

**Proposition S & Z Monthly Controls Status Report
September 2013**

**San Diego Unified School District
Facilities Planning and Construction**

**Preliminary FY Close
All Data as of August 31, 2013**

Prepared for:

Independent Citizen's Oversight Committee
Facilities Planning and Construction Directors
San Diego Unified Chief Financial Officer

Proposition S

Proposition S Summary

Prop. S Percent Complete	Duration	Expended
15-Year \$2.28B Program (includes Prop. S and State Matching Funds)	29.9%	22.6%
Prop S Bond Sales Received		\$ 518,095,751
State Facility Program (Fund 35) Projected Revenue Thru June 2014		46,398,223
Projected Revenue thru June 2014		564,493,974
Total Expenditures-to-Date		516,234,855
FY 2013-2014 Planned Expenditures		52,729,834
Projected Fund Balance - June 30, 2014	*	0
Current Fund Balance	*	48,259,119

FY 2012 / 2013 Expenditures

Category	Planned Percentage (Five-Year)	Percent of Expenditures	FY Expended - to date	Current Month Expenditures	Previous Month Expenditures
Planning & Design	14.8%	12.1%	\$ 16,340,250	\$ 640,230	\$ 879,653
Construction & Equipment	80.0%	83.2%	112,259,612	13,201,278	7,915,294
Program Management Office	5.2%	4.7%	6,378,710	104,709	802,496
Sub-Total	100%	100%	\$ 134,978,572	\$ 13,946,217	\$ 9,597,443

FY 2013 / 2014 Expenditures

Category	Planned Percentage (Five-Year)	Percent of Expenditures	FY Expended - to date	Current Month Expenditures	Previous Month Expenditures
Planning & Design	14.8%	12.5%	\$ 560,380	\$ 319,218	\$ 241,163
Construction & Equipment	80.0%	85.9%	3,840,008	6,903,834	(3,063,826)
Program Management Office	5.2%	1.6%	70,327	75,907	(5,579)
Sub-Total	100%	100%	\$ 4,470,716	\$ 7,298,958	\$ (2,828,242)
Prop. S Percent of Budget and Amount Committed-to-Date**				24.5%	\$ 560,354,895
Current Remaining Uncommitted Balance***					4,139,079

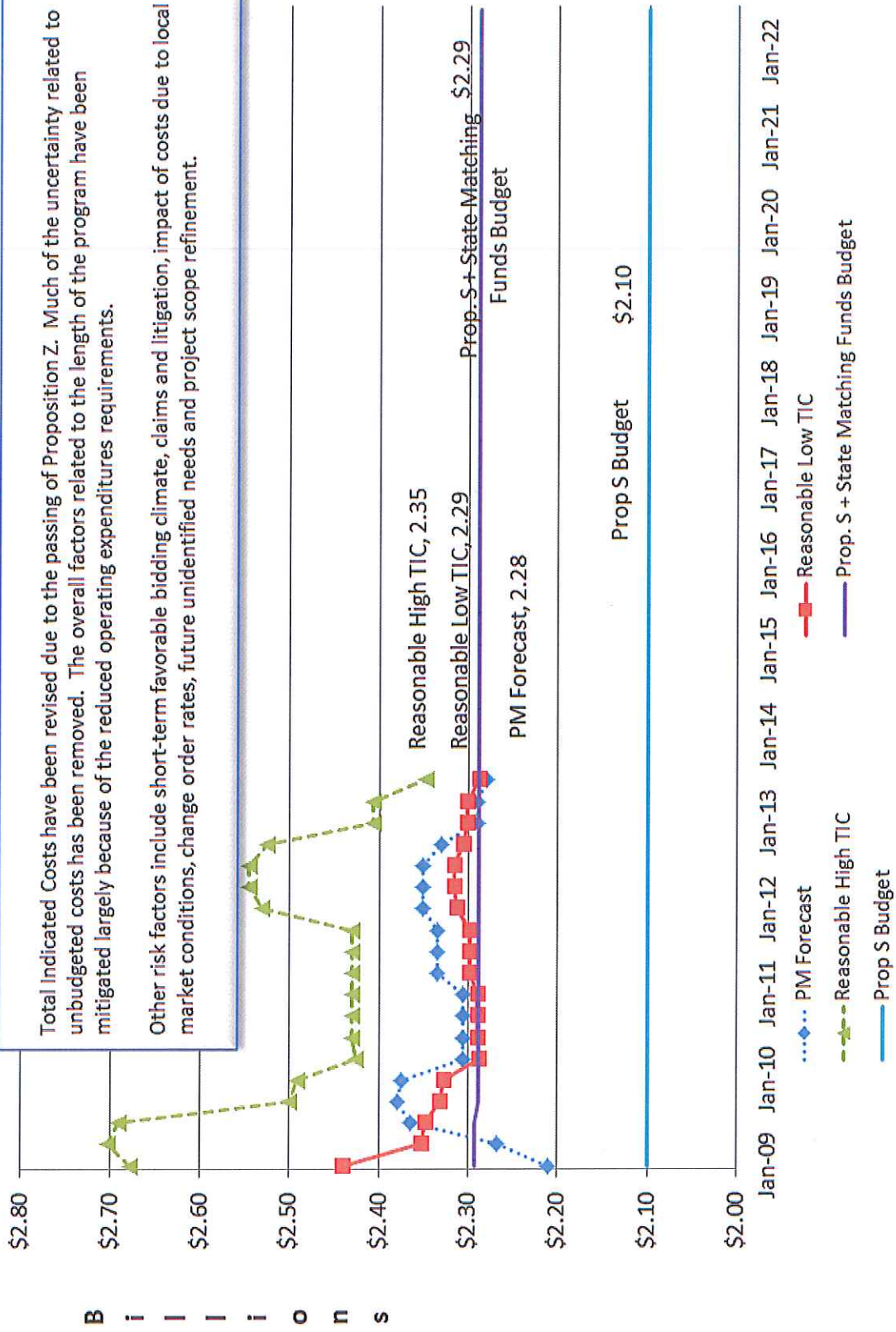
- * Fund balance is the unspent balance of revenue received
- ** Committed amount is the amount committed by salary, check authorization, contract or purchase order.
- *** Uncommitted balance is the amount that has not been committed by salary, check authorization, contract or purchase order.
- Management Costs include all labor, services, equipment and supplies that are not direct charges to projects.

