

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## SCHOOL CONSTRUCTION BOND CITIZENS' OVERSIGHT COMMITTEE

**D. Michael Hamner, FAIA, Chair**

American Institute of Architects

**Robert Campbell, Vice-Chair**

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

**Dr. Samantha Rowles, Secretary**

LAUSD Student Parent

**Patrick MacFarlane, Executive Committee**

Early Education Coalition

**Scott Pansky, Executive Committee**

L.A. Area Chamber of Commerce

**Joseph P. Buchman – Legal Counsel**

Burke, Williams & Sorensen, LLP

**Lori Raineri and Keith Weaver – Oversight Consultants**

Government Financial Services Joint

Powers Authority

**Neelura Bell**

CA Charter School Association

**Sandra Betts**

CA Tax Reform Assn.

**Chad Boggio**

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

**Aleigh Lewis**

L.A. City Controller's Office

**Jennifer McDowell**

L.A. City Mayor's Office

**Brian Mello**

Assoc. General Contractors of CA

**Santa Ramirez**

Tenth District PTSA

**William O. Ross IV**

31<sup>st</sup> District PTSA

**Bevin Ashenmiller (Alternate)**

Tenth District PTSA

**Ashley Kaiser (Alternate)**

Assoc. General Contractors of CA

**Connie Yee (Alternate)**

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

**Vacant**

Senior Citizens' Organization

**Vacant**

LAUSD Student Parent

**Timothy Popejoy**

Bond Oversight Administrator

**Perla Zitle**

Bond Oversight Coordinator

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## 2nd Quarter Report FY 2024/25

### October – December 2024

#### I. Overview

The mission of the School Construction Bond Citizens' Oversight Committee (BOC) is to oversee the expenditure of funds for the construction, repair and modernization of schools by the LAUSD and to communicate its findings to the Board and the public so that school bond funds are invested as the voters intended and that projects are completed wisely and efficiently.

The shared vision between the BOC and the LAUSD is to build and maintain schools that promote the full development of the child, are educationally and environmentally sound, enhance their neighborhoods through design and programming as centers of community, and reflect the wise and efficient use of limited land and public resources.

The BOC presents this Quarterly Report in the fulfillment of its obligation to the public and pursuant to the BOC Charter and Memorandum of Understanding (MOU) with the District. This report covers activities of the BOC during the 2nd Quarter of the Fiscal Year 2024/2025, the 4th Quarter of Calendar Year 2024 (October - December).

The BOC receives three detailed and comprehensive monthly reports from the Facilities Services Division (FSD) regarding financial and project budget and schedule data. This provides the underlying data for the SUP Summary that the BOC prepares for its monthly meetings. In addition, the FSD Consolidated Monthly Program Status Report is included each month in the BOC's meeting materials with the CFE Report presentation tab. The most recent reporting is through November 15, 2024.

#### Bond Measure US

During the reporting quarter, on November 5, 2024, voters residing in the LAUSD boundaries passed the \$9B Bond Measure US with a 68% approval margin. In terms of impact and scale, this was a significant and substantial addition to the LAUSD construction program. It is the largest

bond measure in LAUSD history. California voters also approved a school construction bond providing \$10B to schools and community colleges across the state. It is not known at this time what LAUSD's apportionment will be – but it will likely provide tens of millions of additional bond funds to the District's construction program.

On August 7, 2024 the LAUSD Board of Education authorized the proposed bond measure for placement on the November 15, 2024 ballot. As part of this action, it also adopted an Implementation Plan that would allocate the proposed \$9B in bond funds across program and project categories and priorities largely already established in the School Upgrade Program (SUP). Some additional priorities included funds to implement the 30% greening target for school campuses, continued substantial investment in school modernization, technology infrastructure and upgrades, accessibility, charter schools, the electrification and expansion of the bus fleet, early education and adult education facilities.

Bond Measure US funds will be added to the January 2025 SUP Summary and related reports. The District is already prepared to begin seeking approval of projects and programs identified for funding.

It should be noted that on September 24, 2024 the BOC Executive Committee forwarded a letter to the Superintendent and Board of Education expressing its concerns regarding the proposed bond measure. On October 8, 2024, the Superintendent forwarded a response to the BOC. (Both letters are attached to this report.)

