

Office of the Inspector General Los Angeles Unified School District

Special Review of Bond Oversight Committee

OA 22-1316

October 4, 2022

Los Angeles Unified School District Office of the Inspector General



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October 4, 2022

Ms. Margaret Fuentes, Chair Bond Oversight Committee Los Angeles Unified School District 333 S. Beaudry Ave., 23rd floor Los Angeles, CA 90017

RE: Bond Oversight Committee – Special Review

Dear Ms. Fuentes:

This is our report of the Bond Oversight Committee – Special Review.

The objectives of this Special Review were to determine that the Bond Oversight Committee's general operations are in line with the provisions of the MOU and any statutory requirements; and ensure those provisions and requirements are in line with other similar citizens' bond oversight committees, especially school districts and other educational institutions.

We appreciate your continued support of our services.

Sincerely,

Austin E. Onwualu, CPA, CIG Deputy Inspector General, Audits

Salvatore Randazz

Interim Inspector General

Los Angeles Unified School District Office of the Inspector General

Bond Oversight Committee Special Review

October 2022

FINAL REPORT

Submitted by BCA Watson Rice, LLP



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1. Executive Summary

Background

The following is a summary of the history of the LAUSD Bond Oversight Committee:

- Initially established by the Board of Education (BOE) as the Blue-Ribbon Bond Oversight Committee under bond measure BB that passed in April 1997.
- In November 2000 Proposition 39 was passed by California voters to amend the California Constitution allowing school districts to pass bond measures if approved by 55% of the local vote.
- The California Education Code (15278-15282) was amended to outline specific requirements for the establishment and operation of an oversight committee if a bond measure is passed with a 55% voter approval.
- In July 2002, the BOE passed a resolution approving placing a bond measure (K) on the ballot. This resolution also included a provision to make adjustments in the composition and functioning of the Citizens Bond Oversight Committee consistent with state law.
- In November 2002 Measure K was passed by voters. Key elements included in this measure regarding oversight include:
 - All expenditures of bond funds shall be subject to the review and oversight of the Citizens' Oversight Committee, which shall review and report on all bond fund expenditures concerning whether the expenditures were consistent with the purposes for which the bonds were authorized.
 - This Citizens' Oversight Committee will have more expansive powers than the minimum defined in state law including:
 - Shall have a budget sufficient to retain independent legal counsel, administrative staff, and a consultant;
 - Shall have the opportunity to review and recommend for or against major projects prior to their approval by the BOE;
 - Will be entitled to access to all information concerning projects not subject to legal privilege;
 - Will have the responsibility to report to the public any information that bond funds are being spent illegally or imprudently or in a manner inconsistent with the strategic execution plans adopted by the BOE.
- To implement the provisions of the resolution and bond measure the BOE renamed the Blue-Ribbon Bond Oversight Committee as the Bond Oversight Committee (BOC) and added 6 members. It also approved a Charter and Memorandum of Understanding (MOU) for the BOC.
- The current version of the Charter/MOU includes the following provision, which is the basis for this review and report:



 In order to ensure the independence and effectiveness of the Committee, the District shall commission an unbiased, competent and independent review of the Committee's processes, including its utilization of staff, consultants, and counsel within five (5) years of the adoption of this MOU and within every five years thereafter. The scope of the review shall be based on applicable statutory requirements of Education Codes §15278 - 15282 and the provisions of the MOU.

Objectives and Methodology

The primary objectives of this review as outlined by the OIG were to:

- 1. Conduct interviews with District personnel and BOC staff, including the BOC Chair and BOC Consultants, regarding the BOC's processes, including its utilization of staff, consultants and counsel.
- 2. Review that the BOC's general operations are in line with the provisions of the MOU and any statutory requirements; and ensure those provisions and requirements are in line with other similar citizens bond oversight committees, especially school districts and other educational institutions.
- 3. Provide a report addressing the review conducted, any findings and recommendations to the BOC and/or the District.

To accomplish these objectives, we:

- Obtained and reviewed key BOC background information and documents.
- Conducted interviews with BOC officers, staff, consultants, and legal counsel.
- Conducted interviews with District staff including the Chief Financial Officer, Chief Facilities Executive, Chief Information Officer, and Chief Facilities Counsel.
- Identified and obtained documentation on the BOC's utilization of staff, consultants, and counsel.
- Developed a matrix of requirements based on statutes and the MOU to compare with BOC activities.
- Obtained and reviewed enabling documents (MOU or Bylaws) from 3 other school district bond oversight committees (San Diego, Long Beach, and Fresno).
- Developed a matrix comparing the similarities and differences between the selected oversight committees and the LAUSD BOC.
- Developed a matrix to compare the BOC's activities and processes and established policies, procedures and practices with minimum and best practice policies, procedures, and practices.



Review Results

A. Consistency of BOC Charter/MOU with Statutes and Bond Measures

We identified the specific requirements for the BOC outlined in the Education Code and in each of the bond measures passed by the voters. We then compared these requirements to the current version of the Charter/MOU. (A matrix showing these requirements and the section(s) of the Charter/MOU related to them is shown as Exhibit 3 at the end of this report.)

The Education Code requires the BOC's purpose to be reviewing bond expenditures and informing the public on the expenditures. This includes consistency with the Constitution and the Bond Project list, and that no funds are used for teacher or administrative salaries. It also includes reporting to the public at least annually on the use of funds. The Code also defines specific duties, membership requirements, and support to be provided by the school district.

Conclusion: The provisions regarding the BOC in the Charter/MOU meet the requirements for bond oversight as defined in the Education Code.

The bond measures approved by the voters include substantial additional requirements for the BOC, stating that the BOC will have more expansive powers than the minimum defined in State law. This includes reviewing and recommending for or against major projects prior to their approval by the BOE.

The bond measures also includes that all expenditures of bond funds are subject to BOC review and oversight and expands the BOC's access to information, stating that the BOC is entitled to access to all information concerning projects not subject to legal privilege. Requirements for District support of the BOC are also expanded, including a budget sufficient to retain independent legal counsel, administrative staff, and a consultant to support the BOC.

Conclusion: The provisions regarding the BOC in the Charter/MOU meet the requirements for bond oversight as defined in the bond measures passed by voters, which include substantial provisions beyond those contained in the Education Code.

B. Consistency of BOC Activities with the Charter/MOU

We identified the specific requirements for the BOC in the Charter/MOU and compared them with current BOC activities. We focused our review on those provisions of the Charter/MOU that define specific functions or required actions for the BOC. We compared these requirements to the actual practices and activities of the BOC. (A matrix showing these requirements and whether BOC practices and activities are consistent with them is provided as Exhibit 4 at the end of this report.)

The following summarizes the requirements and BOC practice:



- **Committee Membership** The Charter/MOU has specific requirements for the fifteen members of the BOC with all members appointed by the BOE. As of June 2022, there were 14 BOC members and 1 vacancy meeting the specific requirements. Other provisions of the Charter/MOU address the terms of members, member attendance at meetings, and the appointment of alternates. Members are also required to sign conflict of interest statements and to disclose any potential conflicts that may arise. The BOC's practices are consistent with these requirements.
- Committee Governance The Charter/MOU requires the BOC to meet monthly
 or as deemed necessary, and that all meetings be open to the public (except to
 discuss legally privileged matters) with proper notice consistent with State law.
 Bylaws are required that define a majority of active members as a quorum, that
 recommendations to approve or disapprove a project requires a majority of active
 members, that other actions may be approved by a majority of active members in
 attendance, a provision for electing a Chair and other officers, and for
 establishment of an Executive Committee. The BOC generally meets monthly with
 all meetings open to the public with appropriate notice as required. The BOC
 Bylaws contain the required elements.
- Committee Reports Regular reports, at least quarterly, on the results of the BOC's activities are required. Minutes of the Committee's proceedings and all documents received, and reports issued must be a matter of public record and posted on the Committee's website. The BOC issues reports quarterly, and minutes of BOC proceedings including documents received and reports issued are public records and available on the BOC website.
- District Support The District is required to provide staff and a supplies budget including a dedicated staff (Director and Administrator). It is also to provide an independent Oversight Consultant and Independent Legal Counsel. The District is also responsible for providing a meeting room and meeting support, maintaining a website for BOC information, and providing a travel budget. The District is meeting these requirements with minor exceptions – the staff provided are an Administrator and Coordinator rather than Director and Administrator, and a specific travel budget is not provided.
- Administration of BOC Staff and Expenses Administration of the BOC is to be under the Chief Financial Officer (CFO) for organizational, budgeting and administrative purposes, with no control over the BOC. BOC staff are considered direct reports to the CFO, but report to and take direction from the BOC. The CFO organization is also responsible for processing BOC invoices in a timely manner. Current practice is consistent with these requirements, except the BOC staff performance evaluations are conducted by the CFO, and significant delays in approving, processing and paying invoices have been reported without communication regarding questions or issues that might cause the delays.



Conclusion: The functions and activities of the BOC, with some exceptions, are consistent with the BOC Charter/MOU. Amendments to the Charter/MOU to specifically address requirements, including those that are outdated or not needed should be considered.

C. Comparison of School District Oversight Provisions

We compared the BOC's Charter/MOU with those of other school district oversight committees. We obtained and reviewed the enabling documents (Charter, MOU, Bylaws) from three other California school district bond oversight committees for similarities and differences between these oversight committees and the BOC.

We selected the three largest school districts in the State after LAUSD. These were San Diego, Long Beach, and Fresno school districts. Exhibit 4 at the end of this report contains a matrix comparing the provisions contained in the enabling documents of these oversight committees.

The enabling document for the BOC is substantially different than those of the other school district oversight committees compared. The key differences include:

- The BOC Charter/MOU and any amendments are negotiated and approved by the BOC, School District and BOE. The other oversight committees' enabling documents are bylaws approved by the BOE, with limited input by the oversight committees.
- The stated purpose of the BOC as a strong and independent Committee is to oversee the expenditure of money for the construction, repair, and modernization of schools by the District in accordance with California law and as required by the bond measures. The other oversight committees' stated purpose is limited to that required by the Education code.
- The BOC is granted specific authority in its Charter/MOU including:
 - More expansive powers than the minimum defined in State law.
 - Shall have the opportunity to review and recommend for or against major projects prior to their approval by the BOE.
 - Will be entitled to access to all information concerning projects not subject to legal privilege.

The other school district oversight committees have no specific authority defined outside specific duties.

- The BOC has access to all information concerning projects not subject to legal privilege. The other oversight committees' access to information is limited to information required by the Education Code.
- The BOC does not have any unauthorized activities or activities specifically reserved to the BOE or Superintendent. Two of the other oversight committees' bylaws include provisions regarding unauthorized activities or activities specifically reserved to the Board or Superintendent.
- The BOC has fifteen members appointed by the BOE, with the qualifications of five members dictated by the Education Code. The other oversight committees' bylaws



provide for fewer members. All members are appointed by the BOE consistent with the requirements of the Education Code. The Chair of the Fresno Committee is appointed by the Superintendent.

- The BOC Charter/MOU requires monthly meetings of the BOC or as deemed necessary, and must be open to the public in compliance with the Brown Act. Two of the other oversight committees require regular meetings at least quarterly. One limits the frequency for committee and subcommittee meetings to no more frequently than monthly, and one requires the committee to meet at least once a year, but no more frequently than quarterly. All meetings must be open to the public and conform with the Brown Act.
- The BOC support from the District includes that required by the Education Code, with additional support including:
 - Providing staff and office supplies budgets sufficient for the Committee to prepare its agenda, distribute materials, prepare minutes, and publish and distribute quarterly reports. Staff shall include a Director and Administrator to assist the Committee.
 - Providing an independent oversight Consultant.
 - Providing a travel budget sufficient to allow each member of the Committee to attend one bona-fide conference or educational seminar related to California school facilities each year and to allow the Committee Chair or other Committee member to testify before a State authority if approved by a majority of Committee members.

The other oversight committees' bylaws provide district support as required by the Education Code.

• The BOC is provided with Independent Legal Counsel, responsible to the Committee and paid by the District with all legal privilege and client loyalty shall be accorded solely to the Committee. One of the other committee's bylaws specifically reserves the handling of all legal matters to the BOE / Superintendent. Other school districts allow the committee to request the Board to authorize legal counsel to advise the Committee on legal matters relating to the operation and/or subject matter of the committee.

Conclusion: The LAUSD BOC Charter/MOU is significantly different than the enabling documents of the oversight committees compared, granting much more authority and responsibility to the BOC than are granted to other school district oversight committees.

D. BOC Processes and Best Practices

We identified and reviewed the key BOC processes including the BOC structure and practices; strategic focus; definition of roles, responsibilities, and key processes; and goal setting and performance measurement. The following summarizes the results of our review:

• **BOC Structure and Practices** - The Bylaws adopted by the BOC are consistent with the Charter/MOU and clearly define the roles and responsibilities for BOC



members and officers. The Bylaws also establish BOC rules and procedures for members and meetings, officer elections and duties, the conduct of the public during meetings, the creation and purpose of committees and sub-committees, the process for developing quarterly reports, and the process for payment of invoices.

- **Strategic Focus** Effective organizations have a strong strategic focus and clear mission and vision statements that communicate what an organization is, what it does and why it does it. With an appropriate strategic focus all groups in the organization have a clear understanding of its purpose, the strategies used to achieve that purpose and the progress being achieved. The following are the stated mission and vision of the BOC:
 - The mission of the BOC is to oversee the permissible and prudent expenditure of funds for the construction, repair, and modernization of schools by the Los Angeles Unified School District. In order to effectively carry out that mission the BOC must remain strong and independent. That is our responsibility to the District, the teachers, the students and the taxpayers.
 - The shared vision of the BOC and 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.
- Roles, Responsibilities and Key Processes Committees such as the BOC operate most effectively when there is a clear definition and understanding of the Committee's role, and the staff and other support functions' roles. The BOC staff and independent consultant also have clearly defined roles and responsibilities, including the process for the review of bond funded projects.
- **Goal Setting and Performance Measurement** Committees with dedicated staff, such as the BOC, should provide clear direction to that staff. To accomplish this, the BOC staff annually develop a draft BOC Staff Work Plan. This Work Plan defines specific objectives for BOC staff, methods for achieving each objective, and metrics for measuring success or progress toward achieving each objective. This draft Work Plan is reviewed with the CFO and the Chair of the BOC and with approval becomes the guiding document for staff. At the end of each year the status of each objective is identified and reported.

Conclusions:

- The Charter/MOU negotiated with the District, as well as BOC Bylaws, clearly define roles and responsibilities of the BOC, its officers and members, key processes and how decisions are to be made by the BOC.
- The BOC has developed a strategic focus communicated through its mission and vision statements.
- The BOC's support staff have clearly defined roles, responsibilities, and key processes.
- The BOC's support staff annually develop clear objectives, methods for achieving those objectives, and metrics for measuring progress.



E. Potential Improvements to the BOC Charter/MOU and Functioning

We identified a number of potential improvements to the BOC Charter/MOU and the BOC functions as part of this review. These are not formal recommendations, but improvement ideas that should be considered by the BOC, BOE, and District management as they work to update and amend the BOC Charter/MOU. Many of these improvement ideas came from BOC members and staff, as well as District management personnel interviewed.