Proposition S

Proposition S Total Indicated Costs (TIC) Comparison

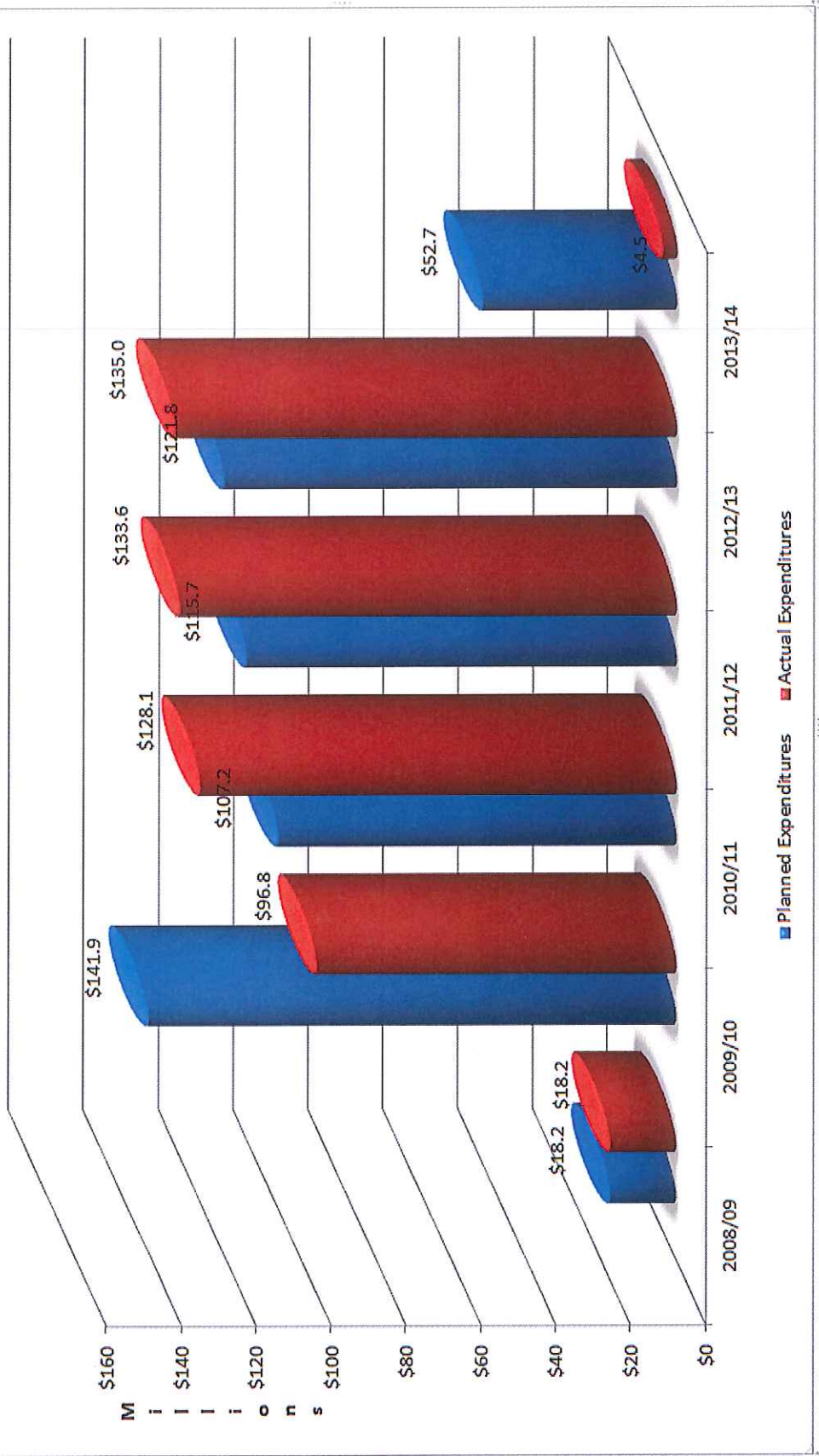
Total Indicated Costs have been revised due to the passing of Proposition Z. Much of the uncertainty related to unbudgeted costs has been removed. The overall factors related to the length of the program have been mitigated largely because of the reduced operating expenditures requirements.

Other risk factors include short-term favorable bidding climate, claims and litigation, impact of costs due to local market conditions, change order rates, future unidentified needs and project scope refinement.



