

# ICOC QUARTERLY STATUS UPDATE

## October – December 2014

# Draft



## BACKGROUND

### PROPS. S AND Z

Proposition S is the \$2.1 billion bond measure passed in 2008. Proposition Z is the \$2.8 billion bond measure passed in 2012. These bond programs provide resources to repair, renovate and revitalize San Diego schools, and provide matching funds to construct classrooms and schools to accommodate enrollment growth.

### ICOC

The Independent Citizens' Oversight Committee is the legally required committee appointed by the Board of Education to actively review the proper expenditure of bond funds, and inform the Board and the public concerning bond expenditures. Bond funds must be used for projects specified in the bond and cannot be used for teacher or administrative salaries.

### GET INVOLVED

ICOC meetings are open to the public. For times, locations, and past minutes, please visit our website:

[WWW.SANDI.NET/ICOC](http://WWW.SANDI.NET/ICOC)

## Summary

Construction continues at a quick pace. It is expected to remain so with new bond issuances in 2015.

Andy Berg, Chair of the ICOC, presented to the Board at their December 2nd meeting. Due to difficulties in filling vacant ICOC positions, it was suggested that the number of members be reduced to eleven or that a couple of positions tied to community organizations be changed to "At Large."

District request for proposals for development of joint-use swimming pools has resulted in a memorandum of understanding with the YMCA of San Diego County to develop a strategy for constructing up to 10 swimming pools. Under a separate agreement the District also partnered with the YMCA for a pool at Pacific Beach Middle School neither agreement calls for use of bond funds.

### ICOC Activities

- ▶ Approved the July – September 2014 Quarter Status Update.
- ▶ Welcomed new ICOC member, Jerry Butkiewicz. Three vacancies remain.
- ▶ Reviewed the [Props. S and Z Bond Program Financing Update](#).

### Status of Projects

Fifty-two construction projects budgeted at \$277 million were underway along with the i21 program and infrastructure upgrades at 76 schools.

HVAC Projects		Status	
Angier ES	20%	Marshall ES	75%
Benchley/Weinberger ES	10%	Millennial Tech MS	72%
Carver ES	90%	Mira Mesa HS	80%
Foster ES	80%	Oak Parks ES	95%
Holmes ES	45%	Paradise Hills ES	90%
Johnson ES	80%	Perry HS	10%
Kumeyaay ES	80%	Rosa Parks ES	90%
Lee ES	84%	SCPA	4%

**Finished:** Audobon K-8, Boone ES, Dingeman ES, Fulton ES, Hage ES, Hardy ES, Hearst ES, Lewis MS, Marvin ES, Valencia Park ES, and Zamorano ES

### Financial Status

Received Previously	1,108,810,996
Received this Quarter	4,104,434
<b>Received to Date</b>	<b>1,112,915,430</b>
Expended Previously	726,895,729
Expended this Quarter	73,418,944
<b>Expended to Date</b>	<b>800,314,673</b>
Committed to Date	1,001,210,227
Uncommitted Balance	179,359,383

### Active Projects Status

<i>Balboa/Miramar Ranch/Vista Grande Exiting Improvements</i>	100%
Bell MS Modernization	51%
Clairemont HS Academy of Business Technology	60%
<i>CPMA Kroc Performing Arts</i>	<b>98%</b>
Encanto ES Modernization	9%
<i>Euclid ES Special Ed Remodel??</i>	<b>50%</b>
Hamilton ES Modernization/New Classroom	90%
Henry HS Theater/Production/Modernization	40%
<i>i21 Year 4</i>	<b>93%</b>
<i>i21 Year 5</i>	<b>56%</b>
<i>Infrastructure/Connectivity</i>	<b>9%</b>
Kearny HS Athletic Facilities	87%
<i>Kearny HS Track &amp; Football Field</i>	<b>100%</b>
Millennial MS 3-story Classrooms	96%
Mission Bay HS Athletic Facilities	76%
Mission Bay HS Track & Field	80%
<i>O'Farrell Charter HS Buildings &amp; Gym</i>	<b>0%</b>
Pershing MS Modernization	58%
<i>Salk ES New School</i>	<b>100%</b>
Salk ES Solar Carports	54%
<i>San Diego HS P.A. System</i>	<b>0%</b>
San Diego HS Tech Classrooms	37%
University City HS Athletic Facilities/Parking	28%
<i>University City HS Athletic Field</i>	<b>0%</b>
<i>Whittier K-12 Turf Field</i>	<b>28%</b>

## RECENTLY COMPLETED

CPMA Kroc Modernization & Performing Arts Center  
 Euclid Special Ed Remodel???  
 Salk ES New School  
 HVAC at Audobon K-8, Boone ES, Dingeman ES, Fulton ES,  
 Hage ES, Hardy ES, Hearst ES, Lewis MS, Marvin ES, Valencia  
 Park ES, and Zamorano ES

