

LOS ANGELES UNIFIED SCHOOL DISTRICT

SCHOOL CONSTRUCTION BOND CITIZENS' OVERSIGHT COMMITTEE

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**Citizens' Bond Oversight Committee
Regular Meeting
Jefferson HS
1319 E 41st Street
Los Angeles, CA 90011
Wednesday August 16, 2006**

Committee Members Present: C. Rice; S. Folsom; D. Crippens; E. Bar-El; C. Bergson; C. Espinosa; T. McCauley;
A. Medina; R. Slawson

Committee Members Absent: G. Stavaris; J. Hakel; L. Levitan; B. Valles

Agenda Item 1. Call to Order

Ms. Rice called the meeting to order at 10:13 a.m.

Agenda Item 2. Chair's Remarks

Ms. Rice thanked Principal Juan Flecha for hosting the BOC meeting. Ms. Rice acknowledged the presence of Mayra Fullerton, High School Director, Local District 5.

Agenda Item 3. Principal's Remarks

Presenter: Juan Flecha, Principal, Jefferson HS

Mr. Flecha welcomed everyone to Jefferson HS. He invited Ms. Fullerton to speak. Ms. Fullerton welcomed everyone on behalf of Carmen Schroeder, Local District Superintendent. Jefferson HS will be moving to a traditional calendar this upcoming school year.

Mr. Flecha acknowledged Mr. Romero, Plant Manager, for the work he has done on the campus. Mr. Flecha stated that the students are what matters most to the faculty and staff. Mr. Flecha distributed folders with material, printed by students in the on campus print shop, detailing the transformation to small learning communities that Jefferson HS is going through.

Mr. Flecha stated he was proud to be Principal. He stated the District has made many promises to Jefferson HS and they have been kept.

Ms. Rice announced that Robert Harris, the American Institute of Architects nominee to the BOC was in attendance. Mr. Harris's appointment will be going to the BOE for action on August 22, 2006.

Agenda Item 4. Existing Facilities Monthly Program Status Report

Presenter: Bruce Kendall, Deputy Chief Facilities Executive, Existing Facilities

Mr. Kendall showed before and after photos of existing facilities projects. In the bond program there are currently over 20,000 projects valued at \$4.1 billion. The change order rate from January 2004 to June 2006 remains at approximately 4%. Mr. Kendall stated that change order information will be reported on a quarterly basis versus monthly and include more information at the request of Mr. Bergson. Mr. Kendall and Mr. Bergson had a meeting to discuss the methodology used in calculating the change order rate.

Mr. Kendall stated that a team is in place to handle Proposition BB projects. Three months ago there were 628 projects in pre-construction phase. Currently there are another 603 in pre-construction phase. Mr. Kendall stated that fire alarm projects are on a controlled release to not overwhelm the ability of contractors to perform the work.

In Measure K approximately 49% of work is either completed or in construction. In Measure R approximately 5% of projects are in pre-construction while 3% are in construction. Measure Y planning is ongoing. Ms. Bar-El asked why the number of Measure Y projects has gone down 170 projects from April. Mr. Kendall responded that some projects were reported inaccurately and would provide more detail at the next meeting.

Mr. Kendall discussed project closeout for existing facilities. In March of 2006 the goal to closeout projects was set at 120 days. Since this goal was set 1,344 projects have been finalized, of which, 687 were finalized in greater than 120 days while 757 were finalized in less than 120 days. There are currently 825 projects in the closeout phase, of which, 486 are over 120 days. Mr. Espinosa asked what caused the delay in the closeout process. Mr. Kendall's team is determining where the processes broke down to ensure that it does not happen in the future.

