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Peer Entities Profile

This appendix provides a comprehensive profile of the peer entities reviewed by MGT. Each profile summarizes the entity's size, demographic reach, and the variety of educational facilities they manage. Additionally, it outlines the bond programs these entities have implemented to modernize and enhance their infrastructure, along with the construction-related oversight committees that ensure accountability in the use of these funds.

The profiles also describe the construction-related procedures that guide project delivery and highlight audit practices designed to strengthen transparency and compliance. Collectively, these peer entity profiles provide a comparative perspective to inform best practices.

The following peer entities are included:

- **San Diego Unified School District**
- **West Contra Costa Unified School District**
- **Los Angeles Community College District**
- **California State University**
- **Phoenix Union School District**
- **Hillsborough Public School System**
- **Long Beach Unified School District (CA)**
- **Fresno Unified School District**
- **Indianapolis Public School System**

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San Diego Unified School District

Overview

The San Diego Unified School District (SDUSD) is California's second largest school district and the largest in San Diego County. It serves over 121,000 students from preschool through grade 12 across more than 234 educational facilities, including 117 traditional elementary schools, 9 K-8 schools, 24 traditional middle schools, 22 high schools, 49 charter schools, 13 atypical/ alternative schools, and 5 additional program sites. The student population is highly diverse, representing more than 15 ethnic groups and more than 60 languages and dialects.

SDUSD employs over 13,559 staff members. This includes nearly 6,000 teachers who work across the SDUSD's various educational facilities. The SDUSD's staff also includes the Facilities Planning and Construction (FPC) Department, which is dedicated to designing and constructing safe, modern, and environmentally friendly facilities that enhance the learning environment. The FPC manages the SDUSDs bond program's implementation, including strategic planning, project management, construction management, and business outreach. The SDUSD's construction program aims to improve student achievement by providing high-quality, well-maintained school buildings.

Bond Program

The SDUSD has a comprehensive bond program to improve and modernize its educational facilities. The program is funded through several voter-approved bond measures, including Propositions S, Z, and Measure YY. An overview of each proposition is provided below:

- Proposition S, approved in 2008, provided \$2.1 billion for repairing, renovating, and revitalizing 181 neighborhood schools. This bond measure focused on essential repairs, safety upgrades, and the replacement of outdated facilities.
- Proposition Z, passed in 2012, added another \$2.8 billion to continue the work started under Proposition S. This measure aimed to enhance school safety, upgrade technology further, and improve energy efficiency across the district.
- Measure YY, approved in 2018, allocated \$3.5 billion for additional school improvements. This measure emphasizes creating safe and modern learning environments, addressing critical needs such as removing lead from drinking water, upgrading classrooms and labs for vocational and STEM education, and enhancing school security.

Committees

The Independent Citizens' Oversight Committee (ICOC) is the legally required committee appointed by the Board of Education to actively review the proper expenditure of Propositions S/Z and Measure YY funds and informs the board and the public concerning Props. S/Z and Measures YY and U expenditures. The funds must be used for the projects listed in the bond language placed before the voters and cannot be used for teacher or administrative salaries.

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Construction Related Procedures

The SDUSD follows strict procedures for construction-related activities to ensure compliance with local, state, and federal regulations. These procedures involve planning, bidding, contracting, and oversight of construction projects. The goal is to deliver high-quality facilities while maintaining fiscal responsibility and minimizing disruptions to the educational process. A summary of the SDUSD's construction-related procedures is provided below:

- Board Policies 7110 and 7111 detail SDUSD's development and maintenance of a Facilities Master Plan along with requiring the periodic evaluation of current facilities, especially considering school capacity, safety, and energy efficiency. Board Policy 7140 requires that a licensed and certified architect or structural engineer be employed to design and supervise the construction of district schools and other facilities. This individual can recommend specific architectural and engineering firms to the Board, but the Board can ultimately pick what is deemed based for the school district. The lowest bidder does not need to be selected. Board Policy 7210 details the methods of which SDUSD can finance facilities projects. This includes levying developer fees pursuant to Education Code 17620, Forming a community facilities district pursuant to Government Code 53311-53368.3, Forming a school facilities district pursuant to Education Code 15300-15425, issuing voter-approved general obligation bonds, imposing a qualified parcel tax, and using lease revenues for capital outlay purposes from surplus school property. Administrative Regulation 3311 sets clear guidelines for SDUSD to advertise competitive bids for any public project that will be \$15,000 or more. The District should award the contract to the lowest responsible bidder except for four stated exceptions, one of which is when procuring a design-build contract in excess of \$1,000,000, in which case the Board may award the contract to either the low bid or the best value to the district when considering price, technical design and construction expertise, and life-cycle costs.

Review of Audits

SDUSD conducts regular financial audits to assess the efficiency and effectiveness of its operations. These audits cover various aspects of the SDUSD's functions, including financial management, program implementation, and compliance with regulations. SDUSD also conducts annual performance audits on its construction related projects under Propositions S, Z, YY, and U. MGT reviewed performance, financial, and construction related audits to gain an understanding of the efficiency and opportunities for improvement.

- **Strict Compliance with Bond Requirements:** The 2024 performance audit confirms that SDUSD's management of Propositions S, Z, and related bond measures adheres closely to the statutory requirements—ensuring that funds are used exclusively for approved construction and facility improvement projects.
- **Compliance and Controlled Change Orders:** The 2024 Performance Audit indicates that SDUSD consistently meets compliance requirements under Proposition S and Z and Measures YY and U. The change-order percentage remains low in comparison to typical figures, reflecting well-

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managed construction costs and strict adherence to both the Public Contract Code and district policy.

- **Accurate Financial Reporting:** The 2023 Financial Audit indicates that SDUSD's financial reporting maintains accuracy and strong internal controls. The findings show that expenditures for construction projects reconcile perfectly with the approved budget, confirming that funds are used solely for authorized projects. This demonstrates a high level of financial transparency and accountability.

The performance and financial audit findings provide a reliable benchmark. They illustrate SDUSD's disciplined approach to construction project management.

Subcontractor Participation

SDUSD monitors small and diverse business participation on district bond program construction projects, with goals for different business ownership classification. SDUSD sets goals for various small and diverse business categories, including Small Business Enterprises (SBE), Minority-Owned Business Enterprises (MBE), Woman-Owned Business Enterprises (WBE), and Disabled Veteran Business (DVB). SDUSD refers to these categories as XBE.

All SDUSD construction projects must meet or exceed 3% DVB participation. San Diego Unified School District is committed to achieving the district's own participation requirement for DVBs approved on May 10, 2011, by the Board of Education. Through the DVB Participation Program, the district encourages contractors to ensure maximum opportunities for DVBs on its contracts. DVB participation can be achieved through participation by Prime contractors, tier-subcontractors, suppliers, manufacturers, and/or equipment providers. The 2023 small and diverse business goals effective on all construction projects and most professional services contracts are presented below.

Exhibit 12 – Small and Diverse Business Goals

Business Ownership Classification	Project Small Business
Disabled Veteran Business (DVB)*	3% (Requirement) 5% (Goal)
Minority Business Enterprises (MBE)	8%
Women-Owned Business Enterprises (WBE)	7%
Small Business Enterprises (SBE)	40%
Overall XBE Goal (XBE)**	50%

Source: [SDUSD Planning & Construction](#)

*DVB Includes Certified Disabled Veteran Business Enterprises (DVBE) and Verified Service-Disabled Veteran-Owned Small Business (SDVOPSB).

