



# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Board of Education Report

<b>Report Number:</b>	157 – 15/16
<b>Date:</b>	November 10, 2015
<b>Subject:</b>	Update to the School Upgrade Program
<b>Responsible Staff:</b>	
Name	Mark Hovatter, Chief Facilities Executive
Office/Division	Facilities Services Division
Telephone No.	213.241.4811

### BOARD REPORT

**Action Proposed:** Staff proposes that the Board of Education approve updates to the School Upgrade Program as follows:

1. Allocate \$528.25 Million of Bond Program funding to enable staff to undertake necessary and prioritized structural changes to school facilities in order to comply with the program accessibility requirements of the Americans with Disabilities Act (ADA) Title II Regulations, and the provisions of the Modified Consent Decree (MCD), by taking the following actions (the funding for this effort will be allocated to the special education category of capital need despite the fact that the improvements will go beyond benefitting special education students):
  - i. Approve an amendment to the Facilities Services Division (FSD) Strategic Execution Plan (SEP) to cancel the Mandarin Foreign Language Immersion Program Elementary School project at Mark Twain Middle School, which will result in an estimated \$25 Million of unspent funds being returned to the specialized instructional programs category of capital need.
  - ii. As detailed in Attachment A, approve a total of \$189 Million in direct reallocations from four categories of capital need (including the specialized instructional programs category of need and the funding associated with the cancellation of the Mandarin Elementary School project at Mark Twain Middle School), and \$339.25 Million in proportional reallocations from seven categories of capital need to the special education category of capital need. This funding will be targeted specifically for the development and execution of program accessibility projects.



## LOS ANGELES UNIFIED SCHOOL DISTRICT Board of Education Report

2. Approve the reallocation of Bond Program funds targeted for the “to-be-determined needs” category of capital need as follows:
  - i. \$139.3 Million for additional critical school repair and safety projects; \$39.3 Million of which will be earmarked for the installation of air-conditioning (A/C) in gymnasiums that do not have A/C.
  - ii. \$100 Million for additional improvements to technology infrastructure and systems.
3. Per the May 2014 adopted, *Wellness Centers Now: A Smart Investment in Our Communities’ Health for Our Student Success* Board Resolution, approve the reallocation of \$25 Million from the specialized instructional programs category of capital need, to the partnerships/community use facilities category of capital need to support the development of new, and the expansion of existing wellness clinics. Per the Resolution, with approval of this action, in total, \$50 Million will be targeted for wellness clinic projects.

### **Background:**

On January 14, 2014, the Board of Education approved the School Upgrade Program (Program), considered to be the next phase of the District's Bond Program (BOE #143-13/14). The Board's action approved the allocation of approximately \$7.8 Billion in Program funding, 18 specific categories of capital needs/priorities with individual spending targets, and the overarching goals and principles of the Program. Under the Program, projects are developed to address a particular category of capital need, and align with the Program’s goals and principles: schools should be safe and secure, school building systems should be sound and efficient, and facilities should align with instructional requirements and vision. The Program’s categories of capital need and associated spending targets replaced the priorities and funding targets outlined in the 2008 bond package summary approved by the Board of Education on July 31, 2008, as part of its action to adopt the proposed November 4, 2008 Local Bond Resolution (BOE #496-07/08).

As a result of the *Chanda Smith* litigation, in 2003, the District entered into a Modified Consent Decree for the purpose of bringing the District into compliance with the Individuals with Disabilities Education Act (IDEA), and Section 504 of the Rehabilitation Act of 1973. The District has made substantial progress in its efforts to comply with the provisions of the MCD, to make its school facilities, services, programs, and activities accessible. Despite the considerable progress made, the Federal



## LOS ANGELES UNIFIED SCHOOL DISTRICT Board of Education Report

Court-appointed Independent Monitor has not released the District from the MCD.

The Independent Monitor has informed District leadership that he will not certify that “the District has no systemic program accessibility problems that prevent substantial compliance with program accessibility requirements of federal special education laws and regulations” until the District meets its obligation to comply with Title II of the ADA. The Independent Monitor has also emphasized the need to develop a Transition Plan, which identifies the barriers that limit program accessibility, and describes the methods that will be used to remove the identified and prioritized barriers to program accessibility. The proposed updates to the School Upgrade Program are, in part, designed to assist in the development and implementation of the Transition Plan and, in turn, assist the Independent Monitor in making that certification, which is required for the District to be released from the MCD.

