million	\$129.5 million
Prop. 28 Funds	\$0	\$76.7 million

File #: Rep-320-23/24, Version: 1

Grand Total for Arts Education	\$74.4 million	\$206.2 million
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Proposition 28 funds benefit 382,282 students across 901 schools. In the 2023-2024 school year, these funds were allocated to fund approximately 342 teachers, 46 teacher assistants, and seven classified positions.

While school-level funding may vary, on average, our schools saw an \$82,000 increase in their total arts budget since the previous school year. Proposition 28 stipulates that funds be used to increase funding of arts education programs within school districts. While this may differ school-to-school, the law assesses the overall expenditures and investments at the District level.

Expected Outcomes:

The increased Proposition 28 funding allows for expanded access to direct instruction in dance, music, theater, and visual and media arts, as well as opportunity to partner with arts vendors across all grade levels.

Board Options and Consequences:

If the Board of Education does not approve this annual report, Proposition 28 funds may be delayed or withheld for the 2024-2025 school year.

Policy Implications:

None.

Budget Impact:

For the 2023-2024 school year, Los Angeles Unified received approximately \$77 million in Proposition 28 funding. This annual state budget appropriation is subject to change from year to year depending on the overall Proposition 98 funds available each fiscal year.

Student Impact:

By providing additional funding to support arts education, student academic achievement is likely to increase, cognitive development increased and social-emotional well-being enhanced.

Equity Impact:

Component	Score	Score Rationale
Recognition	4	Proposition 28 actively recognizes and specifies historical inequities to correct by providing additional funding for arts and music education in all K-12 public schools and allocates a greater proportion of the funds to schools serving more economically disadvantaged students.
Resource Prioritization	3	Proposition 28 prioritizes resources based on student need by allocating a greater portion of funds to schools serving more economically disadvantaged students.
Results	4	Proposition 28 is likely to result in closed opportunity gaps and/or closing achievement gaps for students by providing greater access to arts and music education and programs through increased funding targeted to provide programming to economically disadvantaged students.
TOTAL	11	

Issues and Analysis:

The aggregate amount of funds Los Angeles Unified invested in arts education increased from \$74 million in 2022-2023 to \$206 million in the 2023-2024 school year, inclusive of the Proposition 28 funding.

Attachments:

Completed Proposition 28: Arts and Music in Schools Funding Annual Report

Informatives:

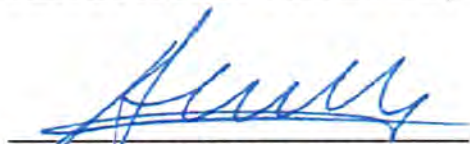
None

Submitted:

05/16/24

File #: Rep-320-23/24, Version: 1


RESPECTFULLY SUBMITTED,


ALBERTO M. CARVALHO
Superintendent

APPROVED & PRESENTED BY:

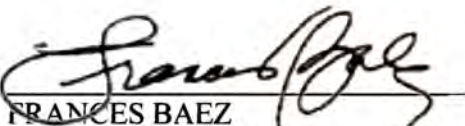

KARLA V. ESTRADA
Deputy Superintendent of Instruction

REVIEWED BY:


DEVORA NAVERA REED
General Counsel

☒ Approved as to form.

APPROVED & PRESENTED BY:


FRANCES BAEZ
Chief Academic Officer
Division of Instruction

REVIEWED BY:


NORBERTO DELGADILLO
Deputy Chief Business Officer, Finance

☒ Approved as to budget impact statement.

Proposition 28: Arts and Music in Schools Funding Annual Report

Fiscal Year 2023-24

District Name: Los Angeles Unified School District

CDS Code: 19647330000000

Allocation Year: 2023-24

1. Narrative description of the Prop 28 arts education program(s) funded. (2500 character limit).

Proposition 28 provides increased investments in Arts Education, which is critical for academic growth, student personal development, social emotional expression and an overall appreciation for diversity and culture. Proposition 28 provided approximately \$77 million this school year for school investments in Arts Education at Los Angeles Unified School District. Additionally, these funds allowed us to provide additional resources to our Targeted Student Populations.

During the 2023-2024 budget development period, school principals received clear guidance on how to spend Proposition 28 funds. The instructions included that State law requires schools to use at least 80% of funds to employ certificated or classified employees to provide arts instruction. This may include Elementary Arts Itinerants, Secondary Arts Teachers, Teacher Assistants, or Instructional Aides. Principals were also informed that any positions purchased under Proposition 28 funds must have job duties consistent with the respective class description. Finally, principals were informed that the remaining funds may be used for training, supplies and materials, and arts educational partnership programs.

In the 2022-2023 school year, LAUSD expended \$74 million for arts education. During the 2023-2024 school year we have allocated \$206 million in arts education, inclusive of Proposition 28 funds. The increased funding allows for expanded student access to dance, music, theater, and visual and media arts across all grade levels. While school-level funding may vary, on average, our schools saw an \$82,000 increase in their total Arts budget since last school year. The increased investment represents a 60 percent increase in a school's budget on average.

Thanks to Prop. 28 and increases to its Targeted Student Populations Arts and Cultural Arts Passport program, Los Angeles Unified increased its total Arts budget to \$206 million in the 2023-24 school year, compared to \$74 million spent in 2022-23. It should be noted that Proposition 28 funds were not used for the LAUSD Cultural Arts Passport Program. Schools received two different allocations, one for Prop 28 and a separate one for the Cultural Arts Passport.

Although this is a new program, we are grateful that California voters recognized the importance of investing in arts education through a ballot initiative. Proposition 28 funds are important to our school communities because these increased investments in arts education are critical for academic growth, student personal development, social emotional expression and overall appreciation for diversity and culture.

2. Number of full-time equivalent teachers (certificated).	342.04
3. Number of full-time equivalent personnel (classified).	7.72
4. Number of full-time equivalent teaching aides.	46.88
5. Number of students served.	382,282
6. Number of school sites providing arts education	901

Annual Report Data URL:

<https://www.lausd.org/Page/20355>

Completed by: Titus Campos

Title: Administrator

Email: tcamp1@lausd.net

Telephone: (213) 241-8222

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TAB 14



Board of Education Report

File #: Rep-321-23/24, **Version:** 1

Annual Report of the Los Angeles Unified School District Affiliated Charters Proposition 28 Report June 18, 2024

Division of Instruction/Budget Services & Financial Planning

Action Proposed:

Approve the Proposition 28 Arts and Music in Schools Funding Annual Report Inclusive of 51 Affiliated Charter Schools in Los Angeles Unified.

Background:

On November 8, 2022, California voters approved Proposition 28: The Arts and Music in Schools (AMS) Funding Guarantee and Accountability Act. The measure required the state to establish a new, ongoing program supporting arts instruction in schools beginning in 2023-24. The funding is allocated based on student enrollment and economic need and, as authorized by the ballot initiative, school sites have three fiscal years to spend each school year's allocation of funds they receive each year.

The ballot initiative allocates one percent of the kindergarten through grade twelve (K-12) portion of the Proposition 98 funding guarantee provided in the prior fiscal year, excluding funding appropriated for the AMS education program. Local educational agencies (LEAs) with 500 or more students are required to ensure that at least 80 percent of AMS funds to be expended are used to employ certificated or classified employees to provide arts education program instruction. The remaining funds must be used for training, supplies and materials, and arts educational partnership programs, with no more than one percent of funds received to be used for an LEA's administrative expenses. The law requires that non-Proposition 28 arts expenditures at the district level are higher than the previous years and does not factor in differences in spending at a school site level.

One of the conditions of receiving Proposition 28 funds is that "a local educational agency shall annually submit an annual board- or body- approved report in a manner determined by the Superintendent, that shall be posted on the local educational agency's and department's internet websites and that details the type of arts education programs funded by the program, the number of full-time equivalent teachers, classified personnel, and teaching aides, the number of pupils served, and the number of school sites providing arts education programs with those funds."

Expected Outcomes:

The increased Proposition 28 funding allows for expanded student access to dance, music, theater, and visual and media arts across all grade levels.

Board Options and Consequences:

If the Board of Education does not approve this annual report, Proposition 28 funds may be delayed or withheld for 51 affiliated charter schools in Los Angeles Unified for the 2024-2025 school year.

Policy Implications:

None.

Budget Impact:

Affiliated charter schools in Los Angeles Unified rely on the Proposition 28 funding to supplement arts education.

Student Impact:

By providing additional funding to support arts education, student academic achievement is likely to increase, cognitive development increased and social-emotional well-being enhanced.

Equity Impact:

Component	Score	Score Rationale
Recognition	4	Proposition 28 actively recognizes and specifies historical inequities to correct by providing additional funding for arts and music education in all K-12 public schools and allocates a greater proportion of the funds to schools serving more economically disadvantaged students.
Resource Prioritization	3	Proposition 28 prioritizes resources based on student need by allocating a greater portion of funds to schools serving more economically disadvantaged students.
Results	4	Proposition 28 is likely to result in closed opportunity gaps and/or closing achievement gaps for students by providing greater access to arts and music education and programs through increased funding targeted to provide programming to economically disadvantaged students.
TOTAL	11	

Issues and Analysis:

Each of the 51 affiliated charter schools must submit their own Proposition 28 Annual Report. However, the Los Angeles Unified School District Board of Education must approve the reports.

Attachments:

- Proposition 28 Arts and Music in Schools Funding Annual Report for Affiliated Charter Schools
- To review the 51 affiliated charter school individual plans, please click [HERE](https://drive.google.com/drive/u/1/folders/19Ws7e5mYVnpZtaQ1uHGUDIESE5Qbrd_i) <https://drive.google.com/drive/u/1/folders/19Ws7e5mYVnpZtaQ1uHGUDIESE5Qbrd_i>.

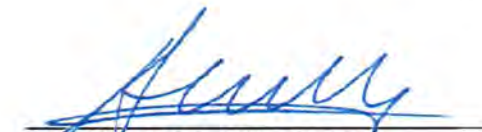
Informatives:

None

Submitted:

06/13/24, Revision # 1

RESPECTFULLY SUBMITTED,


ALBERTO M. CARVALHO
Superintendent

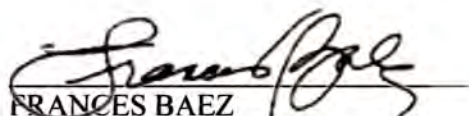
APPROVED & PRESENTED BY:


KARLA V. ESTRADA
Deputy Superintendent of Instruction

REVIEWED BY:


DEVORA NAVERA REED
General Counsel

APPROVED & PRESENTED BY:


FRANCES BAEZ
Chief Academic Officer
Division of Instruction☒ Approved as to form.

REVIEWED BY:


NOLBERTO DELGADILLO
Deputy Chief Business Officer, Finance

APPROVED & PRESENTED BY:


DAVID HART
Chief Business Officer
Office of the Chief Business Officer☒ Approved as to budget impact statement.

Proposition 28: Arts and Music in Schools Funding Annual Report for Affiliated Charter Schools

Fiscal Year 2023-24

District Name: Los Angeles Unified School District

CDS Code: 19647330000000

Allocation Year: 2023-24

1. Narrative description of the Prop 28 arts education program(s) funded. (2500 character limit).

Proposition 28 provides increased investments in Arts Education, which is critical for academic growth, student personal development, social emotional expression and an overall appreciation for diversity and culture. Proposition 28 provided approximately additional investments in Arts Education at 51 affiliated charter schools in the Los Angeles Unified School District. Additionally, these funds allowed us to provide additional resources to Targeted Student Populations. Please click on the following link to access each schools Proposition 28 Annual Report: https://drive.google.com/drive/folders/19Ws7e5mYVnpZtaQ1uHGUDIESE5Qbrd_i

During the 2023-2024 budget development period, school principals received clear guidance on how to spend Proposition 28 funds. The instructions included that State law requires schools to use at least 80% of funds to employ certificated or classified employees to provide arts instruction. This may include Elementary Arts Itinerants, Secondary Arts Teachers, Teacher Assistants, or Instructional Aides. Principals were also informed that any positions purchased under Proposition 28 funds must have job duties consistent with the respective class description. Finally, principals were informed that the remaining funds may be used for training, supplies and materials, and arts educational partnership programs.

Although this is a new program, we are grateful that California voters recognized the importance of investing in arts education through a ballot initiative. Proposition 28 funds are important to our school communities because these increased investments in arts education are critical for academic growth, student personal development, social emotional expression and overall appreciation for diversity and culture.

2. Number of full-time equivalent teachers (certificated). Varies by school
3. Number of full-time equivalent personnel (classified). Varies by school

- | | |
|--|------------------|
| 4. Number of full-time equivalent teaching aides. | Varies by school |
| 5. Number of students served. | Varies by school |
| 6. Number of school sites providing arts education | 51 |

Annual Report Data URL:

<https://www.lausd.org/Page/20355>

Additionally, each if the 51 affiliated charter schools will place their Proposition Annual Report on their school website

Completed by: Titus Campos

Title: Administrator

Email: tcamp1@lausd.net

Telephone: (213) 241-8222

[Return to Order of Business](#)

TAB 15



Board of Education Report

File #: Rep-333-23/24, Version: 1

Early Literacy School Block Grant (ELSBG) Annual Updates and End of Grant Report

June 18, 2024

Division of Instruction

Action Proposed:

Board ratification of the final Annual Plan Report for the six Los Angeles Unified schools participating in the Early Literacy School Block Grant (ELSBG). The California Department of Education (CDE) requires Board ratification of Annual Plan Reports. A total grant award of \$4,777,355 was received over the life of the grant which sunsets on June 30, 2024.

Background:

In 2017, the *Ella T. v. the State of California* lawsuit was filed on behalf of current and former students and teachers at three low-performing schools: La Salle Avenue Elementary School in Los Angeles Unified School District, Van Buren Elementary School in the Stockton Unified School District, and Children of Promise Preparatory Academy, a charter school in the Inglewood Unified School District. The suit alleged that the State violated students' civil rights by denying them a quality education and, specifically, a fundamental right to literacy. The case argued that state education officials knew of a reading and writing "crisis" in California public schools yet failed to develop a comprehensive plan or provide the funding necessary for early literacy.

On February 20, 2020, a settlement agreement was reached between the parties. State education officials have agreed to develop and implement the Early Literacy School Block Grant (ELSBG) as part of the agreement. The ELSBG was authorized by Senate Bill 98, Sections 113 and 114 (Statutes of 2020) of the Education Omnibus Trailer Bill.

Block Grant Amount

The State has agreed to allocate \$50 million over three years to eligible schools and no more than \$3 million in administrative costs for the California Department of Education (CDE) to administer grants, review and approve plans.

Grant Eligibility

The list of eligible schools consists of 75 schools, including charter schools. These schools had the highest percentage in the State of students scoring Level 1 on the grade 3 English Language Arts (ELA) Smarter Balanced Assessment (SBA), based on a two-year weighted average of the 2018 and 2019 ELA SBA results.

School	Award Amount	Board District	Region	Community of Schools
La Salle ES	\$563,140 (Annually: \$187,713)	1	South	HEET (C/D)
42nd ES	\$338,823 (Annually: \$112,941)	1	South	HEET (W)
YES Academy	\$943,848 (Annually: \$314,616)	1	South	HEET (W)

School	Award Amount	Board District	Region	Community of Schools
West Athens ES	\$943,848 (Annually: \$314,616)	1	South	HEET (W)
28th Street ES	\$943,848 (Annually: \$314,616)	2	East	Jefferson/South Central
Fries ES	\$943,848 (Annually: \$314,616)	7	South	Wilmington

The ELSB Grant is authorized for four years to provide funding to support early literacy development at identified schools through June 30, 2024. During the 2020-2021 planning year, each school completed a root cause analysis, conducted a needs assessment, and wrote a literacy action plan (LAP) that addresses the needs identified in the root cause analysis and needs assessment. In subsequent years, each school reviewed and revised their plans, and budgets were updated to reflect current schools needs in alignment with their goals. In this year, the final year of the grant, sustainability has been the focus of professional development and reporting.

The Los Angeles Unified Board of Education must be presented with annual plan updates. Grant funds only fund supplemental activities targeted for Kindergarten through Grade 3 inclusive and shall not supplant existing activities. There are four categories of grant expenditures allowed:

- Category 1: Access to High-Quality Literacy Teaching
- Category 2: Support for Literacy Learning
- Category 3: Pupil Supports
- Category 4: Family and Community Supports

The final end of year report outlines Year 3 of implementation of the grant. The Los Angeles Unified School District (LAUSD) extended robust support to participating schools through various initiatives. Ongoing professional development was provided to ensure effective implementation of a structured literacy approach, with workshops, templates, and feedback sessions aiding in the development of comprehensive plans. The district facilitated connections with vendors and offered continuous support for plan execution. Meetings for ELSBG school principals and team members fostered the sharing of best practices, while individualized budget update meetings and regular one-on-one check-ins with site principals ensured alignment with program goals and addressed challenges.

The support implemented through the ELSBG program significantly impacted literacy goals at participating school sites. The professional development and strategic initiatives led to noticeable improvements in DIBELS scores, indicating enhanced student proficiency in early literacy skills. Despite facing hiring challenges that hindered the seamless execution of plans, schools adapted by leveraging available resources and maintaining a strong commitment from teachers and administrators. This collective effort underscores the positive impact of the ELSBG program and highlights the importance of ongoing collaboration and investment in literacy initiatives to sustain and exceed literacy goals.

To ascertain the detailed activities for each participating school site, please see the Annual Plan Report attachment.

Expected Outcomes:

Board ratification of final annual plan report.

Board Options and Consequences:

Failure to ratify the final annual report could result in withholding of the reimbursement payment for Year 3 (final year).

Policy Implications:

This ELSB Grant supports the Board resolutions, Creating a Birth to Eight Roadmap for Success in Los Angeles and Realizing the Promise for All: Close the Gap by 2023. It also supports the Primary Promise initiative and the District's Local Control Accountability Plan (LCAP) early literacy goals.

Budget Impact:

None. There is no match requirement for this grant.

Student Impact:

Approval of the grant will support increased attendance, academic achievement and services for students at participating ELSBG schools.

Equity Impact:

Component	Score	Rationale
Recognition	4	All 6 participating schools (28 th Street ES, 42 nd Street ES, Fries ES, La Salle ES, West Athens ES and YES Academy ES) are in historically underserved communities with high percentages of traditionally underserved student groups such as English Learners, African American Students, Foster Youth Students with Disabilities, etc.
Resource Prioritization	4	Schools will use ELSBG funds to teach systematic, explicit foundational skills instruction in both whole group and small group settings using data to target the specific needs of students who represent student groups such as English Learners, Standard English Learners, African American students, Foster Youth, Students with Disabilities, etc.
Results	4	Implementation of literacy action plan strategies will increase DIBELS benchmark and progress monitoring data at participating schools.
TOTAL	12	

Issues and Analysis:

None.

File #: Rep-333-23/24, Version: 1

Attachments:

Attachment A - Early Literacy Support Block Grant Annual Report Implementation Year 3: 2023-2024

Informatives:

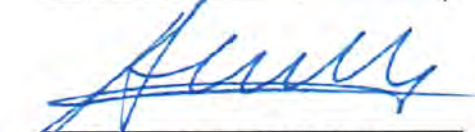
Not Applicable

Submitted:

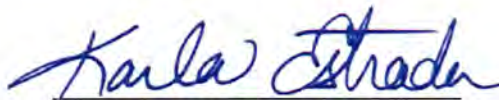
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File #: Rep-333-23/24, Version: 1

RESPECTFULLY SUBMITTED,


ALBERTO M. CARVALHO
Superintendent

APPROVED & PRESENTED BY:

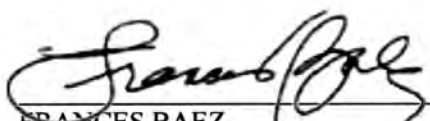

KARLA V. ESTRADA
Deputy Superintendent of Instruction

REVIEWED BY:


DEVORA NAVERA REED
General Counsel

☒ Approved as to form.

APPROVED & PRESENTED BY:


FRANCES BAEZ
Chief Academic Officer
Division of Instruction

REVIEWED BY:


NORBERTO DELGADILLO
Deputy Chief Business Officer, Finance

☒ Approved as to budget impact statement.

**Early Literacy Support Block Grant Annual Report
Implementation Year 3: 2023-24**

Local Educational Agency Name: Los Angeles Unified School District (LAUSD)

Program Lead: Jessica Niessen.

Email/Phone: jessica.niessen@lausd.net

Fiscal Lead: Julie Ly

Email/Phone: julie.ly@lausd.net

Eligible Participating School(s):

1. 28th Street ES.	6. YES Academy
2. 42nd Street ES	
3. Fries ES	
4. La Salle Ave ES	
5. West Athens ES	

Supporting Agency or Agencies: (i.e. Early Literacy Support Block Grant Expert Lead in Literacy, local county office of education, etc.): Early Literacy Support Block Grant Expert Lead in Literacy, Sacramento County Office of Education.

Background: Based on the root cause analysis and needs assessment conducted during the Planning Year (2020–21), Early Literacy Support Block (ELSB) Grant participating local educational agencies (LEAs) developed three-year literacy action plans that include goals and actions to improve literacy instruction at each eligible school. The literacy action plans identify metrics to measure progress toward the goals and planned expenditures, which fund supplemental activities targeted for kindergarten and grades one to three, inclusive.

Directions: For Implementation Year 3 (2023-24), the LEA Program Lead shall complete the template below and submit this form to ELSBGrant@cde.ca.gov by **July 31, 2024**.

**Early Literacy Support Block Grant Annual Report
Implementation Year 3: 2023-24**

Section I: Annual ELSB Report Requirements

Requirement: By checking the boxes below, I am certifying the LEA and schools have submitted this annual report on achievement towards the actions and goals described, and an assessment of progress made on the metrics identified in the literacy action plan to:

✓ The school site council at each eligible school

List the school names and dates the of the school site council meetings where the annual ELSB report was provided:

28th Street Elementary School Site Council (SSC) Meeting: May 16, 2024

42nd Street Elementary SSC Meeting: May 17, 2024

Fries Avenue STEAM Academy SSC Meeting: May 7, 2024

La Salle Avenue SDL Elementary SSC Meeting: May 21, 2024

West Athens Elementary SSC Meeting: May 24, 2024

YES Academy SSC Meeting: May 1, 2024

✓ The governing board or body of the LEA

Provide the date of the governing board meeting: June 18, 2024

✓ Publicly posted on the LEA's website, which may be found at the following URL:

<https://www.lausd.org/Page/17822>

**Early Literacy Support Block Grant Annual Report
Implementation Year 3: 2023-24**

Section II: How ELSB Funds Were Spent in Year Three

Directions: Please use the check boxes to note which of the following categories the LEA expended ELSB grant funds on and list which school sites used funds for those purposes:

✓ **Category 1.** Access to high-quality literacy teaching, including which of the following:

- ✓ Hiring of literacy coaches or instructional aides to provide support to struggling pupils, including, among others, bilingual reading specialists to support English learner programs.

Please enter relevant school sites: 28th Street, 42nd Street, Fries Avenue STEAM Academy, West Athens

- ✓ Development of strategies to provide culturally responsive curriculum and instruction.

Please enter relevant school sites: 42nd Street

- ✓ Evidence-based professional development for teachers, instructional aides, and school leaders regarding literacy instruction and literacy achievement and the use of data to help identify and support struggling pupils.

Please enter relevant school sites: 28th Street, 42nd Street , Fries Avenue STEAM Academy, La Salle Ave, West Athens

- ✓ Professional development for teachers and school leaders regarding implementation of the curriculum framework for English language arts adopted by the State Board of Education (SBE) pursuant to Section 60207 of the Education Code and the use of data to support effective instruction.

Please enter relevant school sites: 28th Street, 42nd Street

✓ **Category 2:** Support for literacy learning, including which of the following:

- ✓ Purchase of literacy curriculum resources and instructional materials aligned with the English language arts content standards and the curriculum framework for English language arts adopted by the SBE, but only if the literacy action plan also includes professional development for staff on effective use of these materials.

Please enter relevant school sites: 28th Street, 42nd Street, Fries Avenue STEAM Academy, La Salle Ave

- ☐ Purchase of diagnostic assessment instruments to help assess pupil needs and progress and training for school staff regarding the use of those assessment instruments.

Please enter relevant school sites: N/A

✓ **Category 3.** Pupil supports, including which of the following:

- ✓ Expanded learning programs, such as before- and after-school programs or summer school, to improve pupils' access to literacy instruction.

**Early Literacy Support Block Grant Annual Report
Implementation Year 3: 2023-24**

Please enter relevant school sites: 28th Street

- ☐ Extended school day to enable implementation of breakfast in the classroom or library models to support expanded literacy instruction.

Please enter relevant school sites: N/A

- ☐ Strategies to improve school climate, pupil connectedness, and attendance and to reduce exclusionary discipline practices, including in-school suspensions, that may limit a pupil's time in school.

Please enter relevant school sites: N/A.

- ✓ Strategies to implement research-based social-emotional learning approaches, including restorative justice.

Please enter relevant school sites: 42nd Street .

- ✓ Expanded access to the school library.

Please enter relevant school sites: 28th Street

- ✓ **Category 4.** Family and community supports, including which of the following:

- ☐ Development of trauma-informed practices and supports for pupils and families.

Please enter relevant school sites:

- ☐ Provision of mental health resources to support pupil learning.

Please enter relevant school sites: N/A

- ✓ Strategies to implement multi-tiered systems of support and the response to intervention approach.

Please enter relevant school sites: 28th Street.

- ✓ Development of literacy training and education for parents to help develop a supportive literacy environment in the home.

Please enter relevant school sites: 28th Street, 42nd Street, Fries Avenue STEAM Academy , La Salle Ave, West Athens

- ✓ Strategies to improve parent and community engagement and to improve communication with parents regarding how to address pupils' literacy needs.

Please enter relevant school sites: 28th Street , 42nd Street , La Salle Ave, West Athens

Early Literacy Support Block Grant Annual Report Implementation Year 3: 2023-24

Section III: LEA Support for Eligible Participating School Sites

Directions: LEAs that are not eligible participating school sites should complete this section.

1. What supports did the LEA provide to eligible participating school sites in Year 3 of implementation?

In Year 3 of implementation, the Los Angeles Unified School District extended support to eligible participating school sites in various ways:

- **Ongoing Professional Development Support:** Los Angeles Unified School District provided continuous professional development opportunities to support the implementation of a structured literacy approach.
- **Plan Writing Support:** Recognizing the importance of well-crafted plans in achieving program goals, the District offered guidance and assistance to school teams in developing comprehensive and effective plans. This support included workshops, templates, and feedback sessions to ensure that plans were aligned with the objectives of the program.
- **Provide Vendor Contacts and Support for Plan Implementation:** To facilitate the execution of the plans, the District supplied school teams with relevant vendor contacts and ongoing support. This involved connecting schools with educational resources, materials, and/or services necessary for implementing their plans successfully.
- **Meetings for ELSBG School Principals and Team Members:** The District organized meetings where principals and team members from ELSBG schools could come together to share experiences, best practices, and insights. These meetings included opportunities for school visits and observations of small group instruction, allowing participants to learn from each other's experiences firsthand.
- **Individual Budget Update Meetings:** Understanding the importance of financial planning and management, the District arranged individualized sessions to review and update school budgets. These meetings provided school leaders with the necessary support and guidance to allocate resources effectively in alignment with their plans and goals.
- **Regular One-on-One Check-ins with Site Principals:** Recognizing the value of personalized support, the District conducted regular check-in sessions with site principals. These sessions, conducted both virtually and in person, provided opportunities for principals to discuss progress, challenges, and any additional support needed to ensure the success of the program at their respective sites.

2. How have the supports impacted the goals noted in the school sites' Literacy Action Plan(s)?

The implementation of supports through the ELSBG program has played a pivotal role in shaping the trajectory of literacy development goals outlined in the school sites' Literacy Action Plans. One prominent measure of success has been the discernible improvement in DIBELS scores across participating schools. These scores serve as tangible evidence of enhanced proficiency in critical early literacy skills among students, reflecting the efficacy of the implemented supports. Through targeted interventions and strategic initiatives facilitated by the ELSBG program, students have shown measurable progress, signaling a positive impact on literacy outcomes.

Early Literacy Support Block Grant Annual Report Implementation Year 3: 2023-24

The journey towards achieving these goals has not been without its challenges. One notable obstacle has been the hiring challenges faced by the District, which have posed significant hurdles to the seamless execution of the literacy action plans. Difficulty in recruiting qualified personnel to support literacy instruction has impeded the delivery of essential services and interventions outlined in the action plans. Despite these challenges, schools have persevered, leveraging available resources and adapting strategies to mitigate the impact of staffing limitations on their literacy initiatives.

Amidst these challenges, the unwavering support from teachers and administrators has been instrumental in driving progress and maintaining momentum towards achieving literacy goals. Their endorsement of the progress made thus far underscores the effectiveness of the support provided through the ELSBG program. It reflects a collective acknowledgment of the positive impact of these initiatives on student learning outcomes and underscores the importance of continued collaboration and investment in literacy initiatives. Moving forward, sustaining this collaborative effort and addressing ongoing challenges will be crucial in ensuring continued progress towards achieving and exceeding the literacy goals outlined in the school sites' action plans.

3. In what ways will the LEA continue to support and sustain the work begun through the ELSB grant?

The Los Angeles Unified School District is committed to maintaining and bolstering the progress initiated through the ELSB grant program by implementing several strategic measures:

- **Continued Professional Development:** LAUSD will prioritize ongoing professional development opportunities for educators to enhance their instructional practices in literacy instruction. This will include workshops, seminars, and coaching sessions focused on evidence-based strategies for improving early literacy skills.
- **Resource Allocation:** LAUSD will allocate resources to sustain the acquisition of literacy curriculum resources and instructional materials aligned with state standards. This ensures that educators have access to the necessary tools to deliver high-quality literacy instruction and support student learning effectively.
- **Data-Informed Decision Making:** LAUSD will continue to emphasize the use of data to inform instructional practices and decision-making processes. By analyzing student performance data and progress metrics, educators can identify areas of improvement, tailor interventions to meet specific needs, and monitor the effectiveness of literacy initiatives over time.
- **Community Engagement:** LAUSD recognizes the importance of fostering strong partnerships with parents, families, and community stakeholders to support literacy development beyond the classroom. By engaging families in literacy activities, providing resources for at-home literacy support, and facilitating community events, the LAUSD has a comprehensive support network to reinforce literacy skills both in and out of school.
- **Sustainability Planning:** Finally, LAUSD will ensure the long-term viability of the literacy initiatives launched through the ELSB grant program. This includes strategies for securing continued funding, integrating successful practices into district-wide policies and procedures, and fostering a culture of continuous improvement in literacy instruction across all schools within LAUSD.

By implementing these measures, LAUSD is poised to sustain and build upon the work initiated through the ELSB grant program, ultimately fostering a culture of literacy excellence and equipping students with the essential skills they need to succeed academically and beyond.

**Early Literacy Support Block Grant Annual Report
Implementation Year 3: 2023-24**

4. What has the LEA learned as a result of the ELSB grant work that can be applied to current and future support of all school sites?

As a result of the Early Literacy Support Block Grant (ELSBG) work, LAUSD has gained valuable insights that can inform its support of all school sites, both now and in the future. One significant lesson learned is the critical importance of prioritizing Early Literacy Foundational Skills instruction. LAUSD has recognized the foundational role these skills play in laying the groundwork for future academic success. This understanding underscores the necessity of dedicating resources and attention to early literacy development efforts across all school sites.

Furthermore, the ELSBG grant work highlighted the effectiveness of utilizing a structured literacy approach in literacy instruction. By emphasizing systematic and explicit instruction in phonemic awareness, phonics, fluency, vocabulary, and comprehension—the core components of structured literacy—LAUSD observed improved outcomes in student literacy attainment. This approach ensures that all students receive comprehensive and scaffolded instruction tailored to their individual needs, setting them on a trajectory for continued growth and proficiency in reading and writing.

In addition, the integration of the science of reading principles into instructional practices emerged. By aligning instructional strategies with evidence-based research on how students learn to read, LAUSD witnessed enhanced student engagement and achievement in literacy. This emphasizes the importance of grounding literacy instruction in scientifically validated methods that promote effective learning and comprehension.

The grant work underscored the value of employing evidence-based instructional practices in literacy instruction. By prioritizing strategies and interventions supported by research and empirical evidence, greater consistency and efficacy in literacy outcomes across participating school sites was observed. This emphasizes the need for ongoing professional development and training to equip educators with the knowledge and skills necessary to implement evidence-based practices effectively.

By applying these lessons learned from the ELSBG grant work, LAUSD is positioned to strengthen its support of all school sites, ensuring that early literacy instruction is prioritized, structured literacy approaches are utilized, the science of reading is integrated into instructional practices, and evidence-based instructional strategies are consistently employed. This holistic approach to literacy support will empower all students to develop the foundational skills they need to succeed academically and beyond.

Early Literacy Support Block Grant Annual Report Implementation Year 3: 2023-24

Section IV: Statement of Goals, Implementation Year Three Progress, and Course Corrections

Directions: For each eligible participating school, please respond to the six questions. Please copy and paste the questions for LEAs with more than three school sites.

Eligible Participating School #1: 28th Street Elementary School

1. What are the “big picture” goals stated in the Literacy Action Plan? These can be located in Section 2: Literacy Action Plan Components.
 - Goal 1: Provide consistent and explicit instruction in foundational skills (K-3).
 - Goal 2: Provide consistent oral language development and explicit vocabulary instruction for our EL and EO students.
 - Goal 3: Provide explicit and systematic instruction in phonics, phonemic awareness, phonics, fluency, vocabulary, and comprehension.

2. What are the actions the LEA and school site have taken to progress toward those goals in Year 3 of the grant?
 - Implement PDSA Cycles of Improvement sessions in standards/ task alignment.
 - Multi-lingual and Mainstream Academic Language Coach (MMALC) has been supporting teachers in grades TK-3 with discussion strategies, academic discourse, instructional planning and co-teaching of ELD lessons has been the focus.
 - Instructional coach, MMALC Coach, TSP Coordinator have been supporting teachers in grades TK-3 during grade level planning, i-Ready data analysis and setting up structures for small group instruction.
 - Teachers in grades TK-3 levels have been meeting consistently during the morning planning sessions (PDSA Cycles) to progress monitor, and plan for ELA small group instruction.
 - Analysis of student work and planning using UBD.
 - Teachers have access to PD in foundational skills during Banked Time Tuesdays and through District/ ELSEB sponsored PD's (OG, UFLI, LETRS, 95%, Heggerty).
 - Instructional walks and data chats by Instructional Team of (TK-3) classrooms/teachers. Feedback and support are provided in the following: setting up small group instruction structures, analysis of data to form instructional groups, differentiation of activities, foundational skills lessons (planning & co-teaching), peer observations and debrief.

3. What are the metrics the LEA and school site are using to measure progress on growth (student data) and/or actions (implementation)?

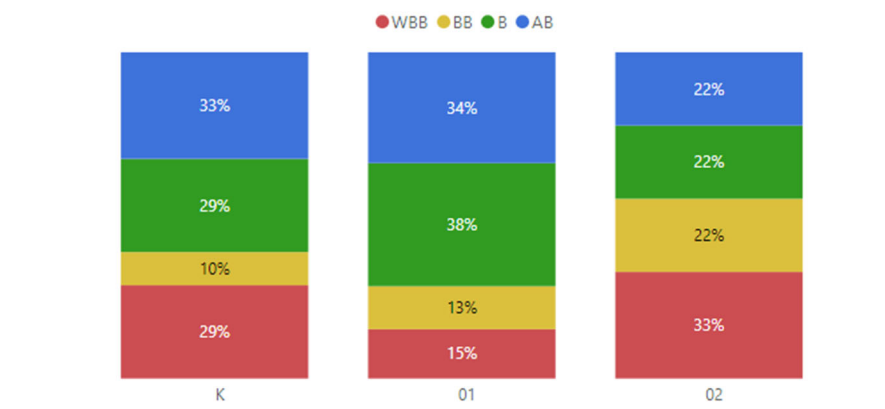
Students in TK-2 are using DIBELS to measure student growth. Grade 3 students are using i-Ready and ICA ELA assessments. Focus students are being progress monitored every 2-4 weeks. Interventionist and Instructional Coach are monitoring data and supporting teachers with data analysis and implications for instruction.

Include Year 3 quantitative results for kindergarten through grade three. In the table below, record the local literacy assessment used and the percentage of students scoring in the proficient (at or above standard) range in each of these grade levels.

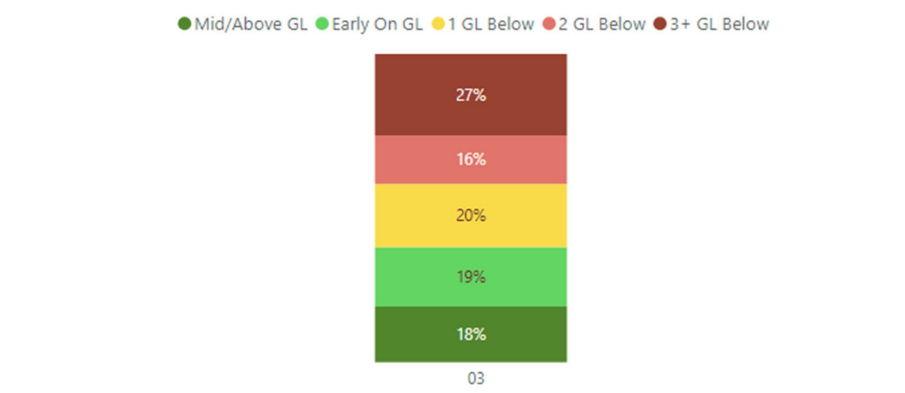
Early Literacy Support Block Grant Annual Report Implementation Year 3: 2023-24

Grade Level	Local Literacy Assessment	Current % of Students At or Above Standard
Kindergarten	EOY DIBELS	62%
First Grade	EOY DIBELS	72%
Second Grade	EOY DIBELS	44%
Third Grade	EOY i-Ready	37%

ELA DIBELS Composite Level (Gr K-2)



ELA Overall Relative Grade Level Placement



*Source: Interim Assessment Dashboard, June 10, 2024

4. Please provide an analysis of the metrics and specifically if the metrics are demonstrating progress towards goals. Compare baseline student data to current student data.

BOY/EOY Data Comparison

- K students in Benchmark and Above increased from 40% at BOY to 62% at EOY
- 1st grade students in Benchmark and Above increased from 51% BOY 72% EOY
- 2nd grade students in Benchmark and Above decreased from 49% BOY to 44% EOY
- 3rd grade students in Benchmark and Above increased from 20% at BOY to 37% EOY

Early Literacy Support Block Grant Annual Report Implementation Year 3: 2023-24

Schoolwide Focus Domains:

- Vocabulary and Academic Discourse
- Over-all Reading Comprehension
- Phonics

5. What has been the most notable change as a result of the site's ELSB grant work?

- The ELSB grant has provided 28th St. with the resources and professional development opportunities that have allowed us to implement the following all of which we attribute to our growth in ELA :
 - Small group instruction in every classroom in grades TK-3
 - Strong instruction in foundational skills (TK-1)
 - Differentiation during small group instruction
 - Teachers participate in PDSA cycles with the purpose of building their capacity in Language Arts and foundational skills
 - Focused grade level planning time
- Opportunities for teachers in grades TK-3 to attend PD on foundational skills outside of school site.
- Coaches and interventionist providing support and feedback to teachers in TK-3 with foundational skills instruction, progress monitoring and strategies for students not meeting grade level standards in ELA.
- Multiple opportunities for students to receive targeted intervention in ELA beyond the instructional day.
- Providing workshops to parents in early literacy skills and foundational skills.

6. In what ways will the site continue to support and sustain the work begun through the ELSB grant program?

- Our focus now needs to move away from intervention to strengthening Tier 1 instruction. Coaches and interventionists need to empower classroom teachers with strategies and help them create positive learning environments to provide a strong Tier 1 foundation. We have moved away from the pull-out model of intervention and transitioned to a push-in model. Interventionists have been supporting teachers setting up small group structures, co-planning of differentiated lessons, co-teaching and providing strategies for students not meeting grade level standards in ELA.
- Support parent education in early literacy skills and foundational skills.
- Continue PDSA cycles, data chats, and data analysis.

Eligible Participating School #2: 42nd Street Elementary

1. What are the “big picture” goals stated in the Literacy Action Plan?

- Goal 1: Teachers' capacity building in the quality of instructional delivery
- Goal 2: Provide explicit, systematic foundational reading skills instruction.

Early Literacy Support Block Grant Annual Report Implementation Year 3: 2023-24

2. What are the actions the LEA and school site have taken to progress toward those goals in Year 3 of the grant?

The school has implemented the following actions to support progress toward the goals of the ELSBG:

- Professional Development
- Grade Level Articulation & Planning
- Lesson Study
- Peer Observations
- After-school Intervention
- Targeted Small Group Instruction

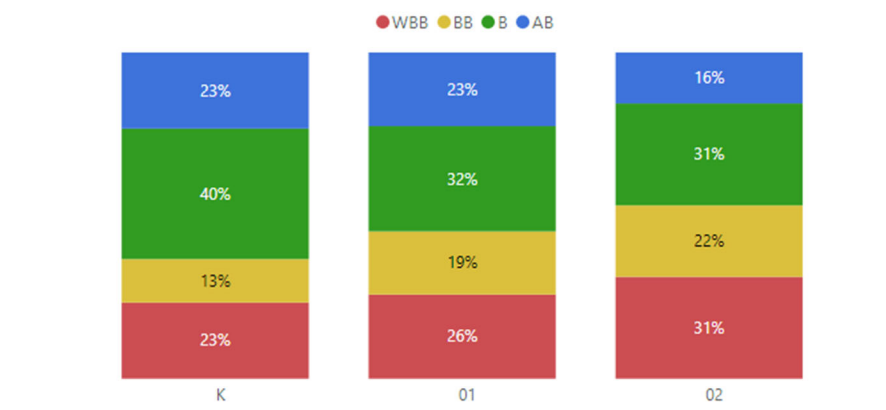
3. What are the metrics the LEA and school site are using to measure progress on growth (student data) and/or actions (implementation)?

- DIBELS (Bi-weekly Progress Monitoring)
- i-Ready

Include Year 3 quantitative results for kindergarten through grade three. In the table below, record the local literacy assessment used and the percentage of students scoring in the proficient (at or above standard) range in each of these grade levels.

Grade Level	Local Literacy Assessment	Current % of Students At or Above Standard
Kindergarten	EOY DIBELS	63%
First Grade	EOY DIBELS	55%
Second Grade	EOY DIBELS	47%
Third Grade	EOY i-Ready	39%

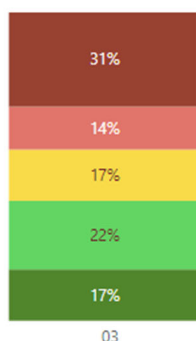
ELA DIBELS Composite Level (Gr K-2)



Early Literacy Support Block Grant Annual Report Implementation Year 3: 2023-24

ELA Overall Relative Grade Level Placement

● Mid/Above GL ● Early On GL ● 1 GL Below ● 2 GL Below ● 3+ GL Below



*Source: Interim Assessment Dashboard, June 10, 2024

4. Please provide an analysis of the metrics and specifically if the metrics are demonstrating progress towards goals. Compare baseline student data to current student data.

BOY/EOY Data Comparison

- K students in Benchmark and Above increased from 36% at BOY to 63% at EOY
 - 1st grade students in Benchmark and Above increased from 21% BOY 55% EOY
 - 2nd grade students in Benchmark and Above increased from 43% BOY to 47% EOY
 - 3rd grade students in Benchmark and Above increased from 3% at BOY to 39% EOY
5. What has been the most notable change as a result of the site's ELSB grant work?
 - The number of students scoring Benchmark increased by 8% in Kinder and 21% in 1st grade, (Comparison is from 2023 -24 BOY to 2023-24 MOY)
 - The number of students scoring WBB decreased in K-2 students from BOY to MOY (K decreased by 15%, 1st Grade decreased by 30%, and 2nd Grade decreased by 16%)
 - Consistent Bi-Weekly Progress Monitoring
 6. In what ways will the site continue to support and sustain the work begun through the ELSB grant program?
 - Provide each teacher with an Instructional Aide to support targeted small group instruction.
 - ILT will provide professional development on early literacy.

Eligible Participating School #3: Fries Avenue Elementary

1. What are the "big picture" goals stated in the Literacy Action Plan? These can be located in Section 2: Literacy Action Plan Components.
 - Goal 1: Provide explicit, systematic, phonemic awareness instruction
 - Goal 2: Provide explicit, systematic phonics instruction
 - Goal 3: Provide explicit, systematic vocabulary instruction
 - Goal 4: Provide explicit, systematic reading comprehension instruction

Submitted: 06/11/24, Revision #1

Early Literacy Support Block Grant Annual Report Implementation Year 3: 2023-24

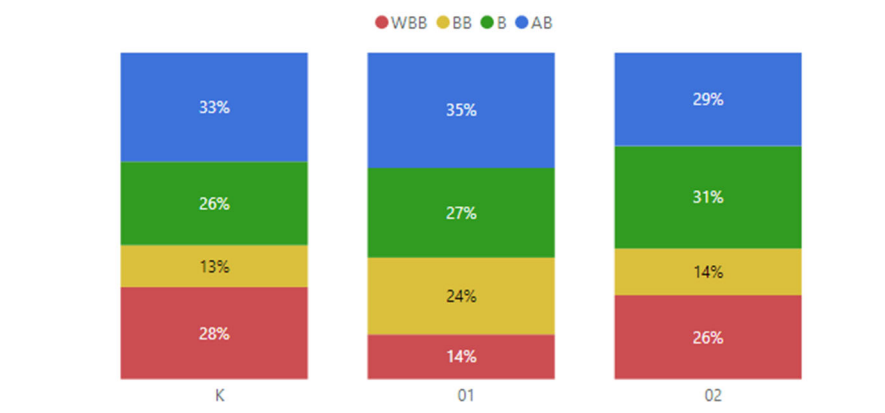
2. What are the actions the LEA and school site have taken to progress toward those goals in Year 3 of the grant?
- Professional Development
 - Coaching and Lesson Study
 - Grade Level Planning
 - PDSA Cycle for Early Literacy
 - Reading Academies in Grades K to 3 (Targeted Small Group Instruction)
3. What are the metrics the LEA and school site are using to measure progress on growth (student data) and/or actions (implementation)?

We are using DIBELS for K-2nd grade and i-Ready ELA for 3rd grade.

Include Year 3 quantitative results for kindergarten through grade three. In the table below, record the local literacy assessment used and the percentage of students scoring in the proficient (at or above standard) range in each of these grade levels.

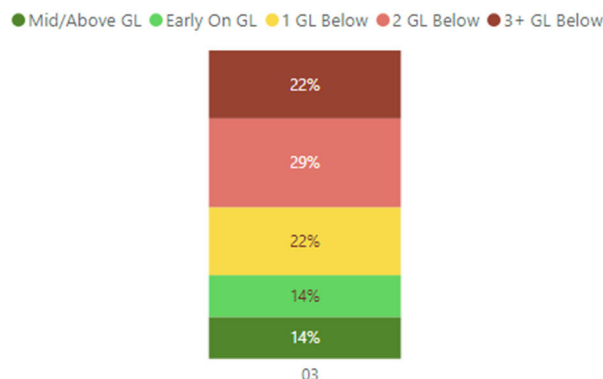
Grade Level	Local Literacy Assessment	Current % of Students At or Above Standard
Kindergarten	EOY DIBELS	59%
First Grade	EOY DIBELS	62%
Second Grade	EOY DIBELS	60%
Third Grade	EOY i-Ready	28%

ELA DIBELS Composite Level (Gr K-2)



Early Literacy Support Block Grant Annual Report Implementation Year 3: 2023-24

ELA Overall Relative Grade Level Placement



*Source: Interim Assessment Dashboard, June 10, 2024

4. Please provide an analysis of the metrics and specifically if the metrics are demonstrating progress towards goals. Compare baseline student data to current student data.

BOY/EOY Data Comparison

- K students in Benchmark and Above increased from 29% at BOY to 59% at EOY
- 1st grade students in Benchmark and Above increased from 22% BOY to 62% EOY
- 2nd grade students in Benchmark and Above increased from 52% BOY to 60% EOY
- 3rd grade students in Benchmark and Above increased from 8% at BOY to 28% EOY

5. What has been the most notable change as a result of the site's ELSB grant work?

The most notable change is that we have implemented Reading Academies in Grades Kindergarten through 3rd. We have a PDSA cycle for our Early Literacy. Teachers are progress monitoring students every 3 weeks, and they are meeting to plan targeted lessons. Teachers are using The Science of Reading to teach early literacy. My K-3rd grade teachers have been provided professional development in UFLI, Heggerty, LETRS, CORE, and OERA. When I visit classrooms I see teachers using the strategies learned.

6. In what ways will the site continue to support and sustain the work begun through the ELSB grant program?

We will continue to implement Literacy Academies for students in Kindergarten to 3rd Grade. We will continue with the PDSA Cycle for our early literacy academies.

Eligible Participating School #4: La Salle Elementary

1. What are the "big picture" goals stated in the Literacy Action Plan? These can be located in Section 2: Literacy Action Plan Components.
 - Goal 1: Provide explicit, phonemic awareness instruction.
 - Goal 2: Provide explicit, word recognition instruction.

Early Literacy Support Block Grant Annual Report Implementation Year 3: 2023-24

2. What are the actions the LEA and school site have taken to progress toward those goals in Year 3 of the grant?

We have taken the learning of explicit phonemic awareness and word recognition instruction and applied it to our newly adopted program, Core Knowledge Language Arts (CKLA), to implement it with fidelity. We are also developing teacher efficacy in the Science of Reading with advanced phonics instruction such as multisyllabic vowel recognition, morphology, and vocabulary.

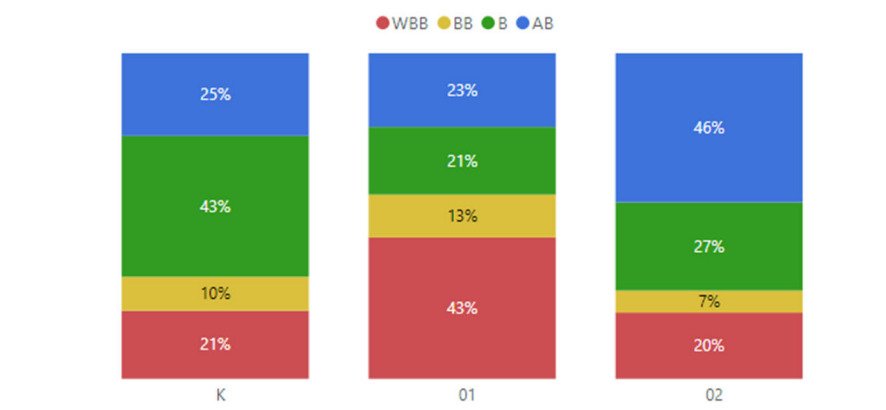
3. What are the metrics the LEA and school site are using to measure progress on growth (student data) and/or actions (implementation)?

- CKLA
- Section Assessments
- Skill Specific Assessments (e.g. fluency)
- Progress Monitoring

Include Year 3 quantitative results for kindergarten through grade three. In the table below, record the local literacy assessment used and the percentage of students scoring in the proficient (at or above standard) range in each of these grade levels.

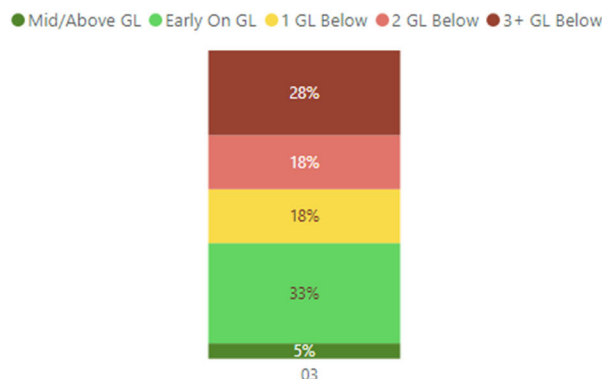
Grade Level	Local Literacy Assessment	Current % of Students At or Above Standard
Kindergarten	EOY DIBELS	68%
First Grade	EOY DIBELS	44%
Second Grade	EOY DIBELS	73%
Third Grade	EOY i-Ready	38%

ELA DIBELS Composite Level (Gr K-2)



Early Literacy Support Block Grant Annual Report Implementation Year 3: 2023-24

ELA Overall Relative Grade Level Placement



*Source: Interim Assessment Dashboard, June 10, 2024

4. Please provide an analysis of the metrics and specifically if the metrics are demonstrating progress towards goals. Compare baseline student data to current student data.

BOY/EOY Data Comparison

- K students in Benchmark and Above increased from 25% at BOY to 68% at EOY
- 1st grade students in Benchmark and Above increased from 26% BOY 44% EOY
- 2nd grade students in Benchmark and Above increased from 52% BOY to 73% EOY
- 3rd grade students in Benchmark and Above increased from 17% at BOY to 38% EOY

5. What has been the most notable change as a result of the site's ELSB grant work?

Teachers have become more aware of explicit, systematic early literacy instruction. Basic phonemic awareness and phonics are improving.

6. In what ways will the site continue to support and sustain the work begun through the ELSB grant program?

- We will continue to use Core Knowledge Language Arts (CKLA) which has shown to be effective at increasing early foundational language skills.
- District instructional supports through continued professional development
- Coaching Language Essentials for Teachers of Reading & Spelling (LETRS)
 - 15 out of 18 teachers have taken the initiative to participate in ongoing LETRS training
 - LETRS will continue to be accessible to all teachers with on-site support
- Tier 2 and 3 intervention systems in place
- K-3 students will continue to receive additional support through Literacy Academies and push-in/pull-out interventions.

Eligible Participating School #5: West Athens Elementary

1. What are the "big picture" goals stated in the Literacy Action Plan? These can be located in Section 2: Literacy Action Plan Components.

Early Literacy Support Block Grant Annual Report Implementation Year 3: 2023-24

- Goal 1: Provide Teacher training in assessing and progress monitoring students
- Goal 2: Provide explicit phonemic awareness and phonics instruction

2. What are the actions the LEA and school site have taken to progress toward those goals in Year 3 of the grant?

West Athens has done the following towards meeting its goal of improving literacy instruction in TK/K-3:

- Hired interventionist teachers and aide to work with grades K-2 struggling students scoring Well Below Benchmark on DIBELS at the beginning of the school year.
- Offered and trained K-3 teachers with LETRS (Language Essentials for Teachers of Reading and Spelling) science of reading professional learning.
- Provided professional development to K-3 teachers on school/grade level achievement data and on the analysis of DIBELS benchmark assessments to use data inform small group development and instruction for students.
- Provided teacher training on administration and analysis of foundational skills assessments (CORE and DIBELS)
- Held regular Professional Learning Community meetings to engage in the Plan-Do-Study-Act cycle and provide professional learning data analysis of progress monitoring data to identify specific literacy skills for small group instruction, plan targeted instruction, and reflect on students' response to instruction in order to refine teacher work.
- Provided grade level teachers with professional development on research-based systematic foundational skills instruction to build coherence and consistency across the grade level.
- Shared school wide literacy achievement data as a whole and segregated by grade level, English Learner, and African American student achievement to see our student's achievement status and discuss next steps.
- Work with the parent organization Parent Institute for Quality Education to provide parents with information on how to support and build their children's literacy skills at home.

3. What are the metrics the LEA and school site are using to measure progress on growth (student data) and/or actions (implementation)?

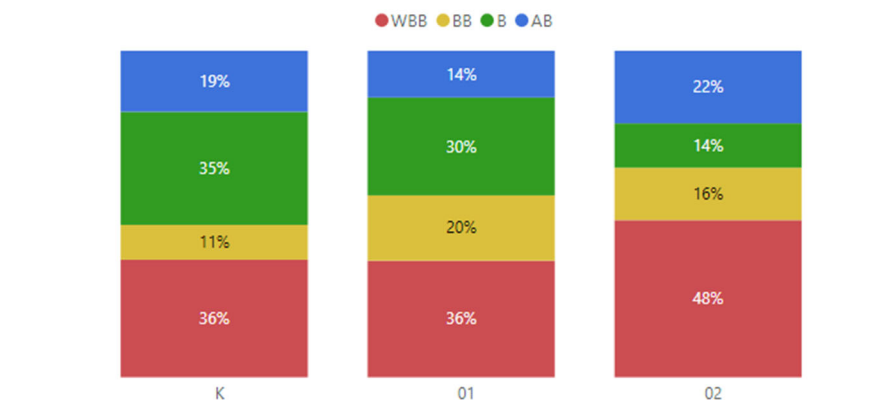
West Athens is using DIBELS and i-Ready assessment data to measure student progress in literacy achievement. Leadership walk-throughs to see implementation of literacy instruction.

Include Year 3 quantitative results for kindergarten through grade three. In the table below, record the local literacy assessment used and the percentage of students scoring in the proficient (at or above standard) range in each of these grade levels.

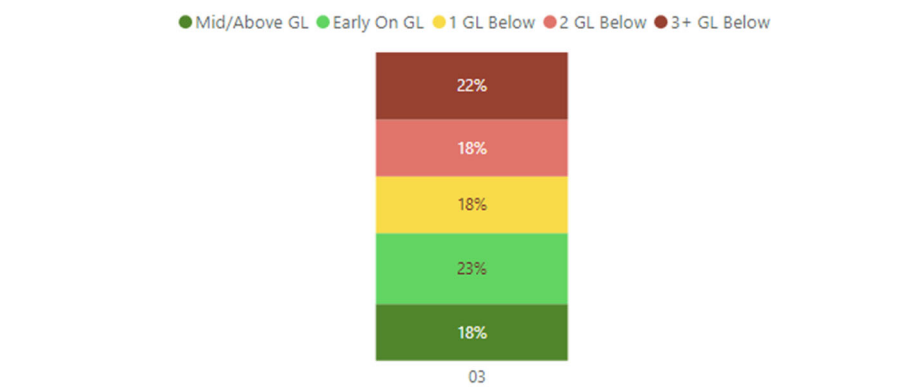
Grade Level	Local Literacy Assessment	Current % of Students At or Above Standard
Kindergarten	EOY DIBELS	54%
First Grade	EOY DIBELS	44%
Second Grade	EOY DIBELS	36%
Third Grade	EOY i-Ready	41%

Early Literacy Support Block Grant Annual Report Implementation Year 3: 2023-24

ELA DIBELS Composite Level (Gr K-2)



ELA Overall Relative Grade Level Placement



*Source: Interim Assessment Dashboard, June 10, 2024

4. Please provide an analysis of the metrics and specifically if the metrics are demonstrating progress towards goals. Compare baseline student data to current student data.

BOY/EOY Data Comparison

- K students in Benchmark and Above increased from 29% at BOY to 54% at EOY
- 1st grade students in Benchmark and Above increased from 21% BOY 44% EOY
- 2nd grade students in Benchmark and Above remained at 36% BOY to 36% EOY
- 3rd grade students in Benchmark and Above increased from 23% at BOY to 41% EOY

5. What has been the most notable change as a result of the site's ELSB grant work?

Despite continuous leadership turnover (5 Principals in 4 years), teacher turnover (5 teachers new to grades K-3 along with 2 long term subs in grade 1 this year alone), and reading interventionists turnover, a notable change that has occurred is a unified and consistent approach to instruction of foundational skills in core daily instruction and in small group lessons. Another shift has also begun with teachers beginning to understand their data tools, use of progress monitoring assessment, data analysis, and reflection on teacher practices and student learning. Teachers are engaging in the district's Plan-Do-Study-Act (PDSA) cycle of instruction through bimonthly Professional Learning Community meetings.

Early Literacy Support Block Grant Annual Report Implementation Year 3: 2023-24

West Athens teachers are also implementing small group instruction with connected independent literacy activities to reinforce students' learning of core and individualized instructional goals.

Finally, 15/19 TK-3 West Athens teachers engaged in LETRS professional development. Through the support of PLCS and PD, teachers are making connections from their learning to their curriculum and instructional planning.

6. In what ways will the site continue to support and sustain the work begun through the ELSB grant program?

West Athens is in the process of hiring a principal who will close out this school year and take West Athens into the new school year. Los Angeles Unified will support the principal as s/he transitions into the position to help the principal continue with systems that are in place and working as well as to continue to help build upon the successes and further the work of increasing student achievement.

West Athens will continue to support teachers in developing a habit of mind around data informed literacy instruction through PDSA cycles and grade level meetings/professional development.

West Athens will continue to support teachers' implementation of the district's core literacy curriculum and small group instruction making connections to the teacher learning on the science of reading.

West Athens will continue to provide targeted small group instruction focused on foundational literacy skills informed by data in all K-3 classrooms and will have a literacy interventionist to provide additional support to the students demonstrating the most need.

Eligible Participating School #6: YES Academy

1. What are the "big picture" goals stated in the Literacy Action Plan? These can be located in Section 2: Literacy Action Plan Components.

Goal 1: Explicit Foundational Skills Instruction

Goal 2: Literacy Small Group Instruction

Goal 3: Capacity Building/Reading Instruction

Goal 4: Family Support and Engagement

2. What are the actions the LEA and school site have taken to progress toward those goals in Year 3 of the grant?

The actions that have been undertaken are dedicated PM, regular data chats, the implementation of budget by purchasing items per plan, securing E.A.III to support K-2 staff, PDs on SOR, collaboration, efforts reviewed, revisited, and re-aligned as needed based on data, outreach to parents and community partners.

3. What are the metrics the LEA and school site are using to measure progress on growth (student data) and/or actions (implementation)?

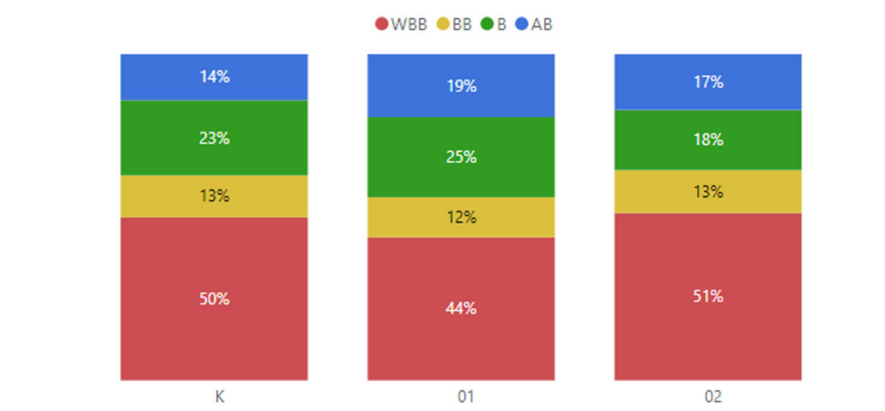
The following metrics guided our work towards literacy achievement: DIBELS, CORE Phonics Survey, Phonological Awareness Screening Test (PAST) assessments, i-Ready, SBA, Progress Monitoring, and attendance data. These data points provided needed information to determine next steps and informed decision-making.

Early Literacy Support Block Grant Annual Report Implementation Year 3: 2023-24

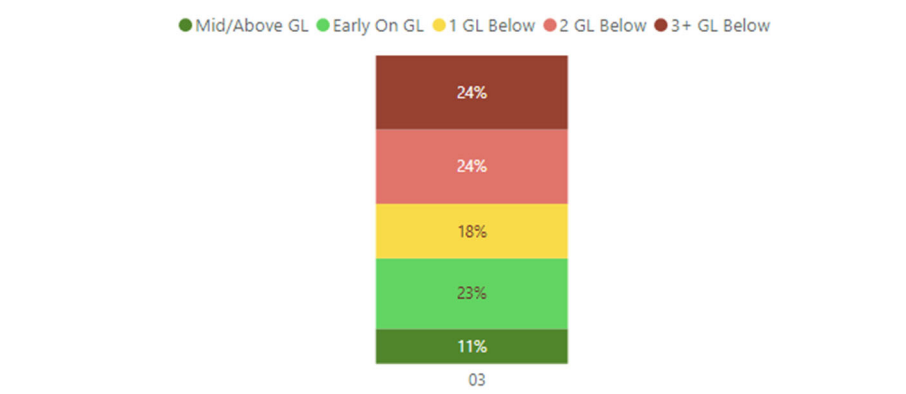
4. Include Year 3 quantitative results for kindergarten through grade three. In the table below, record the local literacy assessment used and the percentage of students scoring in the proficient (at or above standard) range in each of these grade levels.

Grade Level	Local Literacy Assessment	Current % of Students At or Above Standard
Kindergarten	EOY DIBELS	37%
First Grade	EOY DIBELS	44%
Second Grade	EOY DIBELS	35%
Third Grade	EOY i-Ready	34%

ELA DIBELS Composite Level (Gr K-2)



ELA Overall Relative Grade Level Placement



*Source: Interim Assessment Dashboard, June 10, 2024

- Please provide an analysis of the metrics and specifically if the metrics are demonstrating progress towards goals. Compare baseline student data to current student data.

BOY/EOY Data Comparison

- K students in Benchmark and Above increased from 32% at BOY to 37% at EOY
- 1st grade students in Benchmark and Above increased from 24% BOY 44% EOY

Submitted: 06/11/24, Revision #1

Early Literacy Support Block Grant Annual Report Implementation Year 3: 2023-24

- 2nd grade students in Benchmark and Above increased from 33% BOY to 35% EOY
- 3rd grade students in Benchmark and Above increased from 10% at BOY to 34% EOY

2. What has been the most notable change as a result of the site's ELSB grant work?

The most notable change as a result of the site's ELSB grant work has been a shift in teacher awareness surrounding the Science of Reading. Thus far, our focus has been to deepen our knowledge in systematic foundational skills through ongoing evidence based professional developments.

Noted Shifts:

- Teachers' mindset regarding the Science of Reading and implementing instruction
- Literacy gains-students' conceptualization
- Teachers' capacity and knowledge surrounding P.A. instruction and implementation
- Awareness of Data and the need to shift
- Foundational skills focus
- Teachers' collective efficacy

3. In what ways will the site continue to support and sustain the work begun through the ELSB grant program?

Our focus will be to continue to improve our reading fluency and comprehension metrics through systematic instruction in phonics, phonemic awareness, and word recognition through small group instruction associated with the Science of Reading via focused, targeted, structured literacy informed by DATA. Our work will be supported by the various resources, training, and support that have been put in place as a result of having access to the ELSBG funding.

We will support the sustainability of our efforts to maintain momentum by budgeting funds, conducting book studies and study groups to concretize learning gains, monitor classroom instruction and data to stay informed, promote and encourage participation in District provided learning opportunities associated with the Science of Reading.

We will continue to improve in our knowledge and skill in implementing an explicit systematic foundational skills program with fidelity across TK/K-3 classrooms as measured by our professional development calendar and DIBELS assessment, CORE Phonics Survey, and Phonological Awareness Screening Test (PAST) assessment.

We will implement strategies gained from professional development-Language Essentials for Teachers of Reading and Spelling (LETRS) which provided information and resources in literacy instruction including explicit foundational skills instruction, small group instruction, and the use of data.

We will carry on with improving our TK/K-3 students' reading fluency by providing systematic instruction in phonics, phonemic awareness, word recognition, and providing students opportunities to practice skills during targeted small group instruction with progress monitoring and analyzing data as measured by DIBELS, CORE Phonics Survey, and Phonological Awareness Screening Test (PAST) assessment.

We will continue to have weekly grade level meetings, Professional Development focusing on literacy and teacher choice professional developments.

We will continue to strive to improve our TK/K-3rd grade students' reading fluency by providing our families with instructional material, workshops, and literacy night events (activities) in phonics, word

**Early Literacy Support Block Grant Annual Report
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recognition, phonemic awareness, decodable readers and opportunities for parents to practice these skills at home as measured by DIBELS, CORE Phonics Survey, and Phonological Awareness Screening Test (PAST) assessments and event sign-ins.

We will continue to provide parents and families opportunities to participate in Family Literacy Night, parent literacy workshops, and provide parents with resources to support students and provide them with opportunities to practice literacy skills at home.

In order to nurture the idea of teaching with fidelity to ensure literacy gains for all students, the goal of allowing teachers to continue to receive professional development based on explicit instruction and data analyzation will be at the forefront of our mission.

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TAB 16



Board of Education Report

File #: Rep-292-23/24, Version: 1

Approval of Adult Education CTE Advisory Committee

June 18, 2024

Division of Adult and Career Education

Action Proposed:

Approval for CTE Advisory Committee for Perkins Grant (Strengthening Career Technical Education Act).

Background:

The Perkins grant legislation requires that grant recipients collaborate with a committee of diverse stakeholders to annually review and provide recommendations for the agency's Career Technical Education (CTE) program. Per the California Department of Education (CDE) Perkins application, the committee should include representation from the following categories: CTE teaching staff, school administrators, post-secondary CTE providers, city/county workforce development agencies, and others serving vulnerable populations, local businesses, and industry partners. To meet grant requirements, the Division of Adult and Career Education (DACE) holds an annual meeting for stakeholders to advise and provide input on DACE's CTE programs. The group, called the CTE Advisory Committee, provides recommendations that are considered for the following year.

Expected Outcomes:

The Perkins V grant provides supplemental funding and allows DACE to offer additional supplemental funding allowing DACE schools to purchase CTE equipment and offer additional CTE programs to prepare adult learners for jobs in high-demand industry sectors. Equipment for CTE programs can be extremely costly. This supplemental funding allows DACE to maintain and create state-of-the-art classrooms in 14 industry sectors, support career guidance, and increase certifications, credentials, and training attainment.

Board Options and Consequences:

A "Yes" vote, will approve the CTE Advisory Committee and will permit DACE's ability to develop and continue to support CTE programs at each school site.

A "No" vote, may lead to grant ineligibility and would limit DACE's ability to develop and support CTE programs at each school site.

Policy Implications:

None

Budget Impact:

This is a reimbursement-based grant and DACE has qualified to receive \$830,307 for program year 2024-2025.

Student Impact:

Approximately 17,000 DACE students participated in CTE programs and received services supported by the Perkins V grant during the 2023-2024 school year. The Perkins V grant award provides supplemental funding

File #: Rep-292-23/24, Version: 1

allowing DACE schools to purchase state-of-the-art CTE equipment and offer additional CTE programs to prepare adult learners for jobs in high-demand industry sectors.

Equity Impact:

Component	Score	Rationale
Recognition	4	DACE actively recognizes vulnerable student populations and engages in targeted outreach to provide equity and access to special populations.
Resource Prioritization	3	The DACE CTE Committee prioritizes and allocates resources to schools based on demonstrated need. Programs are prioritized to provide entry-level training opportunities for students with high barriers to employment.
Results	3	DACE programs are likely to result in closed opportunity gaps as the majority of students enrolled have identified barriers. More than half of students who complete CTE programs supported by Perkins find employment.
TOTAL	10	

Issues and Analysis:

Not Applicable

Attachments:

Advisory Committee Participant Roster

Informatives:

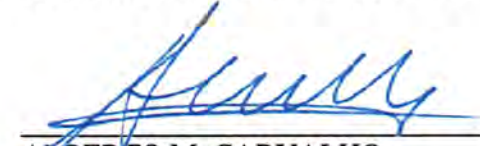
Not Applicable

Submitted:

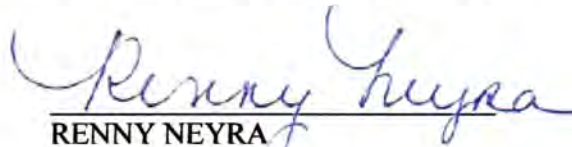
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File #: Rep-292-23/24, Version: 1


RESPECTFULLY SUBMITTED,


ALBERTO M. CARVALHO
Superintendent

APPROVED & PRESENTED BY:

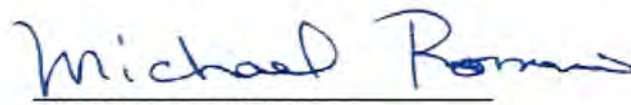

RENNY NEYRA
Executive Director
Division of Adult and Career Education

REVIEWED BY:


DEVORA NAVERA REED
General Counsel

☒ Approved as to form.

APPROVED & PRESENTED BY:


MICHAEL ROMERO
Chief of Transitional Programs
Office of Transitional Programs

REVIEWED BY:


NOLBERTO DELGADILLO
Deputy Chief Business Officer, Finance

☒ Approved as to budget impact statement.



Division of Adult and Career Education

Proposed CTE Advisory Committee Membership Roster* / Meeting Scheduled for 6/21/2024

	Name	Organization/Institution Representing/Industry Sector	Title	Years Serving Committee - Request for Approval	CDE's Recommended Categories
1	Megan Carroll	LAUSD - DACE	Coordinator, Strategic Planning	1	Administrator
2	Eleanor Comegys	LAUSD - DACE	Student Outreach Navigator	2	CTE Teaching Staff
3	Joshua David	LAUSD - WVOC	Student Outreach Navigator	1	CTE Teaching Staff
4	David Earhart	Slawson Occupational Center	CTE Teacher	3	CTE Teaching Staff
5	Samuel Limon Orozco	North Valley Occupational Center	Graphic Design Teacher	1	CTE Teaching Staff
6	Matthew Oberlander	LAUSD - DACE	Director of Equity and Instruction	1	Administrator
7	Karina Ravkina	LAUSD – DACE	Assistant Principal of Operations	1	Administrator
8	Regina Brady	Business and Finance	CTE Advisor	1	CTE Teaching Staff
9	Alma Lopez	Manufacturing and Product Development	Career Services Coordinator	2	Workforce Development
10	Tamara Marderosian	Information and Communication Technologies	WIOA Navigator Teacher Advisor	1	CTE Teaching Staff
11	Ana Martinez	LAUSD - DACE	Specialist, CTE	3	Administrator
12	Martha Martinez	LAUSD - DACE	Perkins Advisor	3	CTE Teaching Staff
13	Sam Powers	LAUSD - DACE	Student Outreach Navigator	1	CTE Teaching Staff
14	Alejandra Salcedo	LAUSD - DACE	Specialist, Federal Grants	3	Administrator
15	Jarred Bonilla	Vernon Central/LATTC WorkSource Center Amity Foundation (dedicated to the inclusion and habilitation of people marginalized by addiction, trauma, criminality, incarceration, poverty, racism, and sexism)	Case Worker	2	Workforce Development
16	Ka'Shandra Hall	HACLA Watts Los Angeles WorkSource Center	Senior Community Case Manager	2	Workforce Development
17	Karla Marion	MCS Hollywood WSC	WIOA Case Manager	1	Workforce Development
18	Ana Pena	Education, Child Development, and Family Services	Case Manager	1	Workforce Development
19	Edgar Castillo	LA Chamber of Commerce - UniteLA	Senior Manager, Workforce	2	Workforce Development

			Development Policy & Systems		1099
20	Jahrell Thomas	Coalition for Responsible Community Development	Chief Operations Officer	1	Industry Partner
21	Imad Awarke	City of Long Beach/Pacific Gateway	Representative	1	Workforce Development
22	Eli Romero	Pacific Gateway WorkSource Center	Regional Manager	1	Workforce Development
23	Elena Santana	Regional Center	HR Manager	1	Industry Partner
24	Byron Boykin	Chef Boykin Brothers (North African and Latino Restaurant)	Business Owner	2	Local Business
25	Mike Carey	Delorean Time Machine Events (Transportation Rentals for Special Events)	Business Owner	1	Local Business
26	Julio Cruz	Para Los Ninos	Program Manager	1	Industry Partner
27	Jessica Espinoza	Building and Construction Trades	Program Manager	2	Workforce Development
28	Leonel Fuentes	Alliance for Community Empowerment	C.F.O.	2	Workforce Development
29	Ben Garcia	LA/OC Building Trades Council's Apprenticeship Readiness Fund	MC3 Program Director	2	Industry Partner
30	Markay Lynn	Los Angeles Police Department	Landscape Los Angeles Police Department employee	1	Industry partner
31	Ana Quiles	North Los Angeles Regional Center	Board President	2	Industry Partner
32	Tada Stewart	Sears Heating and Air Conditioning	HVAC Employee	1	Local Business
33	Jalene Whittington	Santa Monica UCLA Medical Center	Representative	1	Industry Partner
34	Jearline Dixon	Los Angeles County Office of Education Division of Student Programs, Career Technical Education	Regional Coordinator	1	Industry Partner
35	David Herrera	YouthSource Center UCLA Central @ Central City Neighborhood Partners	Representative	1	Workforce Development
36	Angela Hwang	Public Services	UCLA YouthSource Center	1	Workforce Development
37	Laura Rodriguez	UCLA Community Youth Programs (CYP) Center for Community Engagement	Youth Program Coordinator	1	Industry Partner
38	Staff	LAUSD - DACE	Office Technician	0	
39	Mauricio Reyes	Building and Construction Trades	Certified Welding Inspector Self	2	Industry Partner
40	Cindy Cevallos	North Valley Occupational Center	Graphic Design-Student	0	Student
41	Tania Alquicira	Edison Middle School	Parent	0	Parent
42	Gloria Wong	Eastern Los Angeles Regional Center	Executive Director	0	Representatives of Special populations
43	Federico Saucedo	Career Education and Development at Glendale College	Dean	0	Postsecondary Administrator
44	Laura Novak	John R. Wooden High School	Principal	0	Representative of Special Populations

*The Perkins grant legislation requires that grant recipients collaborate with a committee of diverse

stakeholders to annually review and provide recommendations for the agency's CTE program. Per the California Department of Education (CDE) Perkins application, the committee should include representation from the following categories: CTE teaching staff, school administrators, post-secondary CTE providers, city/county workforce development agencies and others serving vulnerable populations, local business and industry partners, parents, and students. DACE holds annual meetings (usually during the months of May and June) in which the above stakeholders have opportunities to advise and provide input on DACE's CTE programs. The group, called the *CTE Advisory Committee*, provides recommendations which are considered for program year investments.

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TAB 17



Board of Education Report

File #: Rep-335-23/24, Version: 1

2022 CCEIS Action Plan Amendment

June 18, 2024

Division of Special Education/Comprehensive Coordinated Early Intervening Services (CCEIS) Program

Action Proposed:

Approval of the Division of Special Education's (DSE) amendment to the 2022 Comprehensive Coordinated Early Intervening Services (CCEIS) Action Plan.

Background:

A Local Education Agency (LEA) must develop a CCEIS Action Plan to identify and address the factors contributing to the significant disproportionality for the identified category within the LEA. In Spring 2024, Los Angeles Unified School District (LAUSD) received a notification that it was determined to be significantly disproportionate in the number of African American/Black students with disabilities who experienced a suspension or an expulsion and/or received an emotional disturbance eligibility within special education.

Under the Individuals with Disabilities Education Improvement Act (IDEA), if a LEA is identified as significantly disproportionate, the LEA must create an action plan to address this significant disproportionality. This action plan outlines activities, support, and services that are for students who currently receive special education services as well as students who do not currently receive special education services.

As previously approved action plans are implemented, DSE will periodically need to adjust activities and the corresponding budget. These adjustments require LAUSD Board consideration for approval.

Finally, school and student selection criteria are outlined in (Attachment A). A school roster, including grade levels, approximate number of students impacted, Board District, and Priority status, are included in Attachment B.

Summary of CCEIS Timeline

The California Longitudinal Pupil Achievement Data System (CALPADS) reported significant disproportionality in discipline among African American students with Individualized Education Programs (IEPs) and emotional disturbance (ED) eligibility from 2018 to 2021. Starting in 2020, action plans were implemented to address these disparities, with subsequent plans developed each year to continue addressing the issue. By 2023, the focus of disproportionality extended to include multiple ethnicities with speech or language impairment (SLI) eligibility. Each annual determination noted persistent issues, leading to adjustments in the action plans. The ongoing efforts demonstrate a commitment to addressing and reducing racial and ethnic disparities in disciplinary actions and eligibility identification within special education.

Overview of 2022 Amendment Changes

The 2022 CCEIS Action Plan is being recommended for changes in three areas: 1) align the CCEIS budget to the most recent IDEA revenue update, 2) align Standardized Account Code Structure (SACS) Object Codes to California Department of Education (CDE) expectations, and 3) increase staff counts to continue bolstering

CCEIS supports. The table below outlines in additional detail the change needed, detail on the change, and rationale for the change:

Change Needed	Proposed Change Reflected in CCEIS Amendment	Rationale for Proposed Change
Budget alignment to the most recent IDEA Grant Award Notification (GAN)	The budget is now aligned to match IDEA revenues. Modifications were made to SACS 5000 and 5100 budget lines for CDE reporting requirements.	IDEA revenue changed, which has impacted the 15% IDEA set-aside used for CCEIS revenue. This results in the District being unable to claim \$117M in reimbursement for IDEA expenditures. As a result, the CCEIS budget has changed for the 2022 CCEIS Action Plan, thus now requiring an amendment. Any budgetary changes to the CCEIS Action Plan require Board approval.
SACS Object Code adjustments	SACS Object Codes have been adjusted.	The previous budget erroneously reported amounts that exceeded the limit for SACS Object Code 5100.
FTE modifications to improve programmatic supports	Increase FTEs for literacy coaches by three (3), and parent family educator coaches by one (1) to enhance programmatic supports, align with the 2023 CCEIS Action Plan, and allow for the use of 2022 CCEIS funds. Increase FTEs for Building Bridges PSWs by three (3) and mental health consultants by three (3) to build-out CCEIS EEC supports. Increase FTEs for behavior support specialists by one (1) to build-out a runway of support in preparation for the 2024 CCEIS Action Plan.	Changes to the 2022 CCEIS Action Plan will ensure impactful student support and alignment with the 2023 CCEIS Action Plan. The increase of literacy coach FTEs will provide more instructional coaching support for teachers who work with Promising Scholars. Increasing Building Bridges program FTEs will expand early education support and provide direct services to Promising Scholars and their families. In addition, increasing parent support family educator coach FTEs will assist with engagement of families to support their children.

Expected Outcomes:

The DSE expects that the amendment to the 2022 CCEIS Action Plan will support LAUSD's transition from being significantly disproportionate in this area.

Board Options and Consequences:

LAUSD's submission of an approved 2022 CCEIS Action Plan Amendment will comply with the California Department of Education's (CDE) requirements and align with 34 CFR Section 300.646.

If not approved and/or submitted, LAUSD will not be able to implement changes to the 2022 CCEIS Action Plan and will be out of compliance with CDE requirements.

