



## LOS ANGELES UNIFIED SCHOOL DISTRICT

### Board of Education Report

<b>Report Number:</b>	042 –13/14
<b>Date:</b>	October 1, 2013
<b>Subject:</b>	Amendment to the Facilities Services Division Strategic Execution Plan to Approve a Charter Augmentation Grant for the Vaughn Next Century Learning Center Project
<b>Responsible Staff:</b>	
Name	Mark Hovatter, Chief Facilities Executive José J. Cole-Gutiérrez, Director
Office/Division	Facilities Services Division Charter Schools Division
Telephone No.	(213) 241-4811 and (213) 241-6296

#### 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 approve an augmentation grant for the Vaughn Next Century Learning Center (Vaughn) project in the amount of \$701,323, which includes \$33,500 for District costs; and authorize the Chief Facilities Executive, and/or his designee, to negotiate and execute all necessary or appropriate agreements related to the charter augmentation grant for the Vaughn Next Century Learning Center Project.

**Background:** The Board of Education (Board) allocated \$147.5 Million of current Bond Program funds specifically for charter facilities projects. One of the mechanisms by which the District has provided charter schools with this funding is through the allocation of augmentation grants. In the past, augmentation grants have been provided on an “as requested” basis. Given the increased interest for funding by charter schools, staff developed a Charter Augmentation Grant Program (Program) that established the process and requirements for the request and allocation of augmentation grants. The intent of the Program is to ensure the District provides all potential charter schools with equal access to these funds while leveraging them to the maximum extent possible with other funding sources.

The Program provides funds to charter schools that need additional funding for the construction of long-term, capital improvement facilities projects. Applicants are required to hold a valid charter, be



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in good standing, agree to waive the right to submit a *Proposition 39* request for facilities, provide the District fee-interest in the property, and contribute a minimum of 65 percent of the total project cost from non-District sources. Proposals from charter schools that meet these specified requirements are evaluated based on the criteria identified in the Program guidelines: Financing Plan, Development Team and Concept, Academic Performance, Budget and Operations, and Student, Family and Community Outreach and Engagement. Proposals that receive a minimum score of 70 percent qualify to be eligible for funding. Since its inception in December 2011, the Board has approved four augmentation grants with a total value of \$20,365,000.

The proposal for Vaughn was evaluated by District staff and met the eligibility requirements for funding. Vaughn has requested an augmentation grant for the construction of three permanent classrooms that will accommodate approximately 100 students on the former District elementary school campus that is now part of Vaughn Next Century Learning Center in San Fernando. The total project cost is approximately \$2,226,000 and Vaughn has requested an augmentation grant in the amount of \$667,823. The proposed project is located in Educational Service Center North and Board District 6 (Mónica Ratliff).

**Expected Outcomes:** This action, if approved, will allow staff to negotiate and enter into all agreements necessary with Vaughn for the release of the augmentation grant funds. The augmentation grant funds will be provided upon proof that all other non-District funding has been received and/or committed to ensure that funds can be effectively leveraged and that the project will be completed.

**Board Options and Consequences:** If the proposed action is not approved, an augmentation grant would not be allocated to Vaughn.

**Policy Implications:** This action is consistent with the District's Charter School Facilities Expansion Policy, adopted on April 10, 2007, which designates program requirements for projects that provide long-term facility solutions as an alternative to the annual *Proposition 39* allocation of District facilities.

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<b>Budget Impact:</b>	<p>Vaughn has requested an augmentation grant in the amount of \$667,823. The District costs, including costs related to staff oversight to ensure compliance with District guidelines and approvals, including but not limited to environmental review, design review, and the development of necessary agreements, is approximately \$33,500. As a result, the total funding for the allocation of the augmentation grant and District oversight for this project is \$701,323. Funding for this project will be provided by Bond Program funds earmarked for charter school facilities projects. Unexpended funds allocated toward District oversight will be returned to the Bond Program for future charter school facilities projects at the completion of the project.</p>
<b>Issues and Analysis:</b>	<p>The Vaughn proposal is to construct three permanent large classrooms on the former District elementary school campus, which is still owned by the District and converted to a charter in 1993. The classrooms will create approximately 100 additional permanent seats to meet their existing demand. The project also includes the demolition of three unused and undersized Department of Housing portable buildings.</p> <p>The project is required to receive approvals from the Division of State Architect and California Department of Education, comply with the California Environmental Quality Act and be Field Act compliant. Construction is anticipated to start during the fourth quarter of 2013 and be completed by the first quarter of 2014.</p> <p>If the Board approves the proposed \$701,323 augmentation grant, Vaughn anticipates funding the remainder of the approximately \$1,560,000 project budget from its capital reserve fund.</p>
<b>Bond Oversight Committee Recommendations:</b>	<p>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.</p>
<b>Attachments: Informative Desegregation Impact Statement</b>	<p>None.</p>


**LOS ANGELES UNIFIED SCHOOL DISTRICT**  
**Board of Education Report**



Respectfully submitted,

APPROVED BY:


  
 DR. JOHN E. DEASY  
 Superintendent

  
 MICHELLE KING  
 Senior Deputy Superintendent  
 School Operations

APPROVED BY:

  
 MARK HOVATTER  
 Chief Facilities Executive  
 Facilities Services Division

REVIEWED BY:

  
 DAVID HOLMQUIST  
 General Counsel

☒ Approved as to form.