- Charter/MOU Amendments to Address Minor Issues A few relatively minor issues with the Charter/MOU could be considered and addressed through amendments. This includes adding three required oversight duties in the Education Code that are not specifically listed in the Charter/MOU. Current requirements in the Charter/MOU that are outdated or not needed should also be considered.
- Technology Representation on the BOC The BOC Charter/MOU specifies the membership of the BOC with broad representation including three members from the building development industry. Bond measure funded projects have generally been dominated by traditional brick-and-mortar construction projects. While these brick-and-mortar projects continue, technology projects have become more common and a larger part of the District's overall strategy to meet the educational needs of its students. It has been suggested that at least one, and perhaps two, representatives of the technology industry on the BOC would be appropriate and helpful to provide both representation of that industry and technology expertise to the BOC.
- Quorum Requirement for Approval of Bond Projects The BOC Charter/MOU establishes a quorum as a majority of active members of the Committee. Recommendations to the District to approve or disapprove a project must be approved by a majority of the active members of the Citizens' Oversight Committee. Often times there may be only nine or ten active members in attendance at BOC meetings which results in projects not being approved that would likely have been approved with more members in attendance. There are two potential changes that could address this concern. The first would be to amend the Charter/MOU to allow recommendations to the District to approve or disapprove a project be approved by a majority of active BOC members present rather than a quorum of active members. The second change would be to allow the BOC to conduct hybrid meetings that would allow attendance and voting by BOC members either in-person or virtually.
- Independence of BOC Staff The bond measures state that the Citizens' Oversight Committee shall have a budget sufficient to retain independent legal counsel, administrative staff, and a consultant. Current BOC staff are responsible for supporting and carrying out the activities of the BOC, and report to and receive direction from the BOC. They are District employees, and administratively report to the District CFO, who is also responsible for their annual performance evaluations. BOC staff and the CFO clearly understand the staff's independent role



with the BOC and have acted accordingly. However, there may be situations where the BOC's and District's interests are not aligned creating potential conflict. It is not clear in these situations how much, if any, management control the CFO can exert over the BOC staff, or how independently the BOC staff can act without repercussions.

One option that may be considered is to assign the BOC staff and budget to the Office of the Inspector General (OIG). Another option would be for the District to provide the BOC with a budget and for the BOC to independently hire its' own staff. If the current approach to providing BOC staff continues it may be helpful for the CFO and BOC staff to develop and document an agreement on the roles and responsibilities of each relative to the BOC, including clear expectations and appropriate levels of management and budgetary controls.

• Clarification of BOC Authority - The BOC was given much more extensive authority and responsibility by resolutions passed by the BOE and bond measures approved by the voters than is required by the Education Code. The BOC authority and responsibility is also much more extensive than that of other school district oversight committees. This authority allows the BOC to engage in meaningful oversight with much more depth than would be possible without this authority. However, the role of the BOC was still intended to be advisory only, making recommendations to the BOE and reporting to the public. Actual governance of the District is the role of the BOE, with all decision making the responsibility of the BOE and/or Superintendent and District management as delegated to them by the BOE.

Given the broad authority and responsibility given to the BOC there is the potential for the BOC to encroach upon the governance and decision-making authority of the BOE and District management. To avoid potential conflicts with the BOC in the governance and decision-making authority of the BOE and Superintendent and District Management, the authority or "lane" of the BOC could be clarified as part of the amendment of the BOC Charter/MOU. These amendments would need to consider the requirements outlined in the resolutions and bond measures giving the BOC its authority.

• Clarification of Project Permissibility Criteria - A key role of the BOC is to review bond funded projects for consistency with the requirements for these projects under the California Constitution. Some bond funded projects clearly meet the requirements outlined in the California Constitution, while for others permissibility is less clear. The BOE, as well as the Superintendent and District management must weigh the importance and benefits of these projects against the risk that bond funding of these projects may not be permissible in a successful taxpayer lawsuit. This is an appropriate role for the BOE and District management, with the advice of its legal counsel – the Office of General Counsel.

The BOC has developed and applies specific criteria in their review of the permissibility of bond funded projects. These criteria may not include or may be different from the criteria used by the BOE and District management. It would be helpful if the BOC were able to use the same criteria as used by the BOE, or to at



least have a greater understanding and acceptance of that criteria. The BOC, BOE, District management and Office of General Counsel may consider working together to reconcile the criteria and approach used to review the permissibility of bond funding projects.



2. Background

The LAUSD BOC was initially established as the Blue Ribbon Bond Oversight Committee under bond measure BB passed in April 1997. The measure stated that:

To ensure all money from this measure is spent as voters want, each project will be monitored by an Independent Oversight Committee of accountants, construction experts, engineers, architects, and community and business leaders.

In January, 1997 the BOE passed a resolution creating the "Blue Ribbon Bond Oversight Committee" with nine members and the following responsibilities:

- Meeting at least quarterly to review expenditures of bond proceeds and District processes and procedures related to the bond projects.
- Reporting findings quarterly to the BOE and to the public in a written report by the first day of the third month following the end of each quarter. This report should be reviewed in the next meeting of the Audit Committee following submission of the report, and in the next public meeting of the BOE following the Audit Committee review. The BOE will respond in writing to the Committee's recommendation within 60 days of receipt of the report.
- Recommending improvements to District processes and procedures as they relate to scheduling, planning, and completion of projects.
- Reporting immediately to the BOE and to the public any substantial expenditure of bond proceeds in conflict with the purposes approved by the BOE and the contracts established with the schools.

In November 2000 Proposition 39 was passed by California voters to amend the California Constitution. This amendment allowed school districts to pass bond measures if approved by 55% of the local vote, established a requirement for annual performance and financial audits on the use of bond proceeds, and prohibited the use of bond proceeds for salaries or operating expenses. Article 2 of the California Education Code (**15278** - **15282**) was also amended to outline specific requirements for the establishment and operation of an oversight committee if a bond measure is passed with a 55% voter approval as allowed by the California Constitution (Section 1 of Article XIII A subdivision (b) of Section 18 of Article XVI).

In July 2002 the BOE passed a resolution approving placing a bond measure (K) on the ballot. This resolution also included a provision to make adjustments in the composition and functioning of the Citizens Bond Oversight Committee consistent with state law. The following language for the bond measure was on the ballot:

All expenditures by the Los Angeles Unified School District of funds obtained through bonds authorized by this measure shall be subject to the review and oversight of the Citizens' Oversight Committee, which shall review and report on all bond fund expenditures concerning whether the expenditures were consistent with the purposes for which the bonds were authorized and otherwise made pursuant to a strategic execution plan.



This Citizens' Oversight Committee will have more expansive powers than the minimum defined in state law - the Citizens' Oversight Committee shall have a budget sufficient to retain independent legal counsel, administrative staff, and a consultant with a background and skills in accounting or public finance, and shall have the opportunity to review and recommend for or against major projects prior to their approval by the BOE. The Citizens' Oversight Committee will be entitled to access to all information concerning projects not subject to legal privilege and will have the responsibility to report to the public any information that bond funds are being spent illegally or imprudently or in a manner inconsistent with the strategic execution plans adopted by the BOE. The Citizens' Oversight Committee shall review annual, independent performance and financial audits of the bond fund funds are being spent regarding the use of the funds.

To implement the provisions of the resolution and bond measure the BOE renamed the Blue Ribbon Bond Oversight Committee to the Bond Oversight Committee and added 6 members. It also approved a Charter and MOU for the BOC. The Charter/MOU was restated in February 2007 and amended in March 2011 and April 2017. The current version of the Charter/MOU includes the following provision, which is the basis for this review and report:

In order to ensure the independence and effectiveness of the Committee, the District shall commission an unbiased, competent and independent review of the Committee's processes, including its utilization of staff, consultants, and counsel within five (5) years of the adoption of this MOU and within every five years thereafter. The scope of the review shall be based on applicable statutory requirements of Education Codes §15278 - 15282 and the provisions of the MOU.

LAUSD bond measures passed include Proposition BB Measure K include R, Y, Q and RR. The following exhibit shows the LAUSD bond measures passed that the BOC has oversight responsibility for.

Exhibit 1: LAUSD Voter Approved Bond Measures										
	BB	K	R	Y	Q	RR				
Date Approved by Voters	4/1997	11/2002	3/2004	11/2005	11/2008	11/2020				
Voters Approving	71%	64%	63%	66%	69%	71%				
Amount Authorized (Billions)	\$2.4	\$3.35	\$3.87	\$3.98	\$7	\$7				



3. Objectives and Methodology

In accordance with the BOC's charter and MOU with the District, an independent review shall be conducted of the BOC every 5 years to assess the independence and effectiveness of the BOC. Because of the OIG's close working relationship with the BOC, the District sought an external independent CPA/Consulting firm to conduct this review. BCAWR was selected to complete this review.

The primary objectives of this review as outlined by the OIG were to:

- 1. Conduct interviews with District personnel and BOC staff, including the BOC Chair and BOC Consultants, regarding the BOC's processes, including its utilization of staff, consultants and counsel.
- 2. Review that the BOC's general operations are in line with the provisions of the MOU and any statutory requirements; and ensure those provisions and requirements are in line with other similar citizens bond oversight committees, especially school districts and other educational institutions.
- 3. Provide a report addressing the review conducted, any findings and recommendations to the BOC and/or the District.

To accomplish these objectives, we:

- Held a project launch meeting with the OIG to identify and clarify the goals, objectives and timeline for the project.
- Held an entrance conference and discussion with BOC Administrator Tim Popejoy.
- Obtained and reviewed key BOC background information and documents including:
 - MOU and Charter
 - Vision and Mission
 - o Bylaws
 - Quarterly Reports
 - Example BOC Resolutions
- Conducted interviews with:
 - Rachel Greene, BOC Chair
 - Chris Hannan, BOC Vice-Chair
 - Margaret Fuentes, BOC Secretary
 - Timothy Popejoy, BOC Administrator
 - Perla Zitle, BOC Coordinator
 - Lori Raineri, Oversight Consultant
 - Keith Weaver, Oversight Consultant



- Joseph P. Buchman, BOC Legal Counsel
- David Hart, LAUSD Chief Financial Officer
- Mark Hovatter, LAUSD Chief Facilities Executive
- o Soheil Katal, LAUSD Chief Information Officer
- Daphne Congdon Castillo, LAUSD Director of IT Finance & Administration
- Mark A. Miller, Chief Facilities Counsel, LAUSD Office of the General Counsel
- Austin Onwualu, Deputy Inspector General for Audits, LAUSD Office of the Inspector General
- Jas Ahmed, Audit Manager, LAUSD Office of the Inspector General
- Identified and obtained documentation on the BOC's utilization of staff, consultants and counsel including:
 - a. Description of staff roles and responsibilities including consultants and counsel
 - b. BOC staff work plans for FY's 2021 and 2022
 - c. BOC staff process flow diagram
- Obtained and reviewed reports produced by the BOC staff, consultants, and counsel.
- Developed a matrix of requirements based on statutes and the MOU to compare with BOC activities.
- Obtained and reviewed enabling documents (MOU or Bylaws) from 3 other school district bond oversight committees (San Diego, Long Beach, and Fresno).
- Developed a matrix comparing the similarities and differences between the selected oversight committees and the LAUSD BOC.
- Identified best practices policies, procedures and practices for bond oversight committees from organizations such as the National Association of Non-Profits, and The BoardSource.
- Obtained best practice information from the California Association of Bond Oversight Committees (CABOC).
- Developed a matrix to compare the BOC's activities and processes and established policies, procedures, and practices with minimum and best practice policies, procedures, and practices.



4. Review Results

The results of this review are organized around the following topics:

- Consistency of BOC Charter/MOU with Statutes and Bond Measures
- Consistency of BOC Activities with the Charter/MOU
- Comparison of School District Oversight Provisions
- BOC Processes and Best Practices
- Potential Improvements to the BOC Charter/MOU and Functioning

A. Consistency of BOC Charter/MOU with Statutes and Bond Measures

We identified the specific requirements for the BOC outlined in the Education Code and in each of the bond measures passed by the voters. We then compared these requirements to the current version of the Charter/MOU. (A matrix showing these requirements and the section(s) of the Charter/MOU related to them is shown as Exhibit 3 at the end of this report.)

State Statutes / Education Code Requirements

The Education Code requires the BOC's purpose to be reviewing bond expenditures and informing the public on the expenditures. This includes consistency with the Constitution, the Bond Project list, and that no funds are used for teacher or administrative salaries.

Required duties include reviewing annual financial and performance audits, deferred maintenance proposals or plans, and efforts to maximize bond revenues. Duties also include reporting to the public at least annually on the use of funds.

Education Code membership requirements for the BOC include at least seven members representing specific groups including parents, the business community, a taxpayers' organization, and parent-teacher organizations. Members cannot be affiliated with the District as employees, officials, consultants or contractors; and cannot receive compensation. The BOC Bylaws specifies that members cannot receive compensation rather than the Charter/MOU.

The Education Code requires the District to provide the BOC with necessary technical and administrative assistance and resources to publicize its conclusions. It also requires all meetings be public, and records of meetings and documents and reports received and issued be made available on a web site provided by the District.

There are three required oversight duties in the Education Code that are not specifically listed in the Charter/MOU. These are:

- Inspecting school facilities and grounds to ensure that bond revenues are expended in compliance with the requirements.
- Receiving and reviewing copies of any deferred maintenance proposals or plans.



• Reviewing efforts by the school district or community college district to maximize bond revenues by implementing cost-saving measures.

Although these duties are not specifically listed, they are implied in other sections of the Charter/MOU. Future versions of the Charter/MOU should specifically include these provisions.

Conclusion: The provisions regarding the BOC in the Charter/MOU meet most of the requirements for bond oversight defined in the Education Code. Minor amendments in the Charter/MOU to specifically address requirements that are currently implied, but not specifically listed.

Bond Measure Requirements

The bond measures approved by the voters include substantial additional requirements for the BOC, stating that the BOC will have more expansive powers than the minimum defined in State law. This includes reviewing and recommending for or against major projects prior to their approval by the BOE.

The bond measures also include that all expenditures of bond funds are subject to BOC review and oversight and that the BOC serves as the single statutory Oversight Committee for the measure and previous measures. They also expand the BOC's access to information, stating that the BOC is entitled to access to all information concerning projects not subject to legal privilege. Requirements for District support of the BOC are also expanded, including a budget sufficient to retain independent legal counsel, administrative staff, and a consultant to support the BOC.

The bond measures state that the BOC will have the responsibility to report to the public any information that bond funds are spent illegally. The Charter/MOU specifically reserves this responsibility to the OIG, consistent with the OIG's statutory authority.

Conclusion: The provisions regarding the BOC in the Charter/MOU meet the requirements for bond oversight defined in the bond measures passed by voters, which include substantial provisions beyond those contained in the Education Code.