Proposition S

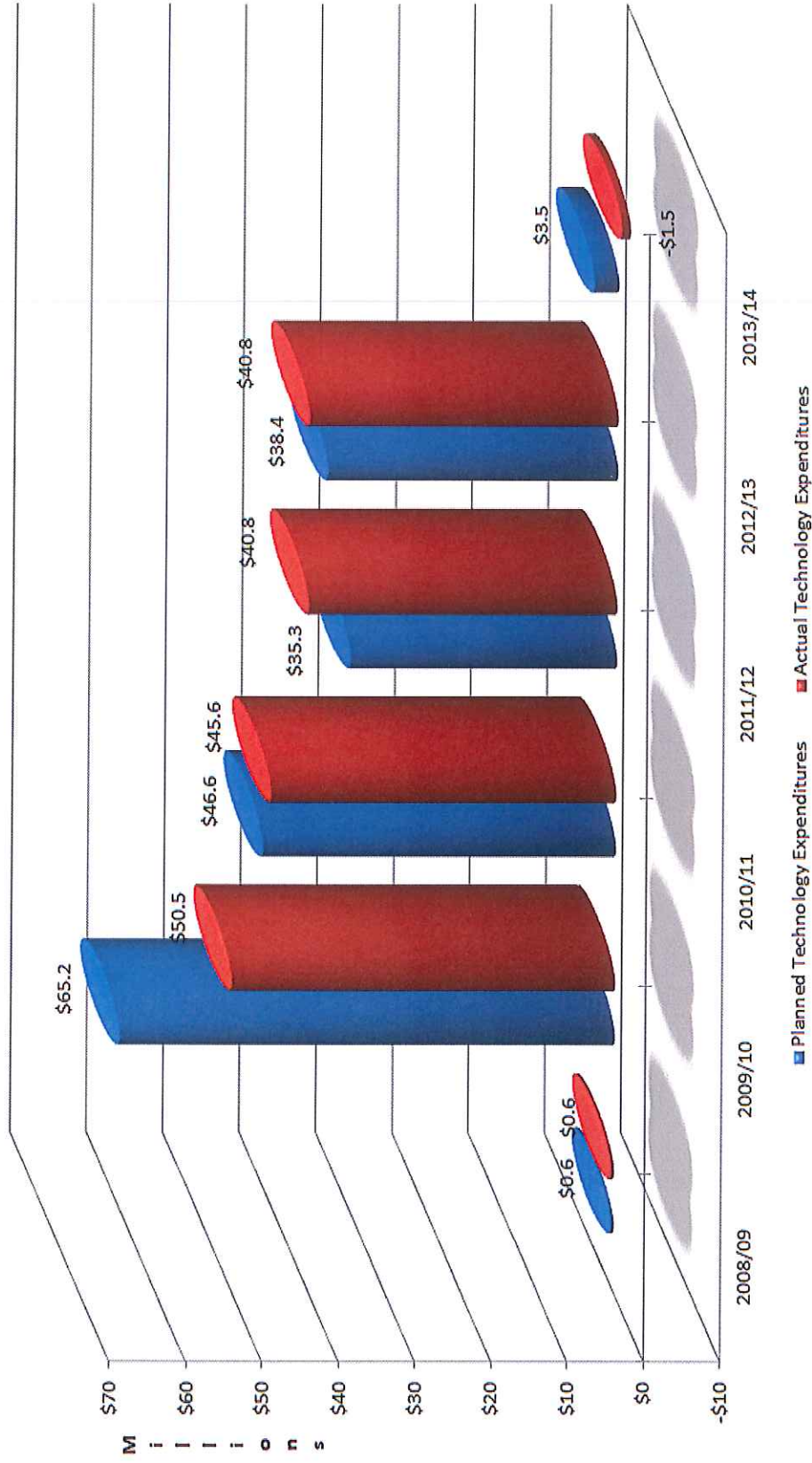
Proposition S - Planned vs. Actual Expenditures



Planned Expenditures shown above are adjusted based upon anticipated bid climate, change order rate and project execution plan.

Proposition S

Technology Program - Planned vs. Actual Expenditures

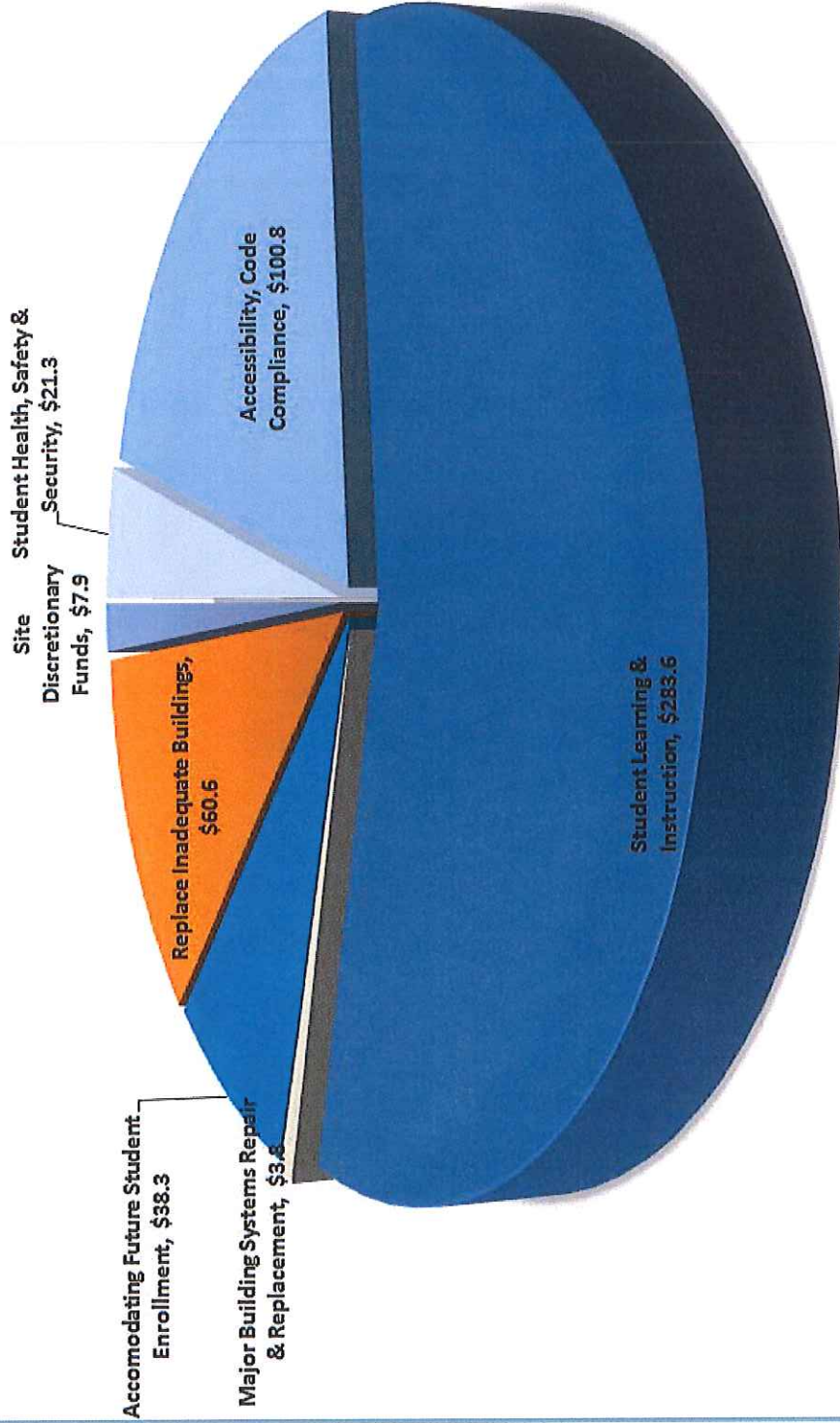


Note: E-Rate discounts are paid by the Federal Government directly to the vendor as a discount to the i-21 project and are not included in Prop. S expenditures.