Agenda Item 5. New Construction Monthly Program Status Report

Presenter: Jim Cowell, Deputy Chief Facilities Executive, New Construction

Mr. Cowell displayed photos of the bridge installation at Central Region HS #10. Mr. Cowell discussed also project closeout. The closeout process contains 193 activities incorporated in the following phases: Contractual, Financial, Municipal, and DSA Certification. A total of 137 projects have been completed and 17 of those projects have DSA certification. A challenge with DSA certification is that they have to review all change orders that have been approved at the end of the project before certification is granted. Currently DSA has a backlog of 5,000. Ms. Bar-El stated at the CHPS Working Group meeting there was mention that there are green building elements implemented into new construction and sometimes the paperwork is not done to get full credit. She asked if this was part of the closeout process or would it become a part of it. Mr. Cowell responded that typically the paperwork involved in documenting a CHPS school is part of the commissioning report that is part of obtaining the CHPS points. Ms. Bar-El asked if the CHPS requirements would be included on the closeout checklist. Mr. Cowell responded that it would be part of the contractual portion of closeout.

Mr. Cowell discussed the budget process. The first step is bond sizing. This is a District-wide assessment estimating land cost, looking at state match funding considerations, looking at program contingency and management, and looking at what the bond requirement would be. The next step is project definition. This is where the District-wide need becomes a defined project. The region or the location of the school is looked at along with real estate and construction costs. These items are budgeted and the item is presented to the BOE as a project definition. The third step is budget modifications. These occur when there is an anticipated change in the cost. The current cost or estimate at completion is reflected throughout the course of the project. It can change due to scope, bids, or schedule. Whenever there is a change greater than 5% the BOC is notified and the modifications are reflected in the SEP update.

Mr. Cowell stated that this is a challenging time to set realistic budgets. Budgets started out at \$200/square foot and are currently at \$380/square foot.

Mr. Cowell discussed Proposition 90 (Protect Our Homes Act). It is an initiative that will affect eminent domain and regulatory takings in the future. It is on the November 2006 ballot. If it does pass it will have an immediate impact. The initiative changes how fair market value and just compensation are determined. They are expected to be higher than what they are now. It changes the value of what the property owner would receive in terms of what is the higher use of the property was going to be after the acquisition. Ms. Rice asked who was sponsoring the initiative. Ms. Meghrouni responded outside of the state property rights interests. Ms. Rice requested a political briefing including who is backing this initiative. Mr. Crippens asked Mr. Espinosa if the mayor's office had a position on the initiative. Mr. Espinosa would report back at a later date what the position would be. Mr. Buchman stated that this item is a measure on the ballot and there are limitations on what the BOC could do in terms of taking a position and making arguments for or against a particular measure, proposition, and candidates.

Regarding Vista Hermosa, a bid for the park has been received. The City of Los Angeles has allocated \$515,000 for the construction of the soccer field. Regarding Central LA HS #9, the groundbreaking ceremony is scheduled for September 9, 2006. Regarding Ambassador, mass grading of the site has begun. The K-3 facility is expected out of DSA in October 2006. The MS/HS design is approximately 50% complete. Southeast Learning Center and Banning ES had defaulted contractors back in December. Both of the schools are completed and will be opening this fall.

Regarding Vista Hermosa and the gas emissions from the ground, Mr. Medina asked if there are assurances that the emissions would not occur with the current mitigation system. Mr. Cowell responded that the system that is going in will address the site conditions and gas mitigation. Mr. Cowell stated that staff from OEHS is overseeing the construction of the system to make sure it is built properly.

Mr. Espinosa asked when the Ambassador project would go to bid. Mr. Cowell responded the bid would go out in late 2007. Mr. Espinosa stated the City of Los Angeles will be taking a position on SB 1677, which has to do with joint use. This would help ease the types of matches for state joint use funds. Instead of cash matching, programming, land valuation, and in kind work will be recognized. There is \$29 million in the state infrastructure bond for joint use projects.

Agenda Item 6. Consent Calendar

Ms. Rice introduced the Consent Calendar consisting of the May 17, 2006 minutes, June 21, 2006 minutes, and BOC Quarterly Report (April-June 2006). Ms. Bar-El noted a correction that needed to be made to the BOC Quarterly Report.