Policy Implications:

Not Applicable

Budget Impact:

The DSE must reserve 15% of its IDEA grant funds to address factors contributing to the significant disproportionality and this action plan amendment ensures all funding is fully expended and appropriately allocated for student support activities. This 2022 CCEIS Action Plan Amendment reallocates CCEIS funding into the following areas:

- Increased CCEIS literacy coaches from 2.0 to 5.0 FTE
- Increased CCEIS parent/family educator coaches from 2.0 to 3.0 FTE
- Increased CCEIS mental health coordinator from 0.5 to 1.0 FTE
- Increased CCEIS Building Bridges psychiatric social workers from 5.0 to 8.0 FTE
- Increased CCEIS Building Bridges mental health consultant from 1.0 to 4.0 FTE
- Increased CCEIS behavior support specialist from 0.0 to 1.0 FTE
- Increased CCEIS senior financial analyst from 0.5 to 1.0 FTE
- Modified SACS 5000 and 5100 budget lines for CDE reporting

Student Impact:

Amending the 2022 CCEIS Action Plans aligns with the following Strategic Plan Pillar: Pillar 1: Academic Excellence "Eliminating Opportunity Gaps". This alignment is through a reduction of the disproportionate rate of discipline referrals and emotional disturbance eligibility rates of students that are African American/Black. These amended action plans will impact over 1,000 students across over 60 schools, including early education centers, in Regions West and South.

Equity Impact:

Component	Score	Score Rationale
Recognition	4	The LAUSD CCEIS team used a Four-Phase Programmatic Improvement Process for Significant Disproportionality in drafting the 2022 CCEIS Action Plan. A cultural lens was applied throughout these four phases and overall outcomes and activities were based on qualitative and quantitative data measures using a multitude of data sources. In addition, the California Department of Education recommended data analysis tools to review historical and current disproportionate data.
Resource Prioritization	4	CCEIS Action Plan activities were developed to address the following key root causes of disproportionality directly: • Systemic racism and cultural dissonance result in a culture that lacks meaningful student relationships and culturally responsive practices, as evidenced by explicit and implicit biases. • Lack of fidelity to discipline policies, procedures, and practices has created a direct pathway to special education. • Inconsistencies in the SSPT processes result in an inconsistent pre-referral process. • Lack of consistent interventions and practices for students impacted by trauma. • Lack of authentic partnership with African American parents and families, leading to strained relationships and distrust.

Component	Score	Score Rationale
Results	4	Implementing the amendment to the 2022 CCEIS Action Plan will result in closing opportunity and success gaps. When fully implemented, the amended action plan contains activities and outcomes that directly connect to the significant disproportionality rate in the number of African American/Black students with disabilities who experienced a suspension or an expulsion and/or received an emotional disturbance eligibility within special education.
TOTAL	12	

Issues and Analysis:

The Federal requirements for submitting the amendment for the 2022 CCEIS Action Plan are set forth in 34 CFR Section 300.646 and informed by the California Department of Education.

Attachments:

Attachment A - School and Student Criteria

Attachment B - School Roster

Attachment C - 2022 CCEIS Action Plan Amendment

Informatives:

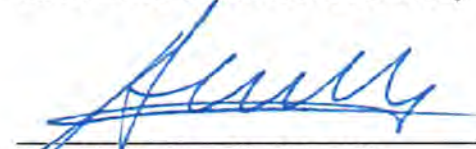
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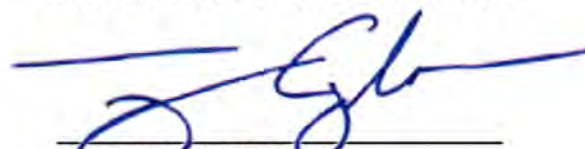
06/06/24

File #: Rep-335-23/24, Version: 1

RESPECTFULLY SUBMITTED,


ALBERTO M. CARVALHO
Superintendent

APPROVED & PRESENTED BY:



ANTHONY AGUILAR
Chief of Special Education, Equity and
Specialized Programs
Division of Special Education

REVIEWED BY:


DEVORA NAVERA REED
General Counsel

☒ Approved as to form.

APPROVED & PRESENTED BY:


DR. JOSE SOTO
Executive Director
Division of Special Education

REVIEWED BY:


NOLBERTO DELGADILLO
Deputy Chief Business Officer, Finance

☒ Approved as to budget impact statement.

**CALIFORNIA DEPARTMENT OF EDUCATION - SPECIAL EDUCATION DIVISION
SIGNIFICANT DISPROPORTIONALITY - CCEIS PLAN AMENDMENT
MEMORANDUM**

Attachment A - School and Student Criteria

Early education criteria for identifying Promising Scholars:

- Step 1: To ensure the targeted and intentional work with African American/Black Promising Scholars, students will be selected from schools with 18% or more of the target student population (African American/Black students).
- Step 2: The Desired Results Developmental Profile (DRDP) - If a student has an average score that falls within either the Responding or Exploring ratings for at least one of the following domains they are identified as a Promising Scholar: 1) Approaches to Learning Self-Regulation; 2) Social and Emotional Development; and/or, 3) Physical Development-Health.
- Step 3: The Ages and Stages Questionnaires (ASQ-3) and the Ages and Stages Questionnaires: Social Emotional-2 (ASQ:SE-2) - For students that have an incomplete score profile in one of the three DROP domains outlined above, the CCEIS team will leverage the ASQ-3 and then the ASQ SE-2, as applicable. Targeting the ASQ-3 domain of Personal-Social, the CCEIS team uses a cutoff score of 26.60, to determine the need for a review of the ASQ:SE-2. For students that require a review of ASQ:SE-2, a monitor cutoff score of 70 or above is used as criteria for Promising Scholar status.

UTK-12th grade criteria for identifying Promising Scholars:

- Step 1: To ensure the targeted and intentional work with African American/Black Promising Scholars, students will be selected from schools with 18% or more of the target student population (African American/Black students).
- Step 2: A student must be a Probable Standard English Learner.
- Step 3: A student is required to exhibit a minimum of three of the following indicators:
 - One or more discipline referrals in 2023-2024
 - One or more suspensions in 2023-2024
 - Chronic absenteeism or 10 or more days absent during the 2023-24 school year
 - Formative Reading Assessment Results:
 - DIBELS: Below or Well-Below Benchmark (Composite or Nonsense Word Fluency)
 - Renaissance: Level 1 or 2
 - Ready: Level 1 or 2

CCEIS School Sites							
LC	School Name	Grades	Count of Promising Scholars	Board District	Region	Priority School Status	BSAP Status
3795	59th St EL	K-5	18	1	S	Y	1
9538	95th St EEC	PK	9	1	S		
5521	95th St EL	K-5	68	1	S	Y	1
9539	97th Street EEC	PK	17	1	S		
8028	Audubon MS	6-8	69	1	S	Y	1
7569	BALA	6-12	20	1	S		3
7123	Bradley Gbl Awr Mag	K-5	19	1	S	Y	1
2616	Budlong Ave EL	K-5	28	1	S	Y	2
2945	Century Park EL	K-5	9	1	S	Y	2
9516	Collins EEC	PK	9	1	S		
8596	Crenshaw Mag Stemm	9-12	59	1	S	Y	1
8600	Dorsey HS	9-12	80	1	S	Y	1
3822	Figueroa St EL	K-5	10	1	S		1
6795	Garcetti LA EL	K-6	28	1	S		3
8170	Harte Prep MS	6-8	36	1	S	Y	1
8713	Hawkins HS C/Dags	9-12	99	1	S	Y	2
4528	Hillcrest Dr EL	K-5	33	1	S	Y	1
9527	Hyde Park EEC	PK	7	1	S		
4786	La Salle Ave EL	K-5	25	1	S	Y	1
5110	Manhattan Pl EL	K-5	6	1	S	Y	1
7574	Mann UCLA Comm Sch	9-12	78	1	S	Y	1
9591	Mikes EEC	PK	42	1	S		
5630	Normandie Ave EL	K-5	19	1	S	Y	1
9447	Parks Huerta EEC	PK	5	1	S		
8928	Washington Prep HS	9-12	75	1	S	Y	1
2209	West Athens CSPP	PK	3	1	S		
7644	West Athens EL	K-5	33	1	S	Y	1
7863	Woodcrest EL	K-5	48	1	S	Y	1
8598	Young HS	9-12	4	1	S		
9566	36Th St EEC	PK	4	1	W		
2123	Angeles Mesa EL	K-5	12	1	W		2
8075	Burroughs MS	6-8	16	1	W		2
2939	Carson-Gore Academy	K-5	20	1	W		
9597	Crescent Heights EEC	PK	21	1	W		
8686	Hamilton HS	9-12	110	1	W		1
9584	Marvin Avenue EEC	PK	2	1	W		
8340	Palms MS	6-8	50	1	W		2
4980	Pio Pico MS	6-8	14	1	W	Y	4
7795	Wilshire Crest EL	K-5	8	1	W		
9577	Wilton Place EEC	PK	5	1	W		

CCEIS School Sites							
LC	School Name	Grades	Count of Promising Scholars	Board District	Region	Priority School Status	BSAP Status
7822	Windsor Hills EL	K-5	33	1	W		1
2507	Brentwood EL Sci Mag	K-5	13	4	W		1
3260	Cowan EL	K-5	22	4	W		2
5240	Johnson STEM Academy MS	6-8	11	4	W		3
9528	Kentwood EEC	PK	3	4	W		
9529	Laurel EEC	PK	24	4	W		
8235	Marina Del Rey MS	6-8	53	4	W	Y	1
9533	Marina EEC	PK	2	4	W		
8425	Mark Twain MS	6-8	11	4	W		3
6052	Paseo Del Rey EL	K-5	12	4	W		1
8481	Webster MS	6-8	29	4	W		2
8943	WESM	9-12	74	4	W		1
9576	Westminster EEC	PK	3	4	W		
7712	Westport Hts EL	K-5	3	4	W		3
9545	102nd Street EEC	PK	23	7	S		
5857	107th St EL	K-5	60	7	S	Y	1
5836	109th St EL	K-5	15	7	S	Y	3
9546	112th Street EEC	PK	30	7	S		
9558	75th Street EEC	PK	50	7	S		
9881	Bradley EEC	PK	25	7	S		
9514	Dolores Street EEC	PK	26	7	S		
8112	Drew MS	6-8	13	7	S	Y	1
7667	Dymally HS	9-12	59	7	S	Y	1
8113	Edison MS	6-8	45	7	S	Y	3
5781	Flournoy EL	K-5	32	7	S	Y	2
9165	Gardena EEC	PK	37	7	S		
8160	Gompers MS	6-8	66	7	S	Y	1
4274	Grape St EL	K-5	19	7	S	Y	3
5849	Griffith Joyner EL	K-5	41	7	S	Y	1
9531	Locke EEC	PK	32	7	S		
8237	Markham MS	6-8	66	7	S	Y	1
9543	Normont EEC	PK	17	7	S		
8352	Peary MS	6-8	61	7	S		1
6158	Purche Ave EL	K-5	16	7	S		1
8868	Rancho Domingz Prep	9-12	32	7	S		2
8850	San Pedro HS	9-12	32	7	S		2
8487	White MS	6-8	35	7	S		2

2022 PLAN AMENDMENT MEMO
COMPREHENSIVE COORDINATED EARLY INTERVENING SERVICES (CCEIS)

DATE: June 18, 2024

TO: Kishuan Thortona, Education Programs Consultant

FROM: Dr. Jose Soto, Executive Director of Special Education

SUBJECT: REQUESTED AMENDMENTS TO LAUSD'S 2022 CCEIS ACTION PLAN

The Los Angeles Unified School District (LAUSD) CCEIS team requests that the California Department of Education (CDE) approve changes to the 2022 CCEIS Action Plan to ensure impactful student support and alignment with the 2023 CCEIS Action Plan.

Changes proposed in this amendment reallocates funding into the following areas:

- Increased CCEIS literacy coaches from 2.0 to 5.0 FTE
- Increased CCEIS parent/family educator coaches from 2.0 to 3.0 FTE
- Increased CCEIS mental health coordinator from 0.5 to 1.0 FTE
- Increased CCEIS Building Bridges psychiatric social workers from 5.0 to 8.0 FTE
- Increased CCEIS Building Bridges mental health consultant from 1.0 to 4.0 FTE
- Increased CCEIS behavior support specialist from 0.0 to 1.0 FTE
- Increased CCEIS senior financial analyst from 0.5 to 1.0 FTE
- Modified SACS 5000 and 5100 budget lines for CDE reporting

Budget Adjustments

Insert proposed budget adjustments, including funding sources, as needed. In addition, complete Budget Forms 1 and 2.

This 2022 CCEIS Action Plan Amendment reallocates funding into the following areas:

- Increased CCEIS literacy coaches from 2.0 to 5.0 FTE
- Increased CCEIS parent/family educator coaches from 2.0 to 3.0 FTE
- Increased CCEIS mental health coordinator from 0.5 to 1.0 FTE
- Increased CCEIS Building Bridges psychiatric social workers from 5.0 to 8.0 FTE
- Increased CCEIS Building Bridges mental health consultant from 1.0 to 4.0 FTE
- Increased CCEIS behavior support specialist from 0.0 to 1.0 FTE
- Increased CCEIS senior financial analyst from 0.5 to 1.0 FTE
- Modified SACS 5000 and 5100 budget lines for CDE reporting

The following pages provide additional detail on these recommendations and a corresponding budget.

AMENDED 2022 SIGNIFICANT DISPROPORTIONALITY COMPREHENSIVE COORDINATED EARLY INTERVENING SERVICES (CCEIS) BUDGET FORMS

Budget Form 1: AMENDED 2022 BUDGET ALLOCATION

Provide the Fiscal Year 2022–23 allocation awarded for Resource Codes 3310 and 3315:
Provide the 2022 allocations the SELPA provided to the identified LEA for resource codes 3310 and 3315. The 15 percent set-aside for CCEIS expenditures will be determined from these two resource codes.

2022 Resource 3310 Allocation	2022 Resource 3315 Allocation
\$132,709,705	\$5,143,069

In the box below, indicate the 15 percent set aside for each of the Fiscal Year 2022–23 allocations the LEA was awarded for resource codes 3310 and 3315:

2022 CCEIS Resource 3312 (3312 = 15% of 3310)		2022 CCEIS Resource 3318 (3318 = 15% of 3315)		Total 2022 CCEIS Budget
\$19,906,456	+	\$771,460	=	\$20,677,916

The above total 15 percent set-aside amount will be the total 2022-23 CCEIS budget that must be expended on approved CCEIS activities and reported accurately in quarterly CCEIS Progress and Expenditure Reports for the CCEIS period July 1, 2022, through September 30, 2024. Please use the Total 2022 CCEIS Budget indicated above to complete the Amended 2022 Allowable Costs Budget form on the next page.

California Department of Education - Special Education Division
Significant Disproportionality - CCEIS Plan Amendment Memorandum

Budget Form 2: AMENDED 2022 ALLOWABLE COSTS BUDGET

Complete the table below to reflect the Total 2022 CCEIS Budget as reported on the 2022 Budget Allocation or the Amended 2022 Budget Allocation. CCEIS expenses for 2022 must conform to the U.S. Office of Special Education Programs (OSEP) IDEA Part B Regulations Significant Disproportionality (Equity in IDEA). The 2022 CCEIS period is July 1, 2022, through September 30, 2024. The CCEIS 15 percent set-aside must be fully expended by September 30, 2024.

2022 Budget Line Items	Brief Description of 2022 CCEIS Activities	Amount for each CCEIS Activity
1000–Certified Salaries	<ul style="list-style-type: none"> • System of Support Advisers (SOSAs) PK-12, 19.0 • Specialists (MTSS/Behavior, Parent/Family, and ALA Literacy), 3.0 • SHHS Coordinator, 1.0 • CCEIS Team Coordinators, 4.0 • CCEIS APEIS, Up to 25.0 • Early Education Occupational Therapist, 2.0 • Early Education Recreational Therapist, 1.0 • Psychiatric Social Workers, 8.0 • Resource Nurse, 0.5 • ALA School Psychologist, 1.0 • ALA Instructional Coaches, 5.0 • ALA General Education Teachers, 4.0 • ALA Special Education Teachers, 4.0 • Speech and Language Therapist, 2.0 • Family and Community Engagement Educator Coaches, 3.0 • Mental Health Consultants, 4.0 • Behavior Support Specialist, 1.0 <p>Note: Additional time for professional development training for certificated staff, planning, coaching, and providing direct student services will be added throughout the fiscal year, as needed.</p>	\$9,769,033.00
2000–Classified Salaries	<ul style="list-style-type: none"> • ALA Paraprofessionals, 4.0 • Principal Administrative Analyst, 1.0 • Senior Office Technician, 1.0 • Senior Financial Analyst, 1.0 • Early Education Teacher Aides, 10.0 • Office Technician, 1.0 <p>Note: Additional time for professional development training for classified staff, planning, coaching, and providing direct student services will be added throughout the fiscal year, as needed.</p>	\$1,042,698.00
3000–Employee Benefits	Benefits for LAUSD-based staff utilized under the 2022 CCEIS Action Plan	\$4,949,992.00
4000–Materials and Supplies	<ul style="list-style-type: none"> • Materials for menu of options for CCEIS schools and Promising Scholars • Parent/family collaborative group general supplies • Materials for CCEIS Parent Family Centers • Materials for ALA sites • Calm Healing Spaces maintenance materials (i.e., student intervention materials) 	\$2,730,193.00

California Department of Education - Special Education Division
Significant Disproportionality - CCEIS Plan Amendment Memorandum

2022 Budget Line Items	Brief Description of 2022 CCEIS Activities	Amount for each CCEIS Activity
	<ul style="list-style-type: none"> • PK's Building Bridges School Readiness program • SOSA and PSW (supplies and materials of up to \$2000 per SOSA/PSW) • Continued SEL site licenses • Continued Learning Ally Audiobooks licenses at CCEIS sites • Literacy materials for early education centers • Materials for CCEIS 2022 interdepartmental team outreach • Culturally linguistically responsive materials for CCEIS schools and Promising Scholars 	
5000—Services and Other Operating Costs	<ul style="list-style-type: none"> • Travel and conference attendance to support plan implementation • Professional development in race, equity, anti-racism, anti-bias, and culturally-linguistically responsive practices • Trauma-informed training • Reading program supports and services • Early childhood's Shoestring content expert and materials for Building Bridges School Readiness program for Promising Scholars • Continued Lindamood-Bell for literacy • Tutoring and mentoring groups • Parent engagement trainings • Interdepartmental symposiums and trainings 	\$1,350,000.00
5100—Contract Services (ICR cannot be used for Object Code 5100)	Sub-agreement contracts for vendor supports and services for the 2022 CCEIS Action Plan implementation (Technical Assistance Facilitator contract).	\$25,000.00
5800—Contract Services	<ul style="list-style-type: none"> • Toshiba contracts at \$10,000 (\$5,000 per contract per site) • Trauma-informed training • Professional development in race, equity, anti-racism, anti-bias, and culturally-linguistically responsive practices • Reading program supports and services • Early childhood's Shoestring content expert and materials for Building Bridges School Readiness program for Promising Scholars • Continued Lindamood-Bell for literacy • MTSS/SSPT Tier 2 and Tier 3 digital tracker for interventions • Tutoring and mentoring groups • Parent engagement trainings • Interdepartmental symposiums 	\$220,000.00
7300—Indirect Cost Rate (ICR) CDE-approved rate of 3.15 percent)		\$591,000
Total Amount for 2022 CCEIS Activities. The amount must equal the Total 2022 CCEIS Budget as indicated on the 2022 Budget Allocation Summary.		\$20,677,916

AMENDED CCEIS PLAN SIGNATURES

By signing below, the authorized personnel validate the accuracy of the information reported and agree to implement the amended 2022 CCEIS Action Plan.

Printed Name of Local Educational Agency (LEA) Superintendent: **Alberto M. Carvalho**

LEA Superintendent Signature:

Date Signed:

Printed Name of LEA Fiscal Officer: **David D. Hart**

LEA Fiscal Officer Signature:

Date Signed:

Printed Name of Chief of Special Education, Equity, and Specialized Programs: **Anthony Aguilar**

LEA Chief Signature:

Date Signed:

Printed Name of Special Education and Special Education Local Plan Area (SELPA) Director: **Dr. Jose Soto**

SELPA Director Signature:

Date Signed:

Printed Name of LEA Implementation Leads: **Dr. Sukari Garlington and Dixon Deutsch**

LEA Implementation Lead Signatures:

Date Signed:

Please verify, sign, and email directly to the SigDisp@cde.ca.gov.

CDE APPROVAL

FMTA Consultant Name: _____

Date: _____

[Return to Order of Business](#)

TAB 18



Board of Education Report

File #: Rep-336-23/24, Version: 1

Special Education Local Plan Area (SELPA) Local Plan 2024-2025

June 18, 2024

Division of Special Education

Action Proposed:

Approve the Local plan components Section A: Contracts and Certifications, Section B: Governance and Administration, Section D Annual Budget Plan, Section E: Annual Service Plan, and Attachments I-VII. Approval of the SELPA Local Plan will allow sufficient time for the California Department of Education to approve the revised local plan prior to the beginning of the new fiscal year, as outlined by the California Department of Education.

Background:

The Los Angeles Unified School District is a single district SELPA (Special Education Local Plan Area), charged with providing a free appropriate public education (FAPE) to eligible students with disabilities within its jurisdictional boundaries. Annually, the Local Plan's Section D: Annual Budget Plan and Section E: Annual Service Plan must be completed, reviewed, and approved by the Local Education Agency (LEA) and submitted to the California Department of Education (CDE). Every three years all sections (A-E) of the SELPA Local Plan must be revised. The last Board adoption of the annual SELPA Local Plan occurred in June 2023.

Section A of the Local Plan outlines the contracts and certifications pertinent to special education services. It includes agreements with service providers, staff certifications, and partnerships with other entities supporting students with special needs.

Section B of the SELPA focuses on governance and administration. It outlines the organizational structure, responsibilities, and procedures for governing the SELPA and implementing special education services within the region. This section may include details about the SELPA's governing board, advisory committees, decision-making processes, budget allocations, and administrative procedures for managing programs and resources. It serves as a blueprint for how the SELPA operates and ensures accountability and transparency in its administration of special education services.

The Annual Budget Plan Section D is a projection of special education revenues and expenditures. The State (AB602) and Federal IDEA revenue projections are based on funding formulas which rely on student counts. The projected distribution of expenditures is based on a districtwide analysis of all required IEP services, including low incidence and mental health services.

The Annual Services Plan Section E describes the services to be provided by the Local Education Agency (LEA).

The Community Advisory Committee (CAC) advised the policy and administrative agency during the development of the Local Plan pursuant to California Education Code (EC) Section 56194. The Division of

Special Education created and organized a Local Plan Advisory Committee (LPAC) in the Spring of 2024. The LPAC was made up of Community Advisory Committee (CAC) members, who were chosen by the group they represented to provide recommendations and input for the three-year revision of the Special Education Local Plan Area (SELPA). Eleven, one-and-a-half hour meetings took place in the Spring of 2024, from January to April of 2024. An additional meeting was requested by those present on April 8, 2024, and the additional meeting took place on the following day, April 9, 2024. The Local Plan Draft was provided to the CAC on April 17 during a CAC meeting. Members were given to May 16, 2024, to review and provide feedback.

During the 12 LPAC working sessions, the committee offered a total of 105 suggestions. Forty-nine of the 105 suggestions (47%) were accepted and implemented into the SELPA plan. Twenty-two out of the 105 suggestions (21%) were discussed and clarified and required no change to the plan. Twenty-seven out of the 105 suggestions (26%) were discussed and determined to be inapplicable to the plan because they either did not align with the Education Code (EC) or were outside the scope of the special education program.

The proposed plan, as well as the Notice of Public Hearing will be posted on the Division of Special Education website News & Announcements section at <https://www.lausd.org/Page/16734> for public awareness. In addition, the proposed plan will be posted for public awareness in the “About Us” section of the Division of Special Education website which currently hosts the active SELPA Local Plan.

A SELPA plan typically comprises several sections aimed at ensuring the provision of specialized services to students with disabilities. These sections commonly include an overview of the SELPA's structure and governance, detailing its administrative organization and leadership roles. The major sections in LAUSD's SELPA Plan include Section A: Contracts and Certifications; Section B: Governance and Administration; Section D: Annual Budget Plan; and Section E: Annual Services Plan. Additionally, a SELPA typically delineates the range of services available to students, including instructional approaches, therapies, and accommodations, as well as the procedures for developing Individualized Education Programs (IEPs) tailored to each student's needs. Moreover, SELPA documentation often addresses the implementation of federal and state regulations regarding special education, ensuring compliance and accountability within LAUSD.

Universal Changes

The following list includes the major changes outlined in the 2024-2027 SELPA Plan:

- Students with Exceptional Needs changed to Students with Disabilities
- Local Districts changed to Regions
- Updated DSE Staff Names
- Updated Data (number of schools, networks, and Regions)
- The term “Calendar days” was added to clearly define time frame
- Acronyms added or defined
- Updated Policy Numbers

New Changes in Section B: Governance and Administration include:

- CAC Membership: Institutes an Election process for CAC members, a change from the application process
- Alignment of Early Childhood Programs with Assembly Bill 130 (AB130)
- All half-day Preschool Collaborative Classrooms (PCC) with California State Preschool Programs (CSPP) increased to full day programs

- Alignment between EC and District policies as it relates to transitions from preschool to kindergarten
- Addition of Child Find Language
- Reference of Bulletin 4140.2 Review and Consideration of Request for Special Education Evaluation
- Descriptions of Assessment Sites

New Changes in Section D: Annual Budget Plan:

Funding Source	2023-24	2024-25	Change	Note
Table 1 (State and Federal Revenues)	\$642M	\$666M	\$24M	State revenue increased
Table 2 (SPED Budget for specific SACS resource codes)	\$1.7B	\$2B	\$315M	Increase in local contribution due to salary increases for teacher and assistants

New Changes in Section E: Annual Service Plan:

- Augmentative and Alternative Communication (AAC) services added to Language and Speech (LAS)
- Counseling and Guidance definition updated
- Added Educational Interpreter language

Expected Outcomes:

Approval from the Board of Education with the necessary signatures and submission to the CDE as required ensures compliance with the above cited Education Code requirements. The SELPA Local Plan's Budget and Service Plans are revised annually and must be submitted to the County Office of Education (COE) and CDE by June 30, 2024. Approval of this item will allow the Division of Special Education to continue the provision of special education supports and services to serve eligible students with disabilities in support of Board policies and goals.

Board Options and Consequences:

Approval of the plan will ensure the District is in compliance with the above cited California Education Code requirements. If not approved, LAUSD will be out of compliance with CDE requirements and sanctions may be issued. As part of the state mandated Local Plan process, once approved by the Board of Education and signed by Superintendent Alberto M. Carvalho, the Local Plan will be submitted to the Los Angeles County Office of Education (LACOE) for signature by Superintendent Dr. Debra Duardo. Upon receipt of all signatures the LAUSD SELPA Local Plan will then be submitted to CDE. The LAUSD SELPA Local Plan will be kept on file with the Division of Special Education accessible upon request as well as posted on its website at:

<https://www.lausd.org/Page/16734>.

A "YES" vote allows the District to meet the California Education Code requirements for submitting a Local Plan for the education (supports and services) of all individuals with exceptional needs (students with disabilities) residing in the District to the CDE for approval prior to the beginning of the next fiscal year.

A "NO" vote will not allow the Local Plan to be submitted to the CDE in accordance with statutory requirements, including designated timelines to allow the CDE to approve prior to the next fiscal year and continue to provide the required supports and services to individuals with exceptional needs (students with disabilities).

File #: Rep-336-23/24, Version: 1

Policy Implications:

This action does not change District policy.

Budget Impact:

Pursuant to Education Code section 56195.1 (2)(b)(3), each Local Plan must include the designation of an administrative entity to perform functions such as the receipt and distribution of funds. The 2024-25 SELPA Plan has a budget increase of \$339 million compared to last year's plan. State revenues increased by \$24 million and the District's contribution towards associated teachers and teacher assistants increased by \$315 million as a result of salary increases.

Student Impact:

The SELPA Local Plan directly impacts students by ensuring the District's commitment to meeting the District's IDEA obligation to provide special education supports and related services, resource allocation, compliance with legal requirements, and opportunities for parental and community involvement.

Equity Impact:

Not Applicable.

Issues and Analysis:

Not Applicable.

Attachments:

Attachment A -2024-25 Local Plan Annual Submission

Informatives:

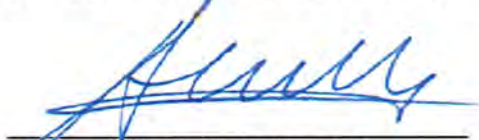
None.

Submitted:

06/06/24

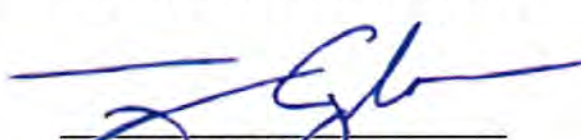
File #: Rep-336-23/24, Version: 1

RESPECTFULLY SUBMITTED,



ALBERTO M. CARVALHO
Superintendent

APPROVED & PRESENTED BY:



ANTHONY AGUILAR
Chief of Special Education, Equity and
Specialized Programs
Division of Special Education

REVIEWED BY:



DEVORA NAVERA REED
General Counsel

☒ Approved as to form.

APPROVED & PRESENTED BY:



DR. JOSE SOTO
Executive Director
Division of Special Education

REVIEWED BY:



ROLBERTO DELGADILLO
Deputy Chief Business Officer, Finance

☒ Approved as to budget impact statement.

LOCAL PLAN**Section A: Contacts and Certifications****SPECIAL EDUCATION LOCAL PLAN AREA**

California Department of Education

Special Education Division

Local Plan Annual Submission

Section A: Contacts and Certifications

SELPA Los Angeles Unified

Fiscal Year 2024-25

Contact Information and Certification Requirements

A1. Check the box or boxes that best represents the SELPA's Local Plan submission to the California Department of Education (CDE):

☐ **NEW SELPA** (for proposed multiple Local Educational Agency (LEA) SELPA, or COE joined SELPA only)

☒ **Local Plan Section B: Governance and Administration**

- Local Plan Section B
- Certifications 1, 3, 4 and 5 are required
- Attachment I is required. Note: Additional attachments may be required if the amendment affects the services or funding associated with the Local Plan

☒ **Local Plan Section D: Annual Budget Plan**

☐ Select if this Local Plan Section D submission was revised after June 30th due date

- Local Plan Section D
- Certifications 2, 3, 4 and 5 are required
- Attachments I-V are required
- If the submission is an amendment of special education revenues and/or expenditures previously reported to the CDE due to changes in services and programs provided by LEAs within the SELPA, then the SELPA must also submit an amendment for Local Plan Section E: Annual Service Plan, along with Attachment VI and VII.

☒ **Local Plan Section E: Annual Service Plan**

☐ Select if this Local Plan Section E submission was revised after June 30th due date

- Local Plan Section E
- Certifications 2, 3, 4 and 5 are required
- Attachments I and VI are required
- If the submission is an amendment of programs and services previously reported to the CDE that affect the allocation of special education funds to LEAs within the SELPA, then the SELPA must also submit an amendment for Local Plan Section D: Annual Budget Plan, along with Attachments II-V and VII.

☐ **Local Educational Agency Membership Changes**

Section A: Contacts and Certifications

SELPA Los Angeles Unified

Fiscal Year 2024-25

A2. SELPA Identification

Enter the 4-digit SELPA code issued by the CDE. SELPA codes can be found on the CDE website located at <http://www.cde.ca.gov/sp/se/as/caselpas.asp>.

SELPA 1914

A3. SELPA Administrator Contact Information

Enter address information for the SELPA. Include current SELPA administrator contact information. NOTE: SELPA administrator position changes do not require amendments to the Local Plan. However, in such cases the new SELPA administrator assumes the responsibility for the contents and implementation of the last approved Local Plan filed with the CDE.

SELPA Name	Los Angeles Unified		
Street Address	333 S. Beaudry Avenue	Zip Code	90017-1466
City	Los Angeles	County	Los Angeles
Mailing Address	333 S. Beaudry Avenue		
City	Los Angeles	Zip Code	90017-1466
Administrator First Name	Jose	Administrator Last Name	Soto
Administrator Title	Executive Director		
Administrator's Email			
Telephone	(213) 241-6701	Extension	

A4. Administrative Entity (Responsible Local Agency or Person (as applicable) Contact Information

Enter information for the current administrative entity. This is the responsible local agency or, an administrative unit for a multiple LEA SELPA or COE joined SELPA; or an identified responsible person for a single LEA SELPA. In either case, the administrative entity identified is responsible for the implementation and/or fiscal administration of the Local Plan.

Administrative Entity Name	LAUSD		
Street Address	333 S. Beaudry Avenue	Zip Code	90017-1466

Section A: Contacts and Certifications

SELPA Los Angeles Unified

Fiscal Year 2024-25

City	Los Angeles	County	Los Angeles
Contact First Name	Alberto	Last Name	Carvalho
Contact Title	Superintendent		
Email	alberto.carvalho@lausd.net		
Telephone	(213) 241-7000	Extension	

Special Education Local Plan Area Review Requirements

Community Advisory Committee

A5. Pursuant to California *Education Code (EC)* sections 56194(a) and (b); and 56205(a)(12)(E) and (b)(7), the SELPA must involve the Community Advisory Committee (CAC) at regular intervals during the development and review of each Local Plan section. The SELPA collaborated with the CAC throughout the development, amendment, and review of all Local Plan sections included with this submission?

☒ Yes ☐ No ☐ N/A (Section D and/or Section E submissions)

A6. Pursuant to *EC* Section 56207(b)(7), the Local Plan section(s): Section B: Governance and Administration: Annual Service Plan must be provided to the CAC for final review 30 days prior to the plan being submitted the CDE.

The Local Plan was submitted to the CAC on: Apr 17, 2024

☐ N/A (Section D and/or Section E submissions)

County Office of Education

A7. Pursuant to *EC* sections 56140, 56195.1(c), and 56205, within 45 days, the COE, or COEs (as applicable) must approve or disapprove any proposed Local Plan, including any amendment submitted by a SELPA within the county or counties. Enter the COE or COEs responsible for, coordinating special education services within a county, reviewing, and approving the Local Plan.

Select the "Add COE" button to add additional COEs as needed. Users may select the "checkbox" next to the COE entry and the "Delete COE" to remove entries as necessary.

Section A: Contacts and Certifications

SELPA Fiscal Year ☐ COE responsible for approving the Local Plan

Local Plan section(s) was/were provided to the COE(s) listed for approval on

Public Hearing Requirements

Local Plan Section D: Annual Budget Plan and Section E: Annual Service Plans

Public Hearing notices must be posted at each school site informing the public of the SELPA Public Hearing for the adoption of Local Plan Section D: Annual Budget Plan, and/or Local Plan Section E: Annual Service Plan at least 15 days before the hearing. Evidence of the posting should be maintained and made available to the CDE upon request.

A8. Local Plan Section D: Annual Budget Plan Public Hearing

Most Recent School Site Posting Date SELPA Public Hearing Date

A9. Local Plan Section E: Annual Service Plan Public Hearing

Most Recent School Site Posting Date SELPA Public Hearing Date **Submitting the Local Plan to the California Department of Education****STEP 1: Contacts and Certifications**

Section A is required when submitting any and all Local Plan sections to the CDE for approval. Certifications and applicable attachments associated with the type of submission identified in item A1 above must be included with each submission.

STEP 2: SELPA Governance Structure

A10. For the purposes of special education, the governing board of a district/charter LEA must elect to participate in a SELPA. The SELPA's governance structure is defined by this election. The SELPA meets requirements and has elected the following governance structure for the Local Plan. Select one of the following three choices:

Section A: Contacts and Certifications

SELPA Los Angeles Unified

Fiscal Year 2024-25

- ☒ Single LEA SELPA: This selection includes only one district LEA (this selection does not include a COE); or
- ☐ Multiple LEA SELPA: This selection includes one district or charter LEA together with one or more additional district or charter LEA(s), or a combination thereof (this selection does not include a COE); or
- ☐ COE Joined SELPA: A district (or charter) LEA(s) joined with a COE(s) to form a SELPA (this selection includes one or more district or charter LEA(s) *AND* one or more COEs).

STEP 3: Prior Submissions

A11. Enter the fiscal year of the previously submitted Local Plan section:

Section B: Governance and Administration 2021-22

Section D: Annual Budget Plan 2023-24

Section E: Annual Service Plan 2023-24

STEP 4: Local Plan Collaboration

A12. Many representatives of the community are involved in the development of all sections of a Local Plan. In this table, report the participation of key stakeholders required to participate in regular meetings by *EC* sections 56001(f) and 56192 including administrators, general education teachers, special education teachers, members of the CAC, parents selected by the CAC, or other persons concerned with individuals with exceptional needs. Include the agency, first and last name, the title of each participant who was involved in the collaboration in the development of the Local Plan sections, and the section worked on. Select the "Add" button to insert a new row and the "-" button to delete the corresponding row.

Add	Agency	First and Last Name	Title	Section
-	LAUSD	Jose Soto	Administrator-Spec. Ed.	Multiple
-	LAUSD	Kristin Lambert	Administrator-Spec. Ed.	Multiple
-	LAUSD	Claudia Valladares	Administrator-Spec. Ed.	All
-	LAUSD	Laurie Cooley	Administrator-Spec. Ed.	All
-	LAUSD	Dixon Deutsch	Administrator-Spec. Ed.	Multiple

Section A: Contacts and Certifications

SELPA Los Angeles Unified

Fiscal Year 2024-25

Add	Agency	First and Last Name	Title	Section
<input type="checkbox"/>	LAUSD	Nancy Morales	Teacher-Spec. Ed.	Multiple
<input type="checkbox"/>	LAUSD	Lilia Moran	Administrator-Spec. Ed.	Multiple
<input type="checkbox"/>	LAUSD	Adrianna Arriaga	Administrator-Spec. Ed.	Multiple
<input type="checkbox"/>	LAUSD	John Scognamillo	Teacher-Gen. Ed.	Section B
<input type="checkbox"/>	LAUSD	Lisa Porter	Other	Multiple
<input type="checkbox"/>	CAC	Ariel Harman-Holmes	CAC	Multiple
<input type="checkbox"/>	CAC	Ingrid Levy	CAC	Multiple
<input type="checkbox"/>	CAC	Norma Gonzalez	CAC	Multiple
<input type="checkbox"/>	CAC	Kristie Lacy	CAC	Multiple
<input type="checkbox"/>	CAC	Bryan Davis	CAC	Multiple
<input type="checkbox"/>	CAC	Ana Carrion	CAC	Multiple
<input type="checkbox"/>	CAC	Paul Robak	CAC	Multiple
<input type="checkbox"/>	CAC	Brandee Aguirre	CAC	Multiple
<input type="checkbox"/>	CAC	Veronica Montano-Sanchez	CAC	Multiple
<input type="checkbox"/>	CAC	Arlaina Jackson	CAC	Multiple

STEP 5: Certifications

A13. Select the check box below to indicate which of the five certifications are being submitted.
Include the total number of each type of certification being submitted.

- ☐ Certification 1: SELPA Local Plan Section B: Governance and Administration
- ☐ Certification 2: SELPA Local Plan Section D: Annual Budget Plan and Section E: Annual Service Plan
- ☐ Certification 3: COE (Required for all SELPA Local Plan Sections B, D, and E)

Section A: Contacts and Certifications

SELPA Fiscal Year Number Submitted ☐ Certification 4: CAC (Required for all SELPA Local Plan Sections B)☐ Certification 5: LEA (Required for all SELPA Local Plan Sections B, D, and E)Number Submitted

STEP 6: Electronic Signatures

A14. All applicable certifications must be electronically signed and included with the Local Plan.

STEP 7: Final Check

- All certifications submitted to the CDE must be electronically signed.
- Local Plan must be submitted to the CDE using the SELPA's assigned Box.com web address.
- In order to facilitate the timely processing, approval, and distribution of SELPA funding, please submit the Local Plan in the original, CDE-approved format. All templates are coded for the CDE's record keeping purposes.
- Handwritten, scanned, or modified templates remove the coding from the fields and impede the CDE's processing of the Local Plan. In such cases, SELPAs may be required to resubmit handwritten, scanned, or modified Local Plans that are not saved in the original 2022–23 CDE Local Plan Submission template provided, resulting in a delay in approval and funding.

Section A: Contacts and Certifications

SELPA Los Angeles Unified

Fiscal Year 2024-25

Certification 1**Local Plan Section B: Governance and Administration**

IMPORTANT: Certification 1 is required when the information being submitted to the CDE is related to Local Plan Section B: Governance and Administration.

I certify the attached Governance and Administration Local Plan section has been adopted by all LEA members listed in Attachment I and is the basis for the operation and administration of special education programs. I further assure the agency(ies) represented herein will meet all applicable requirements of state and federal laws, regulations, and state policies and procedures, including compliance with the Individuals with Disabilities Education Act (IDEA), Title 20 of *United States Code (USC)* 1400 et seq., implementing regulations under; the Federal Rehabilitation Act of 1973, 29 *USC*, Chapter 16 as applicable; the Federal Americans with Disabilities Act of 1990, 42 *USC*, 12101 et seq.; *Code of Federal Regulations*, Title 34, Parts 300 and 303; *EC* Part 30; and the *California Code of Regulations*, Title 5, Chapter 3, Division 1.

C1-1. I certify the SELPA governance and administrative structure as a:

☒ Single LEA SELPA ☐ Multiple LEA SELPA ☐ COE Joined SELPA

C1-2. The SELPA collaborated with the CAC throughout the development, amendment, and review of all Local Plan sections included with this submission?

☒ Yes ☐ No (If the answer is "NO," please include comments.)

C1-3. The SELPA reviewed and considered comments provided by the CAC regarding this Local Plan submission.

☒ Yes ☐ No (If the answer is "NO," please include comments.)

C1-4. Specific web address where the SELPA Local Plan, including all sections, is posted.

<https://www.lausd.org/Page/16734>

electronic signature required

Administrative Entity*

Date

electronic signature required

SELPA Governance Council or Responsible Individual

Date

Section A: Contacts and Certifications

SELPA

Los Angeles Unified

Fiscal Year

2024-25

electronic signature here

SELPA Administrator

Date

*If the Local Plan represents a single LEA SELPA, then the responsible individual identified in item A4 of Section A must sign here. If the Local Plan represents a multiple LEA SELPA, or a COE joined SELPA, then the administrative entity's designee identified in item A4 of Section A must electronically sign here.

Section A: Contacts and Certifications

SELPA Los Angeles Unified

Fiscal Year 2024-25

Certification 2**Local Plan Section D: Annual Budget Plan and Section E: Annual Service Plan**

IMPORTANT: Certification 2 is required when the information being submitted to the CDE is related to Local Plan Section D: Annual Budget Plan and/or Section E: Annual Service Plan.

I certify the attached Local Plan Section D: Annual Budget Plan and/or Section E: Annual Service Plan was/were adopted at a SELPA public hearing(s) and is/are the basis for the operation and administration of special education programs specified herein. I further assure the LEAs identified in Attachment I will meet all applicable requirements of state and federal laws, regulations, and state policies and procedures, including compliance with the *Individuals with Disabilities Education Act (IDEA)*, Title 20 of *United States Code (USC)* 1400 et seq., implementing regulations under; the *Federal Rehabilitation Act of 1973*, 29 *USC*, Chapter 16 as applicable; the *Federal Americans with Disabilities Act of 1990*, 42 *USC*, 12101 et seq.; *Code of Federal Regulations*, Title 34, Parts 300 and 303; *EC Part 30*; and the *California Code of Regulations*, Title 5, Chapter 3, Division 1.

C2-1. I certify the SELPA governance and administrative structure as a:

☒ Single LEA SELPA ☐ Multiple LEA SELPA ☐ COE Joined SELPA

☐ Yes ☐ No (If the answer is "NO," please include comments.)

☐ Yes ☐ No (If the answer is "NO," please include comments.)

C2-4. Specific web address where the SELPA Local Plan, including all sections, is posted.

<https://www.lausd.org/Page/16734>

electronic signature required

Administrative Entity*

Date

electronic signature required

SELPA Governance Council or Responsible Individual

Date

electronic signature required

SELPA Administrator

Date

Section A: Contacts and Certifications

SELPA Fiscal Year

*If the Local Plan represents a single LEA SELPA, then the responsible individual identified in item A4 of Section A must sign here. If the Local Plan represents a multiple LEA SELPA, or a COE joined SELPA, then the administrative entity's designee identified in item A4 of Section A must electronically sign here.

LOCAL PLAN**Section B: Governance and Administration****SPECIAL EDUCATION LOCAL PLAN AREA**

California Department of Education

Special Education Division

SELPA LAUSD

Fiscal Year 2024-25

B. Governance and Administration

California *Education Code (EC)* sections 56195 et seq. and 56205

Participating Local Educational Agencies

Participating local educational agencies (LEAs) included in the Special Education Local Plan Area (SELPA) local plan must be identified in Attachment I.

Special Education Local Plan Area—Local Plan Requirements

1. Describe the geographic service area covered by the local plan: [EC 56195.1(d); EC 56195.1(a)(1); EC 56211; EC 56212]

The Los Angeles Unified School District (LAUSD) is a single district Special Education Local Plan Area (SELPA) that provides comprehensive special education programs and services for students with disabilities. LAUSD is the second largest school district in the country, serving over 450,000 students in kindergarten through twelfth grade at over 1,300 schools. Children birth to three years of age who have been identified with a hearing loss, visual impairment, or severe orthopedic impairment are provided early intervention services through the District's Early Start Low Incidence Programs. LAUSD supports 22,000 students in early education and 50,000 students in adult education.

The District also has over 200 independently operated public charter schools, authorized by the LAUSD Board of Education. LAUSD's boundaries stretch across 720 square miles and include the City of Los Angeles as well as all or parts of 31 cities and several unincorporated regions of Southern California. Cities entirely within Los Angeles Unified: Cudahy, Gardena, Huntington Park, Lomita, Maywood, Vernon, San Fernando, and West Hollywood. Cities partially within Los Angeles Unified: Bell, Bell Gardens, Beverly Hills, Carson, Commerce, Culver City, Hawthorne, Inglewood, Long Beach, Los Angeles, Lynwood, Montebello, Monterey Park, Rancho Palos Verde, South Gate, Torrance. These cities are grouped into four Regions: East, North, South and West.

LAUSD is comprised of 46 Community of Schools which include Pre-K-12 grade levels, including Career and Transition Centers and Special Education Centers. The geographic area of LA Unified supports a myriad of programs and a continuum of services for students with special education eligibilities who reside within LAUSD boundaries and may attend nonpublic schools, be parentally placed in private schools, or participate in home/hospital programs.

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2. Describe the SELPA regional governance and administrative structure of the local plan. Clearly define the roles and structure of a multi-LEA governing body, or single LEA administration as applicable: [EC 56195.1(b)(1)-(3)(c); EC 56205(a)(12)]

The LAUSD Board of Education is the District's governing body. Its seven (7) elected members appoint the Superintendent of Schools, who is the Chief Administrative Officer of the District.

Staff for the Superintendent of Schools includes a Chief Academic Officer, Chief Facilities Executive, Chief Financial Officer, General Counsel, Chief of Special Education, Equity and Specialized Programs, and Region Superintendents. Region Superintendents are responsible for the District's administrative areas (Regions).

The Division of Special Education is administered by the Chief of Special Education, Equity and Specialized Programs, and supported by the Executive Director of Special Education, in accordance with the District's organizational structure. Reporting to the Executive Director of Special Education are the Administrator of Operations and Administrator of Instruction.

Region Superintendents work with their staff to inform school principals in their respective Regions about requirements for the operation of special education programs. Special Education offices associated with each Region are led by a Special Education Administrator (SEA) who supports the administration of the special education program and services. Special Education Administrators are part of the Region Executive Team and work collaboratively with each Community of School Administrator. Each Community of School (COS) network is made up of Pre-K – 12th grade and includes Career and Transition Centers and Special Education Centers. The COS Administrator supervises all of the school-based administrators within each network.

Each Region Special Education office has Special Education Support Specialists which include Least Restrictive Environment (LRE) Specialists, Special Education Specialists (SES), Program Specialists, Behavior Specialists, Itinerant Instructional Support Specialists, Psychological Services Specialists, and Transition Specialists, all of whom have expertise in various aspects of special education to assist schools and staff in implementing special education programs and the monitoring of compliance mandates.

The LAUSD Board of Education establishes policies and District staff assumes responsibility for implementing Board of Education established policies on a District-wide basis. District administration develops policies as needed to ensure the proper communication and dissemination of the District's obligations to implement state and federal legal requirements as well as Board mandates, and also creates operationalized procedures to facilitate the awareness and understanding of standard operating procedures.

The Community Advisory Committee (CAC) acts in an advisory capacity to the SELPA in the development of the Local Plan and to the Board of Education. The Board of Education is responsible for submission of an adopted Special Education Local Plan to the State

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Superintendent of Public Instruction and for establishing a governance structure for implementation of the plan.

The Local Plan provides a comprehensive description of how programming and services are structured and implemented for equitable access to Free Appropriate Public Education (FAPE) for all students with disabilities.

3. Describe the SELPA's regional policy making process. Clearly define the roles of a multi-LEA governing body, or single LEA administration as applicable related to the policy making process for coordinating and implementing the local plan: [EC 56195.7(i)(j)(1)(2)]

The LAUSD is responsible for developing, adopting, submitting to the State Superintendent of Public Instruction, and implementing a Special Education Local Plan in accordance with Federal and State laws and regulations. The Board of Education approves policies and procedures that are reflected in the Local Plan.

A. Special Education Local Plan Advisory Committee

In accordance with [Ed Code §56195.3](#), the SELPA shall, in developing the Special Education Local Plan, “involve special and general education teachers selected by their peers and parents selected by their peers in an active role”.

1. The Los Angeles Unified School District SELPA creates a Local Plan Advisory Committee to advise in the development of the Local Plan. The SELPA Director and/or their designee is responsible for coordination of the development of the Local Plan. The Local Plan Advisory Committee consists of members selected by their peers from the following groups:

- a) Parent representatives from the CAC
- b) Chairperson of the CAC
- c) Teacher representatives
- d) other school personnel
- e) District personnel selected by the Chief of Special Education, Equity and Specialized Programs

2. Local Plan Advisory Committee meetings review, revise, and advise on the content of the Local Plan.

3. Suggested recommendations from the Local Plan Advisory Committee are shared with the CAC for input. The CAC will have 30 calendar days to review the proposed Local Plan and provide additional suggestions. The Division of Special Education (DSE) will then submit to the LAUSD Board of Education for approval prior to the submission the California Department of Education (CDE).

4. The DSE disseminates the local plan to the field and coordinates efforts with the various stakeholder groups and leadership. Implementation of the plan consists of, but is not limited to the following:

SELPA LAUSD

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- a) District Validation Review (DVR), the District's internal monitoring of schools' special education programs, and implementation of policies and procedures.
- b) The monitoring of State Performance Plan Indicators (SPPI). The DSE closely monitors the 14 SPP Indicators and works with local district leadership on identifying strengths and developing plans of support to address gaps.
- c) Data chats, instructional rounds utilizing, Teaching and Learning Framework, Administrative Leadership Framework, and Special Education Paraprofessional Performance Framework are the frameworks utilized to set forth expectations for all staff: teachers, administrators and paraprofessionals who work closely with students with disabilities.

B. Regular Consultation Regarding Annual Service and Budget Plans.

The Annual Budget Plan will be developed as part of the District's annual budget development process. Revisions or amendments to the Special Education Local Plan will be considered annually during the services and budget planning process. The CAC acts in an advisory capacity to the development of the Annual Service and Budget Plan.

4. Clearly define the roles of the County Office of Education (COE) as applicable, and/or any other administrative supports necessary to coordinate and implement the local plan: [EC 56195.1(c); EC 56205(a)(12)(D)(i); EC 56195.5]

The Los Angeles County Office of Education (LACOE) offers professional development opportunities for all stakeholder groups, review the SELPA local plan as appropriate and provide technical assistance and guidance.

The Board of Education (BOE) establishes policies and District staff assumes responsibility for implementing Board of Education established policies on a District-wide basis. The Board of Education is responsible for submission of an adopted Special Education Local Plan to the State Superintendent of Public Instruction and for establishing a governance structure for implementation of the plan.

The functions of the Board of Education in relation to special education include, but are not limited to:

- Reviewing, adopting, and implementing the Special Education Local Plan to ensure access to special education programs and services for all eligible individuals with disabilities birth to 22 years of age residing within the geographic area served by the LAUSD, including parentally placed private school students who are found eligible for special education services, students enrolled in nonpublic schools and in home/hospital programs, residing

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within LAUSD boundaries

- Adopting policies and administrative regulations related to the governance and operation of the SELPA
- Assuming fiscal accountability for the special education programs and services operated by the SELPA
- Assuming responsibility for exercising authority over the special education services operated by the SELPA
- Holding public Board of Education meetings in compliance with state law, including hearings for the annual service and budget plans
- Appointing voting members to the CAC
- Contracting with nonpublic schools and agencies, when necessary, to provide appropriate special education services to students
- Ensuring a welcoming and respectful environment for students with disabilities within the LAUSD
- Ensuring systems are in place to address parents/guardians of students with disabilities concerns in a timely manner

5. Does the SELPA have policies and procedures that allow for the participation of charter schools in the local plan? [EC 56207.5]

☒ Yes☐ No

If No, explain why the SELPA does not have the policy and procedures.

Federal Law Compliance:

Charter schools shall adhere to all provisions of federal law related to students with disabilities including, but not limited to, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act (ADA) of 1990, and the Individuals with Disabilities Education Improvement Act (IDEA) of 2004.

Special Education Program:

Charter schools shall ensure that no student who is eligible to enroll shall be denied, directly or indirectly, admission due to a disability or to the charter school's inability to provide necessary services. Charter schools acknowledge that policies and procedures are in place to ensure the recruitment, enrollment, service, and retention of students with disabilities.

Charter schools must serve the needs of students with disabilities as required by the student's individualized education program (IEP). This includes providing programs such as special day and resource specialist programs as well as all related services including, but not limited to, speech and language, counseling, occupational therapy, behavioral support, physical therapy, adapted physical education, and transportation.

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Prior to LAUSD Board approval of an initial charter petition, and if a renewing charter school intends to operate as a “school of the district” for special education services, the charter school must execute a Memorandum of Understanding (“MOU”) by and between LAUSD and the charter school regarding the provision and funding of special education services consistent with applicable state law and the LAUSD Special Education Local Plan Area (“SELPA”) Local Plan for Special Education, and shall be considered a “public school of the District” for purposes of special education pursuant to [Education Code section 47641\(b\)](#). Charter schools may reserve the right to make written verifiable assurances that it may become an independent local educational agency (LEA) and join a SELPA pursuant to [Education Code section 47641\(a\)](#) either on its own or as a consortium of charter school LEAs following the requirements of [Education Code section 56195.3\(b\)](#). In this instance, the charter school will execute a MOU with LAUSD on provisions of special education as a member of a non-LAUSD SELPA.

LAUSD SELPA:

LAUSD is approved to operate as a single-District SELPA under the provisions of [Education Code section 56195.1\(a\)](#). As a single-District SELPA, the District has created two charter school sections (District-Operated Programs and Charter-Operated Programs (i.e., independent charter schools)) under the administration of one single Administrative Unit. Independent Charter schools must elect one of the three options available under the LAUSD SELPA. The Charter-Operated Program schools do not have LEA status for the purposes of special education but will function in a similar role in that each charter school will be responsible for all special education requirements, including but not limited to services, placement, due process, related services, special education classes, and special education supports, as applicable and according to the MOU.

LA Unified authorized Independent Charter schools have the option to apply for membership in Option 1, Option 2 or Option 3. Below is a breakdown of supports for each Option:

Option 1: The Charter school remains a true “school of the District” with all responsibilities and privileges extended to any other school of the District. The Charter school is responsible for ensuring its special education programs and services are in compliance with federal and state education laws and regulations. However, the District will provide special education personnel, operate special education programs, implement the programs and services including providing related services which are required by the IEPs of the students enrolled at the Charter school, and handle due process matters.

Option 2: The Charter school remains a “school of the District”, while retaining autonomy and responsibility for service delivery. The Charter school is responsible for ensuring its special education programs and services are in compliance with federal and state education laws and regulations. The District will continue to provide special education and related supports to the charter in order to assist the school in developing the capacity to meet the needs of students requiring an increased level of supports and services.

Option 3: The Charter school operates independently for the purposes of special education. The

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Charter school will not have complete LEA status but will function in a similar manner. The Charter will assume sole management and fiscal responsibility for all of its students' special education instruction, program and services, related services, placement, due process, and support. As increased autonomy comes with increased responsibility, there is an application process for membership into Option 3. While Option 3 charter schools do operate mostly independently, they continue to be housed within the LAUSD SELPA and have access to District-wide special education supports.

Use of District's Special Education Policies and Procedures and Data Systems:

All Charter schools approved by the LAUSD Board are bound by and must adhere to the terms, conditions and requirements of orders imposed upon the District pertaining to special education. LAUSD has developed a guide for schools regarding the implementation of compliant special education programs and services for students with disabilities. The Electronic Special Education Policies and Procedures Manual (e-PPM) may be accessed on the Division of Special Education's website. Charter schools authorized by LAUSD are required to comply with the policies and procedures as outlined in the e-PPM. All Charter schools are required to use Welligent, a web-based system for Individualized Education Programs (IEPs) and tracking of related services provided to students during the course of their education.

Additional Information:

All Charter schools approved by the LAUSD Board must annually review the following special education areas:

Special Education School Teams: The Charter school ensures staff receive training on special education topics and non-discriminatory enrollment practices. The school has informed staff of their responsibility to adhere to all instructional and service delivery requirements. In addition, the school informs the appropriate staff of the translation procedures for IEP team meeting and documents. The school adheres to the Resource Specialist Teacher (RST) caseload requirement and Welligent service tracking procedures to document special education services provided to students.

Compliance Procedures: The school plans and develops systems to meet the legal requirements of all IEPs. The school ensures students with disabilities are afforded a free appropriate public education (FAPE) and monitors the provision of all services by monitoring data using Welligent reports. Additionally, the school makes use of multiple resources, such as the District's electronic Policies and Procedures (e-PPM) manual and the eLibrary to ensure the school adheres procedurally to all special education legal requirements.

Compliant Timelines: The school prioritizes the scheduling of IEPs by ensuring that all initial evaluations are conducted within 60 days. Additionally, as a best practice, the school schedules all annual IEPs at least 60 days before the due date and Triennial IEPs 90 days before the due date. The school references and uses the electronic Policies and Procedures (e-PPM) manual and the Welligent monitoring reports as sources for ensuring IEP timelines are compliant.

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Special Education Supports and Resources: The school uses the District's Division of Special Education website and training courses available on MyPLN as resources and supports to ensure all IEP-related items are of high quality. Additionally, the school uses the District's electronic Policies and Procedures (e-PPM) manual available on the Division of Special Education website. The school also uses eLibrary to retrieve information and policy documents. Parents are notified that the school is open to enroll and provide services to all students. The school maintains records of all outreach materials, website information, community meetings, and open forums.

For questions related to enrollment in or implementation of special education services in Independent Charter schools, the Charter Operated Programs Department may be contacted at by phone at 213-241-5430 or via email at CharterOperatedPrograms@lausd.net. For District-Operated Charter schools, The Division of Special Education, School and Family Support Services (SFSS) call center may be contacted at 213-241-6701 or via email at spedsfss@lausd.net.

6. Identify and describe the representation and participation of the SELPA community advisory committee (CAC) pursuant to EC Section 56190 in the development of the local plan: [EC 56194(a)(b)(d); EC 56195.9(a)]

The purpose of the Community Advisory Committee is to advise the district regarding the development and amendment and review of the Local Plan along with other responsibilities listed in [Ed Code Section 56194](#). The CAC is responsible to the Superintendent of Schools, the Board of Education, and the Chief of Special Education, Equity and Specialized Programs. The committee shall serve in an advisory role during the development of the Local Plan and advises the Los Angeles Unified School District Board of Education. The Student, Family and Community Engagement Office (SFACE) works in conjunction with the Division of Special Education to support CAC operations. SFACE and DSE facilitate the recruitment, participation, selection, and election process and all other activities pertinent to the CAC membership appointment process.

Appointment of CAC Members ([Ed Code §56191](#))

The CAC shall consist of members who are selected by their peers and then formally appointed annually by the LAUSD Board of Education. Prospective CAC member names / are submitted to the Board of Education based on the number and type of membership vacancies every year. Representatives serve a two-year term with one-half of the group being selected in alternating years.

Persons who were elected by their peers will be presented to the LAUSD Board of Education for appointment as CAC members.

The CAC membership term and election process are described in the CAC bylaws. CAC representatives are members who have been selected by their peers during the CAC election process according to the CAC bylaws. CAC alternates are also considered members who are unable to vote unless seated at the meeting. Alternates who are seated are considered official voting members for the duration of that meeting. The CAC election process takes place with

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the support and consultation with SFACE to establish membership and fill vacancies throughout the year for future board appointments.

The Chairperson of the CAC is a member of the committee who reviews and advises on the Local Plan. The CAC Chairperson will ensure that students with disabilities remain at the center of planning, conversations and support.

Composition of the CAC ([Ed Code §56192-56193](#))

The CAC will have forty-two (42) members: thirty-two (32) representatives and ten (10) alternates representing. Of the 32, a minimum of 17, and maximum of 22 members must be parents/ guardians of children with disabilities enrolled in public or private schools within the LAUSD, including charter schools and non-public placements contracted with LAUSD, or enrolled in private schools participating in the Local Plan. Other representatives include special education teachers, general education teachers, other school personnel, students with disabilities, parents/guardians of nondisabled children, adults with disabilities, representatives of related public and private agencies, and other persons concerned with the needs of individuals with disabilities.

For the definition of membership, members, categories, election and appointment process see article III of the CAC Bylaws.

Responsibilities of the CAC ([Ed Code §56194](#))

- a) Advising the Superintendent of Schools, the Board of Education and the Chief of Special Education, Equity and Specialized Programs regarding the development, amendment, modification, and review of the Local Plan.
- b) Recommending priorities such as the Annual Budget Plan and the Annual Services Plan to be addressed by the Local Plan.
- c) Assisting in parent/guardian education and in recruiting parents/guardians and other volunteers who may contribute to the implementation of the Local Plan.
- d) Encouraging community involvement in the development and review of the Local Plan.
- e) Supporting activities on behalf of individuals with; with disabilities and
- f) Assisting in parent/guardian awareness of the importance of regular school attendance.
- g) Supporting community involvement in the parent advisory committee to encourage the inclusion of parents of individuals with disabilities.

7. Describe the SELPA's process for regular consultations regarding the plan development with representative of special education and regular education teachers, and administrators selected by the groups they represent and parent members of the CAC: [EC 56205(a)(12)(E); EC 56205(b)(7)]

A. Special Education Local Plan Advisory Committee:

In accordance with [E.C. §56195.3](#), the SELPA shall, in developing the Special Education Local Plan, "involve special and general education teachers selected by their peers and parents/

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guardians selected by their peers in an active role”.

1. The Los Angeles Unified School District SELPA creates a Local Plan Advisory Committee to advise in the development of the Local Plan. The SELPA Director and/or their designee is responsible for coordination of the development of the Local Plan. The Local Plan Advisory Committee consists of members selected by their peers from the following groups:
 - a) Parent representatives from the CAC
 - b) Chairperson of the CAC
 - c) Teacher representatives
 - d) other school personnel
 - e) District personnel selected by the Chief of Special Education, Equity and Specialized Programs
2. Local Plan Advisory Committee meetings review, revise, and advise on the content of the Local Plan.
3. Suggested recommendations from the Local Plan Advisory Committee are shared with the CAC for input. The CAC will have 30 calendar days to review the proposed Local Plan and provide additional suggestions. The Division of Special Education (DSE) will then submit to the LAUSD Board of Education for approval prior to the submission the California Department of Education (CDE).

B. Regular Consultation Regarding Annual Service and Budget Plans

Revisions or amendments to the Special Education Local Plan will be considered annually during the services and budget planning process unless such revisions or amendments will be approved by the LAUSD Board of Education.

The Annual Budget Plan will be developed as part of the District's annual budget development process. The CAC acts in an advisory capacity to the development of the Annual Service and Budget Plan each spring.

8. Identify and describe the responsible local agency (RLA), Administrative Unit (AU), or other agency who is responsible for performing tasks such as the receipt and distribution of funds, provision of administrative support, and coordination and implementation of the plan: [EC 56836.01(a)(b); EC 56205(a)(12)(D)(ii); EC 56195(b)(3); EC 56030]

The Superintendent of Schools serves as the Responsible Local Agency (RLA) administrator.

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The Superintendent of Schools is appointed by the LAUSD Board of Education.

The Superintendent of Schools, with staff assistance, is responsible for District- wide implementation of educational processes and for formulating major District policies. Under the direction of the Board of Education, the Superintendent of Schools delegates appropriate authority and responsibility to the Chief of Special Education, Equity and Specialized Programs. The responsibilities of the Superintendent of Schools and/or designee regarding special education include, but are not limited to:

- Recommending to the Board of Education the adoption of SELPA policies in accordance with federal and state laws and regulations
- Providing leadership in support of special education programs and services
- Recommending a District budget to the Board of Education, which includes a SELPA budget and when required by the Education Code, a SELPA annual budget plan
- Supervising or designating supervision of the SELPA Director
- Recommending adoption of the Special Education Local Plan to the Board of Education.

The Chief of Special Education, Equity and Specialized Programs is responsible for administration of the Local Plan and fulfills the following responsibilities:

- Provides leadership and direction in the interpretation and implementation of federal and state mandates, District policies, and procedures for special education programs
- Develops a strategic plan for the development, implementation and monitoring of programs, services, and instruction that ensures the achievement of students with disabilities and prevention of misidentification for special education
- Monitors the District and schools for compliance with state, federal and local special education mandates including personnel development, procedural safeguards, and other assurances
- Administers procedures to assure fiscal management of all special education funds
- Acts as a liaison with and provides fiscal support to the CAC

The Executive Director of Special Education supports the Chief of Special Education, Equity and Specialized Programs in the administration of the Local Plan in addition to the following:

- Leads the development and monitors high quality professional development that is grounded in current research, and instructional strategies within Special Education
- Leads the effective implementation of the use of the Multi-Tiered Systems of Support

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Framework (MTSS) in the Student Success and Progress Team (SSPT)

- Oversees special education funds and leads the Budget Development process for all departments within Special Education
- Provides leadership and direction in federal and state mandates, and District policies and procedures for special education programs
- Formulates policies and develops goals, plans, and commitments for instruction that ensure achievement of students with disabilities

9. Describe the contractual agreements and the SELPA's system for determining the responsibility of participating agency for the education of each student with special needs residing within the geographical area served by the plan: [EC 56195.7. EC 56195.1(b)(c)]

The LAUSD's Division of Special Education (DSE) has the authority to contract for nonpublic services under [Education Code 56366](#) and as further specified by [Title 5, California Code of Regulations Section 3065](#), for a student whose documented needs, as stated on the individualized education program (IEP), are of a nature and/or severity that require a special education instructional program or services which cannot be provided by a District program.

The District contracts with CDE certified nonpublic, nonsectarian schools (NPS) and nonpublic, nonsectarian agencies (NPA) to provide services consistent with the area of certification and licensure specified by CDE certification and as defined in [California Education Code sections 56366](#) et seq. and within the professional scope of practice of each provider's license, certification and/or credential.

The SELPA has the authority to visit, observe, monitor, and report on the educational program provided by any NPS/NPA under contract with the District or involved in a potential placement with the District. With the passage of [AB 1172](#), LEAs are responsible for:

1. ensuring that contracted nonpublic schools and agencies have adopted and implemented the use of mandatory staff behavior training within mandated timelines.
2. conducting at least one onsite monitoring visit during each school year to the nonpublic, nonsectarian school at which the local educational agency has a pupil attending and with which it maintains a master contract; and,
3. conducting an onsite visit to the nonpublic, nonsectarian school before placement of a pupil if the Local Educational Agency does not have any pupils enrolled at the school at the time of placement.

The SELPA shall consider the needs of the individual student and the recommendations of the

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IEP team when entering into agreements with nonpublic, nonsectarian schools and agencies.

The IEP team shall remain accountable for monitoring the progress of students placed in nonpublic, nonsectarian programs, toward the goals identified in each student's IEP.

Each Master Contract is modeled after the State Master Contract and Individual Service Agreement which contain required provisions to allow the SELPA to monitor the placement and services of students in certified nonpublic, nonsectarian schools. The District shall convene at least an annual IEP meeting for each student served by the NPS/NPA that will facilitate the evaluation of the placement and services to ensure implementation of the IEP. The Master Contract contains language requiring reporting from the certified nonpublic, nonsectarian school regarding IEP progress as required by the District. At each annual IEP meeting, which shall include a representative of the SELPA, the certified nonpublic, nonsectarian school shall provide documentation as to the student's progress towards annual goals and objectives. The annual data provided by the certified nonpublic, nonsectarian schools shall be authentic curriculum-based measurements, in accordance with state-adopted grade level standards.

The SELPA shall collaboratively review with the nonpublic, nonsectarian school the evaluations conducted by the school to ensure that they were appropriate and valid for measuring student progress. The SELPA may choose to administer additional assessments as necessary, with parental consent, to determine whether the student is making appropriate educational progress.

The SELPA reviews each NPS/NPA contract on an annual basis prior to contract reissuance/renewal.

Interagency agreements necessary to support the implementation of the Local Plan, and as required by legal mandates, have been developed with the following agencies:

California Children's Services

Head Start

Regional Center:

Interagency Agreements for children from birth to 36 months of age eligible for services under Part C of the Individuals with Disabilities Act (IDEA) - between the LAUSD and the six Regional Centers (Westside, Eastern Los Angeles, North Los Angeles County, Lanterman, Harbor, and South Central Los Angeles).

Other interagency agreements will be developed as needed.

Copies of these Interagency Agreement documents can be requested through the SELPA office and are outlined in Appendix C.

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10. For multi-LEA local plans, specify:

- a. The responsibilities of each participating COE and LEA governing board in the policymaking process: [EC 56205(a)(12)(D)(i)]

Not Applicable (LAUSD is a single district LEA)

- b. The responsibilities of the superintendents of each participating LEA and COE in the implementation of the local plan: [EC 56205(a)(12)(D)(i)]

Not Applicable (LAUSD is a single district LEA)

- c. The responsibilities of district and county administrators of special education in coordinating the administration of the local plan: [EC 56205(a)(12)(D)(i)]

Not Applicable (LAUSD is a single district LEA)

11. Identify the respective roles of the RLA/AU, the SELPA administrator, and the individual LEAs associated with the SELPA related to:

- a. The hiring, supervision, evaluation, and discipline of the SELPA administrator and staff employed by the AU in support of the local plan: [EC 56205(a)(12)(D)(ii)(I)]

The Los Angeles School District is a single district SELPA governed by the Board of Education. Staff is hired, supervised, evaluated, and disciplined under the Board policies and contractual agreements.

- b. The local method used to distribute federal and state funds to the SELPA RLA/AU and to LEAs within the SELPA: [EC 56205(a)(12)(D) (ii)(II); EC 56195.7(i)]

As a single district SELPA, LAUSD directly collects federal and state funds based on enrollment and classification of students with disabilities. These funds support programs and services across LAUSD SELPA.

The **Chief of Special Education, Equity and Specialized Programs** ensures the operation of special education programs in accordance with federal and state guidelines and with the Local Plan and is responsible to:

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- Administer procedures to ensure fiscal management of all special education funds
- Act as a liaison with and provides fiscal support to the CAC

The **Executive Director of Special Education** supports the Chief of Special Education, Equity and Specialized Programs in the administration of the Local Plan in addition to the following:

- Oversees special education funds and leads the Budget Development process for all departments within Special Education

The **Administrator of Operations** is responsible to:

- Provide leadership and direction for the planning and implementation of goals, improvement, and evaluation of various special education policies, procedures, and programs, including fiscal analysis and planning for the operations department to influence outcomes for students with disabilities.
- Provide leadership and support in the review and analysis of special education operations fiscal and programmatic data related to program audits

c. The operation of special education programs: [EC 56205(a)(12)(D)(ii)(III)]

The **Chief of Special Education, Equity and Specialized Programs** is responsible for the administration of the Local Plan and fulfills the following responsibilities:

- Provides leadership and direction in the interpretation and implementation of federal and state mandates, District policies, and procedures for special education programs
- Develops a strategic plan for the development, implementation and monitoring of programs, services, and instruction that ensures the achievement of students with disabilities and prevention of misidentification for special education
- Provides for the development and evaluation of curricula, instructional materials, and specialized equipment
- Serves as a resource person to community groups, outside agencies, professional groups, Region personnel, and parents
- Promotes collaboration between special and general education personnel and parents in determining appropriate instructional support for eligible students with disabilities
- Ensures appropriate assignment of students with disabilities

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- Monitors programs and services for compliance
- Maintains data and prepares local, state and federal special education reports as required
- Promotes collaboration among central support and Region personnel to increase accountability for positive student outcomes
- Monitors the District and schools for compliance with state, federal and local special education mandates including personnel development, procedural safeguards, and other assurances
- Coordinates compliance reviews, District Validation Reviews (DVR), including DVRs of nonpublic schools with whom it maintains contracts, and independent charter schools authorized by the Board of Education within the SELPA
- Administers procedures to ensure fiscal management of all special education funds
- Provides leadership and coordination in the development of a system of staff development and parent education
- Facilitates and monitors the development of interagency agreements
- Acts as a liaison with and provides fiscal support to the CAC
- Directs and supervises the implementation of compliant and due process safeguards and procedures

The Chief of Special Education, Equity and Specialized Programs is supported in ensuring that special education programs and services meet federal and state legal mandates by the following administrative departments: Administration and Support; Strategic Planning and Data Management; Nonpublic Services Support; Charter Operated Programs; Instruction; Compliance/Policies and Procedures; Psychological Services/Due Process; Related Services; Early Childhood Special Education; and Operations.

The **Executive Director of Special Education** supports the Chief of Special Education, Equity and Specialized Programs in the administration of the Local Plan in addition to the following:

- Leads the prevention of the over-identification of students into special education, especially the over-identification of English learners and African American students
- Leads the development and monitors high quality professional development that is grounded in current research, and instructional strategies within Special Education
- Leads the effective implementation of the use of Multi Tiered Systems of Support Framework (MTSS) in the Student Success and Progress Team (SSPT)
- Oversees special education funds and leads the Budget Development process of all

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departments within Special Education

- Provides leadership and direction in federal and state mandates, and District policies and procedures for special education programs
- Formulates policies and develops goals, plans, and commitments for instruction that ensure achievement of students with disabilities

The **Administrator of Operations**, and the **Administrator of Instruction**, support the DSE in improving special education programs, services, and achievement for all students with disabilities. Their responsibilities include, but are not limited to:

- Providing leadership and direction for the planning and implementation of goals, improvement, and evaluation of various special education policies, procedures, and programs, including fiscal analysis and planning to influence outcomes for students with disabilities
- Leading administrators, personnel, and outside organizations to coordinate and supervise activities, programs, and events in alignment with the goals and initiatives of the Division of Special Education
- Using multiple sources of District data to direct the development and evaluation of programs and initiatives relating to the Division of Special Education (DSE)

The **Special Education Administrators** (SEA), Regions:

- Support the Region with oversight of implementation of District policy related to special education supports and services
- Support the Region with the implementation of, and compliance with, the Individuals with Disabilities Education Act (IDEA) and all other special education legal mandates
- Provide coaching and support to Region leadership staff in the development of professional development regarding instructional, operational, and compliance support for students with disabilities
- Effectively analyzes data, such as the State Performance Plan Indicators (SPPI), in collaboration with Region leadership staff to appropriately address disproportionality factors related to special education, including high referral rates among particular student populations and disability categories {e.g. English Learners (ELs) with Specific Learning Disabilities (SLD), African American students as Emotionally Disturbed (ED), etc.} and high suspension rates of students with disabilities
- Serve as a resource for Community of School (COS) teams in developing plans of support for meeting the instructional needs of students with disabilities in the least restrictive environment (LRE)

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- Provide technical support regarding special education to Community of Schools (COS) leadership
- Provide coaching and advisement to Region leadership staff in monitoring and compliance with Special Education Substantial Compliance Indicators
- Collaborate with the Division of Special Education instructional teams to support the implementation of inclusion of students with disabilities at schools
- Supervise and coordinate the work of special education support specialists: Least Restrictive Environment specialists and program specialists, behavior support specialists, psychological services coordinators, and Assistant Principal Elementary Instructional Specialists (AP, EIS) within the Region

d. Monitoring the appropriate use of federal, state, and local funds allocated for special education programs: [EC 56205(a)(12)(D)(ii)(IV)]

The Division of Special Education (DSE) works collaboratively with fiscal services to ensure appropriate budget planning is conducted and resources are allocated accordingly. Fiscal services tracks individual school site expenditures on instructional materials for students with disabilities. The positions below describe the SELPA's fiscal oversight.

The **Chief of Special Education, Equity and Specialized Programs** administers procedures to assure fiscal management of all special education funds.

The **Executive Director, Special Education**, oversees special education funds and leads the Budget Development process of all department within Special Education.

The Administrator of Operations, and the Administrator of Instruction, support the division in improving special education programs, services, and achievement for all students with disabilities.

Their responsibilities include, but are not limited to:

- Providing leadership and support in the review and analysis of special education operations fiscal and programmatic data related to program audits

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12. Describe how specialized equipment and services will be distributed within the SELPA in a manner that minimizes the necessity to serve students in isolated sites and maximizes the opportunities to serve students in the least restrictive environments: [EC 56206]

The Chief of Special Education, Equity and Specialized Programs provides for the development and evaluation of curricula, instructional materials, and specialized equipment. Low Incidence (LI) funds are state funds used to provide specialized books, materials, equipment, and services to access education as required by students between the ages of 3-22 with a LI disability (hearing disorders, visual impairments, and severe orthopedic impairments) indicated in their Individualized Education Program (IEP). Allocation of LI funding to school districts is determined by the total number of students with LI eligibilities as reported in the California Special Education Management Information System.

When students with LI equipment needs change school sites within LAUSD, specialized equipment that has been purchased through LI funds must follow the student to the new/receiving school. Similarly, when equipment is available within the District's inventory to meet newly identified student needs, the new school of attendance is responsible for making arrangements to transport that equipment from one school location to another. Service providers collaborate with teachers, school support staff, and parents/guardians, and may provide support, guidance, and training as needed.

All of the following procedures are required in order to secure LI funding:

- IEP Team Determination of LI Disability Eligibility: A determination by the IEP team, including the school nurse or audiologist, that the student has a severe disabling condition in one or more of the following areas: hearing, vision, and/or severe orthopedic disabilities. Persons knowledgeable of these disabilities are the related services providers and/or appropriately certificated teachers who work in the disciplines of hearing, vision, and severe orthopedic disabilities
- An assessment of the need for the material and equipment conducted by a team of the appropriately credentialed/licensed personnel consisting of the classroom teacher, special education teacher(s), and, if necessary, the appropriate related services provider(s) for hearing, vision, occupational therapy, physical therapy, or speech
- A presentation of the written assessment report (or consultation report, when appropriate) to the school IEP team
- Documentation of the determination by the IEP team that specialized material and equipment are needed, including the assessed need for equipment and/or materials reflected in the Present Level of Performance (PLP) section of the IEP.
- Authorization of LI funding after the IEP team, including the parent, have approved the recommendations of the related services and/or other appropriately certificated personnel

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Policies, Procedures, and Programs

Pursuant to *EC* sections 56122 and 56205(a), the SELPA ensures conformity with Title 20 *United States Code (USC)* and in accordance with Title 34 *Code of Federal Regulations (CFR)* Section 300.201 and has in effect policies, procedures, and programs. For each of the following 23 areas, identify whether or not, each of the following provisions of law are adopted as stated. If the policy is not adopted as stated, briefly describe the SELPA's policy for the given area. In all cases, provide the SELPA policy and procedure numbers (If applicable. Leave blank if not applicable); the document title; and the physical location where the policy can be found.