Technology Expenditure Burn Rate		
Current Month	FY 2014 to date	Total-to-date
593,414	(1,779,109)	175,125,472

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Actuals-to-Date Expenditures by Category

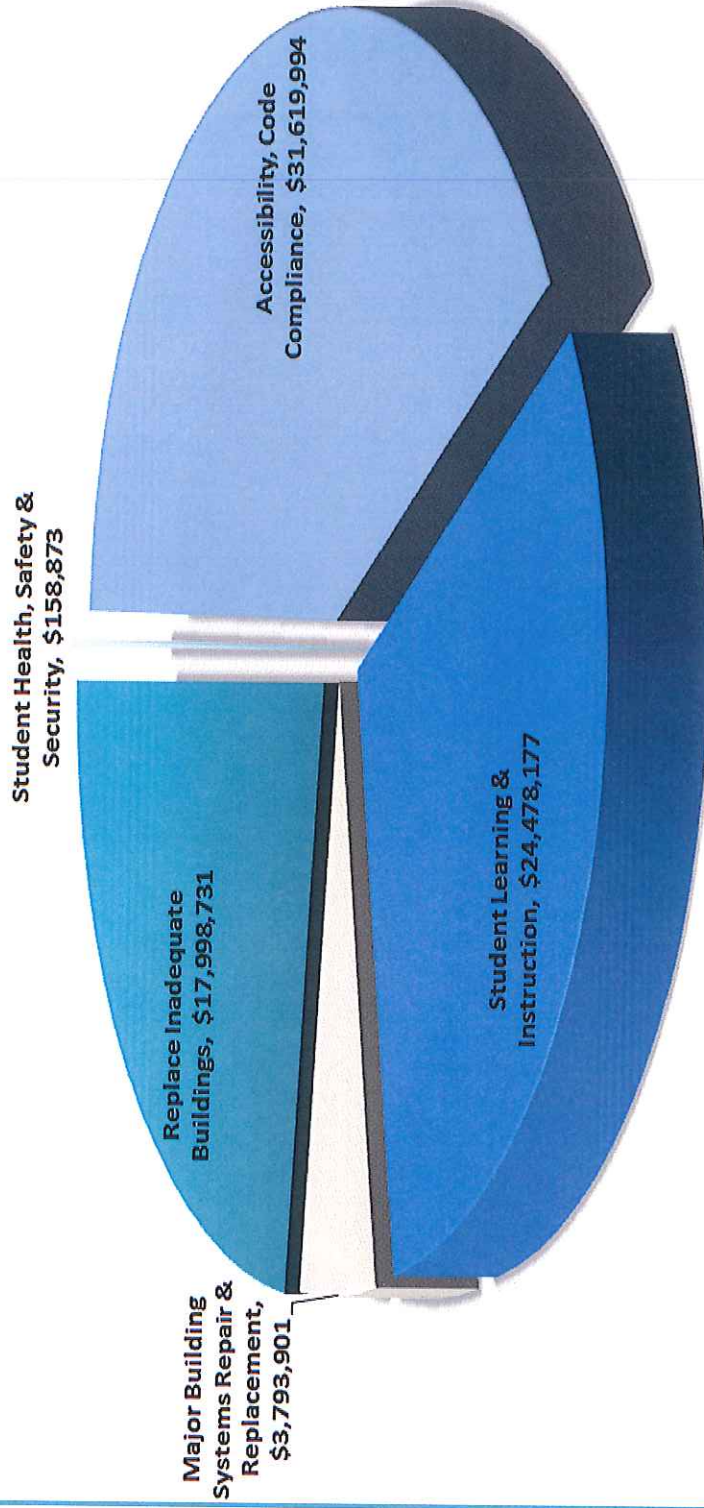


Millions

Actual-to-Date \$ 516,226,746

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Actuals-to-Date - Categories of Work that Reduce the FCI Facility Repair Needs

