

LOS ANGELES UNIFIED SCHOOL DISTRICT
Board of Education Report



Report Number:	126 – 11/12
Date:	January 10, 2012
Subject:	Amendment to the Facilities Services Division Strategic Execution Plan to Cancel a \$3 Million Grant for the Vaughn Elementary Language Academy Charter School Expansion Project
Responsible Staff:	
Name	Kelly J. Schmader, Chief Facilities Executive
Office/Division	Facilities Services Division
Telephone No.	(213) 241-4811

BOARD REPORT

Action Proposed: Staff proposes that the Board of Education approve an amendment to the Facilities Services Division (FSD) Strategic Execution Plan (SEP) to cancel a \$3 Million grant for the Vaughn Elementary Language Academy Charter School Expansion project (Vaughn ELA), which is operated by Vaughn Next Century Learning Center (Vaughn).

Background: The Board of Education (Board) approved a Revised Measure K Charter School Expansion Policy (Expansion Policy) on August 23, 2005 (BOE #466-04/05). The Expansion Policy was designed to, among other things, assist charter schools that had been apportioned State bond funds from the Charter School Facilities Program (CSFP) by providing qualified applicants with funding to assist with the acquisition and construction of charter school projects.

In accordance with the Expansion Policy, staff issued an application to eligible charter schools for local bond fund grants in the Spring of 2006. One of the projects selected was Vaughn ELA. On October 24, 2006 (BOE #93-06/07), the Board approved an amendment to the SEP to allocate \$3 Million to Vaughn ELA.

Vaughn's project was defined as a new 350 seat, 14-classroom elementary school to be constructed on property purchased by Vaughn in the San Fernando High School attendance area. Vaughn estimated the total cost of the project to be \$21.2 Million and proposed to fund it with a combination of State and District Bond funds and private sources. Ultimately Vaughn determined that they would not vest title in the District as required, which resulted in their non-compliance with the provisions of the grant and, therefore, the monies were never disbursed.

Expected Outcomes: This action, if approved, will cancel the grant for Vaughn ELA and amend the FSD SEP to reflect the cancellation.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Board of Education Report



- Board Options and Consequences:** Approval of the proposed action will cancel the Vaughn ELA grant and enable \$3 Million to be utilized for school Information Technology (IT) network infrastructure upgrades (BOE # 086-11/12).
- Policy Implications:** This action is consistent with the Expansion Policy and the local bond language pertaining to charter school facilities.
- Budget Impact:** On December 13, 2011, the Board amended and adopted a prioritization and funding strategy for school IT network infrastructure upgrades. This item delayed \$99 Million from Board-Prioritized Facilities Programs to fund IT upgrade projects at 138 schools. The funding strategy included \$3 Million associated with the Vaughn ELA expansion project being proposed to be cancelled as part of this action. As such, these funds will be allocated to the aforementioned IT projects. When funds are returned to the FSD Bond Programs, either with the issuance of local bonds or as a result of the receipt of E-Rate funding, \$3 Million will be returned to the Charter Facilities Bond Program. This action does not impact the General Fund.
- Issues and Analysis:** Vaughn originally started as a conversion charter at the District-owned Vaughn Street Elementary School. Vaughn subsequently acquired property near the existing school site in order to expand. The grant was intended to assist with the construction of new elementary school facilities on the acquired property. Pursuant to *California Education Code 47614* and local bond language for Measures K, R, Y, and Q, the investment of District Bond funds must be in a property to which the District holds title. For this project, Vaughn determined that they did not want to vest title in the District. Therefore, the District deemed Vaughn ineligible and the grant was not disbursed. Vaughn ELA is currently under construction and the facility will be completed without these funds.
- Bond Oversight Committee Recommendations:** This item was considered by the School Construction Bond Citizens' Oversight Committee (BOC) at its meeting of December 15, 2011. The BOC adopted the attached resolution by a vote of 8 ayes and 0 nays.
- Staff has concluded that this proposed SEP Amendment will facilitate implementation of the SEP, and therefore, it will not adversely affect the District's ability to successfully complete the SEP.
- Attachments:**
- Informative Desegregation Impact Statement** This action does not require a Desegregation Impact Statement.

LOS ANGELES UNIFIED SCHOOL DISTRICT
Board of Education Report



Respectfully submitted,

APPROVED BY:

DR. JOHN E. DEASY
Superintendent

MICHELLE KING
Senior Deputy Superintendent
School Operations

REVIEWED BY:

APPROVED &
PRESENTED BY:

DAVID HOLMQUIST
General Counsel

Approved as to form.

KELLY J. SCHMADER
Chief Facilities Executive
Facilities Services Division

TONY ATIENZA
Director of Budget Services and
Financial Planning (Interim)

Approved as to budget impact statement.

