

INTEROFFICE CORRESPONDENCE  
Los Angeles Unified School District  
Facilities Services Division

**INFORMATIVE**

**TO:** Ramon C. Cortines, Superintendent

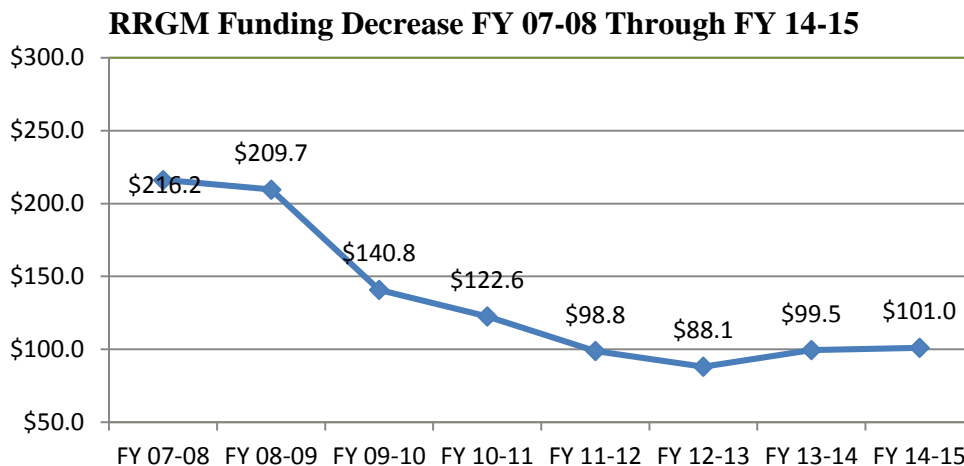
**DATE:** October 31, 2014

**FROM:** Mark Hovatter, Chief Facilities Executive

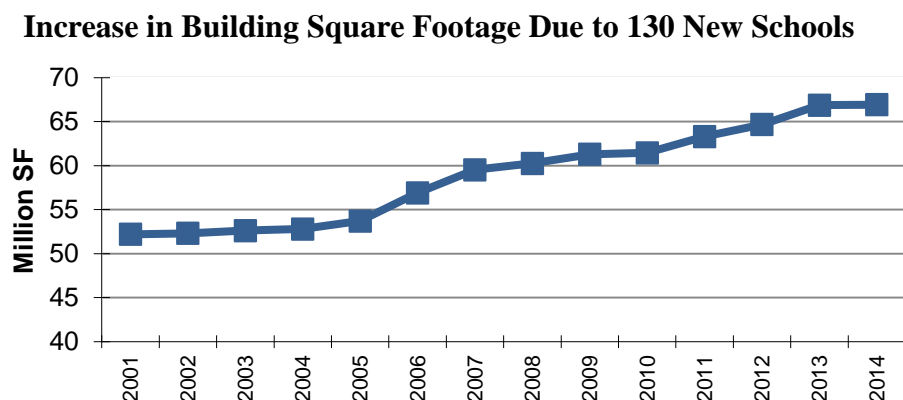
**SUBJECT: IMPORTANCE OF KEEPING OUR SCHOOLS WELL MAINTAINED**

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Keeping our schools well maintained and ensuring they provide a safe environment for students and staff is a core responsibility of ours and is just as important as anything else we do. Past budget reductions have impacted our ability to properly fulfill this responsibility. The day to day maintenance of our schools is funded through the Routine Repair and General Maintenance (RRGM) account. This budget has been reduced over 50% from just a few years ago and is currently funded at 1.6% of the General Fund. A recent OIG review of the effectiveness of Maintenance and Operations has recommended that this amount be raised to 3% of the General Fund, the amount that school districts were required to set aside annually for routine maintenance prior to 2009. The chart below illustrates the RRGM reduction over the last 6 years.