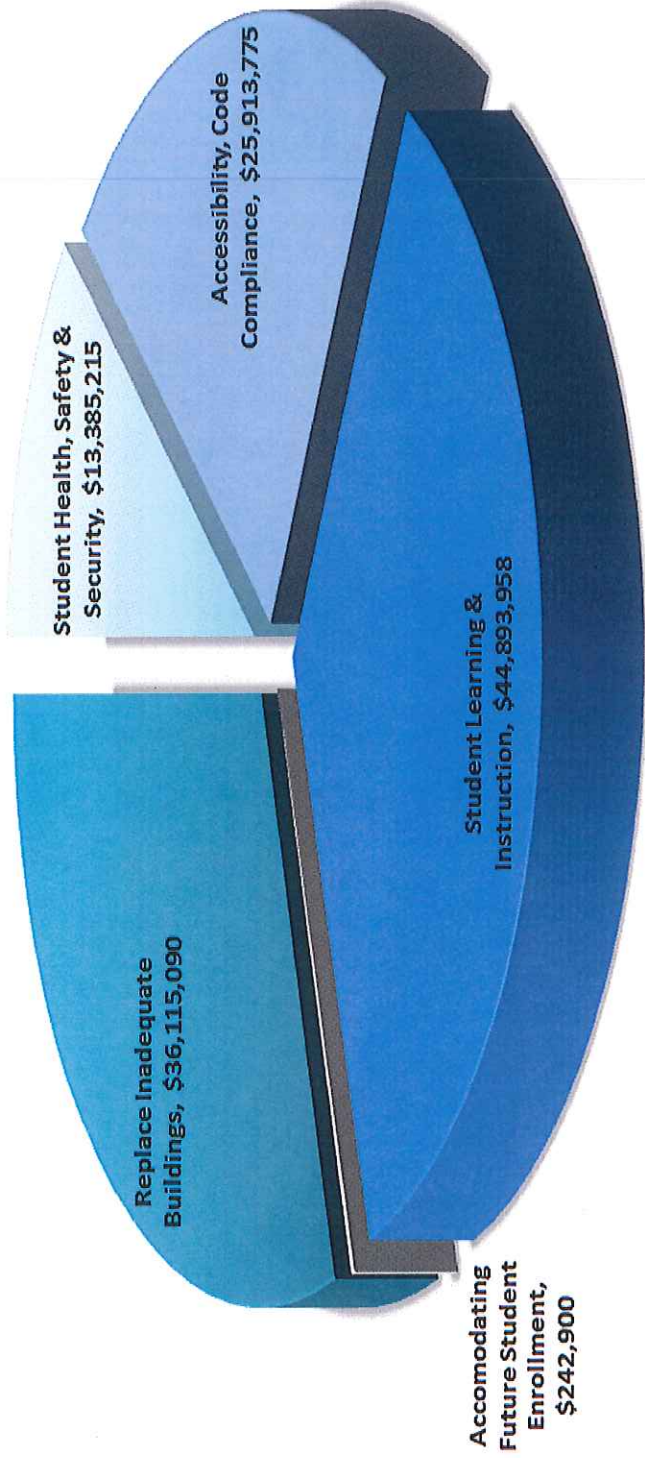


Major Repair and Replacement (MRR) type work is repairs to existing facilities. MRR work is done in several categories with the MRR category being the largest. For example, under Accessibility and Code Compliance restrooms, kitchens, stadiums and hard-scape are repaired and replaced.

- ◆ MRR Type work reduces the Total Cost of Facility Repairs Needs, in the Facilities Condition Index (FCI):
FCI = Total Cost of Facility Repair Needs / Current Replacement Value

Proposition S

Actuals-to-Date - Facilities Capital Improvement Work by Category



Actual-to-Date \$ 120,550,938

Capital improvement work is done in many categories in Prop. S projects. Capital improvement work includes new facilities as well as upgrades to existing buildings and systems. For example, under the category Replacing Inadequate Buildings, new classroom buildings replaced old portables.

- ◆ Capital improvements contribute to the increase in the plant value of the Facilities Condition Index (FCI):
FCI = Total Cost of Facility Repair Needs / Current Replacement Value

Proposition Z

Proposition Z Summary

2.8B Prop. Z Planned Revenue - 15-Years		Duration	Expended
<i>Prop. Z Percent Complete</i>		1.1%	0.3%
Prop Z Bond Sales Received			\$ 530,000,000
State Facility Program (Fund 35) Projected Revenue Thru June 2014			
Projected Revenue thru June 2014			530,000,000
Total Expenditures-to-Date			7,905,474
FY 2013-2014 Planned Expenditures			7,905,474
Projected Fund Balance - June 30, 2014		*	362,469,309
Current Fund Balance		*	522,094,526