**The overall XBE goal is not a sum of the classifications

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West Contra Costa Unified School District

Overview

The **West Contra Costa Unified School District** (WCCUSD) was established in 1965. Located in the East Bay, the District serves over 25,000 students from preschool through grade 12 in 38 elementary schools (11 of which are Dual Language Immersion), 6 middle schools, 9 high schools, 14 charter schools, one alternative, two adult schools, and a virtual academy in the cities of El Cerrito, Richmond, San Pablo, Pinole, and Hercules and the unincorporated areas of Bayview-Montalvin Manor, East Richmond Heights, El Sobrante, Kensington, North Richmond, and Tara Hills. The student population is highly diverse.

Bond Program

In the past decade, the West Contra Costa Unified School District has approved multiple bonds to fund various school facilities projects, including:

1. **Measure R (2020):** Approved for \$575 million, this bond aims to improve school facilities, including construction, reconstruction, rehabilitation, and replacement of school buildings.
2. **Measure D (2016):** Approved for \$270 million, this bond focuses on upgrading and repairing school facilities, including safety improvements and technology enhancements.
3. **Measure E (2012):** Approved for \$360 million, this bond is dedicated to modernizing and constructing school facilities, ensuring they meet current educational standards.

The bond program is designed to support the construction, reconstruction, rehabilitation, or replacement of school facilities, as well as the furnishing and equipping of these facilities. It also covers the acquisition or lease of real property for school facilities.

WCCUSD has a comprehensive Bond Program Management Plan (PMP) that outlines the internal controls and processes for managing bond funds. The PMP is a living document that is updated regularly to reflect new decisions, improvements, and best practices. The plan aims to ensure compliance with state and federal regulations, safeguard district assets, and produce accurate financial information. The Bond Program Performance Audit verifies that Bond proceeds are used on projects listed in the ballot measure and not on District's general administration or operations. This annual audit is required by Proposition 39.

Committees

WCCUSD has a Citizens' Bond Oversight Committee (CBOC) that plays a crucial role in overseeing the district's bond-funded projects. The CBOC is responsible for informing the public about the expenditures and uses of bond revenues. The committee actively reviews and reports on the proper expenditure of taxpayers' money for school construction and ensures that funds are spent only for authorized purposes. The CBOC meets monthly to receive updates on bond-funded projects throughout the district.

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Construction Related Procedures

The WCCUSD adheres to strict procedures for construction activities to comply with regulations. These include planning, bidding, contracting, and overseeing projects to ensure high-quality facilities, fiscal responsibility, and minimal disruption to student activities. Below is a summary of WCCUSD's construction related policies:

- Board Policies 7100.1 and 7115.2 detail WCCUSD's requirement development and maintenance of a Facilities Master Plan as well as set the required design standards each educational facilities must be built to. Board Policy 7140 requires that a licensed and certified architect or structural engineer be employed to design and supervise the construction of district schools and other facilities. The superintendent is responsible for developing criteria applicable to the selection of architects for Board approval, recommending a list of architects, and providing the pertinent information necessary to facilitate review of the list of architects. The superintendent must ensure the process is open and entails the maximum participation by small business firms, and ensures no unlawful activities take place during the process.
- Board Policy 7210 details the methods of which WCCUSD can finance facilities projects. This includes levying developer fees pursuant to Education Code 17620, Forming a community facilities district pursuant to Government Code 53311-53368.3, Forming a school facilities district pursuant to Education Code 15300-15425, issuing voter-approved general obligation bonds, imposing a qualified parcel tax, and using lease revenues for capital outlay purposes from surplus school property. Board Policy 7214.2 sets a "Citizens Bond Oversight Committee" must be established to ensure the district meets its legal requirements related to the use of bond proceeds, establish the policies and procedures for the form, operation, appointment, and related matters of the committee, and establish the district's commitment to support the committee's efficient and effective operations.
- Administrative Regulation 3311 sets clear guidelines for WCCUSD to advertise competitive bids for any public project that will be \$15,000 or more. The district shall select the lowest responsible bidder who meets the requirements of the Board, or else all bids shall be rejected.

Review of Audits

West Contra Costa Unified School District conducts periodic financial and performance audits to ensure efficient use of resources in its construction and facility improvement projects. These audits review financial management practices, statutory compliance, and operational controls related to construction. MGT reviewed available supplemental audit findings to benchmark project management practices.

Our review of the available supplemental data revealed several noteworthy findings regarding WCCUSD's approach to construction project management:

- **Strict Compliance with Funding and Bond Requirements:** Data from the 2022 Bond Audit Program and the 2023 Performance Audit indicate that WCCUSD adheres closely to statutory and bond-related requirements, ensuring that funds are used solely for authorized construction and facility improvement projects.

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- **Transparent Financial Reporting:** Financial audit data demonstrates that WCCUSD maintains robust internal controls. The audits verify that funds from Measures D, E, and R are expended solely on approved construction and facility improvement projects. Expenditures for construction projects reconcile accurately with the approved budgets.
- **Program Management Enhancements:** Recent revisions to the Management Plan (2021) indicate ongoing efforts to strengthen internal controls. These enhancements include improved invoice rejection procedures and clearer documentation protocols, contributing to more effective project management and improved construction outcomes.
- **Project Specific School Facility Program Audit:** The School Facilities Program (SFP) is the district's oversight committee. They consistently conduct project-specific audits. The School Facilities Program 2022 Audit Report confirmed that for completed projects expenditures adhered strictly to approved change orders, totaling nearly \$9.5 million. Additionally, ongoing SFP audits covering projects including King Elementary, ECHS, PVHS, and KHS consistently show that change order percentages remain low, keeping construction costs within approved limits.

Overall, while detailed project-specific audit documentation in public records is limited, the available review findings provide a clear benchmark for evaluating construction project management. WCCUSD's approach to overseeing projects and controlling costs offers valuable insights that could inform improvements in similar contexts.

Subcontractor Participation

WCCUSD established the Local Capacity Building Program (LCBP) to facilitate full and equal opportunities for local and small business owners and West Contra Costa County Residents. Through LCBP, the district encourages contractors to ensure maximum opportunities for local and small businesses on its contracts.

The LCBP has set strict location requirements to ensure local participation. Priority is given to bidders based on their areas; they classified locations in 3 key qualifying indicators-

1. **Priority Area One** – West Contra Costa County: Crockett, El Cerrito, El Sobrante, Hercules, Hilltop Mall, Kensington, Montalvin, North Richmond, Pinole, Point Richmond, Richmond, Rodeo, San Pablo and Tara Hills.
2. **Priority Area Two** – Contra Costa County (including West Contra Costa County): Alamo, Antioch, Bay Point, Bethel Island, Blackhawk, Brentwood, Byron, Canyon, Clayton, Clyde, Concord, Danville, Diablo, Discovery Bay, Knightsen, Lafayette, Martinez, Moraga, Oakley, Orinda, Pacheco, Pittsburg, Pleasant Hill, Port Chicago, Port Costa, San Ramon, Walnut Creek & West Pittsburg.
3. **Priority Area Three** – Contra Costa, Northern Alameda and Southern Solano County: Alameda, Albany, American Canyon, Benicia, Berkeley, Castro Valley, Elmira, Emeryville, Fairfield, Hayward, Nut Tree, Oakland, Piedmont, San Leandro, San Lorenzo, Suisun, Travis Air Force Base, Vacaville and Vallejo.

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The LCBP also sets an annual goal for local hiring. Based on the LCBP the annual overall goal for local hiring is at least:

1. Twenty-four percent (24%) participation by local West Contra Costa County residents.
2. Twenty percent (20%) participation by apprentices from state approved apprenticeship programs in all hours worked, on a craft-by craft basis.
3. The overall goal will be for all of the apprenticeship hours to be worked by residents of West Contra Costa County.

