

LOS ANGELES UNIFIED SCHOOL DISTRICT

SCHOOL CONSTRUCTION BOND CITIZENS' OVERSIGHT COMMITTEE

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Celia Ayala (Alternate)
Early Education Coalition
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Peggy Robertson (Alternate)
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Connie Yee (Alternate)
L.A. Co. Auditor-Controller's Office

Joseph P. Buchman – Legal Counsel
Burke, Williams & Sorensen, LLP
Lori Raineri and Keith Weaver – Oversight Consultants
Government Financial Strategies Joint Powers Authority

Timothy Popejoy
Bond Oversight Administrator
Perla Zitle
Bond Oversight Coordinator

**School Construction Bond Citizens' Oversight Committee
Regular Meeting
LAUSD HQ – Board Room
333 S. Beaudry Avenue
Los Angeles, CA 90017
Thursday, March 16, 2023
10:00 a.m.**

Please see the archived video of the meeting for all discussions/questions:

<https://lausd.wistia.com/medias/anorpwcdyn> (English)

<https://lausd.wistia.com/medias/0n8c5uc51z> (Spanish)

Committee Members Present (10): Neelura Bell, Margaret Fuentes, D. Michael Hamner, Susan Linschoten, Jennifer McDowell, Dr. Clarence Monteclaro, Scott Pansky, William Ross, Samantha Rowles, Dolores Sobalvarro.

Committee Members Absent (5): Jeffrey Fischbach, Chris Hannan, Hyepin Im, Brian Mello, Araceli Sandoval-Gonzalez.

00:00:00 Call to Order

Ms. Fuentes called the meeting to order at 10:07 a.m. and welcomed all to the Bond Oversight Committee (BOC) meeting.

00:00:20 Introductory Remarks

Ms. Fuentes recognized and asked Mr. Hamner, the BOC Vice-Chair, to present the next segment of the Chair's Remarks at the beginning of the meeting. Mr. Hamner stated that BOC members participating remotely need to set their Interpretation Feature on the Zoom screen menu to their preferred language for simultaneous interpretation. He also thanked the KLCS Staff for their production, Spanish Interpretation Staff for their work in translating and other District Staff for their assistance in broadcasting the hybrid BOC meeting.

Mr. Hamner announced that the BOC website was back online with a refreshed look and content, and could be found at <https://achieve.lausd.net/boc>. He thanked ITS and FSD staff for all their assistance in restoring the BOC website after the

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cyberattack on the District. He also indicated that meeting materials and live stream in both English and Spanish were located under the tab *Upcoming Meetings*. He explained that public speakers were asked to sign up using a hyperlink to a Google form included on the agenda and posted to the Board of Education's website on February 18, 2023. He stated that the form was available 24 hours before the start of the meeting and would remain open for 20 minutes after the start of the meeting.

Mr. Hamner stated that there would be a maximum of five (5) speakers for each agenda item and up to ten (10) speakers for general public comment. He stated that all public speakers would have up to 3 minutes. He also stated that public speakers with more than one agenda item would be provided 6 minutes total to make comments on all items they wished to address. He detailed the protocols for public speakers via audio and said that they should monitor the meeting through the live stream and then turn off the live stream volume when asked to speak to avoid audio echo or audio feedback. When it was the speaker's turn to speak, Ms. Zitle would announce the last four digits of the caller's phone number, and each public speaker would be instructed to unmute on Zoom, or press *6 (star 6), to speak. He stated that in-person speakers would be asked to step up to the podium to be heard. He thanked everyone in advance for working with the Committee to accommodate speakers.

Mr. Hamner completed his remarks.

00:03:35 Ms. Fuentes read the Bond Oversight Committee's (BOC) mission statement:

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

Ms. Fuentes announced that the voting items on the agenda were 2, 5, 6, and 7. Other items were for information only. She stated that a couple of information items were intentionally placed at the beginning of the agenda: Item #3 *FY22 - Bond Performance & Financial Audit Reports*, the audit reports are important independent reviews of the bond expenditures essential to BOC oversight. And item #4 - *Chief Facilities Executive's Report*, which today would focus on the status of the Comprehensive Modernization Program. She stated that the Committee was also interested in hearing the IT presentations for the *Wireless Network Upgrade Project – 160 Schools Close-out Report* and *LAUSD Federal E-Rate Program Updates*.