#### Status of Revisions to the LAUSD BOC Charter and MOU

On September 23, 2023, the BOC, with direction from its MOU Review Task Force, forwarded to the District executive team proposed revisions to the MOU pursuant to Section 6.7 of the MOU. That section states the MOU shall be jointly reviewed by the District and BOC every five years. The last amendments to the MOU were made on April 18, 2017. To date, there has been no formal engagement with District staff regarding proposed revisions or progress on a joint review. See further details in section VIII of this report.

#### Bond Program Performance and Bond Measure Audits

The Committee recognizes the work of the auditor and the District in the sound management and expenditure of bond funds. However, the Committee continues to have concerns about the independence of the auditor and the lack of engagement with the BOC as a key stakeholder during the audit process. Work on the FY24 bond audits is underway, and anticipated for presentation at the BOC's March 27, 2025 meeting.

## **II. Public Meetings**

For the matters contained in this Quarterly Report, the BOC held three public meetings. These meetings were held on October 10, 2024, November 7, 2024 and December 12, 2024.

The record of BOC member attendance for these meetings can be found in [Exhibit 1](#).

#### **Bond Oversight Committee**

333 S. Beaudry Avenue, 23<sup>rd</sup> Floor, Los Angeles, CA 90017

Phone: 213.241.5183 ✦ boc@laschools.org ✦ <https://www.lausd.org/boc>

### III. Resolutions Adopted

The BOC adopted the following resolutions during the period covered by this Quarterly Report.

#### October 10, 2024 BOC Meeting

- **2024-30** – Recommending Board Approval to Define and Approve 12 Classroom Upgrade Projects and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein (October 10, 2024)
- **2024-31** – Recommending Board Approval to Define and Approve Two Early Education Center Outdoor Classroom and Campus Upgrade Projects and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein (October 10, 2024)
- **2024-32**– Recommending Board Approval to Define and Approve 13 Board District Priority and Region Priority Projects and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein (October 10, 2024)

#### November 7, 2024 BOC Meeting

- **2024-33** – Recommending Board Approval to Define and Approve 26 Board District Priority and Region Priority Projects and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein (November 7, 2024)
- **2024-34** – Recommending Board Approval to Define and Approve Two Projects to Provide Critical Replacements and Upgrades of School Building/Site Systems and Components and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein (November 7, 2024)
- **2024-35** – Recommending Board Approval to Define and Approve Three Charter School Facilities Upgrade Projects and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein (November 7, 2024)
- **2024-36** – Recommending Board Approval to Define and Approve Two Accessibility Enhancement Projects and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein (November 7, 2024)

#### December 12, 2024 BOC Meeting

- **2024-37** – Amendment to Appointment of a BOC Ad Hoc Subcommittee (Task Force) Regarding the Implementation of the District’s *Green Schoolyards for All* Resolution and Plan (December 12, 2024)
- **2024-38** – Recommending Board Approval to Define and Approve 21 Solar Photovoltaic Projects and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein (December 12, 2024)
- **2024-39** – Recommending Board Approval to Define and Approve Seven Playground and Campus Exterior Upgrade Projects and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein (December 12, 2024) (NOT ADOPTED)
- **2024-40** – Recommending Board Approval to Define and Approve Two Projects to Provide Critical Replacements and Upgrades of School Building/Site Systems and Components and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein (December 12, 2024)

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- **2024-41** – Recommending Board Approval to Define and Approve 16 Board District Priority and Region Priority Projects and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein (December 12, 2024)

#### **IV. Resolutions Not Adopted**

- **2024-39** – Recommending Board Approval to Define and Approve Seven Playground and Campus Exterior Upgrade Projects and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein (December 12, 2024) (NOT ADOPTED)

#### **V. Receipt of Reports and Correspondence**

##### **October 10, 2024 BOC Meeting**

- Proposed 2024 LAUSD Local Bond Measure US (Information Only)
- Chief Facilities Executive’s Report (Information Only)
- ITS BOC Quarterly Program Status Report Q2 2024 (April 1 – June 30, 2024) (Information Only)
- Closeout Presentation for the Disaster Recovery and Business Continuity Project (Information Only)