The District may establish sliding-scale goals, for individual local businesses, which will be based on the known estimated capacity and availability, on a craft-by-craft basis. Unless otherwise noted, the goal for all District projects is that local businesses will receive a minimum of 30% of the total dollar volume of work.

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Los Angeles Community College District

Overview

The Los Angeles Community College District (LACCD) is the largest community college district in California and one of the largest in the United States. It serves over 200,000 full- and part-time students across its nine colleges. The district provides a wide range of educational opportunities, including associate degrees, certificates, transfer programs, and career training.

The LACCD is committed to fostering student success by providing equitable and supportive learning environments. The district's mission is to empower students to achieve their educational and career goals, thereby improving the social welfare of the region and enhancing the local economy.

Bond Program

The Los Angeles Community College District (LACCD) has undertaken several significant bond programs and construction projects over the past two decades to enhance its facilities and infrastructure.

- **Proposition AA (2003):** Approved for \$980 million, this bond focused on renovating and replacing aging facilities and constructing new ones.
- **Measure J (2008):** Approved for \$3.5 billion, this bond continued to address the facilities needs of the district and its colleges.
- **Measure CC (2016):** Approved for \$3.3 billion, this bond aimed to address security and technology needs, as well as repair or replace outdated classrooms, science labs, and critical infrastructure.
- **Measure LA (2022):** Approved for \$5.3 billion, this bond focuses on infrastructure and technology upgrades, sustainability, and improvements to athletic facilities.

These bond measures have funded numerous construction projects, including new buildings, renovations, and upgrades to existing facilities. The district has completed 723 construction projects funded by bond programs since 2001 and expects to complete a total of 1,175 projects with the available funding.

Committees

Los Angeles County voters approved four historic bond measures designed to implement a capital improvement program for the colleges within the Los Angeles Community College District. The District Citizens' Oversight Committee Members are a diverse group of leaders from the business, community and education communities. As provided by law, the committees will provide oversight ensuring that bond revenues are expended only for the purposes authorized by law.

Construction Related Procedures

LACCD's building, construction and related areas are handled by Build-LACCD. Build-LACCD has a Program Safety Manager who is responsible for general oversight and monitoring of district-wide

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construction safety programs, coordinates the orientation for all College Project Team safety staff, and verifies the Build-LACCD Health, Safety, and Environmental Requirements areas being implemented and observed. Also, the Facilities, Planning, and Development Department of LACCD follows strict design standards and guidelines for all campus structures. LACCD also uses an online portal to manage its procurements, allowing bidders to be notified of upcoming opportunities and bid status.

LACCD does have Board Policy 6340 “Bids and Contracts” which states, “When bids are required according to Public Contract Code Section 20651, the Board shall award each such contract to the lowest responsible bidder who meets the specifications published by the District and who shall give such security as the Board requires or reject all bids.

Review of Audits

LACCD conducts a comprehensive performance audit of its bond program to evaluate the management of bond-funded construction and renovation projects. The audit—covering expenditures for Proposition A, Proposition AA, Measure J, and Measure CC—assesses adherence to Proposition 39 requirements and reviews key aspects of overhead, contingency, change order, and initial budgeting practices.

Our review of the available audit documentation produced the following key findings regarding LACCD’s management of its bond program:

- **Rigorous Oversight of Bond Expenditures:** The 2023 Performance Audit indicates that LACCD effectively manages its bond program expenditures—totaling approximately \$291 million for the fiscal year—with all charges conforming to statutory requirements. No significant nonconformance issues were identified, demonstrating strong fiscal management.
- **Streamlined Standard Operating Procedures:** The 2023 performance audit reports show that recent revisions to the district’s Standard Operating Procedures have simplified processes in overhead cost management, contingency management, and change order handling. These updates have resulted in faster processing times for change orders and a more consistent application of budgeting practices, as demonstrated by management’s progress in addressing audit recommendations and aligning with PMO policies.
- **Effective Change Order Management:** The 2023 Performance Audit report shows that change orders are processed according to established SOPs, with all required documentation and approval records maintained. Although the report noted opportunities to reduce processing times further, the current controls have successfully kept construction costs within the approved budget.

Overall, the audit findings indicate that LACCD effectively manages its bond program through clear procedures and strong oversight. These results provide a useful benchmark for ongoing improvements in project scoping, budgeting, and change order management, offering practical insights to boost construction outcomes.

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Subcontractor Participation

The Los Angeles Community College District (LACCD) Board of Trustees established the Community Economic Development (CED) Program to maximize the economic impact of its \$14.9 billion bond program. The CED Program coordinates key initiative, most notably the Local, Small, Emerging, and Disabled-Veteran Owned Business (LSEDV) Program—to bolster local economic growth and workforce development.

Shortly after the CED Program’s inception, LACCD entered into a Project Labor Agreement (PLA) on December 19, 2001, with the Los Angeles/Orange County Building and Trades Council and Southwest Regional Council of Carpenters. This PLA reaffirms LACCD’s commitment to contracting with LSEDV businesses, hiring local and disadvantaged workers, and providing opportunities in the construction industry.

The CED Program oversees local business participation in District contracts by developing outreach strategies, facilitating certification and compliance, and monitoring contractors’ good faith efforts to subcontract work to eligible firms. Specifically, at least 30% of all Build Program contracts must be awarded to LSEDV businesses, which include Disabled Veteran Businesses (DVB), Minority Business Enterprises (MBE), Women-Owned Business Enterprises (WBE), and Small Business Enterprises (SBE). Contractors are expected to make a genuine effort to include certified LSEDV firms as subcontractors, ensuring that District projects deliver diverse local economic benefits.

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California State University

Overview

California State University, Los Angeles (Cal State LA) is a leading public university within the California State University system. The university enrolls approximately 27,000 students from diverse backgrounds and offers a wide range of undergraduate, graduate, and professional programs. Cal State LA is dedicated to fostering academic excellence, advancing social equity, and engaging with the local community through innovative research and public service initiatives. With significant investments in state-of-the-art facilities and sustainable campus development, Cal State LA empowers students to achieve their educational and career goals, thereby contributing to the broader economic and social welfare of the region.

Bond Program

Like many campuses within the California State University (CSU) system, Cal State LA has benefited from several statewide propositions and systemwide bond measures to fund its major capital improvement projects. These include:

- **Proposition 47 (2002):** Part of a larger K–12 and higher education capital initiative that helped modernize facilities across multiple CSU campuses, including early planning stages at Cal State LA.
- **Proposition 55 (2004):** Provided additional statewide funding for educational facilities, enabling Cal State LA to address deferred maintenance and building upgrades.
- **Proposition 1D (2006):** Allocated substantial resources for CSU capital outlay, facilitating new construction, seismic retrofits, and major renovations at campuses like Cal State LA.
- **Systemwide Revenue Bonds (Ongoing):** In addition to general obligation bonds approved by voters, the CSU issues systemwide revenue bonds, which finance critical projects such as student housing, infrastructure updates, and energy efficiency improvements. Cal State LA's recent Student Housing East project, for instance, drew from these funds.

These bond measures have been instrumental in expanding Cal State LA's facilities, ensuring seismic safety, and improving academic and support spaces. Together, they form a strategic investment in the university's future.

Committees

California State University, Los Angeles has successfully utilized several historic bond measures to fund a comprehensive capital improvement program across its campus. Oversight of these funds is provided by the Office of Audit and Advisory Services in coordination with the university's Board of Trustees. The oversight body is comprised of a diverse group of leaders from academic, business, and community sectors who ensure that bond revenues are expended solely for the purposes authorized by law and in accordance with university policies.

