

LOS ANGELES UNIFIED SCHOOL DISTRICT

Board of Education Report



Report Number:	041– 13/14
Date:	October 1, 2013
Subject:	Amendment to the Facilities Services Division Strategic Execution Plan to Cancel a \$2 Million Grant for the Rehabilitation of Highlander Elementary School by Ivy Bound Academy Charter School
Responsible Staff:	
Name	Mark Hovatter, Chief Facilities Executive
Office/Division	Facilities Services Division
Telephone No.	(213) 241-4811

BOARD REPORT

Action Proposed: Staff proposes that the Board of Education approve an amendment to the Facilities Services Division (FSD) Strategic Execution Plan (SEP) to cancel a \$2 Million grant for the rehabilitation of Highlander Elementary School (Highlander ES), a closed school campus, by Ivy Bound Academy Charter School (Ivy Bound).

Background: On November 25, 2008, the Board of Education (BOE Report #146-08/09) designated four closed schools for charter school utilization: Collins, Highlander, Oso, and Platt Ranch Elementary Schools. The Board of Education further authorized staff to select charter school operators through a Request for Proposals (RFP) process and negotiate and enter into applicable agreements for the financing, rehabilitation, and long-term use of the facilities.

Ivy Bound submitted a proposal to rehabilitate the Highlander ES campus and reconfigure it into a 1,120 seat middle school. Ivy Bound's proposal included modernizing the existing facilities and constructing 16 classrooms and a gymnasium. The total proposed project budget was approximately \$18.1 Million, of which \$2 Million would be provided by the District and the remaining balance would be funded by Ivy Bound through the use of Qualified School Construction Bonds and taxable Revenue Bonds.

Subsequently, on February 8, 2011, the Board of Education (BOE Report #177-10/11) approved an amendment to the SEP to allocate \$2 Million for the rehabilitation of Highlander ES by Ivy Bound. The grant disbursement was to be awarded pending the final contract negotiations and proof of funding for the remaining balance of the project. Over the



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course of two years, Ivy Bound has not been able to secure funding as originally proposed and therefore has determined that they are unable to move forward with the proposed project. The proposed project is located in Educational Service Center North and Board District 3 (Tamar Galatzan).

- Expected Outcomes:** This action, if approved, will cancel the \$2 Million grant for the rehabilitation of Highlander ES, a closed school campus, by Ivy Bound and amend the FSD SEP to reflect the cancellation.
- Board Options and Consequences:** Approval of the proposed action will cancel the grant and the proposal to rehabilitate Highlander ES. This action will enable \$2 Million to be reallocated to the Bond Program for future charter school facilities projects.
- Policy Implications:** This action is consistent with the District's Charter School Facilities Expansion Policy. The policy, which was adopted on April 10, 2007, designates program requirements for projects that provide long-term facilities solutions as an alternative to the annual Proposition 39 allocation of District facilities.
- Budget Impact:** \$2 Million will be reallocated to the Bond Program for future charter school facilities projects.
- Issues and Analysis:** The February 8, 2011 Board report stated that if Ivy Bound could not proceed with the proposed project, a new RFP would need to be initiated to identify and select a different charter operator for the Highlander ES campus. As Ivy Bound is unable to move forward with the project, District staff has included the Highlander ES campus in a new RFP for the lease of the District's four closed school sites. Authorization to issue a Notice of Intent to Lease was approved by the Board of Education on September 10, 2013. The RFP was issued shortly thereafter and proposals are due in December 2013.
- Bond Oversight Committee Recommendations:** This item was considered by the School Construction Bond Citizens' Oversight Committee (BOC) at its September 18, 2013 meeting. The BOC's adopted resolution, including the vote of the Committee, will be forwarded under separate cover.
- Attachments:** None.
- Informative
Desegregation
Impact Statement**

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Respectfully submitted,

DR. JOHN E. DEASY
 Superintendent

APPROVED BY:

MICHELLE KING
 Senior Deputy Superintendent
 School Operations

REVIEWED BY:

DAVID HOLMQUIST
 General Counsel

APPROVED BY:

MARK HOVATTER
 Chief Facilities Executive
 Facilities Services Division

☒ Approved as to form.