##### **November 7, 2024 BOC Meeting**

- ITS BOC Quarterly Program Status Report Q3 2024 (July 1 – September 30, 2024) (Information Only)
- Chief Facilities Executive’s Report (Information Only)

##### **December 12, 2024 BOC Meeting**

- Chief Facilities Executive’s Report (Information Only)

#### **VI. BOC Member Activities**

- On November 14, 2024, BOC member Sandy Betts attended a ribbon cutting ceremony at the John Adams Middle School auditorium and recognition for the service of Board President Jackie Goldberg.
- On December 5, 2024, BOC member Sandy Betts and former BOC members Laura Baz and Jeff Fischbach attended the ribbon cutting for the Sherman Oaks Center for Enriched Studies Comprehensive Modernization project.
- On December 9 2024, BOC member Sandy Betts and former BOC Chair Margaret Fuentes attended the ribbon cutting and recognition for the service of Board member George McKenna at Foshay Learning Center.

## VII. Board of Education Presentations

- None

## VIII. Task Force/Subcommittee Activities

At its April 27, 2023 meeting, the BOC adopted a “Resolution Establishing the 2023 BOC Charter and MOU Review Task Force.” The Task Force was originally chaired by member Michael Hamner and included then Chair Margaret Fuentes, Dr. Samantha Rowles and Dr. Clarence Monteclaro. BOC staff forwarded its “redline” proposed revisions to the District on September 19, 2023. District staff have communicated to the BOC that the District has conducted a couple of internal review sessions to consider the proposed changes. However, the BOC has received no formal response or counter proposal to its proposed revisions. The Task Force is still active and awaiting District’s updates on proposed revisions to the MOU.

On August 1, 2024, the BOC adopted a resolution establishing a Green Schoolyards for All Task Force. Member Aleigh Lewis serves as Chair. The Task Force membership also includes members Sandra Betts, William Ross, Michael Hamner, *ex-officio*, and alternate BOC member Dr. Bevin Ashenmiller. In addition, the Task Force includes non-BOC member Teresa Dahl. The purpose of the Task Force is to learn more about the District’s implementation of its *Green Schoolyards for All resolution* and Plan. The Task Force has drafted a Work Plan and will meet monthly working with District staff to arrange various presentations and discussions. The culmination of the Task Force will likely be a Final Report that may include observations and recommendations related to implementation of the District’s policies and plans.

On December 12, 2024, the BOC adopted Resolution 2024-37 to extend the end date for the completion of the Task Force’s work no later than March 31, 2025. This extension is to allow additional presentations and responses to outstanding questions.

## IX. LAUSD Bond Program Status: School Upgrade Program (SUP)

The District bond program is composed of multiple “managed programs” funded by District Bond Measures BB (1997), K (2002), R (2004), Y (2005), Q (2008), RR (2020), US (2024) and state bond funds and developer fees.

On November 3, 2020, voters approved Measure RR allocating an additional \$7 billion for the LAUSD bond program. On August 24, 2021, the Board of Education approved the implementation of Measure RR funding and priorities into its operational framework.

On November 5, 2024, voters approved Measure US allocating an additional \$9 billion for the LAUSD bond program.

The current managed program is the Updated School Upgrade Program (SUP) adopted by the Board of Education on August 24, 2021 and modified to include Measure US funds as allocated on August 7, 2024. The Updated SUP is composed of 14 program categories, known as “spending

targets,” with a total budget of approximately \$21.048 billion<sup>1</sup>. The Updated SUP is primarily funded by District Bond Q, RR and US. The majority of SUP projects, approximately \$19 billion, or 91.6% of the total SUP budget, is managed by the Facilities Services Division (FSD).<sup>2</sup>

Specific bond program projects are included in the SUP where funds are available within spending targets and after they are approved by the Board of Education. Projects (scope, schedule and budget) are proposed as Strategic Execution Plan (SEP) amendments. Proposed projects are first considered by the BOC for recommendation and then presented to the Board of Education for approval. This process as it relates to the BOC is specified in the MOU with the District.

FSD Quarterly Program Expenditures and Change Order Rate:

- Total quarterly FSD bond fund expenditures for October was \$104.7 million. Data was not yet available for November and December at the time of publication of this report.
- As of November 15, 2024, the cumulative change order rate for all project types was 13.45%.

