

## LOS ANGELES UNIFIED SCHOOL DISTRICT

### SCHOOL CONSTRUCTION BOND CITIZENS' OVERSIGHT COMMITTEE

**D. Michael Hamner, FAIA, Chair**

American Institute of Architects

**Robert Campbell, Vice-Chair**

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

**Dr. Samantha Rowles, Secretary**

LAUSD Student Parent

**Patrick MacFarlane, Executive Committee**

Early Education Coalition

**Scott Pansky, Executive Committee**

L.A. Area Chamber of Commerce

**Joseph P. Buchman – Legal Counsel**

Burke, Williams & Sorensen, LLP

**Lori Raineri and Keith Weaver – Oversight Consultants**

Government Financial Services Joint  
Powers Authority

**Neelura Bell**

CA Charter School Association

**Sandra Betts**

CA Tax Reform Assn.

**Chad Boggio**

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

**Aleigh Lewis**

L.A. City Controller's Office

**Jennifer McDowell**

L.A. City Mayor's Office

**Brian Mello**

Assoc. General Contractors of CA

**Santa Ramirez**

Tenth District PTSA

**William O. Ross IV**

31<sup>st</sup> District PTSA

**Rachelle Anema (Alternate)**

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

**Bevin Ashenmiller (Alternate)**

Tenth District PTSA

**Ashley Kaiser (Alternate)**

Assoc. General Contractors of CA

**Vacant**

Assoc. of CA School Admin - Retired

**Vacant**

LAUSD Student Parent

**Timothy Popejoy**

Bond Oversight Administrator

**Perla Zitle**

Bond Oversight Coordinator

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## 3rd Quarter Report FY 2024/25

### January – March 2025

#### I. Overview

The mission of the School Construction Bond Citizens' Oversight Committee (BOC) is to oversee the expenditure of funds for the construction, repair and modernization of schools by 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 fulfillment of its obligation to the public and pursuant to the BOC Charter and Memorandum of Understanding (MOU) with the District. This report covers activities of the BOC during the 3rd Quarter of the Fiscal Year 2024/2025, the 1st Quarter of Calendar Year 2025 (January - March).

The BOC receives three detailed and comprehensive monthly reports from the Facilities Services Division (FSD) regarding financial and project budget and schedule data. FSD is responsible for managing approximately 92% of all bond funds. This provides the underlying data for the SUP Summary that the BOC prepares for its monthly meetings. In addition, the FSD Consolidated Monthly Program Status Report is included each month in the BOC's meeting materials with the CFE Report presentation tab. The most recent reporting is through January 15, 2025.

#### Bond Measure US

On November 5, 2024, voters residing in the LAUSD boundaries passed the \$9B Bond Measure US with a 68% approval margin. In terms of impact and scale, this was a significant and substantial addition to the LAUSD construction and bond program. It is the largest bond measure in LAUSD

history. California voters also approved a school construction bond providing \$10B to schools and community colleges across the state. It is not known at this time what LAUSD's apportionment will be – but it will likely provide tens of millions of additional bond funds to the District's construction program.

On August 7, 2024 the LAUSD Board of Education authorized the proposed bond measure for placement on the November 15, 2024 ballot. As part of this action, it also adopted an Implementation Plan that would allocate the proposed \$9B in bond funds across program and project categories and priorities largely already established in the School Upgrade Program (SUP). Some additional priorities included funds to implement the 30% greening target for school campuses, continued substantial investment in school modernization, technology infrastructure and upgrades, accessibility, charter schools, the electrification and expansion of the bus fleet, early education and adult education facilities.

#### Use of Bond Funds to Defeasement Certificates of Participation

On March 6, 2025, the Chair of the BOC sent a letter to the Superintendent and Board of Education objecting to the use of Measure US bond funds to defease up to \$250M for three projects initially funded by Certificates of Participation (COPs). This proposal was considered by the BOC at its February 27, 2025 regular meeting. The letter essentially stated that while this action was legally permissible, specifically included in the language of the bond measure, and beneficial for reducing this obligation to the District's general fund, it was detrimental to the bond program.<sup>1</sup> (The letter is attached to this report.)

#### Status of Revisions to the LAUSD BOC Charter and MOU

On September 23, 2023, the BOC, with direction from its MOU Review Task Force, forwarded to the District executive team proposed revisions to the MOU pursuant to Section 6.7 of the MOU. That section states the MOU shall be jointly reviewed by the District and BOC every five years. The last amendments to the MOU were made on April 18, 2017. To date, there has been no formal engagement with District staff regarding proposed revisions or progress on a joint review. See further details in section VIII of this report.