There is an immediate need to fund necessary and prioritized structural changes to school facilities in order to comply with the program accessibility requirements of the ADA Title II Regulations, and the provisions of the MCD. Based on surveying approximately 10 representative sites and a subsequent analysis, staff is estimating it will cost \$600 Million to make necessary and prioritized structural changes to comply with the program accessibility requirements of the ADA Title II regulations, and provisions of the MCD. In addition to the reallocations proposed above, \$41.75 Million of Bond Program funds already targeted for special education facilities will be utilized for program accessibility improvements, and at least \$30 Million of program accessibility improvements will be undertaken as part of the major/comprehensive modernization projects.

Implementing structural changes to remove identified and prioritized barriers to program accessibility is not the District’s only pressing capital need. While funding has been identified to address some of the most critical school repair and safety concerns, and replace and upgrade the most significant information technology infrastructure and systems, the previous spending targeted for these priorities is insufficient.

Approximately 80 percent of the nearly \$1 Billion that was initially targeted for critical school repair and safety improvements has already been authorized for projects. These funds will only enable a fraction of the backlog of known critical school repair and safety conditions to be addressed, and there is no additional source of capital funding anticipated



## LOS ANGELES UNIFIED SCHOOL DISTRICT Board of Education Report

in the near future. With regard to information technology, additional funding is anticipated to be required to complete the My Integrated Student Information System (MiSiS) project. Additionally, several schools' telecommunications systems, among other technology-related items, have aged significantly and Information Technology Division staff indicates that replacement will be required in the near term.

There are still funds targeted for the "to-be-determined" category of capital need that have not been allocated to a specific project or priority. Given the importance of providing students with a safe and healthy learning environment that supports teaching and learning, and the significant amount of unaddressed need, the Superintendent has decided that it would be appropriate to allocate funding from the "to-be-determined" category of need to support additional critical school repair and safety improvements, and improvements to information technology infrastructure and systems.

**Expected Outcomes:** Staff anticipates that the Board of Education will approve the updates to the School Upgrade Program and the associated actions necessary to implement the updates. The proposed action will enable staff to develop projects to implement structural changes to remove identified and prioritized barriers to program accessibility, thus bettering program and school-site accessibility for students, families, and the community by providing the greatest accessibility Districtwide. This work will enable the District to comply with ADA Title II program accessibility requirements and the provisions of the MCD.

The proposed action will also provide additional funding to address much needed critical school safety repairs including the installation of A/C in gymnasiums, and improvements to technology infrastructure and systems.

**Board Options and Consequences:** If the Board of Education does not approve the proposed action, staff will be unable to execute necessary and prioritized structural changes at school sites in order to comply with ADA Title II program accessibility requirements. This will result in the District not meeting MCD requirements and prolonging disengagement from the MCD for the foreseeable future. Furthermore, additional funding will not be made available to address additional critical school repair and safety needs, and improvements to technology infrastructure and systems.

**Policy Implications:** The proposed action supports the District's responsibilities outlined in the MCD, and will enable the District to comply with the ADA Title II program accessibility requirements. The proposed actions are also



# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Board of Education Report

consistent with the District's long-term goal to address unmet school facilities needs and significantly improve the conditions of aging and deteriorating school facilities as described in the District's local bond measures K, R, Y and Q.

The proposed action does not authorize the actual expenditure of bond proceeds. Separate proposals to undertake a project that include a defined budget, scope, and schedule must be presented to the Bond Citizens' Oversight Committee (BOC) for consideration, and the Board of Education for approval.

**Budget Impact:** The proposed action will result in changes to the amount of spending targeted for certain categories of capital need in the School Upgrade Program. The FSD-SEP and the Information Technology Division (ITD) SEP will be updated to reflect the updates to the School Upgrade Program. The action proposed does not authorize any expenditures.