  
 JOSÉ J. COLE-GUTIÉRREZ  
 Director, Charter Schools Division  
 Charter Schools Division

  
 TONY ATIENZA  
 Director of Budget Services and  
 Financial Planning

PRESENTED BY:

  
 KRISZTINA TOKES  
 Director of Asset Management Branch  
 Facilities Services Division

☒ Approved as to budget impact statement.





## LOS ANGELES UNIFIED SCHOOL DISTRICT

## SCHOOL CONSTRUCTION BOND CITIZENS' OVERSIGHT COMMITTEE

**Stephen English, Chair**  
L.A. City Controller's Office  
**Pamela Schmidt, Vice-Chair**  
Early Education Coalition  
**Quynh Nguyen, Secretary**  
LAUSD Student Parent  
**Scott Folsom, Executive Committee**  
Tenth District PTSA  
**Stuart Magruder, Executive Committee**  
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**Bill Brewington**  
Thirty-First District PTSA  
**Maria Cabildo**  
LAUSD Student Parent  
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CA Charter School Association  
**Garrett Francis**  
Assoc. General Contractors of CA  
**Eva Hain**  
AARP

**Ron Miller**  
L.A. Co. Federation of Labor AFL-CIO  
**John Naimo**  
L.A. Co. Auditor-Controller's Office  
**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 2013-25

## BOARD REPORT NO. 042-13/14

**AMENDMENT TO THE FACILITIES SERVICES DIVISION STRATEGIC EXECUTION PLAN  
TO APPROVE A CHARTER AUGMENTATION GRANT FOR THE VAUGHN NEXT CENTURY  
LEARNING CENTER PROJECT**

WHEREAS, District staff proposes that the Board of Education (Board) approve an amendment to the Facilities Service Division (FSD) Strategic Execution Plan (SEP) to approve an augmentation grant to for the Vaughn Next Century Learning Center (Vaughn) project in the amount of \$701,323, which includes \$33,500 for District costs; and authorize the Chief Facilities Executive, or his designee, to negotiate and execute all necessary and appropriate agreements related to the charter augmentation grant for the Vaughn Next Century Learning Center Project; and

WHEREAS, The Board allocated \$147.5 Million of current Bond Program funds specifically for charter facilities projects. One of the mechanisms by which the District has provided charter schools with this funding is through the allocation of augmentation grants; and

WHEREAS, Given the increased interest for funding by charter schools, District staff developed a Charter Augmentation Grant Program (Program) that established a process and requirements for the request and allocation of augmentation grants; and

WHEREAS, The Program provides funds to charter schools that need additional funding in order to finance long-term, capital improvement facilities projects. Applicants are required to hold a valid charter, be in good standing, agree to waive the right to submit a *Proposition 39* request for facilities, and contribute a minimum of 65 percent of the total project cost from non-District sources; and

WHEREAS, This action, if approved, will allow District staff to negotiate and enter into all necessary and appropriate agreements with Vaughn for the release of the augmentation grant funds to demolish three unused and undersized, Department of Housing portable buildings and install three permanent classroom buildings. The augmentation grant funds will be provided upon proof that all other non-District funding has been received and/or committed to ensure that funds can be effectively leveraged and that projects will be completed; and

## Bond Oversight Committee

333 S. Beaudry Avenue, 23<sup>rd</sup> Floor, Los Angeles, CA 90017 ♦ Phone: 213. 241.5183 ♦ Fax: 213.241.8354 ♦ [www.laschools.org/bond](http://www.laschools.org/bond)



**RESOLUTION 2013-25****AMENDMENT TO THE FACILITIES SERVICES DIVISION STRATEGIC EXECUTION PLAN  
TO APPROVE A CHARTER AUGMENTATION GRANT FOR THE VAUGHN NEXT CENTURY  
LEARNING CENTER PROJECT**

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WHEREAS, The FSD has concluded (1) that amending the FSD SEP to make an augmentation grant to Vaughn in the amount of \$667,823 will facilitate implementation of the FSD SEP; and (2) that the proposed amendment will not adversely affect the District's ability to successfully complete the FSD SEP;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The School Construction Bond Citizens' Oversight Committee (BOC) recommends that the Board: 1) adopt an amendment to the FSD SEP to approve an augmentation grant to Vaughn in the amount of \$667,823, with an additional \$33,500 to be allocated toward District oversight for a total project amount of \$701,323; and authorize the Chief Facilities Executive, or his designee, to negotiate and execute all necessary and appropriate agreements related to the charter augmentation grant for Vaughn Next Century Learning Center Project as described herein and in the Board Report No. 042-13/14, a copy of which is attached hereto in the form it was presented to the BOC.
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 BOC and the Board, be provided to the BOC within 30 days, reporting either an action taken or proposed to be taken in response to this resolution and each recommendation herein.

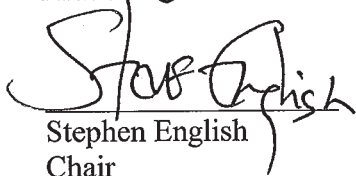
ADOPTED on September 18, 2013 by the following vote:

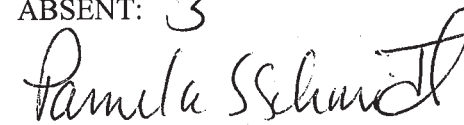
AYES: 10

ABSTAIN: 0

NAYS: 0

ABSENT: 3

  
Stephen English  
Chair

  
Pamela Schmidt  
Vice Chair