

LOS ANGELES UNIFIED SCHOOL DISTRICT

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

Jennifer McDowell

L.A. City Mayor's Office

Brian Mello

Assoc. General Contractors of CA

Dr. Clarence Monteclaro

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

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

**2nd Quarter Report FY 2023/24
October – December 2023**

I. Overview

The mission of the School Construction Bond Citizens' Oversight Committee (BOC) is to oversee the expenditure of money for the construction, repair and modernization of schools by the LAUSD and to communicate its findings to the Board and the public so that school bond funds are invested as the voters intended and that projects are completed wisely and efficiently.

The shared vision between the BOC and the LAUSD is to build and maintain schools that promote the full development of the child, are educationally and environmentally sound, enhance their neighborhoods through design and programming as centers of community, and reflect the wise and efficient use of limited land and public resources.

The BOC presents this Quarterly Report in the discharge of its duties. This report covers activities of the BOC during the 2nd Quarter of the Fiscal Year 2023/2024, the 4th Quarter of Calendar Year 2023 (October - December).

At the time of this report, the BOC has received FSD financial and schedule project updates through November 15, 2023. There continues to be about a one-month lag in some financial and project reporting from FSD. This is attributed to some residual financial reporting issues resulting from the cyberattack on the District in 2022. FSD is continuing its efforts to "catch-up" on some of its reporting.

Bond Program Performance and Bond Measure Audits

On October 31, 2023, the BOC, on behalf of Chair Margaret Fuentes and member Robert Campbell, submitted a California Public Records Act request to the District seeking detailed information regarding the ongoing District performance and bond measure audits. To date, neither

the District nor the auditor has responded to BOC requests to meet with them to discuss potential areas of bond program risk. On December 20, 2023, the District provided the first initial production of the requested information. Further production is anticipated in the next several weeks.

II. Public Meetings

For the matters contained in this Quarterly Report, the BOC held three public meetings. These meetings were held on October 5, 2023, November 2, 2023, and November 30, 2023.

The record of BOC member attendance for these meetings can be found in [Exhibit 1](#).

III. Resolutions Adopted

The BOC adopted the following resolutions during the period covered by this Quarterly Report.

October 5, 2023 BOC Meeting

- **2023-20** – Recommending Board Approval to Define and Approve The New Chatsworth Early Education Center Project and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein (October 5, 2023)
- **2023-28** – Recommending Board Approval of the Redefinition of the 32nd Street USC Magnets Major Modernization Project and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein (October 5, 2023) (POSTPONED)
- **2023-29** – Recommending Board Approval to Define and Approve Two Wellness Center Projects and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein (October 5, 2023) (WITHDRAWN)
- **2023-30** – Recommending Board Approval of the Definition of Five Outdoor Learning Environment Projects and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein (October 5, 2023)
- **2023-31** – Recommending the Board Define and Approve Three Projects to Provide Critical Replacements and Upgrades of School Building/Site Systems and Components and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein (October 5, 2023)
- **2023-32** – Recommending Board Approval to Define and Approve Seven Board District Priority and Region Priority Projects and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein (October 5, 2023)

November 2, 2023 BOC Meeting

- **2023-28** – Recommending Board Approval of the Redefinition of the 32nd Street USC Magnets Major Modernization Project and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein (November 2, 2023)

Bond Oversight Committee

333 S. Beaudry Avenue, 23rd Floor, Los Angeles, CA 90017

Phone: 213.241.5183 ✦ boc@laschools.org ✦ <https://www.lausd.org/boc>

- **2023-29** – Recommending Board Approval to Define and Approve Two Wellness Center Projects and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein (November 2, 2023)
- **2023-33** – Recommending Board Approval to Define and Approve Three Sustainable Environment Enhancement Developments for Schools (SEEDS) Projects and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein (November 2, 2023)
- **2023-34** – Recommending Board Approval to Define and Approve 13 Board District Priority and Region Priority Projects and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein (November 2, 2023)
- **2023-35** – Recommending Board Approval to Define and Approve the John Marshall High School Synthetic Turf Field Replacement Project and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein (November 2, 2023)
- **2023-36** – Recommending Board Approval to Define and Approve Two Charter School Facilities Upgrade Projects and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein (November 2, 2023)
- **2023-37** – Recommending Board Approval to Define and Approve Four Classroom Upgrade Projects and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein (November 2, 2023)