There was a Motion, Second, and vote to approve the Consent Calendar with the noted correction in the BOC Quarterly Report.

Aye: 9

Nay: 0

Abstain: 0

Absent: 4

Agenda Item 7. New Construction SEP Amendment – Construct District Offices Utilizing Measure R School Expansion Funds

Presenter: Greg McNair, Chief Administrative Officer, Charter Schools Division

Mr. McNair described the Jefferson/Santee Zone of Choice. The purpose is to provide Jefferson HS students and parents with quality educational choices. There are 21 instructional initiatives that the students and parents may choose from. Six of the choices are charter schools. There are two goals in mind when establishing the Jefferson/Santee Zone of Choice. The first goal is to put Jefferson HS back on a traditional calendar. The second goal is to allow the students at Santee HS to attend school in the area where they reside. To accomplish the goals, capacity issues had to be addressed. This meant 737 additional seats had to be created. Mr. Folsom asked if Santee HS was operating on a traditional calendar.

Mr. McNair responded that it was operating on a 3-track calendar. Mr. Folsom asked when Santee HS would be moving to a traditional calendar. Mr. McNair responded that Santee HS would go back to a traditional calendar by 2011.

Mr. McNair stated that Green Dot public schools would provide 600 seats. Two of these programs will be housed at Central Middle School #4. The Alliance for College Ready Public Schools (Alliance) will operate one site at 17th and Georgia and another at an offsite location. These will provide 350 seats. The SEP amendment presented today corresponds to the 17th and Georgia site. The District currently houses administrative offices at this site. Under this plan the District would relocate the administrative offices to 14th and San Pedro which would allow Alliance to operate a high school. The expenses associated with the move will be paid through Measure R bond funds.

Mr. Medina asked for the track record for Alliance. Mr. McNair responded that they have a good record because they have great leadership. Mr. Folsom asked Mr. Buchman if he had reviewed the letter from Sidney & Austin, LLP regarding the appropriateness of the bond fund use and wanted to know if he was in concurrence. Mr. Buchman responded that he was in concurrence.

There was a Motion, Second, and vote.

Aye: 9
Nay: 0
Abstain: 0
Absent: 4

Resolution 2006-29 Passed Unanimously.

Agenda Item 8. New Construction SEP Amendment – Measure R Charter School FF&E Awards
Presenter: Greg McNair, Chief Administrative Officer, Charter Schools Division

This is the third furniture, fixture, and equipment (FF&E) allocation to date. Many of the allocations support the Jefferson/Santee Zone of Choice project described above. The allocation is \$5.3 million over three years. Seventeen schools submitted for awards but only 15 schools received them.

There was a Motion, Second, and vote.

Aye: 9
Nay: 0
Abstain: 0
Absent: 4

Resolution 2006-30 Passed Unanimously.

Agenda Item 9. New Construction SEP Amendment – Measure R Prop 39 Modification Project – Walgrove ES, Mann MS, Wright MS, Northridge MS, Columbus MS
Presenter: Greg McNair, Chief Administrative Officer, Charter Schools Division

Under Proposition 39 the District is required to provide facilities to charter schools that apply to use the facilities. Under BOE adopted policy the District provides facilities only in schools that have underutilized classrooms. A list of underutilized space throughout the District was created and given to charter schools that have applied for space. This year 30 applications have been received from charter schools requesting space. The five schools in the amendment have the space to fulfill requirements for five of the thirty charter schools that requested space.

Ms. Bar-El requested clarification that the charter schools were being co-located with operating public schools. Mr. McNair responded that they were being co-located. Ms. Bar-El asked if the charter students will use the facilities at the District school and would the charter students interact with District students at the District school. Mr. McNair responded yes to a limited extent. Most of the interaction will come from emergency preparedness. The charter will be operating as

a separate school. Ms. Bar-El asked if the charter students would use or have access to the playground and cafeteria. Mr. McNair responded they would use these facilities based upon an agreement by the principals about scheduling.