**Issues and Analysis:** The District is still making up for decades of unmet capital needs, however new requirements and priorities continue to emerge, and the backlog of unaddressed conditions continues to grow. The District has a finite amount of Bond Program funding available to address its capital needs, as such it is necessary to update the School Upgrade Program to reallocate funds previously targeted for certain categories of capital need to address critical school safety conditions, technology infrastructure and systems, and most importantly program accessibility improvements.

**Bond Oversight Committee Recommendations:** This item was considered by the School Construction Bond Citizens' Oversight Committee (BOC) at its meeting on October 29, 2015. Staff has concluded that this proposed SEP amendment, and other updates to the School Upgrade Program, will help facilitate implementation of the FSD-SEP and ITD-SEP, therefore, it will not adversely affect the District's ability to successfully complete the SEPs.

**Attachments:**

- Attachment A – Funding summary for prioritized and necessary structural changes to comply with ADA Title II program accessibility requirements
- Attachment B – Updated School Upgrade Program Spending Targets

**Informative** October 23, 2015 School Upgrade Program Updates Revised Informative

**Desegregation Impact Statement** N/A



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

Respectfully submitted,

Handwritten signature of Ramon C. Cortines in black ink.

RAMON C. CORTINES  
Superintendent

APPROVED BY:

Handwritten signature of Michelle King in black ink.

MICHELLE KING  
Chief Deputy Superintendent

REVIEWED BY:

Handwritten signature of David Holmquist in blue ink.

DAVID HOLMQUIST  
General Counsel

APPROVED &  
PRESENTED BY:

Handwritten signature of Mark Hovatter in black ink.

MARK HOVATTER  
Chief Facilities Executive  
Facilities Services Division

Approved as to form.

Handwritten signature of Cheryl Simpson in blue ink.

CHERYL SIMPSON  
Director, Budget Services and  
Financial Planning

Approved as to budget impact statement.

## Attachment A

### Funding Summary For Prioritized and Necessary Structural Changes to Comply with ADA Title II Program Accessibility Requirements

---

<b>Target Funding Amount for Structural Changes to School Facilities Projects</b>	<b>\$600,000,000</b>	
 <b>Existing Allocations in the School Upgrade Program</b>		
Special Education - Original Direct Project Amount	\$41,750,000	
Scope Executed by Comprehensive Modernization Projects	\$30,000,000	
<b>Total Existing Allocations</b>	<b>\$71,750,000</b>	
 <b>Direct Reallocation From School Upgrade Program Categories of Capital Need:</b>		
Savings from IT School Network Infrastructure Upgrades Executed by FSD*	\$43,000,000	
Partnerships/Community Use Facilities	\$12,000,000	
Specialized Instructional Programs	\$84,000,000	
To-be-Determined Needs/Unallocated	\$50,000,000	
<b>Total Direct Reallocations from School Upgrade Program Categories of Need</b>	<b>\$189,000,000</b>	
 <b>Proportional Reallocation From School Upgrade Program Categories of Capital Need (based on amount remaining):</b>		
Major Renovations/Modernizations/Reconfigurations to School Buildings	\$142,500,000	42.0%
Modernize and Repair School Cafeterias to Make Nutritious Healthy Meals Available to More Students	\$41,250,000	12.2%
Build New and Repair Aging Early Childhood Education Centers to Promote Learning for Youngest Students	\$26,000,000	7.7%
Provide/Upgrade Adult and Career Education Facilities Necessary to Provide Career Training and Adult Courses	\$13,500,000	4.0%
Districtwide Charter School Facilities - Provide Reasonably Equivalent New and Existing School Facilities	\$88,750,000	26.2%
Upgrade Districtwide Emergency Radio System Servicing Schools	\$14,125,000	4.2%
Replace Aging and Polluting School Buses	\$13,125,000	3.9%
<b>Total Proportional Reallocations from School Upgrade Program Categories of Capital Need</b>	<b>\$339,250,000</b>	<b>100%</b>
 <b>Total Amounts Reallocated for Structural Changes to School Facilities Projects</b>	 <b>\$600,000,000</b>	

*Note: Assumes that Critical Repair, BM/LD Priority, ITD ITI, ITD Infrastructure and OIG are exempt*

*\* Assumes an additional \$25M will become available from savings from IT Network Upgrades (executed by FSD)*