B. Consistency of BOC Activities with the Charter/MOU

We identified the specific requirements for the BOC in the Charter/MOU and compared them with current BOC activities. Many of the sections of the Charter/MOU are general in nature and do not require specific practices or actions for the BOC. Other sections define requirements for the District or the OIG. We focused our review on those provisions of the Charter/MOU that define specific functions or required actions for the BOC. We compared these requirements to the actual practices and activities of the BOC. (A matrix showing these requirements and whether BOC practices and activities are consistent with them is provided as Exhibit 4 at the end of this report.)

Committee Membership

The Charter/MOU has specific requirements for the fifteen members of the BOC with all members appointed by the BOE. This includes five members whose qualifications are dictated by the Education Code, and ten additional members meeting specific qualifications. Actual BOC membership is as defined in the Charter/MOU. As of June 2022, there were 14 BOC members and 1 vacancy.

Other provisions of the Charter/MOU address the terms of members, member attendance at meetings, and the appointment of alternates. The BOC Bylaws define the term of members. Meeting attendance by BOC members is tracked and the Executive Committee takes action if necessary. As of June 2022, three organizations had appointed alternates.

The Charter/MOU also requires members to sign conflict of interest statements and to disclose any potential conflicts that may arise. Committee members annually sign conflict of interest statements as well as completing Form 700 as required by the Fair Political Practices Commission.

Committee Governance

The Charter/MOU requires the BOC to meet monthly or as deemed necessary, and that all meetings be open to the public (except to discuss legally privileged matters) with proper notice consistent with State law. The BOC generally meets monthly with all meetings open to the public with appropriate notice as required.

Bylaws are required that define a majority of active members as a quorum, that recommendations to approve or disapprove a project requires a majority of active members, that other actions may be approved by a majority of active members in attendance, a provision for electing a Chair and other officers and for an Executive Committee. The BOC Bylaws contain the required elements.

Committee Reports

Regular reports, at least quarterly, on the results of the BOC's activities are required. BOC Quarterly reports include an overview of the BOC, a summary of public meetings held, resolutions adopted, or not adopted, reports and correspondence received, BOC Member activities, presentations to the BOE, Task Force and Subcommittee activities, Bond Program updates, BOC member changes, the BOC budget and expenditures, BOC member requests, and information on attendance at BOC meetings.



The Charter/MOU requires that minutes of the Committee's proceedings and all documents received, and reports issued shall be a matter of public record and posted on the Committee's website. Minutes of BOC proceedings including documents received and reports issued are public records and available on the BOC website.

An unbiased, competent, and independent review of the Committee's processes, including its utilization of staff, consultants, and counsel is required every five years based on applicable statutory requirements and the provisions of the MOU. This report addresses this requirement.

A formal review is required, jointly conducted by the District and the BOC, every five years, immediately following the review outlined in the previous paragraph to determine if any amendments to this Charter/MOU should be made. Charter/MOU will be amended after completion of this review.

Required Reviews and Access to Information

The BOC is required to review all expenditures by the District of funds obtained through local bond proceeds concerning whether the expenditures were made consistent with the purposes for which the bonds were authorized and with the Strategic Execution Plan (SEP). The Committee will be entitled to access all information concerning bond-funded projects, programs, and activities not subject to legal privilege. The Committee has the responsibility to inform the public concerning the expenditure of bond proceeds in accordance with the provisions of the Education Code. The BOC reviews all bond fund expenditures and informs the public in accordance with the Education Code through its meeting minutes and quarterly reports posted on its website.

The BOC also is required to review annual, independent performance and financial audits of the bond fund expenditures and report to the public no less than once each year. The BOC reviews annual independent performance and financial audits and reports to the public through its meeting minutes and quarterly reports posted on its website.

The Charter/MOU states the BOC is entitled to information concerning bond-funded projects, programs, and activities, with the exception of legally privileged information. If the Committee finds it necessary to request legally privileged information, the District will consider on a case-by-case basis the balance between the Committee's need to know and the District's need and ability to protect its legal privilege. The BOC receives requested information with the exception of legally privileged information. The BOC has requested legally privileged information. Their request for privileged information was denied.

The Charter/MOU states that Committee Staff shall meet at least annually with each Division with responsibility for the management and execution of an aspect of the District's bond program to review, and update as appropriate and necessary, the type, frequency, form and content of the various information reports provided. These agreements shall be outlined in a written letter of agreement between Committee Staff and District staff. BOC staff meets regularly with bond program Divisions every month and with Facilities Services Division (FSD) multiple times per month. There are no written



agreements with each Division as to reporting beyond the reporting described specifically in the MOU, and BOC staff do not see a need for such agreements.

District Support

The Charter/MOU requires the District to provide staff and office supplies budgets sufficient for the Committee to prepare its agenda, distribute materials, prepare minutes, and publish and distribute quarterly reports. Staff shall include a Director and Administrator to assist the Committee. The BOC has staff and office supplies budget and two Staff. These staff include an Administrator and a Coordinator rather than a Director and Administrator.

The Charter/MOU requires the District to provide an independent Oversight Consultant responsible to the Committee. The Oversight Consultant shall be a contractor to and paid by the District but will be answerable and responsible only to the Committee. The BOC is provided a consultant with knowledge and experience in bond programs and compliance and oversight that is answerable and responsible only to the Committee.

Independent Legal Counsel, responsible to the Committee, to advise the Committee on relevant legal issues and attend the Committee's public meetings is also required. The cost for such Legal Counsel will be paid by the District but all legal privilege and client loyalty shall be accorded solely to the Committee. The BOC is provided independent legal counsel with client loyalty accorded solely to the Committee.

The Charter/MOU requires the District to support broadcasting and recording BOC meetings with translators available at the meetings as needed and as available. The District Board Meeting Room is also to be made available for BOC meetings. BOC meetings are broadcast and recorded with translators available. In-person BOC meetings are held in the Board Meeting Room.

The District is also responsible for maintaining a website on which the Committee can post relevant information. A comprehensive website is provided for BOC information including meeting agendas, resolutions, reports, and videos of meetings.

The District is to provide a travel budget sufficient to allow each member of the Committee to attend one bona-fide conference or educational seminar related to California school facilities each year and to allow the Committee Chair or other Committee member to testify before a State authority if approved by a majority of Committee members. There is no travel budget. BOC members do not attend conferences or seminars. Training is provided by BOC staff, consultant, and counsel.

Administration of BOC Staff and Expenses

The Charter/MOU states the BOC must have an "identity" within the District chart of accounts, organization code, and other structures. The BOC has an identity within the District structure and systems with budget, accounting, human resources, payroll, procurement, and other procedures and systems handled by the District.

The Charter/MOU states the BOC "organization" will be within the organizational hierarchy of the CFO, directly "reporting" to the CFO and will have an annual budget assigned to it that will be adequate for the Committee to carry out its duties,



responsibilities, and powers. The BOC Budget is within the organizational hierarchy of the District CFO and is generally adequate for BOC activities.

The Charter/MOU states the CFO, and his/her direct reports, will in no way have any control over or responsibilities for the actions and activities of the Committee. For personnel purposes, District employees assigned as staff to the Committee will be considered as direct reports to the CFO. The BOC staff report to and take direction from the BOC. However, their performance evaluations are completed by the CFO.

Regarding BOC invoices, the Charter/MOU states that for those items that require District approval, shall be reviewed and considered in a timely manner by the CFO, or a person or persons designated by him/her. If the CFO has questions regarding any BOC financial transaction or activity, he/she will make inquiries in a timely manner, to resolve the matter. Invoices are initially approved by the BOC Chair. Significant delays in approving, processing, and paying invoices have been reported without communication regarding questions or issues that might cause the delays.

The BOC and its staff are to receive the same periodic reports, including those relating to budget and actual expenditures and other matters, that all District organizational units receive. No periodic reports are provided or needed. BOC and Staff have access to budget, expenditure and other information as needed.

With respect to any procurement for the Committee, the Committee must comply with all of the District's policies and procedures for such procurements. All BOC procurements go through the District's procurement process.

Conclusion: The functions and activities of the BOC, with some exceptions, are consistent with the BOC Charter/MOU. Amendments in the Charter/MOU to specifically address requirements, included those that are outdated or not needed should be considered.



C. Comparison of School District Oversight Provisions

We compared the BOC's Charter/MOU with those of other school district oversight committees. We obtained the enabling documents (Charter, MOU, Bylaws) from three other California school district bond oversight committees and identified the similarities and differences between these oversight committees and the BOC.

For this comparison we selected the three largest school districts in the State after LAUSD. These were San Diego USD, Long Beach USD and Fresno USD. Exhibit 5 at the end of this report contains a matrix comparing the provisions contained in the enabling documents of these oversight committees.

The following sections discuss these differences.

Form and Amendment of the Enabling Documents

The LAUSD BOC Charter/MOU and any amendments are negotiated and approved by the BOC, School District and BOE. The Charter/MOU is signed by the BOC Chair, BOE President, District Superintendent and Inspector General.

The other oversight committees' enabling documents are bylaws approved by the BOE. The San Diego committee may submit recommendations for revisions, with approval by the BOE. The Long Beach Committee does not have a defined role in amendments, with only the BOE approving amendments. For the Fresno committee amendments must be approved by two-thirds vote of the committee and the BOE.

Stated Purpose

The stated purpose of the BOC is to serve as a strong and independent Committee to oversee the expenditure of money for the construction, repair, and modernization of schools by the District in accordance with California law and as required by the bond measures. This includes communicating its findings and recommendations to the District and the public so that the school bond funds authorized by the District's voters which require an oversight committee, are expended as the voters intended and comply with all applicable statutes, and that projects are completed wisely and efficiently.

The other oversight committees' stated purpose is limited to that required by the Education code. For the San Diego committee it is to establish a meaningful and effective community and small business outreach. For the Long Beach Committee, it is to satisfy the accountability requirements of Prop 39, also stating the Committee does not have legal capacity independent of the District. For Fresno, it is to inform the public at least annually concerning the expenditure of proceeds of the bonds.

Specific Authority

The BOC is granted specific authority in its Charter/MOU including:

- The BOC will have more expansive powers than the minimum defined in state law.
- Shall have the opportunity to review and recommend for or against major projects prior to their approval by the BOE.



• Will be entitled to access to all information concerning projects not subject to legal privilege.

The other oversight committees' have no specific authority defined outside specific duties.

Access to Information / Authorized Activities

As stated above, the BOC Charter/MOU states that the BOC has access to all information concerning projects not subject to legal privilege. In addition, a list of specific information to be provided, stating it must be timely and complete is outlined in the Charter/MOU. This includes:

- Annual, independent performance and financial audits of the bond fund expenditures.
- The SEP and amendments that include the program goals and principles, sources and uses of funds, deliverables, and associated project delivery schedules.
- Regular updates, both written and in the form of presentations at public meetings, consisting of detailed information regarding progress made, significant schedule and budget variances, and changes in scope.
- Progress reports shall identify significant work underway, and risks associated with the projects, key deliverables for major programs, program expenditures, progress on key milestones, recent bond related actions taken by the BOE, and any other information requested by the Committee Staff.
- Project variance reports, including project budget increases and schedule completion variances, and other information requested by Committee Staff, shall be provided by FSD and other District Divisions with significant bond work underway to the Committee Staff.
- District staff agree to support any BOC task forces, including participating in meetings, providing information, answering questions, and responding to reports and recommendations.

The other oversight committees' bylaws provide the following provisions regarding access to information:

- Receive and review copies of the District's annual independent performance audit and annual independent financial audit.
- Inspect school facilities and grounds to ensure that bond revenues are expended in compliance with California Constitution Article XIII A, Section 1(b)(3).
- Receive and review copies of any deferred maintenance proposals or plans developed by the District.
- Review efforts by the District to maximize bond proceeds by implementing costsaving measures.

Unauthorized Activities or Activities Specifically Reserved to the BOE or Superintendent

The BOC Charter/MOU does not list any unauthorized activities or activities specifically reserved to the BOE or Superintendent.



Two of the other oversight committees' bylaws include provisions regarding unauthorized activities or activities specifically reserved to the Board or Superintendent.

Unauthorized activities for the San Diego oversight committee include:

- Review projects that are not paid for in whole or in part by bond proceeds.
- Establish priorities and order of construction for bond projects, or otherwise determine how bond funds will be spent.
- Select architects, engineers, construction managers, project managers, consultants, or contractors.
- Select independent performance or financial audit firms or consultants.
- Approve annual budget for the Committee that is sufficient to carry out the activities set forth in Proposition 39.
- Appoint or reappoint members to serve on the Committee, subject to Proposition 39 and the Board.

The Fresno oversight committee bylaws state that: "Either the Board or the Superintendent, as the Board shall determine, shall have the following powers reserved to it, and the Committee shall have no jurisdiction over the following types of activities:

- Approval of contracts;
- Approval of change orders;
- Appropriation of bond funds;
- Handling of all legal matters;
- Approval of project plans and schedules;
- Approval of deferred maintenance plans; and
- Approval of the sale of bonds.

The Fresno oversight committee bylaws also state the Board has not charged the Committee with responsibility for:

- Projects financed through the State of California, developer fees, redevelopment tax increment, certificates of participation, lease/revenue bonds, the general fund or the sale of surplus property without Bond Proceeds shall be outside the authority of the Committee.
- The establishment of priorities and order of construction for the bond projects, which shall be made by the Board in its sole discretion.
- The selection of architects, engineers, soils engineers, construction managers, project managers, California Environmental Quality Act consultants and such other professional service firms as are required to complete the project based on District criteria established by the Board in its sole discretion.
- The approval of the design for each project including exterior materials, paint color, interior finishes, site plan and construction methods (modular vs. permanent) which shall be determined by the Board in its sole discretion.
- The selection of independent audit firm(s), performance audit consultants and such other consultants as are necessary to support the activities of the Committee.



Membership

The BOC Charter/MOU sets the number of BOC members at 15 with all members appointed by the BOE. Of these, the qualifications of five members are dictated by the Education Code and include one nominated by the Chamber of Commerce, one nominated by the American Association for Retired Persons, one nominated by the California Tax Reform Association, a parent or guardian of a child enrolled in the District, and one who is the parent or guardian of a child enrolled in the District and active in a parent-teacher organization,

Additional members are nominated by the Tenth District PTSA, the Thirty-First District PTSA, the American Institute of Architects, the Associated General Contractors of California, the Mayor of Los Angeles, the LA County Board of Supervisors from the County Auditor Controller, the Controller of the City of Los Angeles, the County Federation of Labor AFL-CIO, the California Charter School Association, and one member who is active in an organization that furthers the interests of Early Childhood Education.

The other oversight committees' bylaws provide for fewer members, with eleven for San Diego, and seven for Long Beach and Fresno. All members are appointed by the Board consistent with the requirements of the Education Code. All members are appointed by the Board except the Chair of the Fresno Committee, who is appointed by the Superintendent.

Meetings

The BOC Charter/BOC requires monthly meetings of the BOC or as deemed necessary. Meetings are held in LAUSD Headquarters Boardroom and must be open to the public in compliance with the Brown Act. A majority of active members constitutes a quorum. Approval by a majority of active members is required to approve or disapprove a project. Other recommendations may be approved by a majority of the active members in attendance provided there is a quorum.