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Construction Related Procedures

CSU has several policies related to construction as it relates to fiscal responsibility, procurement of services, and project plan development for major construction projects. Policy 9230 “Project Plan Development for Major Capital Construction Projects” provides the university with a guide from the details each step of the construction process from the pre-schematic programming phase to the post-construction furnishing and campus occupancy phase. This policy sets clear and thorough responsibilities for each major contributor at each step of the construction process.

Like Policy 9230, the university’s contacts and procurement policy is substantial and covers each step of the procurement process, the different methods of procurement, how to handle multi-year contracts and emergency transactions, as well as compliance related topics both for contractors and for the university.

Another relevant policy is Policy 9026 “Fiscal Resources for Campus Construction and Physical Development.” This policy provides clear guidelines for the university on how to manage funds for different types of projects, as well as the different methods for securing funding for capital outlay programs. This policy also sets guidelines for proper administration of capital outlay funding, ensuring the money is being used properly and efficiently.

Review of Audits

Cal State LA conducts regular construction audits to evaluate the effectiveness of its project management, cost controls, and compliance with regulatory requirements for its bond-funded capital projects. The recent Construction Audit Report for the Student Housing East (South Village Residence Hall) project yields valuable insights for evaluating construction performance and provides a useful basis for comparing outcomes with LAUSD.

- **Rigorous Oversight with Notable Deviations:** While the audit confirms that an established management framework is in place, it identified significant deviations—such as the addition of a \$7.8 million recreation field via change orders without a competitive bidding process—that increase the risk of cost overruns.
- **Inconsistent Documentation and Cost Tracking:** The report reveals gaps in supporting documentation for self-performed work and subcontractor allowances, which can hinder effective budget control and cost recovery, emphasizing the need for enhanced recordkeeping practices.
- **Inefficiencies in Project Closeout Practices:** Issues were noted in the project closeout phase, including premature release of retention funds and delayed filing of Notices of Completion, which could compromise final quality assurance and increase post-construction risks.

Overall, these findings highlight critical areas for improvement that can serve as benchmarks for Cal State. Strengthening competitive bidding, enhancing documentation practices, and refining project closeout procedures can help improve construction outcomes.

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Subcontractor Participation

CSU Contracts and Procurement Policy 15202482 establishes specific requirements to promote supplier diversity. For contracts under \$250,000, campuses may award contracts without public advertising if they secure price quotations from at least two certified small businesses or two disabled veteran business enterprises (DVBES), in line with Government Code Section 14838.5.

Additionally, CSU mandates a minimum 3% participation goal for DVBES across all contract expenditures. Campuses must incorporate DVBE participation incentives into solicitation documents and provide approved justification for any deviation from this goal. Annual reporting of small business and DVBE participation is required to ensure transparency and accountability. It should be noted that this policy specifically addresses small, micro, and DVBE participation, without providing detailed provisions for other diversity categories such as MBE or WBE.

For guidance on these additional categories, refer to related CSU procurement policies or supplemental guidelines. These requirements are woven into the competitive bidding process to foster equitable opportunities for underrepresented businesses while ensuring fair and efficient procurement practices.

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Phoenix Union School District

Overview

The Phoenix Union School District (PXU) was founded in 1895. The district serves over 25,000 students in grades nine through twelve in an area spanning 220 square miles. PXU is comprised of 23 schools, including 11 Comprehensive, 4 Small Specialty Schools, 3 Support Schools, 3 Micro Schools, a Digital Academy, and PXU City. Over 80% of PXU students are Hispanic, and 100 plus languages are spoken throughout the district. The district employs 3,174 full and part-time staff.

Bond Program

In recent years, PXU has approved several bond measures to fund improvements and expansions within the district. Here are some key bond measures:

- **2023 Bond Measure:** Approved for \$475 million, this bond aims to address funding concerns affecting public schools. The funds will be used for maintenance and renovation of existing structures, addressing inflation-related price increases, supporting school facility safety, and creating flexible and innovative learning spaces.
- **Previous Bond Measures:** The district has also benefited from previous bond measures that have funded the construction and renovation of school buildings, improvement of school grounds, and upgrades to technology and safety systems.

These bond measures are crucial for providing safe, modern, and well-equipped learning environments for students and staff.

Committees

While PXU does not have an oversight committee similar to the California districts, PXU facilities construction and use of funds do fall under the purview of the district's Construction and Facilities department as well as ultimate oversight through the district's Governing Board.

Construction Related Procedures

PXU adheres to the policies set by the Board for construction activities to comply with regulations. These include policies are clear in their structure and derive much of its substance from the Arizona Revised Statutes which are set at the state level. Below is a summary of their construction related policies:

- Section F, "Facilities Development," details PXU's goals and priority objectives for facilities development. This section also includes a policy for "Educational Specifications for Construction" which requires the superintendent to submit plans for new school facilities to the School Facilities Board for the purpose of certifying the plans meeting the minimum school facility adequacy guidelines.
- Section D, "Fiscal Management," includes the district's bidding and purchasing procedures. Based on the policy the District uses the bid thresholds as stated within the Arizona Revised Statutes. The policy also does not state the district must select the lowest bidder, but instead the district

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must make available the “rationale for awarding a contract for any specific professional services, construction, construction service or materials to an entity selected from a qualified select bidders list or through a school purchasing cooperative.

Review of Audits

Phoenix Union High School District conducts regular audits—including its annual single audit and comprehensive financial review—to assess the management of its bond-funded construction, renovation, and operational projects. These audits measure compliance with federal and state requirements, ensuring that all expenditures align with statutory guidelines and approved project budgets.

Our review of the available audit documentation produced the following key findings regarding Phoenix Union High School District’s financial and project management:

- **Rigorous Management of Construction Project Funds:** The 2024 Financial Report indicates that funds allocated for construction projects are closely monitored, with detailed tracking against approved budgets ensuring that expenditures remain within authorized limits.
- **Streamlined Budget Compliance and Cost Control:** The 2023 Single Audit Report confirms that construction project budgets are managed efficiently, with favorable variances. Expenditures are kept within the approved limits, and the internal control systems in place ensure that any deviations are identified and addressed promptly, maintaining overall cost stability.
- **Effective Financial Health of Construction Projects:** Audit data indicate that the district’s construction projects are financially healthy. The reports show no material discrepancies or noncompliance issues in the administration of bond funds. The effective oversight and documented processes support timely project completion and reinforce the district’s ability to manage its construction project finances successfully.

Overall, these audit findings reveal that Phoenix Union High School District employs rigorous financial oversight and efficient budgeting practices in managing its construction projects. The substantial increase in net position and strong fund balances serve as a benchmark for effective capital project management.

Subcontractor Participation

Phoenix Union School District’s Local and Small Business Outreach Program (LSBOP) requires contractors to maximize local participation on construction contracts, in line with A.R.S. §15-213 and the School District Procurement Code. The district defines three priority areas—Central Phoenix, Greater Phoenix (Maricopa County), and Outlying Regions—to target vendors effectively and ensure that local businesses have ample opportunities to compete.

Under the program, local businesses must receive at least 30% of the total dollar volume of work on each project. Additionally, the district sets annual goals requiring a minimum of 25% of total work hours to be performed by local residents and at least 20% of hours worked by apprentices enrolled in state-approved programs, with a strong preference for those apprentices being local.

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All sub-contracting arrangements must be pre-approved by the Procurement Officer, and comprehensive documentation is maintained to ensure transparency and compliance. This structured approach not only ensures high-quality construction but also actively bolsters the local economy and workforce development, as mandated by district guidelines and state law.