**ATTACHMENT B**  
**SCHOOL UPGRADE PROGRAM SPENDING TARGETS**  
**Upgrading, Building, and Repairing School Facilities to Improve Student Health, Safety, and Educational Quality**  
Approved/Established on January 14, 2014 (Board Report No. 143-13/14)

	Original Board Approved Spending Target	Remaining Spending Target Available Based on September 1st Estimates	Amount Allocated for Necessary and Prioritized Structural Changes to School Facilities	Allocation for Wellness Clinics (May 2014 Resolution)	Cancellation of Mandarin Immersion Project	Allocations from Yet-to-Be Determined Needs Category	Remaining Available Spending Target After Reallocation and Additional Updates
<b>FACILITIES SERVICES DIVISION STRATEGIC EXECUTION PLAN</b>							
<i>FSD-Stakeholder Programs</i>							
Major Renovations/Modernizations/Reconfigurations to School Buildings	\$4,293,396,567	\$3,353,132,933	(\$142,500,000)				\$3,210,632,933
Critical School Repair and Safety Improvements to School Building Components	\$938,841,200	\$196,937,580	\$0			\$139,343,019	\$336,280,599
Leverage Partnerships to Provide After School Activities & Programming and Community Use of Facilities	\$50,000,000	\$40,365,755	(\$12,000,000)	\$25,000,000			\$53,365,755
<i>Specialized Client Programs</i>							
IT School Network Infrastructure Upgrades Executed by FSD	\$324,486,889	\$18,482,334	(\$43,000,000)				\$482,334
Modernize and Repair School Cafeterias to Make Nutritious Healthy Meals Available to More Students	\$212,000,000	\$145,834,744	(\$41,250,000)				\$104,584,744
School Upgrades and Reconfigurations to Support Specialized Instructional Programs	\$193,973,646	\$94,374,842	(\$84,000,000)	(\$25,000,000)	\$25,000,000		\$10,374,842
Build New and Repair Aging Early Childhood Education Centers to Promote Learning for Youngest Students	\$110,000,000	\$91,774,533	(\$26,000,000)				\$65,774,533
Provide/Upgrade Adult and Career Education Facilities Necessary to Provide Career Training and Adult Courses	\$91,900,000	\$47,718,121	(\$13,500,000)				\$34,218,121
Renovate Special Education Centers for Career/Transition Programs & Increase Special Education Facilities on General Education Campuses	\$50,000,000	\$15,649,063	\$478,250,000			\$50,000,000	\$543,899,063
Districtwide Charter School Facilities - Provide Reasonably Equivalent New and Existing School Facilities	\$402,110,000	\$313,516,801	(\$88,750,000)				\$224,766,801
Board Member Priority Projects	\$35,000,000	\$29,175,000	\$0				\$29,175,000
Local District Priority Projects	\$35,000,000	\$29,225,000	\$0				\$29,225,000
<b>INFORMATION TECHNOLOGY DIVISION STRATEGIC EXECUTION PLAN</b>							
Technology Infrastructure and System Upgrades - <i>ISIS, Core IT Network Upgrades, Disaster Recovery Systems</i>	\$151,816,592	\$8,574,644	\$0			\$100,000,000	\$108,574,644
Upgrade and Equip Schools with 21st Century Technology - <i>ITI Project</i>	\$327,945,106	\$150,086,123	\$0				\$150,086,123
Upgrade Districtwide Emergency Radio System Servicing Schools	\$50,000,000	\$50,000,000	(\$14,125,000)				\$35,875,000
<b>TRANSPORTATION SERVICES STRATEGIC EXECUTION PLAN</b>							
Replace Aging and Polluting School Buses *	\$46,500,000	\$46,500,000	(\$13,125,000)				\$33,375,000
<b>OFFICE OF THE INSPECTOR GENERAL</b>							
Conduct Ongoing Inspector General Independent Audits of Bond Projects to Ensure Transparency and Accountability	\$40,000,000	\$0	\$0				\$0
<b>UNALLOCATED</b>							
Unallocated Funds for To-Be-Determined Needs	\$500,000,000	\$289,343,019				(\$289,343,019)	\$0
<b>TOTAL SCHOOL UPGRADE PROGRAM</b>	<b>\$7,852,970,000</b>	<b>\$4,920,690,493</b>	<b>\$0</b>	<b>\$0</b>	<b>\$25,000,000</b>	<b>\$0</b>	<b>\$4,970,690,493</b>