#### Bond Program Performance and Bond Measure Audits

On March 27, 2025, the BOC received a presentation from Simpson & Simpson, the District's independent auditor, presenting the bond and performance audits for FY24. The Committee recognized the work of the auditor and the District in the sound management and expenditure of bond funds. However, the Committee continues to have concerns about the independence of the auditor and the lack of engagement with the BOC as a key stakeholder during the audit process.

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<sup>1</sup> On September 24, 2024, the BOC Executive Committee forwarded a letter to the Superintendent and Board of Education expressing its concerns regarding proposed Bond Measure US. The letter specifically called out the District's lack of advance notice and any opportunity for the BOC to review the language of the bond measure prior to approval by the Board of Education. Concerns included the potential for using bond funds to defease COPs funded projects that were otherwise eligible for bond funding. The District had alternatives including the reallocation of uncommitted bond funds within the SUP for new project priorities, rather than initially fund these projects with COPs.

## II. Public Meetings

For the matters contained in this Quarterly Report, the BOC held three public meetings. These meetings were held on January 30, 2025, February 27, 2025 and March 27, 2025.

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.

### **January 30, 2025 BOC Meeting**

- **2025-01** – Recommending Board Approval to 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 (SEP) to Incorporate Therein (January 30, 2025)
- **2025-02** – Recommending Board Approval to Define and Approve 11 Board District Priority and Region Priority Projects and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein (January 30, 2025)
- **2025-03**– Recommending Board Approval to Define and Approve Six Sustainable Environment Enhancement Developments for Schools (SEEDS) Projects and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein (January 30, 2025)

### **February 27, 2025 BOC Meeting**

- **2025-04** – Recommending Board Approval to Define and Approve 24 Classroom Upgrade Projects and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein (February 27, 2025)
- **2025-05** – Recommending Board Approval to Define and Approve Seven Playground and Campus Exterior Upgrade Projects and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein (February 27, 2025)
- **2025-06** – Recommending Board Approval to Define and Approve Four Charter School Facilities Upgrade Projects and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein (February 27, 2025)
- **2025-07** – Recommending Board Approval to Define and Approve Four Board District Priority and Region Priority Projects and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein (February 27, 2025)

### **March 27, 2025 BOC Meeting**

- **2025-09** – Recommending Board Approval to Define and Approve Four 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 (March 27, 2025)

#### **Bond Oversight Committee**

333 S. Beaudry Avenue, 23<sup>rd</sup> Floor, Los Angeles, CA 90017

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- **2025-10** – Recommending Board Approval to Define and Approve the Lemay Street Early Education Center Outdoor Classroom and Campus Upgrade Project and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein (March 27, 2025)
- **2025-11** – Recommending Board Approval to Define and Approve 22 Board District Priority and Region Priority Projects and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein (March 27, 2025)
- **2025-12** – Recommending Board Approval to Approve the Redefinition of the Bell High School Classroom Replacement Project and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein (March 27, 2025)
- **2025-13** – Recommending Board Approval to Define and Approve the Verdugo Hills High School New Baseball Scoreboard Project and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein (March 27, 2025)
- **2025-14** – Amendment to Appointment of a BOC Ad Hoc Subcommittee (Task Force) Regarding the Implementation of the District’s Green Schoolyards for All Resolution and Plan (March 27, 2025)

#### **IV. Resolutions Not Adopted**

- **2025-08** – Align Funding Strategies for Three School Facilities Projects Funded by Certificates of Participation (COPs 2023 Series A) with the School Upgrade Program Framework and Measure US Priorities and Implementation Strategies. (February 27, 2025) (NOT ADOPTED)

#### **V. Receipt of Reports and Correspondence**

##### **January 30, 2025 BOC Meeting**

- Performance Audit of Design-Build Policies and Procedures (Information Only)

##### **February 27, 2025 BOC Meeting**

- Green Schoolyards for All Task Force Progress Report (Information Only)
- ITS BOC Quarterly Program Status Report Q4 2024 (October 1 – December 31, 2024) (Information Only)
- Chief Facilities Executive’s Report (Information Only)

##### **March 27, 2025 BOC Meeting**

- 2025 OIG Annual Risk Assessment Survey (Information Only)
- FY24 – Bond Performance & Financial Audit Reports (Information Only)
- Chief Facilities Executive’s Report (Information Only)

## VI. BOC Member Activities

- See section VIII below regarding activities of various Task Forces.

## VII. Board of Education Presentations

- None

## 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 was originally chaired by member Michael Hamner and included then Chair Margaret Fuentes, Dr. 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.