See section “III. Resolutions Adopted” in this report for a summary of SUP proposed projects considered by the BOC this quarter.

## **X. Committee Member—Appointments/Resignations/Elections**

Dr. Bevin Ashenmiller, Tenth District PTSA appointed as alternate member on October 22, 2024.

## **XI. BOC Budget**

The BOC’s Annual Budget for the July 1, 2024 – June 30, 2025 Fiscal Year is \$680,359.00. Total Year-to-Date expenditures were \$276,150.33 or 41% of the budget.

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<sup>1</sup> As of 11/30/24. The total LAUSD bond program includes approved projects which are managed within the Updated SUP and “legacy” programs. Legacy programs include the Capital Improvement Program (CIPR), the New Construction Program, the Modernization Program and the BB Program. The majority of projects included in legacy programs have achieved substantial completion, been closed out, reassigned to other managed programs, or remain active only for the purpose of resolving outstanding claims or other administrative or legal issues.

<sup>2</sup> Bond program projects are managed in the LAUSD organization according to project type and staff expertise in the following divisions: Facilities Services Division (FSD), Information Technology Services (ITS), Transportation Services Division (TSD), Chief Financial Officer (CFO) and Office of the Inspector General (OIG).

	FY 24/25 Budget	Expenditures		YTD% of Budget Expended
		2nd Quarter (FY)	YTD (FY)	
<b>Professional Service Contracts*</b>	\$170,000	\$20,757	\$20,757	12%
<b>Office**</b>	\$510,359	\$121,569.11	\$255,393.33	50%
<b>Totals</b>	\$680,359	\$142,326.11	\$276,150.33	41%

\*Year-to-date (YTD) expenditures for Professional Services Contracts are reported as actual payments and may reflect a lag in time between provision of services rendered, invoicing and actual payment. Expenditures for services provided during this quarter are not yet fully reflected in District financial data systems.

\*\*Office budget will adjust according to the salary table schedule approved by the District.

## **XII. BOC Member Requests**

- At its December 12, 2024 meeting, several members had follow-up requests for additional financial information and analysis related to the 21 proposed solar photovoltaic projects. Those questions have been forwarded to District staff.

Fourth Quarter Report (October 1 through December 31, 2024) for fiscal year 2024/2025 approved and submitted by staff on January 30, 2025.

*/Timothy Popejoy/*

Timothy Popejoy

Administrator

Bond Oversight Committee

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# **EXHIBIT 1**

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## Bond Oversight Committee Meeting Attendance for 2<sup>nd</sup> Quarter of FY 2024-25 Ending December 2024

<u>Name</u>	October 10, 2024 Regular Meeting	November 7, 2024 Regular Meeting	December 12, 2024 Regular Meeting
Ashenmiller, Bevin (Tenth District PTSA) **	--		●
Bell, Neelura (CA Charter School Association)	●	●	●
Betts, Sandra (CA Tax Reform Association)	●	●	●
Boggio, Chad (L.A. Co. Federation of Labor AFL-CIO)	●	○	●
Campbell, Robert (L.A. County Auditor/Controller's Office)*	●	●	●
Hamner, D. Michael (American Institute of Architects)	●	○	●
Kaiser, Ashley (Assoc. General Contractors of CA) **	--		●
Lewis, Aleigh (L.A. City Controller's Office)	●	○	●
MacFarlane, Patrick (Early Education Coalition)	●	●	●
McDowell, Jennifer (L.A. City Mayor's Office)	●	●	●
Mello, Brian (Assoc. General Contractors of CA)	●	○	
Pansky, Scott (L.A. Area Chamber of Commerce)	●	●	○
Ramirez, Santa (Tenth District PTSA)	●	●	
Ross, William O. IV (31st District PTSA)	●	●	●
Rowles, Samantha (LAUSD Student Parent)	●	●	●
Yee, Connie (L.A. County Auditor/Controller's Office)**			

● = Present      ○ = Absent

-- = Non-Committee Member at time of Meeting

\*Primary Member      \*\*Alternate Member (Attendance box left blank if not needed to serve as alternate)