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

**SCHOOL CONSTRUCTION BOND CITIZENS' OVERSIGHT COMMITTEE**

**Stephen English, Chair**

L.A. City Controller's Office  
**Pamela Schmidt, Vice-Chair**  
Early Education Coalition

**Quynh Nguyen, Secretary**

LAUSD Student Parent

**Scott Folsom, Executive Committee**

Tenth District PTSA

**Stuart Magruder, Executive Committee**

American Institute of Architects

**Arlene Barrera**

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

**Paul Escala**

CA Charter School Association

**Garrett Francis**

Assoc. General Contractors of CA

**Elizabeth Lugo**

LAUSD Student Parent

**Abigail Marquez**

L.A. City Mayor's Office

**Ron Miller**

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

**Scott Pansky**

L.A. Area Chamber of Commerce

**Kathryn Steinberg**

31<sup>st</sup> District PTSA

**Betty Valles**

AARP

**Barry Waite**

CA Tax Reform Assn.

**Susan Linschoten (Alternate)**

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

**Joseph P. Buchman – Legal Counsel**

Burke, Williams & Sorensen, LLP

**Thomas A. Rubin, CPA**

Oversight Committee Consultant

**Timothy Popejoy**

Bond Oversight Administrator

**Vacant**

Asst. Administrative Analyst

---

**RESOLUTION 2015-39**

**BOARD REPORT NO. 157-15/16**

WHEREAS, District staff proposes that the Board of Education approve updates to the School Upgrade Program (Program) as outlined in Board Report No. 157-15/16 (attached hereto) as follows:

1. Allocate \$528.25 Million of Bond Program funding to enable District staff to undertake necessary and prioritized structural changes to school facilities in order to comply with the program accessibility requirements of the Americans with Disabilities Act (ADA) Title II Regulations, and the provisions of the Modified Consent Decree (MCD), by taking the following actions (the funding for this effort will be allocated to the special education category of capital need despite the fact that the improvements will go beyond benefitting special education students):
  - a. Approve an amendment to the Facilities Services Division (FSD) Strategic Execution Plan (SEP) to cancel the Mandarin Foreign Language Immersion Program Elementary School project at Mark Twain Middle School, which will result in an estimated \$25 Million of unspent funds being returned to the specialized instructional programs category of capital need.
  - b. As detailed in Attachment A to Board Report No. 157-15/16, approve a total of \$189 Million in direct reallocations from four categories of capital need (including the specialized instructional programs category of need and the funding associated with the cancellation of the Mandarin Elementary School project at Mark Twain Middle School), and \$339.25 Million in proportional reallocations from seven categories of capital need to the special education category of capital need. This funding will be targeted specifically for the development and execution of program accessibility projects.
2. Approve the reallocation of Bond Program funds targeted for the "to-be-determined needs" category of capital need as follows:

RESOLUTION 2015-39  
UPDATE TO THE SCHOOL UPGRADE PROGRAM  
PAGE 2

- a. \$139.3 Million for additional critical school repair and safety projects; \$39.3 Million of which will be earmarked for the installation of air-conditioning (A/C) in gymnasiums that do not have A/C.
  - b. \$100 Million for additional improvements to technology infrastructure and systems.
3. Per the May 2014 adopted, *Wellness Centers Now: A Smart Investment in Our Communities' Health for Our Student Success* Board Resolution, approve the reallocation of \$25 Million from the specialized instructional programs category of capital need, to the partnerships/community use facilities category of capital need to support the development of new, and the expansion of existing wellness clinics. Per the Resolution, with approval of this action, in total, \$50 Million will be targeted for wellness clinic projects.