Ms. Fuentes also encouraged BOC members to complete the *FY24 OIG Annual Risk Assessment Survey* available on the BOC website <https://achieve.lausd.net/boc> under Quick Links. She emphasized that the survey assists the Office of Inspector General determine next year's areas of focus for its bond funded Work Plan.

Ms. Fuentes stated that the BOC had a certificate of recognition signed by the Superintendent and the Board of Education members for BOC member Susan Linschoten. Ms Linschoten was retiring from the County at the end of March and would be also leaving the BOC. The Chair asked Mr. Pansky to read the proclamation being presented. Ms. Linschoten participated remotely and thanked the Committee and District staff for all of their work.

00:06:53 **Agenda Item 1. Public Comment**

At the time the item was called during the meeting, a public speaker had signed up to provide comments but had not joined the meeting via the Zoom platform or in person. During the meeting, the public speaker sent a message via email indicating that he would be providing a written communication to the Committee at a later time.

00:11:22 **Agenda Item 2. Consent Calendar – February 23, 2023 Meeting Minutes**

Mr. Hamner made a motion to move the Consent Calendar.

Mr. Pansky seconded.

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00:11:42 The Chair asked Mr. Popejoy to conduct a roll call vote.

Ayes: 10 - Ms. Bell, Ms. Fuentes, Mr. Hamner, Ms. Linschoten, Ms. McDowell, Dr. Monteclaro, Mr. Pansky, Mr. Ross, Ms. Rowles, Ms. Sobalvarro [Ms. Bell and Dr. Monteclaro recorded their votes later in the meeting at 11:25AM].

Nays: 0

Abstentions: 0

Absences: 5 - Mr. Fischbach, Mr. Hannan, Ms. Im, Mr. Mello, Ms. Sandoval-Gonzalez.

The Consent Calendar passed.

00:12:45 **Agenda Item 3. FY22 - Bond Performance & Financial Audit Reports (Information Only)**

Presenter: Joseph Moussa, Simpson & Simpson, LLP

[Dr. Monteclaro joined the meeting at 10:21AM]

[Ms. Bell joined the meeting at 10:24M]

Ms. Grace Yuen Partner with Simpson & Simpson introduced herself and Mr. Joseph Moussa, Audit Manager at Simpson & Simpson (S&S) as the presenters of the Bond Performance & Financial Audit Reports for the Los Angeles Unified School District as of June 30, 2022. She began her presentation emphasizing the Auditor's responsibility pursuant to the Generally Accepted Auditing Standards (GAAS). She stated that the audit was completed within that framework as well as within the process of considering other accounting policies, management judgments, accounting estimates, corrected misstatements, uncorrected misstatements, any disagreements or difficulties with management, consultations with other accountants, and management representations.

Mr. Moussa communicated that the Auditor's Executive Summary included the audit's intent per Article XIII A, Section 1(b)(3)(C) and D. The Auditor complied with the required communication under the SAS 114 letter to the Governing Body responsible for the audit as well as audit results and highlights of the audits of the statement of bond expenditures. He explained that for the Independent Financial Audit, S&S issued "clean" opinions over the LAUSD bond funds (Proposition BB, Measures K, R, Y, Q and RR) and noted no critical deficiencies or material weaknesses as well as no other matters or noncompliance instances. He also discussed the Performance Audit's objectives: 1) Bond Expenditures and Record Keeping, 2) Procurement of Construction Contracts, Professional Services Agreements, and Goods and Supplies Contracts. He also explained the eight instances of ineligibility of bond funds payroll charges amounting approximately \$276,000 that S&S identified.

Mr. Moussa highlighted that the District Bond Funds Financial Audit Results were comprised of Audit Results, Financial Highlights, Statement of Bond Expenditures, and Government Auditing Standards Opinion. He also presented a statement for the year ended June 30, 2022 for the Facilities Services Division (FSD) with total bond expenditures of \$900M. The Information Technology Division (ITD) incurred \$24M in bond expenditures. Other categories generated expenditures of \$7M for a total of \$931M expended in bond funds during the audit period. He stated that there was no letter to management with specific comments only observations to strengthen internal control procedures. These could be found on pages 35-37 of the [2022-Audit Report.pdf](#). He said that last year's management letter comment was partially implemented for an adjustment on the District's Audited Annual Financial Report (AAFR) in fiscal year 2023.

Mr. Moussa concluded his presentation with a discussion of the Performance Audit Objectives, Scope and Procedures Performed and Performance Audit Conclusions with the following findings and updates on Prior Year Findings:

Current Year Findings:

- Payroll Expenditure Charges (MQ-2022-001)

Prior Year Findings (2021):

- Semi-Annual Certification Form of Bond-Funded Work (MQ-2021-001) – Implemented.