November 30, 2023 BOC Meeting

- **2023-38** – Recommending Board Approval for the Amendment of the Information Technology Services Strategic Execution Plan to Approve the Network Infrastructure Modernization Project (November 30, 2023) (VOTING POSTPONED)
- **2023-39** – Recommending Board Approval for the Amendment of the Information Technology Services Strategic Execution Plan to Approve the School Network Systems Upgrade, Phase 2 (November 30, 2023) (VOTING POSTPONED)
- **2023-40** – Recommending Board Approval for the Amendment of the Information Technology Services Strategic Execution Plan to Approve the Intelligent School Network Controls Project (November 30, 2023) (VOTING POSTPONED)
- **2023-41** – Recommending Board Approval to Define and Approve Two Student and Family Resource Center Projects and Amend the Facilities SEP to Incorporate Therein (November 30, 2023)
- **2023-42** – Recommending Board Approval to Define and Approve Three Accessibility Enhancement Projects and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein (November 30, 2023)
- **2023-43** – Recommending Board Approval to Define and Approve Three Athletic Facilities Upgrade Projects and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein (November 30, 2023)
- **2023-44** – Recommending Board Approval to Define and Approve the Middleton Street Elementary School cooling tower Replacement Project and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein (November 30, 2023)

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- **2023-45** – Recommending Board Approval to Define and Approve 12 Board District Priority and Region Priority Projects and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein (November 30, 2023)

IV. Resolutions Not Adopted

- N/A

V. Receipt of Reports and Correspondence

October 5, 2023 BOC Meeting

- Chief Facilities Executive’s Report (Information Only)

November 2, 2023 BOC Meeting

- Technical Evaluation Report of a Classroom Addition Project at Colfax Charter Elementary School (Information Only) (Postponed)
- ITS BOC Quarterly Program Status Report Q3 2023 (July 1-September 30, 2023) (Information Only) (Postponed)
- Chief Facilities Executive’s Report (Information Only) (Postponed)

November 30, 2023 BOC Meeting

- ITS BOC Quarterly Program Status Report Q3 2023 (July 1-September 30, 2023) (Information Only) (Postponed)
- Technical Evaluation Report of a Classroom Addition Project at Colfax Charter Elementary School (Information Only)
- Chief Facilities Executive’s Report (Information Only)

VI. BOC Member Activities

- On November 15, 2023, BOC Member Samantha Jackson attended the Parent Center Ribbon-cutting at Markham Middle School.
- On December 19, 2023, BOC Chair Margaret Fuentes, BOC members Robert Campbell, Jeffrey Fischbach and BOC staff met with the District’s Chief Information Officer Soheil Katal and his ITS team to discuss the upcoming three technology projects for voting at the January 11, 2024.

VII. Board of Education Presentations

- On October 3, 2023, BOC Chair Margaret Fuentes and BOC Administrator Tim Popejoy, made a presentation to the Board of Education’s Facilities and Procurement Committee, chaired by Nick Melvoin. Mr. Popejoy provided an overview of the BOC and its role and responsibilities followed by Chair Fuentes presenting current topics of concern for the BOC. The presentation was well received, and Mr. Melvoin thanked the BOC for its important work.

VIII. Task Force/Subcommittee Activities

- At its April 27, 2023 meeting, the BOC adopted a “Resolution Establishing the 2023 BOC Charter and MOU Review Task Force.” The Task Force is chaired by member Michael Hamner and includes Margaret Fuentes, Samantha Rowles and Dr. Clarence Monteclaro. BOC staff forwarded its “redline” proposed revisions to the District on September 19, 2023. District staff have communicated to the BOC that the District has conducted a couple of internal review sessions to consider the proposed changes. However, the BOC has received no formal response or counter proposal to its proposed revisions. The Task Force is still active and awaiting District’s updates on proposed revisions to the MOU.

IX. LAUSD Bond Program Status: School Upgrade Program (SUP)

The District bond program is composed of multiple “managed programs” funded by District Bond Measures BB (1997), K (2002), R (2004), Y (2005), Q (2008), RR (2020) and state bond funds and developer fees.

On November 3, 2020, voters approved Measure RR allocating an additional \$7 billion for the LAUSD bond program. On August 24, 2021, the Board of Education approved the implementation of Measure RR funding and priorities into its operational framework.

The current managed program is the Updated School Upgrade Program (SUP) adopted by the Board of Education on August 24, 2021. The Updated SUP is composed of 16 program categories, known as “spending targets,” with a total budget of approximately \$14.3 billion.¹ The Updated SUP is primarily funded by District Bond Q and RR. The majority of SUP projects, approximately \$13 billion, or 88% of the total SUP budget, is managed by the Facilities Services Division (FSD).²

¹ As of 11/30/23. The total LAUSD bond program includes approved projects which are managed within the Updated SUP and “legacy” programs. Legacy programs include the Capital Improvement Program (CIPR), the New Construction Program, the Modernization Program and the BB Program. The majority of projects included in legacy programs have achieved substantial completion, been closed out, reassigned to other managed programs, or remain active only for the purpose of resolving outstanding claims or other administrative or legal issues.