Mr. Espinosa asked for clarification as to how the students would identify which school they were attending since two schools will be located on the same campus. Mr. McNair responded that the charter students will identify their school name by the name of the charter school. Mr. Espinosa asked if the charter students would be integrated into all the activities of the District school. Mr. McNair responded that the charter school is a separate school.

Mr. Folsom asked if the District has done co-location in the past and wanted to know where and what the experience had been. Mr. McNair responded that the District did participate in co-location at Westchester HS. It was not a good experience due to a lack of pre-planning. Mr. McNair stated pre-planning and coordination has taken place for this SEP amendment. Mr. McNair believes the Westchester HS incident will not repeat itself. Ms. Rice asked Mr. McNair to contact Mr. Rubin about the lessons learned at Westchester and report back to the BOC. Mr. Folsom asked if Mr. McNair would be accountable to make sure this SEP amendment works. Mr. McNair responded yes. Ms. Bar-El asked if there was more demand for students at these schools, why weren't more classrooms being opened up. She wanted to know where the kids were coming from. She wanted to know what happens if the population of the schools grow and they need the classrooms back from the charters. Mr. McNair responded the Proposition 39 agreements are for one year only. The charter schools will not occupy all the excess seats in the schools. A specific number of seats have been set aside at each of the campuses to handle any increase in student population.

Mr. Folsom asked if the charter schools are looking at the space as permanent situations or incubators. Mr. McNair responded that there are use agreements with the charters and it stipulates that the arrangement is for one year only. Ms. Rice asked what the charter schools will do after one year. Mr. McNair responded that there are charter schools that have sites but will not be ready by September. This is an interim measure for them.

Ms. Rice stated there are a couple of items in the building program that are experimental. They include charters and small learning communities. Ms. Rice requested a set of parameters be set to monitor what is happening to the students in the charter situation. Ms. Rice charged Mr. Rubin with making sure the correct parameters are set and requested a report back to the BOC. She stated the BOC is willing to go along with intelligent strategies for new experimentation but bond dollars cannot be wasted on items that are not properly structured. Mr. Crippens asked if the BOE was spending the same amount of time on charters as the BOC. Ms. Rice asked Mr. Rubin to find out.

There was a Motion, Second, and vote.

Aye: 6 (Rice, Crippens, Bergson, Espinosa, McCauley, Slawson)
Nay: 0
Abstain: 3 (Bar-El, Folsom, Medina)
Absent: 4

Mr. Buchman stated that six votes in favor would not be enough to pass a recommendation. A majority of the active members (7) would be required.

There was a Motion (Folsom), Second (Crippens), and vote to reconsider the item.

Aye: 9
Nay: 0
Abstain: 0
Absent: 4

There was a Motion, Second, and vote.

Aye: 7 (Rice, Crippens, Folsom, Bergson, Espinosa, McCauley, Slawson)
Nay: 0
Abstain: 2 (Bar-El, Medina)
Absent: 4

Resolution 2006-31 Passed.

Agenda Item 10. Existing Facilities Board Policy for Mitigating Seismic Conditions and Existing Facilities SEP Amendment – Seismic Replacement

Presenter: Bruce Kendall, Deputy Chief Facilities Executive, Existing Facilities

This amendment is to address seismic conditions discovered as a result of a District wide survey. A proposal was introduced in April of 2005 to address the University HS gymnasium, music building, and portables. At that time the BOC had requested a District wide evaluation be done, which has been completed. As a result of the 1971 San Fernando earthquake, the Aquist-Priolo Act of 1972 was enacted. This prevents the construction of buildings used for human occupancy on the surface trace of active faults. A new structure for occupancy may not be built within 50 feet of an active earthquake fault. The Aquist-Priolo Act only addresses the hazard of surface fault rupture and is not directed towards other hazards such as ground shaking, seismically induced landslides, and liquefaction.