PRESENTED BY:

KRISZTINA TOKES
 Director of Asset Management
 Facilities Services Division

TONY ATIENZA
 Director of Budget Services and
 Financial Planning

☒ Approved as to budget impact statement.

LOS ANGELES UNIFIED SCHOOL DISTRICT

SCHOOL CONSTRUCTION BOND CITIZENS' OVERSIGHT COMMITTEE

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L.A. City Controller's Office
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CA Charter School Association
Garrett Francis
Assoc. General Contractors of CA
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AARP

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L.A. Co. Federation of Labor AFL-CIO
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Barry Waite
CA Tax Reform Assn.
Susan Linschoten (Alternate)
L.A. Co. Auditor-Controller's Office
Elizabeth Lugo (Alternate)
LAUSD Student Parent

Joseph P. Buchman – Legal Counsel
Burke, Williams & Sorensen, LLP
Thomas A. Rubin, CPA
Oversight Committee Consultant

Gary C. Anderson, PhD
Bond Administrator
Daniel Hwang
Administrative Analyst

RESOLUTION 2013-26

BOARD REPORT NO. 041-13/14

**AMENDMENT TO THE FACILITIES SERVICES DIVISION STRATEGIC EXECUTION PLAN TO
CANCEL A \$2 MILLION GRANT FOR THE REHABILITATION OF HIGHLANDER
ELEMENTARY SCHOOL BY IVY BOUND ACADEMY CHARTER SCHOOL**

WHEREAS, on November 28, 2008, the Board of Education designated four closed schools - Collins, Highlander, Oso, and Platt Ranch Elementary School - for charter school purposes; and

WHEREAS, the Board of Education further authorized District staff to select charter school operators through a Request for Proposals (RFP) process and to negotiate and enter into applicable agreements for the financing, rehabilitation, and long-term use of the facilities; and

WHEREAS, Ivy Bound Academy Charter School (Ivy Bound) submitted a proposal to rehabilitate the Highlander Elementary School (Highlander ES) campus and reconfigure it into a 1,120 seat middle school, including adaptive re-use of the existing facilities and the construction of a new classroom building and gymnasium, as well as landscape upgrades; and

WHEREAS, on February 8, 2011, the Board of Education approved an amendment to the Facilities Services Division Strategic Execution Plan to allocate \$2 Million for the rehabilitation of Highlander ES by Ivy Bound; and

WHEREAS, the February 2011 Board report stated that if Ivy Bound could not proceed with the proposed project, a new RFP would need to be initiated to identify and select a different charter operator for the Highlander ES campus; and

WHEREAS, Ivy Bound has determined that it will be unable to move forward with the proposed project; and

WHEREAS, District staff has included the Highlander ES campus in a new RFP for the lease of the District's four closed school sites,

Bond Oversight Committee

RESOLUTION 2013-26**AMENDMENT TO THE FACILITIES SERVICES DIVISION STRATEGIC EXECUTION PLAN TO
CANCEL A \$2 MILLION GRANT FOR THE REHABILITATION OF HIGHLANDER
ELEMENTARY SCHOOL BY IVY BOUND ACADEMY CHARTER SCHOOL**

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NOW, THEREFORE, BE IT RESOLVED THAT:

1. The School Construction Bond Citizens' Oversight Committee recommends that the Board of Education adopt an amendment to the Facilities Services Division Strategic Execution Plan to cancel the Ivy Bound project, as described in attached Board Report 041-13/14.
2. This resolution shall be transmitted to the Los Angeles Unified School District Board of Education and posted on the BOC's website.
3. That a written response, as required by the Charter and Memorandum of Understanding between the District and the BOC shall be provided to the BOC within 30 days, reporting either action taken or proposed to be taken in response to this resolution and each recommendation herein.

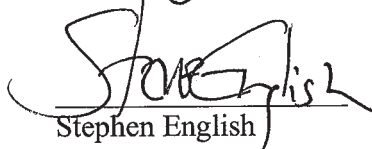
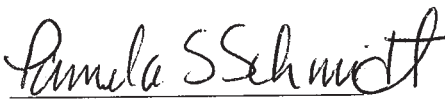
ADOPTED on September 18, 2013 by the following vote:

AYES: 12

ABSTAIN: 0

NAYS: 0

ABSENT: 1


Stephen English
Chair
Pamela Schmidt
Vice Chair