² Bond program projects are managed in the LAUSD organization according to project type and staff expertise in the following divisions: Facilities Services Division (FSD), Information Technology Services (ITS), Transportation Services Division (TSD), Chief Business Officer (CBO) and Office of the Inspector General (OIG).

Specific bond program projects are included in the SUP where funds are available within spending targets and after they are approved by the Board of Education. Projects (scope, schedule and budget) are proposed as Strategic Execution Plan (SEP) amendments. Proposed projects are first considered by the BOC for recommendation, and then presented to the Board of Education for approval.

FSD Quarterly Program Expenditures and Change Order Rate:

- Total quarterly FSD bond fund expenditures by month: \$88.4M. for October. Expenditure data for the months of November and December was not available at time of publication of this report.
- As of November 15, 2023, the cumulative change order rate for all project types was 14.24%.

See section “III. Resolutions Adopted” in this report for a summary of SUP proposed projects considered by the BOC this quarter.

X. Committee Member—Appointments/Resignations/Elections

Ms. Santa Ramirez, Tenth District PTSA, appointed alternate on December 12, 2023.

XI. BOC Budget

The BOC’s Annual Budget for the July 1, 2023 – June 30, 2024 Fiscal Year is \$648,540.00. Total Year-to-Date expenditures were \$253,243.02 or 39% of the budget.

| | FY 23/24 Budget | Expenditures | | YTD% of Budget Expended |
|---------------------------------------|-----------------|------------------|--------------|-------------------------|
| | | 2nd Quarter (FY) | YTD (FY) | |
| Professional Service Contracts | \$214,000 | \$9,363.95 | \$14,963.95* | 7% |
| Office | \$434,540* | \$137,394.57 | \$238,279.07 | 55% |
| Totals | \$648,540 | \$146,758.52 | \$253,243.02 | 39% |

*Year-to-date (YTD) expenditures for Professional Services Contracts are reported as actual payments and may reflect a lag in time between invoicing for services rendered and actual payment.

*Budget will adjust according to the salary table schedule approved by District.

XII. BOC Member Requests

- None

Second Quarter Report (October 1 through December 31) for fiscal year 2023/2024 approved and submitted by staff on January 11, 2024.

/Timothy Popejoy/

Timothy Popejoy

Administrator

Bond Oversight Committee

EXHIBIT 1

Bond Oversight Committee Meeting Attendance for 2nd Quarter of FY 2023-24 Ending December 2023

| <u>Name</u> | October 5, 2023 Regular Meeting | November 2, 2023 Regular Meeting | November 30, 2023 Regular Meeting |
|---|------------------------------------|-------------------------------------|--------------------------------------|
| Bell, Neelura (CA Charter School Association) | ● | ● | ● |
| Boggio, Chad (L.A. Co. Federation of Labor AFL-CIO) | ○ | ● | ○ |
| Campbell, Robert* (L.A. County Auditor/Controller's Office) | ● | ● | ○ |
| Fischbach, Jeffrey (CA Tax Reform Association) | ● | ● | ● |
| Fuentes, Margaret (LAUSD Student Parent) | ● | ● | ● |
| Hamner, D. Michael (American Institute of Architects) | ● | ● | ● |
| Lewis, Aleigh (L.A. City Controller's Office) | ● | ● | ○ |
| MacFarlane, Patrick (Early Education Coalition) | ● | ● | ● |
| McDowell, Jennifer (L.A. City Mayor's Office) | ● | ● | ○ |
| Mello, Brian (Assoc. General Contractors of CA) | ○ | ● | ○ |
| Monteclaro, Clarence (Tenth District PTSA) | ● | ● | ○ |
| Pansky, Scott (L.A. Area Chamber of Commerce) | ○ | ● | ● |
| Ramirez, Santa (Tenth District PTSA) | -- | -- | -- |
| Ross, William O. IV (31st District PTSA) | ● | ● | ● |
| Rowles, Samantha (LAUSD Student Parent) | ● | ○ | ● |
| Yee, Connie** (L.A. County Auditor/ Controller's Office) | | | ● |

● = Present ○ = Absent

-- = Non-Committee Member at time of Meeting

*Primary Member **Alternate Member (Attendance box left blank if not needed to serve as alternate)