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Hillsborough Public School System

Overview

Hillsborough County Public Schools (HCPS) is the third-largest school district in Florida and among the top ten largest in the United States, serving over 220,000 students from pre- kindergarten through grade 12. The district encompasses more than 250 traditional schools (including elementary, middle, high schools, and special program centers) and over 50 charter schools authorized by HCPS. These facilities span urban, suburban, and rural communities in the greater Tampa area. The student body is highly diverse – approximately **37% Hispanic, 21% Black, 5% Asian, 6% multiracial, and about 31% White** – with dozens of languages spoken at home.

HCPS employs over 25,000 total staff, including more than 15,000 teachers, making it one of the largest employers in the region. In addition to instructional staff, the district's Facilities Planning & Construction Department manages capital projects, from classroom renovations to new school construction, ensuring that all students have modern and safe learning environments that support academic success.

Bond Program

Rather than traditional bond measures, Hillsborough County Public Schools relies heavily on **voter-approved local sales taxes** to fund its capital improvement programs. Two main pillars are:

Community Investment Tax (CIT)

- A countywide half-cent sales tax approved in 1996 and extended in 2024, set to expire on Nov.30 2026.
- Part of the revenue is allocated to HCPS for new school construction, expansions to mitigate overcrowding, and critical renovations or replacements at older campuses.

Half-Penny Sales Surtax (Approved in 2018)

- A dedicated 10-year, half-cent sales tax that yields \$120+ million annually for repairing or upgrading roofs, HVAC systems, safety features, technology, and other facility needs.
- By law, none of these funds can be used for teacher or administrative salaries.

Millage Referendum (2022)

- In August 2022, Hillsborough County voters approved a 1-mill increase in property taxes for four years, primarily aimed at attracting and retaining high-quality teachers and preserving critical academic programs.
- While not a capital bond measure, this millage helps the district address budgetary pressures and maintain competitive salaries, thereby indirectly supporting the district's overall stability and facility planning.
- In addition to these measures, HCPS also issues Certificates of Participation (COPs) and leverages other financing when necessary. Together, these resources make up a comprehensive

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funding approach that supports both new construction and modernization projects in one of Florida's most rapidly growing counties.

Committees

HCPS established an [Independent Citizen Oversight Committee](#) following the passage of the 2018 half-penny surtax. This group—composed of local leaders, business professionals, and education advocates—meets regularly to monitor spending, review construction progress, and confirm that all expenditures conform to voter-approved purposes. The Audit Committee and Office of the Chief Auditor add additional layers of oversight by performing periodic reviews of district finances and reporting any findings or recommendations to both the School Board and the public. This structure helps ensure that tax revenues are managed responsibly and transparently.

Construction Related Procedures

Hillsborough County Public Schools (HCPS) follows strict procedures for construction-related activities to ensure compliance with local, state, and federal regulations. These procedures involve **planning, bidding, contracting, and oversight** of projects, guided by the **HCPS Design & Construction Standards** and **Hillsborough County's building regulations** under Chapter 8 of the County's Code of Ordinances. By adhering to these standards and codes, HCPS ensures that all school construction projects are carried out safely, cost-effectively, and in alignment with the district's educational goals.

Key elements of HCPS's construction process include:

- **Planning & Design:** Projects are developed in accordance with the HCPS Design & Construction Standards, which address site work, structural integrity, energy efficiency, and safety.
- **Bidding & Contracting:** Contracts are awarded through a competitive process, meeting the requirements of both Florida law and Hillsborough County Code, ensuring equitable opportunities and responsible use of public funds.
- **Oversight & Compliance:** The district reviews construction progress, approves any necessary change orders, and verifies that all work complies with building codes and relevant regulations. Larger project changes require School Board approval to maintain transparency and fiscal accountability.

Through these procedures, HCPS aims to deliver **high-quality, modern facilities** while maintaining strict oversight of project costs, timelines, and safety requirements.

Review of Audits

Hillsborough conducts regular financial & performance audits to assess the efficiency and effectiveness of its operations. These audits cover various aspects of the district functions, including financial management, program implementation, and compliance with regulations.

- **Financial Audits:** Annual external audits of HCPS's financial statements, as detailed by Annual Comprehensive Financial Reports (ACFR), have consistently returned unmodified ("clean")

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opinions, highlighting accurate reporting and strong internal controls.

- **Performance Audits:** Florida law mandates performance audits prior to local tax referendums, such as the 2018 half-penny sales surtax and the 2024 Community Investment Tax (CIT) renewal. These reviews confirmed that HCPS effectively used surtax revenues for the approved capital projects, with only minor recommendations for improving documentation and oversight processes.
- **Transparency & Accountability:** The School Board, independent auditors, and citizen oversight committees work together to produce a Financial Transparency Report to show in real time district financial spending data. This helps to address information promptly, reinforcing public trust in the district's fiscal stewardship and project management.

These consistent results demonstrate a culture of accountability and continuous improvement at HCPS, reinforcing public trust that funds are managed responsibly.

Subcontractor Participation

In line with its commitment to community engagement and economic development, HCPS promotes the inclusion of **small and diverse businesses** in its construction and procurement opportunities. Through the **Office of Supplier Diversity (OSD)**, the district:

- Maintains a Small Local Business Enterprise (SLBE) registration.
- Encourages prime contractors to partner with certified minority- and women-owned firms.
- Hosts workshops that inform local enterprises about upcoming bid opportunities.

For large projects, HCPS also incorporates apprenticeship and workforce development components, building a pipeline of skilled trades while giving priority to local labor. These initiatives help foster competition, drive down costs, and strengthen ties between the district and the wider Tampa Bay community.

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Long Beach Unified School District (CA)

Overview

Long Beach Unified School District (LBUSD) is the fourth-largest K–12 district in California, serving over **64,000 students** across **84** public schools in the cities of Long Beach, Lakewood, Signal Hill, and Avalon. The student population is **highly diverse** – approximately **53% Hispanic, 16% African American, 15% White, 11% Asian**, with dozens of home languages represented. More than **two-thirds of students** come from economically disadvantaged households (qualifying for free or reduced-price meals), reflecting the district's broad socioeconomic reach.

LBUSD employs about **10,000 staff** (full- and part-time), including roughly **2,700 teachers**, making it the largest employer in Long Beach. The district's Facilities & Development department manages school construction and modernization projects, ensuring all students have safe, up-to-date learning environments that support 21st-century education.

Bond Program

LBUSD relies on **local general obligation bond measures** (approved by voters under California's Proposition 39 rules) to fund capital improvements for its schools. Three major bond measures in the past 15 years have provided the backbone of the district's modernization program:

- **Measure K (2008):** A \$1.2 billion facilities bond approved by 71% of voters. Measure K launched a decade-long effort to **build and renovate schools**, targeting aging campuses. It funded construction of several new small schools (e.g. McBride High, Sato Academy, Browning High) and extensive renovations at existing sites. Issued in multiple series, these bonds addressed critical needs identified in LBUSD's facilities master plan – from seismic upgrades and new classrooms to technology infrastructure. By law, **no Measure K funds can be used for administrator salaries**, and an independent oversight committee reviews all spending
- **Measure E (2016):** A \$1.5 billion school repair and safety bond approved by nearly 75% of voters. Measure E expanded the modernization work, providing dedicated funding for districtwide replacements of old portables, new HVAC installations at campuses lacking air conditioning, upgraded fire alarms and security systems, and athletic facility improvements (such as new turf fields and renovated stadiums at several high schools). These projects are underway across LBUSD, focusing on **improving health, safety, and learning environments** at every school.
- **Measure Q (2022):** A \$1.7 billion bond measure passed with about 61% voter approval to address the next generation of facility needs. In alignment with LBUSD's **2022 Facilities Master Plan**, Measure Q funding will **modernize aging campuses**, add or improve science labs and career-tech classrooms, upgrade campus security and seismic safety, install new technology infrastructure, and create outdoor green spaces for play and learning. Over 80% of LBUSD school facilities are 50+ years old, so Measure Q helps the district begin tackling an estimated \$3.8 billion in identified capital needs.