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- Payroll Expenditure Charges (MQ-2021-002) – Implemented.
- Survey of Compensation of Managers (MQ-2021-003) – Partially Implemented.

There were questions related to the sampling selection for bond funds payroll illegibility, excess ineligible costs if sampling methodology increases, employee payroll reporting practices, and biggest risk to the bond program from an auditor's perspective.

All questions were answered by Ms. Yuen and Mr. Moussa.

00:40:27 **Agenda Item 4. Chief Facilities Executive's Report (Information Only)**

Presenter: Mark Hovatter, Chief Facilities Executive, FSD

In response to questions from BOC members on the previous agenda item, Mr. Hovatter began his presentation by addressing the ineligible bond fund charges reported by the auditor. He stated that there would be funding lines created for bond-funded employees to charge when on special non-bond related assignments. He indicated that Facilities was reviewing the payroll findings beyond the random sampling mentioned. He also explained that assignments for bond-funded employees had expanded, such as deployment of staff for school support, which was now considered to distinguish the duties and additional payroll codes.

Mr. Hovatter moved on to present an update on the Comprehensive Modernization Projects

- | | |
|---|---|
| 1. Venice High School | 12. 92 nd Street Elementary School |
| 2. Cleveland Charter High School | 13. Reseda High School |
| 3. Sherman Oaks Center for Enriched Studies | 14. San Pedro High School |
| 4. Roosevelt High School | 15. Ascot Elementary School |
| 5. Belvedere Middle School | 16. Elizabeth Learning Center |
| 6. Grant High School | 17. Burroughs Middle School |
| 7. Polytechnic High School | 18. Taft Charter High School |
| 8. Shenandoah Elementary School | 19. Jefferson High School |
| 9. McKinley Elementary School | 20. Kennedy High School |
| 10. Huntington Park High School | 21. Lincoln High School |
| 11. North Hollywood High School | 22. Hamilton High School |

Mr. Hovatter shown a short clip of the Venice High School Ribbon Cutting for Athletic Facilities on February 22, 2023 <https://lausd.wistia.com/medias/d9il8uayuy?vvideo=d9il8uayuy> where Board Member Melvoin celebrated with parents, students, District Staff and community who have supported the bond program for the modernization of schools. He also encouraged BOC members to attend future ribbon-cutting events to see completed projects.

There was a comment about the appreciation and uplifting experience of completed projects, and questions related to the bond measure used for projects.

All questions were answered by Mr. Hovatter.

01:08:28 **Agenda Item 5. Pio Pico Middle School Roofing Project and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein**

Presenter: India Griffin, Director of Maintenance and Operations, FSD

Ms. Griffin presented the Pio Pico Middle School Roofing Project to replace approximately 68,495 square feet of new roofing campus-wide including the installation of new gutters, downspouts, and painting of affected areas. She informed that the project had been originally recommended for approval by the BOC on March 24, 2022: *Resolution 2022-16 Recommending Board Approval to Define and Approve 16 Projects to Provide Critical Replacements and Upgrades of School Building/Site*

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Systems and Components and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein. However, the project was placed on hold pending discussions for a potential permanent school closure. She stated that the project budget was approximately \$1.7M, which included an increase of \$73,231 from the original budget. She said that the project's estimated project completion was in the first quarter of 2024. In response to a question, she stated the school was neither an independent or affiliated charter school or a co-located campus. She provided pictures of the roof condition. Please refer to Board Report No. 208-22/23 for further detailed information.

There were questions and a discussion related to future of the school site, actions taken to confirm that the school will remain open, site capacity, additional damage to roof, multiple Prop 39 projects reported on the Consolidated Monthly Program Report for the data through September 15, 2022, the school's vision to attract students, grade levels at the school and availability of student seats.

Mr. Derrick Chau, Senior Executive Director of Strategy and Innovation informed the BOC that the Superintendent had made the decision to leave the school open. He stated that the decision factored in the hard work of school staff and last year's students' state assessments, which outperformed scores from neighboring middle schools. He said that the school is working in partnership with the Region office and the Strategic Enrollment office to adopt a new programs to attract students to Pio Pico Middle School.

All questions were answered by Ms. Griffin.

Mr. Hamner made a motion to approve Resolution 2023-06.

Ms. Rowles seconded.

01:17:43 The Chair asked Mr. Popejoy to conduct a roll call vote on the motion.