1. Free Appropriate Public Education: 20 USC Section 1412(a)(1); EC 56205(a)(1)

Policy/Procedure Number: BUL-5901.5 (2021)

Document Title: Determining the Appropriate Educational Placement for Students with Disabilities in the Least Restrictive Environment (LRE)

Document Location: eLibrary, SELPA Office, Special Education Electronic Policies and Procedures Manual: Determining Placement in the LRE

"It shall be the policy of this LEA that a free appropriate public education is available to all children with disabilities residing in the LEA between the ages of 3 and 21, inclusive, including children with disabilities who have been suspended or expelled from school." The policy is adopted by the SELPA as stated:

☒ Yes ☐ No**2. Full Educational Opportunity: 20 USC Section 1412(a)(2); EC 56205(a)(2)**

Policy/Procedure Number: BUL-5901.5 (2021)

Document Title: Determining the Appropriate Educational Placement for Students with Disabilities in the Least Restrictive Environment (LRE)

Document Location: eLibrary, SELPA Office, Special Education Electronic Policies and Procedures Manual: Determining Placement in the LRE

"It shall be the policy of this LEA that all children with disabilities have access to educational

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programs, non-academic programs, and services available to non-disabled children.” The policy is adopted by the SELPA as stated:

☒ Yes ☐ No

3. Child Find: 20 USC Section 1412(a)(3); EC 56205(a)(3)

Policy/Procedure Number: e-PPM (Special Education Electronic Policies and Procedures Manual)

Document Title: Child Find and Search and Serve

Document Location: eLibrary, SELPA Office, Special Education Electronic Policies and Procedures Manual: Child Find and Search and Serve, DSE Website

"It shall be the policy of this LEA that all children with disabilities residing in the State, including children with disabilities who are homeless or are wards of the State and children with disabilities attending private schools, regardless of the severity of their disabilities, who are in need of special education and related services, are identified, located, and evaluated. A practical method has been developed and implemented to determine which children with disabilities are currently receiving needed special education and related services." The policy is adopted by the SELPA as stated:

☒ Yes ☐ No

4. Individualized Education Program (IEP) and Individualized Family Service Plan (IFSP): 20 USC Section 1412(a)(4); EC 56205(a)(4)

Policy/Procedure Number: e-PPM

Document Title: Conducting an IEP Team Meeting; Early Childhood Education Programs

Document Location: SELPA Office, Special Education Electronic Policies and Procedures Manual

"It shall be the policy of this LEA that an IEP, or an IFSP that meets the requirements of 20 USC Section 1436 (d), is developed, implemented, reviewed, and revised for each child with a disability who requires special education and related services in accordance with 20 USC Section 1414 (d). It shall be the policy of this LEA that an IEP will be conducted on at least an annual basis to review a student's progress and make appropriate revisions." The policy is adopted by the SELPA as stated:

☒ Yes ☐ No

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5. Least Restrictive Environment: USC Section 1412(a)(5); EC 56205(a)(5)

Policy/Procedure Number: BUL-5901.5 (2021)

Document Title:

Determining the Appropriate Educational Placement for Students with Disabilities in the Least Restrictive Environment (LRE)

Document Location:

eLibrary, SELPA Office, Special Education Electronic Policies and Procedures Manual: Determining Placement in the LRE

"It shall be the policy of this LEA that to the maximum extent appropriate, children with disabilities, including children in public or private institutions or other care facilities, are educated with children who are not disabled. Special classes, separate schooling, or other removal of children with disabilities from the general educational environment, occurs only when the nature or severity of the disability of a child is such that education in regular classes with the use of supplementary aids and services cannot be achieved satisfactorily." The policy is adopted by the SELPA as stated:

☒ Yes ☐ No**6. Procedural Safeguards: 20 USC Section 1412(a)(6); EC 56205(a)(6)**

Policy/Procedure Number: BUL-4140.2 (2019); REF-6790.1 (2018)

Document Title:

Review and Consideration of Request for Special Education Evaluation; Distribution of Revised guide: A Parent's Guide to Special Education Services (Including Procedural Rights and Safeguards)

Document Location:

eLibrary, SELPA Office, Special Education Electronic Policies and Procedures Manual, A Parent's Guide to Special Education Services (Including Procedural Rights and Safeguards), LAUSD Parent-Student Handbook

"It shall be the policy of this LEA that children with disabilities and their parents shall be afforded all procedural safeguards according to state and federal laws and regulations." The policy is adopted by the SELPA as stated:

☒ Yes ☐ No**7. Evaluation: 20 USC Section 1412(a)(7); EC 56205(a)(7)**

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Policy/Procedure Number: BUL-6639 (2016)

Document Title: Three-Year Review Individualized Education Program (IEP) Psycho-Educational Reassessment Requirements

Document Location: eLibrary, SELPA Office, Special Education Electronic Policies and Procedures Manual: Initial Assessment, Reassessment, Independent Educational Evaluation

"It shall be the policy of this LEA that a reassessment of a child with a disability shall be conducted at least once every three years or more frequently, if appropriate." The policy is adopted by the SELPA as stated:

☒ Yes ☐ No**8. Confidentiality: 20 USC Section 1412(a)(8); EC 56205(a)(8)**

Policy/Procedure Number: BUL-2469

Document Title: Pupil Records: Access, Confidentiality, and Notice of Educational Rights

Document Location: eLibrary, SELPA Office, Special Education Electronic Policies and Procedures Manual

"It shall be the policy of this LEA that the confidentiality of personally identifiable data, information, and records maintained by the LEA relating to children with disabilities and their parents and families shall be protected pursuant to the Family Educational Rights and Privacy Act, non-academic programs, and services available to non-disabled children." The policy is adopted by the SELPA as stated:

☒ Yes ☐ No**9. Part C to Part B Transition: 20 USC Section 1412(a)(9); EC 56205(a)(9)**

Policy/Procedure Number: e-PPM

Document Title: Early Childhood Education Programs

Document Location: SELPA Office, Special Education Electronic Policies and Procedures Manual: Early Childhood Education Programs

"It shall be the policy of this LEA that children participating in early intervention programs under the Individuals with Disabilities Education Act (IDEA), Part C, and who will participate in preschool

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programs, experience a smooth and effective transition to preschool programs in a manner consistent with 20 *USC* Section 1437(a)(9). The transition process shall begin prior to the child's third birthday."The policy is adopted by the SELPA as stated:

☒ Yes ☐ No

10. Private Schools: 20 *USC* Section 1412(a)(10); *EC* 56205(a)(10)

Policy/Procedure Number: REF-6846

Document Title:

Serving Parentally Placed Private School Students with Disabilities
(Ages 5 through 21) including School of Residence (SOR)
Responsibilities

Document Location:

eLibrary, SELPA Office, Special Education Electronic Policies and
Procedures Manual: Private School Students

"It shall be the policy of this LEA to assure that children with disabilities voluntarily enrolled by their parents in private schools shall receive appropriate special education and related services pursuant to LEA coordinated procedures. The proportionate amount of federal funds will be allocated for the purpose of providing special education services to children with disabilities voluntarily enrolled in private school by their parents." The policy is adopted by the SELPA as stated:

☒ Yes ☐ No

11. Local Compliance Assurances: 20 *USC* Section 1412(a)(11); *EC* 56205(a)(11)

Policy/Procedure Number: SELPA Assurances Statement – Appendix A

Document Title:

SELPA Assurances Statement

Document Location:

SELPA Office

"It shall be the policy of this LEA that the local plan shall be adopted by the appropriate local board(s) (district/county) and is the basis for the operation and administration of special education programs, and that the agency(ies) herein represented will meet all applicable requirements of state and federal laws and-regulations, including compliance with the IDEA; the Federal Rehabilitation Act of 1973, Section 504 of Public Law; and the provisions of the California *EC*, Part 30." The policy is adopted by the SELPA as stated:

☒ Yes ☐ No

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12. Interagency: 20 USC Section 1412(a)(12); EC 56205(a)(12)(D)(iii)

Policy/Procedure Number: Interagency Agreements - Appendix C

Document Title: Interagency Agreement- Individuals with Disabilities Education Act

Document Location: SELPA Office

"It shall be the policy of this LEA that interagency agreements or other mechanisms for interagency coordination are in effect to ensure services required for free appropriate public education are provided, including the continuation of services during an interagency dispute resolution process." The policy is adopted by the SELPA as stated:

☒ Yes ☐ No**13. Governance: 20 USC Section 1412(a)(13); EC 56205(a)(12)**

Policy/Procedure Number: Governance and Administration of the Local Plan - Appendix B

Document Title: Governance and Administration of the Local Plan

Document Location: SELPA Office

"It shall be the policy of this LEA to support and comply with the provisions of the governance bodies and any necessary administrative support to implement the local plan. A final determination that an LEA is not eligible for assistance under this part will not be made without first affording that LEA with reasonable notice and an opportunity for a hearing through the State Education Agency." The policy is adopted by the SELPA as stated:

☒ Yes ☐ No**14. Personnel Qualifications; EC 56205(a)(13)**

Policy/Procedure Number: SELPA Assurances Statement – Appendix A

Document Title: SELPA Assurances Statement, Human Resources

Document Location: SELPA Office

"It shall be the policy of this LEA to ensure that personnel providing special education related services are appropriately and adequately prepared and trained, and that those personnel have the content knowledge and skills to serve children with disabilities. This policy shall not be construed to create a right

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of action on behalf of an individual student for the failure of a particular LEA staff person to be highly qualified or to prevent a parent from filing a State complaint with the California Department of Education (CDE) about staff qualifications." The policy is adopted by the SELPA as stated:

☒ Yes ☐ No

15. Performance Goals and Indicators: 20 USC Section 1412(a)(15); EC 56205(a)(14)

Policy/Procedure Number: REF-2624.19 (2023); State Performance Indicator (SPPI) Guide - Appendix A

Document Title: School Self Review Checklist, Students with Disabilities; State Performance Indicator Guide

Document Location: SELPA Office

"It shall be the policy of this LEA to comply with the requirements of the performance goals and indicators developed by the CDE and provide data as required by the CDE." The policy is adopted by the SELPA as stated:

☒ Yes ☐ No

16. Participation in Assessments: 20 USC Section 1412(a)(16); EC 56205(a)(15)

Policy/Procedure Number: REF-105701 (2021); REF-084500.1 (2020); BUL-6049.2 (2015)

Document Title: LAUSD Accessibility and Accommodations Guidelines for English Language Proficiency Assessments for California (ELPAC) and California Assessment of Student Performance and Progress (CAASPP); Annual Alternate Assessment of the English Language Proficiency Levels of Students with Disabilities on the Alternate Curriculum; Conducting an Individualized Education Program (IEP) Meeting; Participation In State and District-Wide Assessments; Required Curriculum and Assessment for Students Participating on the Alternate Curriculum

Document Location: eLibrary, SELPA Office, Special Education Electronic Policies and Procedures Manual

"It shall be the policy of this LEA that all students with disabilities shall participate in state and district-wide assessment programs described in 20 USC Subsection 6311. The IEP team determines how a student will access assessments with or without accommodations, or access alternate assessments where necessary and as indicated in their respective Reps.." The policy is adopted by the SELPA as stated:

SELPA Fiscal Year ☒ Yes ☐ No**17. Supplementation of State, Local, and Federal Funds: 20 USC Section 1412(a)(17); EC 56205(a)(16)**Policy/Procedure Number: Document Title: Document Location:

"It shall be the policy of this LEA to provide assurances that funds received from Part B of the IDEA will be expended in accordance with the applicable provisions of the IDEA, and will be used to supplement and not to supplant state, local, and other federal funds." The policy is adopted by the SELPA as stated:

☒ Yes ☐ No**18. Maintenance of Effort: 20 USC Section 1412(a)(18); EC 56205(a)(17)**Policy/Procedure Number: Document Title: Document Location:

"It shall be the policy of this LEA that federal funds will not be used to reduce the level of local funds and/or combined level of local and state funds expended for the education of children with disabilities except as provided in federal laws and regulations." The policy is adopted by the SELPA as stated:

☒ Yes ☐ No**19. Public Participation: 20 USC Section 1412(a)(19); EC 56205(a)(18)**Policy/Procedure Number: Policy/Procedure Title: Document Location:

"It shall be the policy of this LEA that public hearings, adequate notice of the hearings, and an opportunity for comments are available to the general public, including individuals with disabilities and parents of

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children with disabilities, and are held prior to the adoption of any policies and/or regulations needed to comply with Part B of the IDEA." The policy is adopted by the SELPA as stated:

☒ Yes ☐ No

20. Suspension and Expulsion: 20 USC Section 1412(a)(22); EC 56205(a)(19)

Policy/Procedure Number: BUL-5655.3 (2016); BUL-6050.2 (2016)

Document Title: Guidelines for Student Suspension; Expulsion of Students – Policies and Procedures

Document Location: eLibrary, SELPA Office, Special Education Electronic Policies and Procedures Manual: Disciplinary Procedures

"The LEA assures that data on suspension and expulsion rates will be provided in a manner prescribed by the CDE. When indicated by data analysis, the LEA further assures that policies, procedures, and practices related to the development and implementation of the IEPs will be revised." The policy is adopted by the SELPA as stated:

☒ Yes ☐ No

21. Access to Instructional Materials: 20 USC Section 1412(a)(23); EC 56205(a)(20)

Policy/Procedure Number: BUL-3666.5 (2022)

Document Title: Policies and Procedures for the Use of Low Incidence (LI) Funds

Document Location: eLibrary, SELPA Office, Special Education Policies and Procedures Manual: Assistive Technology and Low Incidence Programs

"It shall be the policy of this LEA to provide instructional materials to blind students or other students with print disabilities in a timely manner according to the state-adopted National Instructional Materials Accessibility Standard." The policy is adopted by the SELPA as stated:

☒ Yes ☐ No

22. Over-identification and Disproportionality: 20 USC Section 1412(a)(24); EC 56205(a)(21)

Policy/Procedure Number: SELPA Assurances Statement - Appendix A

Document Title: Comprehensive Coordinated Early Intervening Services (CCEIS) Plan 2024-2027; SELPA Assurances Statement

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Document Location: SELPA Office

"It shall be the policy of this LEA to prevent the inappropriate over-identification or disproportionate representation by race and ethnicity of children as children with disabilities." The policy is adopted by the SELPA as stated:

☒ Yes ☐ No

23. Prohibition on Mandatory Medicine: 20 USC Section 1412(a)(25); EC 56205(a)(22)

Policy/Procedure Number: SELPA Assurances Statement - Appendix A

Document Title: SELPA Assurances Statement

Document Location: SELPA Office

"It shall be the policy of this LEA to prohibit school personnel from requiring a student to obtain a prescription for a substance covered by the Controlled Substances Act as a condition of attending school or receiving a special education assessment and/or services." The policy is adopted by the SELPA as stated:

☒ Yes ☐ No

Administration of Regionalized Operations and Services

Pursuant to EC sections 56195.7(c), 56205(a)(12)(B), 56368, and 56836.23, describe the regionalized operation and service functions. Descriptions must include an explanation of the respective roles of the RLA/AU, the SELPA administrator, and the individual LEAs associated with the SELPA. Information provided should include the document title and the location (e.g., SELPA office) for each function."

1. Coordination of the SELPA and the implementation of the local plan:

Document Title: SELPA Regionalized Services - Appendix D

Document Location: SELPA Office

Responsibilities of The LAUSD Board of Education establishes policies and District staff assumes responsibility for implementing Board of Education established policies on a District-wide basis. The Board of Education is responsible for submission of an adopted Special Education Local Plan to the State Superintendent of Public Instruction and for establishing a governance structure for implementation of the

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plan.

The functions of the Board of Education (BOE) in relation to special education include, but are not limited to:

- Reviewing, adopting, and implementing the Special Education Local Plan to ensure access to special education programs and services for all eligible individuals with disabilities from birth up to 22 years of age residing within the geographic area served by the LAUSD

Responsibilities of the Superintendent of Schools

The Superintendent of Schools serves as the Responsible Local Agency (RLA) administrator. The Superintendent of Schools is appointed by the LAUSD Board of Education. The Superintendent of Schools, with staff assistance, is responsible for District-wide implementation of educational processes and for formulating major District policies. Under the direction of the Board of Education, the Superintendent of Schools delegates appropriate authority and responsibility to the Chief of Special Education, Equity and Specialized Programs. The Superintendent of Schools is responsible for the supervision, evaluation, and discipline of the Chief of Special Education, Equity and Specialized Programs, who is appointed by the Board of Education, as are the Region Superintendents.

The Superintendent of Schools' responsibilities regarding special education include:

- Recommending to the Board of Education the adoption of SELPA policies in accordance with federal and state laws and regulations
- Providing leadership in support of special education programs and services
- Recommending a District budget to the Board of Education, which includes a SELPA budget and when required by the Education Code, a SELPA annual budget plan
- Supervising or designating supervision of the SELPA Director
- Recommending adoption of the Special Education Local Plan to the Board of Education

Description:

Responsibilities of the Chief of Special Education, Equity and Specialized Programs:

The Chief of Special Education, Equity and Specialized Programs is responsible for administration of the Local Plan and fulfills the following

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responsibilities:

- Developing, adopting, submitting to the State Superintendent of Public Instruction, and implementing a Special Education Local Plan in accordance with federal and state laws and regulations. The Board of Education approves policies and procedures that are reflected in the Local Plan

Responsibilities of Special Education Support Specialists:

Special Education Support Specialists including Least Restrictive Environment (LRE) Specialists, Special Education Specialists (SES), Program Specialists, Behavior Specialists, Psychological Services Coordinators and Assistant Principals Elementary Instructional Specialists (APEIS), are assigned to each Region Special Education office or school, under the direction of the Region Special Education Administrator (SEA), to provide technical support to special education programs and students with disabilities and to ensure appropriate identification of students in need of special education support and services. Their roles are determined by the identified need within each Region.

Implementation of Local Plan

The Division of Special Education (DSE) disseminates the Local Plan to the field and coordinates efforts with the various stakeholder groups and leadership. Implementation of the plan consists of, but is not limited to the following:

- District Validation Review (DVR), the District's internal monitoring of schools' special education programs, and implementation of policies and procedures.
- The monitoring of State Performance Plan Indicators (SPPI). The DSE closely monitors the 14 SPPI and works with Region leadership on identifying strengths and developing plans of support to address gaps.
- Instructional rounds utilizing the Teaching and Learning Framework, Administrative Leadership Framework, Paraprofessional Performance Framework. These frameworks set forth expectations for all teachers, administrators, and paraprofessionals that work closely with students with disabilities.

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2. Coordinated system of identification and assessment:

Document Title:

Child Find and Search and Serve; Review and Consideration of Request for Special Education Evaluation; Three-Year Review Individualized Education Program (IEP) Psycho- Educational Reassessment Requirements

Document Location:

eLibrary, SELPA Office, Special Education Electronic Policies and Procedures Manual

The **LAUSD Board of Education** establishes policies and District staff assumes responsibility for implementing Board of Education established policies on a District-wide basis. The Board of Education is responsible for submission of an adopted Special Education Local Plan to the State Superintendent of Public Instruction and for establishing a governance structure for implementation of the plan. The functions of the Board of Education in relation to special education include but are not limited to:

- Strengthening efficiency and effectiveness of general education to provide appropriate academic and behavioral interventions, in order to prevent inappropriate identification of students

The **Chief of Special Education, Equity and Specialized Programs** is responsible for the administration of the Local Plan and fulfills the following responsibilities:

- Developing, adopting, submitting to the State Superintendent of Public Instruction, and implementing a Special Education Local Plan in accordance with Federal and State laws and regulations. The Board of Education approves policies and procedures that are reflected in the local plan.
- Develops a strategic plan for the development, implementation and monitoring of programs, services, and instruction that ensures the achievement of students with disabilities and prevention of misidentification for special education

Responsibilities of Special Education Support Specialists

Special Education Support Specialists including Least Restrictive Environment (LRE) Specialists, Special Education Specialists (SES), and Program Specialists are assigned to each Region Special Education office, under the direction of the Region Special Education Administrator, to provide technical support to special education programs and students with disabilities and to ensure appropriate identification of students in need of special education support and services. Their roles are determined by the identified need within each

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Region and their responsibilities include:

- Observing, consulting with, and assisting Resource Specialists, related service providers, special and general education teachers

School Responsibilities

1. The school's responsibilities for search and serve apply to the families and students attending and enrolling in the school. The District also has responsibilities for search and serve activities directed at the families of children below school age and students in private schools. There are three search and serve responsibilities that each school must implement:
2. All schools must distribute the "Are You Puzzled by Your Child's Special Needs?" brochure to every student to take home at the beginning of each school year.
3. Students with disabilities requiring special services who are enrolling in the school are identified and promptly provided the appropriate services and supports
4. There is a process in place, understood by all staff members, for referring students who may require special services and supports.

Identifying and Serving Students Enrolling in the School

All schools are responsible for having procedures in place to identify and promptly serve students, who require or may need special services, when they enroll in the school. The mechanism for implementing the procedures is the District's Student Enrollment Form that must be completed by parents at the time they are enrolling their child. Section 10 - Special Services asks the following five questions:

- Did the student receive special education services at his/her previous school?
- Did the student have an Individualized Education Program (IEP) at his/ her previous school?
- Did the student have a Section 504 Plan at his/her previous school?
- Does the student have difficulties that interfere with his/her ability to go to school or learn?
- Has this student been identified for Gifted and Talented Educational services (GATE)?

Description:

Office personnel have the responsibility to assist parents, if necessary, in answering the questions and ensure that all questions are answered. If all questions in Section 10 are answered NO, further follow-up is not required, other than checking NO on Question A (1) on the Special Services Follow-up Section of the form. If any question in Section 10 is

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answered YES, the Special Services Follow-up Section of the form must be completed.

Requests for a Special Education Assessment

Any person who believes that a student has or may have a disability and requires special education and related services may make a formal request for a special education assessment. The request must be in writing and entered on the Request for a Special Education Assessment Form which can be located in the Documents section of Welligent. If a parent submits a letter making the request, the information is to be transferred on to a Request for Special Education Assessment Form. If the request is made verbally, the school shall assist the requestor in putting the request in writing. Once a written request for a special education assessment has been received, the administrator/ designee has 15 days to develop and provide the parents with a special education assessment plan.

Qualifying for special education services (having an Individualized Education Plan (IEP) or Section 504 plan) does not preclude a student from being identified as gifted or talented. Conversely, if a child is identified as gifted, they should be able to be assessed for special education services, as appropriate, and also access the services they qualify for.

Bulletin 4140.2: The Individuals with Disabilities Education Act (IDEA), at Title 34 CFR 300.503, permits local education agencies to review and consider the appropriateness of requests for special education evaluation. This Bulletin provides guidance and procedures to schools reviewing such requests for evaluation. The school may, within 15 days of receipt of a written referral for an initial special education evaluation, convene a Student Support and Progress Team (SSPT) meeting, to determine interventions (if applicable or appropriate) and discuss the request for a special education assessment. If at the conclusion of the SSPT meeting parents agree to forgo a special education evaluation in favor of attempting general education interventions, then the school shall ensure parent agreement is documented in writing and that parents are provided a copy of the District's "A Parent's Guide to Special Education Services, Including Procedural Rights and Safeguards."

Bulletin 6639: This Bulletin outlines District policies and procedures for Individualized Education Program (IEP) teams to follow when considering a comprehensive psycho-educational reassessment as part of a three-year review IEP. As per Los Angeles Unified School District policy, the IEP team must determine at the 2nd Annual IEP Review

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whether or not a three-year comprehensive psycho-educational reassessment will be required as part of the upcoming three-year review IEP. The decision to conduct or not conduct a three-year comprehensive psycho-educational reassessment must be determined by the IEP team, with parent/guardian input. The decision must be made based on a review of existing information from: existing evaluation data, including assessments and information provided by the parent/guardian; current classroom-based assessments and observations; teacher and related services providers' observations.

3. Coordinated system of procedural safeguards:

Document Title:

A Parent's Guide to Special Education Services, Including Procedural Rights and Safeguards. Distribution of Revised Guide: A Parent's Guide to Special Education Services (Including Procedural Rights and Safeguards), September 2018

Document Location:

eLibrary, SELPA Office, Special Education Electronic Policies and Procedures Manual, DSE Website, LAUSD Parent-Student Handbook

Responsibilities of The LAUSD Board of Education

- Strengthening efficiency and effectiveness of general education to provide appropriate academic and behavioral interventions, in order to prevent inappropriate identification of students

Responsibilities of the Superintendent of Schools

- Recommending to the Board of Education the adoption of SELPA policies in accordance with federal and state laws and regulations

Responsibilities of the Chief of Special Education, Equity and Specialized Programs

- Monitors the District and schools for compliance with state, federal and local special education mandates including personnel development, procedural safeguards, and other assurances
- Directs and supervises the implementation of compliant and due process safeguards and procedures

Responsibilities of Special Education Support Specialist Services

- Ensuring that students with disabilities have full educational opportunity.

Reference Guide 6790.1: The purpose of this Reference Guide is to (a) notify schools of the revision of A Parent's Guide to Special

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Description:

Education Services (Including Procedural Rights and Safeguards), September 2018, (b) provide information on the delivery of the revised Guides to schools, and (c) provide instructions on how to obtain additional copies of the guide, as needed. This guide provides parents with the information needed to understand the special education process. It explains rights, the rights of the child, and how to exercise them under the Federal Individuals with Disabilities Education Act and the California Education Code. A Parent's Guide to Special Education Services (Including Procedural Rights and Safeguards) is distributed to parents of students with disabilities once a school year and at all of the following times:

- Upon initial referral for Special Education or initial request for an evaluation.
- Each time the parent is given an assessment plan to evaluate their child
- Upon initial filing of a State complaint, request for mediation only, or request for a due process hearing in a school year
- Whenever a decision is made to take disciplinary action that constitutes a change in placement
- Whenever a parent revokes consent for continued provision of Special Education and related services
- Whenever a parent requests a copy

A Parent's Guide to Special Education Services (Including Procedural Rights and Safeguards) is posted on the Division of Special Education website at <https://achieve.lausd.net/sped> and is available for download in multiple languages.

4. Coordinated system of staff development and parent and guardian education:

Document Title:

Administrator Certification Online System 2020-2021 for School Sites and Offices; Mandatory Annual Online Training Modules for Special Education Paraprofessionals

Document Location:

eLibrary, SELPA Office

MyPLN is the District's state-of-the-art professional learning management system. MyPLN has been tested and designed to offer District and independent charter school employees within the LAUSD SELPA diverse learning opportunities, including in-person, virtual, and blended learning professional development. In addition, through MyPLN, employees can leverage online professional learning

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communities to collaborate and share best practices. The Division of Special Education (DSE) has offered/facilitated various professional topics through MyPLN including instructional strategies (Universal Design for Learning (UDL), Unique Learning Systems, etc.), special education supports and services, compliance monitoring, service tracking, oral interpretation at IEP team meetings, social-emotional learning, etc.

The Personalized Learning System (PLS) department is a diverse group of teachers, classified staff, programmers, engineers, and administrators working together to provide a functioning Learning Management System (LMS) to support all stakeholders. A LMS is a software application for the administration, documentation, tracking, reporting and delivery of educational courses or training programs. The PLS department is committed to innovative teaching and learning, facilitating professional growth and personalized learning that enriches communication and collaboration amongst all stakeholders with emphasis on career and college readiness for student success. PLS, in partnership with Division of Instruction (DOI) and Information Technology Services (ITS), is taking charge of implementing the learning management system (LMS) for LAUSD. One of the important features of the LMS/MyPLN is to maintain records of personnel attendance, participation and completion of training modules and courses.

The LMS, such as Schoology, is key to preparing all students to be digital learners who use technology tools to graduate ready for success in college and careers. Schoology supports the District's commitment to 21st century learning by equipping teachers with a robust digital tool that supports distance and blended learning opportunities.

Parents are able to access Schoology thereby being able to view real time student progress monitoring, communicate and collaborate with teachers, access submitted assignments and grades. The Community of Schools networks, Region parent resource centers, the Division of Special Education, and Office of Student, Family and Community Engagement, offer parent workshops and virtual town halls throughout the year on a variety of topics including academic support, disability awareness, positive behavior support and social-emotional learning, and how to access Schoology and the Parent Portal, LAUSD's Parent Access Support System portal. It is a one-stop online system that connects parents and guardians to important information about their child's education. The Division of Special Education parent newsletter also highlights items such as upcoming training opportunities and community events and disseminates to parents quarterly.

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Description:

Responsibilities of the Chief of Special Education, Equity and Specialized Programs:

- Provides leadership and coordination in the development of a system of staff development and parent education.

Responsibilities of the Region Special Education Administrator and Special Education Support Specialists:

- Provides coaching and support to Region leadership staff in the development of professional development regarding instructional, operational, and compliance support for students with disabilities.
- Participating in staff development, program development, and innovation of special methods and approaches.

Memorandum 6128.9 (updated annually): The “Administrator Certification Online System” is designed to assist administrators in electronically certifying that the required actions have been completed in accordance with District nondiscrimination and safety mandates, policies, and procedures. Administrators can electronically review, track, and monitor required actions and activities. The administrator is to certify that required actions per specified District policies/procedures have been reviewed with all staff. Special education policies/procedures requiring certification include review of the following:

- Reference Guide - Oral Interpretation at an Individualized Education Program (IEP) Team Meeting
- Reference Guide - Submitting Requests for Written Translation of Individualized Education Program (IEP) and Related Documents
- Reference Guide - Clerical Support for Special Education and Section 504 Responsibilities
- Bulletin - My Integrated Student Information System (MiSiS) Student Support Module Required Usage
- Bulletin - Guidelines for Student Suspension
- Reference Guide - Procedures for Completing the Annual Early Childhood Special Education Health and Safety Review
- Bulletin - A Multi-Tiered System of Support Framework for the Student Support and Progress Team

Reference Guide-6889.1: Professional development activities are an integral part of the District's strategy for providing educators, including paraprofessionals, with the knowledge and skills necessary for students to be college, career, and life ready. Based on the results of a needs assessment, the Division of Special Education and Classified Growth

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and Development designed a series of online training modules to provide Special Education Paraprofessionals with information regarding best practices and strategies on how to support the learning environment for students with disabilities.

5. Coordinated system of curriculum development and alignment with the core curriculum:

Document Title:

High School "a-g" Graduation Requirements and Students with Disabilities; Development and Implementation of a Learning Center at the Secondary Level

Document Location:

eLibrary, SELPA Office, Special Education Electronic Policies and Procedures Manual

Responsibilities of The LAUSD Board of Education

Providing meaningful access to the District's core or alternate curriculum as measured by achievement of standards-based IEP goals, increase in graduation/completion rates, and increase in the percentage special education instructional personnel will be included in the curriculum materials selection process, in order to support alignment with California State Standards.

Responsibilities of the Superintendent of Schools

The Los Angeles Unified School District (LAUSD) Special Education Local Plan Area (SELPA) ensures that all students who are eligible for special education programs and services will receive literacy instruction and services aligned to the California English Language Arts (ELA)/ English Language Development (ELD) Framework in a manner consistent with the participation of all other students within the District.

Special education instructional personnel will be included in the curriculum materials selection process in order to support alignment with California State Standards.

Special education personnel will be included in staff development activities related to literacy and reading, as well as any state or regional training based on new legislation and implementation of the revised state frameworks, content standards, and District mandated instructional programs.

Responsibilities of the Chief of Special Education, Equity and Specialized Programs:

Special education personnel will be included in staff development activities related to literacy and reading, as well as any state or regional training based on new legislation and implementation of the revised state frameworks, content standards, and District mandated

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Description:

instructional programs.

Responsibilities of Special Education Support

Specialists:

Participating in staff development, program development, and innovation of special methods and approaches.

The Division of Special Education (DSE) works collaboratively with the Division of Instruction on ensuring general education teachers and special education teachers are aligned in their understanding of the core curriculum and supporting students with disabilities.

Bulletin 6257.1: This Policy Bulletin outlines the course options for high school students with disabilities (SWDs) who will earn a diploma from the Los Angeles Unified School District.

This bulletin provides guidelines for an IEP team to authorize a student who meets designated criteria to waive or be exempted from certain "a-g" requirements. Waiver options outlined in this bulletin include the Algebra 2 course (or its equivalent) and year 2 of the Languages Other Than English (LOTE) requirement. This bulletin also outlines the required teaching credentials for special education teachers assigned to carry rosters for "a-g" courses. On June 14, 2005, the Board of Education approved the resolution to "Create Educational Equity in Los Angeles Through the Implementation of the 'a-g' Course Sequences as Part of the High School Graduation Requirements." Part of that resolution stated, "a waiver from the 'a-g' requirements will be available to students with disabilities receiving special education services only if it is specified in the student's Individualized Education Program (IEP)." The resolution's intent is to ensure all students have access to the full array of college preparatory courses available at the school of attendance.

Reference Guide 2025.3: This Reference Guide provides guidelines for the development and implementation of a Learning Center in secondary schools. The purpose of the Learning Center is to provide a range of multi-tiered supports for students with disabilities. All secondary schools are required to develop a Learning Center to support students in meeting grade-level standards through a partnership between general and special education teachers. It also provides course descriptions that are aligned to California Common Core State Standards for the elective courses that can be offered in the Learning Center in middle and high school. The Division of Special Education is committed to providing a continuum of supports/services for students with disabilities and envisions service delivery models and multi-tiered special education service components at all middle and high schools. One of the service delivery options within the Resource Specialist Program is Direct Instruction Services for assisting students in acquiring the content and strategies needed to succeed in the general education curriculum. At the secondary level, these services are often provided outside of

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general education to allow time for the special education team to provide the strategic and/or intensive instruction needed for students to make progress toward IEP goals and grade-level standards. Therefore, every middle and high school must establish and maintain a Learning Center. The secondary Learning Center is a data-driven, evidence-based approach for providing the level of strategic or intensive Direct Instruction Services some students with disabilities will need in order to access the general education curriculum. As they are supplemental or intervention in nature, courses taught in the Learning Center do not earn “a-g” credit but do earn elective credit toward culmination (middle school) or graduation (high school).

6. Coordinated system internal program review, evaluation of the effectiveness of the local plan, and implementation of the local plan accountability system:

Document Title:

Governance and Administration of the Local Plan

Document Location:

Governance and Administration of the Local Plan

Responsibilities of The LAUSD Board of Education:

The LAUSD Board of Education establishes policies and District staff assumes responsibility for implementing Board of Education established policies on a District-wide basis. The Board of Education is responsible for submission of an adopted Special Education Local Plan to the State Superintendent of Public Instruction and for establishing a governance structure for implementation of the plan.

The functions of the Board of Education in relation to special education include, but are not limited to:

- Reviewing, adopting, and implementing the Special Education Local Plan to ensure access to special education programs and services for all eligible individuals with disabilities birth to 22 years of age residing within the geographic area served by the LAUSD.
- Adopting policies and administrative regulations related to the governance and operation of the SELPA.
- Assuming fiscal accountability for the special education programs and services operated by the SELPA.
- Assuming responsibility for the exercising authority over the special education services operated by the SELPA.

Responsibilities of the Superintendent of Schools:

- Recommending to the Board of Education the adoption of SELPA policies in accordance with federal and state laws

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and regulations.

- Providing leadership in support of special education programs and services.
- Recommending a District budget to the Board of Education, which includes a SELPA budget and when required by the Education Code, a SELPA annual budget plan.
- Supervising or designating supervision of the SELPA Director.
- Recommending adoption of the Special Education Local Plan to the Board of Education.

Responsibilities of the Chief of Special Education, Equity and Specialized Programs:

- Provides leadership and direction in the interpretation and implementation of federal and state mandates, District policies, and procedures for special education programs.
- Monitors programs and services for compliance.
- The Chief of Special Education, Equity and Specialized Programs is supported in ensuring that special education programs and services meet federal and state legal mandates by the following administrative departments: Administration and Support; Strategic Planning, Data Management & Nonpublic Services Support; Charter Operated Programs; Instruction; Substantial Compliance and Monitoring/Policies and Procedures; Psychological Services/Due Process; Related Services; Early Childhood Special Education; and Operations.

The SELPA Director and/or Designee is responsible for coordination of the development of the Local Plan.

Description:

1. The Los Angeles Unified School District SELPA creates a Local Plan Advisory Committee to advise in the development of the Local Plan. The SELPA Director and/or their designee is responsible for coordination of the development of the Local Plan. The Local Plan Advisory Committee consists of members selected by their peers from the following groups:
 - a) Parent representatives from the CAC
 - b) Chairperson of the CAC

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- c) Teacher representatives
- d) other school personnel
- e) District personnel selected by the Chief of Special Education, Equity and Specialized Programs

2. Local Plan Advisory Committee meetings review, revise, and advise on the content of the Local Plan.

3. Suggested recommendations from the Local Plan Advisory Committee are shared with the CAC for input. The CAC will have 30 calendar days to review the proposed Local Plan and provide additional suggestions. The Division of Special Education (DSE) will then submit to the LAUSD Board of Education for approval prior to the submission the California Department of Education (CDE).

4. Implementation/Internal monitoring of the Local Plan:

The DSE monitors the implementation of the local plan with the main purpose of ensuring that all stakeholders are aware of the Local Plan to ensure that students with disabilities are receiving their services as stated in their IEPs. The implementation of the Local Plan consists of, but is not limited to the following:

- a. The monitoring of State Performance Plan Indicators (SPPI). The DSE closely monitors the 14 SPPI Indicators and works with Region leadership on identifying strengths and developing plans of support to address gaps.
- b. Instructional rounds utilizing the Teaching and Learning Framework, Administrative Leadership Framework, and Paraprofessional Performance Framework. These frameworks set forth expectations for teachers, administrators and paraprofessionals that work closely with students with disabilities.
- c. District Validation Review (DVR), the District's internal monitoring of schools' special education programs, and implementation of policies and procedures.

The internal monitoring process consists of dissemination of data to the Regions in a consistent and timely manner. As a result of monitoring processes, the DSE issues communication to parents on a quarterly basis regarding service provision status. The Community of Schools is

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also provided access to key performance indicator data (timelines, service tracking) on a daily basis via the dashboard platforms (Whole Child, Focus, Welligent). In addition, centrally, the DSE monitors and analyzes the performance of all schools/Regions/Community of Schools and identifies clusters of need in order to dispense targeted support.

7. Coordinated system of data collection and management:

Document Title:

Governance and Administration of the Local Plan

Document Location:

SELPA Office

Responsibilities of The LAUSD Board of Education:

The functions of the Board of Education in relation to special education include, but are not limited to:

- Effectively using an administrative monitoring system, a data management system, providing technical support to schools and Regions to assist and guide them in meeting compliance mandates, and increasing the effectiveness of special education programs and services.

Responsibilities of the Superintendent of Schools:

- Coordinated system of data collection and management including a web-based IEP data and service tracking system

Responsibilities of the Chief of Special Education, Equity and Specialized Programs:

- Coordinated system of data collection and management including a web-based IEP data and service tracking system
- Maintains data and prepares local, state and federal special education reports as required

Responsibilities of Administrator of Operations:

- Leads the creation of a plan, based on multiple sources of District data, to improve the equity of educating students with disabilities.
- Leads the use of District data to guide the support, development, and evaluation of programs and initiatives relating to the Division of Special Education.

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Description:

- Manages departments' performance on metrics aligned to the Division's defined goals.
- Leads review and analysis of special education fiscal and programmatic data related to program audits.
- Provides leadership, support, and oversight of all special education related Information Technology Services (ITS) platforms, including Welligent, MISIS, and Schoology.
- Uses multiple sources of District data to direct the development and evaluation of programs and initiatives relating to the Division of Special Education.
- Manages department performance on metrics aligned to the Division's defined goals.
- Provides leadership and support in the review and analysis of special education operations fiscal and programmatic data related to program audits.

Responsibilities of Special Education Administrators- Regions:

- Effectively analyzes data in collaboration with Region leadership staff to appropriately address disproportionality factors related to special education, including high referral rates among particular student populations and disability categories (e.g. English Learners (ELs) with Specific Learning Disabilities (SLD), African American students as Emotionally Disturbed (ED), etc.) and high suspension rates of students with disabilities.
- Provides technical support regarding special education to Community of Schools' leadership.
- Provides coaching and advisement to Region leadership staff in monitoring and compliance with Special Education Substantial Compliance Indicators.

Responsibilities of Special Education Support Specialists:

- Observing, consulting with, and assisting Resource Specialists, related service providers, special and general education teachers.
- Providing coordination, consultation, and program development in areas of expertise.

Data Platforms Utilized in LAUSD SELPA: My Integrated Student Information System (MiSiS), Whole Child, Focus, California Longitudinal Pupil Achievement Data System (CALPADS), Welligent, California Dashboard, Certify and Principal's Portal, and Parent Portal.

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All of the above platforms are utilized in monitoring the achievement, performance, and compliance data for all students, with and without disabilities. Each platform provides various key performance indicator data that informs the effectiveness of our practice and drives professional development. Through the Principal's Portal and Certify platform, principals receive automated data notifications addressing their compliance status.

Parents, via the Parent Portal are able to view their child's real-time data, including assessment scores, language classification level, IEP, and grades.

All of the platforms communicate internally on a nightly basis, which ensures visibility and data consistency. The DSE centrally monitors and analyzes the data and the performance of all schools/Regions/Community of Schools and identifies clusters of need in order to dispense targeted supports.

8. Coordination of interagency agreements:

Document Title: Interagency Agreement

Document Location: SELPA Office

Description: See Appendix C

9. Coordination of services to medical facilities:

Document Title: Carlson Home, Hospital & Home Online Academy

Document Location: eLibrary, SELPA Office

Description:

It is the District's policy, in accordance with state law, that TK-12 students whose medical, psychiatric needs or other circumstances prevent them from attending their current school of attendance shall continue to receive educational services through the Carlson Home Hospital School or Virtual Academy, when this option is appropriate.

Responsibilities of the Board of Education:

- Assuming responsibility for the exercising authority over the special education services operated by the SELPA.

Responsibilities of the Superintendent of Schools:

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Description:

- Providing leadership in support of special education programs and services.

Responsibilities of the Chief of Special Education, Equity, and Specialized Programs:

- Develops a strategic plan for the development, implementation and monitoring of programs, services, and instruction that ensures the achievement of students with disabilities.

Responsibilities of Administrator, Operations:

- Works with special education Region administrators to ensure services are being rendered to students with disabilities in medical facilities and who receive service through the Carlson Home Hospital program.
- Facilitates professional development to Carlson Home Hospital administrators, teachers and providers.
- Collaborates with related services director to ensure all designated instructional services are being provided and tracked.

Responsibilities of Special Education Support Specialists:

Special Education Support Specialists are assigned to each Region's Special Education Office, under the direction of the Region Special Education Administrator, to provide technical support to special education programs and students with disabilities and to ensure appropriate identification of students in need of special education support and services. The responsibilities of Special Education Support Specialists in accordance with EC §56368 may include:

- Observing, consulting with, and assisting Resource Specialists, related service providers, special and general education teachers.
- Planning programs, coordinating curricular resources, and supporting the development of effective programs for students with disabilities.
- Participating in staff development, program development, and innovation of special methods and approaches.
- Providing coordination, consultation, and program development in areas of expertise
- Ensuring that students with disabilities have full educational opportunity.

10. Coordination of services to licensed children's institutions and foster family homes:

Document Title:

Educational Rights and Guidelines for Youth in Foster Care, Experiencing Homelessness and/or Involved in the Juvenile Justice

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System

Document Location:

eLibrary, SELPA Office

The Los Angeles Unified School District (LAUSD) is responsible for ensuring the identification, enrollment, attendance, and removal of barriers to academic success for students. This policy bulletin outlines the rights of children and youth in foster care, experiencing homelessness, and/or involved in the juvenile justice system. In addition, this policy aligns with recent legislation by clarifying that educational rights afforded to foster youth also apply to youth involved in the juvenile justice system and/or those who are experiencing homelessness.

The legal requirements and procedures outlined in this policy are applicable to all schools, centers and offices within the District, including, but not limited to early education centers, preschools, elementary, middle and high schools, magnet schools and centers, educational options schools, adult schools, continuation schools, special education schools, and charter schools.

Specialized Student Services (SSS) Program is dedicated to enhancing the educational outcomes of students residing in foster care (e.g., with parent, relative caregivers or foster parents). We provide comprehensive services to improve attendance as well as maximize the educational achievement and the social-emotional well-being of all foster youth. Specialized Student Services (SSS) Counselors, Pupil Services and Attendance Counselors (PSA) and Psychiatric Social Workers (PSW), advocate for the educational rights of students in foster care, as well as provide consultation and training to District and school staff, community agencies, and caregivers on issues and legislation specific to students in foster care.

Responsibilities of the Board of Education:

- Assuming responsibility for the exercising authority over the special education services operated by the SELPA.

Responsibilities of the Superintendent of Schools:

- Providing leadership in support of special education programs and services.

Responsibilities of the Chief of Special Education, Equity, and Specialized Programs:

- Develops a strategic plan for the development, implementation and monitoring of programs, services, and instruction that ensures the achievement of students with disabilities.

Description:

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Responsibilities of the Special Education Support Specialists:

Least Restrictive Environment (LRE) Specialists, Special Education Specialists (SES), Program Specialists, Behavior Support Specialists, and Psychological Services Coordinators are assigned to each Region Special Education office, under the direction of the Region Special Education Administrator, to provide technical support to special education programs and students with disabilities and to ensure appropriate identification of students in need of special education support and services. The responsibilities of a Specialist in accordance with [EC §56368](#) may include:

- Observing, consulting with, and assisting Resource Specialists, related service providers, special and general education teachers.
- Planning programs, coordinating curricular resources, and supporting the development of effective programs for students with disabilities.
- Ensuring that students with disabilities have full educational opportunity.

11. Preparation and transmission of required special education local plan area reports:

Document Title:

Governance and Administration of the Local Plan

Document Location:

SELPA Office

The Los Angeles Unified School District is responsible for developing, adopting, submitting to the State Superintendent of Public Instruction, and implementing a Special Education Local Plan in accordance with Federal and State laws and regulations. The Board of Education approves policies and procedures that are reflected in the local plan.

In accordance with [EC §56195.3](#), the SELPA shall, in developing the Special Education Local Plan, "involve special and general education teachers selected by their peers and parents selected by their peers in an active role".

1. The Los Angeles Unified School District SELPA creates a Local Plan Advisory Committee to advise in the development of the Local Plan. The SELPA Director and/or their designee is responsible for coordination of the development of the Local Plan. The Local Plan Advisory Committee consists of members selected by their peers from the following groups:

- a) Parent representatives from the CAC
- b) Chairperson of the CAC

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Description:

- c) Teacher representatives
- d) other school personnel
- e) District personnel selected by the Chief of Special Education, Equity and Specialized Programs

2. Local Plan Advisory Committee meetings review, revise, and advise on the content of the Local Plan.

3. Suggested recommendations from the Local Plan Advisory Committee are shared with the CAC for input. The CAC will have 30 calendar days to review the proposed Local Plan and provide additional suggestions. The Division of Special Education (DSE) will then submit to the LAUSD Board of Education for approval prior to the submission the California Department of Education (CDE).

4. The DSE submits and presents a monthly Division of Special Education report to the CAC. The report includes, but is not limited to, updates on any pertinent key performance indicators, parent resources and message from the California Department of Education (CDE). The Division of Special Education is present at every CAC planning meeting to contribute to the agenda items for upcoming CAC meetings. Questions that are posed to the DSE during CAC meetings are responded to in writing and reviewed at the following meeting and posted on the Family and Community Engagement website for public review.

Responsibilities of the Board of Education:

- Reviewing, adopting, and implementing the Special Education Local Plan to ensure access to special education programs and services for all eligible individuals with disabilities birth to 22 years of age residing within the geographic area served by the LAUSD.
- The Board of Education is responsible for submission of an adopted Special Education Local Plan to the State Superintendent of Public Instruction and for establishing a governance structure for implementation of the plan.

Responsibilities of the Superintendent of Schools:

- Recommending adoption of the Special Education Local Plan to the Board of Education.

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Responsibilities of the Chief of Special Education, Equity, and Specialized Programs:

- Maintains data and prepares local, state and federal special education reports as required

12. Fiscal and logistical support of the CAC:

Document Title: Governance and Administration of the Local Plan

Document Location: SELPA Office

The Community Advisory Committee (CAC) is responsible to the Superintendent of Schools, the Board of Education and the Chief of Special Education, Access and Specialized Programs.

Responsibilities of the Superintendent of Schools:

- Recommending a District budget to the Board of Education, which includes a SELPA budget and when required by the Education Code, a SELPA annual budget plan.

Responsibilities of the Chief of Special Education, Equity, and Specialized Programs:

- Acts as a liaison with and provides fiscal support to the CAC.
- Works with Office of Student, Family and Community Engagement to ensure that CAC activities such as school visits, transportation, child-care (as applicable to guidelines) are planned accordingly and covered fiscally.

Responsibilities of the Board of Education:

- Appoints voting members to the CAC.

Description:

Responsibilities of the CAC: ([Ed Code §56194](#))

- a) Advising the Superintendent of Schools, the Board of Education and the Chief of Special Education, Equity and Specialized Programs regarding the development, amendment, modification, and review of the Local Plan.
- b) Recommending annual priorities such as the Annual Budget Plan and the Annual Services Plan to be addressed by the Local Plan.
- c) Assisting in parent/guardian education and in recruiting parents/guardians and other volunteers who may contribute to the implementation of the Local Plan.

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- d) Encouraging community involvement in the development and review of the Local Plan.
- e) Supporting activities on behalf of individuals with exceptional needs.
- f) Assisting in parent/guardian awareness of the importance of regular school attendance

13. Coordination of transportation services for individuals with exceptional needs:

Document Title:

Transportation Guidelines for Individualized Education Program (IEP) Teams

Document Location:

eLibrary, SELPA Office, Special Education Electronic Policies and Procedures Manual: Transportation

Pursuant to [California Education Code \(EC\) 41851.2](#) it is the District's responsibility to develop special education transportation guidelines for use by IEP teams that clarify when special education services are required. The District is committed to focusing on the individual needs of students with disabilities in making transportation recommendations ensuring these recommendations support the provision of FAPE for students with disabilities.

Responsibilities of the Board of Education:

- Assuming responsibility for the exercising authority over the special education services operated by the SELPA.

Responsibilities of the Superintendent of Schools:

- Providing leadership in support of special education programs and services.

Responsibilities of the Chief of Special Education, Equity, and Specialized Programs:

- Develops a strategic plan for the development, implementation and monitoring of programs, services, and instruction that ensures the achievement of students with disabilities.

Responsibilities of Administrator of Operations:

- Collaborates with the Transportation Branch to meet the needs of students with disabilities and special education programs.

Description:

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- Creates and monitors transportation communication through Welligent, which includes routing, scheduling, pick-up/drop-off, and supervision as applicable, during regular and extended school year.
- Develops transportation budget.
- Leads the Division of Special Education, School and Family Support Services call center to address staff or parent concerns regarding transportation.
- Training on ESY transportation procedures

Responsibilities of the Special Education Support Specialists:

Special Education Support Specialists are assigned to each Region Special Education office, under the direction of the Region Special Education Administrator, to provide technical support to special education programs and students with disabilities and to ensure appropriate identification of students in need of special education support and services, and ensuring that students with disabilities have full educational opportunity in their school of residence or as close to their school of residence as possible.

14. Coordination of career and vocational education and transition services:

Document Title: Transition Services and Activities for Students with Disabilities

Document Location: eLibrary, SELPA Office, Special Education Policies and Procedures Manual: Determining Transition Services for Students 14 and Older

The District provides a full continuum of programs and services including special education Career and Transition Centers for 18-22 year olds, specially designed vocational education and career development, and transition services for students with disabilities ages 14-21 coordinated through the District Office of Transition Services (DOTS), Division of Special Education. LAUSD policy requires that transition services (designed with a results- oriented process focused on improving the academic functional achievement of the child) must be addressed in the IEP of the student no later than the year in which they turn 14 years of age. Beginning at age 14, a statement of needed transition services [Individual Transition Plan (ITP)] for the student must be included in the IEP, including a statement of interagency responsibilities for the provision of assistive technology devices and services. When an ITP is being developed for a student aged 14 or

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younger, at the discretion of the IEP team, representatives of the agencies, other than the District, that are likely to provide or pay for the provision of transition services are to be invited. Transition teachers serve District high schools and middle schools and provide the following services:

At the middle school level, teachers:

- Collaborate with middle school teachers to facilitate assessments and instruction for students who will turn 14 within their next IEP year.

At the high school level, transition teachers:

- Support Individualized Transition Plan (ITP) compliance.
- Provide transition instruction and assessment.
- Make connections or referrals to outside agencies.
- Assist students with post-secondary planning.
- Assist with work-based learning programs

The following programs are available to eligible students with disabilities in LAUSD to assist them in achieving a productive transition from school to adult living.

For students aged 16 or older:

- Work Based Learning (WBL) Programs
- Transition Partnership Program (TPP)
- We Can Work
- WorkAbility1

Adult Transition Program Overviews

The following programs are for students aged 18-22 with moderate to severe disabilities:

Career and Transition Centers (CTCs):

LAUSD Career and Transition Centers provide employment preparation, independent living skills, and social skills instruction to students ages 18-22, who are identified by Individual Education Program (IEP) teams as needing an alternate curriculum. Employment preparation is provided through a variety of vocational training programs offered at the CTC. These programs provide opportunities for students to develop skills that will prepare them to be work-ready and prepare them for competitive or supported employment opportunities after they exit the public school system. Independent living skills instruction, which

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includes community integration and independent travel, provides opportunities for students to learn how to navigate the community to become as independent as possible. The social skills instruction that is incorporated in each of the vocational training programs at CTCs allow students to learn and practice appropriate workplace and social behaviors in the context of real-world situations and environments.

Center for Advanced Transition Skills (CATS):

The Center for Advanced Transition Skills (CATS) is a work experience program established through a partnership between LAUSD and the Los Angeles Community College District. Students that are enrolled in the CATS program receive independent living skills instruction, employment preparation, and work experience in the community. Students also participate in college courses with support from LAUSD staff to assist with integration into the community college environment. There are currently six community college programs that serve LAUSD students: East Los Angeles College, Harbor College, Los Angeles Mission College, Los Angeles Trade-Tech College, Pierce College, and West Los Angeles College. Collaboration with students, families, community business partners, and other agencies (regional center, Department of Rehabilitation), provide the support to empower students to become as independent as possible and obtain competitive integrated employment.

Project SEARCH:

Project SEARCH is a work training program established through a partnership between LAUSD, a host business, and a regional center. Students are recruited at age 20 to participate in a one-year internship at a host business site. Students receive rigorous independent living and social skills instruction and employability training while participating in internship rotations within multiple departments of the host business.

In collaboration with regional centers, students also receive mentorship, employment planning and job development support. LAUSD and regional centers have partnered with five host business sites to provide this opportunity to students throughout the District: Children's Hospital Los Angeles, Kaiser Permanente Los Angeles Medical Center, Kaiser Permanente South Bay, Kaiser Permanente Woodland Hills, and Kaiser Permanente West Los Angeles.

Responsibilities of the Board of Education:

- Assuming responsibility for the exercising authority over the special education services operated by the SELPA.

Description:

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Responsibilities of the Superintendent of Schools:

- Providing leadership in support of special education programs and services.

Responsibilities of the Chief of Special Education, Equity, and Specialized Programs:

- Develops a strategic plan for the development, implementation and monitoring of programs, services, and instruction that ensures the achievement of students with disabilities.

Responsibilities of the Administrator of Operations

- Oversees all instructional programs and program coordinators, including the District Office of Transition Services (DOTS).
- Supports the oversight of the Career and Transition Centers, the Centers for Advanced Transition Skills, and Project Search which supports adult students ages 18-22 on the alternate curriculum.

Responsibilities of the Coordinator, Transition Services:

- Oversees the District Office of Transition Services (DOTS) including in accordance with [EC §54642](#), including oversight of the following staff and programs:

Responsibilities of the Special Education Transition Specialists:

Special Education Transition Specialists support two Regions each, under the direction of the Transition Coordinator. The responsibilities of the Transition Specialists may include:

- Development and delivery of effective professional development District-wide in the areas of secondary instruction and transition.
- Ensuring provision of transition services through classroom instruction, related services, and community experiences.
- Negotiating linkages with community agencies to meet transition goals for students with disabilities with a variety of developmental strengths and needs.
- Using data to analyze trends and develops, implements, and monitors transition programs that result in higher levels of post-secondary independence and employability for students with disabilities.
- Assisting in developing and maintaining effective collaborative interagency partnerships.

Responsibilities of the Special Education Transition Teacher

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Coordinators:

Under the direction of the Transition Specialist and Coordinator, provides technical direction, professional development and support in the coordination of transition assessment, instruction, work-based learning, and services to transition teams, including development of ITPs for students.

Responsibilities of the Special Education Support Specialists:

Special Education Support Specialists are assigned to each Region Special Education office, under the direction of the Region Special Education Administrator, to provide technical support to special education programs and students with disabilities and to ensure appropriate identification of students in need of special education support and services. Special Education Support Specialists' assignments are determined by the identified need within each Region.

The responsibilities of a Special Education Support Specialist in accordance with [EC §56368](#) may include:

- Observing, consulting with, and assisting Resource Specialists, related service providers, special and general education teachers.
- Planning programs, coordinating curricular resources, and supporting the development of effective programs for students with disabilities.
- Participating in staff development, program development, and innovation of special methods and approaches.
- Providing coordination, consultation and program development in areas of expertise.
- Ensuring that students with disabilities have full educational opportunity.

15. Assurance of full educational opportunity:

Document Title:

Determining the Appropriate Educational Placement for Students with Disabilities in the Least Restrictive Environment

Document Location:

eLibrary, SELPA Office, Special Education Electronic Policies and Procedures Manual: Determining Placement in the Least Restrictive Environment

It is the policy of the District that students with disabilities, including students who are twice- exceptional (2E), receive all supplementary aids, services and placements, as determined by an individualized

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education program (IEP) team, in the least restrictive environment (LRE). The general education classroom with all appropriate supplementary aids and services is the first educational setting that the IEP team must consider. Only the IEP team during the IEP meeting, which includes participation by the parent, can make decisions regarding special education supplementary aids and services and placements.

Responsibilities of the Superintendent of Schools:

- Providing leadership in support of special education programs and services.

Responsibilities of the Chief of Special Education, Equity, and Specialized Programs:

- Provides leadership and direction in the interpretation and implementation of federal and state mandates, District policies, and procedures for special education programs.
- Develops a strategic plan for the development, implementation and monitoring of programs, services, and instruction that ensures the achievement of students with disabilities and prevention of misidentification for special education
- Ensures appropriate assignment of students with disabilities.

Responsibilities of the Special Education Administrator (SEA)-Regions:

- Provides coaching and support to Region leadership staff in the development of professional development regarding instructional, operational, and compliance support for students with disabilities.
- Serves as a resource for Community of Schools teams in developing plans of support for meeting the instructional needs of students with disabilities in the least restrictive environment.
- Provides technical support regarding special education to Community of Schools leadership.
- Provides coaching and advisement to Region leadership staff in monitoring and compliance with Special Education Substantial Compliance Indicators.
- Collaborates with the Division of Special Education instructional teams to support the implementation of inclusion of students with disabilities at schools.

Responsibilities of the Special Education Support Specialists:

Special Education Support Specialists are assigned to each Region

Description:

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Special Education office, under the direction of the Region Special Education Administrator, to provide technical support to special education programs and students with disabilities and to ensure appropriate identification of students in need of special education support and services. Special Education Support Specialists' assignments are determined by the identified need within each Region. The responsibilities of a Special Education Support Specialist in accordance with [EC §56368](#) may include:

- Observing, consulting with, and assisting Resource Specialists, related service providers, special and general education teachers.
- Planning programs, coordinating curricular resources, and supporting the development of effective programs for students with disabilities.
- Participating in staff development, program development, and innovation of special methods and approaches.
- Providing coordination, consultation and program development in areas of expertise.
- Ensuring that students with disabilities, including 2E students, have full educational opportunity.

16. Fiscal administration and the allocation of state and federal funds pursuant to *EC* Section 56836.01—The SELPA Administrator's responsibility for the fiscal administration of the annual budget plan; the allocation of state and federal funds; and the reporting and accounting of special education funding.

Document Title: Governance and Administration of the Local Plan

Document Location: SELPA

Description:

Responsibilities of the Board of Education:

- Assuming fiscal accountability for the special education programs and services operated by the SELPA.

Responsibilities of the Superintendent of Schools:

- Recommending a District budget to the Board of Education, which includes a SELPA budget and when required by the Education Code, a SELPA annual budget plan.

Responsibilities of the Chief of Special Education, Equity, and

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Specialized Programs:

- Administers procedures to ensure fiscal management of all special education funds.

17. Direct instructional program support that maybe provided by program specialists in accordance with *EC* Section 56368:

Document Title:

LAUSD SELPA Regionalized Services

Document Location:

SELPA Office

[Education Code §56368](#) requires that each SELPA have the services of specialized personnel with in-depth knowledge of specific disabling conditions employed in order to provide regionalized services.

The Superintendent of Schools shall employ a sufficient number of Special Education Support Personnel to meet the needs of the LAUSD SELPA. Such personnel will be employed in accordance with the personnel and employment practices of the LAUSD.

Special Education Support Personnel hold a valid special education credential, clinical services credential, health services credential, or a school psychologist authorization and have advanced training and related experience in the education of individuals with disabilities and specialized in-depth knowledge in early childhood education, career vocational development, or one or more areas of major disabling conditions.

Responsibilities of the Superintendent of Schools:

- Providing leadership in support of special education programs and services.

Responsibilities of the Special Education Administrator (SEA), Regions:

- Provides coaching and support to Region leadership staff in the development of professional development regarding instructional, operational, and compliance support for students with disabilities.
- Serves as a resource for Community of Schools teams in developing plans of support for meeting the instructional needs

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Description:

of students with disabilities in the least restrictive environment.

Responsibilities of the Special Education Support Specialists:

Special Education Support Specialists are assigned to each Region Special Education office, under the direction of the Region Special Education Administrator, to provide technical support to special education programs and students with disabilities and to ensure appropriate identification of students in need of special education support and services. Special Education Support Personnel assignments are determined by the identified need within each Region and include: Least Restrictive Environment (LRE) Specialists, Program Specialists, Related Services Providers, Behavior Support Specialists and Psychological Services Coordinators. The responsibilities of Special Education Support Personnel in accordance with [EC §56368](#)

may include:

- Observing,
consulting with, and assisting Resource Specialists, related service providers, special and general education teachers.
- Planning
programs, coordinating curricular resources, and supporting the development of effective programs for students with disabilities.
- Participating in
staff development, program development, and innovation of special methods and approaches.
- Providing
coordination, consultation and program development in areas of expertise.
- Ensuring that
students with disabilities have full educational opportunity.
- Developing and
providing staff training focusing on effective research- based practices to ensure student success in both classroom instruction and school-wide behavior for LAUSD SELPA, including LAUSD SELPA District-operated charter schools and LAUSD SELPA Charter-operated schools.
- Providing coaching and using other support strategies to assist classroom personnel in effectively working with students with disabilities including appropriate use of academic and social supports. This may include working over days and/or weeks in support of a single classroom either as an individual or part of a support team in any part of the District.

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Special Education Local Plan Area Services

1. A description of programs for early childhood special education from birth through five years of age:

Document Title:

Early Childhood Special Education Programs (ECSE); Preschool for All Learners (PAL) Special Day Program

Document Location:

e-Library, SELPA Office, Special Education Electronic Policies and Procedures Manual: Early Childhood Education Programs

The District is mandated to serve children ages birth to 3 years with Low Incidence (LI) eligibilities of Visual Impairment (VI), Deaf and Hard of Hearing (DHH) and/or solely (non-Regional Center Clients) severe Orthopedic Impairment (OI). Regional Center (RC) is mandated to serve eligible children ages birth to 3 years with other qualifying non-LI disabilities. Under IDEA Part C Early Start guidelines, the District serves all presently enrolled infants and toddlers until transition, at age thirty-six months, to preschool programs and IDEA Part B as applicable.

The District serves dually eligible children through an Individualized Family Service Plan (IFSP) developed with their local Regional Center as long as the District's state funded unit capacity of infants and toddlers has not been reached. Dually eligible children are those who meet the eligibility criteria for services under both LAUSD and Regional Center.

Specific procedures for serving dually eligible infants and toddlers are delineated in an interagency agreement with each of the six Regional Centers geographically located within the District's boundaries.

The District serves dually eligible children through an Individualized Family Service Plan (IFSP) developed with their local Regional Center as long as the District's state funded unit capacity of infants and toddlers has not been reached. Dually eligible children are those who meet the eligibility criteria for services under both LAUSD and Regional Center.

Specific procedures for serving dually eligible infants and toddlers are delineated in an interagency agreement with each of the six Regional Centers geographically located within the District's boundaries.

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Program Services and Options:

Services to eligible infants and toddlers and their families are coordinated through Early Start Low Incidence (ES LI) service coordinators and special education teachers. Specific services include the following: (1) service coordination, (2) direct services in the home or other natural environments for the child and family, (3) parent/guardian support/ education, and (4) assistance to families in accessing other appropriate resources within each of their community.

ES LI is staffed by credentialed teachers including appropriate support staff for infants and toddlers with VI, DHH and solely severe OI eligibilities. For solely served families, District Service coordinators work closely with departments within the District as well as outside agencies to ensure that the requirements of the law are met. Regional Center Service coordinators serve as a single point of contact for dually served families and assist them in developing the IFSP and accessing those services.

In the development of the IFSP, the team discusses appropriate services to meet the child's needs and that of his/her family. Services offered include identification, evaluation and assessment of infants and toddlers with visual, hearing, or solely severe orthopedic impairment. The IFSP service coordinator works closely with the family in establishing a plan for this process to ensure its timely implementation. Early Start objectives include:

- Develop on-going educational plans designed to equip parents to serve as children's first teachers.
- Provide an atmosphere for parent interaction and support.
- Provide an opportunity for transdisciplinary staff interaction. Increase awareness and, when appropriate, use of specialized resources by children and families/caregivers.
- Provide parent education and resources as appropriate, as they relate to children's low incidence disabilities.
- Develop parent awareness of typical milestones in all areas of development.
- Provide educationally based respite care services to parents of eligible infants and toddlers with low incidence needs.

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CHILD FIND:

Regional Center (RC) and the Local Educational Agency (LEA) will conduct child find activities to locate all infants and toddlers who may be eligible for early intervention services. This activity will also ensure that RC and LEA will not have to duplicate efforts in the area of child find. [IDEA Part C § 303.115](#) and [CCR Title 17 Sect. 52040](#).

Referral and Identification Procedures for Preschool Children**For a child in Early Intervention (Part C) services:**

The Part C Service Coordinator facilitates a transition meeting with the District. After the meeting, the Part C Service Coordinator sends the Local Education Agency (LEA) referral to the District no later than 90 days from the child's third birthdate. The referral is reviewed for current services and the parent/guardian is sent an assessment plan packet within 15 days.

For a child not enrolled in a District general education preschool:

If a parent, caregiver or agency representative requests an assessment or special education services for a preschool-aged child who is not currently enrolled in a District preschool program, there is a single point of contact for the entire District, the Early Childhood Special Education (ECSE) office at **(213) 241-4713**. Following this initial contact, the Referral Form and Parent Interview are completed with parents to help determine assessment needs and the parent/guardian is sent an assessment plan packet within 15 days.

For a child enrolled in a District elementary school-based preschool program or Early Education Center-staff referral:

Staff that suspect a child may have need an assessment for special education shall follow the regular District procedures for referring students for a special education assessment. If appropriate, pre-referral interventions may be attempted prior to referral for a special education assessment.

Unless inappropriate due to the student's unique needs and circumstances, prereferral interventions may be attempted. In this event, the staff In addition, they must:

- Observe and document the progress of the child using the California Desired Results Developmental Profile (DRDP).
- Discuss concerns and review the DRDP with the administrator.

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- The administrator/designee may discuss accommodations or modifications that can be made in the general education program to assist the student progress in the general education curriculum. If appropriate, a meeting of the Student Success Team can be utilized to design the accommodations or modifications. Regular review of the effectiveness of accommodations or modifications is required, and no later than 3 months after initial implementation, to ensure that the pre-referral interventions are effective and/or whether special education assessment is necessary.

In the event of a referral for a special education assessment, staff must also:

- List If the decision is made to proceed with the Request for Special Education Assessment the prior modifications and accommodations must be listed on Part C of the Request Form.
- Enter the date that the Request Form was received on the Referral Details section on the Welligent screen.
- Inform the parent/guardian that a request for special education assessment has been made, including the reasons for the referral, and that they will receive a special education assessment plan for their review and approval.
- Ensure that the assessment plan is completed and provided to the parent/guardian within 15 calendar days of receipt of the written request.

For a child enrolled in a District elementary school-based preschool program or Early Education Center-parent referral:

If a parent/guardian expresses concerns about their child and/or raises the question of whether a special education assessment should be conducted, school staff will meet with the parent/guardian to discuss their concerns and review the Developmental Profile, teacher observations and assessments. Staff shall follow the procedures of LAUSD Bulletin 4140.2 *entitled Review and Consideration of Request for Special Education Evaluation*. As appropriate and no later than 15 days after the parent/guardian request, school staff shall either (1) provide the assessment plan to parent/guardian for their review and approval; or (2) school staff and the parent/guardian will meet to They will discuss any accommodations or modifications that can be implemented to meet the student's needs. If within 15 days after the above is completed and the parent/guardian agrees to proceed with pre-referral interventions, staff

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shall document the parent/guardian's agreement to waive the special education assessment request in writing and upload that documentation to Welligent. If the parent/guardian does not agree to proceed with pre-referral interventions and/or does not agree to waive the request for a special education assessment, within 15 days of the request, staff shall provide the assessment plan to parent/guardian review and approval. In no event shall response to a parent/guardian's request for special education assessment be delayed beyond 15 days (not including intervening school breaks in excess of 5 days). wants to request a special education assessment of their child, the administrator/ designee will proceed with procedures outlined for school aged children.

Assessment of 3, 4 and 5 Year-Old Children:**Responsibility for Assessments:**

Children not enrolled in an elementary school-based general education program: All initial assessments of three- and four-year-old preschool-aged children not enrolled in an elementary school-based general education program are the responsibility of the District's Early Childhood Special Education office. Once a child is receiving special education services any reassessments are the responsibility of the school of attendance or program in which the child is enrolled.

Children not enrolled in an elementary school-based general education program: Initial assessments of four- and five-year-old children (Transitional Kindergarten age) not enrolled in an elementary school-based general education program are the responsibility of the School of Residence (SOR). Once a child is receiving special education services any reassessments are the responsibility of the school of attendance or program in which the child is enrolled.

Children enrolled in an elementary school-based general education program and Early Education Centers:

- Initial assessments of three and four year old children in a school based general education program are the responsibility of the school- based assessment team. Once a child is receiving special education any reassessments are the responsibility of the school of attendance or program in which the child is enrolled.
- Transition from Preschool.
- Prior to transitioning a student with an IEP from a preschool program to kindergarten or first grade an appropriate reassessment of the student must be conducted to determine if

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they are still in need of special education and related services
(See Transition from Preschool to Kindergarten below).

Preparing for the Assessment:

When the Assessment Plan is provided to the parent, the ECSE or elementary school designee informs them of all information relevant to the assessment activities for which their written consent is sought.

The parent is provided copies and an explanation of "[A Parent's Guide to Special Education Services](#) (Including Procedural Rights and Safeguards)."

Parents are requested to give their written consent to the Assessment Plan. Upon the school's or ECSE's receipt of the signed Assessment Plan, the sixty calendar- day period for completion of the IEP begins.

Assessors:

Assessments may be conducted by single discipline assessors, interdisciplinary assessment teams or transdisciplinary assessment teams.

Assessment team members may include the following: speech and language specialists, psychologists, adapted physical education teachers, audiometrists, audiologists, teachers of the visually impaired, teachers of the hearing impaired, occupational therapists, physical therapists, early childhood special education teachers, nurses, doctors, and/or social workers.

Assessment Sites:

Children enrolled in preschool programs at elementary schools or Early Education Centers are assessed at their sites. For children not enrolled in programs at elementary schools or Early Education Centers, the Early Childhood Special Education office is responsible for scheduling.

Children and their families are assessed at District Early Childhood Special Education - Intake and Assessment locations throughout the District. If a family is unable to access the District Early Childhood Special Education Intake and Assessment location an assessment can occur at a neighborhood school or Early Education Center.

Arrangements are made with the neighborhood school administrator for appropriate assessment space. If the student is immunocompromised and cannot access any District school site, the Intake assessment team will determine with the family if the team can assess in the student's home.

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Assessments of Head Start children are conducted at the child's program site, if possible.

Assessment Procedures:

Assessors use a variety of approved assessment instruments for young children including standardized tests and developmental scales. The assessment instruments use a combination of observation and elicited test behaviors. If the child is receiving PART C services (birth - 3 years), existing records and reports are also reviewed and summarized. Parents are an integral part of the assessment process.

Once a 3, 4, or 5 year old enrolls in an elementary school for Kindergarten, the District approved process for identifying children as Limited or Fluent English Proficient must include a Home Language Survey, Parent Interview and Preschool Language Assessment.

Assessors confer and collaborate in the preparation of an assessment report that covers assessed areas.

Contract agencies that may assess children are certified by the state and use approved assessment instruments.

Prior to transitioning a student with disabilities from a preschool program to kindergarten, an appropriate reassessment of the individual shall be conducted to determine if the individual is still in need of special education and services.

Eligibility Criteria:

To be eligible for special education, a child 3 or 4 years of age must require special education pursuant to [Section 3030 in Title 5, CCR](#).

Individualized Education Program (IEP)

Initial IEP meetings for preschool-age children not enrolled in preschool programs at elementary schools and Early Education Centers are coordinated by the District's Early Childhood Special Education office.

Initial IEP team meetings for transitional kindergarten age children not enrolled in transitional kindergarten programs at elementary schools and Early Education Centers are coordinated by the school of residence.

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Description:

Initial IEP team meetings for children enrolled in preschool programs at elementary schools and Early Education Centers are coordinated by the school of attendance.

Annual reviews are the responsibility of the school of attendance or program in which the student is enrolled. IEPs for preschool students follow the regular District procedures and guidelines. In addition:

- Present levels of performance and annual goals and objectives are to be aligned to the preschool curriculum.
- Services are to be designed to meet the unique needs of the child and his/her family.
- Services may be provided to individuals or small groups.
- Services must include, when appropriate:
 - Observing and monitoring the child's behavior and development in their environment.
 - Presenting activities that are developmentally appropriate for the child and are specially designed, based on the child's needs, to enhance the child's development.
 - Interacting and consulting with family members, general education preschool teachers, and other service providers, as needed, to demonstrate appropriate activities.
 - Assisting parents to seek and coordinate other services in their community that may be provided to the child by various agencies.
 - Providing opportunities for the child to participate in play and exploration activities, to develop self-esteem and pre-academic skills.
 - Providing access to developmentally appropriate equipment and specialized materials.
 - Providing related services, including parent counseling and training, to help parents understand the special needs of their child and their child's development.

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Related Services: The full range of related services is available to eligible preschool children. These services may be combined with special education preschool programs depending on the child's needs, as determined by the IEP team.

Pre-Kindergarten Itinerant Teacher (PKIT) Services at Home and Community Sites:

Itinerant early childhood special education teachers serve preschool students in District general education preschool classrooms, early education centers, community preschools, and in student homes.

Itinerant duties are to:

- Facilitate goal achievement for individual children through collaborative support with general and special education teachers.
- Provide consultative and direct instructional support in the areas of behavior and overall development including progress monitoring and assessments.
- Work collaboratively with multiple departments to provide smooth transitions into Transition Kindergarten (TK)/ Kindergarten (K) programs.
- Provide temporary Home Instruction when preschool students are not medically cleared to attend school.
- Support to families as the District liaison for a variety of related services personnel and TK-12 partners.

Early Childhood Special Education Programs

Afterschool Early Childhood Program (AECF):

The AECF is a special education program that supports students with Individualized Education Programs (IEP's). The Program meets with children and their caregivers twice a week, Wednesdays and Thursdays, for 90 minutes sessions during the early afternoon. The program consists of intensive language education, phonological education, social emotional education and parent education through the implementation of structured preschool curricula. Format and activities designed for maximum collaboration between the special

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education teacher, the special education assistant, and the speech and language pathologist. Components of the Program include opening group meetings, small groups, music and movement, and language development activities. Family involvement and professional partnership is an important component of the Program's model.

Head Start Integrated Program (HSI):

Head Start Integrated is an LAUSD special education program that supports children with IEPs enrolled in Head Start classrooms throughout the District. Special education staff are assigned according to the goals of the child's IEP. The program operates within the District's traditional calendar in alignment with each Head Start agency's instructional program. Eligible children enrolled in Head Start are provided Early Childhood Itinerant Teacher Services (ECIT) and/or Language and Speech services through contracted, State-certified Non-Public Agencies. Contracted agency personnel provide special education services approximately once a week within the Head Start classrooms of the identified children. All other related services (OT, PT, APE, DHH, VI) are provided by District Staff at the Head Start site.

Universal Transitional Kindergarten (UTC) Collaborative Classrooms (UTK/CC):

The UTK/CC class is an educationally based inclusive program for four year olds that operates 6 hours a day, 5 days a week. The preschool curriculum is delivered through evidence-based practices. The classroom collaborative team is comprised of a credentialed teacher, an early childhood special education teacher, 1 general education classroom assistant and 1 special education assistant. Related services are provided at the school site or designated District location.

Full Day Preschool Collaborative Classrooms PCC with California State Preschool Program (CSPP):

The full day PCC/CSPP class is an educationally based inclusive program that operates 6 hours per day, 5 days a week. The preschool curriculum is delivered through evidence-based practices. The classroom collaborative team is comprised of an early childhood teacher, an early childhood special education teacher, 1 general education classroom assistant and 1 special education assistant. The classroom consists of both students with IEPs and students that do not have IEPs. Related services are provided at the school site or designated District location.

Preschool Collaborative Classes (PCC) at Early Education Center

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(EEC) Sites:

The PCC/EEC class is an educationally based inclusive program that operates 6.5 hours per day, 5 days a week. The preschool curriculum is delivered through evidence-based practices. The classroom collaborative team is comprised of an early childhood teacher, an early childhood special education teacher, 1 general education classroom assistant and 1 special education assistant. Related services are provided at the school site or designated District location.

Preschool Collaborative Class (PCC) with Head Start Agencies:

The PCC/Head Start model is a team-teaching program in District classrooms. The staff includes one Head Start teacher and assistant, and an early childhood special education teacher and assistant. This is a Monday through Friday program serving 17 children in each classroom, 10 children from Head Start and 7 children eligible for special education. The program services children Monday through Friday for 5.5 hours each day. Children eligible for special education also receive the full Head Start services benefit without having to qualify under the Head Start enrollment criteria. The content of the children's program is based on the preschool curriculum and stresses the facilitation of goals and objectives through developmentally appropriate concrete experiences and play. The classroom receives support from the District's speech and language specialist, adapted physical education teacher, school psychologist and nurse assigned to the school, as well as mental health, dietitian and family advocacy supports from the Head Start agency.

Preschool for All Learners Collaborative Classroom with Elementary (ES) and Early Education Center (EEC) sites (PAL/CC & ES and EEC):

The Preschool for All Learners Collaborative Classroom (PAL/CC) is an educationally based inclusive program that operates 4 hours and 30 minutes per day, 5 days a week. The preschool curriculum is delivered through evidence-based practices. For 2.5 hours a day, the PAL/CC students and the students from the adjoining Early Education Center (EEC) will be taught by a collaborative team in an inclusive learning environment. The remaining 2 hours a day, the PAL/CC students, as an individual class, will receive targeted individualized instruction using the preschool curriculum.

The multidisciplinary classroom collaborative team is comprised of an early childhood special education teacher, District special education assistants, and a speech-language pathologist. The speech language pathologist provides 2 hours of support in the classroom each week.

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Preschool for All Learners (PAL):

The Preschool for All Learners is an educationally based specialized program that operates 4 hours and 30 minutes per day, 5 days a week. The preschool curriculum is delivered through evidence-based practices.

The multidisciplinary classroom collaborative team is comprised of an early childhood special education teacher, District special education assistants, and a speech-language pathologist. The Speech Language Pathologist provides 2 hours of support in the classroom each week. Per Ed code section Part 30, Chapter 4.45 Section 56441.5, the classroom shall not exceed an instructional adult to child ratio of one to five.

Preschool Deaf and Hard of Hearing (DHH) and Visually Impaired (VI) Special Day Programs:

The DHH and VI Preschool Categorical classes are provided to eligible students on general education campuses. The staff includes a special education DHH or VI credentialed teacher and a special education trainee/assistant. Students attend Monday through Friday for 4.5 hours daily.

Preschool Comprehensive (PSC):

The PSC is a highly specialized therapeutic program that operates 6 hours a day Monday through Thursday. The program operates for 3 hours and 20 minutes on Friday to provide time for classroom progress monitoring and student data analysis. The preschool curriculum is delivered through evidence-based practices including applied behavior analysis. Individualized instruction targets "learning to learn" skills such as joint attention, imitation, and turn taking.

The multidisciplinary classroom collaborative team is comprised of an early childhood special education teacher, special education assistant, a speech/language pathology assistant (SLP-A), and a non-public agency or District behavior intervention provider. A speech language pathologist provides weekly support to the SLP-A.

Nonpublic School or Nonpublic Agency:

When determined appropriate by an IEP team, the District provides for preschool service/s through a State-certified Nonpublic/Nonsectarian School or Nonpublic/Nonsectarian Agency.

Transition from Preschool to Kindergarten:

Prior to kindergarten enrollment, a reevaluation is conducted for all

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children who previously received Special Education preschool services, assessing whether they require ongoing Special Education support as a child with a disability. If continued services are deemed necessary, an Individualized Education Program (IEP) is created, effective from the first day of the new school year and includes strategies for facilitating the child's transition to the new program. Parents/guardians complete the Preschool Health Questionnaire for school enrollment available in the Document section of the Welligent IEP system. School nurse reviews the questionnaire to determine whether additional assessment is warranted, in which case an assessment plan will be provided to the parent/guardian. If additional assessment is not needed, then the school nurse documents the health report in Welligent and updates the health present levels of performance. For children enrolled in District elementary schools, Health Questionnaire is reviewed by the nurse assigned to the school site. For children enrolled in Early Education Centers, Head Start, after school programs or community preschools, the Health Questionnaire is reviewed by Early Childhood Special Education nurses.

Responsibilities of the Superintendent of Schools:

Providing leadership in support of special education programs and services.

Responsibilities of the Chief of Special Education, Equity and Specialized Programs: Develops a strategic plan for the development, implementation and monitoring of programs, services and instruction that ensures the achievement of students with disabilities and prevention of misidentification for special education.

Responsibilities of the Director, Special Education Infant and Pre-School Support Services: Under the direction of the Administrator of Operations, duties include but are not limited to:

- Directs the functions and services of infant/preschool special education programs in cooperation with other District offices and outside agencies involved in the educational needs of eligible infants and preschool children.
- Directs Child Find and related activities for determining eligibility and service provision for eligible infants and preschool children in compliance with state and federal mandates.
- Collaborates in the preparation of District and specially funded budgets for infant and preschool programs and activities.
- Coordinates the preparation of interagency agreements with

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Head Start, Department of Developmental Services, Regional Centers, and other programs providing services to infant and preschool students with disabilities.

- Promotes understanding of infant and preschool special education services through participation in and presentation to community-based organizations.

Responsibilities of the Special Education Support Specialists:

Special Education Support Specialists are assigned to each Region's Special Education office, under the direction of the Region Special Education Administrator, to provide technical support to special education programs and students with disabilities and to ensure appropriate identification of students in need of special education support and services. Specialists' assignments are determined by the identified need within each Region. Their responsibilities, in accordance with [EC §56368](#) may include: Observing, consulting with, and assisting Resource Specialists, related service providers, special and general education teachers; planning programs, coordinating curricular resources, and supporting the development of effective programs for students with disabilities; participating in staff development, program development, and innovation of special methods and approaches; providing coordination, consultation and program development in areas of expertise; and ensuring that students with disabilities have full educational opportunity.

The Early Childhood Special Education office provides professional development opportunities. First and second year early childhood special education teachers, University Interns, and Long-Term Substitute teachers are required to attend all professional development meetings. All other teachers are required to attend the professional development meetings as designated in the annual Professional Development for Early Childhood Special Education Teachers Memorandum.

2. A description of the method by which members of the public, including parents or guardians of individuals with exceptional needs who are receiving services under the local plan, may address questions or concerns to the SELPA governing body or individual administrator:

Document Title: SELPA Assurance Statement

Document Location: SELPA Office

In accordance with [EC §56205](#)(a)(20), the Los Angeles Unified

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School District (LAUSD) provides opportunities for public participation regarding policies and procedures through a variety of avenues. Interested parties may address the Board of Education at regularly scheduled Board Meetings as per applicable Board of Education procedures. The LAUSD Special Education Local Plan Area (SELPA) also seeks input and review from the Community Advisory Committee (CAC), the United Teachers Los Angeles (UTLA), other unions representing District staff, and outside agencies including regional centers.