Two of the other oversight committees' bylaws require regular meetings at least quarterly. San Diego limits the frequency for committee and subcommittee meetings to no more frequently than monthly. Long Beach requires the committee to meet at least once a year, but no more frequently than quarterly. All meetings must be open to the public and conform with the Brown Act. A majority of the members is required for a quorum and is required for any action.

District Support

The BOC Charter/MOU states the District agrees to provide the Committee with:

- Technical and administrative assistance and financial resources in furtherance of its mission and purpose, including sufficient District staff time.
- A rational and timely audit system including annual financial and performance audits (as required by law), audits of bond-funded projects, programs, and activities (as outlined in the Inspector General's approved work plan), process audits and other audits as mutually agreed upon by the District and the Committee. To the extent such audits may



not, in the opinion of District bond counsel, be funded by bond proceeds, the District commits to making District funds available for such audits.

- Providing staff and office supplies budgets sufficient for the Committee to prepare its agenda, distribute materials, prepare minutes, and publish and distribute quarterly reports. Staff shall include a Director and Administrator to assist the Committee.
- Providing an independent Oversight Consultant with a background and skills in construction planning, management, and oversight, responsible to the Committee, who can advise the Committee regarding methods the District is using or could be using to construct, repair and modernize schools. The Oversight Consultant shall be a contractor to and paid by the District but will be answerable and responsible only to the Committee.
- Broadcasting and recording Committee meetings with translators available at the meetings as needed and as available. The District Board Meeting Room will be available to the Committee for its meetings.
- Maintaining a website on which the Committee can post relevant information in accordance with Education Code §15280(b).
- Providing a travel budget sufficient to allow each member of the Committee to attend one bona-fide conference or educational seminar related to California school facilities each year and to allow the Committee Chair or other Committee member to testify before a State authority if approved by a majority of Committee members.

The other oversight committees' bylaws state the District will provide necessary technical and administrative assistance including:

- Preparation of and posting of public notices regarding meetings.
- A meeting room, including any necessary audio/visual equipment.
- Preparation and copies of any documentary meeting materials.
- Retention of all Committee records, and providing public access to such records, including the posting of Committee records on the Internet website maintained by the District.

Legal Advice

The BOC Charter/MOU provides the BOC with Independent Legal Counsel, responsible to the Committee, to advise the Committee on relevant legal issues and attend the Committee's public meetings. The cost for such Legal Counsel will be paid by the District but all legal privilege and client loyalty shall be accorded solely to the Committee.

The San Diego committee bylaws provide no information on legal advice. The Long Beach committee bylaws specifically reserve the handling of all legal matters to the Board / Superintendent. The Fresno oversight committee bylaws allows the committee to request the Board to authorize legal counsel to advise the Committee on legal matters relating to the operation and/or subject matter of the committee.

Conclusion: The LAUSD BOC Charter/MOU is significantly different from the enabling documents of the oversight committees compared, granting much more



authority and responsibility to the BOC than are granted to other school district oversight committees.

D. Bond Oversight Processes

We identified and reviewed the key BOC processes including the BOC structure and practices; strategic focus; definition of roles, responsibilities, and key processes; and goal setting and performance measurement.

BOC Structure and Practices

Effective governance requires that formal structures and practices define how a Committee such as the BOC carries out its duties. A best practice is to develop specific documents that define its functions, decision making, and the specific roles of the Committee and its members. This is often contained in a Charter and Bylaws.

The Bylaws adopted by the BOC are consistent with the Charter/MOU and clearly define the roles and responsibilities for BOC members and officers. The Bylaws also establish BOC rules and procedures for members and meetings, officer elections and duties, the conduct of the public during meetings, the creation and purpose of committees and subcommittees, the process for developing quarterly reports, and the process for payment of invoices.

Strategic Focus

Effective organizations have a strong strategic focus and clear mission and vision statements that communicate what an organization is, what it does and why it does it. With an appropriate strategic focus all groups in the organization have a clear understanding of its purpose, the strategies used to achieve that purpose and the progress being achieved. The following is the stated mission of the BOC:

The mission of the BOC is to oversee the permissible and prudent expenditure of funds for the construction, repair, and modernization of schools by the Los Angeles Unified School District. In order to effectively carry out that mission the BOC must remain strong and independent. That is our responsibility to the District, the teachers, the students, and the taxpayers.

The following is the stated vision of the BOC:

The shared vision of the BOC and 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.

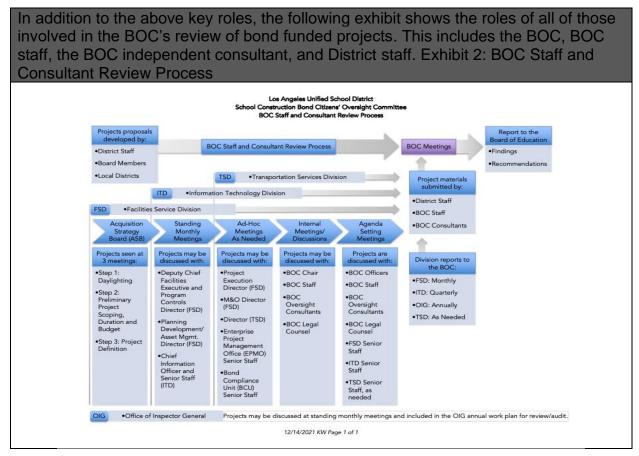
Definition of Roles, Responsibilities and Key Processes

Committees such as the BOC operate most effectively when there is a clear definition and understanding of the Committee's role, and the staff and other support functions' roles.



The BOC staff and independent consultant also have clearly defined roles and responsibilities. The following define the key roles of the BOC staff:

- Review all proposed District bond-funded projects and expenditures presented to the BOC for evaluation and recommendation prior to consideration by the BOE.
- Prepare and produce materials for conducting monthly BOC public meetings and non- public Agenda Setting Meetings attended by the members of the Executive Committee. This includes preparation of agenda packages and coordination with KLCS, Translations Unit and other offices necessary to conduct BOC meetings. In addition, update and maintain the BOC website.
- Participate as observers at District staff regular meetings, committees, and public meetings. Conduct meetings with District division staff that have the responsibility of executing bond-funded programs: FSD, CFO, ITD, TSD and OIG.
- Prepare analysis, memoranda and reports based on directives from BOC leadership and BOC members for specified issues related to bond-funded programs. Respond to public information requests and press/media. Coordinate with Superintendent's office, BOE offices, and Board Secretariat as needed. This includes organizing and conducting the work of Task Forces established for specific concerns by the BOC.





Goal Setting and Performance Measurement

Committees with dedicated staff, such as the BOC, should provide clear direction to that staff. This clear direction should establish specific expectations for the staff and consist of goals and objectives to be accomplished within timeframes. Equally important is for the BOE to evaluate the performance of the staff, providing meaningful feedback on how well expectations are being met. These evaluations should be accomplished routinely.

To accomplish this, the BOC staff annually develop a draft BOC Staff Work Plan. This Work Plan defines specific objectives for BOC staff, methods for achieving each objective, and metrics for measuring success or progress toward achieving each objective. This draft Work Plan is reviewed with the CFO and the Chair of the BOC and with approval becomes the guiding document for staff. At the end of each year the status of each objective is identified and reported. An example an annual BOC Staff Work Plan, including the status at year end, is provided as Exhibit 6 at the end of this report.

Conclusions:

- The Charter/MOU negotiated with the District, as well as BOC Bylaws, clearly define roles and responsibilities of the BOC, its officers and members, key processes and how decisions are to be made by the BOC.
- The BOC has developed a strategic focus communicated through its mission and vision statements.
- The BOC's support staff have clearly defined roles, responsibilities and key processes.
- The BOC's support staff annually develop clear objectives, methods for achieving those objectives and metrics for measuring progress.



E. Potential Improvements to the BOC Charter/MOU and Functions

We identified a number of potential improvements to the BOC Charter/MOU and the BOC functions as part of this review. These are not formal recommendations, but improvement ideas that should be considered by the BOC, BOE, and District management as they work to update and amend the BOC Charter/MOU. Many of these came from BOC members and staff, as well as District management personnel interviewed.

Charter/MOU Amendments to Address Minor Issues

During this review we identified a few relatively minor issues with the Charter/MOU that could be considered and addressed through amendments. This includes adding three required oversight duties in the Education Code that are not specifically listed in the Charter/MOU. These are:

- Inspecting school facilities and grounds to ensure that bond revenues are expended in compliance with the requirements.
- Receiving and reviewing copies of any deferred maintenance proposals or plans.
- Reviewing efforts by the school district or community college district to maximize bond revenues by implementing cost-saving measures.

Although these duties are not specifically listed, they are implied in other sections of the Charter/MOU. Future versions of the Charter/MOU should specifically include these provisions.

Amendments in the Charter/MOU to specifically address requirements that are outdated or not needed should also be considered. These include:

- A written letter of agreement between Committee Staff and the District bond program staff. BOC staff meets regularly with bond program Divisions. There are no written agreements with the Division, and BOC staff do not see a need for such agreements.
- Statement that BOC staff shall include a Director and an Administrator to assist the Committee. Actual staff include an Administrator and a Coordinator rather than a Director and an Administrator.
- The District is to provide a travel budget to allow members to attend a conference or seminar each year and to allow the Committee Chair or other Committee member to testify before a State authority. There is no travel budget or need for a travel budget. BOC members do not attend conferences or seminars. Training is provided by BOC staff, consultant and counsel.

Technology Representation on the BOC

The BOC Charter/MOU specifies the membership of the BOC with broad representation. This includes three members from the building development industry. These members are nominated by the American Institute of Architects, the Associated General Contractors of California, and the Los Angeles County Federation of Labor AFL-CIO.

Bond measure funded projects have generally been dominated by traditional brick and mortar construction projects – building and updating school buildings and facilities, with some technology projects as well. While these brick-and-mortar projects continue, technology projects have become more common and a larger part of the District's overall



strategy to meet the educational needs of its students. The role of technology was further expanded with the need for remote and virtual instruction as a result of the Covid-19 Pandemic.

It has been suggested that at least one, and perhaps two, representatives of the technology industry on the BOC would be appropriate and helpful to provide both representation of that industry and technology expertise to the BOC. A public sector technology expert, such as the Chief Information Officer (CIO) from either the City or County of Los Angeles should be considered. A representative from the private sector could also be helpful.

Since the BOC already has fifteen members it may be preferable to consider replacing one or two current members with the technology representative members. Five of the fifteen members are defined by the Education Code. The remaining members' representation could be changed and still be consistent with the Education Code. The BOC currently has a member that is in the technology industry, however this is coincidental and not part of the structure of the BOC.

Quorum Requirement for Approval of Bond Projects

The BOC Charter/MOU establishes a quorum as a majority of active members of the Committee. Recommendations to the District to approve or disapprove a project must be approved by a majority of the active members of the Citizens' Oversight Committee. Other recommendations may be approved by a majority of the active members in attendance, provided that there is a quorum.

A concern raised was that often there may be only eight or nine active members in attendance at BOC meetings, meeting the requirement for a quorum. However, when few members attend almost all members in attendance must vote yes for projects to be approved under the current quorum requirement for approval of bond projects. One or two members voting no, or abstaining, would result in projects not being approved. This may result in projects not being approved that would likely have been approved with more members in attendance. In these situations, too much weight is given to those members voting no or abstaining.

There are two potential changes that could address this concern. The first would be to amend the Charter/MOU to allow recommendations to the District to approve or disapprove a project be approved by a majority of active BOC members present rather than a quorum of active members. With this change, if only nine active members are in attendance recommendations on projects could be approved by five of the nine voting affirmatively, rather than eight of the nine currently required.

The second change would be to allow the BOC to conduct hybrid meetings that would allow attendance and voting by BOC members either in-person or virtually. This would make attendance much more convenient for BOC members, and most likely would result in more of the BOC members attending the meetings. As with most public meetings, all BOC meetings were held virtually during the pandemic. Attendance by BOC members and participation was reportedly much higher than with in-person meetings. This change



would need to be in compliance with public open meeting requirements and the Brown Act.

Independence of BOC Staff

As discussed earlier in this report, the bond measures state that the Citizens' Oversight Committee shall have a budget sufficient to retain independent legal counsel, administrative staff, and a consultant. The Charter/MOU is consistent with this for the legal counsel and consultant but does not stipulate that the administrative staff is independent.

Current BOC staff include one full-time Administrator and one full-time Coordinator. These staff are responsible for supporting and carrying out the activities of the BOC, and report to and receive direction from the BOC. They are District employees, and administratively report to the District CFO, who is also responsible for their annual performance evaluations. The budget for the BOC is also under the District CFO, including the budget for the independent consultant and legal counsel. The current BOC Charter/MOU contains the following provisions:

The Committee and the District's CFO agree that the CFO will cause to be created a Committee "organization" within the organizational hierarchy of the CFO, directly "reporting" to the CFO. This Committee organization will have an annual budget assigned to it that will be adequate for the Committee to carry out its duties, responsibilities, and powers set forth in this Charter. It shall also have the ability to receive District staff services, engage and pay its independent legal counsel, consultant, and other contractors; to order and reimburse District organizations for services such as recording and televising Committee meetings, translation services, and security; to order office supplies and other materials, and to otherwise conduct its necessary business activities in its conduct of the activities included in this MOU.

The CFO, and his/her direct reports, will in no way have any control over or responsibilities for the actions and activities of the Committee. For personnel purposes, District employees assigned as staff to the Committee will be considered as direct reports to the CFO.

BOC staff and the CFO clearly understand the staff's independent role with the BOC and have acted accordingly. However, there may be situations where the BOC's and District's interests are not aligned creating potential conflicts. It is not clear in these situations how much, if any, management control the CFO can exert over the BOC staff, or how independently the BOC staff can act without repercussions.

One option that may be considered is to assign the BOC staff and budget to the OIG. Since the OIG reports directly to the BOE there would be a greater degree of independence than reporting to the CFO. However, the OIG has a significant role with the BOC and having BOC staff as part of the OIG may conflict with this role.

Another option would be for the District to provide the BOC with a budget and for the BOC to independently hire its staff. While this would ensure the independence of BOC staff, it



would be very difficult to implement and administer over time. Being able to use the District's human resource and other management and administrative capabilities is a benefit to the BOC. In addition, having BOC staff as District employees means they have an understanding of the District, its structure, management and administrative systems and programs.

If the current approach to providing BOC staff continues it may be helpful for the CFO and BOC staff to develop and document an agreement on the roles and responsibilities of each relative to the BOC, including clear expectations and appropriate levels of management and budgetary controls.

Clarification of BOC Authority

As discussed previously in this report, the BOC was given much more extensive authority and responsibility by resolutions passed by the BOE and bond measures approved by the voters than is required by the Education Code. The BOC authority and responsibility is also much more extensive than that of other school district oversight committees. The key elements of this authority include:

- Will have more expansive powers than the minimum defined in state law.
- Shall have the opportunity to review and recommend for or against major projects prior to their approval by the BOE.
- Will be entitled to access to all information concerning projects not subject to legal privilege.
- All expenditures by the Los Angeles Unified School District of funds obtained through bonds authorized by this measure shall be subject to the review and oversight of the Citizens' Oversight Committee.
- Shall have a budget sufficient to retain independent legal counsel, administrative staff, and a consultant with a background and skills in accounting or public finance, and in construction planning, management, and oversight.