Elizabeth Bar-El, Chair
LAUSD Student Parent
(Primary Member)

Stephen English, Vice Chair
L.A. City Controller's Office

John Naimo, Secretary
L.A. County Auditor-Controller's
Office (Primary Member)

Maria Cabildo, Executive Committee
LAUSD Student Parent
(Primary Member)

Chester Widom, Executive Committee
American Institute of Architects

Ilene Ashcraft
Tenth District PTSA

Paul Escala
CA Charter School Association

Eva Hain
AARP

John Hakel
Associated General Contractors of
CA

Robbie Hunter
L.A. Co. Federation of Labor,
AFL-CIO

Pamela Schmidt
Early Education Coalition

Joan Sullivan
L.A. Mayor's Office

Wendy Watanabe
L.A. County Auditor-Controller's
Office (Alternate Member)

Barry Waite
LAUSD Student Parent
(Alternate Member)

(Vacant)
California Tax Reform

(Vacant)
L.A. Area Chamber of Commerce

(Vacant)
Thirty-First District PTSA

Joseph P. Buchman – Legal Counsel
Burke, Williams & Sorensen, LLP

Thomas A. Rubin
Oversight Committee Consultant

Gary C. Anderson
Bond Administrator
Daniel Hwang
Administrative Analyst

RESOLUTION 2011-51
BOARD REPORT NO. 126-11/12

**AMENDMENT TO THE FACILITIES SERVICES DIVISION STRATEGIC EXECUTION PLAN TO
CANCEL A \$3 MILLION GRANT FOR THE VAUGHN ELEMENTARY LANGUAGE ACADEMY
CHARTER SCHOOL EXPANSION PROJECT**

WHEREAS, District Staff proposes that the Board of Education approve an amendment to the Facilities Services Division (FSD) Strategic Execution Plan (SEP) as follows:

- Cancel a \$3 Million grant for the Vaughn Elementary Language Academy Charter School Expansion project (Vaughn ELA), which is operated by Vaughn Next Century Learning Center (Vaughn) as described in Board Report No. 126-11/12 (attached hereto); and

WHEREAS, The Board of Education approved the Revised Measure K Charter School Expansion Policy (Expansion Policy) on August 23, 2005, which provided the framework for implementing the Charter School provision of Measure K; and

WHEREAS, A portion of the Expansion Policy is designed to assist charter schools that have been apportioned State bond funds from the Charter School Facilities Program (CSFP) by providing qualified applicants with funding to assist with the acquisition and construction of charter school projects; and

WHEREAS, In accordance with the Expansion Policy, staff issued an application to eligible charter schools for local bond fund grants in the spring of 2006; and

WHEREAS, On October 24, 2006, the Board of Education approved an amendment to the Facilities Services Division Strategic Execution Plan to allocate \$3 Million to the Vaughn Elementary Language Academy Charter School Expansion project to assist with the construction of a new 350 seat, 14

Resolution No. 126-11/12

Amendment To The Facilities Services Division Strategic Execution Plan To Cancel A \$3 Million Grant For The Vaughn Elementary Language Academy Charter School Expansion Project

December 15, 2011

Page 2

classroom elementary school to be constructed on property purchased by Vaughn Next Century Learning Center (Vaughn) in the San Fernando High School attendance area; and

WHEREAS, Pursuant to *California Education Code 47614* and local bond language for Measures K, R, Y, and Q, the investment of District Bond funds must be in a property to which the District holds title; and

WHEREAS, Ultimately Vaughn determined that they would not vest title in the District as required, which resulted in their non-compliance with the provisions of the grant and, therefore, the monies were never disbursed; and

WHEREAS, District Staff has concluded that this proposed SEP amendment will facilitate implementation of the SEP, and therefore, it will not adversely affect the District's ability to successfully complete the SEP.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The School Construction Bond Citizens' Oversight Committee recommends that the Board of Education approve an amendment to the Facilities Strategic Execution Plan (SEP) as follows:
 - Cancel a \$3 Million grant for the Vaughn Elementary Language Academy Charter School Expansion project (Vaughn ELA), which is operated by Vaughn Next Century Learning Center (Vaughn) as described in Board Report No. 126-11/12 (attached hereto); and
2. This resolution shall be transmitted to the Los Angeles Unified School District Board of Education and posted on the BOC's website.
3. That a written response, as required by the Charter and Memorandum of Understanding between the District and the BOC shall be provided to the BOC within 30 days, reporting either action taken or proposed to be taken in response to this resolution and each recommendation herein.

ADOPTED on December 15, 2011, by the following vote:

AYES: 8

ABSTAIN: 0

NAYS: 0

ABSENT: 5

Elizabeth Bar-El

Elizabeth Bar-El
Chair

Steve English

Steve English
Vice Chair