Ayes: 10 - Ms. Bell, Ms. Fuentes, Mr. Hamner, Ms. Linschoten, Ms. McDowell, Dr. Monteclaro, Mr. Pansky, Mr. Ross, Ms. Rowles, Ms. Sobalvarro.

Nays: 0

Abstentions: 0

Absences: 5 - Mr. Fischbach, Mr. Hannan, Ms. Im, Mr. Mello, Ms. Sandoval-Gonzalez.

Resolution 2023-06 passed.

01:19:21 **Agenda Item 6. Four Sustainable Environment Enhancement Developments for Schools (SEEDS) Projects and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein**
Presenter: India Griffin, Director of Maintenance and Operations, FSD

Ms. Griffin presented Four Sustainable Environment Enhancement Developments for Schools (SEEDS) Projects and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein. She provided a project description, project budget, construction schedule, Greening Index ranking and enrollment for Braddock Drive Elementary School, Mayall Academy of Arts & Technology Magnet, Montara Avenue Elementary School, and Walter Reed Middle School as follows:

- Braddock Drive Elementary School: Construct an outdoor learning environment and performance stage of approximately 7,800 square feet. The project includes the removal of asphalt and adding new decomposed granite, a concrete stage and ramp, and native planting areas with shade trees. The school will provide the solar reflective painted path and shrubs. The project has a budget of \$150,000, and it is anticipated to start in the first quarter of 2024 with completion in the third quarter of 2024.
- Mayall Academy of Arts & Technology Magnet: Construct an outdoor learning environment and edible garden area of approximately 2,800 square feet. The project includes the removal of existing grass and adding new decomposed granite,

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raised planter beds, and native planting areas with shade trees. The school will provide the drought tolerant shrubs and edible garden plants. It has a project budget of \$100,000 with an anticipated start in the first quarter of 2024 and completion in the third quarter of 2024.

- Montara Avenue Elementary School: Construct an outdoor learning environment and habitat area of approximately 2,700 square feet. The project includes the removal of existing asphalt and adding decomposed granite, native planting areas with shade trees, and rock seating areas. The school will provide drought tolerant shrubs. It has a project budget of \$150,000 with an anticipated start in the first quarter of 2024 and completion in the third quarter of 2024.
- Walter Reed Middle School: Construct an outdoor learning environment and edible garden area of approximately 3,200 square feet. The project includes the removal of existing grass and adding new decomposed granite, raised planter beds, and planting areas with fruit trees. The school will provide the shrubs and edible garden plants. It has a project budget of \$100,000 with an anticipated start in the first quarter of 2024 and completion in the third quarter of 2024.

Please refer to Board Report No. 209-22/23 for further detailed information.

There were questions and a discussion related to school partnerships, outreach to the community for partnership opportunities, and an explanation of the "Green Index."

All questions were answered by Ms. Griffin and Mr. Chrysiliou.

Mr. Pansky made a motion to approve Resolution 2023-07.

Ms. Sobalvarro seconded.

01:27:08 The Chair asked Mr. Popejoy to conduct a roll call vote on the motion.

Ayes: 10 - Ms. Bell, Ms. Fuentes, Mr. Hamner, Ms. Linschoten, Ms. McDowell, Dr. Monteclaro, Mr. Pansky, Mr. Ross, Ms. Rowles, Ms. Sobalvarro.

Nays: 0

Abstentions: 0

Absences: 5 - Mr. Fischbach, Mr. Hannan, Ms. Im, Mr. Mello, Ms. Sandoval-Gonzalez.

Resolution 2023-07 passed.

01:28:18 **Agenda Item 7. Eight Board District Priority and Region Priority Projects and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein**
Presenter: India Griffin, Director of Maintenance and Operations, FSD

Ms. Griffin presented Eight Board Member Priority and Region Priority Projects and Amendment to the Facilities Services Division (FSD) Strategic Execution Plan. The total combined budget was \$464,334. The projects included two chain link fencing projects, two furniture projects, one greening project, one play matting project, and two new electronic, free-standing marquees. She presented photographs, project descriptions, budgets, and construction schedules of the greening project at Braddock Elementary School and the fencing project at Moore Math/Science/Technology Academy. Please refer to Board Report No. 210-22/23 for further detailed information.

There were questions and a discussion related to play matting, "Region" allocation for priority funds projects, and Board Member priority funds allocation. There was a request for a list of remaining bond funds for each Region/Board Member for distribution to BOC members at the April BOC regular meeting.