This authority allows the BOC to engage in meaningful oversight with much more depth than would be possible without this authority. However, the role of the BOC was still intended to be advisory only, making recommendations to the BOE and reporting to the public. Actual governance of the District is the role of the BOE, with all decision making the responsibility of the BOE and/or Superintendent and District management as delegated to them by the BOE.

Given the broad authority and responsibility given to the BOC there is the potential for the BOC to encroach upon the governance and decision-making authority of the BOE and District management. Some individuals interviewed expressed a desire that the BOC "Stay in their lane." However, it is difficult to set a limit to the BOC's lane given their broad authority, with the only clear limitation on access to information deemed legally privileged.

As discussed previously in this report, other school districts granted only the authority required by the Education code to their oversight committees. Some also specifically outlined limitations on their committees' authority or reserved specific authority areas to the Board and/or the Superintendent. One also provided for the Chair of the oversight



committee to be appointed by the Superintendent, presumably as a means of exerting additional management control over the oversight committee.

To avoid potential conflicts with the BOC in the governance and decision-making authority of the BOE and the Superintendent and District Management, the authority, or "lane," of the BOC could be clarified as part of the amendment of the BOC Charter/MOU. These amendments would need to consider the requirements outlined in the resolutions and bond measures giving the BOC its authority.

Clarification of Project Permissibility Criteria

A key role of the BOC is to review bond funded projects for consistency with the requirements for these projects under the California Constitution (Article XIII A, Section 1(b)(3)). This article states in part that bond funds can be used "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."

Some bond funded projects clearly meet the requirements outlined in the California Constitution, while for others permissibility is less clear. For those projects that are less clear the BOE, as well as the Superintendent and District Management, must weigh the importance and benefits of these projects. They must also assess the risk of a successful taxpayer lawsuit determining funding of these projects is not permissible.

This is an appropriate role for the BOE and District Management, with the advice of its legal counsel – the Office of General Counsel. The governing board of every similar organization must routinely make similar decisions. The basis for these decisions, as well as the legal analysis and advice provided by the Office of Legal Counsel are and clearly should be attorney client privileged information.

The BOC has developed and applies specific criteria in their review of the permissibility of bond funded projects. These criteria may not include or may be different from the criteria used by the BOE and District Management to evaluate the permissibility of bond funding projects.

It would be helpful if the BOC were able to use the same criteria as used by the BOE, or to at least have a greater understanding and acceptance of that criteria. The BOC, BOE, District Management, and Office of General Counsel may consider working together to reconcile the criteria and approach used to review the permissibility of bond funding projects.

There may also need to be a better understanding of the roles regarding permissibility of bond funding projects. The BOE clearly has the role and authority to approve the use of bond funds for projects, and accept the risks associated with those decisions. The BOC has the role of recommending to the BOE approval or disapproval, and reporting to the public.



Exhibit 3: Oversight Requirements in the Education Code and Bond Measures									
Citizen Oversight Requirements		Education Code		LAUSD Voter Approved Bond Measures					Reflected in the Charter/MOU
			BB	K	R	Y	Q	RR	
	The purpose of the Committee shall be to inform the public concerning the expenditure of bond proceeds.	Х						Х	Yes, Section 2.2
	The Committee shall actively review and report on the proper expenditure of taxpayers' money for projects on the Bond Project List.	Х						Х	Yes, Section 2.2
	Shall advise the public as to whether a school district or community college district is in compliance with the requirements of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.	х							Yes, Section 2.2 - in accordance with California law
Stated Purpose	Ensure that no funds are used for any teacher or administrative salaries or other school operating expenses.	х							Yes, Section 2.2 - in accordance with California law
	Shall serve as the single statutory Oversight Committee for this measure and all previous bond measures approved by the voters and requiring such a committee.					x	x	x	Yes, Sections 2.2 and 7.3- Oversee all Bond Measures that require oversight.
	Will have more expansive powers than the minimum defined in state law.			x	х	x	x		Yes, Expansive powers specifically discussed in Sections 6 and 7.
Authority	Shall have the opportunity to review and recommend for or against major projects prior to their approval by the BOE.			x	x	x	x		Yes, Section 6.2 - Committee's recommendations included as part of the District's documentation when a project(s) is prepared for the Board's



Exhibit 3: Oversight Requirements in the Education Code and Bond Measures									
Citizen Oversight Requirements		Education Code 15278 to 15282		LAUSD Voter Approved Bond Measures			ed	S	Reflected in the Charter/MOU
		152701015202	BB	Κ	R	Υ	Q	RR	
									consideration for approval.
	Will be entitled to access to all information concerning projects not subject to legal privilege.			х	x	x	x		Yes, Section 7 Specifically discusses access to information.
	All expenditures by the Los Angeles Unified School District of funds obtained through bonds authorized by this measure shall be subject to the review and oversight of the Citizens' Oversight Committee			х	x	х	x	х	Yes, Section 7.2
	as currently stipulated in its Charter and MOU adopted February 27, 2007. (Added to above provision.)						х	Х	Yes, Section 7.2
	Shall have a budget sufficient to retain independent legal counsel, administrative staff, and a consultant with a background and skills in accounting or public finance; and in construction planning, management, and oversight.			x	x	x	x	x	Yes, for legal counsel and consultant. MOU does not provide for independent administrative staff, Section 8.1.2, 8.1.3, 8.1.4
	Receiving and reviewing copies of the annual, independent performance audit.	Х		х	х	х	х	Х	Yes, Section 7.3
	Receiving and reviewing copies of the annual, independent financial audit.	Х		х	х	х	х	Х	Yes, Section 7.3
Duties	Each year the Committee shall review and report to the public regarding the independent performance and financial audits of the District's bond funded expenditures.	х						х	Yes, Section 7.3
	Inspecting school facilities and grounds to ensure that bond revenues are expended in compliance with the requirements.	х							Not specifically listed. Implied in other provisions.
	Receiving and reviewing copies of any deferred maintenance proposals or plans.	Х							Not specifically listed. Implied in other provisions.



Exhibit 3: Oversight Requirements in the Education Code and Bond Measures									
	Citizen Oversight Requirements	Education Code 15278 to 15282	LAUSD Voter Approved Bond Measures		s RR	Reflected in the Charter/MOU			
	Reviewing efforts by the school district or community college district to maximize bond revenues by implementing cost-saving measures.	х					6		Not specifically listed. Implied in other provisions.
	Report to the public no less than once each year in which bond funds are being spent regarding the use of the funds.	х		х	х	x	x		Yes, Section 5.1 – Regular reports at least quarterly.
	All expenditures by the Los Angeles Unified School District of funds obtained through bonds authorized by this measure shall be subject to the review and oversight of the Citizens' Oversight Committee			х	х	x	x	х	Yes, Section 2.2
	as currently stipulated in its Charter and MOU adopted February 27, 2007. (Added to above provision.)						х	х	Yes, Section 2.2
	Which shall review and report on all bond fund expenditures concerning whether the expenditures were consistent with the purposes for which the bonds were authorized and otherwise made pursuant to a SEP.			х	х	x	x		Yes, Section 7.2, 7.7
	Shall issue regular reports on the results of its activities at least once a year.	х							Yes, Section 5.1 – Requires Quarterly Reports
	Will have the responsibility to report to the public any information that bond funds are being spent illegally or imprudently or in a manner inconsistent with the SEPs adopted by the BOE.			x	x	x	x		Investigation and reporting on illegal activity reserved to the OIG. Section 10
Membership	The Committee shall consist of at least seven members and shall include a member active in a business organization representing the business community located within the District, a member active in a senior citizens' organization, a member active in a bona fide taxpayers' organization, a member that is a parent or guardian of a child enrolled in the District, and a member that is both a parent or guardian of a child enrolled in the District and active in a parent-teacher organization.	Х						x	Yes, Section 3
	The composition and functioning of the BOC comply with state law. No member of the Committee shall receive compensation.	Х					Х	Х	Yes, Section 3.2 Not stated in the Charter/MOU, but



	Exhibit 3: Oversight Requirements in the Education Code and Bond Measures								
	Citizen Oversight Requirements	Education Code 15278 to 15282	LAUSD Voter Approved Bond Measures		Reflected in the Charter/MOU				
									is in the BOC Bylaws
	No employee or official of the District and no vendor, contractor or consultant of the District shall be appointed to the Committee.	Х						Х	Yes, Section 3.6
District Support	The District will provide the Committee with any necessary technical assistance and shall provide administrative assistance in furtherance of its purpose and sufficient resources to publicize the Committee's conclusions.	х						x	Yes, Section 8.1
Mootingo	Meetings shall be open to the public and notice to the public shall be provided in the same manner as the proceedings of the governing board of the district.	х							Yes, Section 4.1
Meetings	Minutes of the proceedings of the and all documents received, and reports issued shall be a matter of public record and be made available on an Internet Web site maintained by the governing board of the district.	х							Yes, Section 5.1



Exhibit 4: Consistency of BOC Activities with Charter/MOU Provisions						
BOC Charter/MOU Provision	Activities Consistent?	Comments				
Committee Membership						
 The membership of the Committee shall be as follows. The five members whose qualifications are dictated by Education Code §15282(a) are noted with a pound sign (#). The Board of Education (Board) shall appoint one member nominated by the Los Angeles Area Chamber of Commerce, a business organization representing the business community located within the school district (#). The Board shall appoint one member who is active in and nominated by the American Association of Retired Persons, a senior citizens' organization (#). The Board shall appoint one member nominated by the California Tax Reform Association, a <i>bona fide</i> taxpayers' organization (#). The Board shall appoint one member who is the parent or guardian of a child enrolled in the District (#). The Board shall appoint one member who is the parent or guardian of a child enrolled in the District (#). The Board shall appoint one member nominated by the Tenth District PTSA. The Board shall appoint one member nominated by the Tenth District PTSA. The Board shall appoint one member nominated by the American Institute of Architects, Los Angeles Chapter. The Board shall appoint one member nominated by the Associated General Contractors of California, Los Angeles District. The Board shall appoint one member nominated by the Controller of the City of Los Angeles. The Board shall appoint one member nominated by the Los Angeles County Board of Supervisors from the Office of the County Auditor-Controller. The Board shall appoint one member nominated by the California Charter School Association of Labor AFL-CIO. The Board shall appoint one member nominated by the California Charter School Association (CCSA) who is not an officer, board member, or employee of CCSA or of a District Charter School or Charter School or Charter School Group. The Board shall appoint one member who is active in an organization that furtheres the interests of	Yes	Actual BOC membership is as defined in the Charter/MOU. As of June 2022, there were 14 BOC members and 1 vacancy.				



Exhibit 4: Consistency of BOC Activities with Charter/MOU Provisions						
BOC Charter/MOU Provision	Activities Consistent?	Comments				
The Committee members shall serve in accordance with the terms permitted by law. Following an absence of one year, any individual whose term has expired due to statutory term limits shall be eligible to serve again.	Yes	Bylaws define the term of members.				
Members are expected to attend all meetings. If a member without good reason acceptable to the Executive Committee of the Committee fails to attend either (a) two or more consecutive meetings or (b) three or more meetings in a year, then the Committee shall define the member as inactive and shall inform the Board of its action in accordance with procedure as established by the Committee.	Yes	Attendance by BOC members is tracked, and absences noted. Executive Committee has never had to remove members and balances volunteer nature of membership with attendance requirements.				
Alternates. Pursuant to a request from a nominating entity listed in section 3.1, above, an individual to act as an alternate for a member of the Committee shall be selected and appointed in the same manner as the primary member. There shall be no difference for purpose of Section 3.2, above, between an individual who has been a primary member, an alternate, or both. The alternate may attend meetings in place of the primary member when the primary member cannot attend. On those occasions when the alternate member attends meetings of the Committee, the alternate member shall be accorded all of the same rights and privileges as those accorded to the primary member except that if the primary member is the Chair, Vice-Chair, or Secretary of the Committee, then the alternate is not to act as the Chair, Vice-Chair, or Secretary. For example, if the Chair of the Committee does not attend a meeting and his or her alternate attends instead, the Vice-Chair would preside over the meeting, not the alternate of the Chair. If both the primary member and his or her alternate both attend a meeting of the Committee, only the primary member shall act as a member of the Committee, then the alternate shall become the primary member, after notification of the nominating entity.	Yes	As of June 2022, three organizations had appointed alternates.				
Committee members are required to sign a conflict-of-interest statement and to disclose any potential conflicts that may arise in the course of their service.	Yes	Committee members annually sign conflict of interest statements as well as completing Form 700 as required by the Fair Political Practices Commission.				
Committee Governance						
The Committee shall meet monthly or as the Committee shall deem necessary to conduct its business. All Committee proceedings shall be open to the public except as necessary to consider	Yes	BOC generally meets monthly. All meetings are open to the				



Exhibit 4: Consistency of BOC Activities with Charter/MOU Provisions						
BOC Charter/MOU Provision	Activities Consistent?	Comments				
legally privileged matters consistent with State law. Notice to the public shall be provided in the same manner as the proceedings of the Board.		public with appropriate notice as required.				
The Committee shall maintain bylaws regarding its internal organization. Such bylaws shall include the following: A majority of the active members of the Committee shall constitute a quorum. Recommendations to the District to approve or disapprove a project must be approved by a majority of the active members of the Committee. Other recommendations may be approved by a majority of the active members in attendance, provided that there is a quorum. A provision for electing a Chair and other officers. A provision for an Executive Committee.	Yes	BOC Bylaws contain the required elements.				
Committee Reports						
The Committee shall issue regular reports on the results of its activities. A report shall be issued at least quarterly and shall include a statement of the Committee's year-to-date budget vs. actual expenses incurred.	Yes	BOC Quarterly reports include an overview of the BOC, a summary of public meetings held, resolutions adopted, or not adopted, reports and correspondence received, BOC Member activities, presentations to the BOE, Task Force and Subcommittee activities, Bond Program updates, BOC member changes, the BOC budget and expenditures, BOC member requests, and information on attendance at BOC meetings.				
Minutes of the Committee's proceedings and all documents received, and reports issued shall be a matter of public record and be made available at Committee meetings, with the exception of any documents that are protected by legal privilege or otherwise exempt from disclosure under the Public Records Act. Such minutes, documents and reports shall be posted on the Committee's website, which shall be provided and maintained by the District.	Yes	Minutes of BOC proceedings including documents received and reports issued are public records and available on the BOC website.				
In order to ensure the independence and effectiveness of the Committee, the District shall commission an unbiased, competent and independent review of the Committee's processes, including its utilization of staff, consultants, and counsel within five (5) years of the adoption of this	Yes	This report addresses this requirement.				