The annual services and budget plans shall be adopted at a public hearing held during a regularly scheduled Board of Education meeting. Notice of the hearing will be posted in each school at least fifteen (15) days prior to the hearing, as required by [EC §56205](#)(b) (1).

School and Family Support Services (SFSS):

The Division of Special Education's School and Family Support Services (SFSS) unit is committed to working collaboratively with our LAUSD families, students, colleagues, and other partners in education to promote each student's success and well-being as they prepare for future endeavors by providing all partners with the ongoing delivery of the most accurate information, resources, assistance, and guidance regarding Special Education. LAUSD families, students, colleagues, and other partners in education who have inquiries and/or concerns related to special education or specifically about a child's IEP can call (213) 241-6701, or email spedsfss@lausd.net. This call center is available Monday through Friday from 7:30a.m. to 5:00p.m. Interpreter services are available.

Under the oversight of the Chief of Special Education, Equity and Specialized Programs, SFSS manages the work of the Division of Special Education Call Center to ensure that inquiries, concerns, and complaints are addressed in a timely manner. SFSS responsibilities include:

- Responding to inquiries and resolving concerns related to special education.
- Providing the District an opportunity to resolve parent complaints without the need for parents to resort to external sources and due process mechanisms.
- Increasing parent understanding and awareness of special education legal requirements to inform decisions and enhance parent participation in their child's education.

Description:

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- Offering information about parent engagement opportunities; and
- Facilitating collaboration between District staff and parents.

Members of the public, including parents or guardians of individuals with exceptional needs who are receiving services under the local plan, may also address questions and concerns to the local school site Region Special Education Offices, Community of Schools Offices, the Federal and State Education Programs Office, and/or the Office of Student Civil Rights, for investigation and, when necessary, corrective action.

Responsibilities of the Board of Education:

- Holding public Board of Education meetings in compliance with state law, including hearings for the annual service and budget plans.

Responsibilities of the Chief of Special Education, Equity, and Specialized Programs:

- Serves as a resource person to community groups, outside agencies, professional groups, Region personnel and parents.

Responsibilities of the Administrator of Operations:

- Oversees the Division of Special Education, School and Family Support Services call center.

3. A description of a dispute resolution process, including mediation and final and binding arbitration to resolve disputes over the distribution of funding, the responsibility for service provision, and the other governance activities specified within the local plan:

Document Title:

Special Education Dispute Resolution-The Three Options for Parents Wishing to Initiate a Form of Dispute Resolution Regarding the Proposed Components of an IEP:(1) Informal Dispute Resolution, (2) State Mediation Only, and (3) Formal Due Process Hearing

Document Location:

eLibrary, SELPA Office, Special Education Electronic Policies and Procedures Manual: Resolving Disagreements

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Schools are encouraged to resolve disagreements regarding a student's offer of a Free and Appropriate Public Education (FAPE) during IEP team meetings and at the school site level whenever possible. Without parental consent, the District may not initiate the provision of special education services or make changes to a student's special educational program. The parent may consent to some elements of the proposed IEP yet not consent to others. Only the elements to which the parent has provided consent shall be implemented immediately so as not to delay the provision of instruction and services to the student. With regard to the disputed elements of the proposed IEP, the school will continue to provide those elements (e.g. placement, services, and supports) previously agreed upon and implemented per the student's most recently consented to IEP, until the disagreement is resolved. Parents can contact the school site Principal, Assistant Principal, Assistant Principal- Elementary Instructional Specialist, and/or their child's special education teacher to initiate any of the District's dispute resolution processes.

School and Family Support Services (SFSS)

The Division of Special Education's School and Family Support Services (SFSS) unit is committed to working collaboratively with our LAUSD families, students, colleagues, and other partners in education to promote each student's success and well-being as they prepare for future endeavors by providing all partners with the ongoing delivery of the most accurate information, resources, assistance, and guidance regarding Special Education. LAUSD families, students, colleagues, and other partners in education who have inquiries and/or concerns related to special education or specifically about a child's IEP can **call (213) 241-6701** or **email spedsfss@lausd.net**. This call center is available Monday through Friday from 7:30 a.m. to 5:00 p.m. Interpreter services are available.

Under the oversight of the Chief of Special Education, Equity and Specialized Programs, SFSS manages the work of the Division of Special Education call center to ensure that inquiries, concerns, and complaints are addressed in a timely manner. SFSS responsibilities include:

1. Responding to inquiries and resolving concerns related to special education.
2. Providing the District an opportunity to resolve parent complaints without the need for parents to resort to external sources and due

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process mechanisms.

3. Increasing parent understanding and awareness of special education legal requirements to inform decisions and enhance parent participation in their child's education.
4. Offering information about parent engagement opportunities; and
5. Facilitating collaboration between District staff and parents

Informal Dispute Resolution (IDR)

The District's Informal Dispute Resolution (IDR) process is an optional and voluntary process in which parents identify their issues and concerns related to their child's IEP and the District attempts to work with the parent to resolve the issues and concerns quickly and informally. It is the parent's decision whether or not to initiate the IDR process. A parent is not required to utilize the IDR process before initiating any other dispute resolution option, including formal due process proceedings. Further, a parent may utilize the IDR process and subsequently initiate formal due process proceedings if the IDR process is unsuccessful.

The purpose of the IDR process is to facilitate the early resolution of concerns and issues regarding disputed components of the IEP rapidly and informally within 20 school days. The IDR process is often a better process for resolving disputes because it is faster and less contentious than formal dispute resolution options.

Alternate Dispute Resolution - (ADR)

Alternate Dispute Resolution- (ADR) is an optional, informal process adapted by the Los Angeles Unified School District (LAUSD) and supported by the California Department of Education (CDE) for resolving special education conflicts early. The ADR process uses communication, collaboration, and consultation to resolve Individualized Education Program (IEP) disagreement(s) in an expedient manner that meets the needs of the student at the earliest opportunity possible. The ADR process is provided at no cost to parents, focuses on student needs while encouraging parties to think creatively and constructively, and is a much faster process as concerns are addressed quickly and resolution can be reached within days or weeks.

Alternative Dispute Resolution (ADR)- for California Department of Education Compliance Complaints

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Description:

The District takes formal written complaints filed with the California Department of Education (CDE) alleging noncompliance with special education law seriously. The District's Alternative Dispute Resolution (ADR) process seeks to expedite resolutions to special education compliance complaints in a manner that meets the needs of students at the earliest opportunity. In ADR, the District will offer to resolve a complaint in ten days and/or facilitate assistance with resolution by a neutral mediator in 20 days. If satisfactorily resolved, the District and parent working together will document a withdrawal of the formal complaint.

State Mediation Only

State Mediation Only is an optional state-administered process that parents may choose where a mediator assigned by the California Office of Administrative Hearings (OAH) assists a parent and the school district in discussing possible resolutions to their disagreement. The State assigned mediators are trained in the mediation process, are not employees of the school district, and do not have a personal or professional interest in the dispute. At a mediation conference, the mediator facilitates communication between the parent and the school district so that all perspectives are clarified. The mediator may also suggest options for resolving the dispute. No attorneys or advocates may participate in the Mediation Only. In addition, communications exchanged in a mediation conference are confidential and may not be used in any subsequent due process hearing or civil proceeding. The goal of the mediation is to reach an agreement on how to resolve the dispute. If an agreement is reached, it will be documented in a written agreement and signed by both the parent and a District administrator, and the terms of the agreement will be immediately implemented. Once a written agreement is executed, the mediation agreement is enforceable under State and Federal law. If an agreement cannot be reached through the State Mediation Only process either party may request a due process hearing to resolve the disagreement. If resolution is not reached, parents may choose to initiate due process proceedings.

Due Process Proceedings

Due Process Proceedings are the most formal option for resolving a disagreement regarding a student's offer of a FAPE. Due Process Proceedings include among other things, a resolution period, an optional pre-hearing mediation, and a formal hearing with documentary evidence, witness testimony and arguments presented by each side.

Special education laws and regulations set forth specific procedures and

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timelines that apply to due process proceedings.

Prior to the formal hearing, the parent and the District may participate in a pre-hearing mediation or settlement conference. At a pre-hearing mediation or settlement conference, OAH provides an administrative law judge (ALJ) or mediator to assist the parties in reaching an agreement to resolve the case. A parent may be represented by an attorney throughout all due process proceedings. A District representative from the Due Process Department and/or an attorney will represent the District during due process proceedings. Data to inform decision-making is obtained through a variety of sources during the proceedings. If a resolution is reached at mediation or at any stage of the proceedings, a written agreement signed by both the Parent and a Due Process administrator will be sent to the school site for implementation and follow-up. If resolution is not reached, the matter will proceed to a due process hearing.

Due process hearings are conducted by administrative law judges (ALJ) from OAH. Procedurally, the hearing is very much like a trial. Each side presents arguments, documents/evidence and witnesses testify and are cross-examined. In addition, the ALJ may question witnesses, have experts discuss issues with each other, visit placement sites, call witnesses and/or order independent educational evaluations. The role of an ALJ is to rule on the issues/claims presented at hearing from a legal lens that is consistent with State and Federal law.

The due process hearing must be held, and a written decision provided to all parties within forty-five (45) calendar days of the expiration of the 30-day resolution period, unless the ALJ grants an extension at the request of one or all of the parties.

After a hearing is concluded the ALJ will render a written decision that is binding on all parties. The Decision however maybe appealed by the parties to a state or federal court within ninety (90) calendar days of the final decision.

Except for certain alternative educational placements permitted by law, during the due process proceedings the student will remain in their current placement and will receive the services their last agreed upon and implemented IEP unless the parent and the District agree to an alternate arrangement. If the disagreement involves an application for initial admission to public school, the student, with the parent's consent, will be placed in the public school program until the completion of all proceedings.

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Responsibilities of the Chief of Special Education, Equity, and Specialized Programs:

- Directs and supervises the implementation of compliant and due process safeguards and procedures.

Responsibility of the Director of Due Process:

- Provides direction and oversight for the Due Process Unit for the Division of Special Education.

4. A description of the process being used to ensure a student is referred for special education instruction and services only after the resources of the regular education program have been considered and, where appropriate, utilized:

Document Title:

Implementing a Multi-Tiered System of Support Framework.

A Multi-Tiered System of Support Framework for the Student Support and Progress Team.

Multi-Tiered System of Support (MTSS): Identification and Educational Supports for Students with Attentional Challenges

Document Location:

eLibrary, SELPA Office, Special Education Electronic Policies and Procedures Manual

Multi-Tiered System of Support ([MTSS](#))

The LAUSD embraces the MTSS framework as part of the strategic effort to meet the needs of the District's diverse student population. The District is focused on a process to support all students through access to a coherent system of supports using a "whole child" approach.

All schools, including Early Education Centers, are required to use Multi-Tiered System of Support (MTSS) framework for the early identification and provision of supports to students who are struggling academically, linguistically and/or behaviorally in the general education setting and to address disproportionate misidentification of African American students for special education and for disciplinary referrals. All schools are required to develop MTSS that includes three tiers of strategies and research-based interventions to support all

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students. Tier 1 is what all students receive, Tier 2 is what some students receive, and Tier 3 is reserved for a few students who may require the highest level of support. The District's MTSS framework is designed to address the needs of students through a continuum of supports including high quality instruction, classroom accommodations, Section 504 Plans, and consideration for special education eligibility.

Student Support and Progress Team (SSPT)

The purpose of the Student Support and Progress Team (SSPT) is to ensure students' cultural, cognitive, and social emotional needs are addressed and provide a method to evaluate the effectiveness of school-wide Tier I systems and practices, including instruction and Positive Behavior Intervention Supports (PBIS). This approach involves a problem-solving process, data-driven decision making, implementation of targeted interventions that include Culturally and Linguistically Responsive (CLR) instructional practices, and ongoing progress monitoring. The SSPT process emphasizes that early intervention for underachieving and struggling students is a function of the general education program.

The SSPT offers a systematic approach to close opportunity and achievement disparities among student subgroups by building on existing services that respond effectively to unique academic and cultural student needs using a whole child approach. The SSPT seeks to achieve the following goals:

1. Support students in acquiring linguistic, academic, behavioral, and social competencies
2. Assist schools in developing MTSS and enhancing culturally and linguistically responsive, collaborative and supportive cultures for all stakeholders.
3. Schools are encouraged to hold at least 3 SSPT meetings to thoroughly discuss and document the student's needs, accommodations, intervention and progress monitoring.
4. The SSPT should meet every 6 weeks to evaluate the effectiveness of the interventions and decide on whether or not an assessment is necessary.

Description:

The SSPT process is designed to ensure that all students maximize their potential. It should be viewed neither as an obstacle to the special education identification process nor as a path for special education

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identification.

Responsibilities of the Superintendent of Schools:

- Providing leadership in support of special education programs and services.

Responsibilities of the Chief of Special Education, Equity, and Specialized Programs:

- Provides leadership and direction in the interpretation and implementation of federal and state mandates, District policies, and procedures for special education programs.
- Develops a strategic plan for the development, implementation and monitoring of programs, services, and instruction that ensures the achievement of students with disabilities and prevention of misidentification for special education.
- Ensures appropriate assignment of students with disabilities.

Responsibilities of the Special Education Support Specialists:

Special Education Support Specialists are assigned to Region's Special Education office, under the direction of the Region Special Education Administrator, to provide technical support to special education programs and students with disabilities and to ensure appropriate identification of students in need of special education support and services. Special Education Support Specialists' assignments are determined by the identified need within each Region.

The responsibilities of a Special Education Support Specialist in accordance with [EC §56368](#) may include:

- Observing, consulting with, and assisting Resource Specialists, related service providers, special and general education teachers.
- Planning programs, coordinating curricular resources, and supporting the development of effective programs for students with disabilities.
- Participating in staff development, program development, and innovation of special methods and approaches.
- Providing coordination, consultation and program development in areas of expertise.
- Ensuring that students with disabilities have full educational opportunity.

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- Supports the identification, development, and provisions of systemic and systematic intervention to address behaviors of students with disabilities that impede learning and supports the implementation of these interventions.

5. A description of the process being used to oversee and evaluate placements in nonpublic, nonsectarian schools and the method of ensuring that all requirements of each student's individualized education program are being met. The description shall include a method for evaluating whether the student is making appropriate educational progress:

Document Title:

Nonpublic School (NPS) Placement Policies and Procedures for IEP Teams

Document Location:

eLibrary, SELPA Office, Special Education Electronic Policies and Procedures Manual: Determining Placement in the Least Restrictive Environment

Description:

In determining the appropriate setting, the IEP team must consider placement options on a continuum. Students must be provided educational opportunities in the most integrated, least restrictive placements before progressing to placements that are more segregated and restrictive.

As part of any preparatory activity and as part of the IEP team discussion, the IEP team must consider whether all appropriate supplementary aids and services have been considered in the public school setting prior to recommending alternate placements.

A nonpublic school may only be recommended if no appropriate public education program with all necessary supports and services is available {[Education Code§ 56365\(a\)](#)}.

If a nonpublic school placement is to be considered at an IEP team meeting because a student's assessed identified needs cannot be met by a District placement and/or service option, this determination must be supported by recent observations, data (Grades, State and District Assessment Results, IEP Goal Achievement, etc.) and norm-referenced standardized evaluations. Responsible personnel who may comprise the IEP team include but are not limited to: Principal, Assistant Principal, Assistant Principal- Elementary Instructional Specialist, Special Education Teacher, General Education teacher, School

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Psychologist, School nurse, and Related Service Providers.

Responsibilities of the Board of Education:

- Contracting with nonpublic schools and agencies, when necessary, to provide appropriate special education services to students.

Responsibilities of the Superintendent of Schools:

- Providing leadership in support of special education programs and services.

6. A description of the process by which the SELPA will fulfill the obligations to provide free and appropriate public education (FAPE) to a student age 18 to 21 (or age 22 under the circumstances described in *EC 56026(c)(4)*) who has been incarcerated in a county jail and remains eligible for special education services:

The obligation to make FAPE available extends to those otherwise-eligible adults in county jail, age 18 to 21, who: (a) had been identified as a child with a disability and had received services in accordance with an IEP, but left school prior to their incarceration; or (b) did not have an IEP in their last educational setting, but had actually been identified as a child with a disability. (*EC Section 56040*)

It is the responsibility of the district of residence (DOR) to provide special education services and related services to an adult student in county jail who remains eligible for these services and wishes to receive them. The DOR is the district in which the student's parents resided when the student turned 18, unless and until the parents move to a new DOR. For conserved students, the DOR is based on the residence of the conservator. (*EC Section 56041*)

Document Title: SELPA Assurances Statement

Document Location: SELPA Office

Pursuant to a California Department of Education directive, the Los Angeles Unified School District will be providing special education and related services to certain inmates in the jails operated by the Los Angeles County Sheriff's Department, until such time as there is a judicial, legislative, executive, or regulatory decision that impacts the directive. The directive is limited to inmates between the ages of 18 and

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22 (once a student reaches age 22, the directive no longer applies).

Identification and Notification:

To facilitate the servicing of eligible inmates who desire special education and related services of the Los Angeles Unified School District, the following procedures will be followed.

Upon Incarceration:

The Los Angeles County Sheriff's Department currently has established intake procedures for inmates placed in or transferred to the jails under its authority. These include, generally:

- Asking the inmate when and where they were last enrolled in school.
- Asking the inmate if they have ever received services as a student with a disability.
- Asking the inmate if they currently wish to have education services including special education services.
- Maintaining the responses to the above inquiries on an Intake Form.

If the inmate states to the Intake Team that the inmate wishes to receive education services and that the inmate has received special education and related services in the past, the Intake Team will transmit a copy of the Intake Form containing the information to the school district identified by the inmate as having been the inmate's last district of residence or to the California Department of Education ("COE"). The Los Angeles Unified School District will request that this notification be sent to the Division of Special Education, 333 South Beaudry Avenue, 17th Floor, Los Angeles, CA. 90017.

Upon Notification:

Upon receiving notification from the Los Angeles County Sheriff's Department or the COE, the assigned LAUSD staff will:

1. Verify that the inmate is between the ages of 18-22 (students who reach age 22 are no longer eligible).
2. Verify the prior residence of the inmate and/or inmate's parents in order to confirm that LAUSD is the proper service provider.
3. Review the LAUSD data system to determine if the inmate was a student with a disability when last enrolled in LAUSD.
4. Using the LAUSD data system determine if the inmate has a current Individualized Education Program (IEP) or had one in the past.

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Description:

Status Confirmation and Service Provision:

Upon completion of the review of the data system, LAUSD staff will provide the following information to the Los Angeles County Sheriff's Office:

1. Verify that the inmate is between the ages of 18-22 (students who reach age 22 are no longer eligible).
2. Verify the prior residence of the inmate and/or inmate's parents in order to confirm that LAUSD is the proper service provider.
3. Review the LAUSD data system to determine if the inmate was a student with a disability when last enrolled in LAUSD.
4. Using the LAUSD data system, determine if the inmate has a current Individualized Education Program (IEP) or had one in the past.

A representative of the Division of Special Education will coordinate the assignment of service providers for the inmate. All service providers will be required to complete the standard security protocols of the jail prior to providing services. All service providers will follow the security check-in and checkout procedures of the jail and abide by security requests made by the staff of the Sheriff's Department.

LAUSD will follow the security assignment determination of the Sheriff's Department in providing services. In some cases, services identified on the IEP will be incompatible with the security procedures of the jail. While it is anticipated that this incompatibility will be uncommon, in such instances other steps (such as convening of an IEP Team Meeting) may be taken to determine alternative means to meet the inmate's needs.

Responsibilities of the Superintendent of Schools:

- Providing leadership in support of special education programs and services.

Responsibilities of the Chief of Special Education, Equity, and Specialized Programs:

- Provides leadership and direction in the interpretation and implementation of federal and state mandates, District policies, and procedures for special education programs

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- Develops a strategic plan for the development, implementation and monitoring of programs, services, and instruction that ensures the achievement of students with disabilities and prevention of misidentification for special education.

Responsibilities of the Special Education Support Specialists:

Special Education Support Specialists are assigned to each Region's Special Education office, under the direction of the Region Special Education Administrator, to provide technical support to special education programs and students with disabilities and to ensure appropriate identification of students in need of special education support and services.

Special Education Local Plan Area (SELPA) Local Plan

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LOCAL PLAN

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SPECIAL EDUCATION LOCAL PLAN AREA



California Department of Education

Special Education Division

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Projected special education budget funding, revenues, and expenditures by LEAs are specified in **Attachments II–V**. This includes supplemental aids and services provided to meet the needs of students with disabilities as defined by the Individuals with Disabilities Education Act (IDEA) who are placed in regular education classrooms and environments, and those who have been identified with low incidence disabilities who also receive special education services.

IMPORTANT: Adjustments to any year's apportionment must be received by the California Department of Education (CDE) from the SELPA prior to the end of the first fiscal year (FY) following the FY to be adjusted. The CDE will consider and adjust only the information and computational factors originally established during an eligible FY, if the CDE's review determines that they are correct. California *Education Code (EC)* Section 56048

Pursuant to *EC* Section 56195.1(2)(b)(3), each Local Plan must include the designation of an administrative entity to perform functions such as the receipt and distribution of funds. Any participating local educational agency (LEA) may perform these services. The administrative entity for a multiple LEA SELPA or an LEA that joined with a county office of education (COE) to form a SELPA, is typically identified as a responsible local agency or administrative unit. Whereas, the administrative entity for single LEA SELPA is identified as a responsible individual. Information related to the administrative entity must be included in Local Plan Section A: Contacts and Certifications.

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TABLE 1**Special Education Projected Revenue Reporting (Items D-1 to D-3)****D-1. Special Education Revenue by Source**

Using the fields below, identify the special education projected revenue by funding source. The total projected revenue and the percent of total funding by source is automatically calculated.

Funding Revenue Source	Amount	Percentage of Total Funding
Assembly Bill (AB) 602 State Aid	471,186,062	70.72%
AB 602 Property Taxes	31,573,460	4.74%
Federal IDEA Part B	126,711,162	19.02%
Federal IDEA Part C	1,178,111	0.18%
State Infant/Toddler	3,637,144	0.55%
State Mental Health	26,080,769	3.91%
Federal Mental Health	5,034,580	0.76%
Other Projected Revenue	864,755	0.13%
Total Projected Revenue:	666,266,043	100.00%

D-2. "Other Revenue" Source Identification

Identify all revenue identified in the "Other Revenue" category above, by revenue source, that is received by the SELPA specifically for the purpose of special education, including any property taxes allocated to the SELPA pursuant to *EC* Section 2572. *EC* Section 56205(b)(1)(B)

Resource 6520 - Workability

D-3. Attachment II: Distribution of Projected Special Education Revenue

Using the form template provided in **Attachment II**, complete a distribution of revenue to all LEAs participating in the SELPA by funding source.

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SELPA Fiscal Year **TABLE 2****Total Projected Budget Expenditures by Object Code (Items D-4 to D-6)****D-4. Total Projected Budget by Object Code**

Using the fields below, identify the special education expenditures by object code. The total expenditures and the percent of total expenditures by object code is automatically calculated.

Object Code	Amount	Percentage of Total Expenditures
Object Code 1000—Certificated Salaries	<input type="text" value="602,027,011"/>	30.02%
Object Code 2000—Classified Salaries	<input type="text" value="343,027,230"/>	17.10%
Object Code 3000—Employee Benefits	<input type="text" value="595,034,693"/>	29.67%
Object Code 4000—Supplies	<input type="text" value="11,029,660"/>	0.55%
Object Code 5000—Services and Operations	<input type="text" value="361,701,293"/>	18.04%
Object Code 6000—Capital Outlay	<input type="text" value="90,564"/>	0.00%
Object Code 7000—Other Outgo and Financing	<input type="text" value="92,565,685"/>	4.62%
Total Projected Expenditures:	2,005,476,136	100.00%

D-5. Attachment III: Projected Local Educational Agency Expenditures by Object Code

Using the templates provided in **Attachment III**, complete a distribution of projected expenditures by LEAs participating in the SELPA by object code.

D-6. Code 7000—Other Outgo and Financing

Include a description for the expenditures identified under object code 7000:

Section D: Annual Budget Plan

SELPA Fiscal Year **TABLE 3****Federal, State, and Local Revenue Summary (Items D-7 to D-8)****D-7. Federal Categorical, State Categorical, and Local Unrestricted Funding**

Using the fields below, enter the projected funding by revenue jurisdiction. The "Total Revenue From All Sources" and the "Percentage of Total Funding" fields are automatically calculated.

Revenue Source	Amount	Percentage of Total Funding
Projected State Special Education Revenue	<input type="text" value="533,342,190"/>	26.59%
Projected Federal Revenue	<input type="text" value="132,923,853"/>	6.63%
Local Contribution	<input type="text" value="1,339,210,093"/>	66.78%
Total Revenue from all Sources:	2,005,476,136	100.00%

D-8. Attachment IV: Projected Revenue by Federal, State, and Local Funding Source by Local Educational Agency

Using the CDE-approved template provided in **Attachment IV**, provide a complete distribution of revenues to all LEAs participating in the SELPA by federal and state funding source.

D-9. Special Education Local Plan Area Allocation Plan

- a. Describe the SELPA's allocation plan, including the process or procedure for allocating special education apportionments, including funds allocated to the RLA/AU/responsible person pursuant to *EC* Section 56205(b)(1)(A).

The Los Angeles Unified SELPA is a single district SELPA representing the Los Angeles Unified School District. Revenues are fully allocated to the LEA. As a single district SELPA, the services are provided through the LEA. LAUSD offers a continuum of services and tracks each service location code.

- b. ☒ YES ☐ NO

If the allocation plan specifies that funds will be apportioned to the RLA/AU/AE, or to the SELPA administrator (for single LEA SELPAs), the administrator of the SELPA, upon receipt, distributes the funds in accordance with the method adopted pursuant to *EC* Section 56195.7(i). This allocation plan was approved according to the SELPA's local policymaking process and is consistent with SELPA's summarized policy statement identified in Local Plan Section B: Governance and Administration item B-4. If the response is "NO," then either Section D should be edited, or Section B must be amended according to the SELPA's

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adopted policy making process, and resubmitted to the COE and CDE for approval.

Section D: Annual Budget Plan

SELPA Fiscal Year **TABLE 4****Special Education Local Plan Area Expenditures (Items D-10 to D-11)****D-10. Regionalized Operations Budget**

Using the fields below, identify the total operating expenditures projected for the SELPA, exclusively. Expenditure line items are according SACS object codes. Include the projected amount budgeted for the SELPA's exclusive use. The "Percent of Total" expenses is automatically calculated. NOTE: Table 4 does not include district LEA, charter LEA, or COE LEA expenditures, there is no Attachment to be completed for Table 4.

Accounting Categories and Codes	Amount	Percentage of Total
Object Code 1000—Certificated Salaries	<input type="text" value="6,203,543"/>	73.19%
Object Code 2000—Classified Salaries	<input type="text"/>	0.00%
Object Code 3000—Employee Benefits	<input type="text" value="2,267,971"/>	26.76%
Object Code 4000—Supplies	<input type="text"/>	0.00%
Object Code 5000—Services and Operations	<input type="text" value="4,660"/>	0.05%
Object Code 6000—Capital Outlay	<input type="text"/>	0.00%
Object Code 7000—Other Outgo and Financing	<input type="text"/>	0.00%
Total Projected Operating Expenditures:	8,476,174	100.00%

D-11. Object Code 7000 --Other Outgo and Financing Description

Include a description of the expenditures identified under "Object Code 7000—Other Outgo and Financing" by SACS codes. See Local Plan Guidelines for examples of possible entries.

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TABLE 5

Supplemental Aids and Services and Students with Low Incidence Disabilities (D-12 to D-15)

The standardized account code structure (SACS), goal 5760 is defined as "Special Education, Ages 5–22." Students with a low incidence (LI) disability are classified severely disabled. The LEA may elect to have locally defined goals to separate low-incidence disabilities from other severe disabilities to identify these costs locally.

D-12. Defined Goals for Students with LI Disabilities

Does the SELPA, including all LEAs participating in the SELPA, use locally defined goals to separate low-incidence disabilities from other severe disabilities?

☐ YES ☒ NO

If "No," describe how the SELPA identifies expenditures for low-incidence disabilities as required by *EC* Section 56205(b)(1)(D)?

Unique LI program code is assigned.

D-13. Total Projected Expenditures for Supplemental Aids and Services in the Regular Classroom and for Students with LI Disabilities

Enter the projected expenditures budgeted for Supplemental Aids and Services (SAS) disabilities in the regular education classroom.

2,890,000

D-14. Total Projected Expenditures for Students with LI Disabilities

Enter the total projected expenditures budgeted for students with LI disabilities.

13,554,923

D-15. Attachment V: Projected Expenditures by LEA for SAS Provided to Students with Exceptional Needs in the Regular Classroom and Students with LI Disabilities

Using the current CDE-approved template provided for Attachment V, enter the SELPA's projected funding allocations to each LEA for the provision of SAS to students with exceptional needs placed in the regular classroom setting and for those who are identified with LI disabilities. Information included in this table must be consistent with revenues identified in Section D, Table 5.

LOCAL PLAN

Section E: Annual Service Plan

SPECIAL EDUCATION LOCAL PLAN AREA



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Local Plan Section E: Annual Service Plan

California *Education Code (EC)* sections 56205(b)(2) and (d); 56001; and 56195.9

The Local Plan Section E: Annual Service Plan must be adopted at a public hearing held by the SELPA. Notice of this hearing shall be posted in each school in the SELPA at least 15 days before the hearing. Local Plan Section E: Annual Service Plan may be revised during any fiscal year according to the SELPA's process as established and specified in Section B: Governance and Administration portion of the Local Plan consistent with *EC* sections 56001(f) and 56195.9. Local Plan Section E: Annual Service Plan must include a description of services to be provided by each local educational agency (LEA), including the nature of the services and the physical location where the services are provided (Attachment VI), regardless of whether the LEA is participating in the Local Plan.

Services Included in the Local Plan Section E: Annual Service Plan

All entities and individuals providing related services shall meet the qualifications found in Title 34 of the *Code of Federal Regulations (34 CFR)* Section 300.156(b), Title 5 of the *California Code of Regulations (5 CCR)* 3001(r) and the applicable portions 3051 et. seq.; and shall be either employees of an LEA or county office of education (COE), employed under contract pursuant to *EC* sections 56365-56366, or employees, vendors or contractors of the State Departments of Health Care Services or State Hospitals, or any designated local public health or mental health agency. Services provided by individual LEAs and school sites are to be included in **Attachment VI**.

Include a description each service provided. If a service is not currently provided, please explain why it is not provided and how the SELPA will ensure students with disabilities will have access to the service should a need arise.

- ☒ 330–Specialized Academic Instruction/
Specially Designed Instruction

Provide a detailed description of the services to be provided under this code.

Adapting, as appropriate to the needs of the child with a disability, the content, methodology, or delivery of instruction to ensure access of the child to the general curriculum, so that he or she can meet the educational standards.

☐ Service is Not Currently Provided

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☒ 210—Family Training, Counseling, Home
Visits (Ages 0-2 only)☐ *Service is Not Currently Provided*

Provide a detailed description of the services to be provided under this code.

Provision of DHH/VI/OI services, instructional supports to family to assist the child

☒ 220—Medical (Ages 0-2 only)☐ *Service is Not Currently Provided*

Provide a detailed description of the services to be provided under this code.

Services provided by a licensed physician to determine a child's developmental status and need for early intervention services.

☒ 230—Nutrition (Ages 0-2 only)☐ *Service is Not Currently Provided*

Provide a detailed description of the services to be provided under this code.

Nursing education on nutrition and its benefits to brain and physical development for 0-2 years

☒ 240—Service Coordination (Ages 0-2 only)☐ *Service is Not Currently Provided*

Provide a detailed description of the services to be provided under this code.

Coordination of services between parents and teachers and regional center services.

☒ 250—Special Instruction (Ages 0-2 only)☐ *Service is Not Currently Provided*

Provide a detailed description of the services to be provided under this code.

Regional Centers

☒ 260—Special Education Aide (Ages 0-2 only)☐ *Service is Not Currently Provided*

Provide a detailed description of the services to be provided under this code.

Special education assistance provided to support families and teachers

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☒ 270—Respite Care (Ages 0-2 only)☐ *Service is Not Currently Provided*

Provide a detailed description of the services to be provided under this code.

Contracted Respite Care provisions to provide support during parent education opportunities

☐ 340—Intensive Individual Instruction☒ *Service is Not Currently Provided*☒ 350—Individual and Small Group Instruction

Provide a detailed description of the services to be provided under this code.

Instruction delivered one-to-one or in a small group as specified in an IEP enabling the individual(s) to participate effectively in the total school program.

☐ *Service is Not Currently Provided*☒ 415—Speech and Language☐ *Service is Not Currently Provided*

Provide a detailed description of the services to be provided under this code.

Language and Speech (LAS) services provide remedial intervention for eligible individuals with difficulty understanding or using spoken language. The difficulty may result from a speech sound disorder (excluding abnormal swallowing patterns, if that is the sole assessed disability); voice disorder; fluency disorder; hearing loss; or language disorder characterized by inappropriate or inadequate acquisition, comprehension, or expression of spoken and/or symbolic language. In addition, LAS services may include the incorporation of various Augmentative and Alternative Communication (AAC) systems to help the student communicate to support independent access to the curriculum and interaction with the environment, including but not limited to the following: gestures, objects, picture and symbols, communication boards, and speech-generating devices. Language deficits or speech patterns resulting from the following are not included: unfamiliarity with the English language; lack of instruction in English, dialectical factors, or limited language experience; and environmental, economic, or cultural factors. LAS specialized instruction (i.e., articulation, pragmatics, comprehension/expression, etc.) and services may be direct and may include the use of a speech-language pathology assistant, or indirect such as monitoring, reviewing, and consultation with the student, parent, teacher, or other school support and DIS personnel. Service providers collaborate with teachers, school support staff, and parents/guardians, and

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may provide support, guidance and training as needed.

☒ 425–Adapted Physical Education☐ *Service is Not Currently Provided*

Provide a detailed description of the services to be provided under this code.

Adapted Physical Education (APE) is an instructional program that adapts or modifies state mandated physical education curriculum. APE services are delivered by an APE teacher through a direct or indirect model for students 3 years to 22 years, who may not be able to safely and/or successfully access activities in general physical education programs, as indicated by assessment and evaluation of gross motor skills performance and other areas of need. APE services may include: individually designed developmental activities, fundamental motor skills and patterns, rhythm patterns, muscular strength development and fitness, and games and sports suited to the capabilities, limitations, and interests of individual students with disabilities who may not safely, successfully, or meaningfully engage in unrestricted participation in the vigorous activities of the general or modified physical education program. Service providers collaborate with teachers, school support staff, and parents/guardians, and may provide support, guidance and training as needed.

☒ 435–Health and Nursing: Specialized
Physical Health Care☐ *Service is Not Currently Provided*

Provide a detailed description of the services to be provided under this code.

Specialized physical health care services means those health services prescribed by the child's licensed physician and surgeon, requiring medically related training of the individual who performs the services and which are necessary during the school day to enable the child to attend school (5 CCR Section 3051.12[b]). "Specialized physical health care services," as used in this section, includes catheterization, gastric tube feeding, suctioning, or other services that require medically related training." California Education Code 49423.5

☒ 436–Health and Nursing: Other☐ *Service is Not Currently Provided*

Provide a detailed description of the services to be provided under this code.

This includes services that are provided to individuals with exceptional needs by a qualified individual pursuant to an IEP when a student has health problems which require nursing intervention beyond basic school health services. Services include managing the health problem, consulting with staff, group and individual counseling, making appropriate referrals, and maintaining communication with agencies and health care providers. These services do not include any physician supervised or specialized health care service. IEP required health and nursing services are expected to supplement the regular health services program.

SELPA: LAUSD

Fiscal Year: 2024-25

☒ 445–Assistive Technology☐ *Service is Not Currently Provided*

Provide a detailed description of the services to be provided under this code.

Assistive Technology (AT) supports and services, based on individual student needs and not dependent on educational placements, focus on student access to curriculum in an effort to bridge the gap between the demands of the curriculum and student's functioning level. The Multi-Tiered System of Support (MTSS) collaboration is frequently an initial step of intervention to address accommodations, with comprehensive assistive technology assessment available for more complex student access needs. The range of supports and services may include specialized training or technical support by the Assistive Technology Assessor for the incorporation of assistive devices, adapted computer technology, or digital resources within the educational programs to improve access for students. The assistive technology support cycle includes a functional analysis of the student's needs for assistive technology; selecting, designing, fitting, customizing, or repairing appropriate devices; coordinating services with assistive technology devices; training or technical assistance for students with a disability, the student's family, individuals providing education or rehabilitation services, and employers.

☒ 450–Occupational Therapy☐ *Service is Not Currently Provided*

Provide a detailed description of the services to be provided under this code.

Occupational Therapy (OT) services are provided, pursuant to an IEP, by a licensed Occupational Therapist (OT) or licensed Occupational Therapy Assistant (OTA). OT works collaboratively with the IEP team to foster self-determination and participation in the educational setting. OT includes services to improve a student's educational performance, postural stability, balance, self-help abilities, sensory processing and organization, motor planning and coordination, visual perception and integration, social and play abilities, and fine motor abilities. OT can support executive functioning skills such as attention, arousal regulation and organization with collaboration with the classroom teacher and accommodations. Both direct and indirect services may be provided within the classroom, other educational settings, in groups or individually, and may include therapeutic techniques to develop abilities, adaptations to the student's environment or curriculum, and consultation and collaboration with other staff and parents. Service providers collaborate with teachers, school support staff, and parents/guardians, and may provide support, guidance and training as needed.

☒ 460–Physical Therapy☐ *Service is Not Currently Provided*

SELPA: LAUSD

Fiscal Year: 2024-25

Provide a detailed description of the services to be provided under this code.

Physical Therapy (PT) services are provided, pursuant to an IEP, by qualified physical therapists (PT) licensed in the state of California. School-based PTs work collaboratively with the IEP team to recommend services as appropriate that are individualized to each student that address physical access, functional mobility, and gross motor skill development. School-based PT focuses on independence within the student's current educational environment as well as meeting postsecondary outcomes. Physical therapy services are provided in the student's actual physical environment whenever possible to address individual needs. Based on the student's goals, services are provided in an individual or group setting, and may focus on skill acquisition, removal of physical barriers, accommodations, and/or consultation to the IEP team, which can include the student's classroom teacher, support staff, and family. Underlying areas addressed include, but are not limited to, motor control and coordination, posture and balance, motor planning, strength and endurance as they relate to a student's ability to access and participate in the daily curriculum. School based physical therapists also collaborate with the student's team to develop Multi-Tiered Systems of Support (MTSS) Tier 1, 2, and 3 strategies as well as educate school staff regarding wellness, prevention, and health. Service providers collaborate with teachers, school support staff, and parents/guardians, and may provide support, guidance and training as needed.

☒ 510—Individual Counseling

Provide a detailed description of the services to be provided under this code.

Counseling is delivered by a credentialed provider, pursuant to a student's IEP goals, and may be provided in an individual setting. Counseling is provided when deemed necessary for the student with an IEP to benefit educationally from their instructional program. Counseling may focus on one or more areas of social-emotional learning competencies to include self-awareness, self-management, social awareness, and social management, in alignment with the California Department of Education. Counseling may include Educationally Related Intensive Counseling Services (ERICS) for a student whose social-emotional and behavioral needs are documented to be more significant in frequency, duration, or intensity; affect their ability to benefit from their special education program; and are manifested at school, at home, and in the community. Service providers collaborate with teachers, school support staff, and parents/guardians, and may provide support, guidance and training as needed.

☐ *Service is Not Currently Provided*

☒ 515—Counseling and Guidance

☐ *Service is Not Currently Provided*

SELPA: LAUSD

Fiscal Year: 2024-25

Provide a detailed description of the services to be provided under this code.

Counseling in a group setting, provided by a qualified individual pursuant to an IEP. Group counseling is typically social skills development, but may focus on aspects, such as educational, career, personal, learning problems or guidance programs for students. IEP-required group counseling is expected to supplement the regular guidance and counseling program. (34 CFR §300.24(b)(2)); CCR Title 5 §3051.9) Guidance services include interpersonal, intrapersonal or family interventions, performed in a group setting by a qualified individual pursuant to an IEP. Specific programs include social skills development, self-esteem building, and assistance to special education students supervised by staff credentialed to serve special education students. These services are expected to supplement the regular guidance and counseling program. (34 CFR 300.306; CCR Title 5 §3051.9). Counseling may include Educationally Related Intensive Counseling Services (ERICS) for a student whose social-emotional and behavioral needs are documented to be more significant in frequency, duration, or intensity; affect their ability to benefit from their special education program; and are manifested at school, at home, and in the community. Service providers collaborate with teachers, school support staff, and parents/guardians, and may provide support, guidance and training as needed.

☒ 520–Parent Counseling☐ *Service is Not Currently Provided*

Provide a detailed description of the services to be provided under this code.

Parent workshops are provided by a qualified individual pursuant to an IEP to assist the parent(s) of special education students in better understanding and meeting their child's needs and may include parenting skills or other pertinent issues. IEP required parent counseling is expected to supplement the regular guidance and counseling program. Service providers collaborate with teachers, school support staff, and parents/guardians, and may provide support, guidance and training as needed.

☒ 525–Social Worker☐ *Service is Not Currently Provided*

Provide a detailed description of the services to be provided under this code.

Social work services, provided by a qualified individual pursuant to an IEP, include, but are not limited to, preparing a social or developmental history of a child with a disability, group and individual counseling with the child and family, working with those problems in a child's living situation (home, school, and community) that affect the child's adjustment in school, and mobilizing school and community resources to enable the child to learn as effectively as possible in his or her educational program. Social work services are expected to supplement the regular guidance and counseling program.

SELPA: LAUSD

Fiscal Year: 2024-25

☒ 530–Psychological☐ *Service is Not Currently Provided*

Provide a detailed description of the services to be provided under this code.

Psychological services are provided by credentialed school psychologists. Students are generally referred for assessment through their school of residence following a prescribed, mandated, pre-referral intervention process. Services include individual psychological and educational testing, and interpretation of assessment results for parents and staff to support IEP development. Eligibility recommendations are made by school psychologists after gathering data through assessment and applying eligibility criteria as defined by law; eligibility determination and service recommendations are made by IEP teams. School psychologists apply expertise in mental health, learning and behavior to help children and youth succeed academically, socially, behaviorally, and emotionally. They also provide individual and group counseling for children, and consultation with staff and parents. School psychologists work with school administrators to improve school-wide practices and policies and collaborate with community providers to coordinate needed services. Additionally, school psychologists provide crisis prevention and intervention services within their assigned school communities. Service providers collaborate with teachers, school support staff, and parents/guardians, and may provide support, guidance and training as needed.

☒ 535–Behavior Intervention☐ *Service is Not Currently Provided*

Provide a detailed description of the services to be provided under this code.

A systematic implementation of procedures designed to promote lasting, positive changes in the student's behavior resulting in greater access to a variety of community settings, social contacts, public events, and placement in the least restrictive environment. Service providers collaborate with teachers, school support staff, and parents/guardians, and may provide support, guidance and training as needed.

☐ 540–Day Treatment☒ *Service is Not Currently Provided*☒ 545–Residential Treatment

Provide a detailed description of the services to be provided under this code.

Services are provided by contracted nonpublic, nonsectarian schools with an affiliated residential treatment center ("NPS/RTC") and are available to students pursuant to their IEPs as part of the continuum of placement options.

SELPA: LAUSD

Fiscal Year: 2024-25

☐ *Service is Not Currently Provided*☒ 610—Specialized Service for Low Incidence
Disabilities☐ *Service is Not Currently Provided*

Provide a detailed description of the services to be provided under this code.

Low Incidence services are defined as those provided to the student population with a documented Low Incidence disability such as orthopedic impairment (OI), visual impairment (VI), deafness (DEA), hard of hearing (HOH), or deaf-blind (DB). Typically, services are provided in educational settings by an itinerant teacher or specialist in the designated area. The need for Low Incidence Support is individualized to each student. Collaboration and/or consultation is provided to the teacher, staff, and parents as needed. These services are prescribed as part of the student's Individualized Education Program (IEP). All service provision is based upon the student's assessed need and is provided in accordance with the mandates of the IEP and state and federal guidelines. Service providers collaborate with teachers, school support staff, and parents/guardians, and may provide support, guidance and training as needed.

☒ 710—Specialized Deaf and Hard of Hearing☐ *Service is Not Currently Provided*

Provide a detailed description of the services to be provided under this code.

This program serves eligible students with a documented hearing loss that negatively impacts communication skills and/or access to their curriculum (core or alternate). These services include auditory training/auditory learning, self-advocacy skill development, receptive and expressive language development and/or instruction in the student's mode of communication. Services may include Listening and Spoken Language Intervention/Auditory Verbal Therapy to students who qualify. Services may include collaboration and/or consultation with teachers, other school personnel, students, and parents, adaptation of curricula, teaching methods, and the learning environment. DHH Special Day Programs are also offered to promote academic progress by developing language and literacy skills, utilizing either listening and spoken language or ASL with the goal of students acquiring language skills on par with typical peers. Service providers collaborate with teachers, school support staff, and parents/guardians, and may provide support, guidance and training as needed.

☒ 715—Interpreter☐ *Service is Not Currently Provided*

SELPA: LAUSD

Fiscal Year: 2024-25

Provide a detailed description of the services to be provided under this code.

An "educational interpreter" provides communication facilitation between students who are deaf or hard of hearing, and others, in the general education classroom and for other school-related activities, including extracurricular activities, as designated in a student's IEP.

☒ 720–Audiological☐ *Service is Not Currently Provided*

Provide a detailed description of the services to be provided under this code.

These services include measurements of hearing acuity, and monitoring hearing technology provided by Low Incidence and personal hearing devices for students identified with hearing loss. Members of the school multidisciplinary team facilitate listening, learning and communication access, counsel students with hearing loss and their families regarding hearing loss, and act as a liaison between outside agencies and schools. Services may include collaboration and/or consultation with teachers, other school personnel, and parents. Additionally, the educational audiologists are part of the team that assesses students with suspected Central Auditory Processing Disorder (CAPD). Service providers collaborate with teachers, school support staff, and parents/guardians, and may provide support, guidance and training as needed.

☒ 725–Specialized Vision☐ *Service is Not Currently Provided*

Provide a detailed description of the services to be provided under this code.

This is a broad category of services provided to students with visual impairments. It includes assessment of functional vision, learning medium, and access technology needs; curriculum modifications necessary to meet the student's educational needs including Braille/tactual, large print, and aural media (both traditional paper and digital media); instruction in the nine areas of the Expanded Core Curriculum (ECC): compensatory skills, independent living skills, self-determination, assistive technology, career education, sensory efficiency, orientation and mobility, recreation and leisure, and social interaction skills. It may include coordination of other personnel providing services to the students such as orientation and mobility specialists, transcribers, readers, counselors, career/vocational staff, Instructional Aide Braille staff, and others, in collaboration with the student's classroom teacher. Teachers of students with visual impairments (TVI) may provide instruction in the use of specialized materials and equipment necessary to access the core or alternative curriculum in educational settings such as a VI Special Day Program (resource room), or the Low Incidence Learning Center (LILC) on a general education campus. Service providers collaborate with teachers, school support staff, and parents/guardians, and may provide support, guidance and training as needed.

SELPA: LAUSD

Fiscal Year: 2024-25

☒ 730–Orientation and Mobility☐ *Service is Not Currently Provided*

Provide a detailed description of the services to be provided under this code.

Students who have a VI (visual impairment) eligibility are trained in body awareness, spatial concepts, and mobility (travel) skills. Students are instructed in the skills needed to travel safely and independently around their school and community. Instruction is systematic and intended to promote equal access as well as integration opportunities within a student's classroom, school, and community environments. Service delivery models include direct, collaboration and consultation. Service providers collaborate with teachers, school support staff, and parents/guardians, and may provide support, guidance and training as needed.

☒ 735–Braille Transcription☐ *Service is Not Currently Provided*

Provide a detailed description of the services to be provided under this code.

Any transcription services to convert materials from print to tactile media including Braille and raised-line images. It may include textbooks, tests, worksheets, diagrams, maps, image descriptions or anything necessary for instruction. The transcriber should be qualified in Unified English Braille as well as the Nemeth Code (mathematics) and certified by an accredited agency. Service providers collaborate with teachers, school support staff, and parents/guardians, and may provide support, guidance and training as needed.

☒ 740–Specialized Orthopedic☐ *Service is Not Currently Provided*

Provide a detailed description of the services to be provided under this code.

This program serves eligible students with orthopedic disabilities whose educational performance is significantly impacted. The supports/ and or services for learning are focused on accommodations and adaptations necessary to access the curriculum and the educational setting. Service providers consult and collaborate with teachers, school support staff, and parents/guardians, and may provide support, guidance and training as needed. Supports and services may also include specialized materials and equipment.

☒ 745–Reading☐ *Service is Not Currently Provided*

Provide a detailed description of the services to be provided under this code.

Support provided to students with low incidence eligibilities in obtaining the skills to read through a structured literacy approach.

SELPA: LAUSD

Fiscal Year: 2024-25

☒ 750–Note Taking☐ *Service is Not Currently Provided*

Provide a detailed description of the services to be provided under this code.

Note-taking service is any specialized assistance given to a student with a low incidence eligibility for the purpose of taking notes when the student is unable to do so independently. This may include, but is not limited to, copies of notes taken by another student or transcription of tape-recorded information from a class or aide designated to take notes.

☒ 755–Transcription☐ *Service is Not Currently Provided*

Provide a detailed description of the services to be provided under this code.

Any transcription service to convert materials from print to a mode of communication suitable for the student. This may also include dictation services as it may pertain to textbooks, tests, worksheets, or anything necessary for instruction.

☒ 760–Recreation Service, Including
Therapeutic Recreation☐ *Service is Not Currently Provided*

Provide a detailed description of the services to be provided under this code.

Recreation Therapy (RT) services are provided in accordance with a student's IEP, by a qualified recreation therapist with a certification of Recreation Therapist Certified (RTC) from the California Board of Recreation Therapy Certification; or Certified Therapeutic Recreation Specialist (CTRS) from National Council of Therapeutic Recreation Certification. RT services address fostering independence and improving a student's ability to develop and utilize the necessary social and activity skills required for participation in the educational setting, including school based cooperative learning, cooperative play, social recreation and leisure, lesson and activities, across school environments. RT services includes improvement of reciprocal interactions, perspective taking, social and group interactions, peer relationships, social and play skills, leisure education, including functional leisure routines, exploration and development of interests and awareness of personal, school and community resources. RT services range from direct and indirect services for individuals or groups, intense intervention targeting functional skill development, facilitation of activities and lessons where skills are applied in a practical manner and generalized. This continuum of support utilizes collaboration and consultation with other staff and parents. RT services support the transition from school to community programs and the lifelong pursuit of independent and healthy leisure and recreation engagement. Service providers collaborate with teachers, school support staff, and parents/guardians, and may provide support, guidance and training as needed.

SELPA: LAUSD

Fiscal Year: 2024-25

☒ 820–College Awareness☐ *Service is Not Currently Provided*

Provide a detailed description of the services to be provided under this code.

College awareness is the result of acts that promote and increase student learning about higher education opportunities, information, and options that are available including, but not limited to, career planning, course prerequisites, admission eligibility, and financial aid.

☒ 830–Vocational Assessment, Counseling,
Guidance, and Career Assessment☐ *Service is Not Currently Provided*

Provide a detailed description of the services to be provided under this code.

Organized educational programs that are directly related to the preparation of individuals for paid or unpaid employment, and may include provision for work experience, job coaching, development and/or placement, and situational assessment. This includes career counseling to assist a student in assessing their aptitudes, abilities, and interests in order to make realistic career decisions.

☒ 840–Career Awareness☐ *Service is Not Currently Provided*

Provide a detailed description of the services to be provided under this code.

Transition services include a provision for self-advocacy, career planning, and career guidance. This also emphasizes the need for coordination between these provisions and the Perkins Act to ensure that students with disabilities in middle schools will be able to access vocational education funds.

☒ 850–Work Experience Education☐ *Service is Not Currently Provided*

Provide a detailed description of the services to be provided under this code.

Work experience education means organized educational programs that are directly related to the preparation of individuals for paid or unpaid employment, or for additional preparation for a career requiring other than a baccalaureate or advanced degree.

☒ 855–Job Coaching☐ *Service is Not Currently Provided*

SELPA: LAUSD

Fiscal Year: 2024-25

Provide a detailed description of the services to be provided under this code.

Provision of work-based job coaching and job task orientation, management, and workflow.

☒ 860–Mentoring☐ *Service is Not Currently Provided*

Provide a detailed description of the services to be provided under this code.

Mentoring is a sustained coaching relationship between a student and teacher through ongoing involvement. The mentor offers support, guidance, encouragement and assistance as the learner encounters challenges with respect to a particular area such as acquisition of job skills. Mentoring can be either formal, as in planned, structured instruction, or informal that occurs naturally through friendship, counseling, and collegiality in a casual, unplanned way.

☒ 865–Agency Linkages (referral and placement)☐ *Service is Not Currently Provided*

Provide a detailed description of the services to be provided under this code.

Service coordination and case management that facilitates the linkage of Individualized Education Programs under this part and Individualized Family Service Plans under part C with Individualized Service Plans under multiple federal and state programs, such as Title I of the Rehabilitation Act of 1973 (vocational rehabilitation), Title XIX of the Social Security Act (Medicaid), and Title XVI of the Social Security Act (supplemental security income).

☒ 870–Travel and Mobility Training☐ *Service is Not Currently Provided*

Provide a detailed description of the services to be provided under this code.

Students are supported in learning the independent use of public transportation and access services.

☒ 890–Other Transition Services☐ *Service is Not Currently Provided*

Provide a detailed description of the services to be provided under this code.

These services may include program coordination, case management and meetings, and crafting linkages between schools and between schools and postsecondary agencies such as Department of Rehabilitation and Regional Center.

SELPA: LAUSD

Fiscal Year: 2024-25

☐ 900–Other Related Service

☐ *Service is Not Currently Provided*

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Description of the “Other Related Service”

Qualifications of the Provider Delivering “Other Related Service”

Special Education Local Plan Area (SELPA) Local Plan

SELPA LAUSD

Fiscal Year 2024-25

LOCAL PLAN
Attachments
SPECIAL EDUCATION LOCAL PLAN AREA



California Department of Education

Special Education Division

Local Plan Annual Submission

**INTENTIONALLY
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SELPA:

Fiscal Year:

Attachment I—Local Educational Agency Listing

Participating Local Educational Agency Identification

Enter the California Department of Education (CDE) issued county/district/school code (CDS) and the full name for each local educational agency (LEA) participating in the Local Plan. The LEA names will automatically populate the remaining attachments. Pursuant to California *Education Code (EC)* sections 56205(a)(12)(D)(iii) and 56195.1(b) and (c). SELPAs with one or more LEAs, or those who join with the county office of education (COE) to submit a Local Plan to the CDE for consideration of approval must include copies of joint powers agreements or contractual agreements, as appropriate.

In the table below, enter the CDE issued CDS code and the official name as listed in the California School Directory <https://www.cde.ca.gov/SchoolDirectory/> for each COE, District, Joint Powers Authority (JPA), and SELPA participating in the Local Plan and receiving a special education funding allocation for services and programs provided to students with disabilities.

To Add or Delete Rows:

To add or delete table rows, select the "plus" or "minus" buttons bellow. Actions taken here will be automatically repeated for each of the tables in Attachments II through VI. Users must manually enter LEA information in Attachment VII.

LEA Membership Changes:

If an LEA was previously reported to the CDE in fiscal year 2021–22 or 2022–23 and there is a change in SELPA membership, **DO NOT DELETE** the entry. Instead, under the "LEA Status" column, select the drop-down menu and choose the applicable status option for the LEA membership change.

SELPA County/District/School Codes

- If a SELPA does not have a CDS code, then the associated fields should be left blank. NOTE: If a CDS code section begins with a "0," the zero will not appear in the user's entry.
- If a SELPA does not have a complete CDS code, then leave the associated district and school code blank.
- If a SELPA is not a charter LEA, then leave the associated charter code blank.

SELPA: LAUSD

Fiscal Year: 2024-25

Add or Delete Row	List	County Code xx	District Code xxxxx	School Code xxxxxxxx	Charter Code (if applicable) xxxx	LEA Official Name (District, Charter, COE, JPA, and SELPA)	Special Education Director First Name	Special Education Director Last Name	Phone (xxx) xxx-xxxx	Email	LEA Status
<div><div>+</div><div>-</div></div>	1	19	64733			Los Angeles Unified School District	Jose	Soto	(213) 241-6701	jfs7834@lausd.net	Previously Reported

SELPA: LAUSD

Fiscal Year: 2024-25

Each SELPA must adhere to requirements for developing and reporting special education budget revenue and expenditures. The following excerpt is taken from California School Accounting Manual (CSAM): Procedure 755 Special Education on page 755-1 and included to assist the SELPA with completing Section D: Annual Budget Plan information for each LEA participating in the SELPA's Local Plan.

Special education budgets are complex and are of great interest to the public, both locally and statewide. *EC* Section 56205(b)(1) requires that a special education budget shall identify particular elements. Identification of the following elements is facilitated by the standardized account code structure (SACS):

1. Apportionment received by the LEA in accordance with the allocation plan adopted by the SELPA. (The apportionment is tracked in SACS in the resource field in combination with the revenue code in the object field.)
2. Administrative costs of the plan. (These costs are tracked in the function field.)
3. Costs of special education services to pupils with severe disabilities and low-incidence disabilities. (This population is identified by the goal field.)
4. Costs of special education services to pupils with nonsevere disabilities. (This population is identified by the goal field.)
5. Costs of supplemental aids and services provided to meet the individual needs of pupils placed in regular education classrooms and environments. (Costs of these aids and services are tracked in the function field.)
6. Costs of regionalized operations and services and direct instructional support by program specialists in accordance with Part 30, Chapter 7.2, Article 6, of the California *EC*, Program Specialists and Administration of Regionalized Operations and Services. (These costs are tracked in the goal field for regionalized operations and in the function field for instructional services.)
7. Use of property taxes allocated to the SELPA pursuant to *EC* Section 2572. (Property taxes allocated to the SELPA are tracked in the resource field and identified by a revenue code in the object field.)

SELPA: LAUSD

Fiscal Year: 2024-25

Attachment II—Projected Special Education Revenue by Local Educational Agency

For each LEA participating in the Local Plan, enter the projected special education revenue funding sources allowed by the Individuals with Disabilities Education Act (IDEA). Information included in this table must be consistent with revenues identified in Section D, Table 1. NOTE: For fiscal year 2021–22, this Attachment is optional for single LEA SELPAs as the information has been provided in Section D, Table 1.

List	LEA Official Name (District, Charter, COE, JPA, <i>and</i> SELPA)	Assembly Bill (AB) 602 State Aid	AB 602 Property Tax	Federal IDEA Part C	Federal IDEA Part B	State Infant/ Toddler	State Mental Health	Federal Mental Health	Other Revenue	Subtotal
1	Los Angeles Unified School District	0	0	0	0	0	0	0	0	0
Totals:		0	0	0	0	0	0	0	0	0

SELPA: LAUSD

Fiscal Year: 2024-25

Attachment III—Projected Expenditures by Object Code by Local Educational Agency

For each LEA participating in the Local Plan, enter the projected special education expenditures by LEA and object code as allowed by the IDEA. Information included in this table must be consistent with expenditures identified in Section D, Tables 2 . NOTE: For fiscal year 2021–22, this Attachment is optional for single LEA SELPAs as the information has been provided in Section D, Table 2.

List	LEA Official Name (District, Charter, COE, JPA, and SELPA)	1000 Certificated Salaries	2000 Classified Salaries	3000 Employee Benefits	4000 Supplies	5000 Services and Operations	6000 Capital Outlay	7000 Other Outgo and Financing	Subtotal
1	Los Angeles Unified School District	0	0	0	0	0	0	0	0
Totals:		0	0	0	0	0	0	0	0

SELPA: LAUSD

Fiscal Year: 2024-25

Attachment IV—Projected Revenue by Federal, State, and Local Funding Source by Local Educational Agency

For each LEA participating in the Local Plan, enter the projected special education revenue received by each funding source. Information provided must be consistent with revenues identified in Section D, Table 3. NOTE: For fiscal year 2021–22, this Attachment is optional for single LEA SELPAs as the information has been provided in Section D, Table 3.

List	LEA Official Name (District, Charter, COE, JPA, and SELPA)	Federal Revenue	Percent of Total Federal Revenue	State Revenue	Percent of Total State Revenue	Local Revenue	Total Federal and State Funding
1	Los Angeles Unified School District	0	0.00%	0	0.00%	0	0
Totals:		0	0.00%	0	0.00%	0	0

SELPA: LAUSD

Fiscal Year: 2024-25

Attachment V—Projected Expenditures by Local Educational Agency for Supplemental Aids and Services in the Regular Classroom for Students with Disabilities and Those Identified with Low Incidence Disabilities

Enter the revenue allocated to each LEA for supplemental aids and services (SAS) for those students with disabilities placed in the regular classroom setting and those who are identified with low incidence (LI) disabilities. Information included in this table must be consistent with revenues identified in Section D, Table 5. NOTE: For fiscal year 2021–22, this Attachment is optional for single LEA SELPAs as the information has been provided in Section D, Table 5.

List	LEA Official Name (District, Charter, COE, JPA, <i>and</i> SELPA)	Total Projected Expenditures by LEA SAS in the Regular Classroom	Total Projected Expenditures by LEA for LI
1	Los Angeles Unified School District	0	0
Totals:		0	0

SELPA: LAUSD

Fiscal Year: 2024-25

**Attachment VI
must be
completed
using the CDE
approved
Microsoft Excel
Template**

SELPA: LAUSD

Fiscal Year: 2024-25

Attachment VII—Special Education Local Plan Area Membership Transfers and Mergers (to and from the SELPA)

Educational programs and services already in operation may not be transferred to another LEA unless all provisions of *EC* Section 56207 have been met by the SELPA as demonstrated by the completion and submission of Attachment VII. The effective date of the transfer must not be prior to the July 1 of the second fiscal year after the date the sending or receiving SELPA informed the other agency and the governing body of multiple LEA SELPAs or the responsible individual of single LEA SELPAs notified the other agency, unless both the sending and receiving SELPA unanimously agree the transfer date will take effect on the July 1 of the first fiscal year following the notification date.

LEA Name	Add or Delete Row	LEA Status	Impacted SELPA Name	Impacted District, Charter, or School Name	Initiating SELPA Notification Date	SELPA Governing Board Notification Date	COE Notification Date	CDE Notification Date	Agreed Upon Effective Fiscal Year
Los Angeles Unified School District	<div><div>+</div><div>-</div></div>	Delete This Row							

DO NOT
DISTRIBUTE

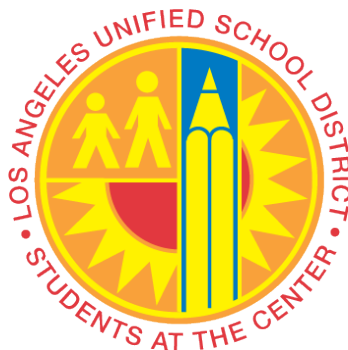
CDE Official Local Educational Agency Name		County/District/ School Code (xx-xxxxx-xxxxxxx)	Charter Number (if applicable) (xxxx)	330	210	220	230	240	250	260	270	340	350	415	425	435	436	445	450	460	510	515	520	525	530	535	540	545	610	710	715	720	725	730	735	740	745	750	755	760	820	830	840	850	855	860	865	870	890	900						
Los Angeles Unified	Aspire Slauson Academy Charter	19-64733-0124784	X	X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X								X	X							
Los Angeles Unified	Aspire Titan Academy	19-64733-0120477	X	X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X								X	X							
Los Angeles Unified	Atwater Avenue Elementary	19-64733-6015895	X	X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X								X	X					
Los Angeles Unified	Aurora Elementary	19-64733-0109348	X	X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X								X	X					
Los Angeles Unified	Avalon Gardens Elementary	19-64733-6015903	X	X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X								X	X					
Los Angeles Unified	Balboa Gifted/High Ability Magnet Elementary	19-64733-6100069	X	X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X								X	X					
Los Angeles Unified	Baldwin Hills Elementary	19-64733-6015929	X	X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X								X	X					
Los Angeles Unified	Bandini Street Elementary	19-64733-6015945	X	X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X								X	X					
Los Angeles Unified	Barton Hill Elementary	19-64733-6015952	X	X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X								X	X					
Los Angeles Unified	Bassett Street Elementary	19-64733-6015960	X	X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X								X	X				
Los Angeles Unified	Beachy Avenue Elementary	19-64733-6015978	X	X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X								X	X				
Los Angeles Unified	Beckford Charter for Enriched Studies	19-64733-6015986	X	X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X								X	X				
Los Angeles Unified	Beethoven Street Elementary	19-64733-6015994	X	X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X								X	X				
Los Angeles Unified	Bellingham Elementary	19-64733-0106914	X	X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X								X	X					
Los Angeles Unified	Belvedere Elementary	19-64733-6016018	X	X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X								X	X				
Los Angeles Unified	Bertrand Avenue Elementary	19-64733-6016026	X	X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X								X	X				
Los Angeles Unified	Betty Plasencia Elementary	19-64733-6016638	X	X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X								X	X				
Los Angeles Unified	Birdielee V. Bright Elementary	19-64733-6019491	X	X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X								X	X				
Los Angeles Unified	Blythe Street Elementary	19-64733-6016034	X	X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X								X	X				
Los Angeles Unified	Bonita Street Elementary	19-64733-6016042	X	X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X								X	X				
Los Angeles Unified	Braddock Drive Elementary	19-64733-6016059	X	X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X								X	X				
Los Angeles Unified	Brainard Elementary	19-64733-6016067	X	X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X								X	X				
Los Angeles Unified	Breed Street Elementary	19-64733-6016075	X	X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X								X	X				
Los Angeles Unified	Brentwood Science	19-64733-6016083	X	X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X								X	X				
Los Angeles Unified	Bridge Street Elementary	19-64733-6016091	X	X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X								X	X				
Los Angeles Unified	Broad Avenue Elementary	19-64733-6016109	X	X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X								X	X				
Los Angeles Unified	Broadacres Avenue Elementary Visual & Perfor	19-64733-6016117	X	X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X								X	X				
Los Angeles Unified	Broadway Elementary	19-64733-6016125	X	X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X								X	X				
Los Angeles Unified	Brockton Avenue Elementary	19-64733-6016133	X	X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X								X	X				
Los Angeles Unified	Brooklyn Avenue	19-64733-6016141	X	X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X								X	X				
Los Angeles Unified	Bryson Avenue Elementary	19-64733-6016158	X	X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X								X	X				
Los Angeles Unified	Buchanan Street Elementary	19-64733-6016166	X	X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X								X	X				
Los Angeles Unified	Budlong Avenue Elementary	19-64733-6016174	X	X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X								X	X				
Los Angeles Unified	Burbank Boulevard Elementary	19-64733-6016182	X	X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X								X	X				
Los Angeles Unified	Burton Street Elementary	19-64733-6016208	X	X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X								X	X				
Los Angeles Unified	Bushnell Way Elementary	19-64733-6016216	X	X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X								X	X				
Los Angeles Unified	Cabrillo Avenue Elementary	19-64733-6016224	X	X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X								X	X				
Los Angeles Unified	Cahuenga Elementary	19-64733-6016232	X	X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X								X	X				
Los Angeles Unified	Calabash Charter Academy	19-64733-6016240	X	X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X								X	X				
Los Angeles Unified	Calahan Street Elementary	19-64733-6016257	X	X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X								X	X				
Los Angeles Unified	Calvert Charter for Enriched Studies	19-64733-6016265	X	X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X								X	X				

CDE Official Local Educational Agency Name		County/District/ School Code (xx-xxxxx-xxxxxxx)	Charter Number (if applicable) (xxxx)	330	210	220	230	240	250	260	270	340	350	415	425	435	436	445	450	460	510	515	520	525	530	535	540	545	610	710	715	720	725	730	735	740	745	750	755	760	820	830	840	850	855	860	865	870	890	900	
Los Angeles Unified	Fletcher Drive Elementary	19-64733-6017115		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X							X	X			
Los Angeles Unified	Florence Avenue Elementary	19-64733-6017123		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X							X	X			
Los Angeles Unified	Florence Griffith Joyner Elementary	19-64733-6018527		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X							X	X		
Los Angeles Unified	Ford Boulevard Elementary	19-64733-6017131		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X							X	X		
Los Angeles Unified	Frank del Olmo Elementary	19-64733-0111971		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X							X	X		
Los Angeles Unified	Franklin Avenue Elementary	19-64733-6017172		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X							X	X		
Los Angeles Unified	Fries Avenue Elementary	19-64733-6017180		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X							X	X		
Los Angeles Unified	Fullbright Avenue Elementary	19-64733-6017198		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X							X	X		
Los Angeles Unified	Gabriella Charter	19-64733-0108886		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X							X	X		
Los Angeles Unified	Gabriella Charter 2	19-64733-0135509		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X							X	X		
Los Angeles Unified	Garden Grove Elementary	19-64733-6017206		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X							X	X		
Los Angeles Unified	Gardena Elementary	19-64733-6017214		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X							X	X		
Los Angeles Unified	Gardner Street Elementary	19-64733-6017222		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X							X	X		
Los Angeles Unified	Garvanza Elementary	19-64733-6017230		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X							X	X		
Los Angeles Unified	Garza (Carmen Lomas) Primary Center	19-64733-0109223		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X							X	X		
Los Angeles Unified	Gates Street Elementary	19-64733-6017248		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X							X	X		
Los Angeles Unified	Gault Street Elementary	19-64733-6017255		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X							X	X		
Los Angeles Unified	George De La Torre Jr. Elementary	19-64733-0111955		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X							X	X		
Los Angeles Unified	Gerald A. Lawson Academy of the Arts, Mathem	19-64733-0126425		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X							X	X		
Los Angeles Unified	Germain Academy For Academic Achievement	19-64733-6017263		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X							X	X		
Los Angeles Unified	Gil Garcetti Learning Academy	19-64733-6019244		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X							X	X		
Los Angeles Unified	Glassell Park ES Science, Technology, Enginee	19-64733-6017271		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X							X	X		
Los Angeles Unified	Gledhill Street Elementary	19-64733-6017289		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X							X	X		
Los Angeles Unified	Glen Alta Elementary	19-64733-6017297		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X							X	X		
Los Angeles Unified	Glenfeliz Boulevard Elementary	19-64733-6017305		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X							X	X		
Los Angeles Unified	Glenwood Elementary	19-64733-6017313		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X							X	X		
Los Angeles Unified	Global Education Academy	19-64733-0114967		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X							X	X		
Los Angeles Unified	Global Education Academy 2	19-64733-0129833		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X							X	X		
Los Angeles Unified	Goethe International Charter	19-64733-0117978		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X							X	X		
Los Angeles Unified	Graham Elementary	19-64733-6017321		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X							X	X		
Los Angeles Unified	Granada Elementary	19-64733-6017339		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X							X	X		
Los Angeles Unified	Grand View Boulevard Elementary	19-64733-6017347		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X							X	X		
Los Angeles Unified	Grant Elementary	19-64733-6017354		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X							X	X		
Los Angeles Unified	Grape Street Elementary	19-64733-6017362		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X							X	X		
Los Angeles Unified	Gratts Learning Academy for Young Scholars (C	19-64733-6113419		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X							X	X		
Los Angeles Unified	Gridley Street Elementary	19-64733-6017388		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X							X	X		
Los Angeles Unified	Griffin Avenue Elementary	19-64733-6017396		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X							X	X		
Los Angeles Unified	Gulf Avenue Elementary	19-64733-6017404		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X							X	X		
Los Angeles Unified	Haddon Avenue Elementary	19-64733-6017412		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X							X	X		
Los Angeles Unified	Halldale Elementary	19-64733-6017420		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X							X	X		
Los Angeles Unified	Hamlin Charter Academy	19-64733-6017438		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X							X	X		
Los Angeles Unified	Hancock Park Elementary	19-64733-6017453		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X							X	X		
Los Angeles Unified	Harbor City Elementary	19-64733-6017461		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X							X	X		
Los Angeles Unified	Harding Street Elementary	19-64733-6017479		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X							X	X		
Los Angeles Unified	Harmony Elementary	19-64733-0106955		X					</																																										

CDE Official Local Educational Agency Name		County/District/ School Code (xx-xxxxx-xxxxxxx)	Charter Number (if applicable) (xxxx)	330	210	220	230	240	250	260	270	340	350	415	425	435	436	445	450	460	510	515	520	525	530	535	540	545	610	710	715	720	725	730	735	740	745	750	755	760	820	830	840	850	855	860	865	870	890	900				
Los Angeles Unified	CATCH Prep Charter High, Inc.	19-64733-0101659		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X				
Los Angeles Unified	Central City Value	19-64733-0100800		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X			
Los Angeles Unified	Central High	19-64733-1930387		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X			
Los Angeles Unified	Cesar E. Chavez Learning Academies-Academy of the Arts	19-64733-0124396		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X			
Los Angeles Unified	Cesar E. Chavez Learning Academies-Arts/Theatre	19-64733-0124370		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X			
Los Angeles Unified	Cesar E. Chavez Learning Academies-Social Justice	19-64733-0124388		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X			
Los Angeles Unified	Cesar E. Chavez Learning Academies-Technology	19-64733-0124404		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X			
Los Angeles Unified	CHAMPS - Charter HS of Arts-Multimedia & Performing Arts	19-64733-0108878		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X			
Los Angeles Unified	Chatsworth Charter High	19-64733-1931708		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X			
Los Angeles Unified	Cheviot Hills Continuation	19-64733-1931336		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X			
Los Angeles Unified	Collegiate Charter High School of Los Angeles	19-64733-0131821		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X			
Los Angeles Unified	Communication and Technology at Diego Rivera	19-64733-0124495		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X			
Los Angeles Unified	Contreras Learning Center-Academic Leadership	19-64733-0117721		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Los Angeles Unified	Contreras Learning Center-Los Angeles School of the Arts	19-64733-0112870		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X			
Los Angeles Unified	Contreras Learning Center-School of Social Justice	19-64733-0127795		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Los Angeles Unified	Crenshaw Science, Technology, Engineering, Math & Arts	19-64733-1932128		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Los Angeles Unified	Dan M. Issacs Avalon High	19-64733-1931930		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Los Angeles Unified	Daniel Pearl Journalism & Communications Magnet	19-64733-0120360		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Los Angeles Unified	Jordan High	19-64733-1934454		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Los Angeles Unified	Diane S. Leichman Career Preparatory and Training Center	19-64733-1931633		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Los Angeles Unified	Diego Rivera Learning Complex Green Design Studio	19-64733-0124503		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Los Angeles Unified	Discovery Charter Preparatory #2	19-64733-0115253		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Los Angeles Unified	Dorothy V. Johnson Community Day	19-64733-0120808		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Los Angeles Unified	Downtown Business High	19-64733-1932888		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Los Angeles Unified	Dr. Maya Angelou Community High	19-64733-0124479		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Los Angeles Unified	Dr. Richard A. Vladovic Harbor Teacher Preparatory	19-64733-0102921		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Los Angeles Unified	Eagle Rock High	19-64733-1932540		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Los Angeles Unified	Eagle Tree Continuation	19-64733-1932318		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Los Angeles Unified	Early College Academy-LA Trade Tech College	19-64733-0127803		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Los Angeles Unified	East Los Angeles Renaissance Academy at Estebe	19-64733-0122374		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Los Angeles Unified	East Valley Senior High	19-64733-0112037		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Los Angeles Unified	Ednovate - Brio College Prep	19-64733-0135723		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Los Angeles Unified	Ednovate - East College Prep	19-64733-0132282		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Los Angeles Unified	Ednovate - Esperanza College Prep	19-64733-0135715		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Los Angeles Unified	Ednovate - South LA College Prep	19-64733-0140129		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Los Angeles Unified	Ednovate - USC Hybrid High College Prep	19-64733-0125864		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Los Angeles Unified	Edward R. Roybal Learning Center	19-64733-0117051		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Los Angeles Unified	El Camino Real Charter High	19-64733-1932623		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Los Angeles Unified	Ellington (Duke) High (Continuation)	19-64733-1931955		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Los Angeles Unified	Engineering and Technology Academy at Estebe	19-64733-0122382		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Los Angeles Unified	Ernest P. Willenberg Special Education Center	19-64733-6060503		X								X		X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Los Angeles Unified	Esteban Torres East LA Performing Arts Magnet	19-64733-0122341		X																																																		

LOS ANGELES UNIFIED SCHOOL DISTRICT

Special Education Local Plan Area



Appendix A

**SELPA
Assurances Statement**

Special Education Local Plan Area 2024- 2027

Local Educational Agency Assurances

The Los Angeles Unified School District SELPA ensures conformity with Sections 1412(a) and 1413(a)(1) of Title 20 of the *United States Code* (20 USC), and in accordance with Title 34 *Code of Federal Regulations* (34 CFR) Section 300.201, that the following policies are consistent with state laws, regulations, and policies governing each of the requirements established in California Education Code (*EC* 56205 (a) (1-22).

1. Free appropriate public education (20 [United States Code \[U.S.C.\] § 1412 \[a\]\[1\]](#))

It shall be the policy of this local educational agency (LEA) that a free appropriate public education is available to all children with disabilities, including those who have been suspended or expelled from school, residing in the LEA between the ages of 3 and 21, inclusive, including children with disabilities

2. Full educational opportunity (20 [U.S.C. § 1412 \[a\]\[2\]](#))

It shall be the policy of this LEA that all children with disabilities have access to educational programs, non-academic programs, extracurricular activities, and services available to non-disabled children.

3. Child Find (20 [U.S.C. § 1412 \[a\]\[3\]](#))

It shall be the policy of this LEA that all children with disabilities residing in the State, including children with disabilities who are homeless or are wards of the State and children with disabilities attending private schools, regardless of the severity of their disabilities, and who are in need of special education and related services, are identified, located, and evaluated. A practical method has been developed and implemented to determine which children with disabilities are currently receiving needed special education and related services.

4. Individualized education program (IEP) and individualized family service plan (IFSP) (20 [U.S.C. § 1412 \[a\]\[4\]](#))

It shall be the policy of this LEA that an IEP, or an IFSP that meets the requirements of 20 *U.S.C.* § 1436 (d), is developed, implemented, reviewed, and revised for each child with a disability who requires special education and related services in accordance with 20 *U.S.C.* § 1414 (d). It shall be the policy of this LEA that a review of an IEP will be conducted on at least an annual basis to review a student's progress and make appropriate revisions.

5. Least restrictive environment (LRE) (20 [U.S.C. § 1412 \[a\]\[5\]](#))

It shall be the policy of this LEA that to the maximum extent appropriate, children with disabilities, including children in public or private institutions or other care facilities, are educated with children who are not disabled. Special classes, separate schooling, or other removal of children with disabilities from the general educational environment, occurs only when the nature or severity of the disability of a child is such that education in regular classes with the use of supplementary aids and services cannot be achieved satisfactorily.

6. Procedural safeguards (20 [U.S.C. § 1412 \[a\]\[6\]](#))

It shall be the policy of this LEA that children with disabilities and their parents and families shall be afforded all procedural safeguards according to state and federal laws and regulations.

7. Evaluation (<https://sites.ed.gov/idea/statute-chapter-33/subchapter-ii/1412/a/2>(20 *U.S.C.* § 1412 [a][7]) It shall be the policy of this LEA that a reassessment of a child with a disability shall be conducted at least once every three years or more frequently, if appropriate.

8. Confidentiality [\(20 U.S.C. § 1412 \[a\]\[8\]\)](#)

It shall be the policy of this LEA that the confidentiality of personally identifiable data, information, and records maintained by the LEA relating to children with disabilities and their parents and families shall be protected pursuant to the Family Educational Rights and Privacy Act.

9. Part C to part B transition [\(20 U.S.C. § 1412 \[a\]\[9\]\)](#)

It shall be the policy of this LEA that children participating in early intervention programs (Individuals with Disabilities Education Act [IDEA], Part C), and who will participate in preschool programs, experience a smooth and effective transition to those preschool programs in a manner consistent with 20 U.S.C. § 1437 (a)(9). The transition process shall begin prior to the child's third birthday.

10. Private schools [\(20 U.S.C. § 1412 \[a\]\[10\]\)](#)

It shall be the policy of this LEA to assure that children with disabilities voluntarily enrolled by their parents in private schools shall receive appropriate special education and related services pursuant to LEA-coordinated procedures. The proportionate amount of federal funds will be allocated for the purpose of providing special education services to children with disabilities voluntarily enrolled in private school by their parents.

11. Local compliance assurances [\(20 U.S.C. § 1412 \[a\]\[11\]\)](#)

It shall be the policy of this LEA that the Local Plan shall be adopted by the appropriate local board(s) (district/county) and is the basis for the operation and administration of special education programs, and that the agency(ies) herein represented will meet all applicable requirements of state and federal laws and regulations, including compliance with the IDEA; the Federal Rehabilitation Act of 1973, Section 504 of Public Law; and the provisions of the California *Education Code*, Part 30.

12. Interagency [\(20 U.S.C. § 1412 \[a\]\[12\]\)](#)

It shall be the policy of this LEA that interagency agreements or other mechanisms for interagency coordination are in effect to ensure services required for free appropriate public education are provided, including the continuation of services during an interagency dispute resolution process.

13. Governance [\(20 U.S.C. § 1412 \[a\]\[13\]\)](#)

It shall be the policy of this LEA to support and comply with the provisions of the governance bodies and any necessary administrative support to implement the Local Plan. A final determination that an LEA is not eligible for assistance under this part will not be made without first affording that LEA with reasonable notice and an opportunity for a hearing through the State Educational Agency.

14. Personnel qualifications [\(20 U.S.C. § 1412 \[a\]\[14\]\)](#)

It shall be the policy of this LEA to ensure that personnel providing special education related services meet the highly qualified requirements as defined under federal law, and that those personnel have the content knowledge and skills to serve children with disabilities. This policy shall not be construed to create a right of action on behalf of an individual student for the failure of a particular LEA staff person to be highly qualified or to prevent a parent from filing a State complaint with the California Department of Education (CDE) about staff qualifications.

15. Performance goals and indicators [\(20 U.S.C. § 1412 \[a\]\[15\]\)](#)

It shall be the policy of this LEA to comply with the requirements of the performance goals and indicators developed by the CDE and provide data as required by the CDE.