All questions were answered by Ms. Tokes, Ms. Griffin and Mr. Chrysilou.

Ms. McDowell made a motion to approve Resolution 2023-08.

Dr. Monteclaro seconded.

01:35:44 The Chair asked Mr. Popejoy to conduct a roll call vote on the motion.

Ayes: 10 - Ms. Bell, Ms. Fuentes, Mr. Hamner, Ms. Linschoten, Ms. McDowell, Dr. Monteclaro, Mr. Pansky, Mr. Ross, Ms. Rowles, Ms. Sobalvarro.

Nays: 0

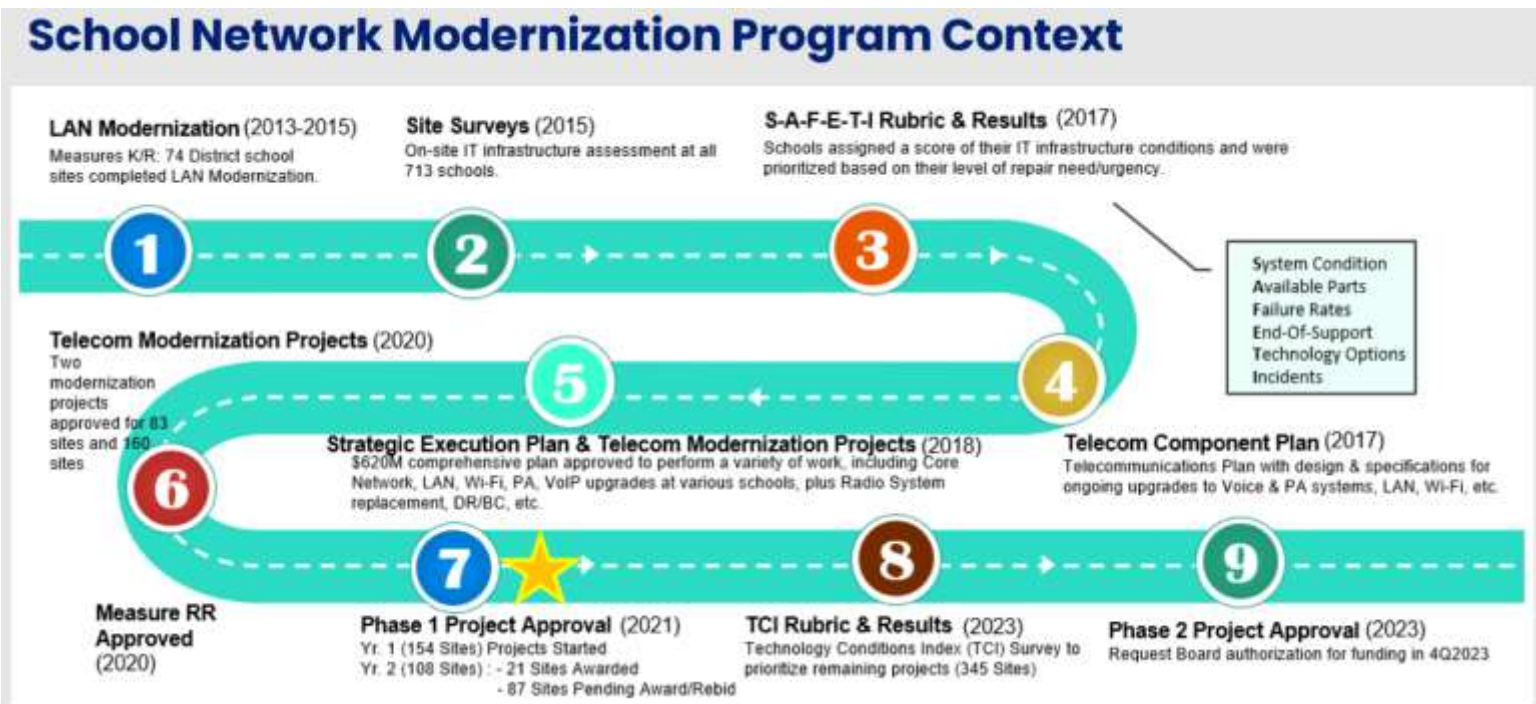
Abstentions: 0

Absences: 5 - Mr. Fischbach, Mr. Hannan, Ms. Im, Mr. Mello, Ms. Sandoval-Gonzalez.

Resolution 2023-08 passed.