Exhibit 4: Consistency of BOC Activities with Charter/	MOU Provisions	
BOC Charter/MOU Provision	Activities Consistent?	Comments
MOU and within every five years thereafter. The scope of the review shall be based on applicable statutory requirements and the provisions of the MOU.		
The District and the Committee agree that to ensure oversight by the Committee continues to be as effective as possible, the efficacy of this Charter and MOU will be evaluated on a periodic basis and a formal review will be jointly conducted by the District and the Committee within five (5) years of the adoption of this Charter and MOU and within every five years thereafter, immediately following the reviews stipulated in §6.6, to determine if any amendments to this Charter and MOU should be made.	Yes	Charter/MOU will be amended after completion of this review.
Required Reviews and Access to Inform	ation	
All expenditures by the District of funds obtained through local bond proceeds authorized by Proposition BB and Measures K, R, Y, and Q, and any future bond measures which require an oversight committee, shall be subject to the review and oversight of the Committee, which shall review and report on all bond fund expenditures concerning whether the expenditures were made consistent with the purposes for which the bonds were authorized and otherwise made pursuant to a SEP. The District may maintain separate SEPs for different bond-funded programs. The Committee will be entitled to access all information concerning bond-funded projects, programs, and activities not subject to legal privilege. The Committee has the responsibility to inform the public concerning the expenditure of bond proceeds in accordance with the provisions of Education Code §15278.	Yes	The BOC reviews all bond fund expenditures and informs the public in accordance with the Education Code through its meeting minutes and quarterly reports posted on its website.
The Committee shall review annual, independent performance and financial audits of the bond fund expenditures and report to the public no less than once each year in which bond funds are being spent regarding the use of the funds. Furthermore, per Education Code §15280(a)(2), the Board shall provide the Committee with responses to any and all findings, recommendations, and concerns addressed in the audits within three months of receiving the audits. The Committee shall serve as the single statutory Oversight Committee for Proposition BB and Measures K, R, Y, Q, and any future bond measures which require an oversight committee.	Yes	BOC reviews annual independent performance and financial audits and reports to the public.
The Committee is entitled to information concerning bond-funded projects, programs, and activities, with the exception of legally privileged information such as information pertaining to litigation, personnel matters, confidential student information, labor negotiations, procurements in process and investigations of possible criminal activity. If the Committee finds it necessary to request legally privileged information, the District will consider on a case-by-case basis the balance between the Committee's need to know and the District's need and ability to protect its legal privilege.	Yes	BOC receives requested information with the exception of legally privileged information. BOC request for legally privileged information has been denied.
The District and Committee recognize that the Board priorities and focus change over time resulting in changes to bond funded projects and programs, and such changes may necessitate adjustments to the BOC's focus as well. As such, no less than annually, Committee Staff shall meet with each Division with responsibility for the management and execution of an aspect of the District's bond	Yes, with minor difference.	BOC staff meets regularly with bond program Divisions every month – with FSD multiple times per month. There are no



Exhibit 4: Consistency of BOC Activities with Charter/MOU Provisions						
BOC Charter/MOU Provision	Activities Consistent?	Comments				
program to review, and update as appropriate and necessary, the type, frequency, form and content of the various information reports provided. These agreements shall be outlined in a written letter of agreement between Committee Staff and District staff.		written agreements with each Division as to reporting beyond the reporting described specifically in the MOU, and BOC staff do not see a need for such agreements.				
District Support						
Providing staff and office supplies budgets sufficient for the Committee to prepare its agenda, distribute materials, prepare minutes, and publish and distribute quarterly reports. Staff shall include a Director and Administrator to assist the Committee.	Yes, with minor differences.	BOC has staff and office supplies budget. Staff include an Administrator and a Coordinator – no Director.				
Providing an independent Oversight Consultant with a background and skills in construction planning, management, and oversight, responsible to the Committee, who can advise the Committee regarding methods the District is using or could be using to construct, repair and modernize schools. The Oversight Consultant shall be a contractor to and paid by the District but will be answerable and responsible only to the Committee.	Yes	BOC provided a consultant with knowledge and experience in bond programs and compliance. Answerable and responsible only to the Committee.				
Providing Independent Legal Counsel, responsible to the Committee, to advise the Committee on relevant legal issues and attend the Committee's public meetings. The cost for such Legal Counsel will be paid by the District but all legal privilege and client loyalty shall be accorded solely to the Committee.	Yes	BOC provided independent legal counsel. Client loyalty accorded solely to the Committee.				
Broadcasting and recording Committee meetings with translators available at the meetings as needed and as available. The District Board Meeting Room will be available to the Committee for its meetings.	Yes	BOC meetings are broadcast and recorded with translators available. In-person BOC meetings are held in the Board Meeting Room.				
Maintaining a website on which the Committee can post relevant information.	Yes	Comprehensive website provided for BOC information including meeting agendas, resolutions, reports and videos of meetings.				
Providing a travel budget sufficient to allow each member of the Committee to attend one <i>bona-fide</i> conference or educational seminar related to California school facilities each year and to allow the Committee Chair or other Committee member to testify before a State authority if approved by a majority of Committee members.	No, Determined to not be needed.	There is no travel budget. BOC members do not attend conferences or seminars.				



Exhibit 4: Consistency of BOC Activities with Charter/MOU Provisions							
BOC Charter/MOU Provision	Activities Consistent?	Comments					
		Training is provided by BOC staff, consultant and counsel.					
District Handling of Committee Expense	ses						
In order for the Committee to function within the District budget, accounting, human resources, payroll, procurement, and other procedures and systems, the Committee must have an "identity" within the District chart of accounts, organization code, and other structures.	Yes	The BOC has an identity within the District structure and systems with budget, accounting, human resources, payroll, procurement, and other procedures and systems handled by the District.					
The Committee and the District's CFO agree that the CFO will cause to be created a Committee "organization" within the organizational hierarchy of the CFO, directly "reporting" to the CFO. This Committee organization will have an annual budget assigned to it that will be adequate for the Committee to carry out its duties, responsibilities, and powers set forth in this Charter. It shall also have the ability to receive District staff services, engage and pay its independent legal counsel, consultant, and other contractors; to order and reimburse District organizations for services such as recording and televising Committee meeting, translation services, and security; to order office supplies and other materials, and to otherwise conduct its necessary business activities in its conduct of the activities included in this MOU.	Yes	BOC Budget is within the organizational hierarchy of the District CFO.					
The CFO, and his/her direct reports, will in no way have any control over or responsibilities for the actions and activities of the Committee. For personnel purposes, District employees assigned as staff to the Committee will be considered as direct reports to the CFO.	Partially	BOC staff report to and take direction from the BOC. However, their performance evaluations are completed by the CFO.					
For those items that require District approval, shall be reviewed and considered in a timely manner by the CFO, or a person or persons designated by him/her. Invoices rendered by the Committee's independent Legal Counsel, Oversight Consultant, and other contractors will be initially approved by the Committee Chair or, in the absence of the Committee Chair, the Vice Chair or other designated Committee member.	Partially	Invoices are initially approved by the BOC Chair. Significant delays in approving, processing and paying invoices reported.					
The Committee and Committee Staff will receive the same periodic reports, including those relating to budget and actual expenditures and other matters that all District organizational units receive. Documents relating to Committee transactions will be limited in distribution to those with a need to access them, consistent with the provisions of California statutes.	Yes, with minor difference.	No periodic reports provided or needed. BOC and Staff have access to budget, expenditure and other information as needed.					



Exhibit 4: Consistency of BOC Activities with Charter/MOU Provisions								
BOC Charter/MOU Provision	Activities Consistent?	Comments						
If the CFO has questions regarding any Committee financial transaction or activity, he/she will make inquiries of the Committee Chair or, in the absence of the Chair, the Vice Chair, in a timely manner, to resolve the matter.	Partially	Significant delays in approving, processing, and paying invoices reported without communication regarding questions or issues that might cause the delays.						
With respect to any procurement for the Committee, the Committee must comply with all of the District's policies and procedures for such procurements.	Yes	All BOC procurements go through the District's procurement process.						



Exhibit 5: Comparison of Bond Oversight Committee Enabling Documents								
	Los Angeles Unified SD Bond Oversight Committee	San Diego USD Independent Citizen Oversight Committee	Long Beach USD Citizen Oversight Committee	Fresno USD Citizens Bond Oversight Committee				
Enrollment	569,937	122,916	72,202	73,381				
Enabling Document(s)	Charter, MOU Bylaws	Bylaws	Bylaws	Bylaws				
Stated Purpose	The mission of a strong and independent Committee is to oversee the expenditure of money for the construction, repair, and modernization of schools by the District in accordance with California law and as required by Proposition BB, Measure K, Measure R, Measure Y, Measure Q, and any subsequent District bond measure. The Committee is charged with the responsibility of communicating its findings and recommendations to the District and the public so that the school bond funds authorized by the District's voters through Proposition BB, Measure K, Measure R, Measure Y, Measure Q, and any future District bond measures which require an oversight committee, are expended as the voters intended and comply with all applicable statutes, and that projects are completed wisely and efficiently. Essential to these goals are meaningful and effective community and small business outreach, so that the District may maximize available resources and achieve its construction and modernization goals in a timely and cost- efficient manner.	Establishment of meaningful and effective community and small business outreach.	Pursuant to Section 15278 of the Education Code, the District is obligated to establish an Independent Citizens' Bond Oversight Committee for Measure E in order to satisfy the accountability requirements of Prop 39. The Board of Education of the Long Beach Unified School District (the "Board") hereby confirms and determines the Independent Citizens' Bond Oversight Committee (the "Committee") to have the duties and rights set forth in these Bylaws. The Committee does not have legal capacity independent from the District.	Inform the public at least annually concerning the expenditure of proceeds of the bonds.				



Exhibit 5: Comparison of Bond Oversight Committee Enabling Documents				
	Los Angeles Unified SD Bond Oversight Committee	San Diego USD Independent Citizen Oversight Committee	Long Beach USD Citizen Oversight Committee	Fresno USD Citizens Bond Oversight Committee
	Will have more expansive powers than the minimum defined in state law.			
	Shall have the opportunity to review and recommend for or against major projects prior to their approval by the BOE.			
	Will be entitled to access to all information concerning projects not subject to legal privilege.		No specific authority defined outside specific duties.	No specific authority defined outside specific duties.
Specific Authority	All expenditures by the Los Angeles Unified School District of funds obtained through bonds authorized by this measure shall be subject to the review and oversight of the Citizens' Oversight Committee as currently stipulated in its Charter and MOU adopted February 27, 2007.	No specific authority defined outside specific duties.		
	Shall have a budget sufficient to retain independent legal counsel, administrative staff, and a consultant with a background and skills in construction planning, management, and oversight.			
	Receiving and reviewing copies of the annual, independent performance audit.	Inform the public concerning the District's expenditures of bond proceeds. Review and report on the proper expenditures of taxpayers' money for school construction, to	Inform the Public. The Committee shall inform the public concerning the District's expenditure of Bond Proceeds. In fulfilling this duty, all official communications to either the Board or the public shall come from the Chair acting on behalf of the Committee. The Chair shall	Review quarterly expenditure reports produced by the District to ensure that proceeds are expended only for the purposes set forth in the respective ballot measures and ensure that no Bond Proceeds are used for any teacher or administrative
Duties	Receiving and reviewing copies of the annual, independent financial audit.			
	Report to the public no less than once each year in which bond funds are being spent regarding the use of the funds.			
	All expenditures by the Los Angeles Unified School District of funds obtained through bonds authorized by this measure shall be subject to	ensure that bond proceeds are expended only for the purposes described in		



Exhibit 5: Comparison of Bond Oversight Committee Enabling Documents				
Los Angeles Unified SD Bond Oversight Committee	San Diego USD Independent Citizen Oversight Committee	Long Beach USD Citizen Oversight Committee	Fresno USD Citizens Bond Oversight Committee	
the review and oversight of the Citizens' Oversight Committee as currently stipulated in its Charter and MOU adopted February 27, 2007. Which shall review and report on all bond fund expenditures concerning whether the expenditures were consistent with the purposes for which the bonds were authorized and otherwise made pursuant to a SEP. Shall issue regular reports on the results of its activities at least once a year.	California Constitution Article XIII A, Section 1(b)(3), and that no bond proceeds are used for any teacher or administrative salaries or other school operating expense. Issue an annual report, which includes a statement as to whether the District is in compliance with California Constitution Article XIII A, Section 1(b)(3) and results of its activities for the preceding year.	only release information that reflects the consensus view of the Committee. Review Expenditures. The Committee shall review expenditure reports produced by the District to ensure that (a) Bond Proceeds were expended only for the purposes set forth in the Measures; and (b) no Bond Proceeds were used for any teacher or administrative salaries or other operating expenses, in accordance with Attorney General Opinion 04110 issued on November 9, 2004. Annual Report. The Committee shall present to the Board, in public session, an annual written report which shall include the following: a) A statement indicating whether the District is in compliance with the requirements of Article XIIIA, Section 1(b)(3) of the California Constitution; and b) A summary of the Committee's proceedings	salaries or other operating expenses. Present an Annual Report at a public meeting indicating whether the District is in compliance with the requirements of Article XIIIA, Section 1(b)(3) of the California Constitution with respect to the expenditure of the Bond Proceeds; and a summary of the Committee's proceedings and activities for the preceding year.	



	Exhibit 5: Comparison of Bond Oversight Committee Enabling Documents				
	Los Angeles Unified SD Bond Oversight Committee	San Diego USD Independent Citizen Oversight Committee	Long Beach USD Citizen Oversight Committee	Fresno USD Citizens Bond Oversight Committee	
			and activities for the preceding year.		
Access to Information / Authorized Activities	The District agrees to provide the Committee with the necessary information to engage in effective oversight not hindsight. Receipt of timely and complete information is essential in order for the Committee to perform its duties. All expenditures by the District of funds obtained through local bond proceeds authorized by Proposition BB and Measures K, R, Y, and Q and any future bond measures which require an oversight committee, shall be subject to the review and oversight of the Committee, which shall review and report on all bond fund expenditures concerning whether the expenditures were made consistent with the purposes for which the bonds were authorized and otherwise made pursuant to a SEP. The District may maintain separate SEPs for different bond-funded programs. The Committee will be entitled to access all information concerning bond-funded projects, programs, and activities not subject to legal privilege. The Committee has the responsibility to inform the public concerning the expenditure of bond proceeds in accordance with the provisions of Education Code §15278. Committee shall review annual, independent performance and financial audits of the bond fund expenditures and report to the public no less than once each year in which bond funds are being spent regarding the use of the funds. Furthermore, per Education Code §15280(a)(2),	Receive and review copies of the District's annual independent performance audit and annual independent financial audit. Inspect school facilities and grounds to ensure that bond revenues are expended in compliance with California Constitution Article XIII A, Section 1(b)(3). Receive and review copies of any deferred maintenance proposals or plans developed by the District. Review efforts by the District to maximize bond proceeds by implementing cost- saving measures.	In order to perform the duties set forth in Section 3, the Committee may engage in the following authorized activities: a) Receive and review copies of the District's annual independent performance audit and annual independent financial audit as required by Article XIILA of the California Constitution; b) Inspect school facilities and grounds for which Bond Proceeds have been or will be expended, in accordance with any access procedure established by the District's Superintendent; c) Review copies of deferred maintenance proposals or plans developed by the District; and d) Review efforts by the District to maximize Bond Proceeds by implementing various cost-saving measures. In addition to the Annual Report required the	Receive and review copies of the District's annual independent performance audit and annual independent financial audit. Inspect school site facilities and grounds for which Bond Proceeds have been or will be expended. Review the District's efforts to maximize Bond Proceeds.	