16. Participation in assessments [\(20 U.S.C. § 1412 \[a\]\[16\]\)](#)

It shall be the policy of this LEA that all students with disabilities shall participate in state and district-wide assessment programs. The IEP team determines how a student will access assessments with or without accommodations, or access alternate assessments, consistent with state standards governing such determinations.

17. Supplementation of state, local, and federal funds [\(20 U.S.C. § 1412 \[a\]\[17\]\)](#)

It shall be the policy of this LEA to provide assurances that funds received from Part B of the IDEA will be expended in accordance with the applicable provisions of the IDEA and will be used to supplement and not to supplant state, local, and other federal funds.

18. Maintenance of effort [\(20 U.S.C. § 1412 \[a\]\[18\]\)](#)

It shall be the policy of this LEA that federal funds will not be used to reduce the level of local funds and/or combined level of local and state funds expended for the education of children with disabilities except as provided in federal laws and regulations.

19. Public participation [\(20 U.S.C. § 1412 \[a\]\[19\]\)](#)

It shall be the policy of this LEA that public hearings, adequate notice of the hearings, and an opportunity for comments are available to the general public, including individuals with disabilities and parents of children with disabilities, and are held prior to the adoption of any policies and/or regulations needed to comply with Part B of the IDEA.

20. Suspension and expulsion [\(20 U.S.C. § 1412 \[a\]\[22\]\)](#)

The LEA assures that data on suspension and expulsion rates will be provided in a manner prescribed by the CDE. When indicated by data analysis, the LEA further assures that policies, procedures, and practices related to the development and implementation of the IEPs will be revised.

21. Access to instructional materials [\(20 U.S.C. § 1412 \[a\]\[23\]\)](#)

It shall be the policy of this LEA to provide instructional materials to blind students or other students with print disabilities in a timely manner according to the state-adopted National Instructional Materials Accessibility Standard.

22. Overidentification and disproportionality [\(20 U.S.C. § 1412 \[a\]\[24\]\)](#)

It shall be the policy of this LEA to prevent the inappropriate overidentification or disproportionate representation by race and ethnicity of children as children with disabilities.

23. Prohibition on mandatory medicine [\(20 U.S.C. § 1412 \[a\]\[25\]\)](#)

It shall be the policy of this LEA to prohibit school personnel from requiring a student to obtain a prescription for a substance covered by the Controlled Substances Act as a condition of attending school or receiving a special education assessment and/or services.

Additional Resources

[Division of Special Education Website: lausd.org/sped](http://lausd.org/sped)

[A Parent's Guide to Special Education Services \(Including Procedural Rights and Safeguards\), September 2018](#)

[Una Guía para padres sobre servicios de educación especial \(incluidos los derechos y garantías procesales\), Septiembre de 2018 \(Español\)](#)

[State Performance Plan Indicators Guide \(Updated November 2022\)](#)

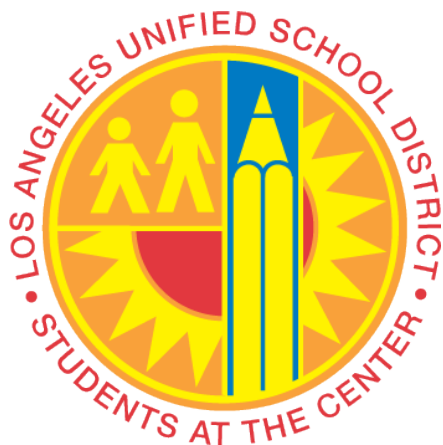
[LAUSD Teaching and Learning Framework \(July 2023\)](#)

[LAUSD School Leadership Framework \(Revised May 2023\)](#)

[LAUSD Special Education Paraprofessionals Performance Framework](#)

LOS ANGELES UNIFIED SCHOOL DISTRICT

Special Education Local Plan Area



Appendix B

**Governance and Administration
of the Local Plan**

GOVERNANCE AND ADMINISTRATION OF THE LOCAL PLAN

Governance Structure

The Los Angeles Unified School District (LAUSD) is a single-district Special Education Local Plan Area (SELPA) that provides comprehensive special education programs and services for students with exceptional needs.

The LAUSD Board of Education is the District's governing body. Its seven (7) elected members appoint the Superintendent of Schools, who is the Chief Administrative Officer of the District. Staff for the Superintendent of Schools includes a Chief Academic Officer, Chief Facilities Executive, Chief Financial Officer, General Counsel, Chief of Special Education, Equity and Access, and Region Superintendents. Region Superintendents are responsible for the District's administrative areas (Regions). The Division of Special Education is administered by the Chief of Special Education, Equity and Specialized Programs, in accordance with the District's organizational structure. (attached). The Community Advisory Committee (CAC) acts in an advisory capacity to the SELPA.

Region Superintendents work with their staff to inform school principals in their respective Regions about requirements for the operation of special education programs. Special Education offices associated with each Region, led by the Region Special Education Administrator, support the administration of the special education program and services. Each Region's Special Education office has Special Education Support Specialists with expertise in various aspects of special education to assist schools and staff in implementing special education programs.

The LAUSD Board of Education established policies and District staff assumes responsibility for implementing Board of Education established policies on a District-wide basis. District administration develops policies as needed to ensure the proper communication and dissemination of the District's obligations to implement state and federal legal requirements as well as Board mandates, and also creates operationalized procedures to facilitate the awareness and understanding of standard operating procedures.

The Community Advisory Committee (CAC) acts in an advisory capacity to the SELPA in the development of the Local Plan and to the Board of Education. The Board of Education is responsible for submission of an adopted Special Education Local Plan to the State Superintendent of Public Instruction and for establishing a governance structure for implementation of this Local Plan.

Responsibilities of the Board of Education

The LAUSD Board of Education establishes policies and District staff assumes responsibility for implementing Board of Education established policies on a District-wide basis. The Board of Education is responsible for submission of an adopted Special Education Local Plan to the State Superintendent of Public Instruction and for establishing a governance structure for implementation of this Local Plan.

The functions of the Board of Education in relation to special education include, but are not limited to:

- Reviewing, adopting, and implementing the Special Education Local Plan to ensure access to special education programs and services for all eligible individuals with disabilities birth to 21 years of age residing within the geographic area served by the LAUSD
- Adopting policies and administrative regulations related to the governance and operation of the SELPA
- Assuming fiscal accountability for the special education programs and services operated by the SELPA
- Assuming responsibility for the exercising authority over the special education services operated by the SELPA
- Holding public Board of Education meetings in compliance with state law, including hearings for the annual service and budget plans
- Appointing voting members to the CAC
- Contracting with nonpublic schools and agencies, when necessary, to provide appropriate special education services to students
- Ensuring a welcoming and respectful environment for students with disabilities within the Los Angeles Unified School District

Responsibilities of the Superintendent of Schools

The Superintendent of Schools serves as the Responsible Local Agency (RLA) administrator. The Superintendent of Schools is appointed by the LAUSD Board of Education. The Superintendent of Schools, with staff assistance, is responsible for District-wide implementation of educational processes and for formulating major District policies. Under the direction of the Board of Education, the Superintendent of Schools delegates appropriate authority and responsibility to the Chief of Special Education, Equity and Specialized Programs. The Superintendent of Schools is responsible for the supervision, evaluation, and discipline of the Deputy Superintendent of Instruction who is appointed by the Board of Education, as are the Region Superintendents.

The responsibilities of the Superintendent of Schools regarding special education include, but are not limited to:

- Recommending to the Board of Education the adoption of SELPA policies in accordance with federal and state laws and regulations
- Providing leadership in support of special education programs and services
- Recommending a District budget to the Board of Education, which includes a SELPA budget and when required by the Education Code, a SELPA annual budget plan
- Supervising or designating supervision of the SELPA Director
- Recommending adoption of the Special Education Local Plan to the Board of Education.

Responsibilities of the Chief of Special Education, Equity and Specialized Programs

The Chief of Special Education, Equity and Specialized Programs is responsible for administration of the Local Plan and fulfills the following responsibilities:

- Provides leadership and direction in the interpretation and implementation of federal and state mandates, District policies, and procedures for special education programs
- Develops a strategic plan for the development, implementation and monitoring of programs, services, and instruction that ensures the achievement of students with disabilities and prevention of misidentification for special education
- Provides for the development and evaluation of curricula, instructional materials, and specialized equipment

- Serves as a resource person to community groups, outside agencies, professional groups, Region personnel and parents
- Promotes collaboration between special and general education personnel and parents in determining appropriate instructional support for eligible students with disabilities
- Ensures appropriate assignment of students with disabilities
- Monitors programs and services for compliance
- Maintains data and prepares local, state and federal special education reports as required
- Promotes collaboration among central support and Region personnel to increase accountability for positive student outcomes
- Monitors the District and schools for compliance with state, federal and local special education mandates including personnel development, procedural safeguards, and other assurances
- Coordinates compliance reviews, District Validation Reviews (DVR), including DVRs of nonpublic schools with whom it maintains contracts, and independent charter schools authorized by the Board of Education within the SELPA
- Administers procedures to assure fiscal management of all special education funds
- Provides leadership and coordination in the development of a system of staff development and parent education
- Facilitates and monitors the development of interagency agreements
- Acts as a liaison with and provides fiscal support to the CAC
- Directs and supervises the implementation of compliant and due process safeguards and procedures

The Chief of Special Education, Equity and Specialized Programs is supported in ensuring that special education programs and services meet Federal and State legal mandates by the following administrative departments: Administration and Support; Strategic Planning, Data Management and Nonpublic Services Support; Charter Operated Programs; Instruction; Compliance/Policies and Procedures; Psychological Services/Due Process; Related Services; Early Childhood Special Education; and Operations.

Responsibilities of the Executive Director, Division of Special Education

The Executive Director, Division of Special Education supports the Chief of Special Education, Equity and Specialized Programs, and is responsible for the administration of the Local Plan in addition to the following:

- Leads, integrates, and supports all divisions and departments within the Division of Special Education
- Leads a strategic plan for the development, implementation and monitoring of programs, services, and instruction that ensures the achievement of students with disabilities and prevention of misidentification for special education
- Leads the development and evaluation of curricula, instructional materials, and specialized equipment
- Leads and supports collaborative relationships between special and general education personnel and parents in determining appropriate instructional support for eligible students with disabilities
- Develops and supports the implementation of a system of staff development and parent education
- Leads the prevention of the over-identification of students into special education, especially the over-identification of English learners and African American students
- Leads the development of and monitors high quality professional development that is grounded in current research, and instructional strategies within Special Education

- Leads the effective implementation of the use of the Multi-Tiered Systems of Support Framework (MTSS) in the Student Success and Progress Team (SSPT)
- Leads the implementation of due process safeguards and compliant procedures
- Oversees special education funds and leads the budget development process of all departments within special education
- Provides leadership and direction in federal and state mandates, and District policies and procedures for special education programs
- Serves as a liaison for community groups, outside agencies, professional groups, Region personnel and parents
- Formulates policies and develops goals, plans, and commitments for instruction that ensure achievement of students with disabilities

Responsibilities of the Administrator, Special Education, Operations

Under the direction of the Executive Director, Special Education, responsibilities and duties in support of the District and Division initiatives, include but are not limited to:

- Assists the Executive Director, Special Education with effectively leading, integrating, and supporting all divisions and departments within the Division of Special Education.
- Provides leadership and direction for the planning and implementation of goals, improvement, and evaluation of various special education policies, procedures, and programs, including fiscal analysis and planning for the operations department to influence outcomes for students with disabilities.
- Leads administrators, personnel, and collaborates with outside agencies to coordinate programs including Extended School Year, that align with the goals and initiatives of the Division of Special Education.
- Administers and ensures that staffing patterns, scheduling, and organizational structures are appropriate to desired division program goals, outcomes, and initiatives.
- Oversees professional development in alignment with District and Division of Special Education initiatives.
- Provides leadership and support in the review and analysis of special education operations fiscal and programmatic data related to program audits.
- Collaborates with the Transportation Branch to meet the needs of students with disabilities and special education programs.
- Provides leadership, support, and oversight for the call center, complaint management, and the translation unit for the Division of Special Education.
- Provides direction and leadership in student placements, E-Cast, and norm day procedures.
- Provides leadership and support in compliance and implementation of federal and state mandates and District policies and procedures for special education programs.
- Uses multiple sources of District data to direct the development and evaluation of programs and initiatives relating to the Division of Special Education.
- Manages department performance on metrics aligned to the Division's defined goals.
- Manages the performance of assigned special education staff through communication of performance expectations, effective observations, documented actionable feedback, and assistance and guidance when necessary.

- Assists the Executive Director, Special Education with effectively leading, integrating and supporting all divisions and departments within the Division of Special Education.
- Provides leadership and direction for the planning and implementation of goals, improvement, and evaluation of various special education policies, procedures, and programs, including fiscal analysis and planning to influence outcomes for students with disabilities.
- Leads administrators, personnel, and outside organizations to coordinate and supervise activities, programs, and events in alignment with the goals and initiatives of the Division of Special Education.
- Provides leadership to and coordinates with non-public schools, public agencies, and other outside providers to enrich special education programs.
- Administers, supervises, coordinates, and evaluates special education programs to ensure substantial compliance with federal and state mandates and District policies and procedures and the implementation of special education current best practices.
- Leads the creation of a plan, based on a multiple sources of District data, to improve the equity of educating students with disabilities.
- Collaborates with the District's Office of Student, Family and Community Engagement to plan and lead the Community Advisory Committee processes for the Division of Special Education to meet the needs of students with disabilities and special education programs.
- Collaborates with District Charter-operated programs on behalf of the Division of Special Education.
- Administers and ensures that staffing patterns, scheduling, and organizational structures are appropriate to desired division outcomes and initiatives.
- Leads professional development in alignment with District and Division of Special Education initiatives.
- Provides leadership, support, and oversight of all special education related ITD platforms, including Welligent, MISIS, and Schoology.
- Leads review and analysis of special education fiscal and programmatic data related to program audits.
- Serves as a liaison with outside organizations including Greater Los Angeles Area SELPA, Council of Great City Schools, Council of Exceptional Children, and SELPA statewide.
- Provides direction and oversight for the Due Process Unit for the Division of Special Education.
- Leads the use of District data to guide the support, development, and evaluation of programs and initiatives relating to the Division of Special Education.
- Manages departments' performance on metrics aligned to the Division's defined goals.
- Manages the performance of assigned special education staff through communication of performance expectations, effective observations, documented actionable feedback, and assistance and guidance when necessary

Development of the Local Plan

The Los Angeles Unified School District is responsible for developing, adopting, submitting to the State Superintendent of Public Instruction, and implementing a Special Education Local Plan in accordance with Federal and State laws and regulations. The Board of Education approves policies and procedures that are reflected in the local plan.

A. Special Education Local Plan Advisory Committee

In accordance with E.C. §56195.3, the SELPA shall, in developing the Special Education Local Plan, “involve special and general education teachers selected by their peers and parents selected by their peers in an active role”.

1. The Los Angeles Unified School District SELPA has a Local Plan Advisory Committee to advise in the development of the Local Plan. The SELPA Director is responsible for coordination of the development of the Local Plan. The Local Plan Advisory Committee consists of members selected by their peers from the following group:

- a)** Parent representatives from the CAC
- b)** Chairperson of the CAC
- c)** Teacher representatives
- d)** Administrator representatives
- e)** District personnel selected by the Chief of Special Education, Equity and Specialized Programs

2. Local Plan Advisory Committee meetings review and advise on the content of the Local Plan.

3. Recommendations from the Local Plan Advisory Committee are shared with the CAC for input. The CAC will have 30 calendar days to review the proposed Local Plan. The Division of Special Education (DSE) will then submit to the LAUSD Board of Education for approval prior to submission to the California Department of Education (CDE).

4. The DSE disseminates the local plan to the field and coordinates efforts with the various stakeholder groups and leadership. Implementation of the plan consists of, but is not limited to the following:

- a)** District Validation Review (DVR), the District’s internal monitoring of schools’ special education programs and implementation of policies and procedures.
- b)** The monitoring of State Performance Plan Indicators (SPPI). The DSE closely monitors the 14 SPP Indicators and works with local district leadership on identifying strengths and developing plans of support to address gaps.
- c)** Instructional rounds utilizing the Teaching and Learning Framework, Administrative Leadership Framework, and Paraprofessional Performance Framework. These frameworks set forth expectations for each: teacher, administrators and paraprofessionals that work closely with students with disabilities.

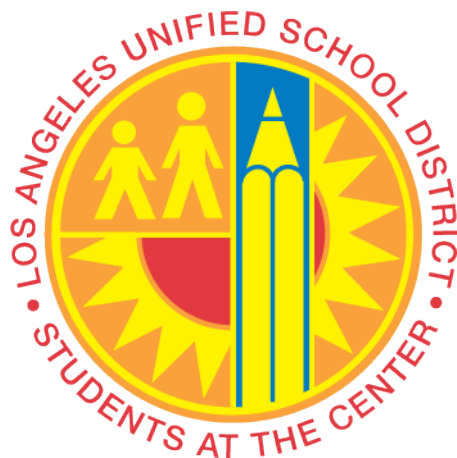
B. Regular Consultation Regarding Annual Service and Budget Plans.

Revisions or amendments to the Special Education Local Plan will be considered annually during the services and budget planning process unless such revisions or amendments will be approved by the LAUSD Board of Education.

The Annual Budget Plan will be developed as part of the District's annual budget development process. The CAC acts in an advisory capacity to the development of the Annual Service and Budget Plan.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Special Education Local Plan Area



Appendix C

Interagency Agreements

Interagency Agreement for
Children from birth to thirty six (36) months of age
Eligible for Services under Part C of the Individuals
with Disabilities Education Act (IDEA)

Between the Local Education Agency (LEA)
Los Angeles Unified School District

And

Regional Center (RC)

Harbor Regional Center

Westside Regional Center

Lanterman Regional Center

North Los Angeles Regional Center

Eastern Los Angeles Regional Center

South Central Los Angeles Regional Center

School Years 2023/2024 and 2024/2025

July 1, 2023 through June 30, 2025

Interagency Agreement for
Children from birth to thirty six (36) months of age
Eligible for Services under Part C of the Individuals with Disabilities
Education Act (IDEA)

Between the Local Education Agency (LEA)
Los Angeles Unified School District
And
Regional Center (RC)
Eastern Los Angeles Regional Center

A. REFERRAL PROCEDURES: The Local Educational Agency and the Regional Center shall work cooperatively to meet the needs of all children eligible for services under Early Start Part C of the Individuals with Disabilities Education Act (I.D.E.A.). The term, “eligible infant or toddler” means an infants or toddler from birth to 36 months who demonstrate through documented evaluation(s) and assessment(s) meet one of the following criteria:

1. **Developmental Delay** – The new definition of “significant difference,” for purposes of identifying developmental delay, is a 25-percent delay in one or more developmental areas. This new definition no longer requires a more significant level of delay for children 24 months of age or older. 2. At **High Risk** – The new criteria restores Early Start eligibility for those infants and toddlers who are at high risk of experiencing developmental delays or disabilities due to a combination of biomedical risk factors. 3. Or an **Established Risk** condition of known etiology, with a high probability of resulting in delayed development. (California Government Code Section 95014(a))

Local Educational Agency (LEA)	Regional Center (RC)
1.0 The LEA will refer all infants and toddlers that may be potentially eligible for Regional Center, IDEA Part C services. All cases regarding children suspected of being eligible for services under Part C will be referred to the Regional Center within seven (7) days of identification (34 CFR, Part 303.303). The Regional Center is responsible to evaluate and determine eligibility.	1.0 Regional Center refers all infants and toddlers that may be potentially eligible for LEA services, under Part C for solely low incidence condition or dually eligible condition within seven (7) days of identification (34 CFR, Part 303.303). The LEA is responsible to evaluate and determine eligibility.
2.0 Each LEA is responsible for providing services to solely low incidence children birth to thirty six months of age. Low incidence disabilities are defined as severe disabling conditions that include hearing impairments, vision impairments, and severe orthopedic impairments, or any combination thereof. (E.C. 56425)	2.0 If solely low incidence eligibility can be determined without the Regional Center assessment, the Regional Center refers directly to the LEA infant contact person. If the Regional Center conducts an assessment, as soon as “solely low incidence” eligibility is determined the Regional Center shall make a referral to the LEA within seven (7) days (34 CFR, Part 303.303).

3.0 If toddler is within 45 days of their 3 rd birthday at the time of initial referral to Regional Center, the LEA will accept referral for preschool educational assessment and recommendations regardless of disabling conditions, with parental consent.	3.0 If toddler is within 45 days of their 3 rd birthday at the time of initial referral to Regional Center, the RC shall refer child to the LEA for preschool educational assessment and recommendations regardless of disabling condition, with parent consent.
4.0 LEA may identify an individual that will act as the primary contact for all children birth to thirty-six months of age referred to the LEA.	4.0 Each Regional Center may identify an individual who will act as the primary contact for all children birth to thirty-six months of age referred to the LEA
5.0 All children currently receiving infant services through the LEA will continue to be served by the LEA regardless of disabling condition up to maximum capacity.	5.0 All children currently receiving early intervention services through the Regional Center will continue to be served by the Regional Center regardless of disabling condition.
5.1 An LEA serving infants prior to October 1, 1993, will continue to serve non categorical infants at their 1980-81 numbers.	5.1 If a child is determined to be no longer eligible for Part C services, The Regional Center will discharge child in accordance with standard practice and applicable regulations.
5.2 The LEA is under no obligation to continue regional center services prior to the LEA referral. When a solely low incidence child is referred to their LEA, the LEA must complete an assessment and IFSP within 45 days.	5.2 If the child is solely low incidence, the Regional Center will refer child to the LEA.
6.0 Education assumes the responsibility to set up the IFSP meeting of all solely low incidence children referred, but not assessed by the Regional Center.	6.0 The Regional Center assumes the responsibility to set up the IFSP meeting of all children assessed by the Regional Center.
7.0 Within 45 days of the initial referral, the LEA will complete the evaluation and assessment process and have an IFSP meeting for all children referred to education and suspected of being solely low incidence.	7.0 Within 45 days of referral for all children suspected of being eligible for services under Part C, the Regional Center completes the evaluation and assessment process and have an IFSP meeting completed.
7.1 If assessment cannot be completed within 45 days due to exceptional family circumstances, an interim IFSP may be written. Documentation of family status with proposed follow-up by the LEA will be made in the child's file.	7.1 If assessment cannot be completed within 45 days due to exceptional family circumstances, an interim IFSP may be written. Regional Center maintains documentation of family status in the child's file. 7.2 If determined LEA eligible, RC may provide the family and LEA an IFSP revision documenting LEA services. Start date will be IFSP revision date. SC will provide LEA IFSP revision in a timely manner that is consistent with regulation.

B. CHILD FIND: Regional Center (RC) and Local Educational Agency (LEA) will conduct child find activities to locate all infants and toddlers who may be eligible for early intervention services. This activity will also assure that RC and LEA will not have to duplicate efforts in the area of child find. IDEA Part C § 303.115 and CCR Title 17 Sect. 52040.

Local Educational Agency (LEA)	Regional Center (RC)
<p>1.0 In most cases, children ages birth to 36 months are not enrolled in any public school programs. Therefore, a primary responsibility of the LEA to make families, schools and agencies aware of available special education services and criteria for eligibility. "Child Find" information is disseminated through letters, program brochures, presentation and workshops. Educational information is distributed to agencies and communities, including, medical, social, educational, and therapeutic services.</p>	<p>1.0 The Regional Center conducts the following child find activities:</p> <ul style="list-style-type: none"> - Assign liaison or designee to local hospitals and vendored programs; - Contact local parent organizations and support groups; - Distribute early intervention materials to agencies and individuals in the community; - Produce fact sheets regarding early intervention; and - Make presentations to local professional groups and other organizations who serve culturally diverse populations.
<p>2.0 LEA will collaborate with and the Family Resource Center in local child find activities.</p>	<p>2.0 The Regional Center collaborates with LEA and the Family Resource Center in local child find activities.</p>
<p>3.0 LEA may inform primary referral sources (including, but are not limited to hospitals, including prenatal and postnatal care facilities, physicians, parents, child care programs, LEAs, public health facilities, other social services agencies and other health care providers) of:</p> <ul style="list-style-type: none"> -The eligibility criteria for early intervention services; -The types of early intervention services available through the Early Start Program; -Contact persons and telephone numbers for LEA services; and 	<p>3.0 The Regional Center may inform primary referral sources (including, but are not limited to hospitals, including prenatal and postnatal care facilities, physicians, parents, child care programs, LEAs, public health facilities, other social services agencies and other health care providers) of:</p> <ul style="list-style-type: none"> -The eligibility criteria for early intervention services; -The types of early intervention services available through the Early Start Program; -Contact persons and telephone numbers for regional centers; and

C. EVALUATION AND ASSESSMENT PROCEDURES: Assessment means the ongoing procedures used by appropriate qualified personnel throughout the period of a child's eligibility to identify the child's unique strengths and needs in six developmental areas consisting of: 1) cognitive development, 2) physical and motor development including vision and hearing, 3) expressive communication development, 4) receptive communication development 5) social or emotional development, and 6) adaptive development. Assessment and the sharing of results shall be completed within the 45-day timeline. All children referred for assessment and/or services are afforded individual rights and protections as required by federal and state statutes from the time referral is made. (CCR 17 Sec. 52082)

Local Educational Agency (LEA)	Regional Center (RC)
1.0 Upon notification of a child suspected of being eligible for services under Part C, the Local Educational Agency may refer the family directly to the Regional Center.	1.0 The Regional Center evaluates all children who are potentially eligible for services under Part C.
2.0 The LEA will accept referrals from the Regional Center for a child who is solely low incidence and the LEA assumes responsibility for assessment.	2.0 If solely low incidence can be determined without the Regional Center assessment, referral will be made directly to the LEA contact person.
2.1 The LEA shall accept referrals from the California Department of Education (CDE) Newborn Hearing Screening Program. The LEA shall contact child's family to initiate evaluation and assessment.	2.1 The Regional Center accepts referrals for dually eligible infants and toddlers from the LEA and will assume responsibility for ongoing assessment(s).
2.2 If a child is within 45 days of their 3 rd birthday, the LEA shall accept direct referral for preschool educational evaluation, assessment and recommendations for Part B, IDEA, regardless of disabling condition with parental consent.	2.2 If child is within 45 days of 3 rd birthday, the Regional Center may refer child to the LEA for preschool educational evaluation, assessment and recommendations regardless of disabling condition with parental consent.
3.0 The LEA will provide all service coordination to infants and toddlers determined to be solely low incidence.	3.0 The Regional Center may provide all service coordination to infants and toddlers eligible for Part C services. The Regional Center serves as lead agency for dually eligible infants and toddlers and will coordinate all IFSP meetings with the LEA.

D. EXCHANGE OF INFORMATION: All efforts should be made to ensure that child's eligibility determination should not be delayed due to information not being available. Timely exchange of information will result in more efficient procedures for eligibility, without duplication of services and unnecessary burdens to the family.

Local Educational Agency (LEA)	Regional Center (RC)
1.0 LEA will obtain written parental consent before initial evaluation and assessments are conducted, and early intervention services are initiated.	1.0 Regional Center obtains written parental consent before initial evaluation and assessments are conducted, and early intervention services are initiated.
2.0 LEA obtains written parental consent to exchange information between LEA and RC on an annual basis.	2.0 Regional Center obtains written parental consent to exchange information between RC and LEA on an annual basis.
3.0 With parental consent, for children who are found to be dually eligible, in order to assist RC with program planning, LEA may provide RC with information on evaluations, assessments, and individual family service plans (IFSPs) days within 10 working days.	3.0 With parental consent, for children who are found to be dually eligible, in order to assist LEA with program planning, RC may provide LEA with information on evaluations, assessments, and individual family service plans (IFSPs) days within 10 working days.
4.0 LEA may request ongoing information from RC on evaluations, assessments, and individual family service plans (IFSPs) for children who are found to be dually eligible, in order to assist LEA with program planning and record maintenance.	4.0 RC may request ongoing information from LEA on evaluations, assessments, and individual family service plans (IFSPs) for children who are found to be dually eligible, in order to assist RC with program planning and record maintenance.
5.0 LEA may provide RC a copy of the Individualized Education Program for children who are found eligible to receive Part B of IDEA services at three years of age, with parental consent.	5.0 RC may obtain a copy of the Individualized Education Program for children who are found eligible to receive Part B of IDEA services at three years of age, even if they will not be eligible for continued Regional Center services under the Lanterman Act.
	6.0 RC may provide to LEA copies of all IFSP's including: initial IFSP, periodic reviews, annual reviews and service revisions within 45 days of the IFSP date.

E. INDIVIDUALIZED FAMILY SERVICE PLAN (IFSP): Each child eligible for services under Part C must have an Individualized Family Service Plan. The evaluation, assessment, and meeting to develop the IFSP must be held within 45 calendar days from the time of referral. All IFSP meetings shall be in the native language of the family and the IFSP shall be in writing. IDEA Part C § 303.25 and CCR Title 17 52102

Local Educational Agency (LEA)	Regional Center (RC)
<p>1.0 The LEA is responsible for developing the IFSP for solely low incidence children.</p> <p>1.1 With parental consent, the IFSP team will include representatives from all agencies that can provide necessary services needed by the infant and/or family. Conference by telephone or by written report can be used if IFSP attendance is not possible.</p>	<p>1.0 The Regional Center is responsible for developing the IFSP for children who do not have solely low incidence needs.</p> <p>1.1 With parental consent, the IFSP team will include representatives from all agencies that can provide necessary services needed by the infant and/or family. Conference by telephone or by written report can be used if IFSP attendance is not possible.</p>

F. TRANSITION: All children receiving Early Start services are potentially eligible for LEA special education and related services at age thirty-six months. The Regional Center must ensure to notify the LEA of all potentially eligible toddlers, not fewer than 90 days prior to the toddler's third birthday in accordance with 34 CFR 303.209(b). The purpose of transition is to begin planning for service options as the individual with exceptional needs approaches age 3 (no later than 36 months of age). The child who is served by either an LEA or Regional Center shall have the benefit of transition planning from the infant services program to the preschool services operated by an LEA under Part B of the Individuals with Disabilities Education Act. The service coordinator shall coordinate with the LEA of toddler's residence a mutually agreed upon IFSP transition plan and conference (IFSP/TPC), including date, time and location of such conference. 34 CFR 303.209 and 303.344.

Local Educational Agency (LEA)	Regional Center (RC)
<p>1.0 The LEA shall confirm mutually scheduled receipt of invitation and attend the transition planning conference and IFSP meeting between 2.3 years old but not fewer than 90 days prior to the child's third birthday.</p>	<p>1.0 The service coordinator identifies mutually agreeable dates, times, and locations in advance and send the invitation to the LEA and parent for the transition planning conference and IFSP meeting between 2.3 years but not fewer than 90 days prior to the child's third birthday.</p> <p>1.1 For those children between 90 and 45 days of their third birthday, RC and LEA will conduct a transition conference with LEA present when possible and agreed upon by the parent.</p>
<p>2.0 During the IFSP/TPC, the LEA shall facilitate a collaborative discussion of the transition steps as part of the IFSP including:</p> <ul style="list-style-type: none"> • assessment process, • timelines • eligibility criteria • IEP meeting process • review of potential special education supports and services • suggest a notification/referral date at least 90 days prior to the third birthday • identify additional information to be included 	<p>2.0 In collaboration with LEA, the Regional Center may facilitate a discussion of the transition process as part of the IFSP. Service Coordinator will update and document:</p> <ul style="list-style-type: none"> • present levels of development, • resources, priorities, and concerns • review of progress on outcomes and continuing services • transition services and activities the IFSP team identifies as needed • notification referral date of at least 90 days prior to the third birthday • obtain written parental consent for additional information to be sent to the LEA at the time of referral beyond name, birth date, and parent contact information • to provide a copy of the IFSP/TPC to the LEA at the time of referral

	<ul style="list-style-type: none"> • identify additional information to be included
<p>3.0 The LEA may inform the Regional Center of the date the notification/ referral is received.</p> <p>3.1 Upon receipt of the notification/referral the LEA within 15 days will send the assessment plan to the parents for signature</p>	<p>3.0 The Regional Center will send the notification/referral as discussed at the TPC/IFSP, no fewer than 90 days prior to the third birthday (no later than thirty three months of age) to the LEA, which will include:</p> <ul style="list-style-type: none"> • name, date of birth, and parent contact information • referral may include other information with parent consent <p>3.1 The Regional Center assists with parental signature on the assessment plan and return to the LEA within 2 work days.</p>
<p>4.0 LEA Assessments: If the IFSP/TPC is held at 2.8 years of (32 months of age), LEA assessment plan will be signed during the meeting. The LEA will, with parent/guardian consent, assess the child as needed and make program recommendations as appropriate.</p> <p>4.1 If the IFSP/TPC is held with the LEA in attendance and the toddler is between 2.3 thru 2.9 years of age, the IFSP Team will determine the date the LEA notification/referral will be made. LEA notification/referral cannot be fewer than 90 days prior to the toddler's third birthday. Upon receipt of the notification/referral the LEA within 15 days will send the assessment plan to the parents for signature.</p>	<p>4.0 LEA Assessments: If the IFSP/TPC meeting is held at 2.8 years of age (32 months of age), and fewer than 90 days before the toddler's third birthday, LEA assessments will be signed during the meeting.</p> <p>4.1 If the IFSP/TPC is held with the LEA in attendance and toddler is between 2.3 thru 2.9 years of age, IFSP Team will determine the date the LEA notification/referral will be made. Regional Center will provide the LEA notification/referral when the child is between 2.8 and no fewer than 90 days prior to the toddler's third birthday. The LEA, as agreed, will send the assessment plan to the parents for signature.</p>
<p>5.0 The LEA will schedule an IEP team meeting, to include parent/guardian, the Regional Center Service Coordinator (with parent permission), and all other appropriate LEA personnel. The IEP will be developed and implemented by child's third birthday (no later than 36 months of age), as long as parent makes child available to LEA.</p>	<p>5.0 The Regional Center Service Coordinator may attend the IEP meeting, with parent/guardian consent. Parent must notify the CSC.</p> <p>5.1 The exit IFSP may be held concurrently with the initial IEP team meeting. As an exception, the Regional Center may continue providing or purchasing services for a preschooler who has been determined eligible for services under the Lanterman Act, until the beginning of the next school term after the child's third birthday during a period when the LEA is not in session.</p>

N/A	6.0 Regional Center may continue providing or purchasing services for preschoolers who have been determined eligible for regional center services: (1) until the beginning of the next school term after the toddler's third birthday during a period when the LEA special education preschool program is not in session; and (2) when the multidisciplinary team determines that services are necessary until the LEA special education program resumes.
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G.SERVICE COORDINATION: Service Coordination is an early intervention service and must be provided under public supervision. The role of the Service Coordinator is to facilitate implementation of the IFSP and to coordinate services with other agencies and persons. The Service Coordinator must be knowledgeable about eligible infant and toddler programs, Part C law and regulations, nature and scope of services under Part C of IDEA § 303.34

The following applies to both the LEA and the REGIONAL CENTER

- | |
|---|
| 1.0 The LEA (for solely eligible children) /Regional Center (for dually eligible children) appoints service coordinator that meets the standards under Part C. |
| 2.0 The service coordinator serves as the primary point of contact for eligible children and families |
| 3.0 The service coordinator coordinates with other agencies and persons providing services to the family. |
| 4.0 Service coordination activities include <ul style="list-style-type: none"> • Coordinator evaluates and assessments. • Facilitating and participating in the development, review, and evaluation of individualized family service plans. • Assisting families in identifying services providers and information families about additional non required services. • Coordinating and monitoring the delivery of services outlined on the IFSP. • Information families of Early Start Parent Rights and Procedural safeguards • Facilitating the development of a transition plan from Part C to Part B preschool service (as appropriate) and/or other community resources. |

H. TRANSFERS WITHIN CALIFORNIA: Regional Centers and LEA will manage respective transfers of children within areas in California. This is necessary to ensure the efficient and timely integration into the services system in the new area. CCR Title 17 Sect. 52111

Local Educational Agency (LEA)	Regional Center (RC)
1.0 With written parental consent, the LEA transfers a child's special education records, or a copy thereof, within five working days of receipt of a request from an education agency where child has enrolled.	1.0 RC transfers a dually-served child's case to another Regional Center upon notification of a family's move out of the RC's catchment area. Transfers will be handled according to RC's MOU for statewide transfers
3.0 For solely low incidence eligible children transferred from another educational agency, LEA will immediately provide an interim placement for a period not to exceed 30 days.	N/A
4.0 For solely low incidence eligible children before the expiration of the 30-day period, the interim services shall be reviewed by the IFSP team, final recommendations shall be made by the team and a new IFSP will be developed.	N/A
5.0 For dually eligible children with an existing IFSP where Early Intervention Services are provided by an LEA, the receiving LEA provides an interim placement provided it is operating below its funded capacity.	5.0 RC provides services as specified on current IFSPs for children transferred from other regional centers, as further assessment of needs may be appropriate
N/A	6.0 RC Service Coordinator may contact new families within 10 days of receipt of a new case, and will revise the IFSP as needed to reflect changes in service caused by the use of new providers or the availability of generic services.

I. PROVISION OF SERVICES: All services must be provided and monitored by appropriate qualified personnel. Services to families are to provide the "...supports and services necessary to enhance the capacity of the family to meet the developmental needs of the child." It is understood that the level, type, frequency, and provider of services may change upon transfer of a case between agencies (Title 14 Section 300.13; Title 14 Chapter, 5 Services, Section 95016).

Local Educational Agency (LEA)	Regional Center (RC)
1.0 The LEA provides services to all solely low incidence children pursuant to E.C. Chapter 4.4, Section 56026.5	1.0 Regional Center coordinates and/or provide services pursuant to Part C, IDEA (34 CFR Part 303) listed on the IFSP, as payor of last resort.
2.0 The LEA shall consider the Regional Center recommendations, but is not obligated to implement such services provided by Regional Center.	N/A

J. PAYOR OF LAST RESORT: The Regional Center or the LEA is ultimately responsible to arrange, provide, or pay for appropriate Early Intervention Services as defined in Federal Regulations 34 CFR, Part 303 as listed on an IFSP as required, after all other providers or payors have been fulfilled under state or federal law. Other providers or payors shall include insurance, community resources and other agencies.

Local Educational Agency (LEA)	Regional Center (RC)
1.0 The LEAs are payor of last resort, for services up to their 1980-81 mandated capacity numbers, for infants and toddlers who meet eligibility as a child with a solely low incidence, vision, hearing, or severe orthopedic impairment, or any combination thereof.	1.0 The Regional Center is the payor of last resort for all children eligible for Early Start. In compliance with federal and state law and regulation, other than for evaluation and assessment, families are required to use their private insurance or health care service plan for medical services identified in the IFSP.
2.0 For children eligible for both the LEA and the Regional Center services, the LEAs must provide services up to their 1980-81 mandated numbers	2.0 For children eligible for services through both the Regional Center and the LEA, the Regional Center funds services that are beyond the 1980-81 mandated numbers for the LEAs
3.0 Any review or referral to other providers or payors shall not delay the provision of early intervention services specified in the IFSP; services shall begin as soon as possible.	3.0 Any review or referral to other providers or payors shall not delay the provision of early intervention services specified in the IFSP. Services shall begin as soon as possible, but no later than 45 days after the signed IFSP.

K. PROCEDURAL SAFEGUARDS AND SURROGATE PARENT(S)/HOLDER OF

EDUCATIONAL RIGHTS: The LEA and/or Regional Center's IFSP process assures a timely, comprehensive, multi-disciplinary evaluation for each infant/toddler from birth to 36 months of age and their family. If eligible, the infant/toddler and family have the right to appropriate Early Intervention Services.

PROCEDURAL SAFEGUARDS SUMMARY

**The following applies to the Local Educational Agency (LEA) and
Regional Center's Early Start Program**

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|---|
| 1.0 Written parental consent must be obtained prior to conducting evaluations, assessments, and beginning of Early Intervention Services. |
| 1.1 The LEA or the Regional Center shall make reasonable efforts to ensure that the family is aware of the nature of the evaluation, assessment, and or services available |
| 1.2 Parents will be informed that they have the right to decline any or all of these services. The LEA or the Regional Center shall or placement. |
| 2.0 Parents will be notified in their native language, of meetings when issues of eligibility and services are discussed. This includes identification, beginning or modifying services, and denial of evaluation, services or placement. |
| 3.0 Parents have the right to confidentiality of personally identifiable information. |
| 4.0 Parents have the right to invite anyone of their choosing to assist them at meetings. |
| 5.0 Parents have the right to utilize administrative process to resolve complaints. Procedures for complaints and due process hearings shall be available to parents. |
| 6.0 Parents have the right to be informed of the location of records, and the policies and procedures regarding the maintenances of records. Parents have the right to access their children's Early Intervention records. |

SURROGATE PARENT

**The following applies to the Local Educational Agency (LEA) and
Regional Center's Early Start Program**

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| 7.0 A surrogate parent shall be designated in accordance with Federal Regulations (34 CFR 303.422). <u>This section does not apply to infants and toddlers who are dependents of the juvenile court (refer to section Holder of Educational Rights).</u> Within 30 days of the lead agency determination that a child needs a surrogate parent, each lead agency must ensure that the rights of the child are protected by designating or assigning an individual to act as a surrogate parent when. <ul style="list-style-type: none"> • No Parent can be identified • The lead agency or other public agency, after reasonable efforts, cannot locate a parent • The school site staff submits a request for a surrogate parent to the Surrogate Parent unit. |
| 7.1 Each lead agency must ensure that a person selected as a surrogate parent: <ul style="list-style-type: none"> • Is not an employee of the lead agency or any other public agency or an EIS provider that provides early start intervention services, education, care, or other services to the child or any family member of the child; • Has no personal or professional interest that conflicts with the interest of the child her or she represents; of the child. • Has knowledge and skills that ensure adequate presentation of the child |
| 7.2 The surrogate parent has the same rights as a parent for all purposes under this part. |

L. DISPUTE RESOLUTION: It is the intent of the LEA and the Regional Center to resolve all disputes at the lowest administrative level possible. Dispute resolution for issues between Regional Center and the LEA will be resolved at the earliest opportunity

Local Educational Agency (LEA)	Regional Center (RC)
Step 1: The LEA staff is encouraged to resolve disagreements at their lowest administrative level, whenever possible. If an agreement cannot be reached, the dispute will proceed to Step 2.	Step 1: The Regional Center staff is encouraged to resolve disagreements at their lowest administrative level, whenever possible. If an agreement cannot be reached, the dispute will proceed to Step 2.
Step 2: The LEA staff may refer the dispute to a LEA designee for resolution. If an agreement cannot be reached at this level, the dispute resolution will proceed to Step 3	Step 2: The Regional Center staff may refer the dispute to the designated staff.. If an agreement cannot be reached at this level, the dispute resolution will proceed to Step 3
Step 3: The LEA designee will meet with the Regional Center designee to resolve the dispute.	Step 3: The Regional Center designee may meet with the LEA designee to resolve the dispute.

M. BIENNIAL REVIEW: The Interagency Agreement for Children Birth to Three Years of Age Under Part C of the Individuals with Disabilities Education Act (IDEA), Between the Local Educational Agency (LEA) / Los Angeles Unified School District (LAUSD) and the Los Angeles County Regional Center (LAC-RC) agree to meet periodically at the request of either party to review for renewal the terms and conditions of this agreement or to make recommendations for changes.

N. AVAILABILITY OF CONTACTS: The regional center and LEA will have contact persons available at all times during the year. This will ensure that children and families can contact individuals who are responsible for assisting with service planning throughout the year. Families should be able to contact staff who can act on the family's or child's behalf during those times when a service coordinator for the regional center or LEA is not available.

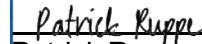
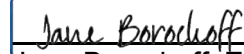
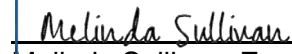
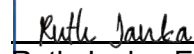
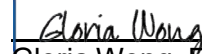
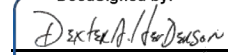
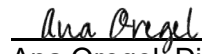
Local Educational Agency (LEA)	Regional Center (RC)
1.0 LEA will identify a contact person and his / her designee annually, who may be the available contact person at all times during the year.	1.0 RC designated staff may be the available contact person at all times during the year.
2.0 LEA may notify regional center unit supervisor of any changes of the contact person.	2.0 If the RC designated person is unavailable, an alternate contact may be assigned.
3.0 LEA will be available to take referrals from parents of Part C eligible children throughout the year and provide information to regional center staff.	3.0 Regional Center will have staff available to take referrals for the intake process throughout the year. RC unit supervisor will provide information to LEA staff.

Confirmation of Annual Review of the Interagency Agreement Between

Los Angeles Unified School District and The Eastern Los Angeles Regional Center for Children Birth to Thirty Six Months of Age Under Part C of the Individuals with Disabilities Education Act (IDEA),

TERMS OF AGREEMENT

The terms of this agreement shall take effect immediately upon receipt of the parties' signatures. The provisions of this agreement would then replace the provisions of prior agreements between the parties regarding Early Start services to infants and toddlers and their families.

<p>DocuSigned by:  _____ Patrick Ruppe, Executive Director Harbor Regional Center</p>	<p>8/3/2023 _____ Date</p>
<p>DocuSigned by:  _____ Jane Borochoff, Executive Director West Regional Center</p>	<p>8/17/2023 _____ Date</p>
<p>DocuSigned by:  _____ Melinda Sullivan, Executive Director Frank D. Lanterman Regional Center</p>	<p>8/3/2023 _____ Date</p>
<p>DocuSigned by:  _____ Ruth Janka, Executive Director North Los Angeles County Regional Center</p>	<p>8/15/2023 _____ Date</p>
<p>DocuSigned by:  _____ Gloria Wong, Executive Director Eastern Los Angeles Regional Center</p>	<p>8/3/2023 _____ Date</p>
<p>DocuSigned by:  _____ Dexter Henderson, Executive Director South Central Los Regional Center</p>	<p>9/7/2023 _____ Date</p>
<p> _____ Ana Oregel, Director Early Childhood Special Education Los Angeles Unified School District</p>	<p>9/20/2023 _____ Date</p>

Local Interagency Agreement Between LAUSD Special Education Local Plan Area and Los
Angeles County California Children's Service
February 1, 2007

Activity		Special Education Local Plan Area / Local Education Agency	Los Angeles County California Children's Services MTP
<p>A. Coordination of Services/ Identification of Liaison</p> <p>California Code of Regulations, Title 2, Division 9, Article 5, Section 60310 (a)(1)</p>	A.1	A SELPA liaison (see glossary) shall facilitate and monitor interagency collaboration and coordinate services between agencies	A MTP liaison (see glossary) shall facilitate and monitor interagency collaboration and coordinate services between agencies.
<p>B. Referrals & Assessments</p> <p>Ca. Code of Regulations, Title 2, Div. 9, Article 5, Sections 60300 m. 60110 (2). 60320, 60323</p> <p>Title 22, Chapter 4, Sections 41800-41876, R-40-92E</p>	B.1	<p>The SELPA shall utilize the LEA/SELPA Program Referral (see attachment) to refer students to CCS, birth to 21 years of age who <i>may</i> have or are suspected of having a neuromuscular, musculoskeletal or other physical impairment, requiring medically necessary OT and/or PT.</p> <p>Students referred to the SELPA for assessment of fine and gross motor or physical skills shall be considered for assessment by either the SELPA or by CCS depending on the information contained in the referral and the student's documented physical deficit.</p>	CCS shall accept LEA/SELPA Program Referrals (see attachment) for students who have or are suspected of having a MTP eligible condition and who <i>may</i> require medically necessary OT and/or PT. If educationally necessary therapy deficits are suspected, CCS shall suggest that the parent/legal guardian contact the student's school of attendance (see glossary) for consultation regarding their student's educational program. If the student is receiving therapy services at a MTU, the MTU staff shall also send a Therapy Plan to the student's school of attendance with the same recommendation.
	B.2	The SELPA referral to CCS shall include the student's medical diagnosis, current medical records, parental permission for exchange of information between agencies and a signed application for the CCS program (see attachment).	Upon receipt of a referral, CCS shall determine if the referral contains the required elements. If the referral does not meet the interagency referral criteria, CCS shall notify the referral source and the parent/legal guardian of that fact within 5 calendar days of receipt of the referral. If the referral contains the required elements, CCS shall evaluate the student's eligibility for the MTP according to CCS program policies and guidelines. CCS shall notify the referral source and the parent/legal guardian whether a student is eligible or

			ineligible for the MTP within 5 calendar days of the receipt of a complete referral.
	B.3	If the SELPA determines that a referral to CCS is not appropriate, the SELPA shall propose an assessment plan to the parent/legal guardian. The SELPA shall assess individuals according to requirements of federal and state laws.	<p>If CCS determines the student has a MTP eligible condition, the MTU staff shall propose a Therapy Assessment Plan to the parents and obtain written consent for assessment for medically necessary OT and/or PT.</p> <p>Upon receipt of the parent/legal guardian's written consent for the Therapy Assessment Plan, the MTU staff shall send a copy of the parent/legal guardian's consent to the LEA. The parent/legal guardian shall sign this Therapy Assessment Plan not more than 15 calendar days following the determination of the student's MTP eligible condition. CCS shall assess all children who are MTP eligible to determine their need for OT and/or PT. In accordance with State CCS standards and comply with the requirements of state laws relative to the assessment of children with physical impairments.</p> <p>Upon completion of the assessment, the MTU staff shall send a copy of the OT and/or PT Evaluation and proposed Therapy Plan followed by the approved Therapy Plan to the LEA and parent/legal guardian.</p>
<p>C. IEP Participation and Procedures</p> <p>California Code of Regulations, Title 2, Div. 9, Section 60310 [c] (4.5,6.7) 60325 Gov. Code Section 7572 Program Advisory, CDE, 1995</p>	C.1	<p>Upon receipt of the proposed Therapy Plan indicating a proposed change in the MTP OT and/or PT treatment, the LEA shall schedule an IEP.</p> <p>As per Title 2, the LEA shall provide 10 calendar days written notice to the MTU/MTU-S supervisor prior to an IEP team meeting for an MTP eligible student when MTP participation will be requested. The notice shall indicate if the MTU/MTU-S therapist is requested to attend</p>	<p>After the student's assessment is completed, a copy of the OT and/or PT Evaluation and the proposed Therapy Plan shall be sent to the LEA and the parent/legal guardian. The MTU staff shall indicate on the Therapy Plan form if there is a proposed change in the student's treatment plan.</p> <p>The MTU staff shall provide 5 calendar days notice to the LEA and the parent/legal guardian via an <u>approved</u> Therapy Plan of a decision to increase, decrease, change the type of intervention, or discontinue MTP services.</p>

			<p>The MTP shall designate an MTU/MTU-S therapist or designee to participate in the IEP meeting, when requested by the LEA or parent/legal guardian. The MTU staff shall provide the parent/legal guardian and the LEA with a copy of the Therapy Plan and the OT/PT Evaluation. These documents shall include:</p> <ul style="list-style-type: none"> a) The student's present level of functional performance; b) The proposed functional goals to achieve a measurable change in function or recommendations for services to prevent loss of present function and documentation of progress to date; c) The specific related services required by the student including physical therapy or occupational therapy intervention, treatment, consultation or monitoring d) The proposed initiation, frequency and duration of the services and e) The proposed date of medical reevaluation.
	C.2	The LEA shall provide to the MTU supervisor copies of any notices from the parent/legal guardian or LEA of the intent to include an attorney in the IEP meeting.	The MTU staff shall contact the LEA to determine the need to reschedule the IEP meeting immediately after receiving the LEA or parent/legal guardian notice of the intent to include an attorney in the IEP meeting.
	C.3	The site, where the IEP meeting is being scheduled, shall arrange for a teleconference if necessary for MTP participation.	When an MTU/MTU-S therapist is unable to attend an IEP meeting, a MTP designee shall be available by teleconference at a designated time, mutually agreed upon by the MTP and the LEA
	C.4	The LEA shall convene an IEP team meeting to determine if the medically necessary therapy services documented in the approved Therapy Plan are necessary for the child to benefit from special education and therefore, should be included in the IEP	The participation of the MTU/MTU-S therapist or designee in the IEP meeting shall be limited to the discussion of the MTP services that assist the student in developing the necessary functional skills to participate in school activities, coordination of services related to the IEP and the decisions regarding medically necessary therapy services made by the MTC team or the student's CCS panel of physicians. The MTP therapist cannot agree to the provision of additional services

			beyond the scope of the proposed/approved Therapy Plan and the discussion shall be limited to factual clinical findings. The therapists may not share confidential information that the parent has discussed with them, or interpret other medical reports that are not within the scope of expertise of their discipline.
	C.5	The LEA shall send a copy of the IEP to the MTU/MTU-S when therapy services, as stated in the proposed/approved Therapy Plan, and/or transportation to the therapy site are included in the IEP.	
D. Least Restrictive Environment	D.1	Monitor LEAs/SELPA's to assure compliance with federal and state laws and regulations relating to the least restrictive environment and natural environment.	Assure that medically necessary PT/OT services are provided in the setting necessary for implementation of the approved therapy plan.
E. Medical Therapy Conference	E.1	LEA representatives may participate in the MTC when requested by the MTP for the purpose of sharing information.	The MTU staff shall send a Notice of a MTC Appointment to the LEA and the parent/legal guardian at least 10 days prior to the scheduled MTC. This form serves as a notification that the proposed therapy plan shall be reviewed at the time the student is examined.
F. Facilities Needs See Attachment, Facility Space, Equipment and Supplies Necessary for CCS MTP Provision for Specific Fiscal Responsibilities. Ca. Code of Regulations, Title 2, Div. 9 Sections 60300, 60310 [c] (9, 10), [d] (1, 2, 3), 60330 [a, b, c] Education Code Section 17047 [a]	F.1	The SELPA shall work with the MTP to mutually plan for the establishment of any new MTU/MTU-S and the modifications or relocation of an existing MTU/MTU-S.	The MTP shall recommend to the SELPA liaison the need for an MTU/MTU-S based on the number of hours of prescribed treatment, age and number of children; the residence of the MTU population and the LEAs responsible for providing services for students in the area; the projected growth of the area and the space required to provide medically necessary therapy services .
G. Equipment and Supplies	G.1	The SELPA is fiscally responsible for provision of supplies and	CCS shall provide the MTUs or MTU-S with the necessary supplies for MTP

		<p>equipment necessary to support and maintain the function of the MTU-S. A mutually agreeable amount will be determined based on patient caseload of the MTU and MTU-S.</p> <p>The MTP and the SELPA shall jointly determine the equipment and supply needs of the MTUs according to the interagency agreement between the State Department of Health Services, CMS branch and the California Department of Education.</p> <p>The SELPA liaison and the MTP liaison shall establish an annual budget for supplies and equipment used by the MTUs. The monthly data will be used to establish this annual budget.</p>	<p>case management activities, CCS shall provide the MTUs, and MTU-S with the necessary medical supplies to deliver individual treatment of the MTP eligible condition or when the equipment is to become the property of the student.</p> <p>The MTP and the SELPA shall jointly determine the equipment and supply needs of the MTUs and MTU-S according to the interagency agreement between the Department of Health Services, CMS branch and the California Department of Education.</p> <p>The MTP shall provide a monthly data report to the SELPA liaison by the end of each month listing the active cases at each MTU and MTU-S. The report shall include the number of patients and their zip codes that are on the caseload of each MTU & MTU-S. Each years December data will be used to determine the need to open MTU locations for the subsequent December week of winter recess when schools are closed.</p> <p>The SELPA liaison and MTP liaison shall establish an annual budget. The MTP liaison shall provide the estimated cost of therapy equipment and supplies necessary to support and maintain the function of the MTUs and MTU-S and an inventory of equipment provided by the SELPA. By April 1st of every year, any remaining supply and equipment requests from the current year are due to the SELPA. On April 1st of every year an annual budget request for the upcoming year is also due to the SELPA.</p>
	G.2	The SELPA is responsible for the necessary space at the MTU and	The specific MTU and MTU-S space is dependent upon local needs as

		<p>MTU-S to accommodate the following functions: administration, MTC, comprehensive assessment, private treatment, activities of daily living, storage, and modification of equipment. The SELPA is responsible for the maintenance of the necessary space, equipment and supplies to maintain the function of the MTUs and MTU-S, e.g., utilities including running water and adequate custodial services. The SELPMEA shall maintain the same standard of cleanliness and maintenance as the school site where it is located. Utilities, including heating and air conditioning, shall be provided for the entire time while the MTU is in operation. The SELPMEA shall negotiate with CCS Administrators for the closure of MTUs on certain holidays/district shut down days. LEA/SELPA shall provide basic bathroom supplies for the MTU i.e., paper towels, toilet paper, and soap</p>	<p>determined by joint agreement of the State CMS, Los Angeles County CCS and the SELPA, and approved by both the California Department of Education and State Department of Health Services.</p>
	G.3	<p>Space and equipment of the MTUs and the MTU-S shall be for the exclusive use of MTP staff when they are on-site. The SELPA shall coordinate with the MTP for the use of the space and equipment when MTP staff is not present.</p>	<p>Space and equipment of the MTUs and the MTU-S shall be for the exclusive use of the MTP when they are on-site. The SELPA shall coordinate with the MTP for the use of the space and equipment when MTP staff is not present.</p> <p>CCS recognizes that approved school personnel may utilize the treatment room when therapy personnel are not on site.</p>
	G.4	<p>The SELPA assumes liability for provision of services rendered by their staff. SELPA therapists shall check equipment prior to use. Space and equipment shall be left</p>	<p>The MTP assumes liability for provision of services rendered by their staff. MTP therapists shall check equipment prior to use. Space and equipment shall be left in the same manner in which it was found.</p>

		in the same manner in which it was found.	
<p>H. Transportation</p> <p>Ca. Code of Regulations, Title 2, Division 9, Section 60310 (c)(8)</p> <p>Gov. Code Section 7575 Education Code Sections 41850 (d), 41851, 56342, 56195</p>	H.1	The LEA shall provide transportation to and from the MTU/MTU-S when included in the IEP as a related service. Transportation needs will be determined by SELPA policy based on Education Code, Section 56195.8.	CCS shall not be responsible for transportation costs for students eligible for the MTP to and from the MTU/MTU-S, when included in the IEP as a related service
	H.2	The LEA shall coordinate student transportation with the MTP, school and parent/legal guardian per the SELPA plan based on Education Code, Section 56195.8.	The MTU/MTU-S supervisor or designee shall facilitate transportation with the LEA, school and parent/legal guardian
	H.3	The LEA shall coordinate transportation to and from the MTU/MTU-S based on MTP staff availability.	The MTU/MTU-S supervisor or designee shall coordinate scheduling of therapy to the maximum extent possible to facilitate transportation and minimize school disruptions.
<p>I. Provision of Services</p> <p>Ca. Code of Regulations, Title 2, Division 9, Section 60323, 60325 CMS Numbered Letter 11-1600: Duplication of Physician or Therapy Services Being Provided Through the CCS/MTP</p>	I.1	The SELPA shall utilize all services available including those available through the MTP before expending funds to provide such services. The LEA shall provide OT and/or PT services as stated on the student's IEP that are not designated to be provided by the MTP.	The MTP shall provide medically necessary OT and/or PT services as stated in the student's current approved Therapy Plan.
	I.2	The LEA shall work collaboratively with the MTP in order to avoid duplication and/or coordinate OT and PT services.	The MTU staff shall work collaboratively with the LEA in order to avoid duplication and/or coordinate OT and PT services. CCS is the primary agency to provide medically necessary therapy services if the same services have been identified by both agencies.
	I.3	The SELPA shall have policies and procedures in place to provide medically necessary OT and/or PT services, when, for any reason, the MTP cannot provide such services as stated in the approved Therapy Plan and contained in the IEP as per Education Code.	The MTP shall assure 10 calendar days written notification to the parent/legal guardian and the LEA when the MTP is unable to provide medically necessary OT and/or PT services as stated in the approved Therapy Plan and contained in the IEP.

	I.4	The LEA shall notify the MTU/MTU-S supervising therapist of any student who transfers into the district with medically necessary OT/PT services included in the student's IEP.	The MTU/MTU-S supervising therapist shall initiate services for a child transferring from another California county MTP based upon residential eligibility and receipt of a current approved Therapy Plan and current medical records including a diagnosis.
J. Fiscal Responsibilities IDEA, 20 USC. Section 1412 (a)(12)(B)(iii)	J.1	When notified by CCS that they are unable to meet a student's OT and/or PT needs that are part of the current approved Therapy Plan and have been placed in the student's IEP, the LEA shall assume the responsibility to provide the services.	The MTP shall notify the SELPA liaison and LEA in 10 calendar days when it is unable to meet a student's OT and/or PT needs that are part of the current approved MTP Therapy Plan and have been placed in the student's IEP.
	J.2	In order to claim reimbursement from Los Angeles County CCS, the SELPA shall request approval and a subsequent authorization from the MTP liaison prior to the initiation of the OT and/or PT services.	CCS shall provide an authorization to the SELPA liaison upon approval of the OT and/or PT services. The authorization shall indicate the frequency and duration of the services, which shall be reimbursed.
	J.3	The SELPA shall use CCS paneled employees or CCS paneled contractors who meet standards as qualified PT or OT health care professionals. An OT and/or PT shall not provide treatment in lieu of MTP services if he or she is also providing educationally related services to the same student. The SELPA shall ensure that PT and OT treatment services are provided in appropriate space allowing for privacy and using necessary equipment for the provision of medically necessary PT and OT services as prescribed in the approved CCS Therapy Plan. The SELPA shall send documentation of the therapy services to the MTP liaison on a monthly basis in the form of progress notes. Documentation shall include but not be limited to	The MTP shall provide oversight of the therapy services provided by the SELPA in lieu of the MTP by reviewing the therapy provider's progress notes to ensure compliance with the approved MTP Therapy Plan.

		the dates of service, length of sessions, description of services provided, response to treatment, student's functional levels and functional benefits of therapy.	
	J.4	The LEA and/or SELPA shall submit a claim for the authorized OT and/or PT services to the Children's Medical Services, Accounting Dept., 9320 Telstar St., Suite 226, El Monte, CA, 91731 using the Health Insurance Claim Form, HCFA 1500.	CCS shall send payment to the SELPA representative indicated on claim cover letter upon receipt of the claim for the treatment services that were provided in compliance with the authorization and the criteria listed in 11c. The reimbursement rate shall not exceed \$82 per hour session and \$41 per 30-minute session. Therapists will only be reimbursed for treatment services provided.
	J.5		The MTP therapists shall assess the child and provide recommendations regarding medically necessary therapy at the end of the prescribed period. Upon receipt of the approved Therapy Plan, the MTP liaison shall contact the SELPA liaison to discuss the MTP's ability to meet the student's current OT and/or PT needs. Another authorization will be issued to the SELPA liaison if necessary.
	J.6	The SELPA shall notify the MTP of the date and time of any IEP so that the MTP staff may represent the MTP at the IEP. The SELPA therapy provider may not represent CCS at any IEP.	
K. Exchange of Information Ca. Code of Regulations, Title 2, Division. 9, Section 60310(31)	K.1	Exchange of information, both verbal and written, shall only be provided with written consent of parent/legal guardian. Consent for release of information form from either the LEA or CCS will be accepted by either agency.	Exchange of information, both verbal and written, shall only be provided with written consent of parent/legal guardian. The written material that can be released from the MTU/MTU-S includes the OT/PT Evaluation, OT/PT Therapy Plan, classroom program and MTC dictations. Consent for release of information form from either the LEA or CCS shall be accepted by either agency.

L. Procedural Safeguards California Code of Regulations, Title 2, Division 9, Section 60550	L.1	If the parent/legal guardian disagrees with the educationally necessary therapy recommendations, the LEA shall inform the parent/legal guardian of the special education due process procedures including their option to "stay put".	If the parent/legal guardian disagrees with the medically necessary therapy recommendations, the MTP shall inform the parent/legal guardian of the CCS due process procedures including their option of continuation of services
	L.2	CCS and the LEA shall participate in discussion as needed to coordinate care and/or resolve issues for students who are "mutually shared"	CCS and LEA shall participate in discussion as needed to coordinate care and/or resolve issues for students who are "mutually shared".
	L.3	All educational OT and/or PT services that are included in the IEP and are not provided by the MTP shall be continued by the LEA pending the education due process. Upon written notification as identified in Title 2, Section 60550, the LEA staff shall participate in due process, complaint investigation and possibly mediation.	Upon written notification by the LEA, all medical OT and/or PT services that are included in the student's approved Therapy Plan and IEP and are provided by the MTP, shall be continued by the MTP pending the education due process. MTP staff shall inform the LEA if a student is not receiving continuation of services during an education due process. Upon written notification as identified in Title 2, Section 60550, MTP staff shall participate in due process, complaint investigation and possibly mediation on issues pertaining to CCS.
M. Interagency Dispute Resolution IDEA, 20 USC Section 1412 (a) (12)(B)(ii)	M.1	The SELPA liaison shall work to resolve disputes with CCS prior to filing a complaint with either the Secretary of Health and Human Services or the Superintendent of Public Instruction. In the event of an interagency dispute, the following procedures shall be utilized: Upon identification of a disagreement between the SELPA and CCS, the involved parties and their supervisors will meet to resolve the issues within 20 working days. If the issues are not resolved by the aforementioned	CCS shall work to resolve disputes with the SELPA liaison prior to filing a complaint with either the Secretary of Health and Human Services or the Superintendent of Public Instruction, In the event of an interagency dispute, the following procedures shall be utilized: Upon identification of a disagreement between the SELPA and CCS, the involved parties and their supervisors will meet to resolve the issues within 20 working days. If the issues are not resolved by the aforementioned meeting, the SELPA and CCS

		meeting, the SELPA and CCS administrators involved in the dispute shall clarify the issues through discussion within 20 additional working days. If issues are not resolved by the aforementioned steps, the SELPA and CCS shall jointly refer the issue in writing to the State Department of Health Services, CCS and California Department of Education for a state review and resolution. This step is required if above is attempted without success	administrators involved in the dispute shall clarify the issues through discussions within 20 additional working days. If issues are not resolved by the aforementioned steps, the SELPA and CCS shall jointly refer the issue in writing to the State Department of Health Services, CCS and California Department of Education for a state review and resolution. This step is required if above is attempted without success.
N. Professional Standards	N.1	<p>Maintain standards for providing a free and appropriate education to individuals with disabilities as required by federal and state laws and regulations.</p> <p>LEA/school administration will notify CCS staff in advance of school disaster drills and include CCS staff in emergency preparedness drills.</p>	<p>Maintain standards of practice for physical therapy (PT) and occupational therapy (OT) as recognized by the pediatric rehabilitation and medical community.</p> <p>All CCS staff and volunteers will have been cleared through the state fingerprinting screening requirement.</p> <p>CCS staff will be notified in advance of school disaster drills and will participate in school emergency preparedness drills.</p>
<p>O. Staff Development</p> <p>California Code of Regulations, Title 2, Div. 9, Section 60310 (c)(11)</p>	O.1	The SELPA liaison shall plan joint staff development activities in conjunction with the MTP liaison. These activities are intended to promote interagency understanding as well as to disseminate the intent and content of this agreement. This shall take place at least one time per year	The MTP liaison shall plan joint staff development activities in conjunction with the SELPA liaison. These activities are intended to promote interagency understanding as well as to disseminate the intent and content of this agreement. This shall take place at least one time per year.
<p>P. Review of Interagency Agreement and Procedures</p> <p>California Code of Regulations, Title 2, Div. 9, Section 60310 (c)(13)</p>	P.1	The agreement shall be reviewed annually by the SELPA and the MTP liaisons. No additions, deletions, or modifications may be made to this agreement without the joint approval of the parties to the agreement. This document is in effect until replaced by a revised	The agreement shall be reviewed annually by the SELPA and the MTP liaisons. No additions, deletions, or modifications may be made to this agreement without the joint approval of the parties to the agreement. This document is in effect until replaced by a revised Interagency Agreement, signed by all parties.

		Interagency Agreement, signed by all parties.	
	P.2	<p>At least annually, the SELPA and the MTP liaisons shall review changes in procedures that are relevant to both agencies.</p> <p>At least annually, the SELPA liaison shall provide a list of the names, addresses and telephone numbers of the appropriate SELPA administrators and school district special education administrators to the MTP liaison</p>	<p>At least annually, the SELPA and the MTP liaisons shall review changes in procedures that are relevant to both agencies.</p> <p>At least annually, the SELPA liaison shall provide a list of the names, addresses and telephone numbers of the appropriate MTP contacts to the SELPA liaison.</p>

Los Angeles Unified School District Special Education Local Plan Area and California
Children's Services Interagency Agreement Glossary

February 20, 2007

CCS	California Children's Service
CDE	California Department of Education
CMS	Children's Medical Services
District	Los Angeles Unified School District
District Transportation Liaison	Local District ABS (Area Bus Supervisor)
IA	Interagency Agreement
IEP	Individualized Education Program
IEP Representative	School Special Education Clerk
LAUSD OT/PT Office	333 S. Beaudry Ave 16 th Floor Los Angeles, CA 90017 Phone # (213) 241-8054
LEA	Local Education Agency
MTC	Medical Therapy Conference
MTP	Medical Therapy Program of California Children's Services
MTP Liaison	Interim Director, Medical Therapy Program, Debra Ruge
MTU	<p>Medical Therapy Unit</p> <ul style="list-style-type: none"> • Gardena MTU (Sellery School) • Huntington Park MTU (San Antonio El) • Los Angeles MTU (Salvin) • Mar Vista MTU (McBride), (Tri-City SELPA) • North Hollywood MTU (Lowman) • Perez MTU (Perez) • Reseda MTU (Lokrantz)

	<ul style="list-style-type: none"> • San Pedro MTU (Willenberg) • Widney MTU (Widney)
MTU-S	Medical Therapy Unit – Satellite <ul style="list-style-type: none"> • Miller TU (Miller) • Pacific Blvd TU (Pacific)
MTU/MTU-S Supervisors	Gardena MTU Supervisor: Denise Walters, PT Huntington Park MTU Supervisor: Sue Burton, PT Los Angeles MTU Supervisor: Cheryl Ashimine, OT Mar Vista MTU Supervisor: Elizabeth Tehrani, OT Miller TU Supervisor: Robin Lande-Kazino, OT North Hollywood MTU Supervisor: Deena Farell, PT Pacific Blvd TU Supervisor: Lawrence Caburs, OT Perez MTU Supervisor: Daniel Swan, PT Reseda MTU Supervisor: Kyle Yetter, OT San Pedro MTU Supervisor: Anna Meza, PT Widney MTU Supervisor: Benson Chu, PT
Mutually Shared	A child who is both a student of LAUSD and client of CCS, who has a current, approved CCS Therapy Plan
OT	Occupational Therapy or therapist
PT	Physical Therapy or therapist
SELPA	Special Education Local Plan Area (Los Angeles Unified School District)
SELPA Liaison	Susan Melly, SELPA Director Marcee Seegan, Director, Related Services

LOCAL INTERAGENCY AGREEMENT

This agreement is between the Los Angeles Unified School District Special Education Local Plan Area (SELPA) and California Children's Services of Los Angeles County.

The purpose of this agreement is to provide guidelines and working procedures for staff and designees of the Los Angeles Unified School District SELPA and California Children's Services of Los Angeles County.

This agreement is entered into in order to provide a systematic, effective continuum of service options to individuals with exceptional needs ages birth to twenty-one years and their parents/legal guardians. The implementation of this agreement will ensure interagency coordination, the timely provision of services, and the effective utilization of agency resources to meet the needs of individuals with exceptional needs.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers in the county of Los Angeles, California.

LOS ANGELES UNIFIED SCHOOL DISTRICT SPECIAL EDUCATION LOCAL PLAN AREA

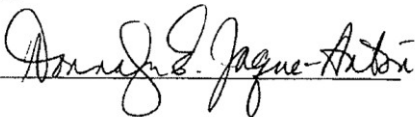
By: _____ Dated: 2/21/2007

LOS ANGELES COUNTY CHILDREN'S MEDICAL SERVICES

By: Shavonda Webber-Christmas, M.P.H, Acting Director, Children's Medical Services

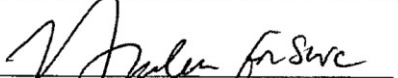
Dated: 2/28/2007

LOS ANGELES UNIFIED SCHOOL DISTRICT SPECIAL EDUCATION LOCAL PLAN AREA

By: 

Dated: 2-21-07

LOS ANGELES COUNTY CHILDREN'S MEDICAL SERVICES

By: 
Shavonda Webber-Christmas, M.P.H.
Acting Director, Children's Medical Services

Dated: 2-28-07

Special Education Local Plan Area (SELPA) Local Plan Certification 3

SELPA Los Angeles Unified School District

Fiscal Year 2024-25

Certification 3: County Office of Education

IMPORTANT: Certification 3 is required when the information being submitted to the California Department of Education (CDE) is related to Local Plan Section B: Governance and Administration, Section D: Annual Budget Plan, and/or Section E: Annual Service Plan.

I certify the attached Local Plan section(s) as submitted with this certification are approved by the county office of education (COE). I further assure the Local Plan section(s) being submitted meet(s) all applicable requirements of state and federal laws; policies and procedures including compliance with the Individuals with Disabilities Education Act (IDEA); and is/are included in a coordinated system of all Local Plans (as applicable) to ensure all students with disabilities residing within the county, including those enrolled in alternative education programs, including, but not limited to, alternative schools, charter schools, opportunity schools and classes, community day schools operated by districts, community schools operated by the COE, and juvenile court schools, will have access to appropriate special education programs and related services.

Cert 3-1. All LEAs within the county have elected to participate in this SELPA Local Plan.

☒ Yes ☐ No

Cert 3-2. The SELPA Local Plan section(s) as specified herein was approved by the COE pursuant to *EC* Section 56140(b).

☒ Yes ☐ No

If "Yes," the COE must enter comments and recommendations here:

Cert 3-3. Special Education Local Plan Area Governance Structure

The COE certifies the SELPA is a:

- ☒ Single LEA SELPA: This selection includes only one district LEA (this selection does not include a COE); or
- ☐ Multiple LEA SELPA: This selection includes one district or charter LEA together with one or more additional district or charter LEA(s), or a combination thereof (this selection does not include a COE); or
- ☐ COE Joined SELPA: A district (or charter) LEA(s) joined with a COE(s) to form a SELPA (this selection includes one or more district or charter LEA(s) *AND* one or more COEs).

Special Education Local Plan Area (SELPA) Local Plan Certification 3

SELPA Los Angeles Unified School District

Fiscal Year 2024-25

Cert 3-4. The COE ensures the SELPA submitting the Local Plan meets one of the following conditions:

Single-LEA SELPA

The COE ensures the Single LEA SELPA has established a written procedure for the ongoing review of programs conducted, and procedures utilized under the Local Plan, and a mechanism for correcting any identified problem related to the regionalized service to local programs, including, but limited to, all of the services identified in California *Education Code (EC)* 56195.7(c). *EC* sections 56027, 56195, 56195.7(c) and (j)(1), and 56205; *OR*

Multiple LEA SELPA or COE joined SELPA

The COE ensures the Multiple LEA SELPA or COE joined SELPA has a written agreement entered into by entities participating in the Local Plan that includes a provision for ongoing review of programs conducted, and procedures utilized, under the Local Plan, and a mechanism for correcting any identified problem. *EC* 56195.1 and 56195.7

☐ Yes ☐ No

Cert 3-5. The county superintendent ensures the Local Plan, including amendments, is posted on the COE web site, or includes a link to the Local Plan.

☐ Yes ☐ No

Web address where the SELPA Local Plan, including all sections, is posted.

Authorized Signature

COE Superintendent

Date

Special Education Local Plan Area (SELPA) Local Plan Certification 4

SELPA Los Angeles Unified School District

Fiscal Year 2024-25

Certification 4: Community Advisory Committee

IMPORTANT: Certification 4 is required when the information being submitted to the California Department of Education (CDE) is related to Local Plan Section B: Governance and Administration, Section D: Annual Budget Plan and Section E: Annual Service Plan.

Cert 4-1. Community Advisory Committee Participation

The Community Advisory Committee (CAC), advised the SELPA during the development, amendment, and review of the Local Plan. The process involved a schedule of regular consultations regarding policy and budget development. California *Education Code* sections 56194 and 56205(a)(12)(E).

☒ Yes ☐ No (If the answer is "NO," please include comments.)

☐ N/A (Section D and/or Section E submissions)

Cert 4-2. Community Advisory Committee Review Timeline

The CAC had at least 30 days to conduct a review of the completed Local Plan. This review was done prior to Local Plan being submitted to the COE and CDE.

☒ Yes ☐ No (If the answer is "NO," please include comments.)

☐ N/A (Section D and/or Section E submissions)

Cert 4-3. Community Advisory Committee Comments

The CAC provided written comments to the SELPA regarding this Local Plan submission.

☒ Yes ☐ No (If the answer is "NO," please include comments.)

☐ N/A (Section D and/or Section E submissions)

I certify the information presented herein is an accurate representation of the CAC's involvement in the development and/or amendment of the Local Plan.

Authorized Signature

CAC Chairperson

Date

Local Plan Submission

Special Education Local Plan Area (SELPA) Local Plan Certification 5

SELPA Los Angeles Unified School District

Fiscal Year 2024-25

Certification 5: Local Educational Agency

IMPORTANT: Certification 5 is required when the information being submitted to the California Department of Education (CDE) by each participating agency's superintendent (for a district and county office of education (COE) local educational agency (LEA)), or by each chief administrator (for a charter LEA) is related to Local Plan Section B: Governance and Administration, Section D: Annual Budget Plan, and/or Section E: Annual Service Plan.

LEA Los Angeles Unified School District

Cert 5-1. Special Education Local Plan Area Governance Structure

The LEA certifies the SELPA Local Plan is the basis for the operation and administration of special education programs. The LEA will meet all applicable requirements of special education state and federal laws and regulations, and state policies and procedures. Be it further resolved, the LEA must administer the local implementation of policies, procedures, and practices in accordance with special education state and federal laws, rules, and regulations. The superintendent or chief administrator certifies the LEA is participating in a:

- ☒ Single LEA SELPA: This selection includes only one district LEA (this selection does not include a COE); or
- ☐ Multiple LEA SELPA: This selection includes one district or charter LEA together with one or more additional district or charter LEA(s), or a combination thereof (this selection does not include a COE); or
- ☐ COE Joined SELPA: A district (or charter) LEA(s) joined with a COE(s) to form a SELPA (this selection includes one or more district or charter LEA(s) *AND* one or more COEs).

Cert 5-2. Local Educational Agency Local Plan Web Posting

The LEA superintendent (for a district or COE LEA) or chief administrator (for a charter LEA) ensures the current Local Plan, Section B: Governance and Administration, Section D: Annual Budget Plan, and Section E: Annual Service Plan, including updates or revisions to Sections B, D, E, and/or Attachments, is posted on the LEA web site, is on file at each LEA, and is available to any interested party.

Web address where the SELPA Local Plan, including all sections, is posted.

<https://www.lausd.org/Page/16734>

Special Education Local Plan Area (SELPA) Local Plan Certification 5

SELPA Fiscal Year

Cert 5-3. Submission Certification Requirements for LEAs

Certification 5 must be signed by the LEA superintendent (district LEAs) or chief administrator (charter LEAs).

1. All district and charter LEAs must sign a Certification 5 if the Local Plan submission is for an annual amendment (due June 30) for Sections D: Annual Budget Plan, or Section E: Annual Services Plan.
2. If the submission is an amendment to Local Plan Section D: Annual Budget Plan and/or Section E: Annual Service Plan submitted during the current fiscal year, then only the newly affected LEAs are required to submit Certification 5 with the amendment(s).
3. If the submission is an amendment to Local Plan Section B: Governance and Administration, then all SELPA member LEAs must submit a newly signed Certification 5.

Authorized Signature

LEA Superintendent/Chief Administrator

Date

[Return to Order of Business](#)

TAB 19



Board of Education Report

File #: Rep-319-23/24, Version: 1

Approval of Community Advisory Committee (CAC) Membership

June 18, 2024

Office of Student, Family and Community Engagement

Action Proposed:

Approve those persons included in Attachment A for a term of membership on the Community Advisory Committee (CAC) for the identified terms, and alternates to serve on the CAC for the 2024-2025 school year.

Background:

Vacancies for membership on the CAC were advertised on KLCS, during informational sessions, the Family Academy, emails, and text messages sent to parents or guardians of students with an IEP. Membership vacancies were also advertised via flyers and announcements during CAC meetings; on the Office of Student, Family, and Community Engagement webpage; at a Region Parent and Family Center staff monthly training; through the Division of Special Education; and at various workshops. Current CAC members also recruited applicants by word-of-mouth. The Office of Student, Family, and Community Engagement received 35 applications between February 17, 2024, and March 31, 2024. These applications were screened for eligibility and vacancy within the applied category. No eligible student applications were received for the one student vacancy in the category of alternate. The Division of Special Education and the Office of Student, Family and Community Engagement will continue to do outreach to secondary students to fill this vacant alternate student seat. The proposed names that are being submitted for appointment to the CAC, have been scored using a blind review process.

The CAC serves in an advisory capacity to the Board of Education and the Division of Special Education on the Special Education Local Plan Area (SELPA) Local Plan.

The California Education Code, Section 56190-56193, requires each SELPA to establish a CAC to fulfill specific responsibilities. In addition, it requires that the members of the CAC be appointed by the Board of Education using selection procedures described in the SELPA Local Plan. CAC members serve a term of two years, which is staggered to ensure that no more than one half of the membership serves the first year of the term in any one year.

The CAC must be composed of the following: parents of individuals with exceptional needs enrolled in public or private schools (must serve as committee majority), parents of other students enrolled in school, students and adults with disabilities, regular education teachers, special education teachers, and other school personnel, representatives of other public and private agencies, and people concerned with the needs of individuals with exceptional needs.

The committee bylaws also state that “CAC members must live, work, attend, or be the parent/guardian of a student attending a school within the LAUSD SELPA.” According to the California Education Code, Section 56194, the CAC has the authority and fulfills the responsibilities defined in the local plan as described below:

The responsibilities shall include, but need not be limited to, all the following:

- a. Advising the policy and administrative entity of the special education local plan area regarding the development, amendment, and review of the local plan. The entity shall review and consider comments from the community advisory committee.
- b. Recommending annual priorities to be addressed by the plan.
- c. Assisting in parent education and in recruiting parents and other volunteers who may contribute to the implementation of the plan.
- d. Encouraging community involvement in the development and review of the local plan.
- e. Supporting activities on behalf of individuals with exceptional needs.
- f. Assisting in parent awareness of the importance of regular school attendance.
- g. Supporting community involvement in the parent advisory committee established pursuant to Section 52063 to encourage the inclusion of parents of individuals with exceptional needs to the extent these pupils also fall within one or more of the definitions in Section 42238.01”.