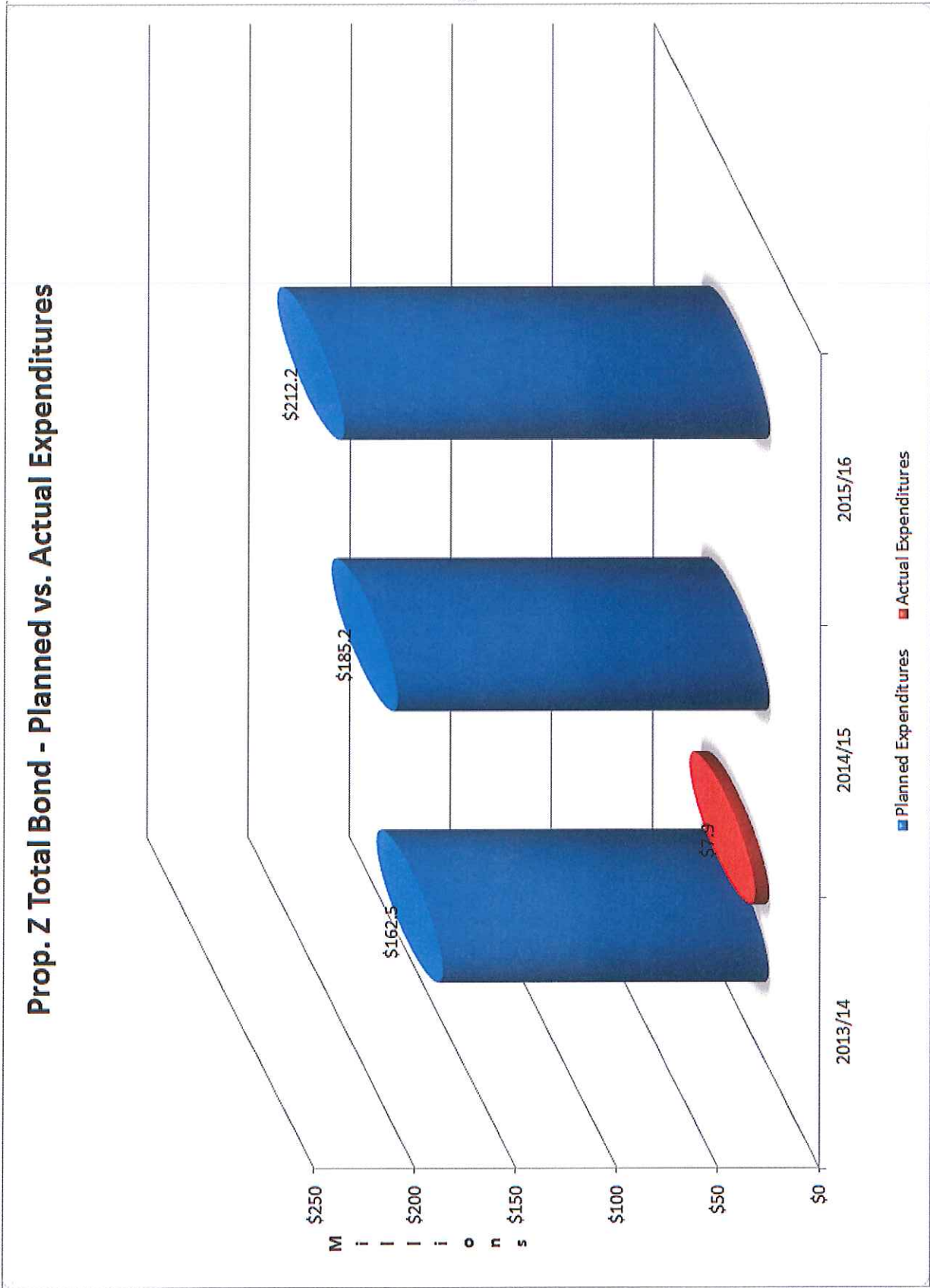
FY 2012 / 2014 Expenditures

Category	Planned Percentage	Percent of Expenditures	FY Expended - to date	Current Month Expenditures	Previous Month Expenditures
Planning & Design	14.8%	13.6%	\$ 1,078,768	\$ 281,519	\$ 515,730
Construction & Equipment	80.0%	73.2%	\$ 5,788,656	2,021,024	1,746,608
Program Management Office	5.2%	13.1%	\$ 1,038,049	587,512	(136,974)
Sub-Total	100%	100%	\$ 7,905,474	\$ 2,890,055	\$ 2,125,363
Prop. Z Percent of Budget and Amount Committed-to-Date**				11.8%	\$ 62,433,146
Current Remaining Uncommitted Balance***					467,566,854

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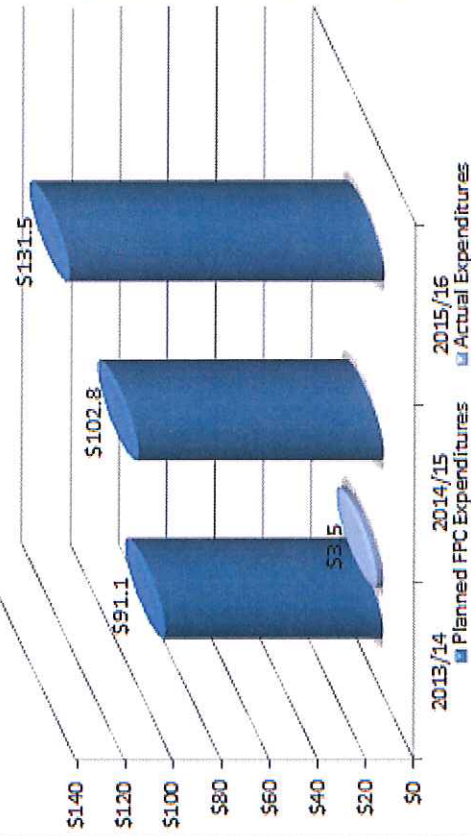
Proposition Z

Prop. Z Total Bond - Planned vs. Actual Expenditures

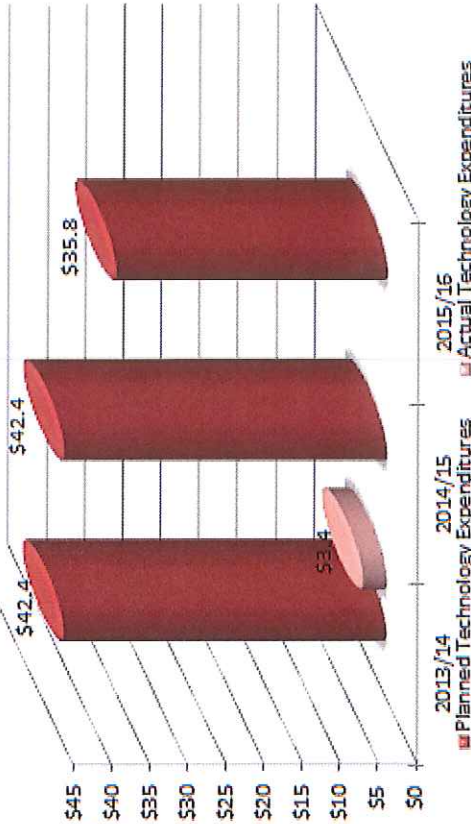


Proposition Z

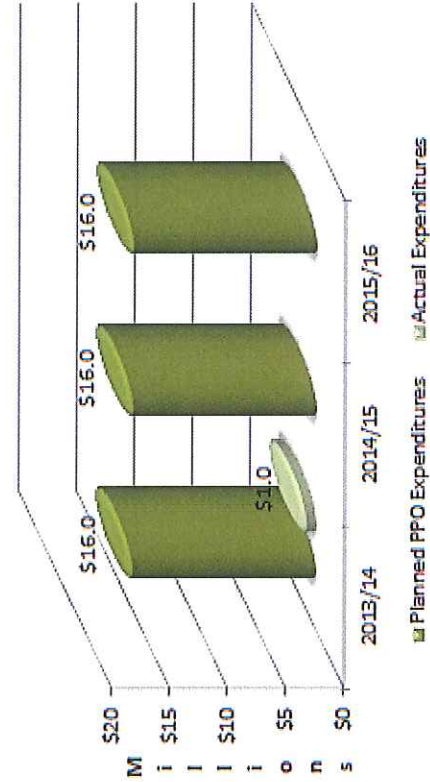
Prop. Z FPC - Planned vs. Actual Expenditures