Exhibit 5: Comparison of Bond Oversight Committee Enabling Documents				
Los Angeles Unified SD Bond Oversight Committee	San Diego USD Independent Citizen Oversight Committee	Long Beach USD Citizen Oversight Committee	Fresno USD Citizens Bond Oversight Committee	
the Board shall provide the Committee with responses to any and all findings, recommendations, and concerns addressed in the audits within three months of receiving the audits. The Committee shall serve as the single statutory Oversight Committee for Proposition BB and Measures K, R, Y, Q and any future bond measures which require an oversight committee.		Committee may report to the Board from time to time in order to advise the Board on the activities of the Committee. The Annual Report shall be in writing and shall summarize the proceedings and activities conducted by the		
The Committee is entitled to information concerning bond-funded projects, programs, and activities, with the exception of legally privileged information such as information pertaining to litigation, personnel matters, confidential student information, labor negotiations, procurements in process and investigations of possible criminal activity. If the Committee finds it necessary to request legally privileged information, the District will consider on a case-by-case basis the balance between the Committee's need to know and the District's need and ability to protect its legal privilege.		Committee.		
The District acknowledges its duty to gather, analyze and publish information necessary for the Committee and the public to understand the impact of the District's construction, repair and modernization plans, policies and practices on students and the community. This information will enable full and fair participation by all communities in the evaluation of the District's plans to build, repair and modernize schools.				
District agrees to present information concerning bond-funded projects, programs, and activities to				



Exhibit 5: Comparison of Bond Oversight Committee Enabling Documents				
Los Angeles Unified SD Bond Oversight Committee	San Diego USD Independent Citizen Oversight Committee	Long Beach USD Citizen Oversight Committee	Fresno USD Citizens Bond Oversight Committee	
the Committee, in the form of amendments to a SEP, before the District commits itself to a course of action. If a project or any component thereof will result in an impermissible expenditure of bond funds, all parties agree that it should be discovered at an early stage. The Committee has the responsibility to recommend against the expenditure of bond funds when District does not provide adequate information for effective oversight, or when a project or program appears to be impermissible or imprudent.				
The District shall maintain SEPs for the use of the bond proceeds, which shall include the program goals and principles, sources and uses of funds, deliverables, and associated project delivery schedules. The District agrees to provide the Committee with the opportunity to consider all SEP amendments prior to final action by the Board. All SEP amendments shall consist of a budget, scope and schedule and shall be considered in a public meeting at which taxpayers, parents, students, employees, other government agencies, community organizations, and business interests shall be afforded an opportunity to comment. On an annual basis, the District shall publish SEP documents that reflect changes, updates, and amendments and post it on the District's and Committee's websites. The updated SEP documents shall not include any projects and programs not already considered by the BOC and approved by the Board.				



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To support the Committee, and the legislature's intent for such a Committee, the District agrees to provide the Committee with regular updates, both written and in the form of presentations at public meetings, consisting of detailed information regarding progress made, significant schedule and budget variances, and changes in scope. Any significant changes in the scope and intent of a project shall necessitate a redefinition of a project and the presentation of an updated SEP amendment to the Committee for their consideration and subsequently to the Board for their approval.				
Progress reports. Written progress reports shall be provided to the Committee by FSD and other District Divisions with significant bond work underway. The progress reports shall identify significant work underway, and risks associated with the projects, key deliverables for major programs, program expenditures, progress on key milestones, recent bond related actions taken by the Board, and any other information requested by the Committee Staff. The frequency and contents of the progress reports shall be agreed upon by each District Division and Committee Staff. The progress reports shall be posted on the District's and Committee's websites.				
Project variance reports. Project variance reports, including project budget increases and schedule completion variances, and other information requested by Committee Staff, shall be provided by FSD and other District Divisions				



Exhibit 5: Comparison of Bor	nd Oversight Committee E	nabling Documents	
Los Angeles Unified SD Bond Oversight Committee	San Diego USD Independent Citizen Oversight Committee	Long Beach USD Citizen Oversight Committee	Fresno USD Citizens Bond Oversight Committee
with significant bond work underway to the Committee Staff. These reports shall be delivered in a timely manner and as mutually agreed upon, are subject to changes in content and format from time to time depending on the focus, progress and stage of bond funded projects. If Committee Staff has questions or requests related to these reports, District staff shall provide detailed project specific information to Committee Staff upon request. The frequency of the project variance reports shall be agreed upon by each District Division and Committee Staff and outlined in a written letter of agreement.			
If there are major events that could have significant impacts on the program, District staff shall report on them to the Committee as early as possible, even if it is not then practical to develop precise quantitative predictions of their impacts.			
The District and Committee recognize that the Board priorities and focus change over time resulting in changes to bond funded projects and programs, and such changes may necessitate adjustments to the BOC's focus as well. As such, no less than annually, Committee Staff shall meet with each Division with responsibility for the management and execution of an aspect of the District's bond program to review, and update as appropriate and necessary, the type, frequency, form and content of the various information reports provided. These agreements			



	Exhibit 5: Comparison of Bond Oversight Committee Enabling Documents				
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	shall be outlined in a written letter of agreement between Committee Staff and District staff.				
Unauthorized Activities or Activities Specifically Reserved to the Board or Superintendent	No unauthorized activities identified.	Review projects that are not paid for in whole or in part by bond proceeds. Establish priorities and order of construction for bond projects, or otherwise determine how bond funds will be spent. Select architects, engineers, construction managers, project managers, consultants, or contractors. Select independent performance or financial audit firms or consultants. Approve annual budget for the Committee that is sufficient to carry out the activities set forth in Proposition 39. Appoint or reappoint members to serve on the Committee, subject to Proposition 39 and the Board.	Either the Board or the Superintendent, as the Board shall determine, shall have the following powers reserved to it, and the Committee shall have no jurisdiction over the following types of activities: Approval of contracts; Approval of change orders; Appropriation of bond funds; Handling of all legal matters; Approval of project plans and schedules; Approval of deferred maintenance plans; and Approval of the sale of bonds. In recognition of the fact that the Committee is charged with overseeing the expenditure of Bond Proceeds, the Board has not charged the Committee with responsibility for: a) Projects financed through the State of California, developer fees, redevelopment tax increment, certificates of participation, lease/revenue	No unauthorized activities identified.	



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		bonds, the general fund or the sale of surplus property without Bond Proceeds shall be outside the authority of the Committee. b) The establishment of priorities and order of construction for the bond projects, which shall be made by the Board in its sole discretion. c) The selection of architects, engineers, soils engineers, construction managers, project managers, California Environmental Quality Act consultants and such other professional service firms as are required to complete the project based on District criteria established by the Board in its sole discretion. (d) The approval of the design for each project including exterior materials, paint color, interior finishes, site plan and construction methods (modular vs. permanent) which shall be determined by the Board in its sole discretion. e) The selection of independent audit firm(s), performance		



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	Los Angeles Unified SD Bond Oversight Committee	San Diego USD Independent Citizen Oversight Committee	Long Beach USD Citizen Oversight Committee	Fresno USD Citizens Bond Oversight Committee		
			audit consultants and such other consultants as are necessary to support the activities of the Committee.			
Membership Number	15	11	7	7		
Membership	The membership of the Committee shall be as follows. The five members whose qualifications are dictated by Education Code §15282(a) are noted with a pound sign (#). The BOE shall appoint one member nominated by the Los Angeles Area Chamber of Commerce, a business organization representing the business community located within the school district (#). The Board shall appoint one member who is active in and nominated by the American Association of Retired Persons, a senior citizens' organization (#). The Board shall appoint one member nominated by the California Tax Reform Association, a bona fide taxpayers' organization (#). Board shall appoint one member who is the parent or guardian of a child enrolled in the District (#). The Board shall appoint one member who is the parent or guardian of a child enrolled in the District (#).	All members are appointed by the Board and include: Eight (8) members to be nominated by and represented by the parent, community, business and labor organizations listed below, including at least four (4) members who meet designated categories under Education Code section 15282(a) One member who is active in a senior citizens' organization. Two members from the community at large.	Members appointed by the Board of Education from a list of candidates submitting written applications, and based on criteria established by Prop 39: One member shall be the parent or guardian of a child enrolled in the District. One member shall be both a parent or guardian of a child enrolled in the District and active in a parent- teacher organization, such as the Parent Teacher Association or a school site council. One member active in a business organization representing the business community located in the District.	All members are appointed by the Board except the Chair who is appointed by the Superintendent. Members include one person meeting each of the following: Active in a business organization representing the business community located within the District. Active in a senior citizen's organization. Active in a senior citizen's organization. Active in a bona fide taxpayers' organization. A parent or guardian of a child enrolled in the District. Both a parent or guardian of a child enrolled in the District and active in parent-teacher organization.		



Exhibit 5: Comparison of Bor	nd Oversight Committee E	Enabling Documents	
Los Angeles Unified SD Bond Oversight Committee	San Diego USD Independent Citizen Oversight Committee	Long Beach USD Citizen Oversight Committee	Fresno USD Citizens Bond Oversight Committee
organization such as the PTA or school site council (#).		One member active in a senior citizens' organization.	
Board shall appoint one member nominated by the Tenth District PTSA.		One member active in a	
The Board shall appoint one member nominated by the Thirty-First District PTSA.		bona-fide taxpayers association.	
The Board shall appoint one member nominated by the American Institute of Architects, Los		Two members of the community at-large.	
Angeles Chapter.		Members of the Committee shall be appointed by the	
The Board shall appoint one member nominated by the Associated General Contractors of California, Los Angeles District.		Board through the following process: (a) appropriate local groups will be solicited	
The Board shall appoint one member nominated by the Mayor of the City of Los Angeles.		for applications; (b) the Superintendent or his or	
The Board shall appoint one member nominated by the Controller of the City of Los Angeles.		her designee will review the applications; and (c) the Superintendent or his or	
The Board shall appoint one member nominated by the Los Angeles County Board of Supervisors from the Office of the County Auditor-Controller.		her designee will make recommendations to the Board.	
The Board shall appoint one member nominated by the Los Angeles County Federation of Labor AFL-CIO.			
The Board shall appoint one member who is nominated by the California Charter School Association (CCSA) who is not an officer, board member, or employee of CCSA or of a District Charter School or Charter School Group.			
The Board shall appoint one member who is active in an organization that furthers the			



Exhibit 5: Comparison of Bond Oversight Committee Enabling Documents				
	Los Angeles Unified SD Bond Oversight Committee	San Diego USD Independent Citizen Oversight Committee	Long Beach USD Citizen Oversight Committee	Fresno USD Citizens Bond Oversight Committee
	interests of early childhood education, to be nominated by a committee including representatives of the California Community Foundation, Los Angeles Universal Preschool, Preschool California, and Public Counsel Law Center.			
Ethics	Committee members shall comply with the District's Conflict of Interest Code and abide by Article 4 and Article 4.7 of Division 4 of Title 1 of the Government Code. Committee members are required to sign a conflict-of-interest statement and to disclose any potential conflicts that may arise in the course of their service.	Members agree to comply with ethics and conflict of interest laws, complete a Form 700.	Each member shall comply with the Committee Ethics Policy attached as "Exhibit A" to these Amended and Restated Bylaws.	Members agree to comply with ethics and conflict of interest laws, complete a Form 700, and comply with the Committee's Ethics Policy.
Authority of Individual Members	No statement on individual members' authority.	Individual members of the Committee and Subcommittees shall not have the authority to direct staff of the District. Individual members of the Committee retain the right to address the Board, either as an individual, or on behalf of the Committee or Subcommittee, when so directed or authorized by the Committee or Subcommittee.	Committee members shall not have the authority to direct staff of the District, (b) individual members of the Committee retain the right to address the Board, either on behalf of the Committee or as an individual, and (c) Committee and its members shall have the right to request and receive copies of reports and records relating to the projects under the Measures which have been prepared for the Board and	No statement on individual members' authority.



	Exhibit 5: Comparison of Bond Oversight Committee Enabling Documents			
	Los Angeles Unified SD Bond Oversight Committee	San Diego USD Independent Citizen Oversight Committee	Long Beach USD Citizen Oversight Committee	Fresno USD Citizens Bond Oversight Committee
			which have become a public record.	
Term	Terms as permitted by law. (two years with no more than 3 consecutive terms.)	Two years, with no more than 3 consecutive terms.	Each member shall serve a term of two years, commencing on the date of the first meeting of the Committee. No member may serve more than three consecutive terms.	Two years, with no more than 3 consecutive terms.
Removal	Members are expected to attend all meetings. If a member without good reason acceptable to the Executive Committee of the Committee fails to attend either (a) two or more consecutive meetings or (b) three or more meetings in a year, then the Committee shall define the member as inactive and shall inform the Board of its action in accordance with procedure as established by the Committee.	Board may remove any Committee member for cause, including but not limited to failure to attend three (3) consecutive regular Committee meetings due to unexcused absences as determined by the Executive Committee, being absent for more than eighty percent (80%) of the regular Committee meetings in a term year, being absent from regular Committee meetings more than four (4) times in a term year, or for failure to comply with the provisions of these Bylaws. The Board may also remove any Committee	The Board may remove any Committee member for any reason, including failure to attend two consecutive Committee meetings without reasonable excuse or for failure to comply with the Committee Ethics Policy.	Board can remove any member for cause, including failure to attend two consecutive Committee meetings.



	Exhibit 5: Comparison of Bo	nd Oversight Committee E	nabling Documents	
	Los Angeles Unified SD Bond Oversight Committee	San Diego USD Independent Citizen Oversight Committee	Long Beach USD Citizen Oversight Committee	Fresno USD Citizens Bond Oversight Committee
		member in the Board's sole discretion.		
Compensation	No compensation.	No compensation.	No compensation.	No compensation.
Committee Meetings	The Citizens' Oversight Committee shall meet monthly or as the Citizens' Oversight Committee shall deem necessary to conduct its business. Meetings shall be held at the LAUSD Headquarters Boardroom at 10:00 a.m. of the third Wednesday of every month but may be rescheduled or moved to another location as determined by the Chair of the Citizens' Oversight Committee. The Chair shall, with the assistance of staff, prepare the agenda for each meeting of the Citizens' Oversight Committee. Meeting agendas shall be prepared in advance of each meeting based on requests from the District, and suggestions from Members, staff and the public. The Citizens' Oversight Committee shall comply with and be subject to the protections of the Ralph M. Brown Act (Open to the public). A majority of active members of the Citizens' Oversight Committee shall constitute a quorum. Recommendations to the District to approve or disapprove a project must be approved by a majority of the active members of the Citizens' Oversight Committee. Other recommendations may be approved by a majority of the active	Committee and Subcommittees shall establish a schedule for the date and time of regular meetings to be held at least quarterly, but no more frequently than monthly. All Committee and Subcommittee meetings shall be held where noticed, within the jurisdictional boundaries of the San Diego Unified School District. Meetings open to the public and must comply with the Brown Act. A majority of the number of Committee or Subcommittee members shall constitute a quorum for the transaction of any business, discussion, or action except adjournment.	The Committee shall meet at least once a year but no more frequently than quarterly. All meetings shall be held within the boundaries of the Long Beach Unified School District. All meetings shall be open to the public in accordance with the Ralph M. Brown Act. Meetings shall be conducted according to such additional procedural rules as the Committee may adopt. A majority of the number of Committee members shall constitute a quorum for the transaction of any business of the Committee.	Schedule regular meetings at least quarterly. Meeting held at District Administrative Offices Meetings open to the public and must comply with the Brown Act. Six members constitute a quorum, with 5 required to take an action.