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These bond measures are financed by local property taxes and are restricted to school construction, renovation, and related capital costs. LBUSD also leverages **state facility matching funds** and other sources alongside local bonds – for example, the district has secured about

\$370 million from California’s State School Facility Program, plus developer fees and other local capital funds– bringing the total **capital program** to roughly \$5.3 billion. This blended funding approach allows LBUSD to maximize resources for rebuilding its schools. All bond expenditures are subject to stringent accountability, including independent audits and citizen oversight (see “Committees” and “Review of Audits” below).

Committees

To ensure proper use of bond funds, LBUSD established an independent **Citizens’ Oversight Committee (COC)** as required by state law. The COC is a seven-member panel appointed by the Board of Education, representing parents, seniors, business and taxpayer groups in the community. The committee meets regularly to **review bond expenditures, project progress, and cost allocations**, verifying that funds are spent only on voter-approved projects. It produces annual public reports summarizing bond revenues and expenses for Measures K, E, and Q. COC members serve limited terms and bring diverse local perspectives to the oversight process.

In addition to the COC, the district’s Finance Office and external auditors provide ongoing monitoring. This **multi-layered oversight structure** (citizen committee reports, Board reviews, and annual independent audits) promotes transparency and builds public trust that facilities dollars are managed responsibly.

Construction Related Procedures

LBUSD follows **strict procedures for facilities planning, design, bidding, and construction** in accordance with California’s education code and public contracting laws. All capital projects are executed under a framework that emphasizes safety, legal compliance, and fiscal prudence:

- **Planning & Design:** School construction projects are guided by the district’s comprehensive [Facilities Master Plan](#) and detailed [Facilities Design Standards](#). These standards cover everything from classroom layouts and technology infrastructure to energy efficiency and seismic safety. Plans for new construction or major renovations are also reviewed and approved by the **California Division of the State Architect (DSA)** to ensure compliance with the state’s rigorous Field Act building codes (a process put in place after Long Beach’s 1933 earthquake for school safety). By front-loading thorough planning and DSA approval, LBUSD ensures that each project meets educational specifications and all structural and accessibility requirements before work begins.
- **Bidding & Contracting:** LBUSD procures construction services through **competitive bidding** as mandated by state law. Major capital contracts are awarded to the lowest responsible bidder via public bid solicitations in accordance with the California Public Contract Code. The district also utilizes the [California Uniform Public Construction Cost Accounting Act \(CUPCAA\)](#) for certain

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projects, maintaining a list of pre-qualified contractors for streamlined bidding on smaller jobs. All contractors must be properly licensed and meet state public works requirements (such as DIR registration for labor compliance). This open, regulated bidding process ensures fair opportunity for vendors and cost-effective use of bond funds.

- **Oversight & Compliance:** During construction, LBUSD's facilities staff and external inspectors closely **monitor progress and quality** to ensure work conforms to contract specifications, **building codes**, and **environmental regulations** (including any required CEQA reviews for environmental impact). The district approves any change orders or scope adjustments in line with Board policies – significant changes go to the Board of Education for approval in public meetings to maintain accountability. Projects are regularly reviewed for budget and schedule adherence, with status updates provided to the Board and the Citizens' Oversight Committee. Before occupancy, all completed work undergoes final DSA certification, confirming that schools have been built or modernized in full compliance with state standards. Through these vigilant procedures, LBUSD delivers **modern, safe facilities** while upholding transparency and regulatory compliance at each step.

Review of Audits

LBUSD's use of bond funds and overall financial management are subject to rigorous **independent audits** to ensure accountability:

- **Financial Audits:** Each year, the district's finances are reviewed by external auditors as part of the Annual Comprehensive Financial Report (ACFR). These audits include a **separate examination of the bond program's financial statements** for Measures K, E, and Q. In recent years, LBUSD's auditors have issued **unmodified ("clean") opinions**, indicating that the district's financial statements are fairly presented and that internal controls over bond funds are effective. The bond fund financial audit for FY2022-23, for example, showed proper accounting of all bond revenues and expenditures with no material errors
- **Performance Audits:** In addition to financial audits, California law (Prop 39) requires an **annual performance audit** of any school bond program. LBUSD's performance audits evaluate whether bond money is being spent only on **authorized projects and purposes** approved by voters. The most recent performance audit (covering Measures K, E, and Q for year ending June 30, 2023) concluded that, "in all significant respects, the District has properly accounted for the expenditures... and those expenditures were made on authorized bond projects." No significant findings or misuse of funds were reported, and any minor recommendations from auditors are addressed by the district. These consistent clean audits affirm that LBUSD's facilities funds are being managed in line with voter intentions and legal requirements.
- **Transparency & Accountability:** Audit results (both financial and performance) and bond expenditures are made fully transparent to the public and published on the district's bond program website. The Citizens' Oversight Committee also issues an **Annual Report** every year summarizing bond project progress, finances, and audit findings – available in both English and Spanish for community accessibility.

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Subcontractor Participation

LBUSD integrates **community inclusion and workforce development** into its construction program, encouraging opportunities for local businesses and workers. The goal of these initiatives / policies is to ensure that Long Beach area residents have ample opportunity to benefit from the jobs and contracts generated by LBUSD's school improvement projects. Initiatives and policies include:

- **Local Contractor Outreach:** The district adopted a formal **Local Hire and Local Business Participation** policy in 2012 to reinvest bond dollars back into the community. In 2018, the Board expanded this initiative to target firms and workers within a **15-mile radius** of the district, and began **tracking the percentage of project spending that goes to local companies**
- **Small and Diverse Business Inclusion:** To lower barriers to entry, LBUSD maintains a pre-qualification program for contractors (under CUPCCAA) that allows small and minority- owned firms to get on the district's preapproved bidders list for projects. The district regularly hosts or co-sponsors **outreach fairs and workshops** to connect **small, minority, and women-owned businesses** with upcoming construction opportunities. LBUSD and Long Beach City College jointly hold an annual Contractor Outreach Fair to share project information, bid timelines, and procurement guidance with local vendors
- **Workforce Development:** LBUSD has entered into a **Community Workforce Development Agreement** (a project labor agreement) with the Los Angeles/Orange Counties Building Trades Council. This agreement guarantees fair wages and working conditions on bond- funded projects and also includes provisions for **hiring local apprentices and workers-in- training**. By coordinating with trade unions, the district is helping to **build a pipeline of skilled local tradespeople** – including students and graduates from the Long Beach area – who can work on school construction jobs. These apprenticeship and local hire efforts provide career pathways in construction while keeping bond project benefits close to home.

Emphasizing local, small, and diverse business involvement **promotes economic development** in the region and strengthens community support for school improvements. The district's inclusive contracting approach and workforce development has become a model for ensuring that school construction investments benefit the local population both immediately and in the long run.

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Fresno Unified School District

Overview

Fresno Unified School District (FUSD) is one of the largest K–12 public school systems in California, serving over 71,000 students across more than 100 schools. It is a majority-minority district – about 70% of students are Hispanic/Latino, 11% Asian/Pacific Islander, 7.5% African American, and under 8% White. Socioeconomically, roughly two-thirds of FUSD's students come from economically disadvantaged households (qualifying for free or reduced-price meals).