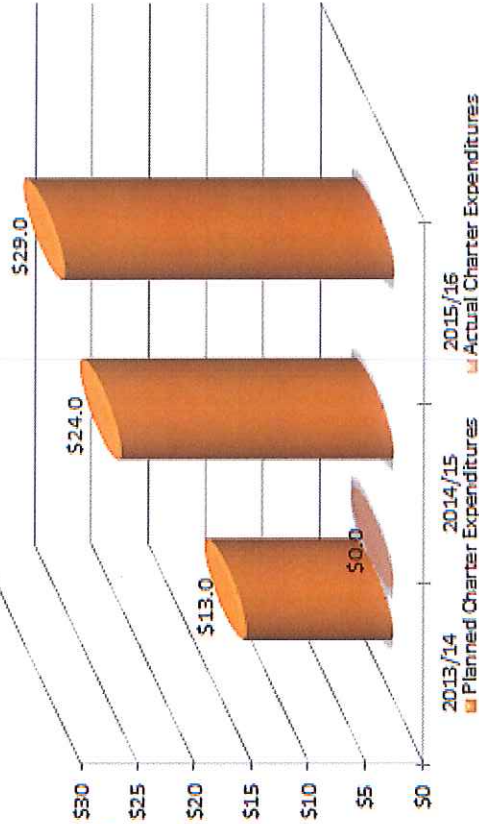
Prop. Z Technology Program - Planned vs. Actual Expenditures



Prop. Z PPO Projects - Planned vs. Actual Expenditures



Prop. Z Charter Schools - Planned vs. Actual Expenditures



Proposition S and Z

Engineering News Record's (ENR) most recent Construction Cost Index, Building Cost Index, Materials Cost Index, which are updated monthly. Tables include monthly and annual percent changes. The indices base of 100 started in 1913 and are based upon costs at 20 cities throughout the United States. More information is available at ENR.Com. ENR's most recent data is shown here.