WHEREAS, On January 14, 2014, the Board of Education approved the School Upgrade Program (Program), considered to be the next phase of the District's Bond Program (BOE #143-13/14). The Board's action approved the allocation of approximately \$7.8 Billion in Program funding, 18 specific categories of capital needs/priorities with individual spending targets, and the overarching goals and principles of the Program. Under the Program, projects are developed to address a particular category of capital need, and align with the Program's goals and principles: schools should be safe and secure, school building systems should be sound and efficient, and facilities should align with instructional requirements and vision. The Program's categories of capital need and associated spending targets replaced the priorities and funding targets outlined in the 2008 bond package summary approved by the Board of Education on July 31, 2008, as part of its action to adopt the proposed November 4, 2008 Local Bond Resolution (BOE #496-07/08); and

WHEREAS, As a result of the *Chanda Smith* litigation, in 2003, the District entered into a Modified Consent Decree for the purpose of bringing the District into compliance with the Individuals with Disabilities Education Act (IDEA), and Section 504 of the Rehabilitation Act of 1973; and

WHEREAS, The District has made substantial progress in its efforts to comply with the provisions of the MCD, to make its school facilities, services, programs, and activities accessible. Despite the considerable progress made, the Federal Court-appointed Independent Monitor has not released the District from the Modified Consent Decree (MCD); and

WHEREAS, The Independent Monitor has informed District leadership that he will not certify that "the District has no systemic program accessibility problems that prevent substantial compliance with program accessibility requirements of federal special education laws and regulations" until the District meets its obligation to comply with Title II of the Americans with Disabilities Act (ADA). The Independent Monitor has also emphasized the need to develop a Transition Plan, which identifies the barriers that limit program accessibility, and describes the methods that will be used to remove the identified and prioritized barriers to program accessibility; and

RESOLUTION 2015-39  
UPDATE TO THE SCHOOL UPGRADE PROGRAM  
PAGE 3

WHEREAS, The proposed updates to the School Upgrade Program are, in part, designed to assist in the development and implementation of the Transition Plan and, in turn, assist the Independent Monitor in making that certification, which is required for the District to be released from the MCD; and

WHEREAS, District staff estimates it will cost \$600 Million to make necessary and prioritized structural changes to comply with the program accessibility requirements of the ADA Title II regulations, and provisions of the MCD. In addition to the reallocations proposed in Board Report No. 157-15/16, , \$41.75 Million of Bond Program funds already targeted for special education facilities will be utilized for program accessibility improvements, and at least \$30 Million of program accessibility improvements will be undertaken as part of the major/comprehensive modernization projects; and

WHEREAS, Implementing structural changes to remove identified and prioritized barriers to program accessibility is not the District's only pressing capital need. While funding has been identified to address some of the most critical school repair and safety concerns, and replace and upgrade the most significant information technology infrastructure and systems, the previous spending targeted for these priorities is insufficient; and

Whereas, There are still funds targeted for the "to-be-determined" category of capital need that have not been allocated to a specific project or priority. Given the importance of providing students with a safe and healthy learning environment that supports teaching and learning, and the significant amount of unaddressed need, the Superintendent has decided that it would be appropriate to allocate funding from the "to-be-determined" category of need to support additional critical school repair and safety improvements, and improvements to information technology infrastructure and systems.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The School Construction Bond Citizens' Oversight Committee recommends that the Board of Education approve the changes to the School Upgrade Program and other actions described in Board Report No. 157-15/16, a copy of which is attached hereto in the form it was presented to the BOC and is incorporated herein by reference.
2. This resolution shall be transmitted to the Los Angeles Unified School District Board of Education and posted on the Oversight Committee's website.
3. That a written response as required by the Charter and Memorandum of Understanding between the Oversight Committee and the Board be provided to the Oversight Committee within 30 days, reporting either on action taken or proposed to be taken in response to this resolution and each recommendation herein.

RESOLUTION 2015-39  
UPDATE TO THE SCHOOL UPGRADE PROGRAM  
PAGE 4

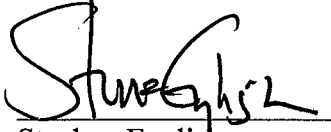
ADOPTED on October 29, 2015, by the following vote:

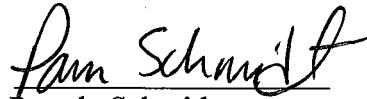
AYES: 11

ABSTENTIONS: 2

NAYS: 1

ABSENCES: 1

  
Stephen English  
Chair

  
Pamela Schmidt  
Vice Chair