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MEMORANDUM

TO: Board of Trustees, Los Angeles Community College District
FROM: Lisalee Anne Wells
DATE: March 10, 2010
RE: Recommendations to Insure Compliance with Proposition 39

The Interim Chancellor has requested our law firm, in its capacity as Bond Counsel to the Los Angeles Community College District (the "District") to review known activities and positions at BuildLACCD ("Build"), the group of contractors responsible for administering and managing the program by which the District has and will continue to construct, install, equip and furnish a volume of capital improvements (the "Bond Program"), to insure compliance with the provisions of the State Constitution and Education Code that comprise "Prop 39," the constitutional initiative adopted in November 2000. The District's three general obligation bond authorizations (the "Authorizations") were all adopted under Prop 39.

In connection with this assignment, we were asked to review position descriptions for those working at Build, a number of consultant contracts, certain expense reports, certain approvals by the Board of Trustees (the "Board") and a number of reports from various consultants, and to attend a meeting of the District Citizens' Oversight Committee (the "DCOC").

Elimination of BuildLACCD Activities Not Related to Capital Projects. We recommend that positions at Build or contracts made through the auspices of Build for the following services or products be eliminated. In most cases, individual positions at Build should be terminated in accordance with their contracts and consulting contracts should be terminated in accordance with their provisions, both at the earliest possible date. No similar contracts should be presented to the Board for approval in the future. In order to ensure that Bond proceeds are directed strictly to qualified uses, we recommend that the Board establish a process whereby an independent contractor or District employee not reporting to the Executive Director of the Bond Program be responsible for reviewing project contracts, change orders, revisions and invoices before execution or payment in order to confirm that expenditures are capital in nature and are directed at projects listed for the Authorization whose Bonds will be charged. The Fulbright firm can also be called upon at any time, or in a more formal, on-going manner, to provide advice regarding compliance with Prop 39 to designated District staff, for this purpose.

- Grant-writing.