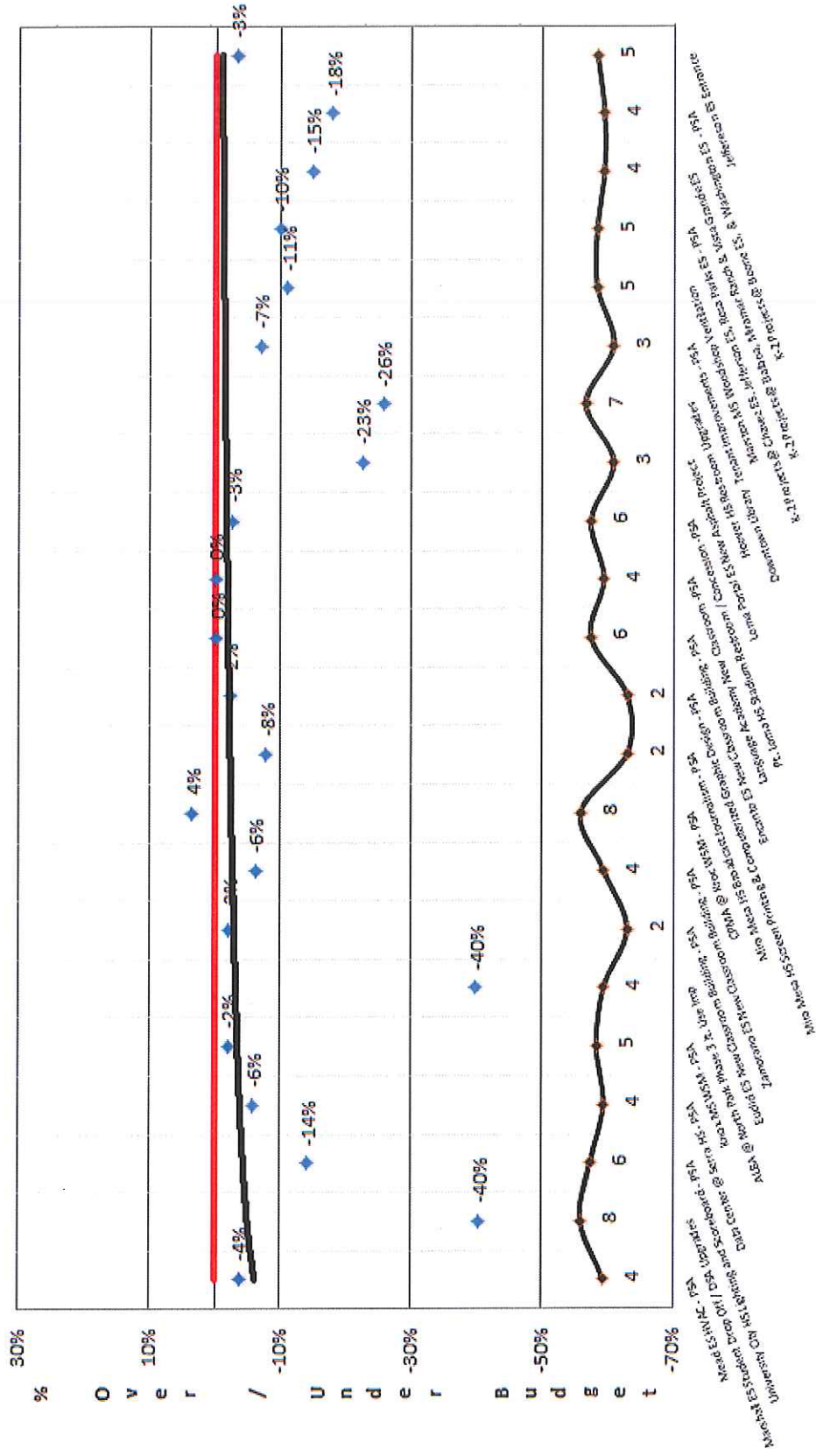
Trends

		20-CITY: 1913 = 100		Sep-13		% change	
		Construction Cost	Common Labor	Index Value	Year	Month	Year
Construction Cost Index (CCI)	The CCI bounced back 0.1%, offsetting last month's 0.1% dip and pushing annual escalation up to 2.3%.			9551.6		0.1	2.3
				20277.8		0.0	2.1
				38.53		0.0	2.1
		20-CITY: 1913 = 100		Sep-13		% change	
		Building Cost	Skilled Labor	Index Value	Year	Month	Year
Builder Cost Index (BCI)	A 0.1% increase in the BCI's labor cost component and a 0.3% uptick in materials prices lifted the MCI up 0.2%.	5285.2	9062.0			0.2	1.7
			50.29			0.1	1.1
		20-CITY: 1913 = 100		Sep-13		% change	
		Materials	CEMENT \$/TON	Index Value	Year	Month	Year
Material Cost Index (MCI)	A 1.1% hike in lumber prices was the main driver of the MCI's 0.3% monthly increase.	2977.5	111.1			0.3	3.0
				50.2		0.0	2.1
				427.84		0.1	2.1
						1.1	6.0

- The Common Labor Index is the labor component of ENR's Construction Cost Index and tracks the union wage, plus fringe benefits, for laborers.
- The Skilled Labor Index is the labor component of ENR's Building Cost Index and tracks union wages, plus fringe benefits, for carpenters.
- Overall Impacts
- The CCI, BCI and MCI all increased over the last month. Lumber prices are up 6% over the last year while steel and labor costs increased modestly.
- SDUSD FPC is currently applying a 2.7% yearly escalation factor for our internal construction estimates. The Office of Public School Construction is applying 4.28% per the Marshall and Swift CCI.
- Over the last 18 months SDUSD construction projects were awarded at 3.6% less than the budget, down from the average of 20% during the initial project awards from 2009-2011. The median of bids to budget is now at a 1% variance.
- Program change order (CO) rate is 3.4%.

Proposition S and Z

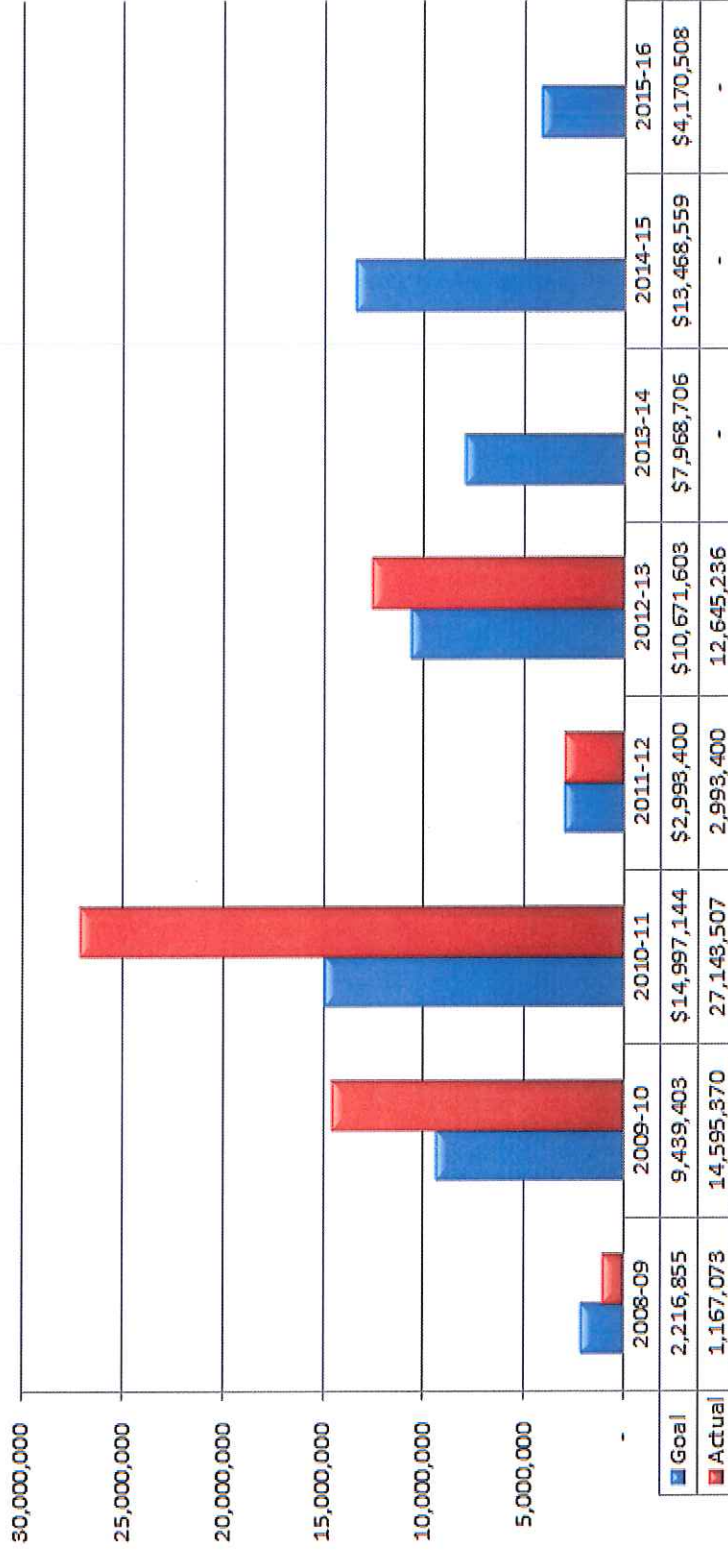
This chart measures general contractor construction bids as a percentage of the construction budget for projects awarded since July 2011. The award amount during this period is 3.4% under budget. Since the inception of Prop. S, the overall award amount is 13.5% under budget.



— Construction Budget ◆ Low Bid — Median Bid Trend

Proposition S and Z

State Fund Application Goals / Actual Receipts



Due to the possibility that costs will not meet the estimated costs, some money may need to be returned to the state. The yearly goal for 2010-11 was reduced accordingly. Yearly goals have been revised due to the increased risk for bond sales due to the uncertain financial health of the state.