The Office of Student, Family and Community Engagement and the Division of Special Education are requesting a motion by the Los Angeles Unified School District Board of Education to appoint members to the CAC, a state-mandated committee established to advise the Board of Education and the Division of Special Education on the SELPA Local Plan.

The individuals in Attachment A applied for membership and received the highest scores. They are recommended to be new representatives of the CAC for a two-year term or as alternates for a one-year term.

Expected Outcomes:

Approval by the Board of Education of those persons whose names have been submitted for CAC membership will enable the CAC to remain compliant within the guidelines established in the California Education Code, Sections 56190-56194.

Board Options and Consequences:

Approving the requested membership will enable the CAC to continue fulfilling the responsibilities as defined in the California Education Code, Section 56194, and in the SELPA Local Plan for service. If not approved, the District will be out of compliance with state requirements, and sanctions may be issued.

Policy Implications:

This action supports the Board’s initiative to enhance parent engagement and is aligned to the Strategic Plan Pillar 3: Engagement and Collaboration. There are no changes to the existing policies of the District through this action.

Budget Impact:

None

Student Impact:

Not applicable.

Equity Impact:

Not applicable.

File #: Rep-319-23/24, Version: 1

Issues and Analysis:

California Education Code, Sections 56190-56194, set forth state requirements for the selection and appointment of members for the CAC.

Attachments:

Attachment A - List of 2024-2026 two-year term candidates, 2024-2025 alternates, and members completing the last year of the 2023-2025 term on the CAC

Informatives:

None

Submitted:

05/20/24

File #: Rep-319-23/24, Version: 1

RESPECTFULLY SUBMITTED,



ALBERTO M. CARVALHO
Superintendent

APPROVED & PRESENTED BY:



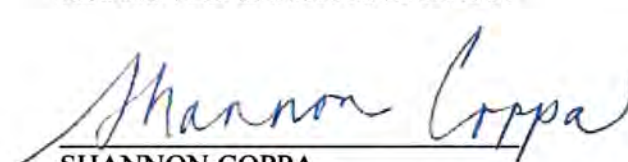
ANTONIO PLASCENCIA, JR
Engagement Officer
Partnerships and Engagement

REVIEWED BY:



DEVORA NAVERA REED
General Counsel

APPROVED & PRESENTED BY:



SHANNON COPPA
Chief Communications,
Engagement & Collaboration Officer

☒ Approved as to form.

REVIEWED BY:



NOLBERTO DELGADILLO
Deputy Chief Business Officer, Finance

☒ Approved as to budget impact statement.

Attachment A

Approval of Community Advisory Committee (CAC) Membership

The following individuals have expressed interest and are eligible to serve on the CAC for the 2024-2026 term. Staff proposes that the Los Angeles Unified Board of Education approve the following candidates:

Name	Category	Region	Board District	Community of Schools
1. Shanita Rogers	Parent of Student with Special Needs	South	1	HEET (W)
2. Gabriela Rangel	Parent of Student with Special Needs	South	1	South Mid-City
3. Rachel Millman	Parent of Student with Special Needs	North	3	North Hollywood / Valley Village
4. Yukiko Miyauchi	Parent of Student with Special Needs	North	3	Van Nuys / Valley Glen
5. Denissa Zapata	Parent of Student with Special Needs	West	4	Hollywood
6. Kelly Bedford	General Education Parent	West	4	Westchester
7. Rachel Gibbs	General Education Parent	West	4	West LA
8. Janea Garcia	Parent of Student with Special Needs	Independent Charter	5	Independent Charter
9. Alejandra Henriquez	Parent of Student with Special Needs	East	5	Eagle Rock / Highland Park
10. Norma Gonzales	Parent of Student with Special Needs	East	5	South Gate
11. Susan Cabrera	Parent of Student with Special Needs	East	5	Huntington Park / Vernon
12. Carolina Dunn	Parent of Student with Special Needs	North	6	Monroe
13. Robin Nazari	Parent of Student with Special Needs	North	6	San Fernando / Sylmar
14. Elizabeth Blaylock	Parent of Student with Special Needs	North	6	Van Nuys / Valley Glen
15. Yoriko Hongo	General Education Teacher	Districtwide		
16. Sara Lucas	Administrator / Other School Staff	Districtwide		

Attachment A

Approval of Community Advisory Committee (CAC) Membership

The following persons will serve for the 2023-2025 term:

Name	Category	Region	Board District	Community of Schools
1. Nancy Hernandez	Parent of Student with Special Needs	West	1	Los Angeles / Mid-City
2. Veronica Montano Sanchez	Parent of Student with Special Needs	West	2	Glassell Park / Los Feliz
3. Brandee Aguirre	Parent of Student with Special Needs	North	4	Reseda
4. Melissa Gray	Parent of Student with Special Needs	West	4	Venice
5. Carloyn Pakes	Parent of Student with Special Needs	North	4	Reseda
6. Ingrid Levy	Parent of Student with Special Needs	West	4	Venice
7. Falyn Cooper	Parent of Student with Special Needs	West	5	Koreatown / Pico Union
8. Kristie Lacy	Parent of Student with Special Needs	North	6	North Hollywood / Valley Village
9. Dr. Joan Brown	Parent of Student with Special Needs	South	7	Carson
10. Erin Martinez	Parent of Student with Special Needs	South	7	San Pedro
11. Arlaina Jackson	Special Education Teacher	Districtwide		
12. Theresa Quarry	Community Based Organization	Districtwide		
13. Ana Carrion	Adult with Disabilities	Districtwide		
14. Douye Youduba	Community Member	Districtwide		
15. Maribelle Bellias	Student	Districtwide		
16. Philip Friedlander	Student	Districtwide		

Attachment A

Approval of Community Advisory Committee (CAC) Membership

In addition, the following persons are being submitted as alternates for a one-year term:

Name	Category	Region	Board District	Community of Schools
1. Lydia Cardoza	Parent of Student with Special Needs	North	4	Taft
2. Angelica Crawford	General Education Parent	West	4	Westchester
3. Eva Contreras	Parent of Student with Special Needs	Independent Charter	5	Independent Charter
4. Charline Nunez	Parent of Student with Special Needs	South	7	Harbor City / Lomita
5. Jahuanna Roberson	Parent of Student with Special Needs	South	7	Fremont
6. Ajah Webb	Parent of Student with Special Needs	South	7	Rivera
7. Esther Mmagu	Adult with Disabilities	Districtwide		
8. Alberta Moore	Community Member	Districtwide		
9. Crystal Smith	Community Based Organization	Districtwide		
10. VACANT	Student	Districtwide		

[Return to Order of Business](#)

TAB 20



Board of Education Report

File #: Rep-296-23/24, Version: 1

Fiscal Year 2025 OIG Work Plan

June 18, 2024

Office of the Inspector General

Action Proposed:

Approve the Fiscal Year 2025 Office of the Inspector General (OIG) Work Plan.

Background:

The Office of the Inspector General (OIG) performs its work in accordance with professional standards including the Principles and Standards for Offices of Inspector General and Government Auditing Standards. These standards require the efficient and effective use of resources as well as keeping appropriate officials informed of OIG activities. The attached Work Plan incorporates the results of our robust risk assessment process utilizing Board Member, Bond Oversight Committee, District Management, OIG staff, and public input. This Work Plan is a guide for how OIG resources will be used during Fiscal Year 2025.

Expected Outcomes:

With Board approval of this item, the planned work of the OIG will be deemed approved by the appropriate governing body.

Board Options and Consequences:

If the Board approves this item, then the OIG will be operating in accordance with professional standards and its Charter.

If the Board does not approve this item, then the OIG will lack evidence that its annual work plan was approved by the appropriate governing body.

Policy Implications:

The OIG Charter requires the Inspector General to present an annual work plan for the Board of Education's review and approval.

Budget Impact:

Not Applicable

Student Impact:

Not Applicable

Equity Impact:

Not Applicable

Issues and Analysis:

Not Applicable

File #: Rep-296-23/24, Version: 1

Attachments:

Attachment A - Fiscal Year 2025 Office of the Inspector General (OIG) Work Plan

Attachment B - BOC Resolution

Informatives:


Not Applicable

Submitted:

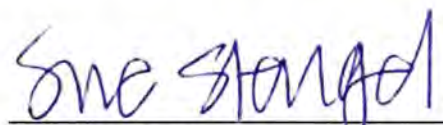
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File #: Rep-296-23/24, Version: 1

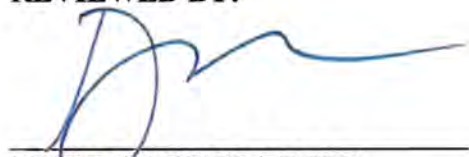
RESPECTFULLY SUBMITTED,


ALBERTO M. CARVALHO
Superintendent

APPROVED & PRESENTED BY:


SUE STENGEL
Inspector General
Office of the Inspector General

REVIEWED BY:


DEVORA NAVERA REED
General Counsel

☒ Approved as to form.

REVIEWED BY:


NOLBERTO DELGADILLO
Deputy Chief Business Officer, Finance

☒ Approved as to budget impact statement.

**OFFICE OF THE INSPECTOR GENERAL
LOS ANGELES UNIFIED SCHOOL DISTRICT**

**ANNUAL WORK PLAN
FISCAL YEAR 2025**



**SUE STENGEL
INSPECTOR GENERAL**

OFFICE OF THE INSPECTOR GENERAL Annual Work Plan for Fiscal Year 2025

INTRODUCTION

The Office of the Inspector General (OIG) is celebrating its 25th year of service to the Los Angeles Unified School District community. This is our Annual Work Plan for Fiscal Year 2025 (FY 2025), a risk-based roadmap of projected activities for the upcoming year.

The OIG reports directly to the Board of Education (Board) and operates in accordance with the Principles and Standards for Offices of Inspectors General.¹ Our mission is to promote a culture of accountability, transparency, collaboration, and integrity through the performance of audit and investigative services designed to drive continuous improvement, support effective decision-making, and detect and deter fraud, waste, and abuse in the Los Angeles Unified School District (LAUSD or District).

In FY 2025, the OIG will conduct contract and performance audits, special reviews, technical evaluations of construction projects, due diligence reviews related to independent charter schools, prospective vendors and contractors, background investigations of potential District senior management employees, and will investigate allegations of criminal conduct and violations of policies by employees and entities doing business with the LAUSD.

Our work plan is intended to be dynamic and flexible. Throughout the year, the OIG responds to emerging risks and changing priorities. Board requests, District management interests, and unforeseen events may require that we perform activities not listed in this work plan or defer or forego projects based on new information and the availability of resources.

We thank the Board of Education for investing in oversight that helps instill trust and confidence in the LAUSD. The OIG remains dedicated to providing valuable services that promote positive change for LAUSD students, families, employees, vendors, contractors, and the public.

Sue Stengel
Inspector General

¹ The principles and standards represent generally accepted principles, quality standards, and best practices applicable to federal, state, and local Offices of Inspectors General.

RISK ASSESSMENT

The OIG developed its work plan through a comprehensive risk assessment process.

1. We developed a survey through which we asked respondents to identify areas of concern as well as the risk of fraud, waste, and abuse in the District (See Exhibit A). The survey was available in English and Spanish on the OIG website and disseminated via our social media.

We also sent the survey by email to constituencies such as the members of the Board of Education, Bond Oversight Committee, and high-level District managers. Additionally, we shared our survey during various presentations to District personnel and at public meetings.

The goal was to obtain as many survey responses as possible from a broad and diverse group of LAUSD stakeholders. As a result of these efforts, we doubled the response rate this year compared to last year.

Exhibit A includes a copy of the complete survey and Exhibit B provides the top areas of concern according to the survey responses.

2. OIG staff interviewed approximately 30 key District personnel asking for their input about areas at highest risk for fraud, waste, and abuse.
3. We solicited input from OIG staff, who collectively possess hundreds of years of auditing and investigative experience, and hundreds of years of experience in LAUSD. Tapping into this knowledge, staff contributed their expertise related to areas in the District at highest risk for fraud, waste, and abuse.
4. Based on the responses from steps 1 through 3, we organized District operations into auditable areas, applied risk factors, and assessed the likelihood and impact of those risk factors relative to each auditable area. The OIG employed a risk assessment instrument originally developed in conjunction with Deloitte, and which has evolved over the years, to assess the risk level of each auditable area. Then, each area was determined to be high, medium, or low risk.
5. Finally, we chose the topics (and examples of related contracts) that were determined to be the highest risk in the assessment for the upcoming year's work plan.

FY 2025 AREAS OF FOCUS

Based on the results of this year's comprehensive risk assessment process, the OIG will focus its auditing, investigating, and other oversight activities in the following high-risk areas:

- ☐ Attendance Management for Students
- ☐ Change Order Bond Rates
- ☐ Charter Schools
- ☐ Child Abuse
- ☐ Construction Project Design Management
- ☐ Contractors with prior audit findings
- ☐ Contractors with the highest combined total contract values
- ☐ Contracts with the highest values
- ☐ District Credit Cards such as travel cards and gas cards
- ☐ Facilities Contracts
- ☐ Facilities Services Division - Asset Management Branch
- ☐ Facilities Services Division - Project Execution
- ☐ Fair Cost Estimates for Construction Projects
- ☐ Information Technology - Assets and Security
- ☐ Physical Security at Schools
- ☐ Procurement Contracting Processes such as Job Order Contracts, California Multiple Award Schedules (CMAS) Contracts , and Non-Competitively Bid Contracts
- ☐ School Budgets
- ☐ Special Education
- ☐ Warranties

AUDIT AND REVIEW ACTIVITIES

Audit activities are performed primarily to (i) evaluate the efficiency and effectiveness of District operations, (ii) determine if activities are being carried out in accordance with District policies, applicable laws and regulations, and (iii) ensure that District vendors and contractors comply with the requirements of their contracts and (iv) that contracted funds, especially bond funds, are expended as intended.

In FY 2025, the OIG will endeavor to conduct more comprehensive audits and special reviews, in addition to the contract and performance audits we have completed in the past. For example, this year we will examine a construction project from “cradle to grave,” analyzing the project from inception to completion, utilizing the expertise of our audit teams and technical evaluation team for one project.²

Because the source of almost half of the OIG’s budget is bond funds, we are limited in the non-bond eligible work we can do. Therefore, notwithstanding the results of our risk assessment, the OIG’s audit activities focus significantly on contracts, as well as District-wide programs, processes, and systems, funded by school bond measures.

In FY 2025, the OIG will determine whether each of the high-risk areas listed above is best addressed by performing a single type of audit or if the high-risk area requires a combination of different types of audits and reviews.

The following section describes the types of audit and review activities that may be performed during the year.

PERFORMANCE AUDITS

These audits are an objective and systematic examination of evidence for the purpose of providing an independent assessment of the performance of an organization, program, activity, or function to determine if it is performing efficiently and effectively and in compliance with policies, procedures, laws and regulations.

CONTRACT AUDITS

These audits examine the actual costs incurred by the contractor to determine whether the costs were allowable, allocable and reasonable in accordance with the contract terms and, where applicable, the Federal Acquisition Regulation (FAR). The contracts we will consider are either ongoing or were executed within the last three years.

The OIG will conduct contract audits of individual contracts and/or groups of contracts with apparent similarities, such as contracts for similar goods and services.

² See Page 12. Technical Evaluation No. 1, PCL Construction Services, Inc., Contract No. 4400009889

SPECIAL REVIEWS

These reviews are conducted as a result of (i) special requests from the Board of Education or District Management, (ii) issues identified during the course of an audit or investigation, or (iii) concerns reported to the OIG. These types of reviews are not conducted in accordance with Government Auditing Standards.

CHANGE ORDER AUDITS

These audits examine construction contract change orders (CO) for allowability, allocability and reasonableness of the proposed or claimed CO costs. These change orders were executed to adjust the contract amount for added or deleted work, equitable compensation to the contractor for delay, disruption, inefficiencies, contract terminations and other claims. Additionally, for more than five years, the OIG has been reviewing COs to determine if the District is adhering to policies and procedures when approving COs.³ These audits found no deviations.

In FY 2025, change order audits will also evaluate whether (i) CO work was within the scope of the original contract, (ii) the contractor was entitled to the CO, and (iii) the bond rates were charged appropriately.⁴

FOLLOW-UP AUDITS

In FY 2025, the OIG will conduct follow-up audits to determine whether the District implemented recommendations from past audits. In particular, the OIG will endeavor to check on the District's progress related to the following audits:

Report Date	Title	Report Link
January 13, 2021	Information Security Audit	OA 20-1261-R
November 29, 2021	Special Review of Tool Purchases for M&O Area N1	OA 21-1320
November 22, 2022	Performance Audit of Physical Security of Schools	OA 20-1371

³ In FY 2024, the District and OIG agreed to raise the value of COs examined from \$500,000 to \$1 million.

⁴ OIG audits found that contractors were overcharging bond costs in COs. As a result, the District updated related policies and we agreed to audit bond rates in COs after the new policies were in effect.

EXAMPLES OF FY 2025 AUDITS

Table 1 provides a sample of bond related contracts and audit areas and Table 2 provides a sample of non-bond related contracts and audit areas that may be audited in FY 2025.

TABLE 1

EXAMPLES OF BOND RELATED CONTRACTS AND AUDIT AREAS		
Item No.	Contractor/Audit Area	User Dept.
1	Bond Rates	Facilities Services Division
2	Fair Cost Estimates	Facilities Services Division
3	Beta Investments and Contracts, Inc.	Project Execution
4	Resourcepros Unlimited LLC	Maintenance & Operations
5	Dimensions Educational Research Foundation	Project Execution
6	California Certified Construction	Project Execution
7	CNS Environmental	Maintenance & Operations
8	Ninyo & Moore	Asset Management
9	Job Order Contracts	Procurement Services Division
10	Health Benefits (for bond-funded employees who leave the District)	Benefits Administration

TABLE 2

EXAMPLES OF NON-BOND RELATED CONTRACTS AND AUDIT AREAS		
Item No.	Contractor/Audit Area	User Dept.
1	School Budgeting	Budget Services
2	Child Abuse	School Operations General Counsel
3	Attendance Management for Students	Pupil Services
4	Special Education	Student Health and Human Services Division of Special Education
5	Star, Inc.	Beyond the Bell

EXAMPLES OF NON-BOND RELATED CONTRACTS AND AUDIT AREAS		
Item No.	Contractor/Audit Area	User Dept.
6	Gold Star Foods, Inc.	Food Services Division
7	Southwest School Supply, Inc.	Procurement Services Division
8	Instructional Materials	Division of Instruction
9	Zum Services, Inc.	Transportation Services Division
10	District Credit Cards	Procurement Services Division Transportation Services Division

INVESTIGATIVE ACTIVITIES

For FY 2025, in addition to responding to allegations of District employee misconduct and policy violations, we will continue to proactively focus on certain strategic areas and investigative activities that we believe will provide the District with added protection of public resources.

The OIG will continue to concentrate on the high-risk areas that have the greatest potential for exposing the District to fraud, waste, and abuse. In more complex criminal matters, we will work collaboratively with federal, state, and local law enforcement agencies, such as with the Education Fraud Working Group, and the federal Procurement Collusion Task Force.

OIG HOTLINE

The OIG manages the District's fraud, waste, and abuse hotline, which generates hundreds of complaints, allegations of criminal misconduct, and District policy violations from internal and external sources each year. According to studies conducted by PriceWaterhouseCoopers⁵ and the Association of Certified Fraud Examiners,⁶ corporate and occupational fraud is detected most often by whistleblowers or tipsters, rather than internal controls or law enforcement activities. As a result, they recommend that companies have robust reporting mechanisms, such as a hotline.

With this in mind, the OIG expanded our outreach to raise awareness about the hotline through social media and the redesign of our website. In addition to investigating allegations of fraud, waste, and abuse, we ensure that other matters from the hotline are referred to District departments and are adequately addressed and responded to promptly.

Additional Outreach

In FY 2024, the OIG reached approximately 700 employees through presentations to District personnel across various departments and regions. We will continue to promote awareness of the hotline, webpage and the OIG's role and responsibilities among District personnel, the public, and through Board and Bond Oversight Committee meetings. Furthermore, the hotline information is now included in every Board agenda and on the Board's television feed.

So far this year, the OIG has seen a 20% increase in reports to our hotline compared to last year.

Anyone can easily report to the OIG allegations of fraud, waste, abuse, or misconduct occurring within the District. Allegations can be reported online via our web-based hotline 24 hours a day, seven days a week. Reports can also be made via email, phone, in writing, or in person.

⁵ https://www.ohchr.org/sites/default/files/lib-docs/HRBodies/UPR/Documents/session9/US/NWC_NationalWhistleblowersCenter_Annex2.pdf, accessed April 29, 2024.

⁶ <https://www.acfe.com/-/media/files/acfe/pdfs/rtnn/2024/2024-report-to-the-nations.pdf>, accessed April 29, 2024.

District employees, students, families, other stakeholders, and members of the public are encouraged to report fraud, waste, and abuse via any of the following methods:

Online: <https://achieve.lausd.net/oig>
Email: Inspector.General@lausd.net

Phone: (213) 241-7778 Local
(866) 528-7364 Toll Free

Write or Visit: 333 South Beaudry Avenue, 12th Floor
Los Angeles, CA 90017

EMPLOYEE INTEGRITY

Since the OIG hotline generates hundreds of calls each year, the OIG will continue to focus on employee misconduct investigations. These investigations largely center on conflicts of interest, misappropriation of funds, embezzlement, payroll fraud, falsification of documents, property and equipment misuse, theft of property, misuse of District-issued computers and telecommunication equipment, nepotism, forgery, and ethics violations.

To enhance District-wide awareness of employee integrity issues, when necessary, we will engage and include relevant District management and staff in the various types of fraud awareness training that we secure throughout the year and encourage the use of deterrent products such as the Inspector General Fraud Warning currently included in LAUSD procurement packages.

CONTRACTOR, CONSULTANT, AND VENDOR INTEGRITY

The OIG will continue its investigative activities related to District contractors, consultants, and vendors. Allegations of theft, misappropriation of public funds, bid-splitting, and bid-rigging are among the more common complaints. The OIG will also concentrate on deterring and detecting corruption in the District's school construction bond programs by focusing on allegations of conflicts of interest, nepotism, impropriety, and employee and consultant malfeasance. The use of contracts awarded through the Job Order Contracting (JOC) and California Multiple Award Schedules (CMAS) processes continues to be an area of vulnerability requiring more District and OIG oversight. To assist with these efforts, the OIG will continue investing in fraud awareness training and reporting mechanisms for referring suspected fraud, waste, and abuse to the OIG.

WHISTLEBLOWER PROTECTION

Persons who report improper governmental activity involving the District are protected against retaliation, interference, intimidation, threats, or similar acts. The OIG has the authority to investigate violations of the Whistleblower Protection Policy. The OIG will endeavor to

thoroughly investigate any and all credible complaints of violations of the District's Whistleblower Protection Policy.

DUE DILIGENCE AND BACKGROUND INVESTIGATIONS

The OIG conducts due diligence reviews in support of the District's ongoing efforts to assess the backgrounds of senior management applicants, contractors seeking to do business with the District, and independent charter schools and their petitioners. The Office of the Inspector General utilizes searchable public record databases when conducting these due diligence reviews and the results are reported to the respective District division leader.

Due diligence services and background investigations are generated proactively by the OIG and through District management requests. Due diligence services are conducted before the District enters into contracts and agreements to assess whether contractors, vendors, or consultants are free from such issues as criminal history, bankruptcies, or other matters that may impact the District's decision to enter into contracts or agreements with the entity or its principals.

SPECIAL PROJECTS

The OIG recently created a hybrid special projects team consisting of both auditors and investigators. This team will capitalize on the combined experience and expertise of the OIG's audit and investigative functions to work on special reviews of district wide programs and policies.

DATA ANALYTICS

The OIG created a data analytics function to support our audit, investigative, and hybrid work by mining and analyzing LAUSD data. The team will conduct robust analyses of District enterprise-wide and function-specific systems such as the Systems Applications and Products system (SAP), My Integrated Student Information System (MiSiS), and the Consolidated On-Line Information Nexus (COLIN).

The data analytics work will serve to proactively drive investigations, enhance our risk assessment process, assist in shaping audit objectives, and enable a data-driven approach to how we perform our work.

TECHNICAL EVALUATIONS

Technical evaluations are tests or assessments of construction projects conducted to determine the technical suitability of a structure, equipment, material, product, process or system for the intended objectives. Completed construction projects will be evaluated to ensure compliance with contract documents, specifications, and code requirements. Technical evaluations may also be performed to evaluate facility-related departments and programs to assess their compliance with state and local laws and regulations, and District policies and guidelines. The OIG's technical evaluation team consists of a Facilities Project Manager II and an Architect.

In FY 2025, the OIG will perform technical evaluations of the following bond-funded projects.

The first three projects were selected because of their high contract value and because the OIG has not conducted a technical evaluation of these firms. The fourth project was selected because of previously identified project management issues with the user department and because the OIG has not conducted a technical evaluation of this firm before.

1. **Contract Number:** 4400009889
Contractor: PCL Construction Services, Inc.⁷
Construction Project: South Shores Visual and Performing Arts Magnet ES-Classroom
Contract Amount: \$19,281,046
2. **Contract Number:** 4400009538
Contractor: Pinmor Construction, LLC
Construction Project: Dahlia Heights ES-Classroom Replacement
Contract Amount: \$9,536,000
3. **Contract Number:** 4400009903
Contractor: Pars Arvin Construction, Inc.
Construction Project: Westchester Enriched Sciences Magnets - ADA Improvements
Contract Amount: \$5,843,000
4. **Contract Number:** 4400011944
Contractor: Eberhard
Construction Project: Mulholland MS - Roofing
Contract Amount: \$4,950,323

⁷ This is the construction project the OIG selected for a "cradle to grave" examination, previously mentioned on Page 5.



Los Angeles Unified School District
Office of the Inspector General
2024 Annual Risk Assessment Survey

The Office of the Inspector General (OIG) aims to promote a culture of accountability, transparency, and integrity within the District by performing audit and investigative services. Our audits and investigations are designed to drive continuous improvement, support effective decision making, and deter waste, fraud and abuse.

We would like your input to help us develop our work plan for the next school year. Please respond to the following questions as best you can. Thank you for your input.

1. Which of the following category or categories do you belong in?

- ☐ Board of Education member or staff
- ☐ LAUSD student
- ☐ LAUSD parent or guardian
- ☐ LAUSD employee
- ☐ Other (please specify)
- ☐ None of the above
- ☐ LAUSD contractor or consultant
- ☐ Bond Oversight Committee member or staff
- ☐ Teacher not to say

2. Which of the following areas related to instruction are of concern to you? Please select up to three areas.

- ☐ Instructional Materials
- ☐ A to G Curriculum
- ☐ Textbook Ordering and Management
- ☐ Instructional Software
- ☐ Special Education
- ☐ Options Schools
- ☐ Early Childhood Education
- ☐ Outdoor Education and Nature-Based Experiences
- ☐ Advanced Placement (AP) Courses
- ☐ Independent Study Program
- ☐ Athletics Programs and Activities
- ☐ Adult and Career Education
- ☐ Attendance Management for Students
- ☐ Asset Inventory

☐ Please add any other areas not listed above and elaborate on your selections here: ☐ None of the above☐ School Bus Operations (Special Ed and General Contracted Buses)☐ Afterschool Services (Beyond the Bell, tutoring)☐ Nursing Services and Operations☐ Wellness Centers☐ School Mental Health Services (crisis counseling and Intervention Services)☐ Student Medical Services and Medi-Cal Compliance (physicians, nurse practitioners, optometrists, clinics)☐ Food Inventory and Delivery☐ Please add any other areas not listed above and elaborate on your selections here: ☐ None of the above☐ Summer Food Program☐ Free and Reduced Meals Program☐ Restorative Justice Practices☐ School Lunch and Breakfast☐ Asset Inventory

3. Which of the following areas related to Student Support Services are of concern to you? Please select up to three areas.

- ☐ School Bus Operations (Special Ed and General Contracted Buses)
- ☐ Afterschool Services (Beyond the Bell, tutoring)
- ☐ Nursing Services and Operations
- ☐ Wellness Centers
- ☐ School Mental Health Services (crisis counseling and Intervention Services)
- ☐ Student Medical Services and Medi-Cal Compliance (physicians, nurse practitioners, optometrists, clinics)
- ☐ Food Inventory and Delivery
- ☐ Please add any other areas not listed above and elaborate on your selections here:
- ☐ None of the above
- ☐ Summer Food Program
- ☐ Free and Reduced Meals Program
- ☐ Restorative Justice Practices
- ☐ School Lunch and Breakfast
- ☐ Asset Inventory

13. Which of the following areas related to Administration and Community Relations are of concern to you? Please select up to three areas.

- ☐ General Counsel Operations
- ☐ Parent and Community Engagement
- ☐ Labor Relations (union contract)
- ☐ KICS TV Station
- ☐ School Site Council
- ☐ Please add any other areas not listed above and elaborate on your selections here:

☐ None of the above

14. Which of the following areas related to Programs/Activities at Schools are of concern to you? Please select up to three areas.

- ☐ Booster Clubs
- ☐ Civic Center Permits
- ☐ Co-location of Schools
- ☐ Please add any other areas not listed above and elaborate on your selections here:

☐ None of the above

15. Please tell us how susceptible you believe the District is to the following?

Level of Risk (Select High, Medium, or Low)

Fraud	<div><div></div><div></div><div></div></div>
Waste	<div><div></div><div></div><div></div></div>
Abuse	<div><div></div><div></div><div></div></div>

Please explain your risk ratings:

16. Please share any area(s) of concern not listed above.

FISCAL YEAR 2025 RISK ASSESSMENT SURVEY

SUMMARY OF RESPONSES

Q2 Which of the following areas related to Instruction are of concern to you? Please select up to three areas.

Answered: 269 Skipped: 5



ANSWER CHOICES	RESPONSES	
Special Education	27.14%	73
None of the above	25.65%	69
Instructional Materials	24.54%	66
Attendance Management for Students	20.82%	56

Q3 Which of the following areas related to Student Support Services are of concern to you? Please select up to three areas.

Answered: 263 Skipped: 11



ANSWER CHOICES	RESPONSES	
School Mental Health Services (crisis counseling and Intervention Services)	37.64%	99
Afterschool Services (Beyond the Bell, tutoring)	28.52%	75
None of the above	25.10%	66
Restorative Justice Practices	20.53%	54

Q4 Which of the following areas related to Security are of concern to you?
Please select up to three areas.

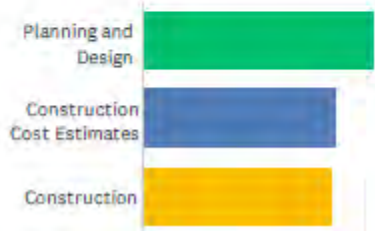
Answered: 271 Skipped: 3



ANSWER CHOICES	RESPONSES	
Physical Security at Schools (security detection devices, video cams, alarms)	47.60%	129
School Police	40.96%	111
Cybersecurity	28.41%	77

Q5 Which of the following areas related to the Construction Program are of concern to you? Please select up to three areas.

Answered: 257 Skipped: 17



ANSWER CHOICES	RESPONSES	
Planning and Design	31.13%	80
Construction Cost Estimates	26.07%	67
Construction	25.68%	66

Q6 Which of the following areas within the Facilities Services Division are of concern to you? Please select up to three areas.

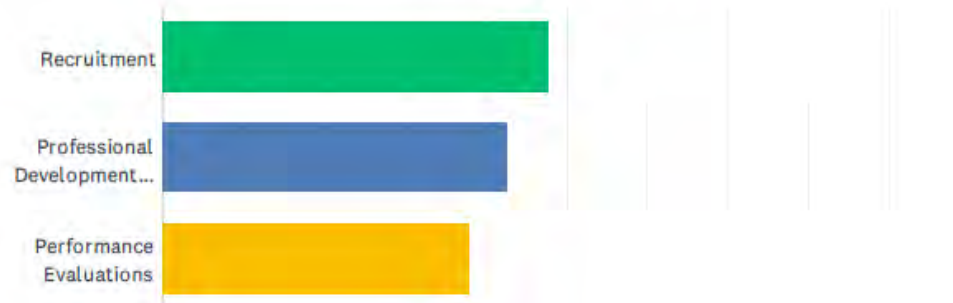
Answered: 257 Skipped: 17



ANSWER CHOICES	RESPONSES	
School Maintenance and Modernization Program	51.75%	133
Budget/Accounting/Invoice Processing	34.63%	89
Operations Services (custodial, landscaping, pest management)	34.63%	89

Q7 Which of the following areas related to Human Resources/Personnel Commission are of concern to you? Please select up to three areas.

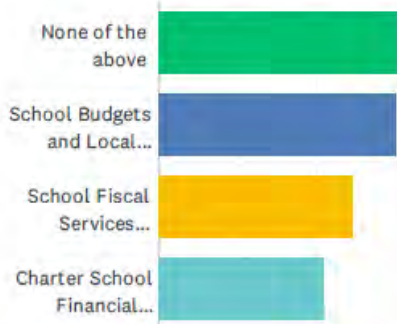
Answered: 258 Skipped: 16



ANSWER CHOICES	RESPONSES	
Recruitment	47.67%	123
Professional Development (Certificated and Classified)	42.64%	110
Performance Evaluations	37.98%	98

Q8 Which of the following areas related to Finance are of concern to you?
Please select up to three areas.

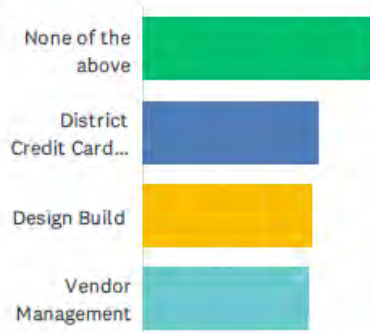
Answered: 258 Skipped: 16



ANSWER CHOICES	RESPONSES	
None of the above	31.01%	80
School Budgets and Local Control Funding Formula	30.23%	78
School Fiscal Services (student body funds, donations, booster clubs)	24.81%	64
Charter School Financial Management and Fiscal Operations	20.93%	54

Q9 Which of the following areas related to Procurement are of concern to you? Please select up to three areas.

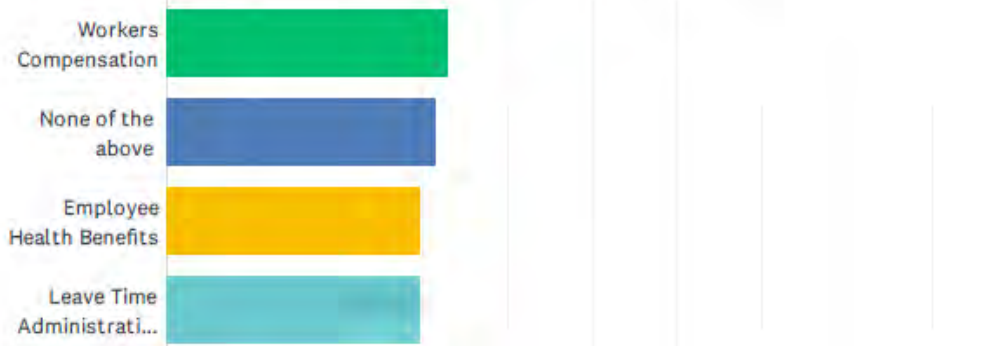
Answered: 249 Skipped: 25



ANSWER CHOICES	RESPONSES	
None of the above	29.32%	73
District Credit Card Program (P-Card, Travel, Fuel, Buyer Cards)	22.09%	55
Design Build	21.29%	53
Vendor Management	20.88%	52

Q10 Which of the following areas related to Risk Management are of concern to you? Please select up to three areas.

Answered: 248 Skipped: 26



ANSWER CHOICES	RESPONSES	
Workers Compensation	33.06%	82
None of the above	31.45%	78
Employee Health Benefits	29.84%	74
Leave Time Administration for Certificated/Classified Employees (FMLA, sick leave, personal necessity, etc.)	29.84%	74

Q11 Which of the following areas related to Information Technology are of concern to you? Please select up to three areas.

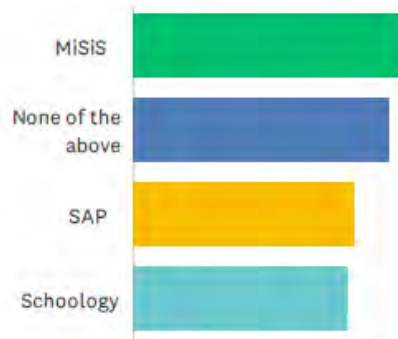
Answered: 257 Skipped: 17



ANSWER CHOICES	RESPONSES	
Cyber Security	45.53%	117
Wireless Network Connectivity	29.96%	77
None of the above	26.85%	69
IT Inventory	24.12%	62

Q12 Which of the following areas related to Software Applications are of concern to you? Please select up to three areas.

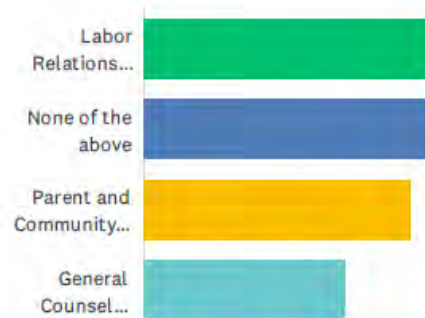
Answered: 253 Skipped: 21



ANSWER CHOICES	RESPONSES	
MiSiS	33.20%	84
None of the above	31.62%	80
SAP	27.27%	69
Schoolology	26.48%	67

Q13 Which of the following areas related to Administration and Community Relations are of concern to you? Please select up to three areas.

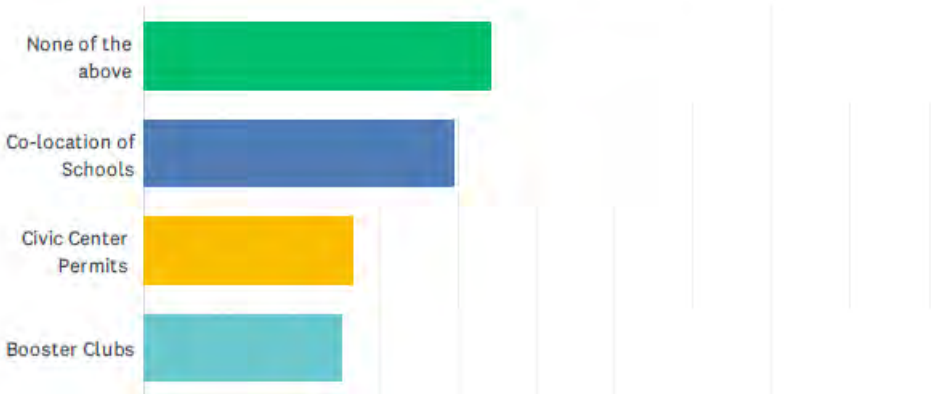
Answered: 251 Skipped: 23



ANSWER CHOICES	RESPONSES	
Labor Relations (union contract)	37.05%	93
None of the above	36.25%	91
Parent and Community Engagement	34.26%	86
General Counsel Operations	25.90%	65

Q14 Which of the following areas related to Programs/Activities at Schools are of concern to you? Please select up to three areas.

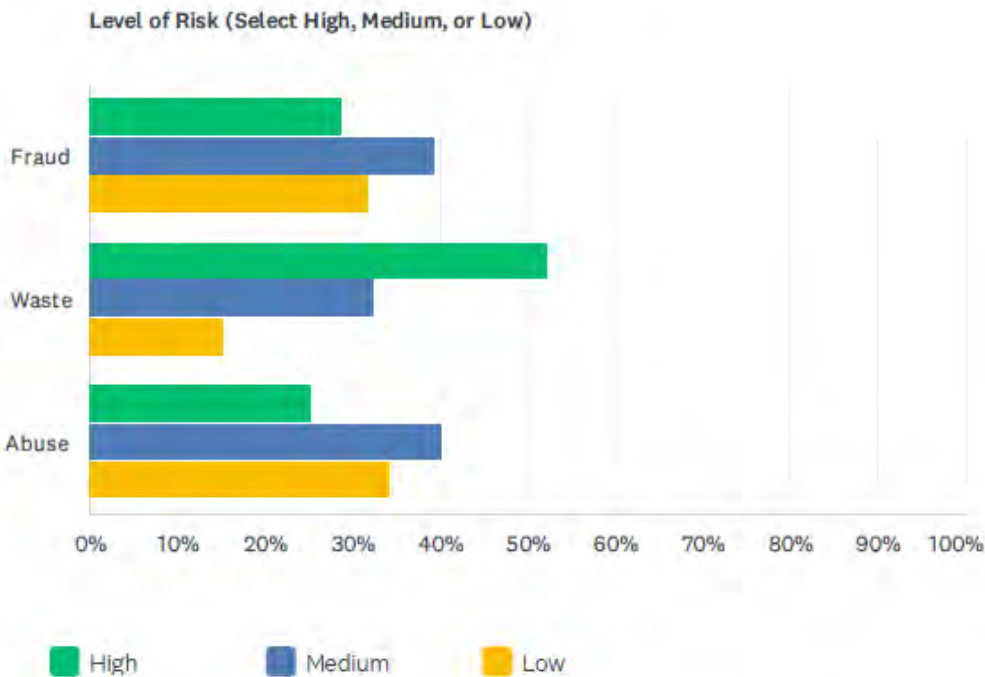
Answered: 252 Skipped: 22



ANSWER CHOICES	RESPONSES	
None of the above	44.44%	112
Co-location of Schools	39.68%	100
Civic Center Permits	26.59%	67
Booster Clubs	25.40%	64

Q15 Please tell us how susceptible you believe the District is to the following?

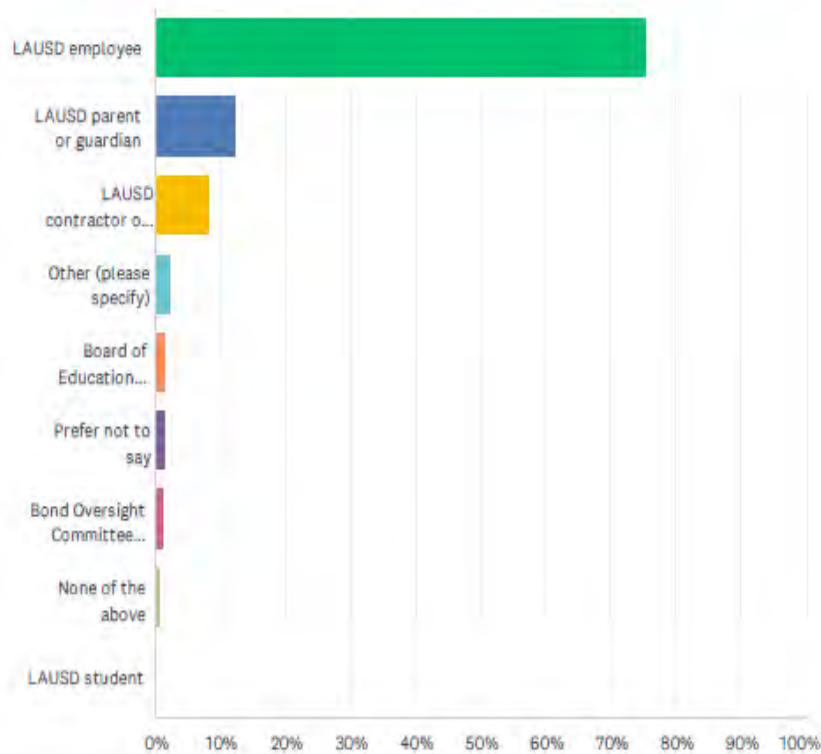
Answered: 248 Skipped: 26



FISCAL YEAR 2025 RISK ASSESSMENT SURVEY**RESPONDENT INFORMATION**

Q1 Which of the following category or categories do you belong in?

Answered: 271 Skipped: 3



ANSWER CHOICES	RESPONSES	
LAUSD employee	75.28%	204
LAUSD parent or guardian	12.18%	33
LAUSD contractor or consultant	8.12%	22
Other (please specify)	2.21%	6
Board of Education member or staff	1.48%	4
Prefer not to say	1.48%	4
Bond Oversight Committee member or staff	1.11%	3
None of the above	0.74%	2
LAUSD student	0.00%	0
Total Respondents: 271		



LAUSD

Office of the Inspector General
"Independent and Objective Oversight"



OIG

REPORT FRAUD, WASTE & ABUSE

En español



 (213) 241-7778 or (866) 528-7364

 inspector.general@lausd.net

 <https://www.lausd.org/oig>



- ☐ Misuse of LAUSD funds and resources
- ☐ Retaliation for reporting misconduct
- ☐ Anyone can make a report
- ☐ Reports are confidential - you may remain anonymous if you wish

SCHOOL CONSTRUCTION BOND CITIZENS' OVERSIGHT COMMITTEE

Margaret Fuentes, Chair

LAUSD Student Parent

D. Michael Hamner, FAIA, Vice-Chair

American Institute of Architects

Dr. Samantha Rowles, Secretary

LAUSD Student Parent

Robert Campbell, Executive Committee

L.A. Co. Auditor-Controller's Office

Scott Pansky, Executive Committee

L.A. Area Chamber of Commerce

Neelura Bell

CA Charter School Association

Chad Boggio

L.A. Co. Federation of Labor AFL-CIO

Jeffrey Fischbach

CA Tax Reform Assn.

Aleigh Lewis

L.A. City Controller's Office

Patrick MacFarlane

Early Education Coalition

Brian Mello

Assoc. General Contractors of CA

Dr. Clarence Montecarlo

Tenth District PTSA

William O. Ross IV

31st District PTSA

Santa Ramirez (Alternate)

Tenth District PTSA

Connie Yee (Alternate)

L.A. Co. Auditor-Controller's Office

Vacant

AARP

Vacant

L.A. City Mayor's Office

Joseph P. Buchman – Legal Counsel

Burke, Williams & Sorensen, LLP

Lori Raineri and Keith Weaver – Oversight

Consultants

Government Financial Services Joint

Powers Authority

Timothy Popejoy

Bond Oversight Administrator

Perla Zitle

Bond Oversight Coordinator

RESOLUTION 2024-17

BOARD REPORT NO. 296-23/24

**RECOMMENDING BOARD APPROVAL FOR THE FISCAL YEAR 2025 OIG WORK
PLAN/STRATEGIC EXECUTION PLAN**

WHEREAS, District Staff proposes that the Board of Education approve the Fiscal Year 2025 Office of the Inspector General (OIG) Work Plan; and

WHEREAS, in March 2003, the Board of Education authorized the OIG to conduct audits of bond funded new construction and modernization programs and related bond expenditures with Proposition BB and Measure K bond funds; and

WHEREAS, in March 2004, June 2005, November 2008, and November 2020 additional bond funds were programmed for audits in Measures R, Y, Q, and RR as approved by the electorate; and

WHEREAS, the associated Fiscal Year 2025 OIG Work Plan/Strategic Execution Plan proposes to use School Upgrade Program (SUP) funds in the amount of \$6,078,738 to provide audit and investigative services, staffing, and training.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The School Construction Citizens' Bond Oversight Committee recommends that the Board of Education adopt the Fiscal Year 2025 OIG Work Plan/ Strategic Execution Plan as defined in Board Report No. 296-23/24, a copy of which is attached hereto in the form it was presented to the BOC and is incorporated herein by reference.

RESOLUTION 2024-17**RECOMMENDING BOARD APPROVAL FOR THE FISCAL YEAR 2025 OIG WORK PLAN/STRATEGIC EXECUTION PLAN**

2. This resolution shall be transmitted to the Los Angeles Unified School District Board of Education and posted on the Bond Oversight Committee's website.
3. The District is directed to track the above recommendation and to report on the adoption, rejection, or pending status of the recommendations as provided in section 6.2 of the Charter and Memorandum of Understanding between the Bond Oversight Committee and the District.

ADOPTED on May 23, 2024, by the following vote:

AYES: 10

ABSTENTIONS: 0

NAYS: 0

ABSENCES: 3

/Margaret Fuentes/

Margaret Fuentes
Chair

/Michael Hamner/

D. Michael Hamner
Vice-Chair

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RESOLUTIONS

TAB 21



Board of Education Report

File #: Res-030-23/24, Version: 1

Ms. Goldberg - LAUSD Student ID for All Students (Res-030-23/24) (Noticed June 4, 2024)

Whereas, The Los Angeles Unified School District (LAUSD) Student ID is a unique identifier which allows the District to store, track, and access every individual student's school enrollment, demographics, contact information, Individualized Education Plan (IEP), scores, transcripts, and other important information;

Whereas, Because it is our responsibility to provide an education to every school-age person living within our boundaries and in practice, students often move between charter schools and public schools, all students in District-operated public schools and independent charter schools are LAUSD students; and

Whereas, Ensuring that all public school and District-approved charter school students are included in the same Student ID system throughout their school career will create a seamless transition for families whose students move from charter schools to public schools or from public schools to charter schools, and will ensure that important records including attendance, behavior, academic outcomes, and IEPs automatically follow them throughout their time in LAUSD, regardless of the school they are enrolled in; now, therefore, be it

Resolved, That all students in Los Angeles Unified School District, including those attending District-approved charter schools, shall be assigned an LAUSD Student ID;

Resolved further, That newly-assigned Student IDs pursuant to this resolution will be managed by the same system and store the same information as those assigned to students in District-operated schools; and, be it, finally

Resolved, That Information Technology Services will develop a plan to assign a Student ID to District-approved charter school students for the 2024-25 school year.

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Board of Education Report

File #: Res-034-23/24, Version: 1

Dr. Rivas, Mr. Melvoin - Celebration of Play Day on June 29, 2024, and Promotion of Play Equity (Res-034-23/24) (Noticed June 4, 2024)

Whereas, Sport, play, and movement are essential for positive youth development, improving mental and physical health, increasing cognitive performance, and leading to higher academic and career achievement;

Whereas, Inequities in access to sport, play, and movement exist, particularly for youth of color, including Black and Latino youth, who often face barriers such as limited access to quality park space and lower rates of participation in organized sports;

Whereas, Achieving play equity, which means removing barriers and ensuring all children have equal access to the benefits of sport, play, and movement, is essential to fostering thriving children, building stronger communities nationwide, and realizing our shared vision for a healthier and more inclusive society;

Whereas, The LA84 Foundation and the Play Equity Fund are issuing a call to action to fortify the spirit of our youth with Play Day on June 29, a national celebration uplifting the lifelong benefits of sport, play, and movement for children in their neighborhoods;

Whereas, Play Day demonstrates the power of sports and play to connect us, foster understanding, and build more promising futures for young people;

Whereas, The Los Angeles Unified School District's Strategic Plan 2022-2026 emphasizes creating safe and healthy learning environments to promote joy and wellness, recognizing that physical activity and play are essential components of a holistic approach to student well-being and academic success; and

Whereas, The District, as demonstrated in its support of International Walk to School Day (October 9, 2013) and TV Turnoff Week (April 19-25, 2004), strives to uphold the health and safety of all students and recognizes the importance of physical activity and reduced screen time for their overall well-being, academic success, and creative growth; now, therefore, be it

Resolved, That the Governing Board of the Los Angeles Unified School District commits to championing policies and practices that promote equitable access to sports, play, and movement opportunities for all students;

Resolved further, That the Board will designate June 29, 2024, as “Play Day” and encourages all District students and families to join the celebration in West Adams and go out and play on that day; and, be it finally

Resolved, That the Board direct the Superintendent to utilize and promote resources through the

District's Summer of Learning summer school programming, as well as Los Angeles County and Los Angeles City programs, to support Play Day on June 29, 2024, and to champion equitable access to sports, play, and movement opportunities for all students throughout the year.

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Board of Education Report

File #: Res-035-23/24, Version: 1

Mr. Melvoin, Ms. Goldberg, Ms. Ortiz Franklin - Supporting Student Mental Health and Learning by Ensuring a Phone-Free School Day (Res-035-23/24) (Noticed June 4, 2024)

Whereas, The Los Angeles Unified School District (“District”) is committed to supporting student mental health and wellbeing and creating environments where students feel safe, welcome, and excited to learn;

Whereas, Research indicates that excessive cell phone use impacts adolescents mental health and well-being and is associated with increased stress, anxiety, depression, sleep issues, feelings of aggression, and suicidal thoughts. According to the US National Survey on Drug Use and Health, anxiety for those born after 1995 increased by 139 percent from 2010 to 2020, coinciding with the rise in smartphones and social media;

Whereas, Cell phones can stifle meaningful in-person interaction and enable cyberbullying. According to a report published by the Centers for Disease Control and Prevention, 16 percent of U.S. high school students in 2021 said they had been bullied via text message or social media platforms over the previous year;

Whereas, While headphones and earbuds are tools to promote focus and concentration in the classroom, students use them with their cell phones all day and may become reliant on them-stifling student interaction with their peers and limiting classroom engagement;

Whereas, Half of all teens reported feeling “addicted” to their phones in a survey published in 2016 by Common Sense Media. And, a 2023 Common Sense Media study of 200 students found that 97% of 11 to 17-year-olds used their phones during the school day;

Whereas, The U.S. surgeon general wrote in an advisory in 2023 that social media may be linked to the growing mental health crisis among teens. Children and adolescents on social media are commonly exposed to extreme, inappropriate, and harmful content. Many students access social media via their smartphones during the school day;

Whereas, Research indicates that limiting cell phone usage and social media access during the school day increases academic performance and has positive effects on student mental health. Studies show that banning smartphones increases performance on both standardized test scores and end-of-course exams. The gains were equivalent to an additional hour of instructional time per week. A study published in 2024 shows that banning smartphones reduces the number of consultations for psychological symptoms by about two-to-three visits per child, per year;

Whereas, Districts and schools across the country have adopted policies restricting student smartphone use during the school day. For example, starting in 2023, public schools in Florida began prohibiting student phone use during instructional time and blocking students’ access to social media on district Wi-

Fi. In 2019, California's AB 272 encouraged school districts to adopt policies limiting the use of smartphones in school. And, California's AB 3216 "Pupils: use of smartphones," introduced in February 2024, would require school districts to adopt a policy to prohibit the use of smartphones at school sites by July 1, 2026. Other states including Oklahoma, Kansas, Vermont, Ohio, Louisiana, and Pennsylvania have introduced similar legislation;

Whereas, BUL-5468.0 "Use of Cellular Telephones and Other Electronic Devices by Students" prohibits the use of cell phones during normal school hours or school activities, excluding lunchtime or nutrition unless the school has adopted a stricter policy. However, implementation of the existing cell phone policy varies by school site-sometimes from classroom to classroom. This policy has not been updated since 2011, prior to the widespread usage of smartphones by school-aged children;

Whereas, BUL-6299.2 "Social Media Policy for Students" provides guidelines regarding student's social media use. This policy has not been updated since 2018; and

Whereas, School safety experts indicate that the use of cell phones by students could potentially decrease school safety during certain emergencies, spreading misinformation and interfering with official communications and directions to students; now, therefore be it

Resolved, That within 120 days, the Los Angeles Unified School District shall develop and present to the public at a Board Meeting updated cell phone and social media policies to prohibit student use of cell phones and social media platforms district-wide during the entire school day. The policies and their implementation shall be informed by best practices and by input from experts in the field, labor partners, staff, students, and parents;

Resolved further, That the updated policies will go into effect no later than the second semester of the 2024-2025 school year and shall include guidelines for implementation that:

- Are consistent with California and federal legal requirements including exemptions for IEP or Section 504 accommodations and emergencies;
- Are age appropriate and differentiated by grade level;
- Delineate an approach for smartphones versus text/voice only phones versus other smart devices like watches;
- Consider options for cell phone storage including locked pouches and/or cell phone lockers taking the needs of local school communities and stakeholders into account;
- Consider the use of technological means of restriction to social media platforms or other similar content by internet or cellular service;
- Provide guidance to school sites on communicating with students, families and employees regarding the policies; and, be it finally

Resolved, That the District shall advocate for state and federal legislation-including but not limited to AB 3216-limiting the use of smartphones at school sites as well as other legislation that limits the use of social media platforms, and support litigation, as appropriate, that limits the use of social media platforms that disrupt learning and contribute to declining student mental health.

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Board of Education Report

File #: Res-036-23/24, Version: 2

Ms. Ortiz Franklin, Mr. Melvoin - Modern Budget Transparency for Student Achievement (Res-036-23/24)
(Noticed June 4, 2024)

Whereas, Los Angeles Unified School District is committed to equity, collaboration and excellence, leading every student to be ready for college, career and life;

Whereas, Providing the highest-quality instructional experience requires utilizing resources equitably, efficiently, and strategically to improve student outcomes and to do so requires timely, easy-to-understand budget analysis that well informs decisions;

Whereas, The Strategic Plan Pillar 3 Engagement and Collaboration commits to providing opportunities for robust stakeholder engagement in the school budget development process as a strategy for strengthening relationships between families, students, and their schools to improve student success;

Whereas, The Strategic Plan Pillar 4 Operational Effectiveness elevates the Priority of Sustainable Budgeting and the importance of establishing powerful new ways to look at data and District budgets to make the best decisions to serve our students;

Whereas, The Governing Board of the Los Angeles Unified School District passed the LAUSDATA: Los Angeles Unified Sharing Data for Accessibility, Transparency, and Accountability resolution (Res-021-17/18), which recognized the importance of open government, collective problem solving, trust and shared accountability and established the LAUSD Open Data portal which averages 1,372 monthly users;

Whereas, The Strategic Plan was aligned to budget investments in the OpenGov portal taking an important step towards tracking our investments connected to District goals and strategies, but currently lacks the ability to produce a report to understand usage;

Whereas, There are multiple places to access budget data which creates confusion, lack of clarity on the most up to date information, and budget allocation information is difficult to decipher, static, and only addresses high-level questions;

Whereas, Artificial Intelligence (AI) provides the possibility of enhancing efficiencies, expediting processing times, improved accuracy, and real-time customization for the user, and LA Unified is a leader in AI with applications such as Ed and presentations at renowned conferences;

Whereas, District students, parents, families, staff, and community members voice the importance of having access to readily available, easily understandable budget information so they can understand how the District is prioritizing its investments and to what extent those investments are impacting student experiences and achievement; and

Whereas, The District faces a challenging budgetary context with pandemic recovery funds expiring and California state budget projected deficits, making informed, transparent decisions alongside community necessary to ensure high-quality, equitable learning environments; now, therefore, be it

Resolved, That the Los Angeles Unified School District provide a primary resource for the community that is a consolidated, clear, comprehensive, detailed, language accessible, and AI-powered annual budget tool - publicly available online - that includes an FAQ section and ongoing in-person and online user guidance training and support to help with navigation, and which:

1. Integrates Artificial Intelligence so that users engage actively with the tool to ask questions and receive accurate answers,
2. Includes customizable data visualizations, download capability, geocoding/mapping capabilities, sortability to analyze and compare investments across schools, SENI quintile, board district, community of school, student demographic and other relevant data to be determined by stakeholder engagement,
3. Includes all fund sources including bond funding and donation accounts (PTO/PTA), totals, carryover, full-time and part-time equivalent allocations including staff to student ratios (for each position, not just teachers and counselors), position titles, per pupil expenditures for all funding sources across major categories,
4. Is organized by categories commonly discussed at board meetings, in community meetings, and at school sites (determined by community described in Resolve 2 below),
5. Includes year-over-year historical data for the past 3-year time period and includes budgeted and actual expenditures in each category (i.e. program dollar spend year-to-date and year-to-go),
6. Has the capacity to support school-site budgetary decisions through including access to accurate and timely information for making real-time budget decisions (i.e. program dollar spend year-to-date and year-to-go),
7. Includes narrative and contextual information to explain budget and policy decisions;

Resolved further, That in order to design the first draft and final version of this tool, made available by July 1, 2025, the District continues to seek and incorporate community feedback that

1. Includes LCAP parent groups, community partners, labor partners, and board offices,
2. Is shared in language accessible formats, and when the community can best participate,
3. Prioritizes engaging historically marginalized communities which can include but are not limited to native/indigenous, immigrant, disabled, and racial/ethnic subgroups, and
4. Ensures that the product matches the demand of the end users (feedback shall be sought at least three times twice - at the outset and twice after ~~a~~ drafts ~~is~~ are available to test drive);

Resolved further, That by October 2025 the budget tool clearly connects to student outcomes, describing how specific investments impact student outcomes and strategic plan goals (recognizing limitations regarding causal and correlative connections as well as shared responsibility across programs, personnel and school/region/district staff) to inform budget development of the 2026-27 school year; and, be it finally

Resolved, That the budget tool and student achievement metrics are available at the regional and school site levels and are shared multiple times per year, publicly as a part of Strategic Plan updates, LCAP updates, and key budgetary milestones (including 2nd-interim report) to inform board decisions on budget development and approval.

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TAB 25



Los Angeles Unified School District

1373

333 South Beaudry Ave,
Los Angeles, CA 90017

Board of Education Report

File #: Sup Res -007-23/24, Version: 1

Appointment of Member to School Construction Bond Citizens' Oversight Committee (Sup Res-007-23/24)

Resolved, That the Governing Board of the Los Angeles Unified School District ratifies the appointment of Ms. Sandra Betts, representing the California Tax Reform Association, as Member to the School Construction Bond Citizens' Oversight Committee for a two-year term commencing June 25, 2024 and determines that Ms. Betts is not an employee, official, vendor, contractor, or consultant of the District.



CALIFORNIA Tax Reform Association

californiataxreform.org

**1121 L Street, Suite 602
Sacramento, CA 95814**

CTRA Member Organizations:

American Federation of State,
County and Municipal Employees

CA Budget & Policy Center

CA Faculty Association

CA Federation of Teachers

CA Labor Federation

CA Nurses Association

CA Professional Firefighters

CA School Employees Association

CA Teachers Association

Community Economics, Inc.

Professional Engineers in
California Government

Public Employees Union Local 1

Service Employees Intl Union

State Building Trade and
Construction Council of California

May 9, 2024

Jackie Goldberg, President
Los Angeles Unified School District Board of Education
333 South Beaudry Street, 24th Floor
Los Angeles, CA 90017

Re: Appointment of Sandra Betts

Dear President Goldberg,

The California Tax Reform Association hereby appoints **Sandra Betts** for a two-year term on the Los Angeles Unified School District School Bond Citizen's Oversight Committee.

Sincerely,

Roy Ulrich
President
510-350-8324

Sandra Betts

Highland Park, Los Angeles

213.709.4192

lavidaverdekc@gmail.com

IG: @aldama_green_team @coyotesdelcerro

Profile

I am committed to building community that regenerates the health and diversity of our physical landscape while empowering others.

Experience and Education

Aldama Elementary, Green Team Co-Founder, Highland Park, Los Angeles - 2018 - 2024

Work with volunteer team to apply for and win LAUSD \$100,000 SEEDS grant and National Park Service Partnership grant to create a master greening plan for the Aldama campus. Coordinate across multiple agencies; local environmental organizations, City Council and LAUSD School Board representatives and a variety of LAUSD offices in support of campus greening and beautification. Coordinate amongst the Principal, teachers, Grounds Manager, parent and student volunteers for campus beautification events. Coordinate outreach with all school committees to share our work and receive input. Coordinate and recruit volunteers, donors and participating organizations for the annual Seeds of Spring fundraiser. Most recent event raised over \$3000, a 77% increase from previous year. Manage and negotiate annual contracts with garden class vendor. Design and manage social media presence. Attend meetings regarding citywide environmental initiatives.

Aldama Elementary, PTA Board, VP, Parent Rep, Highland Park, Los Angeles - 2019 - 2021

Attend monthly board meetings to plan annual budgets, events, fundraising and support of our teachers, staff and school community. Contribute to and edit monthly newsletters. Design and manage social media presence using Canva and Mailchimp. Meet and coordinate with District 1 City Council representatives in support of campus and neighborhood safety and beautification. Network with local businesses for fundraising and donations.

Aldama Elementary, School Site Council Committee, SSC, Highland Park, Los Angeles - 2018-2019

Attend monthly meetings in support of SSC mission which is to develop the Single Plan for Student Achievement (SPSA), in consultation with the English Learner Advisory Committee. The SSC is also responsible for the development of the Title I parent involvement policy and budget and the Title I parent-school compact.

Permaculture Design Certificate, Quail Springs, Cuyama Valley, CA - Nov 2019

Completed the on-site, two-week program which incorporated both classroom and hands-on learning. Studies included; Greywater, water harvesting, cob building, integrated animal systems, composting, food production and more.

Earthbag Workshop, Cal-Earth, Hesperia, CA - 2014

Completed on-site weekend workshop on earthbag building techniques

Landscape Architecture Program, UCLA Extension - 2011- 2012

Completed classes in Design Graphics, Plant ID: Trees, History of the Designed Landscape

Horticulture Program, UCLA Extension - 2010 - 2011

Completed classes in CA Native Plant Design, Horticulture Pest Management, Plant Taxonomy and ID, Soils and Plant Nutrition

Retail Manager, Lake Boutique, Silver Lake, Los Angeles - 2010-2013

Managed retail clothing, apothecary and home goods boutique specializing in local and small production designers. Scheduling for 3-4 employees, assisted owner in buying.

Landscape Maintenance, Greensman/Dirty Roots Gardening, Kansas City/Los Angeles - 2008-2010
Managed residential clients on-site landscape maintenance. Planting, mulching, pruning, and clean-up.

Owner, citydog, Kansas City, MO - 1999 - 2010

Founded dog walking and pet sitting business; grew customer base to several hundred clients. Designed and built website, managed staff of 6-8, created successful marketing campaigns, won multiple Best Of City Awards.

Kansas City Art Institute, Kansas City, MO - 1992-1994

Completed Foundations program with focus in Fiber Arts.

Skills

Community building, effective communication and listening. Works autonomously or with a group. Beginner Spanish language knowledge. Basic computer skills; Canva, Mailchimp, Squarespace as well as basic social media navigation. Intermediate landscape care, observation of environment - land, human, and animal. Intermediate dog and urban chicken care, keeping and behavior knowledge.

Volunteer Work

Metabolic Studios, Blue Man Dog, Foster for Life, K9 Youth Alliance, Hahamonga Native Nursery, Aldama PTA, Aldama Green Team

References available on request.

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TAB 26



Board of Education Report

File #: Sup Res -008-23/24, Version: 1

Re-appointment of Member to the School Construction Bond Citizens' Oversight Committee (Sup Res-008-23/24)

Resolved, That the Governing Board of the Los Angeles Unified School District ratifies the re-appointment of Ms. Jennifer Pope McDowell, representing the Los Angeles Mayor's Office, as a Member to the School Construction Bond Citizens' Oversight Committee for a two-year term commencing on June 18, 2024. The Board has determined that Ms. Pope McDowell is not an employee, official, vendor, contractor, or consultant of the District.



KAREN BASS
MAYOR

June 6, 2024

Jackie Goldberg
Board President, LAUSD Board of Education
333 South Beaudry Avenue, 24th Floor
Los Angeles, CA 90017

RE: LAUSD School Construction Bond Citizens' Oversight Committee Renomination

Dear President Goldberg:

Subject to the confirmation by the LAUSD Board of Education, I hereby renominate Ms. Jennifer Pope McDowell to the LAUSD School Construction Bond Citizens' Oversight Committee for the term ending on June 18, 2026.

I certify that in my opinion Ms. McDowell is especially qualified by reason of training and experience for the work which shall devolve upon her, and that I make the appointment solely in the interest of the LAUSD and City of Los Angeles.

Sincerely,

KAREN BASS
Mayor

KB:tga

Attachment

CC: Alberto Carvalho, Los Angeles Unified School District Superintendent
Members, Los Angeles Unified School District Board of Education
Timothy Popejoy, LAUSD School Construction Bond Citizens' Oversight Committee
Holly L. Wolcott, Los Angeles City Clerk

JENNIFER POPE McDOWELL

PROFESSIONAL EXPERIENCE

November 2022 - Present | Los Angeles, CA

Architectural Associate IV, Bureau of Engineering, City of Los Angeles

- Architectural Division project manager and designer for projects such as Department of Recreation and Parks facilities and City of Los Angeles tenant improvements and historic facilities

June 2015 - October 2022 | Los Angeles, CA

Office of Mayor Eric Garcetti, City of Los Angeles**Director of Capital Infrastructure, 5/2021 - 10/2022****Associate Director of Infrastructure, 6/2018 - 4/2021**

- Led a four person team overseeing policy and signature programs for the Board of Public Works and Public Works Bureaus of Engineering, Street Services, Street Lighting, and Contract Administration
- Managed a diverse policy portfolio including public right of way use and design, complete streets policy integration, infrastructure cost recovery, sidewalk vending, and a new street furniture program
- Coordinate task forces and working groups to develop policy solutions to complex issues, including climate adaptation and infrastructure cooling strategies to address extreme heat
- Partner with Government Affairs team to initiate and monitor progress of legislative and regulatory issues and funding opportunities of interest
- Prepare materials for the Mayor and senior staff; represent the Mayor's office at external meetings, speaking engagements, on background interviews, and in public forums as needed
- Establish Los Angeles' pandemic response; create the LA Al Fresco program for temporary outdoor dining on streets and sidewalks during the pandemic and develop policies for permanent outdoor dining

Infrastructure Policy Analyst, 6/2015 - 5/2018

- Policy lead for the implementation of major public works projects such as the Citywide Sidewalk Repair Program and the Sixth Street Viaduct Replacement Project
- Develop and implement policy for urban forestry, including establishing the Office of City Forest Management and the city's Tree Guarantee Fee

September 2014 - May 2015 | Los Angeles, CA

Coro Southern California, Fellow

- Cross-sectoral fellowship in public affairs analyzing structure and function of diverse organizations
- Centered around evaluating goals and obstacles, and developing actionable, collaborative solutions
- Experience based, cross-sectoral training at placements such as the Office of LA Mayor Eric Garcetti, SEIU 721 and Coalition of LA City Unions, MackUrban, Friends of the Los Angeles River (FoLAR), and Community Coalition

April 2014 - August 2014 | Los Angeles, CA

With Love Market and Cafe, Associate Designer

- Collaboratively produced layout and overall design direction for small business startup
- Produced design package for city permitting and construction build-out

August 2011 - May 2014 | Burbank, CA

Architecture and Civic Engagement Center, Research Assistant

- Research and design center promoting civic engagement & social and environmental justice
- Project manager and lead designer for a non-profit architectural facade improvement
- Designed publicity and informational materials for marketing purposes, manage website
- Developed and managed research database for innovations in universal design

PROFESSIONAL EXPERIENCE (CONTINUED)

June 2013 - September 2013 | Los Angeles, CA

Urban Operations, Design Intern

- Architectural practice specializing in design/build, installations, and built environment research
- Produced design development and construction document drawing sets
- Processed and secured plan check clearances and city permits for residential hillside projects

May 2012 - August 2012 | Los Angeles, CA

William Adams Architects, Design Intern

- Architectural firm specializing in offices, retail, multiple and single family housing
- Produced design and construction documentation drawings; secured plan check clearances

September 2008 - August 2011 | Los Angeles, CA

CO Architects, Office Aide

- Part of the administrative team for a large architectural firm with an extensive portfolio of institutional, civic, academic, science, and healthcare projects
- Redesigned archival system and managed architectural project documents
- Managed office inventory, resources and supplier relationships

EDUCATION

Woodbury University, Master of Architecture _ Burbank, CA, 8/2011 - 5/2014

3-Year M.Arch, AIA Henry Adams Medal Award

Los Angeles Institute of Architecture and Design (LAIAD) _ Los Angeles, CA, 6/2010 -

12/2010 Graduate Preparation Program

Occidental College, Bachelor of Arts _ Los Angeles, CA, 8/2004 - 5/2008

Art History and the Visual Arts, Mathematics Minor, Cum Laude

HONORS

AIA Henry Adams Medal Award _ 5/2014

American Institute of Architects, Los Angeles | Woodbury University top-ranking architecture graduate

Julius Shulman Emerging Talent Award Recipient _ 6/2013

Los Angeles Business Council | Julius Shulman Emerging Talent Award Charette (Team Award)

Award of Design Excellence _ 5/2012 and 5/2013

Woodbury University School of Architecture | First and Second Year Graduate Student Recipient

AIA/LA 2x8:Source Scholarship Recipient _ 6/2011

American Institute of Architects, Los Angeles | Los Angeles Institute of Architecture and Design (LAIAD)

Jennifer Pope McDowell joined the Mayor's Office of City Services in 2015 and is the primary liaison to the Department of Public Works. In this role, she oversees large capital projects, including the new Sixth Street Viaduct, and has managed the launch of high-profile programs ranging from urban cooling initiatives to outdoor dining and sidewalk vending. Prior to joining the Mayor's Office, Jennifer held a number of roles within the field of architecture and design. Jennifer holds a master's degree in Architecture from Woodbury University, a B.A. from Occidental College, and is an alumnus of Coro Southern California. Jennifer has been a proud Angeleno for over 18 years and resides in the Exposition Park neighborhood.

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Special Reports

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TAB 27



Los Angeles Unified School District

1385

333 South Beaudry Ave,
Los Angeles, CA 90017

Board of Education Report

File #: 030-23/24, Version: 1

Special Report

Receipt of Results of the April 2024 Go Refunding Bond Sale and Comparison of Good Faith Costs of Issuance Estimates and Actuals (030-23/24)

INTEROFFICE CORRESPONDENCE

Los Angeles Unified School District
Office of the Superintendent

INFORMATIVE**DATE:** May 28, 2024**TO:** Members, Board of Education**FROM:** Alberto M. Carvalho, Superintendent**SUBJECT: RESULTS OF THE APRIL 2024 GO REFUNDING BOND SALE AND
COMPARISON OF GOOD FAITH COSTS OF ISSUANCE ESTIMATES AND
ACTUALS**

On April 24, the District successfully sold \$2.97 billion of its 2024 General Obligation Refunding Bonds Series A (the “Refunding Bonds”). This sale marks the District’s largest bond issuance to date and, at the time of issuance, was the largest tax-exempt municipal bond issuance in the country for 2024. The transaction generated significant taxpayer savings totaling \$173.9 million over the life of the bonds. The transaction closed on April 30, 2024.

Background Information:

June 2023: The Board of Education approved a resolution authorizing the issuance of General Obligation Refunding Bonds, estimated at \$528 million, to be issued in Spring 2024. This series would refund the District’s 2014 General Obligation Refunding Bonds Series B, C, and D (the “Refunded 2014 GOs”).

January 2024: The Board approved an additional resolution authorizing a \$2.42 billion issuance of General Obligation Refunding Bonds, also to be sold in Spring 2024. This series would refund the District’s Federally Taxable Build America Bonds: General Obligation Bonds Series KRY (2009) and Series RY (2010) (the “Refunded BABs”).

To optimize efficiency and reduce issuance costs, these two series were combined into one larger series.

Updated General Obligation Bond Ratings:

In April 2024, the District received updated ratings:

- Moody’s Investor Services: Aa2
- Fitch Ratings: AAA
- KBRA: AAA

Sale Results:

Over a two-day pricing period, the District received more than \$10 billion in orders from over 120 investors, far exceeding the \$2.97 billion available. This strong demand led to a reduction in interest rates from the beginning of the order period on April 23rd through the end of the order period on April 24th, with a final true interest cost of 3.04% over 10 years.

Cost Comparisons:

The actual costs of issuance were \$780,292 less than the Good Faith Estimates, primarily due to the consolidation of the bond series. The detailed comparison is provided in Exhibit A.

True Interest Cost (TIC):

- **Good Faith Estimate:** 2.30%
- **Actual:** 3.04%
- **Difference:** 0.74%

The increase in TIC is primarily attributed to a 48 basis point rise in tax-exempt interest rates between January 8, 2024, and the bond pricing date.

Finance Charge Comparison:

Category	Good Faith Estimates	Actuals	Difference
Rating Agency – Moody's	\$ 242,250	\$ 148,000	\$ (94,250)
Rating Agency – Fitch	183,000	145,000	(38,000)
Rating Agency – Kroll	218,000	100,000	(118,000)
Bond Counsel	185,000	130,000	(55,000)
Disclosure Counsel	262,000	145,000	(117,000)
Municipal Advisor + Travel	203,000	162,514	(40,486)
Underwriters' Discount	6,186,851	5,907,331	(279,519)
Other Expenses/Contingency	97,522	59,486	(38,036)
Total	\$7,577,623	\$6,797,331	\$(780,292)

Proceeds Received:

- **Good Faith Estimate:** \$3,440,920,230
- **Actual:** \$3,331,661,579
- **Difference:** \$(109,258,651)

Total Payment Amount:

- **Good Faith Estimate:** \$3,968,792,598
- **Actual:** \$4,010,456,900
- **Difference:** \$41,664,302 (1.1% higher due to increased interest rates)

Overall, the Total Payment Amount on the Refunding Bonds is \$173.9 million lower than the remaining payments on the Refunded Bonds.

I extend my gratitude to the Treasury team for their hard work on this bond sale. Should you have any questions, please contact Timothy Rosnick at (213) 241-7989.

c: Devora Navera Reed

Pedro Salcido

Karla V. Estrada

Kristen K. Murphy

Jaime Torrens

Amanda Wherritt

Patricia Chambers

Pia Sadaqatmal

Sasha Lopez

Michael McLean

Nolberto Delgadillo

Ernie Thomas

Timothy S. Rosnick

ATTACHMENT: EXHIBIT A
COMPARISON OF GOOD FAITH ESTIMATES & ACTUALS FOR THE BONDS

Exhibit A – Comparison of Good Faith Estimates & Actuals for the Bonds

The Good Faith Estimates of Costs of Issuance were as of April 27, 2023 and January 8, 2024, prior to Board approvals on June 13, 2023 and January 23, 2024, respectively. Separate Good Faith Estimates were included in each of the two resolutions.

- 1. True Interest Cost (“TIC”) of the Bonds:** The rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds.

Good Faith Estimate¹	Actuals	Difference
2.30%	3.04%	0.74%

The primary reason that the TIC of the Bonds was higher than estimated in January 2024 is because interest rates rose considerably during this time period. Between January 8, 2024 and the pricing date of the Bonds, tax-exempt interest rates as measured by the 10-year MMD index rose by 48 basis points.

- 2. Finance Charge of the Bonds:** The sum of all fees and charges paid to third parties (or costs associated with the Bonds). The actual costs of issuance were \$780,292 less than the total good faith estimates. Most of the reduction in costs was a result of combining the two separate authorizations into one larger deal.

Category	Good Faith Estimates¹	Actuals	Difference
Rating Agency – Moody’s	\$242,250	\$148,000	\$(94,250)
Rating Agency – Fitch	183,000	145,000	(38,000)
Rating Agency – Kroll	218,000	100,000	(118,000)
Bond Counsel	185,000	130,000	(55,000)
Disclosure Counsel	262,000	145,000	(117,000)
Municipal Advisor + Travel	203,000	162,514	(40,486)
Underwriters’ Discount	6,186,851	5,907,331	(279,519)
Other Expenses/Contingency	97,522	59,486	(38,036)
Total	\$7,577,623	\$6,797,331	\$(780,292)

- 3. Amount of Proceeds Received:** The amount of proceeds received by the District for the sale of the Bonds less the finance charge of the Bonds described above, and any reserves or capitalized interest paid or funded with the proceeds of the Bonds.

Good Faith Estimate¹	Actuals	Difference
\$3,440,920,230	\$3,331,661,579	\$(109,258,651)

¹ Represents the combined Good Faith Estimates for the June 13, 2023 and January 23, 2024 Board approvals.

4. **Total Payment Amount:** The sum total of all payments the District will make to pay debt service on the Bonds plus the finance charge of the Bonds described in 2 above not paid with the proceeds of the Bonds, calculated to the final maturity of the Bonds.

Good Faith Estimate ¹	Actuals	Difference
\$3,968,792,598	\$4,010,456,900	\$41,664,302

The Total Payment Amount was higher by 1.1% due to higher interest rates. **The Total Payment Amount on the Refunding Bonds is \$173.9 million lower than the remaining payments on the Refunded Bonds if the Refunding Bonds were not issued.**

[Return to Order of Business](#)

TAB 28



Los Angeles Unified School District

1391

333 South Beaudry Ave,
Los Angeles, CA 90017

Board of Education Report

File #: 031-23/24, Version: 1

Special Report

Receipt of Debt Report FY 2022-2023 (031-23/24)

Los Angeles Unified School District
Debt Report
Fiscal Year 2022-23



David D. Hart
Chief Business Officer
June 18, 2024

LOS ANGELES UNIFIED SCHOOL DISTRICT

Office of the Chief Business Officer

ALBERTO M. CARVALHO
Superintendent of Schools



DAVID D. HART
Chief Business Officer

A Message to the Board of Education of the Los Angeles Unified School District and the District's Taxpayers

I present to you the report of the Los Angeles Unified School District's long-term debt (the "Debt Report"). It presents a complete picture of the District's indebtedness in the categories of General Obligation Bonds and Certificates of Participation¹. Sometimes referred to as "bonded indebtedness", long-term debt is typically used to finance capital projects with a long useful life. Issuing debt to pay for long-term assets is based upon the principle of matching the cost of acquiring the asset to the time period that taxpayers and the general community utilize those assets. The District strives to achieve an equitable balance between the debt burden to the community and the time frame over which the assets are to be used.

The vast majority of the District's capital projects fall within the new construction, modernization, technology and safety programs being financed with \$27.605 billion of voter-approved General Obligation Bonds ("GOs"). The District also receives some State matching funds and other revenue sources to finance part of the GO bond program's projects. A relatively small number of projects have been financed with Certificates of Participation ("COPs") that are repaid from the General Fund.

This report uses the words "bonds" and "debt" interchangeably, even when the underlying obligation does not technically constitute "debt" under California's Constitution². This conforms with market convention for the general use of the term "debt" and "debt service" as applied to a variety of instruments in the municipal market, regardless of their precise legal status. The rating agencies and investor community evaluate the District's debt position based on all of its outstanding obligations whether or not such obligations are "debt" as defined within the California Constitution context.

The District has a comprehensive Debt Management Policy designed to assure the District follows best practices when debt is issued. A copy of the Debt Management Policy appears as Appendix 5 to this Debt Report.

General Obligation Bonds represent debt that is paid from voter approved *ad valorem* property taxes that are levied and collected by the County of Los Angeles. The proceeds of such *ad valorem* property tax levies are neither received by nor under the control of the District. The District's taxpayers have shown a strong commitment to the District's capital program by approving six General Obligation Bond authorizations since 1997. A top priority of the District is to manage the issuance of these bonds in a manner that minimizes the tax rates paid by our taxpayers, which the District believes it has accomplished, as more fully detailed in this Debt Report.