The district's campuses range from traditional elementary, middle, and high schools to several alternative education centers, collectively serving the diverse neighborhoods of Fresno. FUSD employs nearly 8,000 staff in total, including approximately 3,500 teachers, making it one of the region's major employers. This workforce includes not only instructional personnel but also a Facilities Management & Planning Department dedicated to maintaining and improving school infrastructure.

Bond Program

FUSD's capital improvements are financed largely through voter-approved general obligation bond measures. In the past 15 years, the community has supported a series of bonds to modernize and expand school facilities:

- **Measure Q (2010):** A \$280 million bond approved by 76% of voters in November 2010. Measure Q financed the construction of new school campuses and major upgrades to existing facilities, addressing overcrowding and aging infrastructure (augmented by roughly \$90 million in state/federal matching funds).
- **Measure X (2016):** A \$225 million bond (67% approval) passed in November 2016, authorizing the repair, modernization, and renovation of schools districtwide, as well as new construction where needed. Measure X projects have included classroom remodels, technology updates, and safety improvements to provide students with modern learning environments.
- **Measure M (2020):** A \$325 million facilities bond approved in March 2020, aimed at replacing old portable classrooms with permanent buildings and upgrading critical infrastructure like roofs, plumbing, and electrical systems at Fresno's older schools. District leaders billed "M" as a measure to modernize aging campuses – over two-thirds of FUSD schools were built before 1970 – and ensure safe, updated facilities for students.
- **Measure H (pending approval):** \$500 million (pending) bond measure under consideration for the November 2024 ballot. If approved, Measure H would be the largest local school bond in Fresno Unified's history, aimed at addressing an estimated \$2.5 billion in facility needs. Plans for Measure H emphasize relieving overcrowding, modernizing the district's oldest campuses (many built before 1970), and upgrading classrooms, labs, and educational technology in the most high-need areas. This measure is intended to continue the momentum of the prior bonds as current funds are projected to be fully expended by 2024.

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Combined, these bond measures (along with an earlier Measure K in 2001) have provided roughly \$1 billion for FUSD facility projects. By law, bond funds can only be used for school construction, renovation, and equipment. In addition to local bonds, Fresno Unified aggressively pursues state School Facilities Program matching funds and other capital funding sources.

Committees

Fresno Unified has established oversight bodies to ensure bond revenues are spent responsibly and transparently. A **Citizens' Bond Oversight Committee (CBOC)** is appointed by the Board of Education to monitor all bond expenditures. This independent committee is comprised of community members, parents, and taxpayers as required by California law and meets quarterly in public sessions to review project updates, budgets, and audit findings. The CBOC verifies that bond funds are used only for voter-approved purposes and reports its findings to the Board and public. Meeting agendas, minutes, and annual reports of the committee are posted on the district's website for community review.

In addition to the CBOC, the district's Finance Office and internal audit staff provide financial oversight, and the Board of Education itself approves key construction contracts and change orders in open board meetings. This multi-layered oversight structure – citizen committee review, Board supervision, and staff auditing – helps bolster public confidence that FUSD's bond program is managed with accountability.

Construction Related Procedures

Fresno Unified follows stringent procedures for planning, designing, bidding, and executing its school facilities projects, in compliance with state law and local regulations. The Facilities Management & Planning Department oversees this process from initial concept to final completion.

Key elements of FUSD's construction process include:

- **Planning & Design:** Facility projects are guided by a comprehensive Facilities Master Plan, which is periodically updated to assess enrollment trends and building needs. The district works with licensed architects and engineers to develop designs that meet California's Building Standards Code. All new construction or major modernization plans undergo rigorous review and approval by the California Department of Education and the Division of the State Architect (DSA) for educational adequacy, structural safety, fire/life safety, and accessibility. Environmental assessments (CEQA) and city/county land-use approvals are obtained as required before any project breaks ground.
- **Bidding & Contracting:** FUSD adheres to California Public Contracting Laws to procure construction services. Major construction contracts are awarded through competitive bidding in accordance with the Public Contract Code. Contracts are generally awarded to the lowest responsible bidder who meets all qualifications and project specifications. For large projects (over \$1 million), FUSD uses a pre-qualification system for contractors, as required by state law, to vet bidders' financial stability and experience. The district may utilize alternative delivery methods permitted under California law – such as lease-leaseback or design-build – when

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advantageous for schedule or value. These delivery methods are approved through public Board action.

- **Oversight & Compliance:** Once construction is underway, the Facilities Department tracks the progress of each project, manages budgets and schedules, and coordinates with state inspectors. The Division of the State Architect (DSA) monitors construction of school buildings, and no new facility can be occupied until DSA certifies it meets all structural and safety codes. Any significant change orders or expenditures beyond the original scope must be brought to the Board of Education for approval. Throughout each project, the district also keeps the community informed via site postings, web updates, and presentations to the CBOC.

Review of Audits

Fresno Unified's bond programs are overseen by an independent Citizens' Bond Oversight Committee and subject to annual audits in accordance with Proposition 39. Recent bond accountability audits confirm that the district is meeting all legal requirements and maintaining strong financial controls over construction funds.

- **Performance Audits:** The annual independent performance audits for Measures X and M have consistently found full compliance with Proposition 39's spending restrictions. In the latest audits (covering fiscal year 2023–24), auditors concluded that, "in all significant respects, Fresno Unified School District expended Measure X [and Measure M] General Obligation Bond funds only for the specific projects approved by the voters, in accordance with the requirements of Proposition 39." No instances of improper expenditures or deviations from the voter-approved project lists were identified.
- **Financial Audits:** Annual independent financial statement audits (most recently for FY 2023–24) have returned unmodified ("clean") opinions for each bond measure. The district's external auditor, Crowe LLP, reported that the Measure X and Measure M bond fund financial statements "present fairly, in all material respects, the financial position of the Fresno Unified School District's bond program as of June 30, 2024". There were no audit findings or questioned costs reported in the bond program audits, reflecting sound fiscal management and adherence to all accountability requirements.

Together, these independent audits demonstrate robust accountability. They provide assurance to the public that Fresno Unified's school construction bond funds are strictly used for voter- approved facility projects, with strong internal controls and transparency in reporting.

Subcontract Participation

Fresno Unified promotes the participation of small, minority-owned, and disadvantaged businesses in its facilities projects. The district explicitly encourages vendors that are owned and controlled by socially or economically disadvantaged groups to pursue FUSD contracting opportunities. However, they do not set specific goals for small and diverse business categories.

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Procurement guidelines emphasize that outreach to such businesses should be done without compromising quality or affordability and abide by California State Code for bidding procedures. All bidders must meet the required standards while the district strives for broad inclusion. Prime contractors bidding on major construction jobs are likewise encouraged to subcontract with local small businesses and diverse suppliers whenever feasible, so that large projects can help build capacity among local firms.

Fresno Unified also works with industry and community partners to promote local hiring, apprenticeship pathways, and workforce development initiatives. The district's Career Technical Education department operates building trades pathway programs for high school students, creating a pipeline of future construction professionals from the community. This helps contribute to expanding the skilled labor force in the Fresno area.

