March 5, 2012 Agenda

1. Building Program Overview and Status
2. Media, Audit Findings & Reviews
3. Policy Governance Issues Raised
4. Building Program Overview and Status
5. State Funding and the Moratorium
6. What We Have Done
7. What Lies Ahead

LACCD Attendees:
Dr. Daniel LaVista, LACCD Chancellor
Thomas Hall, LACCD Facilities Chief
Lloyd Silberstein, Bond Program Director
LACCD is the largest district in the state and the nation.
- Serves 250,000+ students annually
- Spreads 36 cities in LA County
- Covers 882 square miles

Los Angeles Community College District

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- Spreads 36 cities in LA County
- Covers 882 square miles

LACCD offers low-cost education to a diverse student body.
- 40%+ students are over 25 years old
- 20% students are 35+ years old
- 65% students are underserved minorities

Los Angeles Mission College
Los Angeles Valley College
Los Angeles City College
East Los Angeles College
Los Angeles Southwest College
Los Angeles Harbor College

Los Angeles Pierce College
West Los Angeles College
Los Angeles Trade Tech College
LACCD Building Program

- Why the District sought voter support with the first bond in 2001.
  - Decades of neglect and no new construction of any consequence.
  - Many buildings 30 – 50 years that needed to be replaced and were not cost effective to renovate
  - Facilities not promoting student success
- $6.2 billion Building Program total: $5.9B bond and $310M state funds
Over the last year

- L.A. Times series of articles (2 year preparation by reporters, 18 month preoccupation – distraction from central mission)
- State Controller’s Audit
- Bond program finance and performance audits
- Office of the Los Angeles City Controller and Office of the Los Angeles County District Attorney (requested by the District)
- Building Program Review Panel (BPRP) and its Report
Policy Governance Issues Raised

- Centralized vs. Decentralized Controls: District culture
- Role of shared governance in program decision-making
- Relationship of remaining build out plans to space utilization, reduced enrollment, and ability to meet M&O demands in a shrinking state appropriation environment
- Oversight, particularly by the District Citizens Oversight Committee
Los Angeles Community College District

Building Program Monthly Progress Report

December 2011 - January 2012

BuildLACCD
http://www.build-laccd.org/

BuildLACCD Program Dashboard:
Contracting & Bidding Site:
http://www.build-laccd.org/bidding_and_contracting/index.asp
Community & Media Site:
http://www.laccdbuildsgreen.org/
Building Program Overview

LACCD Building Program
Fund Summary


Program Funding

The voters of Los Angeles approved three major bond issues supporting the need for new and improved campus facilities. The impetus for these bonds was the overwhelming demand for additional and more up-to-date instructional facilities and the aging and often decrepit condition of the District's campuses. The three separate bond issues were passed incrementally over a seven-year period from 2001 to 2008 and total $5.7 billion. Approximately $482 million in bond interest, state and other sources results in a combined $6.2 billion building program total.

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Current Funding</th>
<th>Contracted</th>
<th>Estimate AT Completion</th>
<th>Funding Variance</th>
<th>Expended</th>
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<tbody>
<tr>
<td>Prop A</td>
<td>$1,369,989,764</td>
<td>$1,340,925,318</td>
<td>$1,369,589,176</td>
<td>$-33,608,381</td>
<td>$1,300,518,245</td>
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<td>Prop AA</td>
<td>$1,063,087,291</td>
<td>$1,016,056,402</td>
<td>$1,093,488,604</td>
<td>$-29,381,213</td>
<td>$965,517,640</td>
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<tr>
<td>Measure J</td>
<td>$3,520,434,649</td>
<td>$1,912,586,708</td>
<td>$3,567,332,351</td>
<td>$-46,897,706</td>
<td>$3,090,293,022</td>
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<tr>
<td>State/Local/Fed</td>
<td>$318,702,069</td>
<td>$264,237,249</td>
<td>$309,475,754</td>
<td>$4,220,235</td>
<td>$271,824,280</td>
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<tr>
<td><strong>Total Funds</strong></td>
<td><strong>$6,247,785,620</strong></td>
<td><strong>$4,553,856,678</strong></td>
<td><strong>$6,363,863,885</strong></td>
<td><strong>$-110,078,068</strong></td>
<td><strong>$3,627,053,193</strong></td>
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</tbody>
</table>

Total Bond Funds: **$5.9 B**
State/Local/Fed: **$314 M**
Total Funds: **$6.2 B**

- Prop AA $1,054 M
- State/Local/Fed $314 M
- Prop A $1,360 M
- Measure J $3,520 M

- Measure J $3,520 M (56.3%)
- Prop A $1,360 M (21.8%)
- Prop AA $1,054 M (18.9%)
- State/Local/Fed $314 M (5.0%)
- Total: $6,248 M (100.0%)

Data Date: 02/05/2012
Building Program Monthly Progress Report
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## Building Program Overview

**LACCD Building Program**  
**Report Period: December 2011 - January 2012**

### Program Funding Allocation

Funds from the three bond issues, state and other sources have been allocated as shown below. The funds are organized into four primary accounts plus a program reserve and debt retirement. All of the funds with a few exceptions such as the District HQ, a portion of the technology, and debt retirement will be used for projects at the college or satellite locations.