COPs represent debt that is paid from revenues under the District's control, such as General Fund revenues. To assure that issuance of such debt is undertaken in a prudent manner that protects the District's instructional programs and operations, the Board of Education's Debt Management Policy prescribes limits to the amount and type of COPs indebtedness that may be undertaken. This Debt Report provides a discussion of the District's COPs issuance, which is in compliance with policy limitations.

¹ For purposes of this report, references to COPs also include the District's 2022 private placement lease agreement.

² "Debt" under the California Constitution excludes short-term obligations such as tax and revenue anticipation notes and lease transactions such as COPs.

Both General Obligation Bonds and COPs are considered “direct debt” of the District and are also included in the measurement of “overall direct debt” issued by all local public agencies within the District’s boundaries. It is important to monitor the levels and growth of direct debt and overall debt as they reflect the debt burden borne by our taxpayers and provide perspective on taxpayers’ capacity for future additional debt. The Debt Management Policy sets forth municipal market debt ratios and benchmarks against which the District measures and compares its debt burden. This Debt Report provides a summary of the District’s direct debt performance in this regard.

When debt is issued, independent credit rating agencies evaluate the District’s credit profile and assign a rating to the issue. Historically, the District’s credit ratings on its GOs and COPs had been directly related to the financial condition and fiscal management of the District. However, following a 2016 legislative change, certain rating agencies’ methodologies on California school district GOs changed as more fully discussed in Section IV. As of June 30, 2023, the District’s GO bond ratings were AAA by Fitch Ratings, AAA by KBRA, Aa3 by Moody’s Investors Service, and AA- by Standard & Poor’s. In addition, as of June 30, 2023, the rating on the District’s COPs was A2 by Moody’s Investors Service.¹ Regardless of each agency’s specific methodology, all rating agencies provide commentary on the District’s general fund credit characteristics. In the rating agencies’ most recent reports from April 2024, they recognized the District’s credit strengths as well as its weaknesses. In terms of strengths, they highlighted the District’s consistent financial performance driven by conservative budgeting practices, adopted policies and multi-year planning that will support satisfactory finances as the pandemic related grants are spent down and the District adjusts to slowed state aid growth. However, they noted the District’s challenges ahead and are looking to the District’s strong governance, which is a key driver of the rating. To maintain its current ratings, the agencies have an expectation that the District will align operations and staffing levels with revenues to support stable operations. In terms of weaknesses, the rating agencies noted the District’s ongoing enrollment declines, deficit spending pressures with projections of significantly reduced fund balances, inability to independently raise revenues and significant long-term liabilities, including pensions and OPEBs.

- Factors that can lead to an upgrade include i) maintenance of strong reserves; ii) elimination of reliance on one-time revenues to meet expenditures and iii) stabilized enrollment, with continued improvement in student attendance.
- Factors that can lead to a downgrade include i) reduction in reserves or liquidity significantly below current projections; ii) enrollment declines that exceed projections or are unaddressed by reductions in expenditures; and iii) significant increased leverage.

The ratings assigned to the District’s GO bonds and COPs affect its interest payments and the cost to the District’s taxpayers and the General Fund respectively. A history of the District’s ratings is provided in this Debt Report.

I hope that the information in this Debt Report can be used to support the continued development of sound capital plans and for adherence to the District’s finance and debt policies. I look forward to working with you in pursuing such capital plans, as they provide critical guidance for the protection of the District’s infrastructure and assets. Together with sound capital planning, the District’s debt and finance policies help to secure the District’s fiscal strength in the years ahead.

If you have any questions or comments regarding this Debt Report, please contact my office at (213) 241-7888. Your input is important to us and would be greatly appreciated.

Sincerely,

David D. Hart
Chief Business Officer

¹ Subsequent to the reporting period, Fitch rated the District’s COPs A- on August 9, 2023. On April 17, 2024, Fitch upgraded the District’s COPs to A+ and Moody’s upgraded the COPs to A1 and upgraded the District’s GOs to Aa2.

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SECTION I: GENERAL OBLIGATION BOND DEBT

A. District's Bonded Debt Limitation and Assessed Valuation Growth

As specified in Education Code Section 15106, the District's bonded debt limitation (also known as general obligation bonding capacity) equals 2.5% of the value of taxable property (i.e., assessed valuation) in the District. For Fiscal Year 2022-23, total assessed valuation in the District was \$877.6 billion, resulting in a bonded debt limitation of \$21.9 billion. Table 1 presents the District's maximum debt limit versus outstanding debt as of June 30, 2023. The difference is the "Legal Debt Margin."

Table 1
Bonded Debt Limitation and Legal Debt Margin
As of June 30, 2023
(in thousands)

Total Assessed Valuation	<u>\$ 877,632,041</u>
Bonded Debt Limitation (2.5% times Assessed Valuation)	\$ 21,940,801
Less: Outstanding General Obligation Bonds	<u>(10,704,725)</u>
<i>Equals: Legal Debt Margin</i>	<u>\$ 11,236,076</u>

In addition to new District debt issuance and the amortization pattern of its outstanding debt, the Legal Debt Margin is affected by the assessed valuation growth in the District. Assessed valuation typically grows up to the maximum base annual rate of 2% allowed under Proposition 13 for existing property, with additional growth coming from new construction and the sale and exchange of property. Chart 1 on page 2 shows assessed valuation in the District from 1994 to 2023. Chart 2 shows the annual growth rate in assessed valuation in the District over the same period. The District's assessed valuation for Fiscal Year 2023-24, which is one year beyond the reporting period in this report, is at an all-time high of \$929.98 billion. The average growth rate has been 4.74% over the 30 years through FY 2022-23 and a higher 6.38% over the past 5 years.

Anticipated increases in future assessed valuation will permit issuance of new General Obligation Bonds to the extent that Proposition 39 tax rate limitations are not exceeded and bond proceeds on hand are sufficiently spent down. See Proposition 39 tax rate limitations in Section I.E.

Chart 1
LAUSD Assessed Valuation
(As of June 30, 2023)

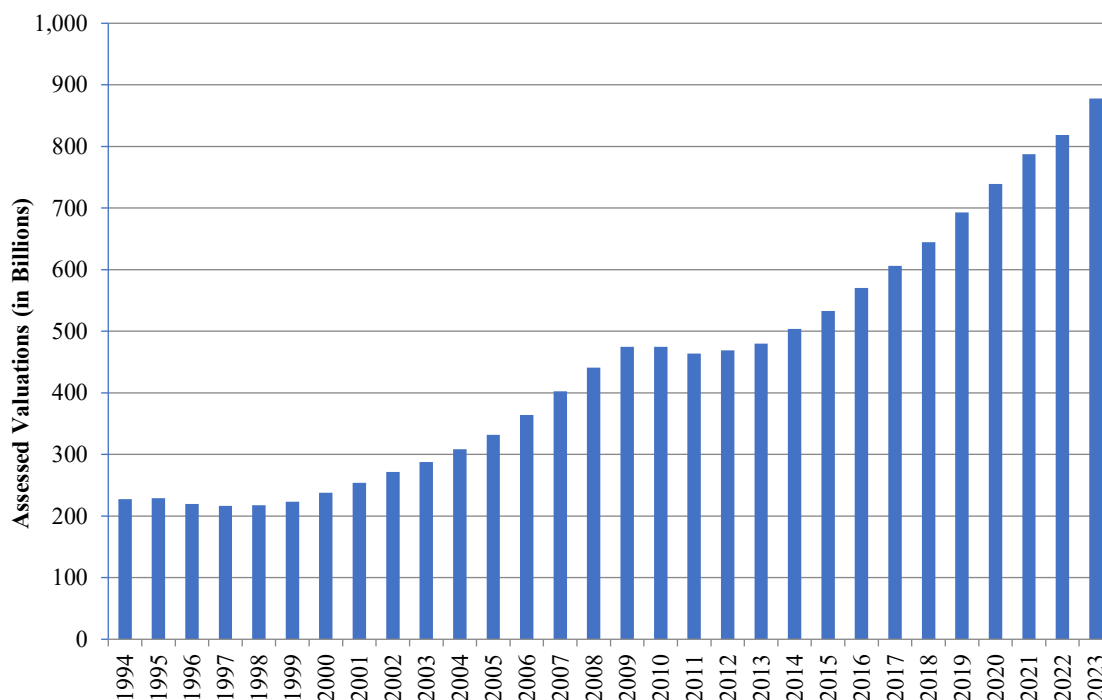
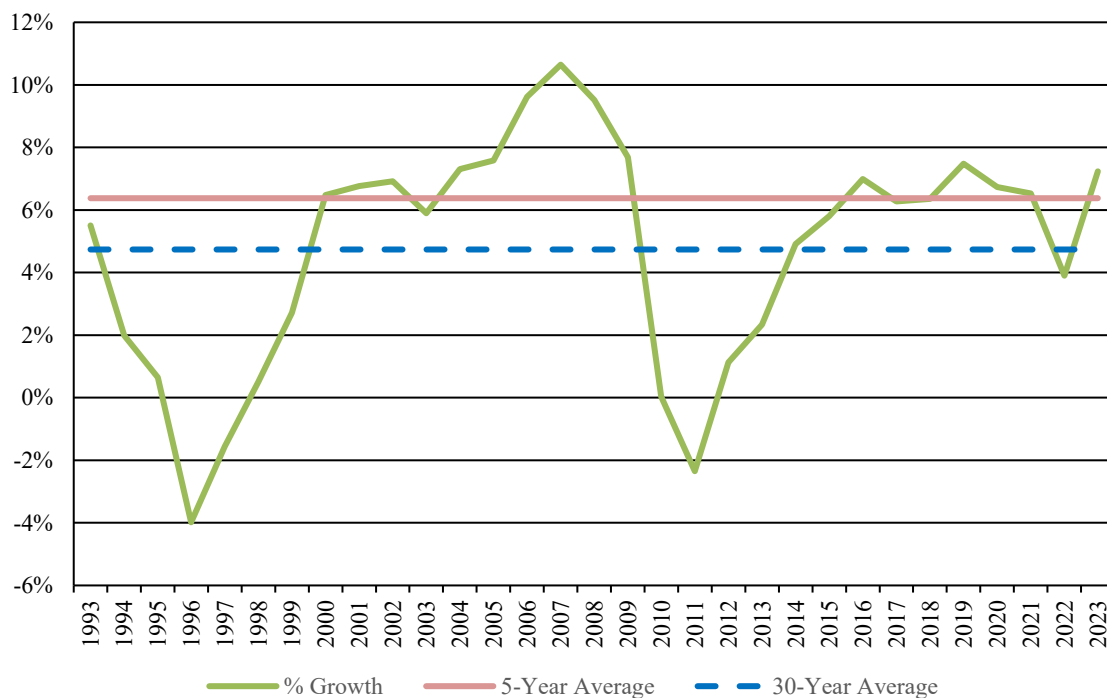


Chart 2
LAUSD Growth in Assessed Valuation
(As of June 30, 2023)



B. Bonds Outstanding and Bonds Authorized But Unissued

As of June 30, 2023, the District had a total of \$10.705 billion of outstanding voter authorized General Obligation Bonds, for which a detailed listing and the debt service requirements can be found in Appendix 1-A and 1-B. In Fiscal Year 2022-23, the District issued \$500.0 million of General Obligation new money bonds.¹

The District had a total of \$9.549 billion of authorized but unissued General Obligation Bonds as of June 30, 2023. Table 2 presents overall highlights of the District's authorized but unissued bonds.

Table 2
Authorized but Unissued General Obligation Bonds
As of June 30, 2023
(in thousands)

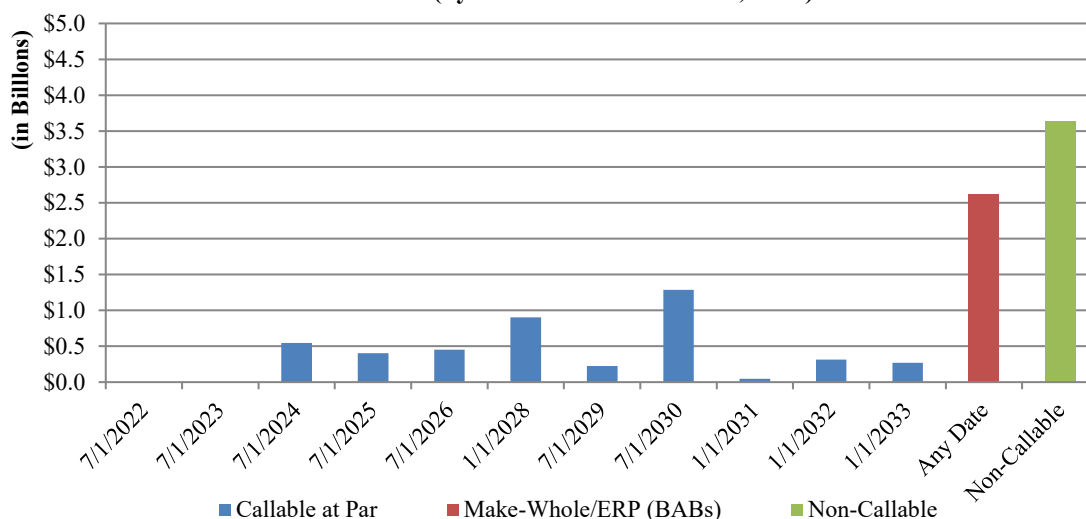
	Voter Authorization Amount	Issued	Authorized but Unissued
Proposition BB	\$2,400,000	\$2,400,000	\$0
Measure K	3,350,000	3,350,000	0
Measure R	3,870,000	3,870,000	0
Measure Y	3,985,000	3,985,000	0
Measure Q	7,000,000	3,750,955	3,249,045
Measure RR	7,000,000	700,000	6,300,000
	\$27,605,000	\$18,055,955	\$9,549,045

C. Distribution of Bonds by Prepayment/Call Flexibility; General Obligation Bond Refundings

The District's outstanding General Obligation Bonds have varying degrees of prepayment or call flexibility. Chart 3 shows the District's outstanding General Obligation Bonds by call date that are: 1) non-callable, 2) eligible to be current refunded with tax-exempt bonds, and 3) eligible to be refunded with a make whole call. The General Obligation Bonds that have a make whole/extraordinary redemption feature represent special bond structures permitted under the American Reinvestment and Recovery Act (ARRA); see Section I.D - "Federal Tax Subsidy and Tax Credit Bonds." On December 2017, the Federal government enacted the Tax Cuts and Jobs Act (Public Law No: 115-97), which eliminated the ability of state and local governments to do advance refundings with tax-exempt bonds. The chart below reflects current tax law.

¹ Subsequent to the reporting period, the District issued \$850 million of General Obligation Bonds, Series QRR (2023) on November 7, 2023. The Series QRR Bonds are comprised of \$525 million of Measure Q Bonds and \$325 million of Measure RR Bonds.

Chart 3
Distribution of Outstanding LAUSD G.O. Bonds
 (by Call Date as of June 30, 2023)



The Chief Business Officer regularly monitors market conditions for refunding opportunities. Pursuant to the Debt Management Policy, the District will not proceed with a tax-exempt refunding unless it generates at least 3% net present value savings for each maturity of bonds refunded and for which the net present value savings is greater than negative arbitrage except under certain circumstances. Alternative structures such as taxable advance refundings or tax-exempt forward refundings may be acceptable if the net present value savings is in excess of 5% on a maturity-by-maturity basis and/or other benefits to the District are identified by the Chief Business Officer and the District's municipal advisor. Table 3 provides a summary of the savings from refundings that have been completed through June 30, 2023. These refundings are saving taxpayers approximately \$1.45 billion over the term of the bonds.

Table 3
Summary of General Obligation Refunding Bonds Savings
 (As of June 30, 2023)¹

Refunding Bond Issue	Amount Refunded (millions)	Term of the Refunding Bonds (years)	Total Savings (millions)
2002	\$262.7	17	\$12.8
2004 A-1 & A-2	215.7	18	10.6
2005 A-1 & A-2	486.0	20	38.4
2006 A	131.9	13	6.3
2006 B	561.4	21	29.3
2007 A-1 & A-2	1,250.3	21	82.1
2007 B	25.8	12	1.8
2009 A	72.3	9	2.1
2010 A	72.8	5	2.4
2011 A-1 & A-2	425.6	13	37.9
2012 A	158.8	17	12.9

¹ Subsequent to the reporting period, the District issued \$2.975 billion of 2024 General Obligation Refunding Bonds, Series A, which refunded \$3.168 billion of outstanding GO bonds over ten years, generating \$173.9 million in total savings.

2014	1,706.4	17	171.6
2015	378.1	10	81.0
2016 A	661.2	14	126.6
2016 B	563.0	16	166.5
2017 A	1,271.2	10	258.4
2019 A	687.6	15	170.8
2020 A	379.7	13	135.3
2021 A	240.1	11	67.6
2021 B	46.4	7	5.9
	<u>\$9,596.9</u>		<u>\$1,420.3</u>

D. Federal Tax Subsidy and Tax Credit Bonds

In Fiscal Year 2009-10, the District took advantage of new innovative bond programs available under the Federal government's American Reinvestment and Recovery Act (ARRA). These bond structures provided lower debt service than traditional tax-exempt bonds, with LAUSD achieving expected savings of \$1.1 billion.

One of the federal programs, Build America Bonds (BABs), was a taxable bond program for which the federal government initially subsidized 35% of the interest cost. The District sold about \$1.4 billion of taxable BABs in October 2009 and \$1.25 billion in March 2010. Another federal program used by LAUSD at that time is known as Qualified School Construction Bonds (QSCBs). These were also taxable bonds, however, under this structure, investors receive a tax credit against their federal income tax, with low or no interest payments. The District sold \$318.8 million of QSCBs to taxable investors in October 2009. The District also received a QSCB allocation of \$290.2 million for 2010 and, under new legislation enacted in March 2010, sold QSCBs in May 2010, as subsidized taxable rather than tax credit bonds.

Sequestration. On March 4, 2013, the Internal Revenue Service announced certain automatic reductions to federal budget items would take place, effective March 1, 2013. Based upon the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, the automatic reductions are due to "sequestration." Federal subsidies on BABs and QSCBs, among others, were reduced by 8.70%, a reduction of \$3.2 million from the subsidies provided toward the District's July 1, 2013 bond interest cost. The sequestration has continued with the annual sequestration rate typically determined at the beginning of each Federal Fiscal Year (October 1). However, the IRS announced that the Federal subsidy for Federal Fiscal Years 2021 to 2030 would be reduced by 5.7%, resulting in \$2.10 million less for each of the District's interest payments in January and July 2023. The reduced subsidies are offset by additional tax levies on District taxpayers. Unless Congress otherwise addresses the federal deficit matter, sequestration will occur each federal fiscal year.

E. Tax Rate Performance on Outstanding Bonds

The Tax Rate Statements for the District's six GO Bond authorizations set forth various assumptions including the average annual assessed valuation growth over the life of the bonds, the average interest rate on the future bond issuances, and the estimated tax rates to be paid by District taxpayers to service the debt on the outstanding GO Bonds. The assumptions in the respective Tax Rate Statements are not technically binding on the District, as actual issuance patterns, interest rates, and the growth pattern of the assessed valuation base combine to determine the actual tax rates. Nevertheless, the District actively manages its bond issuance program so that actual tax rates are close to or lower than the tax rates set forth in each respective Tax Rate Statement.

Table 4 below summarizes the assumptions in the Tax Rate Statements for each of the six bond measures for the assessed valuation growth rate and the interest rates on the bond sales. It also provides the election date, amount approved, and election authorization.

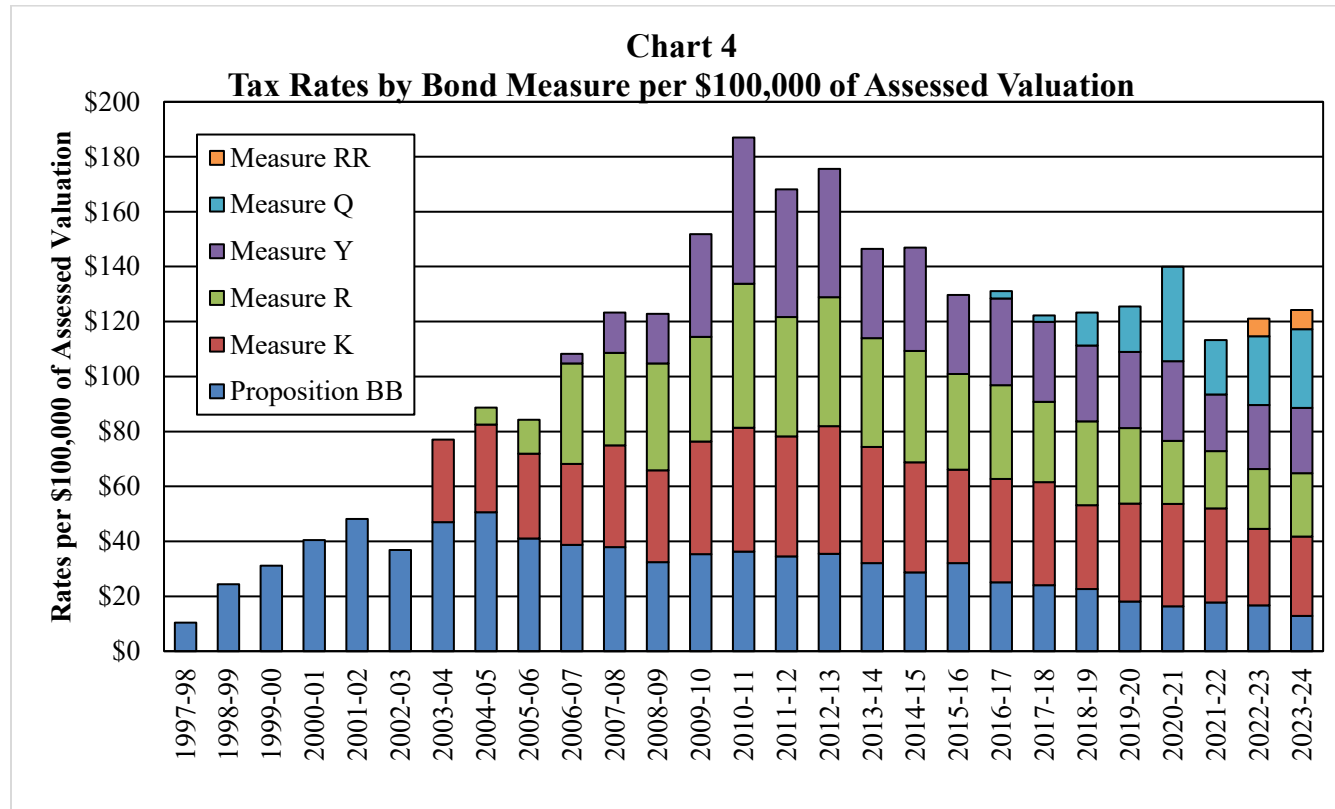
Table 4
Summary of Tax Rate Performance Assumptions

	Election Date	Amount (billions)	Assumed Average Assessed Valuation Growth	Assumed Interest Rate	Type of Election
Proposition BB	04/08/97	\$2.400	2.0%	5.75%	Traditional 66 2/3 rd s ₀ % Minimum Approval
Measure K	11/05/02	3.350	3.9%	5.50%	Proposition 39 – 55%
Measure R	03/02/04	3.870	5.0%	5.25%	Proposition 39 – 55%
Measure Y	11/08/05	3.985	6.0%	5.25%	Proposition 39 – 55%
Measure Q	11/04/08	7.000	6.0%	5.25%	Proposition 39 – 55%
Measure RR	11/03/20	7.000	4.0%	4.00%	Proposition 39 – 55%

Table 5 on page 7 provides the assumptions included in the Tax Rate Statements for initial and future tax rates and actual results to date. Future tax rates will depend on a combination of additional bond issuance, future assessed valuation, and bond refundings. Chart 4, also on page 7, presents a history of the District's GO Bond tax rates by measure and in aggregate from FY1997-98 through FY2022-23.

Table 5
Estimated Tax Rates Set Forth in Tax Rate Statements for Measure BB, K, R, Y, Q and RR
(per \$100,000 of Assessed Valuation)

Tax Rate Description	Proposition BB		Measure K		Measure R		Measure Y		Measure Q		Measure RR	
	As Projected in Tax Rate Statement	Actual/Projected	As Projected in Tax Rate Statement	Actual/Projected	As Projected in Tax Rate Statement	Actual/Projected	As Projected in Tax Rate Statement	Actual/Projected	As Projected in Tax Rate Statement	Actual/Projected	As Projected at the Time of Election	Actual/Projected
Estimated Tax Rate in FY Following 1st Issuance of Bonds	\$23.43 FY 98-99	\$24.42 FY 98-99	\$47.53 FY 04-05	\$30.01 FY 03-04	\$21.93 FY 05-06	\$12.33 FY 05-06	\$5.74 FY 06-07	\$3.45 FY 06-07	\$0.00 FY 10-11	\$2.73 FY 16-17	\$2.31 FY 21-22	\$6.42 FY 22-23
Estimated Maximum Tax Rate Year it Occurs	\$67.36 FY 13-14	\$50.55 FY 04-05	\$59.38 FY 26-27	\$46.46 FY 12-13	\$60.00 FY 11-12	\$52.37 FY 10-11	\$60.00 FY 12-13	\$53.23 FY 10-11	\$60.00 FY 19-20	\$38.67 FY 28-29	\$39.06 FY 32-33	\$38.03 FY 30-31
Current Tax Rate (2023-24)		\$12.86		\$28.90		\$23.02		\$23.78		\$28.71		\$6.96



SECTION II: CERTIFICATES OF PARTICIPATION (“COPs”)

A. COPs Outstanding

Over the years, the District has issued COPs to fund a variety of capital projects needed, either prior to the voter approval of GO measures or that were not eligible for GO funding, including the construction of non-school facilities, equipment, and certain IT systems. While all COPs are legally secured by the District’s General Fund, debt service on certain COPs has been eligible to be repaid from other revenue sources. The District has strived to maximize the portion of its COPs debt service that is paid from non-General Fund sources, including using developer fees for debt service on projects related to enrollment growth or overcrowding and using cafeteria funds for cafeteria-related projects. The District has also prepaid COPs when possible with GO bond proceeds and other available funds, as described in the following Section II. B.

All of the District’s outstanding COPs were issued as fixed rate financings. As of June 30, 2023, a total of \$97.9 million of COPs were outstanding, net of defeased COPs. The debt service requirements on outstanding COPs can be found in Appendix 2.

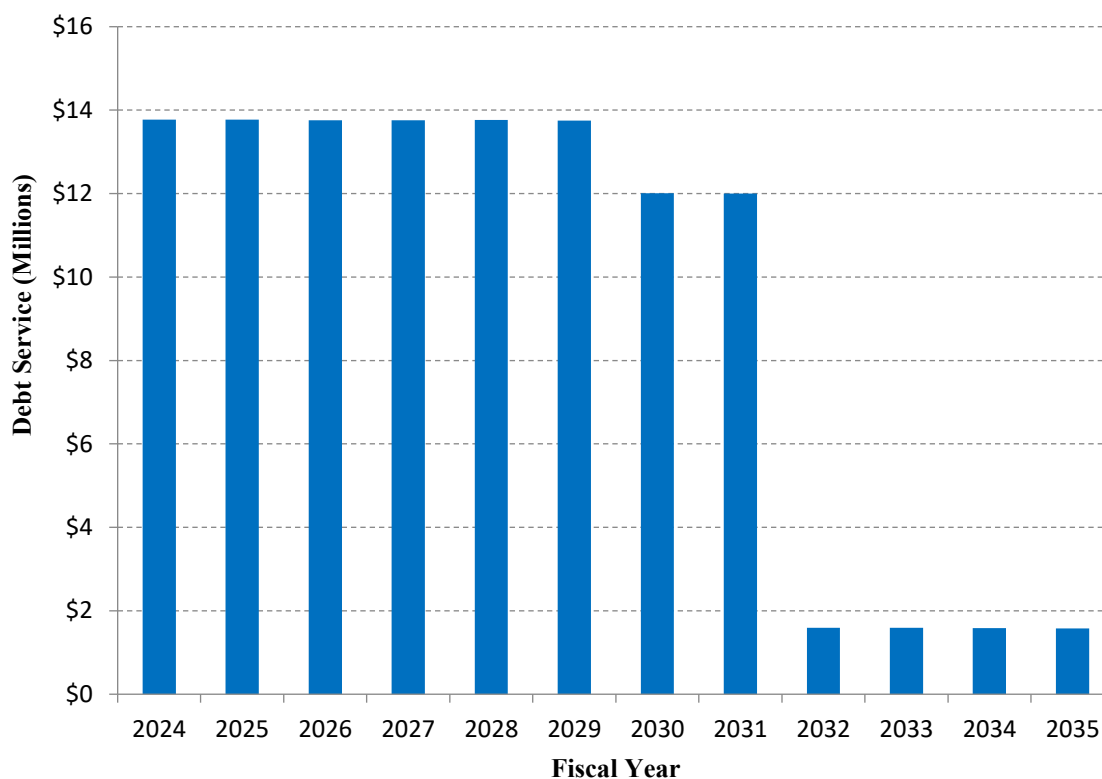
Table 6
Certificates of Participation Outstanding
As of June 30, 2023
(in thousands)¹

Issue Description	Date of Issue	Principal Amount Issued	Principal Outstanding	Original Final Maturity
COPs (Refunding, 2020 Series A)	10/27/2020	28,390	24,140	10/01/2034
COPs (Refunding, 2022 Lease Agreement)	08/30/2022	73,730	73,730	10/01/2030
Total		\$102,120	\$97,870	

¹ Subsequent to the reporting period, the District issued \$384.26 million of Certificates of Participation, 2023 Series A, on August 31, 2023.

Chart 5 shows COPs debt service as of the close of Fiscal Year 2022-23. Debt service payments from the General Fund total \$112.9 million through the final maturity of the COPs.

Chart 5
Certificates of Participation Debt Service (Paid from General Fund)
(As of June 30, 2023)



B. COPs Refundings

As noted previously, the District relied on COPs in part to finance school facilities prior to the voter approval of its GO bond measures. Following voter approval, in Fiscal Years 2004-05 and 2005-06, the District used Measure R and Measure Y bond proceeds to defease \$143.42 million and \$177.95 million of COPs, respectively, providing direct General Fund savings. Similarly, in September 2010 and August 2014, the District used Measure Y bond proceeds, unspent project funds and other funds on hand with the COPs trustee to defease and/or prepay debt service payments on the 2007 Series A and 2009 Series A COPs relating to \$63.45 million of principal. In the past, the District has also used other available amounts such as one-time funds and shifted certain debt service payments to non-General Fund sources such as developer fees to reduce its General Fund COPs debt service.

Table 7 below presents a history of the District's COPs refundings.

Table 7
Los Angeles Unified School District
Summary of COPs Refundings

Issue Description	Date of Issue	Principal Amount Issued (thousands)	Refunded COPs	Term of Refunding COPs (Years)	Nominal Savings (thousands)
1991 Refunding COPs (Francisco Bravo Medical Magnet Senior High School)	11/13/91	\$46,110	1988 COPs	16.0	\$1,609.4
1993 Refunding COPs ¹	11/15/93	69,925	1991 COPs	20.0	N/A
1998A Refunding COPs (Multiple Properties Project)	06/10/98	60,805	1993 Refunding COPs	16.0	3,076.7
2002A Refunding COPs (Francisco Bravo Medical Magnet Senior High School)	03/06/02	21,655	1991 Refunding COPs	6.5	6,755.2
2004A&B Refunding COPs (Refinancing Project I and Refunding Project I)	05/24/05	57,625	Portions of 2000A, 2001B&C, 2002B&C, and 2003A&B COPs	7.0	N/A
2004A, B and D General Obligation Bonds (Measure R) ²	09/23/04	150,000	2000B and 2002B COPs	5.0	155,836.3
2005A Refunding COPs (Administration Building Project) ³	05/24/05	86,525	2001C COPs	20.0	N/A
2005C Refunding COPs (Multiple Properties Project) ⁴	05/24/05	44,225	1996 COPs	26.0	(8,922.4)
2006A, B and D General Obligation Bonds (Measure Y) ³	02/22/06	184,385	2002A, 2003A and 2004 COPs	15.5	215,741.9
2008A&B Variable Rate Refunding COPs ⁵	08/06/08	120,950	2005A&B COPs	23.0	N/A
2010A Refunding COPs (Multiple Properties Project) ⁶	01/27/10	69,685	1997A and 1998A COPs	8.0	N/A
2012 A&B Refunding COPs (Admin. Building Projects) ⁷	06/12/12	160,190	2001B, 2002C, 2008 A & B COPs	20.0	4,066.0
2013 Refunding Lease	06/24/13	24,780	2003B COPs	15.0	4,822.1
2014K General Obligation Bonds (Measure Y) ²	08/19/14	33,360	2007A and 2009A	5.5	35,338.6
2020A COPs Refunding	10/27/20	28,390	2010 B-1/B-2 COPs; 2013A	14.0	8,733.8
2022 Refunding Lease	8/30/22	73,730	2012A and 2012B Refunding COPs	8.0	11,255.5
Total					\$438,313.1

¹ The 1993 Refunding COPs refunded the 1991 COPs (Capital Facilities Project) that funded the acquisition of the Ambassador Hotel site through eminent domain. The legal documents for the 1991 COPs provided that said COPs would be refunded within three years if title to the Ambassador Hotel site had not been obtained. Since title had not been obtained by the three-year mark, the District refunded the 1991 COPs. There were no savings associated with this refunding, as the transaction was done as a restructuring.

² These GO bonds shifted the COPs debt service from the District's General Fund to taxpayers, thereby saving General Fund resources.

³ This series converted a prior fixed rate series to a variable rate structure. The District has indicated the savings for this transaction to be "not available" because future variable rates and ancillary costs could not be known with certainty at the time of the refunding and this table is meant to provide only actual savings.

⁴ The amortization of this series was 20 years versus the 12-year amortization of the refunded bonds, resulting in dissavings in the out years.

⁵ These series changed the variable rate structure from variable rate bonds secured with a line of credit and bond insurance to variable rate bonds secured by a letter of credit. Thus, no estimates of any savings were prepared at the time of the transaction, as the transaction was more a restructuring than a transaction designed to achieve savings.

⁶ These series changed the refunded COPs' variable rate structure to a fixed rate structure. Savings are considered "not available" on the variable to fixed rate series because future variable rates and ancillary costs could not be known with certainty at the time of the refunding. This table is meant to provide only actual savings.

⁷ These series converted two prior variable rate series (2008A and B) to a fixed-rate structure and refunded two fixed rate series. The savings shown in the table are only the known savings from the fixed-rate refunding of the two prior fixed rate series (the 2001B and 2002C). Savings are considered "not available" on the variable to fixed rate series because future variable rates and ancillary costs could not be known with certainty at the time of the refunding. This table is meant to provide only actual savings.

SECTION III: THE MARKET FOR THE DISTRICT'S DEBT

A. Municipal Bond Market

The District's GO bonds, COPs, and tax and revenue anticipation notes ("TRANs") are issued and traded in the United States' municipal bond market. Major groups of investors in this market include tax-exempt bond funds, insurance companies, investment bank portfolios, trust departments, investment advisors, individual investors, and money market funds. The various market participants may have different preferences for the structure and maturities of the bonds, COPs or TRANs that they purchase. As one of the largest issuers of municipal bonds in the country, the District is able to draw significant attention from these investor groups. The table to the right is a listing of the largest institutional holders of the District's long-term bonds that are required to publicly report their holdings. These generally include bond funds, professional retail investors such separately managed accounts and insurance companies.

Largest Reported Institutional Holders of LAUSD Debt	
Company	Thousands
Vanguard Group	\$831,230
Blackrock Advisors	585,055
Dodge & Cox	191,325
Mackay Shields	150,895
Guggenheim Funds Investment Advisors	134,610
Northwestern Mutual	110,860
AllianceBernstein	106,833
Franklin Advisors	98,790
Nuveen Asset Management	91,036
Barings Llc	71,850
PGIM	65,670
Rga Reinsurance	62,585
Metlife Investment Advisors	61,130
PIMCO	60,104
Dimensional Fund Advisors	59,800
TIAA-CREF	55,245
Pinebridge Investments	52,440
Corebridge Institutional Investments	50,285
Manulife Investment	46,415
Nationwide Asset Management	45,070

Source: IPREO as of June 30, 2023

The District's borrowing costs reflect the interest rates the District achieves each time it sells bonds. Those rates are a function of many factors, including the credit ratings on the District's obligations, market interest rate levels, competing supply, investor asset levels, tax law, and anticipated Federal Reserve policy actions at the time of sale. These factors combine to determine the level of investor demand for the District's obligations and the interest rates achieved. For the District's voter approved general obligation bonds, an important credit factor is the fact the repayment of the bonds is from property taxes collected and held in trust by the County of Los Angeles. In addition, particularly on the COPs, an important determinant of the rates of return investors demand is their perception of the District's overall financial, debt and economic performance compared to other issuers. The investment community views the District's GOs as high-quality investment grade securities, owing to their repayment source and the vast local economy. The COPs which directly reflect the District's financial position are considered upper medium investment grade securities.

In addition to the federal tax-exemption available to all investors, the State's progressive income tax system provides in-state investors with additional incentives to purchase the District's tax-exempt GO bonds and COPs. We note that the Tax Reform and Jobs Act of 2017 (the "Act") had an impact on investor demand for tax-exempt bonds. On one hand, the Act capped the amount of property and income tax deductions that individuals can use to offset taxable income, which increased demand for tax-exempt obligations from investors in high tax states, such as California. On the other hand, the lower corporate tax rates reduced demand for tax-exempt obligations from banks. In addition, the interest rates on the District's and other local government issuers' bonds in California have also been subject to the State's fiscal position. Investor perception of the State's bonds had weakened significantly over a multi-year period beginning in 2009 due to the State's credit deterioration. During this period, the State's credit was downgraded by the three major rating agencies to the lowest level of any state in the country and its borrowing costs relative to other issuers

rose dramatically. While not as dramatic, the State's credit issues had a direct impact on the borrowing costs of other issuers that were viewed as "agencies" of the State, such as LAUSD, even though the District's credit ratings remained well-above those of the State during that period. Over the last several years, however, the State's credit profile and credit ratings improved significantly. During this period, the Legislature passed on-time balanced budgets, the administration repaid a significant portion of its budgetary borrowings and the State built up its reserves. As a result, the State's credit ratings improved and its interest rates relative to national indices also improved dramatically. The State's improvement has in turn had a positive effect on interest rates for other California issuers associated with the State, including the District.

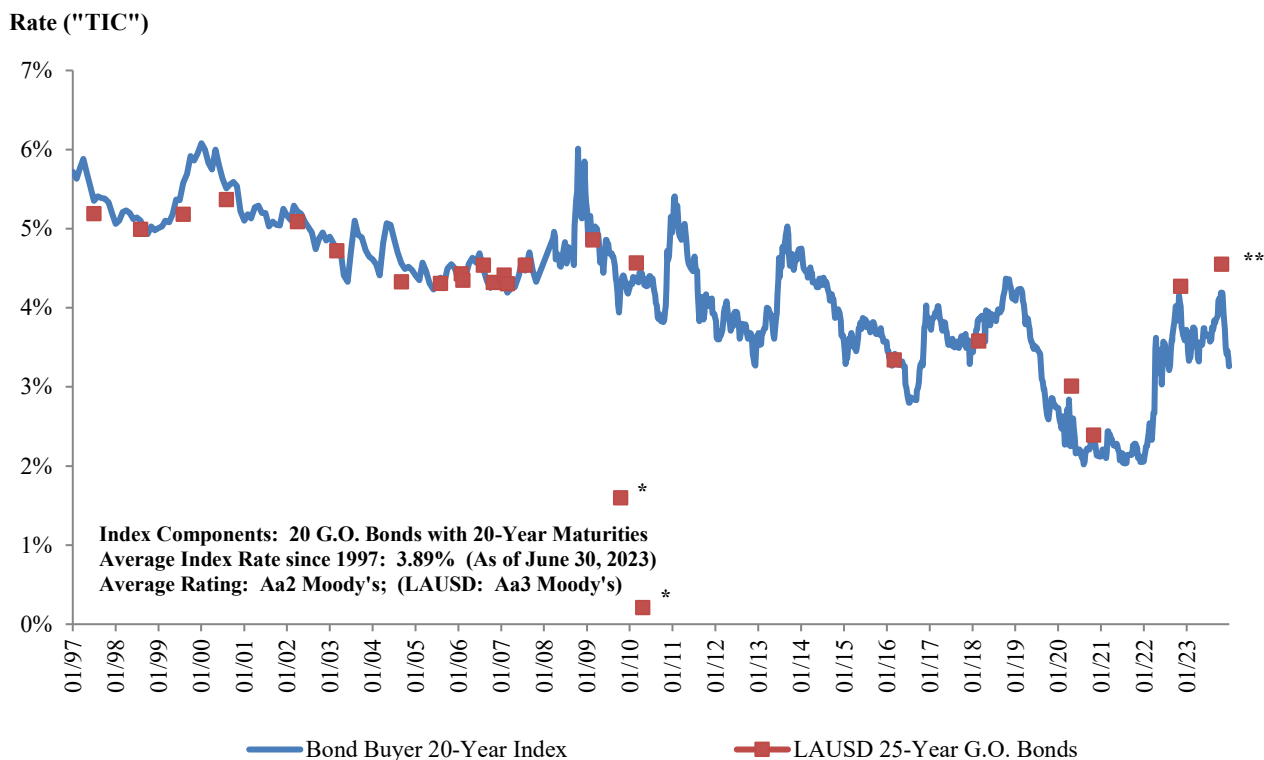
The District's interest rates are also subject to the broader financial market conditions. This was particularly apparent during the Great Recession and more recently, during the COVID-19 pandemic. During both the financial crisis and the early months of the COVID-19 pandemic, there were periods when market access became very restricted and with respect to the Great Recession, certain municipal products failed. While some products that had been common in the municipal market prior to the Great Recession, such as auction rate securities and AAA-rated bond insurance, are no longer available, the municipal market recovered following the Great Recession. In addition, following intervention by the federal government to address COVID-19 in spring 2020, access to the municipal market normalized and interest rates remained low throughout fiscal year 2020-21. More recently, starting in March 2022, to combat inflation, the Federal Reserve Board has increased the Federal Funds interest rate eleven times totaling 525 basis points. This in turn impacts the District's costs of funds. The 25-year tax-exempt interest rate index, MMD, has risen 116 basis points through the same period.

B. Cost of the District's Debt; No Variable Rate Debt Outstanding

B-1. Fixed Rate Debt

All of the District's General Obligation Bond and COPs issues carry fixed interest rates. Since reaching a cyclical high in 1999, tax-exempt fixed interest rates saw a significant move lower through the end of 2021, allowing the District to achieve very low interest costs during this period. Tax-exempt rates have since rebounded higher following the Federal Reserve Board's interest rate hikes, which started in the first quarter of 2022, as shown in Chart 6. The chart includes the Bond Buyer 20-Bond Index which consists of 20 General Obligation Bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's AA. The District's new money bonds have typically been structured with a term to maturity of 25 years so, *ceteris paribus*, one would expect their True Interest Costs ("TICs") to be above the Index; however, yields on the District's issues tend to be similar to the Index. In addition, the District's TICs on its two QSCB issues in 2009 and 2010 were well below the Index due to the heavily subsidized interest rate provided under the QSCB program. A listing of the TICs for each series of 25-year General Obligation Bonds sold by the District is provided in Appendix 1-A.

Chart 6
True Interest Cost ("TIC") Rates on Actual LAUSD 25-Year G.O. Bond Issues
vs.
The Bond Buyer 20-Bond Index for G.O. Bonds



* The two low TIC outliers are the Election of 2005, Series H (2009) and Series J (2010) Qualified School Construction Bonds (Tax Credit Bonds)

** The Series QRR (2023) General Obligation Bonds were issued subsequent to the reporting period on November 7, 2023.

B-2. Variable Rate Debt

Current statutory provisions make it impractical for the District to issue variable rate General Obligation Bonds, as ancillary costs, such as remarketing fees and liquidity fees, cannot be paid from voter approved *ad valorem* property tax levies. Thus, while the vast majority of the District's debt has necessarily been issued as fixed rate bonds, the District has issued COPs in a variable rate mode from time to time. Variable rate COPs provide the District with the flexibility to prepay or restructure a portion of its debt and serves as a natural hedge to variable rate earnings. As of June 30, 2023, however, the District has no outstanding variable rate COPs.

SECTION IV: THE DISTRICT'S CREDIT RATINGS

A. Long-Term Credit Ratings on General Obligation Bonds and Certificates of Participation

Long-term credit ratings provided by a rating agency are an independent assessment of the relative credit risk associated with purchasing and holding a particular bond through its scheduled term of repayment. They serve as independent opinions of a borrower's financial strength and ability to repay its debt on a timely basis. Long-term credit ratings are one of the most important indicators of creditworthiness readily available to the investment community and have a direct impact on the borrowing rates paid by the District.

In July 2015, the California legislature enacted Senate Bill 222 ("SB222"), which became effective on January 1, 2016. SB222 established a statutory lien on the voter-approved property taxes that secure California school districts' General Obligation Bonds. Beginning with the March 1, 2016 GO bond sale, LAUSD capitalized on the legislative change and pursued ratings from Fitch Ratings ("Fitch") and Kroll Bond Rating Agency ("KBRA"), in addition to Moody's Investors Services ("Moody's") that had traditionally rated the District's GOs.

In November 2022, three rating agencies made changes to the District's credit ratings: Fitch Ratings upgraded the District's GO bonds rating from AA+ to AAA and its issuer default rating from A- to A; Moody's revised its outlook from stable to positive and affirmed its Aa3 rating on the District's outstanding GO bonds. Concurrently, Moody's affirmed the District's issuer default and COPs ratings to A1 and A2, respectively. In addition, Standard & Poor's upgraded the District's GO bonds rating from A+ to AA-. As of June 30, 2023, the District's GO bond ratings were AAA from Fitch, AAA from KBRA, AA- from Standard & Poor's, and Aa3 from Moody's¹. Fitch also provided the District with an Issuer Default Rating ("IDR") of "A" which is based on the District's financial operations². The distinction between the "AAA" rating on the GO Bonds and the "A" IDR reflects Fitch's assessment that the GO bondholders are "legally insulated from any operating risk of the District". As of June 30, 2023, any outstanding GO Bonds issued prior to Fiscal Year 2015-16 also have ratings of AA- by Standard & Poor's (S&P).

Depending on the rating agency and its methodology, as of June 30, 2023, the District's General Obligation Bond ratings are considered "best quality", "high quality" or "upper medium grade" as shown in Table 8. As of June 30, 2023, the District's COPs are currently rated A2 by Moody's, which is considered in the "upper medium grade" category³. Moody's, S&P and Fitch generally rate General Obligation Bonds one to two notches higher than those of COPs, owing to the superior credit strength of the *ad valorem* property taxes pledged to repay General Obligation Bonds versus the General Fund pledge that supports repayment of

Table 8 Credit Ratings (as of June 30, 2023)				
(District's GO Bond Ratings Highlighted in Red)				
(District's COPs Ratings Highlighted in Blue)				
	Moody's	Fitch	KBRA	S&P
Best Quality	Aaa	AAA	AAA	AAA
High Quality	Aa1	AA+	AA+	AA+
	Aa2	AA	AA	AA
	Aa3	AA-	AA-	AA-
Upper Medium Grade	A1	A+	A+	A+
	A2	A	A	A
	A3	A-	A-	A-
Medium Grade	Baa1	BBB+	BBB+	BBB+
	Baa2	BBB	BBB	BBB
	Baa3	BBB-	BBB-	BBB-
Below Investment Grade	Ba1 and Lower	BB+ and Lower	BB+ and Lower	BB+ and Lower
S&P rates COPs one notch lower than its rating on General Obligation Bonds, whereas Moody's rates COPs two notches lower than its rating on General Obligation Bonds.				

¹ Subsequent to the reporting period, on April 17, 2024, Moody's upgraded the District's GOs to Aa2.

² Subsequent to the reporting period, on April 17, 2024, Fitch upgraded the District's IDR to AA-.

³ Subsequent to the reporting period, on April 17, 2024, Moody's upgraded the District's COPs to A1.

COPs. As of June 30, 2023, Fitch and Kroll do not rate the District's outstanding COPs¹. A history of the District's General Obligation Bond and COPs ratings is presented in Appendix 3.

In addition to the rating itself, each rating agency publishes an outlook on the rating. Outlooks are either "Positive", "Stable" or "Negative." A "Positive" outlook indicates a possible upgrade in the rating may occur; a "Negative" outlook indicates that a possible rating downgrade may occur; and a "Stable" outlook indicates that neither an upgrade nor a downgrade is anticipated.

Recognizing the importance of high-quality ratings, the Board of Education adopted a Budget and Finance Policy that, among other things, establishes a minimum 5% General Fund reserve effective July 1, 2005. The District has updated the Budget and Finance Policy to establish annual contributions to an Other-Post-Employment Benefit (OPEB) trust, including an increased contribution when unrestricted fund balance exceeds 5% of revenues.

B. Short-Term Credit Ratings on Tax and Revenue Anticipation Notes

The District evaluates its monthly General Fund cash position as part of its cash management program's policy of ensuring timely payment of all operational expenses. It issued tax and revenue anticipation notes each Fiscal Year from Fiscal Year 1991-92 through Fiscal Year 2012-13 to finance periodic cash flow deficits and manage its cash flow needs. The District has always received the highest possible short-term ratings from Moody's (MIG 1) and S&P (SP-1+) on its TRANs and has always timely repaid its TRANs. The District has not issued TRANs since Fiscal Year 2012-13.

SECTION V: DEBT RATIOS

A. Use of Debt Ratios

Pursuant to the District's Debt Management Policy set forth in Appendix 5, the Chief Business Officer calculates certain debt factors and debt burden ratios, compares them to benchmarks, and reports the results in this Debt Report. Measuring the District's debt performance through the use of debt ratios provides a convenient way to compare the District to other borrowers. The most common debt ratios applied to school districts are:

- ☐ Ratio of Annual Lease Debt Service to General Fund Expenditures. The formula for this computation is annual lease debt service expenditures divided by General Funds (i.e., General and Debt Service Funds) expenditures (excluding interfund transfers) as reported in the most recent Audited Annual Financial Report.
- ☐ Proportion of Fixed-Rate and Variable-Rate COPs Issues. The Debt Management Policy requires the District to keep its variable rate exposure, to the extent not hedged or swapped to a fixed rate, at or below \$100 million. If variable rate debt is issued, the Chief Business Officer periodically, but at least annually, determines whether it is appropriate to convert the debt to fixed interest rates. Such conversions were executed in Fiscal Year 2011-12.
- ☐ Ratio of Outstanding Debt to Assessed Value. The formula for this computation is contained in Section 15106 of the Education Code. The ratio is calculated for both "Direct Debt" (i.e., General Obligation Bonds) and "Combined Direct Debt" (both General Obligation Bonds and COPs), the latter commonly referred to as "Debt Burden" in the California Municipal Statistics Overlapping Debt Statement. In

¹ Subsequent to the reporting period, Fitch rated the District's COPs A- on August 9, 2023. On April 17, 2024, Fitch upgraded the District's COPs to A+.

addition, the ratio “Overall Debt Burden” includes the District’s Direct Debt plus the Direct Debt of issuers whose boundaries overlap those of the District. It is important to monitor the levels and growth of Direct Debt and Overall Direct Debt as they portray the debt burden borne by the District’s taxpayers and serve as proxies for taxpayer capacity to take on additional debt in the future. A summary of overlapping debt in the District is set forth in Appendix 4.

- ❑ **Ratio of Outstanding Debt Per Capita.** The formula for this computation is Outstanding Debt divided by the population residing within the District’s boundaries. Ratios are computed for both “Direct Debt Per Capita” and “Overall Debt Per Capita.” It is important to monitor these ratios as they attempt to measure the degree to which debt is concentrated, i.e. whether it is spread across a large or small population. The District’s ratios and benchmark targets are provided in Tables 9 and 10.

B. LAUSD’s Compliance with Debt Management Policy; Debt Levels Compared to Other School Districts

Table 9 provides a summary of the District’s performance against policy maximums for debt paid from General Fund or other resources controlled by the District, such as developer fees. The District’s policy calls for such annual debt service to be no more than 2% of General Fund Expenditures. Fiscal Year 2022-23 COPs debt service was \$16.3 million and future maximum annual COPs debt service is \$13.8 million (2023-24).¹ The District’s actual performance is well within the policy ceilings for its COPs gross debt service and any unhedged variable rate obligations.

Table 9
Policy Benchmarks, Targets and Ceilings for Debt Paid
From General Fund or Other Resources (COPs)
(As of June 30, 2023)

Factor	Maximum	LAUSD Actual	Over (Under) Policy Ceiling
Maximum COPs Gross Debt Service Limit	2% of General Fund Expenditures (FY2022-23)	0.17%	(1.83%)
Unhedged Variable Rate Debt	\$100 million	\$0	(\$100 million)

The District is the largest independent public school district in the United States. On the basis of its size, one could argue that it is appropriate to compare LAUSD to other entities with a similar size. However, those types of entities comprise a heterogeneous collection of cities, states, school districts and other public agencies rather than a homogenous group such as school districts. Thus, the Debt Management Policy requires the Chief Business Officer to compare the District to a cohort of other large school districts, even though that category includes districts with various types of funding mechanisms that are different than the District’s and has no other districts as large as LAUSD.

Table 10 sets forth the debt burden ratios that recognize the direct debt and overall debt of the District compared to benchmarks for large school districts whose ratings are in the “Aa” category by Moody’s.

¹ Subsequent to the reporting period, the District issued \$384.26 million Certificates of Participation on August 31, 2023, which increases maximum annual COPs debt service to \$50.2 million (FY2024-25). Using FY2022-23 expenditure numbers, this represents 0.53% of total General Fund Expenditures, 1.47% below the policy ceiling.

Due to the statistical dispersion of the underlying data for the benchmarks in Table 10 and the large size of the District's bonding program relative to other large school districts, the District's debt burden ratios are higher than most of the benchmarks, which is not surprising. Nevertheless, the District believes the "large, highly-rated" school district cohort to be the most appropriate cohort group against which it should be compared.

Table 10
Policy Benchmarks for District's Direct and Overall Debt
(As of June 30, 2023)¹

Debt Burden Ratio	Benchmark	Benchmark's Value	LAUSD Actual
Direct Debt to Assessed Value	Moody's Median for Aa Rated School Districts with Population Above 200,000	1.10%	1.30%
Overall Debt to Assessed Valuation	Moody's Median for Aa Rated School Districts with Population Above 200,000	2.70%	2.50%
Direct Debt Per Capita	Moody's Median for Aa Rated School Districts with Population Above 200,000	\$1,747	\$2,518
Overall Debt Per Capita	Moody's Median for Aa Rated School Districts with Population Above 200,000	\$3,865	\$4,199

¹ Source: Moody's; As of most recent available financials, assessed valuation, and recent census data.

APPENDIX 1-A

Los Angeles Unified School District
General Obligation Bond Issuance and True Interest Cost
As of June 30, 2023¹

Continued on the Following Page

Bond Issue	Date of Issue	Principal Amount Issued (thousands)	Outstanding Principal (thousands)	True Interest Cost (%)
Proposition BB Series A	7/22/1997	\$356,000	\$0	5.19%
Proposition BB Series B	8/25/1998	350,000	0	4.99%
Proposition BB Series C	8/10/1999	300,000	0	5.18%
Proposition BB Series D	8/3/2000	386,655	0	5.37%
Proposition BB Series E	4/11/2002	500,000	0	5.09%
Proposition BB Series F	3/13/2003	507,345	0	4.43%
Measure K Series A	3/5/2003	2,100,000	0	4.75%
Measure K Series B	2/22/2007	500,000	0	4.31%
Measure K Series C	8/16/2007	150,000	0	4.86%
Measure K Series D	2/19/2009	250,000	0	4.82%
Measure R Series A (5 year maturity)	9/23/2004	72,630	0	2.28%
Measure R Series B (5 year maturity)	9/23/2004	60,475	0	2.24%
Measure R Series C	9/23/2004	50,000	0	4.33%
Measure R Series D	9/23/2004	16,895	0	4.33%
Measure R Series E	8/10/2005	400,000	0	4.36%
Measure R Series F	2/16/2006	500,000	0	4.21%
Measure R Series G	8/17/2006	400,000	0	4.55%
Measure R Series H	8/16/2007	550,000	0	4.83%
Measure R Series I	2/19/2009	550,000	0	4.82%
Measure R Series J	8/19/2014	68,170	0	0.51%
Measure R Series K	8/19/2014	7,045	0	0.88%
Measure Y Series A	2/22/2006	56,785	0	3.72%
Measure Y Series B	2/22/2006	80,200	0	3.85%
Measure Y Series C	2/22/2006	210,000	0	4.15%
Measure Y Series D (taxable)	2/22/2006	47,400	0	5.18%
Measure Y Series E	8/16/2007	300,000	0	4.86%
Measure Y Series F	2/19/2009	150,000	0	4.82%
Measure Y Series G	10/15/2009	5,615	0	3.11%
Measure Y Series H	10/15/2009	318,800	318,800	1.60%
Measure Y Series I	3/4/2010	3,795	0	4.57%
Measure Y Series J-1 (QSCB)	5/6/2010	190,195	190,195	0.21%
Measure Y Series J-2 (QSCB)	5/6/2010	100,000	100,000	0.21%
Measure Y Series K	8/19/2014	35,465	0	0.84%
Measure Y Series L	8/19/2014	25,150	0	0.88%
Measure Y Series M-1	3/8/2018	117,005	105,025	3.56%

¹ Subsequent to the reporting period, LAUSD issued \$850.0 million General Obligation Bonds, Series QRR (2023) on November 07, 2023 with a True Interest Cost of 4.55%

Continued from the Previous Page

Bond Issue	Date of Issue	Principal Amount Issued (thousands)	Outstanding Principal (thousands)	True Interest Cost (%)
Measure Y Series M-2	3/8/2018	12,995	0	1.86%
Measure Q Series A	4/5/2016	648,955	340,420	3.34%
Measure Q Series B-1	3/8/2018	\$1,085,440	979,365	3.58%
Measure Q Series B-2	3/8/2018	134,560	0	1.86%
Measure Q Series C	11/10/2020	1,057,060	874,660	2.39%
Series KRY (BABs) (2009)	10/15/2009	1,369,800	1,369,800	3.73%
Series KRY (Tax Exempt) (2009)	10/15/2009	205,785	0	2.53%
Series KRY (Tax Exempt) (2010)	3/4/2010	478,575	0	4.57%
Series KY (2010)	5/6/2010	159,495	0	4.44%
Series RY (BABs) (2010)	3/4/2010	1,250,585	1,250,585	4.44%
Series RYQ (2020)	4/30/2020	942,940	760,535	3.01%
Series RYRR (2021)	11/10/2021	494,140	432,425	2.42%
Series QRR (2022)	11/22/2022	500,000	467,415	4.27%
2002 General Obligation Refunding Bonds	4/17/2002	258,375	0	2.46%
2004 General Obligation Refunding Bonds, Series A-1	12/21/2004	90,740	0	4.13%
2004 General Obligation Refunding Bonds, Series A-2	12/21/2004	128,385	0	4.38%
2005 General Obligation Refunding Bonds, Series A-1	7/20/2005	346,750	0	4.17%
2005 General Obligation Refunding Bonds, Series A-2	7/20/2005	120,925	0	4.22%
2006 General Obligation Refunding Bonds, Series A	2/22/2006	132,325	0	4.07%
2006 General Obligation Refunding Bonds, Series B	11/15/2006	574,905	0	4.32%
2007 General Obligation Refunding Bonds, Series A-1	1/31/2007	1,153,195	0	4.41%
2007 General Obligation Refunding Bonds, Series A-2	1/31/2007	136,055	0	4.41%
2007 General Obligation Refunding Bonds, Series B	2/22/2007	24,845	0	4.12%
2009 General Obligation Refunding Bonds, Series A	10/15/2009	74,765	0	2.53%
2010 General Obligation Refunding Bonds, Series A	3/4/2010	74,995	0	4.57%
2011 General Obligation Refunding Bonds, Series A-1	11/1/2011	206,735	27,435	2.75%
2011 General Obligation Refunding Bonds, Series A-2	11/1/2011	201,070	0	2.71%
2012 General Obligation Refunding Bonds, Series A	5/8/2012	156,000	0	2.75%
2014 General Obligation Refunding Bonds, Series A	6/26/2014	196,850	0	1.49%
2014 General Obligation Refunding Bonds, Series B	6/26/2014	323,170	72,850	1.96%
2014 General Obligation Refunding Bonds, Series C	6/26/2014	948,795	652,145	2.97%
2014 General Obligation Refunding Bonds, Series D	6/26/2014	153,385	80,420	2.60%
2015 General Obligation Refunding Bonds, Series A	5/28/2015	326,045	108,075	1.87%
2016 General Obligation Refunding Bonds, Series A	4/5/2016	577,400	207,820	1.73%
2016 General Obligation Refunding Bonds, Series B	9/15/2016	500,855	498,240	2.28%
2017 General Obligation Refunding Bonds, Series A	5/25/2017	1,080,830	860,225	1.94%
2019 General Obligation Refunding Bonds, Series A	5/29/2019	594,605	485,340	2.22%
2020 General Obligation Refunding Bonds, Series A	10/6/2020	302,000	285,715	1.26%
2021 General Obligation Refunding Bonds, Series A	4/29/2021	196,310	190,220	0.85%
2021 General Obligation Refunding Bonds, Series B	11/10/2021	48,855	47,015	1.59%
Total			\$10,704,725	

APPENDIX 1-B

Los Angeles Unified School District
Outstanding Debt Service Payments on General Obligation Bonds
As of June 30, 2023^{1, 2}

Fiscal Year Ending June 30	Election of 1997 (Proposition BB)	Election of 2002 (Measure K)	Election of 2004 (Measure R)	Election of 2005 (Measure Y)	Election of 2008 (Measure Q)	Election of 2020 (Measure RR)	Aggregate Fiscal Year Debt Service
2024	\$148,256,525	\$258,904,604	\$222,524,449	\$267,927,441	\$224,349,075	\$63,846,294	\$1,185,808,387
2025	122,619,150	272,358,454	226,069,074	268,363,766	223,004,975	53,365,044	1,165,780,462
2026	75,466,375	276,910,673	226,810,424	268,265,426	222,860,100	53,335,794	1,123,648,791
2027	39,809,325	284,270,633	232,343,018	304,822,778	222,707,725	53,300,544	1,137,254,022
2028	10,813,100	184,785,644	253,532,604	257,183,396	227,778,600	53,261,169	987,354,512
2029	0	87,129,708	269,168,381	258,939,859	222,426,225	53,229,044	890,893,217
2030	0	89,964,184	223,268,181	333,446,767	222,290,600	53,185,544	922,155,276
2031	0	91,700,144	227,083,456	341,478,608	224,997,725	39,204,419	924,464,352
2032	0	94,287,081	271,963,604	309,995,669	225,074,350	34,835,794	936,156,498
2033	0	101,627,919	277,856,823	314,151,763	222,679,725	34,812,419	951,128,648
2034	0	103,357,938	282,564,537	317,509,596	229,573,400	34,791,169	967,796,639
2035	0	62,537,713	292,935,281	315,226,248	163,783,675	34,769,794	869,252,710
2036	0	0	8,913,913	22,431,606	229,595,050	34,741,169	295,681,738
2037	0	0	9,100,213	23,339,631	228,489,888	34,774,319	295,704,050
2038	0	0	8,963,613	22,650,481	228,955,325	34,751,744	295,321,163
2039	0	0	8,940,213	22,547,238	228,953,975	34,729,894	295,171,319
2040	0	0	8,574,413	20,673,425	230,821,331	34,706,694	294,775,863
2041	0	0	8,835,313	22,002,688	229,010,031	34,684,969	294,533,000
2042	0	0	10,378,613	29,825,025	175,760,088	34,657,569	250,621,294
2043	0	0	10,389,484	29,826,800	175,598,569	34,667,616	250,482,469
2044	0	0	10,383,841	21,593,653	98,292,675	34,622,594	164,892,763
2045	0	0	10,375,656	21,577,547	98,224,438	34,600,384	164,778,025
2046	0	0	6,875,800	3,890,591	119,869,206	34,564,513	165,200,109
2047	0	0	6,871,606	3,885,950	7,857,069	34,537,247	53,151,872
2048	0	0	0	0	7,845,681	17,892,669	25,738,350
Total	\$396,964,475	\$1,907,834,692	\$3,114,722,506	\$3,801,555,949	\$4,690,799,500	\$995,868,403	\$14,907,745,525

¹ Includes refunding bonds and excludes refunded bonds with respect to the particular bond authorization.

² Includes QSCB Sinking Fund Payments, but does not include BABs or QSCB Subsidies.

APPENDIX 2

Los Angeles Unified School District
Certificates of Participation Lease Obligations Debt Service Schedule
As of June 30, 2023

Fiscal Year Ending	Fiscal Year Total Debt Service (thousands)
06/30/2024	13,771
06/30/2025	13,770
06/30/2026	13,759
06/30/2027	13,759
06/30/2028	13,763
06/30/2029	13,752
06/30/2030	12,004
06/30/2031	12,002
06/30/2032	1,595
06/30/2033	1,590
06/30/2034	1,586
06/30/2035	1,578
Total¹	\$ 112,928

¹ Totals may not equal sum of component parts due to rounding.

APPENDIX 3

Los Angeles Unified School District
History of Outstanding Underlying Fixed Rate Long-Term Ratings
(As of June 30, 2023)

Fiscal Years	General Obligation Bonds				Certificates of Participation		
	Moody's	Fitch	KBRA	S&P	Moody's	Fitch	S&P
1988-1989	Aa2	Not rated	Not rated	AA	A1	Not rated	A+
1990-1992	Aa2	AA	Not rated	AA	A1	A+	A+
1992-1993	A1	AA	Not rated	AA-	A2	A+	A
1994-1995	A1	AA-	Not rated	AA-	A2	A	A
1996-1998	Aa3	AA-	Not rated	AA-	A2	A	A
1999-2000	Aa3	AA	Not rated	AA-	A2	A+	A
2001 ¹ -2002	Aa3	AA	Not rated	AA-	A2	A+	A+
2002-2003	Aa3	AA-	Not rated	AA-	A2	A	A+
2004-2005	Aa3	A+	Not rated	AA-	A2	A-	A+
2006-2008	Aa3	A+	Not rated	AA-	A2	A	A+
2008-2009	Aa3	Not rated	Not rated	AA-	A2	Not rated	A+
2009-2015 ²	Aa2	Not rated	Not rated	AA-	A1	Not rated	A+
2016 ³ -2018	Aa2	AAA	AA+	AA-	A1	Not rated	A+
2019	Aa3	AAA	AA+	A+	A2	Not rated	A
2020 ⁴	Aa3	AA+	AAA	A+	A2	Not rated	A
2021 ⁵	Aa3	AA+	AAA	A+	A2	Not rated	A
2022	Aa3	AA+	AAA	A+	A2	Not rated	A
2023	Aa3 ⁶	AAA	AAA	AA-	A2 ⁷	Not rated ⁸	Not rated

¹ Beginning in 2001, Standard and Poor's began to rate lease obligations only one notch (rather than the previous two notches) lower than the issuer's General Obligation Bond rating.

² Moody's implemented a migration of its rating scale that resulted in the indicated changes to the District's ratings on April 2010.

³ In July 2015, the California legislature enacted Senate Bill 222 ("SB222") which became effective in January 2016. SB222 established a statutory lien in the voter-approved property taxes that secure California school districts' General Obligation Bonds. LAUSD capitalized on the legislative change and pursued ratings from two different rating agencies, Fitch and KBRA, in addition to Moody's that has traditionally rated the District's GOs.

⁴ In August 2019, based on their updated analysis of the legal framework for school district bankruptcies in California, KBRA upgraded the LAUSD GO bonds it rates to AAA.

⁵ In January 2021, Moody's revised its rating methodology for K-12 schools. Under the new methodology, Moody's provides both a general obligation bond rating and an issuer credit rating to school districts nationally. In addition to affirming the District's General Obligation bond rating of Aa3, at the time it released the new methodology, Moody's also provided the District with an Issuer Rating of A1. The higher rating for the District's General Obligation bonds versus its Issuer Rating reflects its security structure, which relies on voter approved property taxes as the debt service repayment source.

⁶ Subsequent to the reporting period, on April 17, 2024, Moody's upgraded the District's GOs to Aa2

⁷ Subsequent to the reporting period, on April 17, 2024, Moody's upgraded the District's COPs to A1

⁸ Subsequent to the reporting period, Fitch rated the District's COPs A- on August 9, 2023. On April 17, 2024, Fitch upgraded the District's COPs to A+.

APPENDIX 4**Los Angeles Unified School District
Statement of Overlapping Debt
As of June 30, 2023****Overlapping Debt Obligations**

Set forth on the following page is the report prepared by California Municipal Statistics Inc. which provides information with respect to direct and overlapping debt within the District as of June 30, 2022 (the “Overlapping Debt Report”). The Overlapping Debt Report is included for general information purposes only. The District has not reviewed the Overlapping Debt Report for completeness or accuracy and makes no representations in connection therewith. The Overlapping Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the General Fund or other revenues of such public agency.

The first column in the Overlapping Debt Report names each public agency which has outstanding debt as of the date of the report and whose territory overlaps the District in whole or in part. Column 2 shows the percentage of each overlapping agency’s assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in Overlapping Debt Report) produces the amount shown in Column 3, which is the apportionment of each overlapping agency’s outstanding debt to taxable property in the District.

Los Angeles Unified School District
Schedule of Direct and Overlapping Bonded Debt
Year Ended June 30, 2023
(Unaudited)

Government	% Applicable	Amount Applicable
Direct:		
Los Angeles Unified School District		
General Obligation Bonds	100.000	\$10,704,725,000
Certificates of Participation	100.000	97,870,000
		<u>\$10,802,595,000</u>
Overlapping ¹ :		
City of Los Angeles Tax and Assessment Debt	99.944	1,039,097,779
City of Los Angeles General Fund and Judgment Obligations	99.944	1,290,798,162
City of Los Angeles Redevelopment Agency Tax Increment Debt	100.000	274,600,000
Los Angeles Community College District Tax and Assessment Debt	81.887	3,685,512,775
Los Angeles County General Fund Obligations	46.335	1,205,428,787
Los Angeles County Superintendent of Schools Certificates of Participation	46.335	1,577,006
Los Angeles County Sanitation District Nos. 1,2,4,5,8,9,16 & 23 Authorities	Various	1,080,896
Metropolitan Water District Tax and Assessment Debt	23.977	4,607,181
Pasadena Area Community College District Tax and Assessment Debt	0.001	520
Pasadena Area Community College District General Fund Obligations	0.001	288
Other City Tax and Assessment Debt	Various	21,004,879
Other City General Fund and Pension Obligation Bonds	Various	471,430,962
Santa Clarita Landscaping and Streetlighting Zones A and B	0.003	400
City Community Facilities District Tax and Assessment Debt	100.000	82,800,000
Other City and Special District 1915 Act Bonds	99.984-100.000	20,138,835
Other Redevelopment Agencies	Various	209,886,420
Total Overlapping		<u>\$8,307,964,890</u>
Total Gross Debt and Overlapping ²		<u>\$19,110,559,890</u>
Less:		
Los Angeles Unified School District General Obligation Bonds Election of 2005		
Series H (2009) and Series J (2010) Qualified School Construction Bonds		
Amount accumulated in Interest and Sinking Fund and Set Aside Repayment		299,495,000
City supported obligations		203,635
Total Net Debt and Overlapping Debt		<u><u>\$18,810,861,255</u></u>

¹ Generally includes long term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries for the District.

² Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

APPENDIX 5

Los Angeles Unified School District DEBT MANAGEMENT POLICY



Prepared by:

The Office of the Chief Business Officer

June 18, 2024

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Public Hearings

[Return to Order of Business](#)

TAB 29



Los Angeles Unified School District

1423

333 South Beaudry Ave,
Los Angeles, CA 90017

Board of Education Report

File #: 028-23/24, Version: 1

Public Hearing

Adoption of the Proposed 2024-25 Budget #Rep-316-23/24 (028-23/24)



Board of Education Report

File #: Rep-316-23/24, **Version:** 1

Adoption of the Proposed 2024-25 Budget

June 18, 2024 (PUBLIC HEARING)

June 25, 2024 (ADOPTION)

Office of the Chief Business Officer

Action Proposed:

Authorization for the following actions:

- (1) Adoption of the Proposed 2024-25 Budget to be filed, as approved, with the County Superintendent of Schools on State Form SACS-2024 in the manner prescribed by law.
- (2) Delegation of authority to the Budget Services and Financial Planning Division and the Accounting and Disbursements Division to take all actions necessary to implement the Budget Assumptions and Policies set forth in this Board Report (Attachment B).
- (3) Approval of the enclosed Resolution Regarding Expenditures from the Educational Protection Account ("EPA") for Fiscal Year 2024-25 in accordance with the provision of Proposition 30 (Attachment C).
- (4) Approval of the enclosed Resolution to Release Committed Fund Balance in Fiscal Year 2026-27 or other years, as necessary (Attachment E).
- (5) Delegation of authority to the Chief Business Officer, the Controller, or their designee to make interfund transfers and/or temporary borrowings in accordance with the 2024-25 adopted and revised LA Unified budgets and Education Code section 42603. For reference, see Attachment F for a history of interfund transfers.

Background:

Annually, the Board of Education must hold a public hearing and adopt a budget consistent with the provisions of section 42127 of the Education Code. Upon adoption, the budget is to be submitted to the Los Angeles County Office of Education (LACOE) on or before July 1.

With the passage of Proposition 30, LA Unified shall receive part of its State entitlement through revenues from the Education Protection Account (EPA). In order to receive these entitlements, the Board of Education must, at an open meeting, make spending determinations regarding EPA funds.

Proposition 30 revenues are allocated to school districts through the EPA. These are not additional funds outside of the Local Control Funding Formula, but rather another source of the general-purpose funds (similar to local property taxes) that offsets what would otherwise be state funding.

EPA funds may not be used for any salaries or benefits of administrators or any other administrative costs. LA Unified is also required to annually publish on its web site an accounting of how much EPA funds were received and how the funds were spent.

Sections 42127 and 52062 of the Education Code require two separate Governing Board public meetings for the Local Control and Accountability Plan (LCAP) and the Budget, one for the public hearing of the LCAP and Budget and a subsequent meeting for the adoption. The LCAP public hearing and adoption must occur at the same meetings as the budget public hearing and adoption.

As required by Senate Bill (SB) 858/751, Attachment D sets forth the minimum reserve level required in each year, amounts of assigned and unassigned ending balance that exceed the minimum, and reasons for the reserve being greater than the minimum.

As required by Governmental Accounting Standards Board (GASB) Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*, Attachment E sets forth to release committed fund balance.

The interfund transfer and temporary borrowing authorization is an annual request to allow staff to process accounting transactions related to interfund transfers and temporary borrowings. Interfund transfers are made between funds for various purposes, including transfers for debt service requirements. Temporary borrowings are made in situations where LA Unified advances cash from a fund with sufficient cash balance to pay obligations of a fund with insufficient cash balance. Repayments of the cash advances are made within statutory timelines.

Expected Outcomes:

The outcome of this Board action is an adopted budget for fiscal year 2024-25 that shall enable LA Unified to comply with Education Code Section 42127.

A further expected outcome of this Board Action is an adoption of Resolutions Regarding EPA expenditures for 2024-25.

Approval of the Resolutions to Release Committed Fund Balance ensures that LA Unified adheres to GASB 54.

Approval of interfund transfers and temporary borrowings authorization shall ensure that interfund transfers and/or temporary borrowings are authorized beginning in July 2024. LA Unified staff shall be able to make required and timely interfund transfers or temporary borrowings in the 2024-25 fiscal year.

Board Options and Consequences:

Should the Board vote to approve, LA Unified will meet the annual budget adoption requirements of Education Code Section 42127. Should the Board vote not to approve, LA Unified will not meet the requirements of Education Code Section 42127.

Non-approval of the EPA resolution as set forth in Proposition 30 may place the EPA entitlement at risk.

Without approval to release committed fund balance, LA Unified will not be able to implement any proposed changes to commitments. Commitments may be changed or removed only by the governing board taking the same formal action that imposed the initial constraint.

Without prior approval to process interfund transfers and temporary borrowings, LA Unified staff will not have the authority to make required and timely interfund transfers and/or temporary borrowings in Fiscal Year 2024-25.

Policy Implications:

Adoption of the Proposed 2024-25 Budget, approval of the Resolution Regarding Expenditures from the EPA, approval of the Resolution to Release Committed Fund Balance, and delegation of authority to make interfund transfers and/or temporary borrowings shall comply with the Education Code and GASB requirements.

Budget Impact:

Adoption of the Proposed 2024-25 Budget.

Student Impact:

Compliance with Education Code and GASB requirements ensures that LA Unified shall continue to operate and serve its student population responsibly.

Equity Impact:

Component	Score	Score Rationale
Recognition	4	The proposed budget is LA Unified's plan for the upcoming school year 2024-25 related to anticipated revenues and expenditures for all LA Unified funds with the General Fund being the largest fund. This budget includes Federal, State, and Local resources that are allocated directly to schools based on student needs that are measured by various indicators. Students learn in different ways depending on the student's background, language, race, economic profile, etc. Therefore, resources are allocated to address these differences. Programs allocated using various indicators include, but are not limited to, the Student Equity Needs Index (SENI), Black Student Achievement Plan (BSAP), Arts Program, and Title 1.
Resource Prioritization	4	Within the General Fund is the Local Control Funding Formula (LCFF) which is the largest unrestricted source of funding for schools. LCFF provides baseline funding for all students and additional resources to schools with high concentrations of low-income students, English Learners, and students in foster care.
Results	4	The budget includes investments in schools that are allocated to improve student achievement and equity across all student groups. The goal is to build fairness and inclusion and ensure every student has the opportunity to achieve their academic goals.
TOTAL	12	

Issues and Analysis:

None

Attachments:

Attachment A - Executive Summary

Attachment B - Budget Assumptions and Policies

Attachment C - Education Protection Act Resolution

Attachment D - Ending Balance Disclosure

File #: Rep-316-23/24, **Version:** 1

Attachment E - Resolution to Release Committed Fund Balance

Attachment F - Interfund Transfer Schedule

Attachment G - Standardized Account Code Structure Form - 2024

Informatives:

None

Submitted:

05/13/24

RESPECTFULLY SUBMITTED,**APPROVED & PRESENTED BY:**

ALBERTO M. CARVALHO
Superintendent

PEDRO SALCIDO
Deputy Superintendent,
Business Services & Operations

REVIEWED BY:**APPROVED & PRESENTED BY:**

DEVORA NAVERA REED
General Counsel

DAVID D. HART
Chief Business Officer
Office of the Chief Business Officer

___ Approved as to form.

REVIEWED BY:

NOLBERTO DELGADILLO
Deputy Chief Business Officer, Finance

___ Approved as to budget impact statement.

ATTACHMENT A – EXECUTIVE SUMMARY

Please refer to page 15 in the Proposed 2024-25 Budget Book

<https://acrobat.adobe.com/id/urn:aaid:sc:US:281217ec-6dbd-45f7-b469-747a5826f176>

PLACEHOLDER

ATTACHMENT B – BUDGET ASSUMPTIONS AND POLICIES

Please refer to page 18 in the Proposed 2024-25 Budget Book

<https://acrobat.adobe.com/id/urn:aaid:sc:US:281217ec-6dbd-45f7-b469-747a5826f176>

PLACEHOLDER

ATTACHMENT C – EDUCATION PROTECTION ACT RESOLUTION

Please refer to page 24 in the Proposed 2024-25 Budget Book

<https://acrobat.adobe.com/id/urn:aaid:sc:US:281217ec-6dbd-45f7-b469-747a5826f176>

PLACEHOLDER

ATTACHMENT D – ENDING BALANCE DISCLOSURE

Please refer to page 28 in the Proposed 2024-25 Budget Book

<https://acrobat.adobe.com/id/urn:aaid:sc:US:281217ec-6dbd-45f7-b469-747a5826f176>

PLACEHOLDER

**ATTACHMENT E – RESOLUTION TO RELEASE COMMITTED
FUND BALANCE**

Please refer to page 33 in the Proposed 2024-25 Budget Book

<https://acrobat.adobe.com/id/urn:aaid:sc:US:281217ec-6dbd-45f7-b469-747a5826f176>

PLACEHOLDER

ATTACHMENT F – INTERFUND TRANSFER SCHEDULE

Please refer to page 35 in the Proposed 2024-25 Budget Book

<https://acrobat.adobe.com/id/urn:aaid:sc:US:281217ec-6dbd-45f7-b469-747a5826f176>

PLACEHOLDER

**ATTACHMENT G – STANDARDIZED ACCOUNT CODE
STRUCTURE FORM – 2024**

Please refer to page 229 in the Proposed 2024-25 Budget Book

<https://acrobat.adobe.com/id/urn:aaid:sc:US:281217ec-6dbd-45f7-b469-747a5826f176>

PLACEHOLDER

[Return to Order of Business](#)

TAB 30



Los Angeles Unified School District

1437
333 South Beaudry Ave,
Los Angeles, CA 90017

Board of Education Report

File #: 015-23/24, Version: 1

Public Hearing

Adoption of the 2024 LAUSD Local Control and Accountability Plan and Presentation of the 2024 State Accountability Dashboard Local Indicators File #015-23/24 (REP-331-23/24)



Board of Education Report

File #: Rep-331-23/24, Version: 1

Adoption of the 2024 LAUSD Local Control and Accountability Plan and Presentation of the 2024 State Accountability Dashboard Local Indicators

June 18, 2024 (PUBLIC HEARING)

June 25, 2024 (ADOPTION)

Office of the Chief Strategy Officer

Action Proposed:

Adopt Los Angeles Unified School District (LAUSD)'s 2024 Local Control and Accountability Plan (LCAP).

Background:

The District LCAP must be adopted at the same meeting at which the Board of Education adopts the budget for 2024-2025. The 2024-25 LCAP is the first year of the three year cycle for 2024-27, and provides available Baseline and Year 3 Outcomes for LCAP metrics and includes annual updates on the implementation of LCAP actions in 2023-24. The LCAP also includes separate Action Tables in addition to the Budget Overview for Parents. These materials must all be combined and posted on the District's website.