01:36:41 **Agenda Item 8. Wireless Network Upgrade Project – 160 Schools Close-out Report (Information Only)**
Presenter: Jack Kelanic, Senior Administrator, IT Infrastructure

Jack Kelanic, Senior Administrator for Information Technology Infrastructure, presented the Wireless Network Upgrade Project – 160 Schools Closeout Report. He began by providing a summary that consisted of the upgrade of 160 sites that impacted approximately 162,000 students with the objective of replacing obsolete Wi-Fi equipment. He explained the roadmap below to highlight the prioritization of technology projects, which is now driven by the new Technology Condition Index (TCI).



Mr. Kelanic described the benefits to schools, the project scope (159 upgrades completed as a result of Newmark HS's relocation to the Belmont HS campus), program schedule (completed six months earlier than anticipated), project budget (savings of approximately \$1.7M) and testimonials from stakeholders regarding the impact these projects created. He concluded stating that there is another project for 83 schools nearing completion. This was the project closeout of the School Network Systems Upgrade Project, Phase 1. There is the potential for a Phase 2 for approximately 345 schools that would be brought for consideration at a future BOC meeting.

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There was a comment and a discussion related to appropriateness of using savings for other projects, importance of Wi-Fi connectivity at schools, future savings, conditions that created current project savings, in-house project management, and Wi-Fi accessibility areas at schools.

All questions were answered by Mr. Katal and Mr. Kelanic.

01:52:17 **Agenda Item 9. LAUSD Federal E-Rate Program Updates (Information Only)**

Presenter: Cathy Benham, E-Rate Consultant, CSM Consulting

Jack Kelanic, Senior Administrator for Information Technology, introduced the LAUSD Federal E-Rate Program Updates on behalf of Daphne Congdon Castillo, who could not be present, and said that Cathy Benham, E-Rate Consultant from CSM Consulting, would be presenting the item.

Ms. Benham provided some background on the E-Rate program established by Congress and the 1996 Telecommunications Act, which the Federal Communications Commission currently oversees. The program provides a maximum of \$4.8B in funding a year for schools to support access to the internet. She reported that LAUSD had been approved for \$1.4B in funding from 1998 to 2022 and received approximately \$1B in E-Rate rebates.

Ms. Benham stated that the E-Rate program is comprised of two funding categories: Category 1 is funding available for broadband to the building at schools and administrative sites, with funding based on needed bandwidth. LAUSD is 90 percent eligible of the total cost of Category 1 projects. Category 2 funding is available for Wi-Fi or LAN for broadband on school campuses limited to a per-student allocation over five years. LAUSD is eligible to receive 85 percent of the allocated amount for Category 2 projects.

Ms. Benham described what expenditures were eligible and not eligible for funding under the Category 2 of the E-Rate program. She reported that for Category 2, 2021-2025 funding, LAUSD is qualified for \$72M of which \$48.6M was estimated to be allocated to bond projects. She explained the timeline for the annual application for E-Rate funding and stated that LAUSD has been actively advocating for the increase of funds for cybersecurity, support of distance learning, homework gap closing, and an increase of funding allocations.

There was a comment and a discussion related to the role and impact of the advocacy efforts, and suggestions for continuous advocacy - in particular trips, to Washington D.C. to meet with representatives, and trips to Sacramento to meet with Assembly Members. There was also discussion of the formula for the District's allocation of E-Rate funds, determination of which category to use for the allocation of funds, and E-Rate disbursement of funds review.

All questions were answered by Mr. Katal and Ms. Benham.

02:13:37 **Agenda Item 10. Discussion of Non-Agenda Matters**

Mr. Pansky stated that he is working with a non-profit organization that helps the homeless called The Giving Spirit. He said that the organization provides mental health services, basic needs assistance and outreach for other organizations to volunteer and help. He informed that a Youth Council was established to raise funds for homeless individuals. He announced that the most recent fundraising campaign was for graduating seniors in need of a laptop after returning their District-issued computing device. He encouraged the community to help The Giving Spirit reach its goal of at least 15 laptops or Chromebooks by emailing angela@thegivingspirit.org

Ms. Fuentes thanked BOC members, District Staff and members of the public for their participation.

02:15:07 Ms. Fuentes, Chair, adjourned the meeting at 12:23 p.m. and announced that the next BOC meeting was scheduled for April 27, 2023.

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Minutes of March 16, 2023 approved per School Construction Bond Citizens' Oversight Committee.

/Jennifer McDowell/

Jennifer McDowell, Secretary