When it was discovered in 2004 that University HS and Brockton ES might fall within the Aquist-Priolo fault zone the Facilities Services Division (FSD) investigated the entire District and determined four additional campuses could be affected (Harding ES, Osceola ES, San Pascual MS, and Luther Burbank MS). These campuses have structures that are either on or within 50 feet of an active fault. Mr. Kendall described the scope of work for each of the campuses in the SEP amendment. Mr. Kendall stated there is no legal requirement to take action at these campuses but staff feels it is prudent to do so.

Mr. Folsom thanked Mr. Kendall and his predecessor for their hard work. He stated he would support the amendment with the caveat that this is the decision of the BOE. Mr. Folsom requested confirmation that there is no adverse impact on the Luther Burbank MS regarding canceling projects. Mr. Kendall stated the projects that are being cancelled were planned for the buildings that are going to be demolished.

Ms. Rice stated that she is satisfied with the cost benefit analysis of expending the money on these schools. She stated when you looked at the seismic risks throughout the District; these are the sites that if children were killed in an earthquake, the District would not be able to defend not doing the retrofits. These are the schools on active faults. Mr. Folsom stated was his understanding that Mr. Kendall had great confidence that these are the schools that need to be replaced and that there are no more that have come close to being potentially impacted as the four mentioned in the SEP amendment. Mr. Kendall responded that his group has done an exhaustive due diligence on all schools that would be impacted by an active fault or within 50 feet of an active fault.

Ms. Rice asked Mr. Rubin if he wanted to add anything. Mr. Rubin stated there are different types of earthquake faults. This amendment addresses the type of fault that breaks the surface near a school. It is difficult to build a structure on this type of fault. Ms. Rice stated if the District is serious about addressing a wider range of seismic risk, they should look to selling more bonds. Mr. Medina asked if the FEMA funds in the project were in LAUSD hands. Mr. Kendall responded the funds were in LAUSD accounts.

There was a Motion, Second, and vote.

Aye: 9

Nay: 0

Abstain: 0

Absent: 4

Resolution 2006-32 Passed Unanimously.

Agenda Item 11. Existing Facilities SEP Amendment – Measure R Major Repair A/C Related Projects

Presenter: Bruce Kendall, Deputy Chief Facilities Executive, Existing Facilities

This item was pulled at the request of Facilities staff.

Agenda Item 12. Existing Facilities SEP Amendment – Proficiency + for All - \$10 Million Modernization for High Schools

Presenter: Bruce Kendall, Deputy Chief Facilities Executive, Existing Facilities

This amendment is to provide new modernization projects at 16 high schools for a cost of \$10 million to be funded from Measure Y Achievement Gap Proficiency + For All program. In July 2005 the BOE adopted an Achievement Gap policy to give low performing schools added resources to improve academic results in existing schools. In June 2006 Superintendent Romer announced a transformation of 17 of the District's lowest performing high schools by developing an achievement plan to address instructional, operational, and facilities needs. The Achievement Gap is now referenced as Proficiency + For All as adopted by a motion of the BOE in July. These projects will facilitate the operation of high school campuses with improved science laboratories and modernized libraries.

Mr. Folsom asked how this project impacted the need to do science lab conversions District-wide. Mr. Kendall responded that this project is a start. The total number of science labs needed is 245 and the District is short 151. The most serious need is high schools that have 2-4 and they need more. Additional lab space is being provided to those schools with serious need. Mr. Folsom expressed concern that this project not be the end to the effort of providing science labs District-wide. Ms. Rice asked if there was an urgent effort to have a strategic plan set-up to fulfill the science lab needs District-wide. Mr. Kendall responded that funds have not been identified for the remainder of the schools. Ms. Rice asked Mr. Rubin to follow-up on jumpstarting the process of fulfilling the science lab needs District-wide. She requested to know why there is no specific focus, is there no funding available. Mr. Rubin responded that the decision to go to the A-G curriculum was recent and therefore the planning to have enough science labs to comply had not been done. Ms. Rice requested to know what the current plan is.