Through the LCAP engagement cycle, the LCAP team has had robust engagement with educational partners across the District through student focus groups, parent committee meetings, community partner meetings, District team meetings, labor partner meetings, and Region engagement meetings. Furthermore, the LCAP team supported school principals with an LCAP Coffee with the Principal presentation to assist schools with sharing information about the District LCAP and their school's progress towards goals in the LCAP, which are aligned with the District's Strategic Plan. The ThoughtExchange for the LCAP has over 21,000 participants, which almost doubles the number of participants from last year. We are appreciative of the feedback and comments provided by the Parent Advisory Committee, District English Learner Advisory Committee, and a large number of our educational partners. All voices are important and provide direction to the development of the LCAP. As always, we will continue to work to gather input and feedback from our Los Angeles Unified communities about our programs and services to support students.

Expected Outcomes:

Approval of this LCAP will allow the District to meet state-mandated requirements.

Board Options and Consequences:

A "Yes" vote, will result in the District meeting the state-mandated requirement to approve the LCAP.

A "No" vote, will result in the District not meeting the state-mandated requirement to approve the LCAP.

Policy Implications:

The District LCAP is aligned with the District Strategic Plan and reflects annual updates from the 2023-24 school year, and includes planned goals, actions, and expenditures for 2024-25. The 2024-25 LCAP is the first year of the three year cycle for 2024-27. The District may make changes to the LCAP each year to reflect community feedback as well as changes in District policies.

Budget Impact:

Approval of the District's LCAP is necessary to approve the budget. Existing staff and resources will support posting the LCAP to the District website.

Student Impact:

This proposed action shares the District's engagement, planning and budgeting to meet student needs in 2024-25. Through engagement, meetings were held to receive input on the Plan as part of this engagement, and the LCAP ThoughtExchange collected 203,440 ratings on 13,223 comments from 22,568 participants. In the LCAP ThoughtExchange 1,799 participants identified as students.

Equity Impact:

Component	Score	Score Rationale
Recognition	4	The LCAP describes how the District will implement programs and policies to support all students in the Local Control Funding Formula (LCFF) state priority areas, as well as how the District will leverage supplemental and concentration funds to increase or improve services for English learners, students in foster care, and low-income students. Additionally, our communities have advocated for additional transparency and visibility into English Learner Supports and the Black Student Achievement Plan, and the LCAP continues to report on the progress of these programs, analysis, and funding information as official Goals in the document.
Resource Prioritization	4	As stated above, the LCAP describes how the District will allocate resources in 2024-25 to support the LCFF target student populations (84% of LAUSDs enrollment), as well as additional investments for non-LCFF target student populations (including Black students and Special Education students).
Results	4	The LCAP allocates and annually monitors the use of LCFF dollars to improve student equity across all student groups by eliminating opportunity gaps and preparing students to be ready for the world as evidenced in District goals and actions.
TOTAL	12	

Issues and Analysis:

The LCAP describes how the District will implement programs and policies to support all students in the LCFF state priority areas, as well as how the District will leverage supplemental and concentration funds to increase or improve services for English learners, students in foster care, and low-income students. The LCAP is aligned to reflect 2022-26 Strategic Plan Pillars, strategies, and priorities.

The LCAP includes all state LCFF funds, but does not reflect any other local, state, and federal sources of funding (including COVID recovery funds).

File #: Rep-331-23/24, Version: 1

Attachments:

Attachment A - LAUSD LCAP and Executive Summary Link:

[<https://tinyurl.com/2024LAUSD-LCAP-Board-Materials>](https://tinyurl.com/2024LAUSD-LCAP-Board-Materials)

Informatives:

State Accountability Dashboard Local Indicators

Submitted:

05/21/24

RESPECTFULLY SUBMITTED,**APPROVED & PRESENTED BY:**

ALBERTO M. CARVALHO
Superintendent

VERONICA ARREGUIN
Chief Strategy Officer
Office of the Chief Strategy Officer

REVIEWED BY:**APPROVED & PRESENTED BY:**

DEVORA NAVERA REED
General Counsel

DERRICK CHAU
Senior Executive Director
Strategy and Innovation


___ Approved as to form.

REVIEWED BY:

NOLBERTO DELGADILLO
Deputy Chief Business Officer, Finance

___ Approved as to budget impact statement.

INTEROFFICE CORRESPONDENCE
Los Angeles Unified School District
Office of the Superintendent

INFORMATIVE**DATE:** May 29, 2024**TO:** Members, Board of Education**FROM:** Alberto M. Carvalho, Superintendent **SUBJECT: STATE ACCOUNTABILITY DASHBOARD LOCAL INDICATORS**

The purpose of this informative is to share Los Angeles Unified's (LAUSD) results for the 2023-2024 [California School Dashboard \(Dashboard\) Local Indicators](#). The Office of Data and Accountability has collaborated with staff from the Division of Instruction, Human Resources, Facilities, Integrated Library and Textbook Support Services, and the Office of Student, Family and Community Engagement to determine the findings. The District's findings are due to the California Department of Education on July 31, 2024. The Office of Data and Accountability will submit the information shortly after the distribution of this informative.

Background

California's accountability system is based on multiple measures which are used to determine district and school progress toward meeting the needs of their students. The measures are based on factors that contribute to a quality education, including high school graduation rates, college/career readiness, student test scores, English Learner (EL) progress, suspension rates, and parent engagement. Performance on these measures is reported through the Dashboard. District and school performance in the ten Local Control Funding Formula (LCFF) priority areas are measured using a combination of state and local indicators.

The criteria established for state indicators include: (1) valid and reliable measures, (2) comparable, state-level data, and (3) the ability to disaggregate data by student groups. These criteria ensure a common and comparable way of measuring performance on the indicators across the state. The state indicators apply to districts, schools, and student groups (e.g., race/ethnicity, socioeconomically disadvantaged, ELs, and students with disabilities), and progress on the indicators is reported through the Dashboard.

There are several LCFF priority areas that do not meet the criteria established for the state indicators. These remaining priority areas are considered local indicators and districts are required to determine whether they have *Met*, *Not Met*, or *Not Met for Two or More Years* each one. Local indicators only apply at the district level, and districts use them to evaluate and report their progress on priority areas. The local indicators only appear on the district page of the Dashboard.

The following table lists the LCFF Priority Areas and the corresponding Local Indicators:

Local Control Funding Formula Priority Area	Local Indicators
Appropriately Assigned Teachers, Access to Curriculum-Aligned Instructional Materials, and Safe, Clean and Functional School Facilities (Priority 1)	Access to textbooks, adequate facilities, and appropriately assigned teachers.

Local Control Funding Formula Priority Area	Local Indicators
Implementation of State Academic Standards (Priority 2)	Annual report on progress in implementing the standards for all content areas.
Parent and Family Engagement (Priority 3)	Annual report on progress toward: (1) Building relationships between school staff and families; (2) Building partnerships for student outcomes; (3) Seeking input for decision making.
School Climate (Priority 6)	Administer a Local Climate Survey annually and report results.
Access to a Broad Course of Study (Priority 7)	Annual report on progress toward providing students, including students with exceptional needs, access to a broad course of study.

Performance on Local Indicators

The standards for the local performance indicators are based on whether districts:

- Measure their progress on the local performance indicator based on locally available information.
- Report the results to the local governing board at a regularly scheduled meeting of the local governing board.
- Determine whether they have *Met*, *Not Met*, or *Not Met for Two or More Years* for each applicable local performance indicator. Districts make this determination by using self-reflection tools.

The performance standards for the local performance indicators are:

1. Appropriately Assigned Teachers, Access to Curriculum-Aligned Instructional Materials, and Safe, Clean and Functional School Facilities (LCFF Priority 1)
 - *Standard:* District annually measures its progress in meeting the Williams settlement requirements at 100 percent of its school sites, as applicable, and promptly addresses any complaints or other deficiencies identified throughout the academic year.
2. Implementation of State Academic Standards (LCFF Priority 2)
 - *Standard:* District annually measures its progress implementing state academic standards.
3. Parent and Family Engagement (LCFF Priority 3)
 - *Standard:* District measures its progress in building relationships between school staff and families, building partnerships for student outcomes and seeking input for decision making.

4. School Climate (LCFF Priority 6)
 - *Standard:* District administers a local climate survey annually that provides a valid measure of perceptions of school safety and connectedness to students in at least one grade within the grade span(s) the district serves (e.g., K-5, 6-8, 9-12).
5. Access to a Broad Course of Study (LCFF Priority 7)
 - *Standard:* District annually measures its progress in the extent to which students have access to, and are enrolled in, a broad course of study including courses specified in California Education Code for Grades 1-12, including programs and services for students with exceptional needs.

Local Indicator Results

The District used the resources included in the Dashboard to support the determination of whether it “Met” the performance standard. The following are the results for the local indicators based on 2022-23 final data submitted to the state:

1. Appropriately Assigned Teachers, Access to Curriculum-Aligned Instructional Materials, and Safe, Clean and Functional School Facilities (LCFF Priority 1)
 - a. Percentage of misassignments of teachers of English Learners: 2%
 - b. Percentage of total teacher misassignments: 10%
 - c. Number of teacher positions eligible for backfill: 131
 - d. Percentage of students without access to their own copies of standards-aligned instructional materials for use at school and at home: 0%
 - e. Number of identified instances where facilities do not meet the “good repair” standard (including deficiencies and extreme deficiencies): 0

Priority 1 Criteria: Standard Met

Reflection findings:

In conjunction with the Commission on Teacher Credentialing’s California Statewide Assignment Accountability System (CalSAAS), LAUSD annually audits master schedules and develops individualized site reports to include resolutions to misassignments. Staff continuously works on maintaining a strong knowledge base of former, current, and future Commission on Teacher Credentialing (CTC) practices and does not hire teacher candidates without an EL authorization. In addition, failure to maintain EL Authorization may result in disciplinary action and/or dismissal.

LAUSD consistently meets the Williams sufficiency requirements that all students have instructional materials to use at home and school. For 2024, the District is 100% sufficient; therefore, each student has instructional materials in the core/required subject areas to use at home and school. This was verified from teacher and principal submissions via the Teacher’s Portal and Principal’s Portal.

LAUSD performs school facility condition inspections annually according to state-mandated School Accountability Report Card (SARC) guidelines, and a summary of ratings for

Williams Facilities Inspections was used to determine performance standards as well as site administrator certification. For 2024, all schools received the “good repair” overall rating at initial inspection.

2. Implementation of State Academic Standards (LCFF Priority 2)

The District was asked to summarize its progress in implementing the academic standards adopted by the State Board of Education based on the locally selected measures or tools. The adopted academic standards are:

- English Language Arts – Common Core State Standards for English Language Arts
- English Language Development (Aligned to Common Core State Standards for English Language Arts)
- Mathematics – Common Core State Standards for Mathematics
- Next Generation Science Standards
- History-Social Science Standards
- Career Technical Education Standards
- Health Education Content Standards
- Physical Education Model Content Standards
- Visual and Performing Arts Standards
- World Language Standards

Priority 2 Criteria: Standard Met

Reflection findings:

LAUSD utilizes a variety of measures and tools to track its progress in implementing the state academic standards set forth by the State Board of Education. These include Interim Assessments: LAUSD is using i-Ready Diagnostic Assessment in Reading and Math that aligns with the state academic standards to measure a student's placement level and growth towards grade level standards. In addition, the Dynamic Indicators of Basic Early Literacy Skills (DIBELS) is used to measure early literacy skills. These assessments are administered three times a year: beginning, middle and end of the year.

State-Adopted Instructional Materials: LAUSD adopts state-adopted instructional materials that are aligned with the academic curriculum and grade level standards. Instructional materials support instruction and learning of the California Standards and follow a scope and sequence to align with the California frameworks. Standards-aligned instructional materials are used to deliver instruction that prepares students for subsequent grade levels and ultimately college and career opportunities.

Teacher Observations and Feedback: LAUSD principals conduct regular classroom observations and provide feedback to teachers on the Teaching and Learning Framework elements (TFL). Specifically, the TLF Standard that aligns to tracking progress in implementing the state academic standards is Standard 3: Delivery of Instruction, Element c1: Standards-Based Projects, Activities, and Assignments. This ongoing process allows Principals to monitor implementation and provide actionable feedback and support where needed.

Student Performance Data: LAUSD has identified Strategic Plan goals using Early Literacy and Smarter Balanced Assessments. Student performance data is analyzed from standardized tests, interim assessments, and other formative assessments to gauge how well students are mastering the state standards. Data is used with the Plan, Do, Study (PDSA) Cycle of Improvement that helps schools and the District identify trends and areas of strength or concern in our implementation efforts.

Summary of Progress: Based on our locally selected measures and tools, LAUSD has made significant strides in implementing the academic standards adopted by the State Board of Education using state-adopted curriculum and instructional resources. The interim assessments have revealed strong alignment with the standards across grade levels and subject areas, with areas of improvement being addressed through targeted professional development. Teacher observations and feedback have shown consistent improvement in instructional practices, with teachers demonstrating a deeper understanding of the standards and their integration into daily instruction.

3. Parent and Family Engagement (LCFF Priority 3)

The District was asked to summarize its progress toward building relationships between school staff and families, building partnerships for student outcomes, and seeking input for decision making.

Priority 3 Criteria: Standard Met

Reflection findings:

Building Relationships between School Staff and Families

LAUSD is organized to support family engagement through a centralized Office of Student, Family and Community Engagement (SFACE) and four Region Family and Community Engagement (FACE) teams, coordinating with various District offices. Family engagement is supported at school sites by Community Representatives and Liaisons who collaborate with school coordinators and administrators to establish family engagement training calendars and maintain programs in Parent and Family Centers. One area of focus for SFACE and Region FACE teams includes developing and cultivating a professional development foundation at Los Angeles Unified to elevate family engagement as an accelerator for student achievement.

Professional development includes monthly Parent and Family Center personnel training, Region Family Engagement Professional Development Summits, participation in aspiring administrator courses, and curating professional development modules for school sites and offices. These trainings strengthen the relationships between staff and parents to support student achievement and social emotional growth. Topics include the Micro-Credentialing Program, School Volunteer Program, Parent Portal and LAUSD Mobile App, Cultivating Welcoming School Environments, Student Empowerment Practices, Cultivating Partnership with School Councils and Committees.

In addition to professional development, families are provided with information and resources through multiple sources, including District and Region offices, school webpages, Parent and Family Centers, and workshops provided by school staff and community partners. The Family Hotline provides live-agent support for families in need of assistance with technology, mental health, program access, and other District services, including access to their child's

information and resources through the Parent Portal. The District has also invested in email and text messaging tools, and offers families the option to opt-in to receive targeted event reminders.

Families are also welcome to serve their school as volunteers. To date, Los Angeles Unified has processed over 29,701 volunteers, up from 11,738 last year. The program is managed through a team and a streamlined online platform used to collect prospective volunteer information.

Federal policy requires Title I schools to develop a written parent and family engagement policy. [The LAUSD policy](#) highlights resources and workshops offered in collaboration with school staff and community agencies to build bridges and two-way communication between home and school. Providing school staff with opportunities to expand two-way communication and engagement of high-need students through continued training, developing module courses, and sharing of promising practices is an opportunity for growth.

Families are supported in understanding District policy, exercising their legal rights, and advocating for their own students and all students through the School Site Council (SSC), as members of the English Learner Advisory Committee (ELAC), and the Local School Leadership Council, with 100% of required schools having followed procedures to establish an SSC and ELAC annually by November.

In the 2023-2024 school year, welcoming environment indicators continue to be captured in the District's School Experience Survey to inform school and District practices. Coherence has been a focus area for the District, and Title I and the Local Control and Accountability (LCAP) measures have been integrated into the District's Strategic Plan Pillar 3: Engagement and Collaboration.

Building Partnerships for Student Outcomes

Los Angeles Unified has also begun a trend of hosting learning groups that serve the purpose of developing families as ambassadors in specialized areas. During the fall semester, in partnership with the Strategic Initiatives Office, Multicultural and Multilingual Education Department, and Division of Special Education, Region Ambassador training sessions were offered to families in three areas: LCAP, English Learners, and Special Education. Hybrid sessions were hosted in each Region to accommodate in-person and virtual participants.

During the fall semester, in partnership with the Office of Government Relations, a cohort of families completed a Legislative Learning Group series, in which learning was organized around civic engagement, advocacy, and state and federal government. An SSC and ELAC Parent Leaders series, offered through the Family Academy, provided families with the opportunity to learn more about school plans, data instruments, and the importance of cultivating effective communication and partnership as members of councils and committees.

LAUSD has also observed increased family engagement through its Family Academy webinars and in-person seminars. Partnering with District offices, the Family Academy hosts four Equity Course Pathways for Families of Exceptional Learners, Black and African American Learners, Multilingual Learners, and Youngest Learners. These courses offer seven classes each and are designed to help families learn how to advocate for their children. Since July 2023, over 30,000 participants have joined Family Academy webinars and in-person

Region segments. In addition, through broad engagement opportunities, families learn about Title I, English Learner, and Foster Youth policies, programs, and funding, and they are invited to offer program recommendations.

For the 2023-2024 school year, LAUSD hosted a Title I Parent and Family Engagement Conference focused on providing workshops and training for families to support their children's social-emotional and academic growth. This effort hosted over 900 participants who learned about topics aligned to the Strategic Plan strategies. Multiple professional development modules were developed and updated for school staff on the topics of Substance Use and Resiliency Building, How to Be a Resilient Family, Math and ELA Common Core, Learning Environment at Home, A-G and College Readiness, Safe School Plan Modules, and Budget Consultation Modules.

The continued alignment of school staff professional development is an area of focus for the 2024-2025 school year.

Seeking Input for Decision Making: Collaboration and Honoring Perspectives

Los Angeles Unified provides families with multiple opportunities to offer input in school decisions. These opportunities are offered at schools, and Region/central offices. Schools host annual SSC trainings during the weekends and work week to effectively engage families in advisory groups on decision-making. A District bulletin with detailed procedures and handouts on the role of parents as decision makers is also used widely by SSCs. The SSCs specifically make decisions about programs and services and receive recommendations from the ELAC. Through the SSC and ELAC, staff and families learn about assets and needs assessments, analyzing family strengths, and identifying common goals for students.

In the 2023-2024 school year, the Black Student Achievement Plan (BSAP) Parent Advisory Committees continued in the Regions and at the District level to provide input into decision-making for the BSAP program. These committees are a collaborative effort between Region leadership, FACE teams, and the BSAP program staff to elevate the voice of Black and African American families within the District.

Additionally, through three District-wide committees, parents learn about various District plans and provide input and recommendations for improvement. The Community Advisory Committee (CAC) provides recommendations on the District's Special Education Local Plan Area (SELPA), the District English Language Advisory Committee (DELAC) presents recommendations on mandated topics specific to English Learners and the LCAP, and the Parent Advisory Committee (PAC) provides recommendations on the LCAP. Members of these committees participate annually in approximately ten, three-hour meetings.

4. School Climate (LCFF Priority 6)

Priority 6 Criteria: Standard Met

Reflection findings:

The District administers its annual Local Climate Survey as part of its yearly School Experience Survey (SES). The results of this survey are expected to be released this summer. The survey metrics will help identify safety-related concerns. Additionally, increased school community engagement efforts have been underway during the 2023-24 school year to seek

qualitative feedback on safety related matters from students, staff, and families. In response to the feedback provided, we will enhance our current efforts to align safety and security measures to promote welcoming environments and safe passages for students.

The Every School Safe Blueprint (ESS) was implemented during the 2023-24 school year. Although the effort is in its infancy, it emphasizes the importance of collaboration, communication, and proactive measures to enhance school safety. Below are the findings from the school community engagement efforts:

- ESS Modules will be enhanced to address the perception of safety in school and around the school for all stakeholders.
- Additional modules will focus on creating welcoming environments for students, and reaffirming positive behavior supports and restorative practices. This is expected to result in more students reporting they feel safe on campus and in the neighborhood surrounding their school.

To continue to address safety concerns, staff is considering the following:

- Establishing additional partnerships with community-based organizations for safe passages;
- Coordinating efforts with municipalities on traffic safety and reducing crimes in school communities; and
- Increasing parental engagement through additional town hall meetings.

5. Access to a Broad Course of Study (LCFF Priority 7)

The District was asked to identify the locally selected measures or tools used to track the extent to which all students have access to, and are enrolled in, a broad course of study, based on grade spans, unduplicated student groups, and individuals with exceptional needs served.

Priority 7 Criteria: Standard Met

Reflection findings:

All students are required to have access to and enroll in a broad course of study. LAUSD uses the My Integrated Student Information System (MiSiS) to track student access and progress.

Enrollment Data Analysis: LAUSD analyzes enrollment data disaggregated by grade spans, unduplicated student groups (including socio-economic status, English language proficiency, race/ethnicity, foster youth, homeless, etc.), and individuals with exceptional needs served (including students with disabilities, English learners, gifted students, etc.). MiSiS tracks and provides alerts to schools when students are not programmed appropriately. This allows us to track the extent to which all students, regardless of background or need, are enrolled in an approved course of study.

Student Scheduling and Course Offerings Review: LAUSD conducts periodic reviews of student schedules and course offerings to ensure equitable access to comprehensive courses of study for students. The District examines course availability, distribution, and enrollment

patterns across grade spans and student groups to identify any disparities or gaps. Elementary schools ensure all grade level classes post a daily schedule that encompasses the broad course of study as defined by the State Frameworks in each subject area. Secondary schools are responsible for scheduling students in courses to satisfy the CDE graduation requirements, A-G requirements, and LAUSD graduation requirements, utilizing MiSiS and the FOCUS dashboard.

LAUSD has made significant progress in ensuring that all students have access to and are enrolled in a broad course of study. Enrollment data analysis and student scheduling in MiSiS have been instrumental in identifying and addressing potential disparities. Across elementary school sites, there are minimal differences observed in access to a broad course of study. Efforts to standardize course offerings and scheduling practices have contributed to equitable access across all elementary schools. In secondary schools, however, subtle variations may still exist, requiring ongoing monitoring through our student information system and targeted interventions through ongoing professional development to ensure consistent access for all students.

At the secondary level, Emergent Bilinguals and students with disabilities frequently need to enroll in supplementary courses beyond the standard course of study to address their specific needs. While these courses provide valuable instruction and are aligned to the content standards, they occupy schedule slots that could otherwise be used for exploring additional college preparatory electives. Furthermore, smaller schools face constraints in offering a wide range of advanced and exploratory electives due to the limited number of students and teachers assigned to each location.

LAUSD is actively working to overcome obstacles that hinder Emergent Bilinguals and students with disabilities from accessing a diverse range of courses, enabling them to fully engage in elective courses. At all levels, Emergent Bilinguals must receive designated English Language Development time to enhance their academic English language skills. Similarly, students with disabilities are entitled to additional support as outlined in their Individualized Education Program or Section 504 Plan. Recognizing that schools with smaller enrollments may face limitations in offering a comprehensive array of electives, LAUSD is implementing various strategies. These include concurrent enrollment, beyond the school day credit recovery programs, credit-bearing enrichment courses, and blended learning opportunities. These initiatives aim to expand access to educational opportunities for all students, regardless of enrollment size or individual needs.

If you have any questions or need additional information, please call William R. Johnston, Executive Director, Office of Data and Accountability, at (213) 241-2460.

c: Devora Navera Reed
Pedro Salcido
Karla V. Estrada
Kristen K. Murphy
Jaime Torrens
Amanda Wherritt
Patricia Chambers
Pia Sadaqatmal
Sasha Lopez

Carol Delgado
Michael McLean
Francisco Serrato
David Greco
Martha Alvarez
William R. Johnston

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TAB 31



Los Angeles Unified School District

1452

333 South Beaudry Ave,
Los Angeles, CA 90017

Board of Education Report

File #: 025-23/24, Version: 1

Public Hearing

Adoption of LAUSD Affiliated Charter Schools' 2024 Local Control and Accountability Plans and Presentation of the 2024 State Accountability Dashboard Local Indicators for Affiliated Charters File #025-23/24 (REP-332-23/24).



Board of Education Report

File #: Rep-332-23/24, Version: 1

Adoption of LAUSD Affiliated Charter Schools' 2024 Local Control and Accountability Plans and Presentation of the 2024 State Accountability Dashboard Local Indicators for Affiliated Charters

June 18, 2024 (PUBLIC HEARING)

June 25, 2024 (ADOPTION)

Office of the Chief Strategy Officer

Action Proposed:

Adopt the Affiliated Charter Schools' 2024 Local Control and Accountability Plans.

Background:

Based on the state Education Code, each Affiliated Charter School is its own local education agency, so each must complete a separate written LCAP. These LCAPs must be adopted at the same meeting at which the Board of Education adopts the budget for 2024-2025. The 2024-25 LCAP is the first year of the three year cycle for 2024-27 and provides available Baseline and Year 3 Outcomes for LCAP metrics and includes annual updates on the implementation of LCAP actions in 2023-24. The LCAPs also include separate Action Tables in addition to the Budget Overviews for Parents. These materials must all be combined and posted on each Affiliated Charter School's website.

As part of the District's support for our 51 Affiliated Charter Schools, the District LCAP team supports the development of these LCAPs by providing budgetary and metric data along with working with Affiliated Charter Schools to share specific school LCAP information to communicate the progress at their school sites. Affiliated Charter Schools are supported by the LCAP team through ongoing training, guidance and direct support that spans year-round, which includes hybrid office hours, work group sessions and one-on-one consultations to ensure compliance and alignment to the District LCAP.

Expected Outcomes:

Approval of these LCAPs will allow District Affiliated Charter Schools to meet the state-mandated requirement.

Board Options and Consequences:

A "Yes" vote, will result in the Affiliated Charter Schools meeting their state-mandated requirement to approve the LCAP.

A "No" vote, will result in the Affiliated Charter Schools not meeting their state-mandated requirement to approve the LCAP.

Policy Implications:

This action does not change District policies.

Budget Impact:

Approval of these Affiliated Charter Schools' LCAPs is necessary to approve their budgets. Existing staff and resources will support posting the LCAP to the District and Affiliated Charter Schools' websites.

Student Impact:

This proposed action shares the affiliated charters' engagement, planning and budgeting to meet student needs in 2024-25.

Equity Impact:

Component	Score	Score Rationale
Recognition	4	The Affiliated Charter School LCAPs describe how the District's Affiliated Charters will leverage both District funds and school discretionary funds to implement programs and policies to support all students, as well as how these schools will increase or improve services for English learners, students in foster care, and low-income students. The Affiliated Charter School LCAPs are aligned to the 2022-26 Strategic Plan Pillars: Academic Excellence, Joy and Wellness, Engagement and Collaboration, Operational Effectiveness, and Investing in Staff.
Resource Prioritization	4	As stated above, the Affiliated Charter School LCAPs describe how the Affiliated Charter Schools will allocate resources in 2024-25 to support the Local Control Funding Formula (LCFF) target student populations: low-income students, English Learners, and students in foster care.
Results	4	The Affiliated Charter School LCAPs allocate and annually monitor the use of funds to meet student needs and close equity gaps to improve student equity across all student groups by eliminating opportunity gaps and increasing student achievement.
TOTAL	12	

Issues and Analysis:

The Affiliated Charter School LCAPs describe the implementation of programs and policies to support all students in the LCFF state priority areas, as well as how the District will leverage supplemental and concentration funds to increase or improve services for English learners, students in foster care, and low-income students. The Affiliated Charter School LCAPs are aligned to reflect 2022-26 Strategic Plan Pillars, strategies, and priorities.

The Affiliated Charter School LCAPs include all state LCFF funds, but do not reflect any other local, state, and federal sources of funding. The 2024 LCAPs also address a requirement first implemented through state mandate in 2023 to calculate and report carryover of unspent supplemental and concentration funds to support future increased or improved services. This carryover calculation only reflects funds that are under school discretion and which carry over within these schools' budgets.

File #: Rep-332-23/24, Version: 1

Attachments:

Attachment A - Affiliated Charter LCAPs Link:

[<https://tinyurl.com/2024-ACS-LCAP-Board-Materials>](https://tinyurl.com/2024-ACS-LCAP-Board-Materials)

Attachment B - State Accountability Dashboard Local Indicators for Affiliated Charters Link:

[<https://tinyurl.com/ACS-2024-Local-Indicators>](https://tinyurl.com/ACS-2024-Local-Indicators)

Informatives:

Not Applicable

Submitted:

05/21/24

RESPECTFULLY SUBMITTED,**APPROVED & PRESENTED BY:**

ALBERTO M. CARVALHO
Superintendent

VERONICA ARREGUIN
Chief Strategy Officer
Office of the Chief Strategy Officer

REVIEWED BY:**APPROVED & PRESENTED BY:**

DEVORA NAVERA REED
General Counsel

DERRICK CHAU
Senior Executive
Strategy and Innovations

___ Approved as to form.

REVIEWED BY:

NOLBERTO DELGADILLO
Deputy Chief Business Officer, Finance

___ Approved as to budget impact statement.

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MINUTES

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TAB 32



Los Angeles Unified School District

1459

333 South Beaudry Ave,
Los Angeles, CA 90017

Board of Education Report

File #: Min-007-23/24, Version: 1

Minutes for Board Approval (Min-007-23/24)

Minutes for Board Approval

BOARD OF EDUCATION OF THE CITY OF LOS ANGELES
Governing Board of the Los Angeles Unified School District

REGULAR BOARD MEETING MINUTES

333 South Beaudry Avenue, Board Room
 1:00 p.m., Tuesday, March 12, 2024

The Los Angeles Board of Education acting as the Governing Board of the Los Angeles Unified School District met in regular session on Tuesday, March 12, 2024, at the Administrative Offices, Board Room, 333 South Beaudry Avenue, Los Angeles, California.

Mr. Michael McLean, Executive Officer of the Board, called the meeting to order at 1:06 p.m.

The following Board Members were present: Dr. Rocio Rivas, Mr. Scott Schmerelson, Mr. Nick Melvoin, Ms. Kelly Gonez, Ms. Tanya Ortiz Franklin, and Board President Jackie Goldberg.

Dr. George J. McKenna III was present via teleconference.

Student Board Member Karen Ramirez was present.

Superintendent Alberto M. Carvalho was also present.

The pledge of Allegiance was led by first-grade students Sa'sharrie and Jayli from Hooper Avenue Elementary School, Board District 5.

BOARD PRESIDENT'S REPORTS

Board President Goldberg highlighted the numerous observances and holidays that take place in the month of March.

LABOR PARTNERS

Mr. Nery Paiz, President of the Associated Administrators of Los Angeles (AALA) spoke on behalf of AALA members expressing concerns regarding funding and support.

COMMITTEE CHAIR REPORTS

Mr. Schmerelson briefly addressed the significance of the month of March acknowledging it as Cerebral Palsy Awareness Month and also recognizing St. Patrick's Day.

Mr. Schmerelson reported on the February 20, 2024, Committee of the Whole meeting.

Dr. Rivas reported on the February 21, 2024, Greening Schools and Climate Resilience Committee meeting.

Mr. Schmerelson reported on the March 6, 2024, Special Education Committee meeting.

CONSENT ITEMS

Items for action below to be adopted by a single vote:

NEW BUSINESS FOR ACTION

- Tab 1: BOARD OF EDUCATION REPORT NO. 193-23/24
Approval of Procurement Actions
- Tab 2: BOARD OF EDUCATION REPORT NO. 157-23/24
Approval of Facilities Contracts Actions
- Tab 3: BOARD OF EDUCATION REPORT NO. 197-23/24
Define and Approve 15 Board District Priority and Region Priority Projects and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein
- Tab 4: BOARD OF EDUCATION REPORT NO. 208-23/24
Authorization to Execute a Joint Powers Agreement with the County of Los Angeles for Its Use, Operation and Maintenance of Certain Recreational Areas (commonly referred to as Walnut Nature Park) and Some Outdoor Hardcourts at Walnut Park Elementary School
- Tab 5: BOARD OF EDUCATION REPORT NO. 211-23/24
Approve the Definition of Three Classroom Replacement Projects and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein
- Tab 6: BOARD OF EDUCATION REPORT NO. 212-23/24
Define and Approve the Bridge Street Elementary School Critical Barrier Removal Project and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein
- Tab 7: BOARD OF EDUCATION REPORT NO. 214-23/24
Define and Approve Three Athletic Facilities Upgrade Projects and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein
- Tab 8: BOARD OF EDUCATION REPORT NO. 215-23/24
Define and Approve Eight Playground and Campus Exterior Upgrade Projects and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein
- Tab 9: BOARD OF EDUCATION REPORT NO. 207-23/24
Report of Cash Disbursements
- Tab 10: BOARD OF EDUCATION REPORT NO. 210-23/24
Donations of Money to the District and Associated Student Body
- Tab 12: BOARD OF EDUCATION REPORT NO. 198-23/24
Approval of Routine Personnel Actions

Statement read later in the meeting.

- Tab 14: BOARD OF EDUCATION REPORT NO. 192-23/24
Approval of the Permanent Physical Education Block Waiver
- Tab 15: BOARD OF EDUCATION REPORT NO. 112-23/24
Approval of the Closure of Hilda Solis Learning Academy and the Relocation and Expansion of Boyle Heights STEM Magnet High School
- Tab 16: BOARD OF EDUCATION REPORT NO. 217-23/24
Home-to-School Transportation Reimbursement - Transportation Services Plan

BOARD MEMBER RESOLUTION FOR ACTION

- Tab 17: Mr. Schmerelson, Dr. McKenna, Dr. Rivas - LAUSD Art Appreciation and Celebration Week (Res 020-23/24) (Noticed February 13, 2024) (Version 2)

Whereas, The Los Angeles Unified School District has expanded opportunities for students to showcase their artistic talents through dance, music, theater, media, and the visual arts through the Arts Education Branch;

Whereas, In September 2013, The District passed, “Arts at the Core: Implementing the Arts Education and Creative Network Plan,” which called for increased funding, high-quality professional development, policy guidelines, and others in the educational arts field;

Whereas, The District acknowledges the importance of creativity and individuality in the students, realizing art is part of their lives, cultures, identities, etc;

Whereas, The District identifies 33 magnet schools that have a dedication to the performing or visual arts;

Whereas, The District recognizes 40 Arts Community Partnerships throughout the Los Angeles Region, connecting students from marginalized communities to dance, theater, music, and paint instruction, among others;

Whereas, The District has designated Art Weeks for students to showcase their artistic talents during the months of April and May;

Whereas, Since 1976, The State of California has had a dedicated arts council that has distributed millions of dollars, to local arts organizations, including schools, to ensure students harness the power of their creativity;

Whereas, The California Arts Council recently allocated more than \$32 million, with Los Angeles receiving \$8,576,779 for organizations, some of whom are partners with the District, such as 24th Street Theatre, Enrichment Works, and Versa-Style Dance Co.;

Whereas, In 2022, voters of The State of California overwhelmingly passed Proposition 28, resulting in ongoing 1% of K-12 funding from Prop 98 to be allocated to arts education programs, most recently allocating over \$900 million for arts education in the state;

Whereas, The Los Angeles Region is home to many different media companies, world-famous actors, artists, and writers, and is seen as a major media hub around the world;

Whereas, The Los Angeles Economic Development Corporation has identified that a combination of the film, television, music, the visual and performing arts, generates over \$173,100,000,000 in economic impact while generating hundreds of thousands of jobs;

Whereas, Research shows that children exposed to the arts are more likely to contribute to civic engagement and social tolerance when they reach adulthood;

Whereas, Arts Education has been shown to have a positive impact on students with increased attendance, better communication skills, an increase in self-confidence, and a better interest in their overall education; and

Whereas, The District's Strategic Plan sets a standard to provide students with high-quality instruction, Pilar 1A, enriching experiences, 1B, and eliminating opportunity gaps, 1C; now, therefore be it

Resolved, That the Los Angeles Unified School District will designate March 18 through March 22 as District Art Appreciation and Celebration Week;

Resolved further, That the District Art Week will expand from the visual and performing arts to also include photography, short stories, poetry, and verbal storytelling;

Resolved further, That the Governing Board of the Los Angeles Unified School District will recommend the superintendent or a designee to seek appropriate spaces around the district or at District-approved activities ~~through external partners~~ to showcase our students' artistic talents;

Resolved further, That the District shall extend invitations for all District schools, at all grade levels, to participate in these District-approved ~~this showcases~~, either as performers or spectators, it being at the discretion of school leadership; and, be it finally

Resolved, That ~~the Board of The Los Angeles Unified School District~~ will recommend ~~that the District~~ to seek ways of incorporating the arts into social-emotional learning strategies as a means to provide students with diverse outlets of support in addition to current strategies.

Tab 18: Mr. Schmerelson - Observing March 21 as Down Syndrome Awareness Day (Res 023-23/24) (Noticed February 13, 2024) (Version 2)

Whereas, The Los Angeles Unified School District is committed to academic excellence, joy, and wellness for all students regardless of disability through strategic pillars 1 and 2;

Whereas, The District advocates heavily for the destigmatization of students with disabilities; ~~who have faced either physical or mental challenges~~

Whereas, Down Syndrome is an extra full or partial copy of the 21st chromosome, it often results in an intellectual disability, low muscle tone and small stature, among other physical traits; ~~is a genetic occurrence caused by extra material in chromosome 21 that~~

~~results in intellectual disability. It is not yet known why this occurs~~

Whereas, The estimated incidence of Down Syndrome is between 1 in ~~1,000 to 1 in 1,100~~ 800 live births worldwide;

Whereas, Each year approximately 3,000 to 5,000 children are born with this chromosome disorder and it is believed there are about 250,000 families in the United States of America who are affected by Down Syndrome;

Whereas, The quality of life of people with Down Syndrome can be improved by meeting their health care needs, including regular check-ups with health professionals to monitor mental and physical condition and providing timely intervention, be it physiotherapy, occupational therapy, speech therapy, counseling or educational needs; ~~special education~~

Whereas, Individuals with Down Syndrome can achieve optimal quality of life through guardian care and support, medical guidance, and community-based support systems like inclusive education at all levels. This facilitates their participation in society and the fulfillment of their personal potential;

Whereas, The reality today is that society, at times, can demonstrate negative attitudes, low expectations, discrimination, and exclusion, which can ~~cause ensure that~~ people with Down syndrome are left behind. This can also occur within the disability and the Down Syndrome communities;

Whereas, There is a need to build the capacity of people with Down Syndrome to meet the challenges faced across their lifetimes and to support them with the opportunities and tools needed to live fulfilling lives;

Whereas, World Down Syndrome Day was first observed in 2006 in many countries around the world;

Whereas, In December 2011, the United Nations General Assembly declared March 21st as World Down Syndrome Day. This resolution was co-sponsored by 78 United Nations Member States;

Whereas, Down Syndrome International (DSi) encourages people all over the world to choose their own activities and events on March 21st to help raise awareness of what Down Syndrome is, what it means to have Down Syndrome, and how people with Down Syndrome play a vital role in our lives and communities; and

Whereas, The 2024 DSi World Down Syndrome Day is encouraging participation in a video campaign using #WorldDownSyndromeDay; now, therefore, be it

Resolved, That the Governing Board of the Los Angeles Unified School District hereby proclaims March 21st as World Down Syndrome Awareness Day;

Resolved further, That the District will enhance resources regarding Down Syndrome to all LAUSD parents through school Parent Centers and school coordinators; and be it finally;

Resolved, That the ~~Governing Board of the Los Angeles Unified School District~~ encourages all qualified staff to observe March 21st, World Down Syndrome Awareness Day, by having conversations with students to reinforce the inclusive expectations of the LAUSD and to ensure that students with Down Syndrome are full and valued members of their school communities. ~~by holding productive conversations with students to continue with the destigmatization of Down Syndrome.~~

RESOLUTIONS REQUESTED BY THE SUPERINTENDENT

Tab 20: Reappointment of Member to School Construction Bond Citizens' Oversight Committee (Sup-Res-005-23/24)

Resolved, That the Governing Board of the Los Angeles Unified School District ratifies the reappointment of Mr. Scott Pansky, representing the Los Angeles Area Chamber of Commerce, as a Member to the School Construction Bond Citizens' Oversight Committee for a two-year term commencing on April 5, 2024. Mr. Pansky is not an employee, official, vendor, contractor, or consultant of the District.

CORRESPONDENCE AND PETITIONS

Tab 21: Report of Correspondence (ROC-009-23/24)

SUPERINTENDENT'S REPORTS

The Superintendent provided remarks regarding the Second Interim Report and multi-year projections. He noted an anticipated increase in projected ending balances for the 2023-2024 fiscal year attributed to a one-time revenue from FEMA reimbursement. However, he mentioned these funds are not recurring and highlighted some challenges. The Superintendent concluded by expressing the District's commitment to preserving jobs and sustaining essential programs.

David Hart, Chief Business Officer gave a presentation on the Second Interim Financial Report. He provided an update to the current fiscal year 2023-24 General Fund budget and a forecast for the next two fiscal years. He emphasized that the District is on track to fulfill its financial obligations for the current year and the next years and to maintain reserves at the required statutory level.

- - -

Board President Goldberg modified the Order of Business.

- - -

NEW BUSINESS FOR ACTION

Tab 11: BOARD OF EDUCATION REPORT NO. 219-23/24
2023-24 Second Interim Report and Multi-Year Projections

The following speakers addressed the Board:

- Maria Daisy Ortiz, Parent

- David Norman Tokofsky, Community Representative
- Marcela Garcia, Parent

Remarks were heard from Board Members. Mr. Hart, the Superintendent, and Pedro Salcido, Deputy Superintendent of Business Services and Operations responded to questions and comments from Board Members.

Ms. Ortiz Franklin requested the following from District Staff:

- Provide information on the range of impact of the percent of budget reduced by school? Are some schools being impacted more than others?
- Provide some examples of what it looked like before the 37 million decreases from procurement centralization and what the 37 million concretely looks like now?

Mr. Melvoin requested the following from District Staff:

- Provide more information about the Central cuts that are being made, the positions and divisions and whether those are closures of positions.

- - -

President Goldberg modified the Order of Business to bring item 13 into voting along with item 11.

- - -

Tab 13: BOARD OF EDUCATION REPORT NO. 199-23/24
Provisional Internship Permits

Mr. Schmerelson moved that board reports 219 and 199 be adopted. Mr. Melvoin seconded the motion.

On roll call vote, the reports were adopted, 7 ayes.

Ms. Ramirez recorded an advisory vote of aye.

- - -

Board President Goldberg resumed the Order of Business.

- - -

CONSENT ITEMS (continued)

Ms. Gonez moved that the Consent Calendar be adopted. Dr. Rivas seconded the motion.

Board members offered remarks on the consent calendar.

Ms. Goldberg paused the discussion on the Consent Items to allow for the Public Comment time certain.

- - -
President Goldberg modified the Order of Business.
- - -

PUBLIC COMMENT

The following speakers addressed the Board on the subjects indicated:

Rosemary Benavidez, Student	Support for School Police
Emily Vazquez, Student	Support for SENI and Equitable Funding
Mirna Silva, Parent	Budget Cut Concerns
Cejai Munnings, Student	Defund School Police
Ezekiel Mitchell, Student	Support for SENI and Equitable Funding
Day Son, Equity Alliance for LA's Kids	Support for SENI and Equitable Funding
Catherine Cruz, Student	Support for Safe Passage Programs
Nico Wienberg, Student	Support for Safe Passage Programs
Jamya Fields, Student	Defund School Police
Matisse Anderson, Student	Support for Safe Passage Programs
Lucia Salcedo, Student	Support for Safe Passage Programs
Giselle Valenzuela, Student	Support for SENI and Equitable Funding
Jaymon Frazier, Student	Support for SENI and Equitable Funding
Joseph Williams, Students Deserve	Defund School Police and Implement Community Based Safety Programs
Ivanah Ruby Maldonado, Student	Support for SENI and Equitable Funding
Dennis Serras, Parent	Budget Cut Concerns
Leena Upshaw, Student	Defund School Police
Nathan Cabrera, Student	Budget Cut Concerns
Maria Luisa Palma, Parent	LCAP Transparency
Kiana Cotton, Teacher	Support for Equitable Funding and SENI

Later in the meeting, Sarah Valdez, teacher at Southeast High School, spoke about the approval of a pending field trip request.

- - -
Board President Goldberg resumed the Order of Business.
- - -

CONSENT ITEMS (continued)

Tab 12: Board of Education Report No. 198-23/24
Approval of Routine Personnel Actions

Mr. McLean read the following Statement:

Presented to the board for approval as part of the routine agenda item are the employment agreements for three certificated employees, previously appointed.

Government Code Section 54953 requires the Board, prior to taking final action, to provide an oral summary of the recommendations for a final action on the salary, salary schedule, or compensation paid in the form of fringe benefits of a local agency executive, including certificated employees, during an open meeting in which the final action is to be taken.

The following certificated employees the Board is considering will receive:

1. Regular health and welfare benefits according to 12-month certificated employees of the District.
2. Standard senior management vacation and illness days which are 24 vacation days, 13 full paid illness days and 87 half-paid illness days.
3. Use of District automobile or monthly car allowance of \$250 for a term commencing on June 30th, 2023, and ending June 30th, 2024.
4. In an annual salary of \$201,449 for the following individuals:
 - a. Marisela Sanchez Robles as Executive Director of Elementary Education
 - b. Peter Hasting as Executive Director of Human Resources and Staff Relations, and
 - c. John Vladovic as Executive Director of Secondary Education.

Before the Board of Education takes any action on this item are there speakers on this item?

The following speaker addressed the Board:

- Anna Elizabeth Granillo

The following speakers addressed the Board on the following items on the consent calendar:

Tab 14: Board of Education Report No. 192-23/24
Approval of the Permanent Physical Education Block Waiver

- Maria Daisy Ortiz
- David Tokofsky

Tab 15: Board of Education Report No. 112-23/24
Approval of the Closure of Hilda Solis Learning Academy and the Relocation and Expansion of Boyle Heights STEM Magnet High School

- Eric White
- Laquelle White
- Kamen Arias
- Caitlin Banks

Dr. Rivas expressed remarks about the Hilda Solis Learning Academy School of Technology, Business, and Education as well as the Boyle Heights STEM Magnet High School. She emphasized their longstanding support for the East Side students and the local community. However, she mentioned both schools have experienced declining enrollment and in order to ensure sustainability and support of both the student population and community the student body will be combined onto the Hilda Solis campus and be sustained by the Boyle Heights STEM Program.

Ms. Veronica Arreguin, Chief Strategy Officer addressed how the community was informed and involved in the decision-making process and the steps that are being taken to engage labor partners throughout this process.

Tab 17: Mr. Schmerelson, Dr. McKenna, Dr. Rivas - LAUSD Art Appreciation and Celebration Week (Res 020-23/24) (Noticed February 13, 2024)

Mr. Schmerelson introduced the following amendments to the resolution (Version 3). He provided remarks and also highlighted the LAUSD documentary “The Last Repair Shop” which won an Oscar for best documentary short.

Mr. Schmerelson, Dr. McKenna, Dr. Rivas, Goldberg, Ms. Ramirez - LAUSD Arts, Culture, And Creativity Month, and Arts Appreciation and Celebration Week (Res 020-23/24) (Noticed February 13, 2024)

Whereas, The Los Angeles Unified School District has expanded opportunities for students to showcase their artistic talents through dance, music, theater, media, and the visual arts through the Arts Education Branch;

Whereas, In September 2013, The District passed, “Arts at the Core: Implementing the Arts Education and Creative Network Plan,” which called for increased funding, high-quality professional development, policy guidelines, and others in the educational arts field;

Whereas, The District acknowledges the importance of creativity and individuality in the students, realizing art is part of their lives, cultures, identities, etc;

Whereas, The District identifies 33 magnet schools that have a dedication to the performing or visual arts;

Whereas, The District recognizes 40 Arts Community Partnerships throughout the Los Angeles Region, connecting students from marginalized communities to dance, theater, music, and paint instruction, among others;

Whereas, The District has designated Art Weeks for students to showcase their artistic talents during the months of April and May;

Whereas, Since 1976, The State of California has had a dedicated arts council that has distributed millions of dollars, to local arts organizations, including schools, to ensure students harness the power of their creativity;

Whereas, The California Arts Council recently allocated more than \$32 million, with Los Angeles receiving \$8,576,779 for organizations, some of whom are partners with the District, such as 24th Street Theatre, Enrichment Works, and Versa-Style Dance Co.;

Whereas, In 2022, voters of The State of California overwhelmingly passed Proposition 28, resulting in ongoing 1% of K-12 funding from Prop 98 to be allocated to arts education programs, most recently allocating over \$900 million for arts education in the state;

Whereas, Arts education fosters well-rounded development by encouraging creative expression, critical thinking, and cultural awareness, making it a vital component of a holistic academic experience and a requirement within the A-G university admission standard;

Whereas, The Los Angeles Region is home to many different media companies, world-famous actors, artists, and writers, and is seen as a major media hub around the world;

Whereas, The Los Angeles Economic Development Corporation has identified that a combination of the film, television, music, the visual and performing arts, generates over \$173,100,000,000 in economic impact while generating hundreds of thousands of jobs;

Whereas, Research shows that children exposed to the arts are more likely to contribute to civic engagement and social tolerance when they reach adulthood;

Whereas, Arts Education has been shown to have a positive impact on students with increased attendance, better communication skills, an increase in self-confidence, and a better interest in their overall education; and

Whereas, The District's Strategic Plan sets a standard to provide students with high-quality instruction, Pilar 1A, enriching experiences, 1B, and eliminating opportunity gaps, 1C; now, therefore be it

Resolved, That the Los Angeles Unified School District will designate ~~March 18 through March 22~~ April as Arts, Culture, and Creativity Month, as the week of April 22 through April 27, 2024, as District Arts Appreciation and Celebration Week;

Resolved further, That the District Arts Week will expand from the visual and performing arts to also include ~~photography~~, short stories, poetry, and media arts; ~~and verbal storytelling~~;

Resolved further, That the Governing Board of the Los Angeles Unified School District will recommend the superintendent or a designee to seek appropriate spaces around the district or at District-approved activities ~~through external partners~~ to showcase our students' artistic talents;

Resolved further, That the District shall extend invitations for all District schools, at all grade levels, to participate in the District-wide Arts Festival at the Los Angeles City College on Saturday, April 27, in the Very Special Arts Festival at the Music Center Plaza on Friday, April 26, and in other these District-approved ~~this~~ showcases, either as performers or spectators, it being at the discretion of school leadership; and, be it finally

Resolved, That ~~the~~ Board of ~~The Los Angeles Unified School District~~ will recommend ~~that the District~~ to seek ways of incorporating the arts into social-emotional learning strategies as a means to provide students with diverse outlets of support in addition to current strategies.

Remarks were heard from Dr. Rivas, Dr. McKenna, and Ms. Ramirez

The following speakers addressed the Board:

- Ginger Rose Fox
- Whitney Weston
- Xavier Ramirez
- Maria Osorio
- Ana Marcial

Tab 18: Mr. Schmerelson - Observing March 21 as Down Syndrome Awareness Day (Res 023-23/24) (Noticed February 13, 2024) (Version 2)

Mr. Schmerelson presented the resolution and expressed remarks.

Remarks were also heard from Board Members.

After discussion and on roll call vote, the Consent Items were adopted, 5 ayes, with Resolution 020-23/24, LAUSD Arts, Culture, and Creativity Month, and Arts Appreciation and Celebration Week, being adopted as amended (Version 3); and, Resolution 023-23/24, Observing March 21 as Down Syndrome Awareness Day, being adopted as amended (Version 2); and, with the following exception:

- Ms. Goldberg abstained from Tab 15, Board of Education Report No. 112-23/24, Approval of the Closure of Hilda Solis Learning Academy and the Relocation and Expansion of Boyle Heights STEM Magnet High School.

Ms. Ortiz Franklin, Ms. Gonez and Ms. Ramirez were absent.

The final version of resolution 020-23/24 reads as follows:

Mr. Schmerelson, Dr. McKenna, Dr. Rivas, Goldberg, Ms. Ramirez - LAUSD Arts, Culture, and Creativity Month, and Arts Appreciation and Celebration Week (Res 020-23/24) (Noticed February 13, 2024)

Whereas, The Los Angeles Unified School District has expanded opportunities for students to showcase their artistic talents through dance, music, theater, media, and the visual arts through the Arts Education Branch;

Whereas, In September 2013, The District passed, “Arts at the Core: Implementing the Arts Education and Creative Network Plan,” which called for increased funding, high-quality professional development, policy guidelines, and others in the educational arts field;

Whereas, The District acknowledges the importance of creativity and individuality in the students, realizing art is part of their lives, cultures, identities, etc;

Whereas, The District identifies 33 magnet schools that have a dedication to the performing or visual arts;

Whereas, The District recognizes 40 Arts Community Partnerships throughout the Los Angeles Region, connecting students from marginalized communities to dance, theater,

music, and paint instruction, among others;

Whereas, The District has designated Art Weeks for students to showcase their artistic talents during the months of April and May;

Whereas, Since 1976, The State of California has had a dedicated arts council that has distributed millions of dollars, to local arts organizations, including schools, to ensure students harness the power of their creativity;

Whereas, The California Arts Council recently allocated more than \$32 million, with Los Angeles receiving \$8,576,779 for organizations, some of whom are partners with the District, such as 24th Street Theatre, Enrichment Works, and Versa-Style Dance Co.;

Whereas, In 2022, voters of The State of California overwhelmingly passed Proposition 28, resulting in ongoing 1% of K-12 funding from Prop 98 to be allocated to arts education programs, most recently allocating over \$900 million for arts education in the state;

Whereas, Arts education fosters well-rounded development by encouraging creative expression, critical thinking, and cultural awareness, making it a vital component of a holistic academic experience and a requirement within the A-G university admission standard;

Whereas, The Los Angeles Region is home to many different media companies, world-famous actors, artists, and writers, and is seen as a major media hub around the world;

Whereas, The Los Angeles Economic Development Corporation has identified that a combination of the film, television, music, the visual and performing arts, generates over \$173,100,000,000 in economic impact while generating hundreds of thousands of jobs;

Whereas, Research shows that children exposed to the arts are more likely to contribute to civic engagement and social tolerance when they reach adulthood;

Whereas, Arts Education has been shown to have a positive impact on students with increased attendance, better communication skills, an increase in self-confidence, and a better interest in their overall education; and

Whereas, The District's Strategic Plan sets a standard to provide students with high-quality instruction, Pilar 1A, enriching experiences, 1B, and eliminating opportunity gaps, 1C; now, therefore be it

Resolved, That the Los Angeles Unified School District will designate April as Arts, Culture, and Creativity Month, as the week of April 22 through April 27, 2024, as Arts Appreciation and Celebration Week;

Resolved further, That the District Arts Week will expand from the visual and performing arts to also include; short stories, poetry, and media arts;

Resolved further, That the Governing Board of the Los Angeles Unified School District

will recommend the superintendent or a designee to seek appropriate spaces around the district or at District-approved activities to showcase our students' artistic talents;

Resolved further, That the District shall extend invitations for all District schools, at all grade levels, to participate in the District-wide Arts Festival at the Los Angeles City College on Saturday, April 27, in the Very Special Arts Festival at the Music Center Plaza on Friday, April 26, and in other District-approved showcases, either as performers or spectators, it being at the discretion of school leadership; and, be it finally

Resolved, That the Board will recommend the District to seek ways of incorporating the arts into social-emotional learning strategies as a means to provide students with diverse outlets of support in addition to current strategies.

The final version of resolution 023-23/24 reads as follows:

Mr. Schmerelson, Dr. Rivas, Mr. McKenna, Mr. Melvoin, Ms. Goldberg - Observing
March 21 as Down Syndrome Awareness Day (Res 023-23/24) (Noticed February 13, 2024) (Version 2)

Whereas, The Los Angeles Unified School District is committed to academic excellence, joy, and wellness for all students regardless of disability through strategic pillars 1 and 2;

Whereas, The District advocates heavily for the destigmatization of students with disabilities;

Whereas, Down Syndrome is an extra full or partial copy of the 21st chromosome, it often results in an intellectual disability, low muscle tone and small stature, among other physical traits;

Whereas, The estimated incidence of Down Syndrome is between 1 in 800 live births worldwide;

Whereas, Each year approximately 3,000 to 5,000 children are born with this chromosome disorder and it is believed there are about 250,000 families in the United States of America who are affected by Down Syndrome;

Whereas, The quality of life of people with Down Syndrome can be improved by meeting their health care needs, including regular check-ups with health professionals to monitor mental and physical condition and providing timely intervention, be it physiotherapy, occupational therapy, speech therapy, counseling or educational needs;

Whereas, Individuals with Down Syndrome can achieve optimal quality of life through guardian care and support, medical guidance, and community-based support systems like inclusive education at all levels. This facilitates their participation in society and the fulfillment of their personal potential;

Whereas, The reality today is that society, at times, can demonstrate negative attitudes, low expectations, discrimination, and exclusion, which can cause people with Down syndrome are left behind. This can also occur within the disability and the Down Syndrome communities;

Whereas, There is a need to build the capacity of people with Down Syndrome to meet the challenges faced across their lifetimes and to support them with the opportunities and tools needed to live fulfilling lives;

Whereas, World Down Syndrome Day was first observed in 2006 in many countries around the world;

Whereas, In December 2011, the United Nations General Assembly declared March 21st as World Down Syndrome Day. This resolution was co-sponsored by 78 United Nations Member States;

Whereas, Down Syndrome International (DSi) encourages people all over the world to choose their own activities and events on March 21st to help raise awareness of what Down Syndrome is, what it means to have Down Syndrome, and how people with Down Syndrome play a vital role in our lives and communities; and

Whereas, The 2024 DSi World Down Syndrome Day is encouraging participation in a video campaign using #WorldDownSyndromeDay; now, therefore, be it

Resolved, That the Governing Board of the Los Angeles Unified School District hereby proclaims March 21st as World Down Syndrome Awareness Day;

Resolved further, That the District will enhance resources regarding Down Syndrome to all LAUSD parents through school Parent Centers and school coordinators; and be it finally;

Resolved, That the Board-encourages all qualified staff to observe March 21st, World Down Syndrome Awareness Day, by having conversations with students to reinforce the inclusive expectations of the LAUSD and to ensure that students with Down Syndrome are full and valued members of their school communities.

ADJOURNMENT

Mr. Goldberg moved that the meeting be adjourned in memory of Nex Benedict, a young adult from Owasso, Oklahoma and Selena Havlicek, a community member.

The meeting adjourned at 6:06 p.m.

APPROVED BY THE BOARD:

MS. JACKIE GOLDBERG
PRESIDENT

MR. MICHAEL MCLEAN
EXECUTIVE OFFICER OF THE BOARD

mg

BOARD OF EDUCATION OF THE CITY OF LOS ANGELES
Governing Board of the Los Angeles Unified School District

SPECIAL BOARD MEETING MINUTES

333 South Beaudry Avenue, Board Room
 12:00 p.m., Tuesday, March 19, 2024

The Los Angeles Board of Education acting as the Governing Board of the Los Angeles Unified School District met in special session on Tuesday, March 19, 2024, at the Administrative Offices, Board Room, 333 South Beaudry Avenue, Los Angeles, California.

Mr. Michael McLean, Executive Officer of the Board, called the meeting to order at 12:11 p.m.

The following Board Members were present: Mr. George McKenna III, Dr. Rocio Rivas, Mr. Scott Schmerelson, Mr. Nick Melvoin, Ms. Kelly Gonez, Ms. Tanya Ortiz Franklin, and Board President Jackie Goldberg.

Superintendent Alberto M. Carvalho arrived at 12:13 p.m.

MISCELLANEOUS BUSINESS

Tab 1: Board Approval for Remote Attendance of a Board Member due to Emergency Circumstances (017-23/24)

Mr. McLean announced that the item was not applicable, so the item was withdrawn.

OLD BUSINESS FOR ACTION

Tab 2: BOARD RULE 73 WAIVER
 Waiver of Board Rule 73 – necessary to correct possible prior procedural technical error, allowing presentation of a prior resolution to the Board.

Mr. Schmerelson moved the Waiver of Board Rule 73 to correct a procedural error and allow action on Board of Education Report No. 200 – 23/24, Approval of the Proposition 39 Charter Schools Co-Location Policy. Dr. Rivas seconded the motion.

Ms. Ortiz Franklin requested that Board Rule 73 be read for the record.

Mr. McLean read the following rule:

RESOLUTIONS SUBSTANTIALLY SIMILAR TO PRIOR RESOLUTIONS

The Board of Education shall not entertain a motion to adopt the resolution initiated by a Board Member which calls for action substantially similar to action requested in a prior Board Member initiated resolution which on action was approved by the Board or failed to receive four affirmative votes within the prior six months.

At the Board meeting, where the resolution in question appears on the Order of Business for initial announcement, any Board Member may ask for a determination by Board vote on the question of whether the resolution is substantially similar to a previous resolution.

If the Board determines that the resolution is substantially similar and subject to the provision of this Rule, any Board Member may offer a motion to waive the provisions of this Rule. If the waiver motion is properly seconded and receives four affirmative votes, Rule 73 shall be waived, and the resolution will appear on the Order of Business for the next Regular Meeting.

Board President Goldberg provided clarification regarding the necessity for a waiver of Board Rule 73 and the subsequent re-voting of Board of Education Report No. 200 – 23/24. She explained that this action was prompted by a Brown Act violation during the vote on the Proposition 39 Co-Location Policy. Consequently, they will proceed with a revote on the Board Report.

The following speakers addressed the Board:

- Justine Gonzalez, California Charter Schools Association
- Keith Dell'Aquila, California Charter Schools Association

After discussion and on roll call vote, Board Rule 73 Waiver was adopted, 7 ayes.

Tab 3: BOARD OF EDUCATION REPORT NO. 200 – 23/24
Approval of the Proposition 39 Charter Schools Co-Location Policy

Mr. Schmerelson moved that the report be adopted. Dr. Rivas seconded the motion.

The following speakers addressed the Board:

- Maria Luisa Palma, Community Member
- David Ritcherson, California Charter Schools Association
- David DeFrenza, L.A. Academy of Arts and Enterprise
- Eric Barlow, STEM Preparatory Schools
- Juan Magandi, Parent
- Jass Stewart, Alliance College Ready Public Schools
- Hugo Hernandez, Parent
- Biggi Schilcher, Goethe International Charter School

On roll call vote, the report was adopted. The vote was 4 ayes, 3 noes, Mr. Melvoin, Ms. Gonez and Ms. Ortiz Franklin.

Remarks were heard from President Goldberg and Dr. Rivas regarding the Co-Location Policy.

ADJOURNMENT

Mr. Schmerelson moved that the meeting be adjourned. Ms. Gonez seconded the motion. The motion was approved by general consent.

The meeting adjourned at 12:50 p.m.

APPROVED BY THE BOARD:

MS. JACKIE GOLDBERG
PRESIDENT

MR. MICHAEL MCLEAN
EXECUTIVE OFFICER OF THE BOARD

mg

BOARD OF EDUCATION OF THE CITY OF LOS ANGELES
GOVERNING BOARD OF THE LOS ANGELES UNIFIED SCHOOL DISTRICT

REGULAR BOARD MEETING MINUTES

333 South Beaudry Avenue, Board Room

1:00 p.m., Tuesday, April 9, 2024

The Los Angeles Board of Education acting as the Governing Board of the Los Angeles Unified School District met in regular session on Tuesday, April 9, 2024, at the Administrative Offices, Board Room, 333 South Beaudry Avenue, Los Angeles, California.

Board President Jackie Goldberg, called the meeting to order at 1:57 p.m.

The following Board Members were present: Dr. Rocio Rivas, Mr. Scott Schmerelson, Mr. Nick Melvoin, Ms. Kelly Gonez, Ms. Tanya Ortiz Franklin and Board President Jackie Goldberg.

Dr. George McKenna was absent.

Student Board Member, Karen Ramirez, was present.

Superintendent Alberto Carvalho was present.

Hillery T. Broadous Elementary School in Board District 6, led the Pledge of Allegiance.

BOARD PRESIDENT'S REPORT

Ms. Goldberg made brief remarks about the significance of April as Autism Acceptance Month and April 12, a Day of Silence in support of LGBTQ+.

LABOR PARTNERS

Cynthia Matthews, Board of Directors, United Teachers of Los Angeles (UTLA), spoke to the Board about Board of Education Report No. 227-23/24, Secondary Career Technical Education Stakeholders Advisory Committee; Board of Education Report No. 158, Approval of Facilities Contract Actions, attachment B, item P, and attachment A, item F; and Multilingual Language Learner Support.

Frances Parrish, California School Employees Association (CSEA), raised several issues that require attention: the need for more efficient processing of volunteers, concerns about flexible spending, minimal staffing at schools, the role of Library Aides, and the importance of Classified School Employee Week.

COMMITTEE REPORTS

Ms. Rivas reported on the March 14, 2024, Charter Committee meeting.

Ms. Goldberg reported on the March 14, 2024, Curriculum and Instruction Committee.

Mr. Schmerelson reported on the March 19, 2024, Committee of the Whole meeting.

Ms. Gonez reported on the April 4, 2024, Children and Families in Early Education Committee meeting.

CONSENT ITEMS

Items for action below to be adopted by single vote:

NEW BUSINESS FOR ACTION:

- Tab 1: BOARD OF EDUCATION REPORT NO. 238-23/24
District's Initial Bargaining Proposals for Successor Agreements Commencing July 1, 2024 for AALA, UTLA and Units A, B, C, D, E, F, G, H, J and S
- Tab 2: BOARD OF EDUCATION REPORT NO. 221-23/24
Approval of Procurement Actions
- Recusal Statement ready later in the meeting.*
- Tab 3: BOARD OF EDUCATION REPORT NO. 158-23/24
Approval of Facilities Contracts Actions
- Tab 7: BOARD OF EDUCATION REPORT NO. 242-23/24
Define and Approve the East Los Angeles Occupational Center Classroom Replacement Project and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein
- Tab 10: BOARD OF EDUCATION REPORT NO. 234-23/24
Donations of Money to the District
- Tab 15: BOARD OF EDUCATION REPORT NO. 227-23/24
Secondary Career Technical Education Stakeholder Advisory Committee
- Tab 16: BOARD OF EDUCATION REPORT NO. 237-23/24
Ratification of Special Education Master Contracts with Nonpublic School/Agency (NPSA)
- Tab 17: BOARD OF EDUCATION REPORT NO. 239-23/24
Statutory School Fees (Level 1 Developer Fees)

Statement read later in the meeting.

Tab 18: BOARD OF EDUCATION REPORT NO. 240-23/24
Developer Fee Policy Update

Board President Goldberg modified the Order of Business

SUPERINTENDENT'S REPORT

Superintendent Carvalho made brief introductory comments regarding the District Safety Update presentation. He also recognized Chief of Police, Steven Zipperman, for his years of service to the Los Angeles School Police Department (LASPD).

Mr. Zipperman and Mr. Andres Chait, Chief of School Operations, made a presentation on the District Safety Update. They provided an overview of the following:

- The District's priority to provide a safe welcoming learning environment for students and staff
- A visual of the Every School Safe Program
- District Safety Budget for the 2023-24 School Year
- LASPD budget and School Police on-campus deployment
- Revision to LASPD Policy: Oleoresin Capsicum (OC) spray (Often referred to as pepper spray)
- LASPD Professional Development
- Additional LASPD supports
- Community engagement regarding safety

Mr. Chait, Mr. Zipperman and Mr. Pedro Salcido, Deputy Superintendent of Business Services and Operations, addressed queries from Board Members concerning various aspects of student safety and crisis management within the school district. The topics discussed included employee safety training, the roles of crisis management teams and school police during emergencies, the review and enhancement of safety policies, jurisdictional matters involving LASPD and LAPD, funding for Climate Advocates, responsibilities of Mental Health Coordinators, implementation of restorative justice practices, communication with parents regarding these practices, deployment statistics across campuses, the use of OC Spray, handling of campus altercations, LASPD personnel vacancies, and the selection process for students participating in the safety summit.

NEW BUSINESS FOR ACTION

Mr. Melvoin moved the following items. Ms. Schmerelson seconded the motion.

Tab 12: BOARD OF EDUCATION REPORT NO. 224-23/24
Provisional Internship Permits

There were no speakers to address the Board on this item.

On roll call vote the item was adopted. The vote was 6 ayes. Dr. McKenna was absent.

Ms. Gonez record a vote of aye later in the meeting.

Tab 13: BOARD OF EDUCATION REPORT NO. 225-23/24
(Resolution of Declaration of Need for Fully Qualified Educators

There were no speakers to address the Board on this item.

On roll call vote the item was adopted. The vote was 6 ayes. Dr. McKenna was absent.

Student Board Member Ramirez recorded an advisory vote of aye.

Ms. Gonez record a vote of aye later in the meeting.

Tab 14: BOARD OF EDUCATION REPORT NO. 222-23/24
Adoption of the Negative Declaration for the 49th Street Elementary School Major
Modernization Project

There were no speakers to address the Board on this item.

On roll call vote the item was adopted. The vote was 6 ayes. Dr. McKenna was absent.

Ms. Gonez record a vote of aye later in the meeting.

- - -

Board President Goldberg resumed the Order of Business.

- - -

CONSENT ITEMS Continued

NEW BUSINESS FOR ACTION:

- Tab 4: BOARD OF EDUCATION REPORT NO. 243-23/24
(Project Approval for the 49th Street Elementary School Major Modernization Project)
Recommends approval of the proposed 49th Street Elementary School Major Modernization Project with a current budget of \$86,300,000.
- Tab 5: BOARD OF EDUCATION REPORT NO. 243-23/24
Define and Approve 13 Board District Priority and Region Priority Projects and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein
- Tab 6: BOARD OF EDUCATION REPORT NO. 233-23/24
Define and Approve Six Wireless Convergence Projects at Adult and Career Education Campuses and amendment of the Facilities Services Division Strategic Execution Plan to Incorporate Therein
- Tab 8: BOARD OF EDUCATION REPORT NO. 244-23/24
Consideration of Two Business Improvement District Petitions
- Tab 9: BOARD OF EDUCATION REPORT NO. 230-23/24
Report of Cash Disbursements
- Tab 11: BOARD OF EDUCATION REPORT NO. 223-23/24
Approval of Routine Personnel Actions

RESOLUTIONS REQUESTED BY THE SUPERINTENDENT

- Tab 21: SUPERINTENDENT RESOLUTION 006-23/24
Motion Declaring Salaries Indefinite to Comply with Law and Allow for Implementation of Labor Agreements

CORRESPONDENCE AND PETITIONS

- Tab 22: REPORT OF CORRESPONDENCE 010-23/24

MINUTES FOR APPROVAL

- Tab 23: MINUTES FOR BOARD APPROVAL 006-23/24
January 23, 2024, Regular Board Closed Session Minutes
February 13, 2024, Regular Board Closed Session Minutes
December 12, 2023, Regular Board Closed Session Minutes

Mr. Melvoin moved the consent items, for Tabs 4, 5, 6, 8, 9, 11, 21, 22 and 23 to be adopted. Mr. Schmerelson seconded the motion.

On roll call vote the consent items were adopted. The vote was 6 ayes. Dr. Mckenna was absent

Student Board Member Ramirez recorded an advisory vote of aye.

Ms. Gonez record a vote of aye later in the meeting.

Board President Goldberg modified the Order of Business to allow for Public Comment

PUBLIC COMMENT

The following speakers addressed the Board:

Channing Martinez	Students Deserve, Los Angeles School Police Department
Jessica Gonzalez	Safe Passage for LAUSD students
Amir Cassimere	Students Deserve
Stephen Sarinana-Lampson	Kenny Washington Stadium Foundation
Vivienne Freeman	Students Deserve, Los Angeles School Police Department
Janae Tyler	LAUSD Community Based Safety
Joseph Williams	LAUSD Community Based Safety
Mike Barraza	Kenny Washington Stadium Foundation
Matisse Anderson	LAUSD Community Based Safety
Mau Trejo	LAUSD Community Based Safety
Nico Weinberg	LAUSD Community Based Safety
Katherine Clowes	LAUSD Community Based Safety
Emily	Mental Health Services in Schools
Damien Winfrey	Students Deserve
Maria Daisy Ortiz	Children with Autism, Mental Health
Karina Lopez	Los Angeles School Police Department
Marcela Garcia	Los Angeles School Police Department
Davon Williams	Funding for Community Peace Builders in place of LASPD

Board President Goldberg resumed the Order of Business.

CONSENT ITEMS Continued

The following speakers addressed the Board on the Consent items:

Tab 1- Board of Education Report No. 238-23/24 (District's Initial Bargaining Proposals for Successor Agreements Commencing July 1, 2024 for AALA, UTLA and Units A, B, C, D, E, F, G, H, J and S) Recommends adoption of the District's Initial Proposals for the 2024-2029 Agreements with Bargaining Units A, B, C, D, E, F, G, H, J, S, AALA and UTLA.

- Julie Bershin

Tab 7- Board of Education Report No. 242-23/24 (Define and Approve the East Los Angeles Occupational Center Classroom Replacement Project and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein) Recommends approval and the definition of the East Los Angeles Occupational Center (ELAOC) Classroom Replacement Project and amend the Facilities Services Division Strategic Execution Plan to incorporate therein with a combined proposed budget of \$61,156,305.

- David Tokofsky

Tab 14- Board of Education Report No. 222-23/24 (Adoption of the Negative Declaration for the 49th Street Elementary School Major Modernization Project) Recommends the review and adoption of the Negative Declaration for the proposed 49th Street Elementary School Major Modernization Project prepared in compliance with the California Environmental Quality Act (CEQA; Public Resources Code §21000 et seq.) and State CEQA Guidelines (California Code of Regulations, Title 14, Division 6, Chapter 3 §15000 et seq.).

- Karla Franco

Tab 17- PUBLIC HEARING Board of Education Report No. 222-23/24 (Statutory School Fees (Level 1 Developer Fees) Recommends approval of the School Fee Justification Study showing the District's ability to levy the Level 1 fees authorized by the State Allocation Board.

Mr. McLean Read the following Public Hearing Statement:

Before action is taken on the Board of Education Report No. 239-23/24, Statutory School Fees (Level 1 Developer Fees), a public hearing must be held.

This constitutes a public hearing on the report, and a maximum of 15 individuals who wish to address the Board on this item will be heard. Those who wish to speak and have not already signed-up should sign-up online or in the rear of the Board Room. Speakers will be called by name.

- David Tokofsky

Ms. Goldberg read the following recusal statement:

In accordance with Government Code Section 1091, I will publicly recuse myself from discussing or taking action on Item M of the Procurement Services Division board report due to my own involvement with Laser Afterschool programs and that of my wife as well.

Remarks were heard from Board Members.

Staff addressed inquiries from Board Members regarding the following consent items:

Tab 2 –Board of Education Report No. 238-23/24 - Approval of Approval Procurement Actions

- Item C - Latino Film Institute Youth Film Project, Item D - Hatching Results, Item E - Customers Expression Corporation, Item G - Number of hires from the Apprenticeship program, Item O - United Data Technologies, Item P - Teach for America assignments, Item U - Enridge Inc. Transportation Services

Tab 7- Board of Education Report No. 242-23/24 - Define and Approve the East Los Angeles Occupational Center Classroom Replacement Project and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein - Disruptions during the East Los Angeles Occupational Center Classroom Replacement Project, and informing the community of construction

Tab 15- Secondary Career Technical Education Stakeholder Advisory Committee - Member selection for the Secondary Career Technical Education Stakeholder Advisory Committee

Tab 17 - Statutory School Fees (Level 1 Developer Fees) - The collection of Statutory School Fees (Level 1 Developer Fees) owed to the District

By acclamation Mr. Melvoin moved to change “Developer Fees” in Tab 17 and Tab 18 to “Impact Fees”. Mr. Schmerelson seconded the motion.

Mr. Melvoin moved the consent items, for Tabs 1, 2, 3, 7, 10, 15, 16, 17, and 18 to be adopted. Dr. Rivas seconded the motion.

Dr. Rivas voted Yes on Tab 2, but voted No on Tab 2 Item P.

Ms. Goldberg recused herself from Tab 2 Item M.

After discussion and on roll call vote, the consent items were adopted the vote was 5 ayes, 2 absent, Dr. McKenna, and Tanya Ortiz Franklin, with the following exceptions

- Ms. Goldberg’s recusal on Tab 2, Item M.
- Dr. Rivas changed her vote to Yes on Tab 2 Item P.
- Mr. Schmerelson voted No on Tab 2 Item P.

ADJOURNMENT

On motion by Dr. Rivas, seconded by Mr. Melvoin, and by general consent the meeting was adjourned at 5:42 p.m.

APPROVED BY THE BOARD:

JACKIE GOLDBERG
PRESIDENT

MICHAEL MCLEAN
EXECUTIVE OFFICER OF THE BOARD

ew

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Miscellaneous Business

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TAB 33



Los Angeles Unified School District

1489

333 South Beaudry Ave,
Los Angeles, CA 90017

Board of Education Report

File #: 032-23/24, Version: 1

Adoption of the 2024-2025 Board Meeting Schedule (032-23/24)

Meeting Type	Meeting Date	Day of the Week	Meeting Start Time
Closed	8/6/2024	Tuesday	10:00 AM
Regular	8/13/2024	Tuesday	10:00 AM
Regular	9/10/2024	Tuesday	10:00 AM
Closed	9/11/2024	Wednesday	10:00 AM
Committee of the Whole	9/17/2024	Tuesday	10:00 AM
Committee of the Whole	10/15/2024	Tuesday	10:00 AM
Regular	10/22/2024	Tuesday	10:00 AM
Closed	10/23/2024	Wednesday	10:00 AM
Committee of the Whole	11/12/2024	Tuesday	10:00 AM
Regular	11/19/2024	Tuesday	10:00 AM
Closed	11/20/2024	Wednesday	10:00 AM
Committee of the Whole	12/3/2024	Tuesday	10:00 AM
Annual Meeting	12/10/2024	Tuesday	10:00 AM
Regular	12/10/2024	Tuesday	10:45 AM
Closed	12/11/2024	Wednesday	10:00 AM
Regular	1/14/2025	Tuesday	10:00 AM
Closed	1/15/2025	Wednesday	10:00 AM
Committee of the Whole	1/28/2025	Tuesday	10:00 AM
Regular	2/11/2025	Tuesday	10:00 AM
Closed	2/12/2025	Wednesday	10:00 AM
Committee of the Whole	2/18/2025	Tuesday	10:00 AM
Regular	3/11/2025	Tuesday	10:00 AM
Closed	3/12/2025	Wednesday	10:00 AM
Committee of the Whole	3/18/2025	Tuesday	10:00 AM
Regular	4/8/2025	Tuesday	10:00 AM
Closed	4/9/2025	Wednesday	10:00 AM
Committee of the Whole	4/22/2025	Tuesday	10:00 AM

Regular	5/13/2025	Tuesday	10:00 AM
Closed	5/14/2025	Wednesday	10:00 AM
Committee of the Whole	5/20/2025	Tuesday	10:00 AM
Regular	6/3/2025	Tuesday	10:00 AM
Closed	6/4/2025	Wednesday	10:00 AM
Regular Budget and LCAP Hearing	6/17/2025	Tuesday	10:00 AM
Closed	6/18/2025	Wednesday	10:00 AM
Regular Budget and LCAP Adoption	6/24/2025	Tuesday	10:00 AM
Closed	6/25/2025	Wednesday	10:00 AM

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TAB 34



Board of Education Report

File #: Res-038-23/24, **Version:** 1

Ms. Goldberg - Resolution to Endorse the Campaign for a Healthy and Safe California and Protect the LAUSD Community from the Health Impacts of Oil Wells (Res-038-23/24) (For Action June 25, 2024)

Whereas, Research shows that living within half a mile of an oil well increases the risk of asthma, high-risk pregnancies, respiratory illnesses, and cancer;

Whereas, There are thousands of active and inactive oil wells within the boundaries of Los Angeles Unified School District, and hundreds more in nearby communities that are within a half mile of District boundaries, and these wells are located near schools in every Board district;

Whereas, The California State Legislature passed SB1137 in 2022 to initiate health and safety setback regulations, which prohibit new or modified oil and gas wells within 3,200 feet of schools, daycare centers, parks, healthcare facilities, businesses, and homes; and

Whereas, Oil and corporate interests financed a \$20 million petition campaign to block immediate implementation of SB 1137, placing a referendum to overturn SB 1137 on the California General Election November 2024 ballot; now, therefore, be it

Resolved, That the Governing Board of the Los Angeles Unified School District endorse the Campaign for a Safe and Healthy California to keep SB1137 health and safety setback legislation, joining public health leaders, environmental justice groups, community and faith leaders, and youth to stand up to Big Oil and make sure that no Californians have to endure health hazards from living just steps away from dangerous oil wells; and, be it finally

Resolved, That the District will publish accurate and unbiased information about ballot initiatives on the November 2024 ballot, including regarding the well-funded attack SB 1137.

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TAB 35



Board of Education Report

File #: Res-039-23/24, Version: 1

Ms. Ramirez - Supporting Student First Amendment Rights on School Campuses (Res-039-24/25) (For Action June 25, 2024)

Whereas, The First Amendment of the United States Constitution guarantees the rights and freedoms of all individuals residing in the United States, including but not limited to the rights to assemble peaceably, to freely express oneself, to share information through the press, and to petition the government;

Whereas, The landmark United States Supreme Court case *Tinker v. Des Moines* of 1969 established the legal precedent affirming that students possess the same fundamental civil liberties enshrined in the First Amendment of the Constitution, emphasizing that students do not "shed their constitutional rights to freedom of speech or expression at the schoolhouse gate;"

Whereas, The United States has witnessed a significant surge in student-led protests across college campuses, which have been discouraged, and in many cases met with police brutality, by their institutions, instilling fear and reluctance among students to exercise their constitutionally guaranteed civil liberties; and

Whereas, The Governing Board of the Los Angeles Unified School District has formally accepted a Student Bill of Rights, which states that, "All students have the right to express themselves orally, in writing, and artistically . . . in a courteous and thoughtful manner that is within acceptable legal standards in an educational context without fear of reprisal;" now, therefore, be it

Resolved, That the Governing Board of the Los Angeles Unified School District hereby reaffirms its support for the civil liberties of students within the district and extends this commitment to uphold and defend students' civil liberties across school campuses nationwide;

Resolved further, That schools are encouraged to continue teaching courses such as AP United States History, AP US Government and Politics, and Constitutional Law within their classrooms. Furthermore, schools are urged to actively promote increased student participation in initiatives such as the attainment of the State Seal of Civic Engagement;

Resolved further, That the Board formally requests all schools within the District to persistently promote and prominently display the LAUSD Student Bill of Rights on their campuses to remind students of their rights on campus; and, be it finally

Resolved, That the Board hereby calls upon all educational institutions to safeguard the civil liberties of their students and to promote the exercise of these liberties, including freedom of speech, expression, and assembly, as well as the right to petition the government, both within and beyond school campuses, and to never call police to an assembly as long as it is peaceful and nonviolent.