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Indianapolis Public School System

Overview

Indianapolis Public Schools (IPS) is the largest school district in Indianapolis and one of the largest in Indiana. It serves roughly **32,000 students** in total, including about **21,800** in district- operated schools and an additional **10,000+** in autonomous **Innovation Network** schools run by charter or nonprofit partners. The district encompasses **over 60 schools** spanning pre-K through grade 12 – from neighborhood elementary and middle schools to specialized high schools (such as the historic Arsenal Technical, Crispus Attucks, and Shortridge High Schools). IPS’s student body is highly diverse: as of recent years, around **44% of students are Black, 29% Hispanic, and 21% White**, with dozens of languages spoken at home. More than **65%** of IPS students come from economically disadvantaged households.

IPS employs over **3,000 staff**, including roughly **1,500 teachers**, to support its educational programs. The district primarily serves urban neighborhoods of Indianapolis and offers various **magnet and choice programs** (e.g. STEM academies, dual-language immersion) in addition to traditional schools. IPS’s facilities footprint is extensive but aging – the **average school building is 61 years old**, and a recent facilities assessment found **over 30% of buildings in “poor” condition**. Ensuring safe, modern learning environments is a top priority as IPS undertakes major improvement initiatives.

Bond Program

IPS relies on voter-approved **property tax referenda** to fund capital improvements, rather than traditional long-term bond issues without voter input. In **2018**, IPS voters overwhelmingly approved a **\$52 million capital referendum** dedicated strictly to school building safety and security upgrades. These funds were used for projects such as installing secure entry vestibules, fire sprinkler systems, improved exterior lighting, and other critical safety renovations across the district.

More recently, in **May 2023**, voters passed a far larger capital measure – a **\$410 million property tax referendum** – to finance IPS’s ambitious facility modernization plan under the “Rebuilding Stronger” initiative. The 2023 capital referendum will fund construction of a **new elementary school** and major renovations or additions at **23 existing campuses** over the next 8 years. Allowable uses of the funds include new classrooms, upgrades to athletics and arts spaces, building system replacements (HVAC, roofing, etc.), site improvements, and technology and equipment purchases. By bringing all elementary and middle school facilities up to “good” condition, IPS aims to provide every student with a safe, high-quality learning environment.

Indiana law requires that referendum dollars be used only for their stated capital purposes, not for operating costs or salaries. In addition to these voter-approved levies, IPS can also issue **lease rental bonds** or other debt within state tax rate limits, and it leveraged such financing in the past for smaller projects. The combination of the 2018 and 2023 referenda represents a comprehensive capital program to address deferred maintenance, add capacity where needed, and reconfigure schools as part of IPS’s strategic plan.

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Construction Related Procedures

IPS follows **standardized procedures for planning and executing capital projects**, in compliance with Indiana public works laws and local regulations.

- **Facilities Planning:** The district uses data-driven facilities plans (such as recent building condition assessments and the Rebuilding Stronger plan) to prioritize projects. Each project's scope is developed to meet educational specifications while addressing building deficiencies. IPS typically engages professional architects and engineers to produce designs that comply with Indiana's building codes and the district's own design guidelines. (IPS has published design standards for school facilities, and all new construction or major renovations adhere to state safety codes, ADA requirements, and energy efficiency standards.)
- **Procurement & Bidding:** School construction contracts are awarded through a transparent, competitive bidding process as required by Indiana law. For large capital projects, IPS advertises **public bids and awards contracts to the lowest responsive and responsible bidder** in accordance with IC 36-1-12. Notably, **professional services** such as architectural, engineering, or consulting work are exempt from sealed bidding under state statute; instead, IPS selects architects and other professionals based on qualifications and negotiated fee proposals. All contracts above a certain dollar threshold (e.g. **\$75,000**) must be approved by the Board, and the Board receives reports of procurement decisions.
- **Compliance & Oversight:** Once construction is underway, IPS's Facilities Management Department oversees the work to ensure it meets specifications, stays on schedule, and remains within budget. The district often hires independent construction managers or uses internal project managers for day-to-day oversight. Projects are required to obtain **City of Indianapolis building permits and inspections**, ensuring code compliance (electrical, structural, fire safety, etc.). Any significant change orders typically require approval by the Board or administration to maintain fiscal control. IPS also enforces contract compliance in areas like prevailing wage (when federally required) and site safety.

Through these procedures, IPS ensures that its bond-funded projects are delivered **safely, legally, and efficiently**. Adhering to state bidding statutes and having rigorous internal oversight helps IPS control costs and achieve the intended outcomes of its capital programs.

Review of Audits

Financial audits of IPS are conducted annually by independent auditors in coordination with the Indiana State Board of Accounts. **Recent audit results have been consistently positive**. For example, the **FY2022 and FY2023 Annual Comprehensive Financial Reports** received

unmodified ("clean") audit opinions, indicating that IPS's financial statements present fairly the district's financial position and adhere to accounting standards.

In the most recent audit (year ended June 30, 2023), the auditors **reported no material weaknesses or compliance findings** – neither in the financial statements nor in federal grant programs – as noted in the

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Schedule of Findings (which listed “No matters are reportable”).

This clean audit means IPS had sound internal controls and complied with all relevant requirements for that year. Audit reports for the prior year were similarly clean. Each year, the independent auditors (a CPA firm, supervised by the State Board of Accounts) issue a report to IPS’s Audit Committee and Board, providing any recommendations. In general, over the last several years IPS has **strengthened its financial management**, and this is reflected in audit results. (This marks a stark improvement from a decade ago – a 2014 special finance review found significant weaknesses in IPS’s fiscal practices, such as lack of an audit committee and disorganized accounting. In response, IPS overhauled its finance department and implemented better controls, which have led to today’s clean audits and awards for financial reporting.)

IPS also undergoes periodic **performance audits or reviews** of specific programs. For instance, the Indiana State Board of Accounts or external firms may conduct compliance audits of construction grant funds or efficiency reviews. No significant negative findings have emerged from such reviews in recent years. Additionally, IPS publishes an Annual Comprehensive Financial Report (ACFR) each year with detailed financial data and in 2024 they received the **GFOA Certificate of Achievement for Excellence in Financial Reporting** for its ACFR.

Overall, the **cadence of audits is annual** for financial statements (with single audits for federal funds), and the **findings in the last 2+ years have been clean**, giving stakeholders confidence that capital funds and all other dollars are properly accounted for. The IPS Audit Committee further reviews audit outcomes and ensures any minor management letter suggestions are implemented.

Subcontractor Participation

IPS is committed to **inclusive procurement** and maximizing opportunities for local, small, and diverse businesses in its construction projects. Under its **Supplier Diversity & Local Participation Policy (Board Policy 6321)**, the district has implemented the following initiatives and requirements:

- **Active Outreach & Good Faith Effort:** Prime contractors must advertise subcontracting opportunities to **Minority, Women, and Veteran-Owned Business Enterprises (M/W/VBEs)** as well as Indianapolis-based firms, aiming to mirror the community’s diversity in vendor selection.
- **Non-Discrimination & Equal Opportunity:** All contractors must affirm their commitment to fair employment practices and include non-discrimination clauses in agreements.
- **Supplier Diversity Reporting:** IPS may request **supplier diversity reports** detailing a contractor’s workforce demographics, local hiring, and community involvement; these are shared with the Board to track progress.
- **Aspirational M/W/VBE Goals:** For major construction projects, IPS sets percentage targets for M/W/VBE subcontractor utilization and monitors contractor compliance.
- **Workforce Development:** Through partnerships, IPS connects students with real-world construction sites, offering college credits and industry certifications, ensuring that bond-funded projects also contribute to building a skilled local workforce.

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These policies and initiatives extend to **all** IPS procurement, driving **equitable competition** and economic development in the Indianapolis community. By fostering relationships with local and diverse businesses, IPS helps control costs, increase innovation, and ensure that school construction spending benefits the entire district.