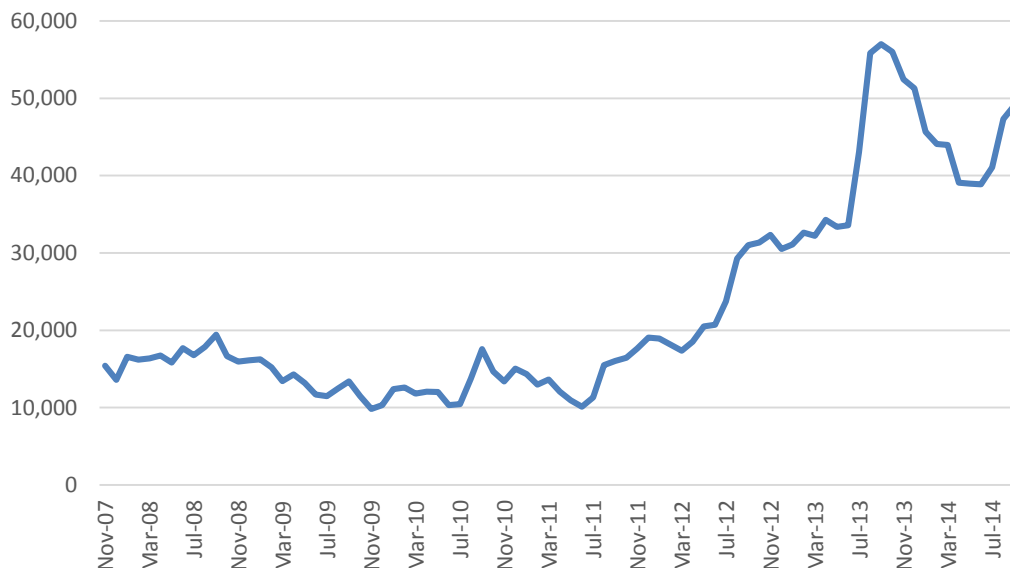


In addition, previous funding sources for deferred maintenance have been eliminated, which amounts to an additional reduction of approximately \$26M annually. These reductions have occurred while we've been building new schools. Our building program has added 130 new schools and increased our square footage by 24%. While building new schools has allowed us to greatly reduce the number of year-round schools, it has simultaneously placed an added burden on our depleted maintenance and repair resources.



We have seen firsthand the impacts of these reductions. Requests for repairs are delayed; classrooms are relocated due to system failures; and the backlog of repair needs continues to grow. The following chart shows the increase in the number of open service calls monthly for the last seven years. The current backlog of 50,000 unaddressed service calls is well above the backlog of June 2008 which was 13,178.

**Increase in Service Call Backlog**



The District's inventory of buildings and grounds is enormous by any measure. The current deferred maintenance backlog for our facilities portfolio is \$5.2B. The backlog continues to grow as building components reach the end of their life cycle. Through the data collected from our Facilities Condition Assessment Program it's been determined that we need to invest \$1.1B annually to address the current and future backlog needs of our schools.

The \$7.8 Billion School Upgrade Plan (SUP) includes targets of \$1 Billion for Critical Repair needs and approximately \$4 Billion for Major Modernization. Once the Major Modernization program is underway, it will address many of the critical repairs needs at the school sites selected. But there is still a tremendous need to address critical repairs at all of our school sites. At the date of this informative just over half of the Critical Repair funds have already been allocated to projects. It is expected this amount will be fully committed in the next 16 to 18 months. These funds are being used to address the most critical of our school's deferred maintenance needs.

As an organization we cannot continue to underfund and defer needed repairs. If we were to do so we would incur continued unexpected facility failures and cause considerable disruption to the classroom and to other school activities. We would jeopardize student and staff safety and we would also lose the confidence of teachers, principals and other District staff as well as the public who vote for our school construction bonds. Given these facts I believe we need to carefully consider how we plan our way ahead. With both general funds and bond funds it's important to keep in mind the repair and deferred maintenance needs of our schools.

c: Michelle King