	Exhibit 5: Comparison of Bo	nd Oversight Committee E	nabling Documents	
	Los Angeles Unified SD Bond Oversight Committee	San Diego USD Independent Citizen Oversight Committee	Long Beach USD Citizen Oversight Committee	Fresno USD Citizens Bond Oversight Committee
	members in attendance, provided that there is a quorum.			
District Support	The District agrees to provide the Committee with technical and administrative assistance and financial resources in furtherance of its mission and purpose. Financial support will not come from bond funds, except to the extent permitted by law. This assistance includes but is not limited to the commitment of sufficient staff time within the FSD, the Office of the CFO, and other District Divisions to prepare periodic reports that will show the Committee what projects are proposed, what each project is estimated to cost, when each project is scheduled to be completed, each project's current stage of completion, and the final cost of the project. District staff will assist the Committee and its representatives in the fulfillment of the Committee's mission and purpose, including the following: A rational and timely audit system including annual financial and performance audits (as required by law), audits of bond-funded projects, programs, and activities (as outlined in the Inspector General's approved work plan), process audits and other audits as mutually agreed upon by the District and the Committee. To the extent such audits may not, in the opinion of District bond counsel, be funded by bond proceeds, the District commits to making District funds available for such audits. Providing staff and office supplies budgets sufficient for the Committee to prepare its	District to provide necessary technical and administrative assistance including: Preparation of and posting of public notices regarding meetings. A meeting room, including any necessary audio/visual equipment. Preparation and copies of any documentary meeting materials. Retention of all Committee records, and providing public access to such records, including the posting of Committee records on the Internet website maintained by the District. District staff shall make reasonable efforts to attend all Committee and Subcommittee meetings as appropriate to report on the status of projects and the	The District shall provide to the Committee necessary technical and administrative assistance as follows: Preparation of and posting of public notices as required by the Ralph M. Brown Act, ensuring that all notices to the public are provided in the same manner as notices regarding meetings of the District Board; Provision of a meeting room, including any necessary audio/visual equipment; Preparation, translation and copies of any documentary meeting materials, such as agendas and reports; and Retention of all Committee records on an Internet website maintained by the District.	District to provide necessary technical and administrative assistance including: Preparation of and posting of public notices regarding meetings. A meeting room, including any necessary audio/visual equipment. Preparation and copies of any documentary meeting materials. Retention of all Committee records, and providing public access to such records, including the posting of Committee records on the Internet website maintained by the District.



Exhibit 5: Comparison of Bor	nd Oversight Committee E	nabling Documents	
Los Angeles Unified SD Bond Oversight Committee	San Diego USD Independent Citizen Oversight Committee	Long Beach USD Citizen Oversight Committee	Fresno USD Citizens Bond Oversight Committee
agenda, distribute materials, prepare minutes, and publish and distribute quarterly reports. Staff shall include a Director and Administrator to assist the Committee.	expenditures of bond proceeds.	District staff and/or District consultants shall attend Committee proceedings in order to report on the status	
Providing an independent Oversight Consultant with a background and skills in construction planning, management, and oversight, responsible to the Committee, who can advise the Committee regarding methods the District is using or could be using to construct, repair and modernize schools. The Oversight Consultant shall be a contractor to and paid by the District but will be answerable and responsible only to the Committee.		of projects and the expenditures of Bond Proceeds.	
Broadcasting and recording Committee meetings with translators available at the meetings as needed and as available. The District Board Meeting Room will be available to the Committee for its meetings.			
Maintaining a website on which the Committee can post relevant information in accordance with Education Code §15280(b).			
Providing a travel budget sufficient to allow each member of the Committee to attend one <i>bona- fide</i> conference or educational seminar related to California school facilities each year and to allow the Committee Chair or other Committee member to testify before a State authority if approved by a majority of Committee members.			



	Los Angeles Unified SD Bond Oversight Committee	San Diego USD Independent Citizen Oversight Committee	Long Beach USD Citizen Oversight Committee	Fresno USD Citizens Bond Oversight Committee
Legal Advice	Providing Independent Legal Counsel, responsible to the Committee, to advise the Committee on relevant legal issues and attend the Committee's public meetings. The cost for such Legal Counsel will be paid by the District but all legal privilege and client loyalty shall be accorded solely to the Committee.	No information on legal advice.	Handling of all legal matters is specifically reserved to the Board / Superintendent.	May request the Board to authorize legal counsel to advise the Committee on legal matters relating to the operation and/or subject matter of the committee.
Amendment of Enabling Documents	Amendments to the MOU negotiated by the BOC and District with signatures of President of the BOE, Superintendent, Inspector General, and Chair of the Bond Oversight Committee. Notice of a proposed amendment to the Bylaws must be sent by mail and by email or fax (if available) to each member of the Citizens' Oversight Committee at least three (3) days prior to the meeting at which it will be considered. Approval of amendments requires a majority vote of the active members.	The Committee may submit recommendations for revisions to these Bylaws to the Board. Adoption and any amendment to these Bylaws shall be approved by majority vote of the Board.	Any amendment to these Bylaws shall be approved by a majority vote of the Board.	Any amendment to these Bylaws shall be approved by two-thirds vote of the Committee and must be approved by the Board prior to becoming effective.

Independent Citizens' Bond Oversight Committee Bylaws of the Long Beach Unified School District, Updated 11/22/2016.

Fourth Amended and Restated Bylaws of the Independent Citizens Oversight Committee Of The San Diego Unified School District, Updated 12/10/2018. Fresno Unified School District Bylaws of the Citizen Bond Oversight Committee, Amended November 19, 2020.



Exhibit 6: Example of BOC Staff Goals and Performance Indicators

Los Angeles Unified School District School Construction Bond Citizens' Oversight Committee 2020-21 BOC Staff Work Plan

YEAR END REVIEW

	Objective:	Methods to Achieve Objective:	MOU ¹	Metrics for Success:	Status
1	Optimally manage BOC	 Analyze organizational needs and prepare work plan for current fiscal year goals, 		 Draft BOC Staff Work Plan. Review with CFO and Chair. 	- COMPLETED
	organization and budget	objectives and metrics for success. Complete analysis and define		 Review metrics for success at mid-year and June 2021. 	- COMPLETED
	resources	recommendations for organizational		Recommend budget for FY 21-22.	- ONGOING
		improvements and efficiencies.		Employee staff complete District mandated	- COMPLETED
		 Assign and delegate employee tasks as per 		trainings (child abuse, workplace harassment,	
		recommendations.		annual bulletin review, etc.), and performance	
		 Staff development opportunities. 		reviews.	
				Request position study for employee admin	- COMPLETED
				position, seek CFO and PC approval, establish	
				position.	
				 Align budget for new position for current fiscal year; 	- COMPLETED
				recommend budget for 21-22 budget.	
				 Establish new position (BOC Coordinator), 	- COMPLETED
				establish MQs, exam and interview questions, and	
				form scoring panel with PC staff	
				Complete recruitment, interview, make selection	- COMPLETED
				and authorize new assignment for BOC Coordinator.	
				Coordinator.	
2	Maintain stability	 Continue hosting BOC, ASM, and meetings 	4.1	 Complete scheduled monthly BOC meetings with 	- COMPLETED
	in oversight	with District staff virtually via Zoom platform.		at least a quorum of BOC members.	
	during COVID-	 Continue producing standard oversight 	5.1	 Complete the associated ASM meetings with at 	- COMPLETED
	19	reports and website materials in a work-		least two BOC officers in attendance.	
		from-home setting.	3.1	 Timely publish BOC agendas, minutes, and videos 	- COMPLETED
		Help with recruitment and orientation of new		on website.	
		BOC members.	7.3	 Timely publish quarterly BOC reports on website. 	- COMPLETED
		 Review financial and performance audits. 	7.2	 Timely publish all resolutions considered by BOC 	- COMPLETED
		Produce monthly SUP reports on bond		on website.	
		expenditures.		 Maintain full membership of the BOC. 	- COMPLETED
				 Publish financial and performance audits on 	- INCOMPLETE
				website.	(District action)



Exhibit 6: Example of BOC Staff Goals and Performance Indicators

	Objective:	Methods to Achieve Objective:	MOU ¹	Metrics for Success:	Status
				Complete monthly SUP reports.	- COMPLETED
3	BOC Member training and development	 Provide training on bonds (how bonds work, what project types may they be used to fund projects. 		 BCU training provided to the BOC. Update and improve new member orientation package. Other training by BOC staff. Upgrade website – improve functionality including search feature, resource library, etc. 	- COMPLETED - ONGOING - ONGOING - ONGOING
4	Continue to improve engagement and expand understanding of FSD	 Meet with CFE or designated staff monthly. Continue to monitor FSD senior staff meetings. Continue to monitor ASB meetings. Develop written letter of agreement on FSD reporting. Assist with monthly topics for presentation to BOC. Determine w BOC Exec Committee direction for objectives included in BOC resolution for Measure RR: Safety and Security, Climate Resiliency, Innovation, and Equity. 	7.12 7.8	 Receive monthly CFE reports / presentations. Receive updated FSD SUP. Receive updated FSD Consolidated Monthly Financial Report. Complete written agreement on FSD reporting. Complete scheduled monthly meetings with CFE staff. Possible Measure RR BOC Task Force. 	- COMPLETED - COMPLETED - COMPLETED - INCOMPLETE - COMPLETED - FORMED, ONGOING

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Exhibit 6: Example of BOC Staff Goals and Performance Indicators

	Objective:	Methods to Achieve Objective:	MOU ¹	Metrics for Success:	Status
5	Continue to improve	 Meet with CIO or designated ITD staff monthly. 		 Receive monthly CIO reports/ITD bond project and SUP updates. 	- COMPLETED
	engagement with ITD	 Continue attending ITD staff meetings on upcoming projects. Communicate with ITD PM Director at least 		 Improve ITD strategies (BOC approval rate of 67% (4 of 6) for ITD projects in FY 2019-20). 	- COMPLETED
		monthly.	7.8	 Complete written agreement on ITD reporting. 	- INCOMPLETE
		 Assist with monthly topics for presentation 	7.12	Receive ITD Strategic Plan.	- INCOMPLETE
		to BOC			(District action)
		 Develop written letter of agreement on ITD 		Receive monthly DLP reports.	- COMPLETED
		reporting.		BOC staff develop project IT bond fund eligibility	- COMPLETED
		 Review monthly DLP reports. 	7.9	criteria.	(District action)
		Timely review and engagement on new		Publish final IT Task Force #4 report.	- COMPLETED
		proposed projects.		Close out BOC IT Task Force #4 with final TF	- COMPLETED
		Close out BOC IT Task Force #4.	7.1	meeting and prepare and publish "Final Report."	
				 Complete scheduled monthly meetings with ITD staff 	- COMPLETED
				New IT Task Force for Measure RR?	- ONGOING
				 Review of ITD budget structure (i.e. add Indirect Cost and Program Reserve accounts?) 	- ONGOING
				 Monitor ITD-PMO for Director hire and monthly 	- ONGOING
				reporting.	(District action)
6	Better integrate oversight	 Meet with BCU Director and staff monthly. Follow up with BCU on agreed-upon 		 Address delays in processing BOC P-Card and invoice approval process w/CFO admin. 	- ONGOING
	activities with CFO/BCU	information.		 BOC staff develop IT project bond fund eligibility criteria. Review BCU criteria and standards. 	- COMPLETED
				BCU training provided to the BOC.	- COMPLETED
				 Complete scheduled monthly meetings with BCU staff. 	- COMPLETED
				Review and coordinate Bond Performance Audit in	- INCOMPLETE
				Mar 2021. Identify and implement any recommendations.	(District action)
7	Continue to	Meet with IG and staff monthly.	10.5	Receive semi-regular OIG reports / presentations.	- COMPLETED
	strengthen partnership with	Continue providing forum for OIG to present reports.	10.7	 Multiple BOC topic areas included in OIG annual work plan. 	- COMPLETED
	ÖIG	Continue providing BOC input to the OIG.	10.8	 Complete scheduled monthly meetings with OIG staff. 	- COMPLETED

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Exhibit 6: Example of BOC Staff Goals and Performance Indicators

	Objective:	Methods to Achieve Objective:	MOU ¹	Metrics for Success:	Status
8	Incorporate Measure RR into the oversight process ²	 Integrate Measure RR into the monthly SUP report. BOC Task Force(s) to establish policy for Measure RR BOC oversight? Renew engagement with TSD. 	6.6	 Produce an updated SUP/RR report when District updates (Mar 2021). Create BOC Task Force for Measure RR Publish Measure RR Task Force Progress Report Publish IT Task Force #5 report on Measure RR Host meeting with TSD staff. Include Measure RR language and requirements into draft MOU revisions. Meet with BOE President Gonez to review Measure RR priorities and incorporate into BOC work. Meet with Supt/Deputy Supt to review Measure RR priorities and incorporate into BOC work. 	- ONGOING - COMPLETED - COMPLETED - ONGOING - INCOMPLETE - ONGOING - COMPLETED - COMPLETED
9	Better align oversight activities with EPMO during Measure RR implementation ²	 Meet with EPMO staff monthly. Review EPMO project justification forms, risk and impact forms. 		 Receive EPMO forms for all proposed ITD projects. Complete scheduled monthly meetings with EPMO staff. 	- COMPLETED - COMPLETED (LIMITED)
10	MOU	 MOU reviewed every 5 years – last amended 2017. Begin process and analyze document for potential revisions. (MOU requires revisions by 2022.) 	6.6	 Prepare revised draft with potential BOC revisions by June 2021. Include Measure RR language and requirements into draft MOU revisions. Form BOC Task Force? Identify District Working Group. 	- ONGOING - ONGOING - ONGOING
11	FSD Compensation Study	 As per MOU and Bond Measure language. (Next study due to BOE Nov 2021). Begin planning and working with PC staff by March 2021. 		 BOC and PC staff have established tasks and schedule; identified positions for study by June 2021. 	- COMPLETED
2) V Glos Infoi	sary: ASB: Acquisitic mation Officer, DLP:	e RR with 71% approval in November 2020 election. on Strategy Board, ASM: Agenda Setting Meeting, BC Distance Learning Project, EPMO: Enterprise Project	Managem	ompliance Unit, CFE: Chief Facilities Executive, CFO: Chief I ent Office, FSD: Facilities Services Division, ITD: Information 30P: School Upgrade Program, TSD: Transportation Services	Technology Division, OG

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General Contact Information

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