Karen Jones from the Science Branch spoke. She stated AB127 is on track for the November ballot and the Science Branch is looking at utilizing the modernization funds. Regarding the issue of fast tracking the District-wide effort, Ms. Jones stated that the 17 school in the SEP amendment were selected by Governor Romer. Once these schools have been completed the plan is go on to the remainder of the District. Ms. Rice requested a strategic execution plan be created and go through the BOC.

There was a Motion, Second, and vote.

Aye: 9
Nay: 0
Abstain: 0
Absent: 4

Resolution 2006-34 Passed Unanimously.

Agenda Item 13. Existing Facilities SEP Amendment – A&I and Board Member Funded Projects (LD 1, 4, 6, 7, 8)

Presenter: Bruce Kendall, Deputy Chief Facilities Executive, Existing Facilities

This amendment is to add projects in Local Districts 1, 4, 6, 7, 8.

There was Motion, Second, and vote.

Aye: 9
Nay: 0
Abstain: 0
Absent: 4

Resolution 2006-35 Passed Unanimously.

Agenda Item 14. Public Comment

Erlinda Carrillo

Ms. Carrillo stated she has relocation issues in regards to the building of Central Region ES #18 claiming, there have been problems with every small business owner that the relocation team has not found any of the small businesses new sites. She stated they are faced with the dilemma of having to sue the LAUSD for the loss of goodwill, which is something they do not want to do. They are not requesting additional money but just want assistance in relocating. She wanted to put on record that there has been no assistance. Suggested relocation sites have not been acceptable. She also stated none of the businesses have been given adequate help for relocation that business owners are frustrated with the LAUSD Real Estate Department and contractors that were hired to assist in the relocation process. Coincidentally that no business for one entire block has yet to be relocated.

Dalia Betancourt

Ms. Betancourt spoke about relocation issues in regards to the building of Central Region ES #18. Ms. Betancourt stated she received the 30 day notice letter and the District has yet to find a relocation place for her. Three months ago she received a 90 day letter. She was shown two houses but they will not accept her because she has three kids, nor does not know how to move herself. She has contacted the District and was informed that she should be looking for a place. The majority of the neighbors have moved and they have been receiving benefits. Ms. Betancourt stated she does not have a way to move and has not been contacted by anybody. She stated she has to move by September 15th.

Ms. Rice asked if anyone from the District was in attendance to speak with her. Tom Calhoun was in attendance to speak with her. Ms. Rice requested a report back on the result.

Maria Estrada

Ms. Estrada spoke about relocation issues in regards to the building of Central Region ES #18. Ms. Estrada stated she owned a 99 cent store and for the past six months she has been looking for a place to relocate. She found one location across the street from her current location and one location down the street. She spoke with Mr. Medina (Real Estate Department) and he indicated the locations were okay. She stated the Real Estate Department was ready to have her sign a contract but the contract listed only one of the locations. The other location already had a previous lease from someone else. She stated the Real Estate Department lied to her and were going to offer her one location only. The location that was offered down the street does not have any walls. The owner of her current location is the owner of the property down the street. She stated Mr. Medina promises that the contract would be effective but nothing has been done. She has 60 days to move and nothing has been done. Fifteen days ago she was given two places to look. One was in the garment district and the other in the heart of downtown. These locations are setup for clothing and restaurant businesses not a 99 cent store. Ms. Estrada does not know what to do.

Lisa Pulgarin

Ms. Pulgarin spoke about relocation issues in regards to the building of Central Region ES #18. Ms. Pulgarin stated she was frustrated with the relocation process. She stated they need someone to help them relocate. She stated District staff spoke with them in the back promised they would help. Ms. Pulgarin owns a recycling center and the relocation will probably require a variance because she wants to stay in the same zone she is currently at. It takes 45 working days to get a special permit and there is only two months left.

Ms Rice adjourned the meeting at 12:10 p.m.

Minutes of August 16, 2006 Approved per Bond
Oversight Committee on October 18, 2006

David Crippens

David Crippens, Secretary