On August 1, 2024, the BOC adopted a resolution establishing a Green Schoolyards for All Task Force. Member Aleigh Lewis serves as Chair. The Task Force membership also includes members Sandra Betts, William Ross, Michael Hamner, *ex-officio*, and alternate BOC member Dr. Bevin Ashenmiller. In addition, the Task Force includes non-BOC member Teresa Dahl. The purpose of the Task Force is to learn more about the District’s implementation of its *Green Schoolyards for All resolution* and Plan. The Task Force has drafted a Work Plan and will meet monthly working with District staff to arrange various presentations and discussions. The culmination of the Task Force will result in a Final Report that includes recommendations related to implementation of the District’s policies and plans.

On March 27, 2025, the BOC adopted Resolution 2025-14 to extend the end date for the completion of the Task Force’s work to no later than May 31, 2025. This extension is to allow additional time to prepare a Final Report.

## 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), US (2024) 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.

On November 5, 2024, voters approved Measure US allocating an additional \$9 billion for the LAUSD bond program.

The current managed program is the Updated School Upgrade Program (SUP) adopted by the Board of Education on August 24, 2021 and modified to include Measure US funds as allocated on August 7, 2024. The Updated SUP is composed of 14 program categories, known as “spending targets,” with a total budget of approximately \$22.145 billion<sup>2</sup>. The Updated SUP is primarily funded by District Bonds Q, RR and US. The majority of SUP projects, approximately \$19 billion, or 91.6% of the total SUP budget, is managed by FSD.<sup>3</sup>

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. This process as it relates to the BOC is specified in the MOU with the District.

FSD Quarterly Program Expenditures and Change Order Rate:

- Total quarterly FSD data were not yet available for January, February, and March 2025 at the time of publication of this report; nor were cumulative change order data for all project types.

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**

- There were no new BOC appointments or reappointments. However, the District and the BOC conducted the MOU-defined process for replacing AARP as the BOC senior citizen organization with the Association of California School Administrators-Retired. It is anticipated that a new BOC member will be nominated by this organization imminently.

## **XI. BOC Budget**

The BOC’s Annual Budget for the July 1, 2024 – June 30, 2025 Fiscal Year is \$680,359.00. Total Year-to-Date expenditures were \$276,150.33 or 41% of the budget.

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<sup>2</sup> As of 1/31/25. 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.

<sup>3</sup> 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 Financial Officer (CFO) and Office of the Inspector General (OIG).

	FY 24/25 Budget	Expenditures		YTD% of Budget Expended
		3rd Quarter (FY)	YTD (FY)	
<b>Professional Service Contracts*</b>	\$170,000	\$51,490	\$72,247	42%
<b>Office**</b>	\$510,359	\$123,092.45	\$366,021.99	72%
<b>Totals</b>	\$680,359	\$174,582.45	\$438,268.99	64%

\*Year-to-date (YTD) expenditures for Professional Services Contracts are reported as actual payments and may reflect a lag in time between provision of services rendered, invoicing and actual payment. Expenditures for services provided during this quarter are not yet fully reflected in District financial data systems.

\*\*Office budget will adjust according to the salary table schedule approved by the District.

## XII. BOC Member Requests

- At its January 30, 2025, Vice-Chair Campbell requested the recently completed audit of the District's finances be presented to the BOC and an appropriate representative to address the engagement of the outside auditors with the BOC in planning and conducting the performance and financial audit reports.

Third Quarter Report (January 1 through March 31, 2025) for fiscal year 2024/2025 approved and submitted by staff on May 1, 2025.

*/Timothy Popejoy/*

Timothy Popejoy

Administrator

Bond Oversight Committee

### Bond Oversight Committee

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# **EXHIBIT 1**

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## Bond Oversight Committee Meeting Attendance for 1<sup>st</sup> Quarter of FY 2024-25 Ending March 2025

<u>Name</u>	January 30, 2025 Regular Meeting	February 27, 2025 Regular Meeting	March 27, 2025 Regular Meeting
Ashenmiller, Bevin (Tenth District PTSA) **	--		
Bell, Neelura (CA Charter School Association)	●	●	●
Betts, Sandra (CA Tax Reform Association)	●	●	●
Boggio, Chad (L.A. Co. Federation of Labor AFL-CIO)	○	○	○
Campbell, Robert (L.A. County Auditor/Controller's Office)*	●	●	
Hamner, D. Michael (American Institute of Architects)	○	●	●
Kaiser, Ashley (Assoc. General Contractors of CA) **	●	●	●
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)			
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)