1. College Projects are the fixed total amounts allocated to each of the nine colleges. The Colleges, through the President and shared governance, control which of the specific projects from the Bond Project Lists and Board approved Master Facilities Plans that are to be completed with these funds.
2. Central Services are for bidding, insurance, legal, accounting and a number of other costs directly related to the College Projects. However, all of the funds were allocated to the College Projects account with these costs being paid by the District and then reimbursed.

<table>
<thead>
<tr>
<th>Category</th>
<th>City</th>
<th>East</th>
<th>Harbor</th>
<th>Mission</th>
<th>Pierce</th>
<th>Southwest</th>
<th>Trade</th>
<th>Valley</th>
<th>West</th>
<th>District HQ, VDK, Tech, Other</th>
<th>Totals</th>
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<tr>
<td>Major Projects</td>
<td>35</td>
<td>26</td>
<td>33</td>
<td>21</td>
<td>41</td>
<td>23</td>
<td>24</td>
<td>39</td>
<td>19</td>
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<td>Sub Projects</td>
<td>67</td>
<td>84</td>
<td>61</td>
<td>73</td>
<td>102</td>
<td>79</td>
<td>76</td>
<td>59</td>
<td>42</td>
<td>87</td>
<td>730</td>
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<td>Central Services</td>
<td>46,239,741</td>
<td>61,628,959</td>
<td>29,610,798</td>
<td>32,836,487</td>
<td>54,687,481</td>
<td>31,919,154</td>
<td>41,676,602</td>
<td>42,123,929</td>
<td>34,299,378</td>
<td>424,967,568</td>
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<td>Satellites</td>
<td>208,795,892</td>
<td>25,000,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5,000,000</td>
<td>40,000,000</td>
<td>147,131,602</td>
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<td>Districtwide</td>
<td>13,109,804</td>
<td>26,408,904</td>
<td>35,306,786</td>
<td>15,245,281</td>
<td>25,967,244</td>
<td>13,850,530</td>
<td>25,277,082</td>
<td>21,131,801</td>
<td>17,518,254</td>
<td>367,498,742</td>
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<td>Retire Debt</td>
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<td></td>
<td></td>
<td>117,161,451</td>
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<td>District Reserve</td>
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<td></td>
<td>28,904,184</td>
<td>28,904,184</td>
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<tr>
<td><strong>Total Funds</strong></td>
<td>$647,666,732</td>
<td>$963,604,132</td>
<td>$529,389,937</td>
<td>$523,574,067</td>
<td>$729,494,222</td>
<td>$463,747,072</td>
<td>$668,517,581</td>
<td>$698,697,140</td>
<td>$506,279,526</td>
<td>$466,890,283</td>
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* LACCD Managed

**Data Date 02/16/2012**  
**Building Program Monthly Progress Report**  
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LACCD Building Program Master Cash Flow

Impact of State Budget Cuts ($65M FY 10, 11 & 12)
- Reduced Enrollment
- Reduced Building SF Needs
- Ability to fund M&O

February 2012

$3.5 billion or 56% Complete

Actual

$1.7 B In Moratorium
$1.0 B In Construction
$2.7 B Unexpended balance
LACCD Building Program Master Cash Flow

Proposition AA
$3.98 Billion

Measure J
$3.5 Billion

Extended Bond Program

Impact of State Budget Cuts
($65M FY 10, 11 & 12)

- Reduced Enrollment
- Reduced Building SF Needs
- Ability to fund M&O

February 2012

Revised Plan

Active Projects not in Moratorium
$1.0 billion

Early Release (Renovations, Replacements, Infrastructure)
$400 million

Balance of Moratorium Projects
$1.3 billion

Potential Impacts
Until Operating Budgets Increase

- Review Priorities
- Projects deferred, downsized or cut
- Buying capacity decreases (due to increased soft costs and construction escalation)

Actual
$3.5 billion or 56% Complete
What We Have Done

The Board’s reform agenda (responses to the last year’s findings)

- Structural changes: Board Committee of the Whole: Capital Construction and a Board Ad hoc committee used as a “problem solver” group -- now reviewing the BPRP report recommendations
- Developed and refined bond expenditure guidelines (cost principles)
- Implemented a Moratorium on projects not under construction
- Internal controls: scoring committees, budget monitoring, etc.
- Master Budget Plan
What We Have Done

• Strengthen DCOC
  • Increased the frequency of meeting
  • Improved communications with the Board and Administration
  • Improved the reporting process (budget and schedule variance)
  • Formed advisory subcommittees
  • Published Annual Reports
What We Have Done

- Removal of poor-performing companies
  - Debarred three construction firms
  - Removed a poor performing construction firm
  - Removed a poor performing project management firm
  - Removed a poor performing architectural firm
- Holding companies legally accountable for their performance
  - Errors and omissions
  - Poor decisions
  - Poor quality
What Lies Ahead

- Demonstrated commitment to integrity
- Continued progress on program refinements
- Ongoing efforts to restore public trust
- Add value to student success
- Refine energy program – sustainability
  - Renewable energy (PV dependency, solar power, etc)
  - Central plants for better control demand and to monitor use