## RECENTLY STARTED

Encanto ES Modernization  
 O'Farrell Charter HS Buildings & Gym  
 San Diego HS P.A. System  
 University City HS Athletic Field  
 Whittier K-12 Turf Field  
 HVAC Installations at Angier ES, Benchley/Weinberger ES,  
 Holmes ES, Kumeyaay ES, Lee ES, Millennial Tech MS, Mira  
 Mesa HS, Perry ES, and SCPA

For detailed project status info, please visit:

[FPCPROJECTS.SANDI.NET](http://FPCPROJECTS.SANDI.NET)

# Draft



[different picture]



[different picture]

## Quarterly Spotlight

### The Charter School Facilities Committee

Prop. Z set aside \$350 million for completion of charter school projects. Part Three of the Prop. Z ballot states that charter school projects may include any type of work described in Part One, which lists project work at all other schools. The ballot also authorizes charter school: site reconfigurations, development of new facilities, providing for classroom capacity including furniture and equipment, and any construction, reconstruction, rehabilitation, or replacement of charter school facilities.

Prop. Z requires the Board to consider recommendations of a special committee, comprised of a majority of representatives of the charter school community. The Board established the Charter School Facility Committee (CSFC). The committee consists of seven members vetted by the charter school community, nominated by the Superintendent, and appointed by the Board. The seven members include five charter school board members or employees, and two individuals with expertise, knowledge or background related to charter school operations/facilities. One current member is also a member of the ICOC, which provides an informal link between these two committees. See the CSFC website for [access to CSFC meeting information](#).

From the first bond issue in 2013, \$66 million as set aside for charter schools. In addition, the Board authorized \$13 million as part of the “HVAC 2000” project designed to air condition the Districts 2,000 hottest classrooms. Most of these funds have been allocated to charter school projects. It is expected that another \$50 million will be made available following the next Prop. Z bond issue.

As with other major bond projects, charter school projects receiving Prop. Z funding are managed by FPC.

The committee was accepting funding applications for feasibility studies, planning, design, and construction in November and December. Grant applications received are evaluated against a rubric designed by the committee to measure a project’s need, the charter schools strength and track record, and the project’s readiness. To be considered for a grant, a charter school must have been in operation for five years and been approved for an additional five years. See the CSFC website for [instructions to charter schools on how to apply for these funds](#).

- Need is measured against one of three criteria: need for additional space, need to improve a facility’s condition, or need to lower the cost of providing a facility for charter school operations.
- A charter schools strength and track record is measured by “good standing” with district staff, clean audits, demonstrated financial stability, and evidence that the charter school board and staff are actively involved in the facility planning.
- The readiness of a project is measured based on the status of the project; early planning, advanced planning, or construction.

Through November 2014, \$10.5 million has been spent on charter school projects.

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# Financial Summary **Draft**

## Status

Prop. S authorized issue of \$2.1 billion in general obligation bonds, Prop. Z authorized \$2.8 billion. Some projects listed in the propositions depend in part on state grants — the district currently anticipates receiving a total of \$180 million in state grants. The district has received \$60,715,245 in state funding; most recent receipt of grant funds was June 2013.

A total of \$518,095,751 in Prop. S bonds has been received from four bond issuances; latest bond issue was in April. Expenditures to date total \$563,993,267 against total awarded contracts and commitments of \$583,591,785 (includes State grants). Uncommitted available Prop. S funds and State grants total \$37,955,986.

A total of \$530,000,000 in Prop. Z bonds has been received from one bond issuance in 2013. Expenditures as of September 30 total \$236,321,406 against commitments of \$417,618,442. Uncommitted available Prop. Z funds and State grants total \$141,403,397.

Additional Prop. S bonds were issued in April, a total of \$65,095,726. Consisting of multiple issues, \$15,095,000 were short-term current interest bonds (CIBs) and \$50,000,726 were long-term capital appreciation bonds (CABs). As part of the bond issue transaction there were also long-term CIBs issued to refinance \$199,285,000 in Proposition MM bond debt. The ICOC received a full briefing on the bond issue transactions from the District’s bond financial advisor in October.

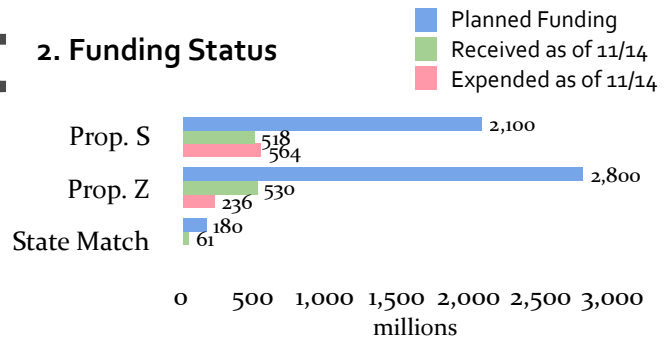
## Estimated Total Cost

There has been no change in the risk-adjusted cost estimate to complete listed work in Props. S and Z. The estimates project that there will be enough funding to complete all listed project in both bond programs.

The graph to the right (Graph 4) shows the combined estimates for Props. S and Z.

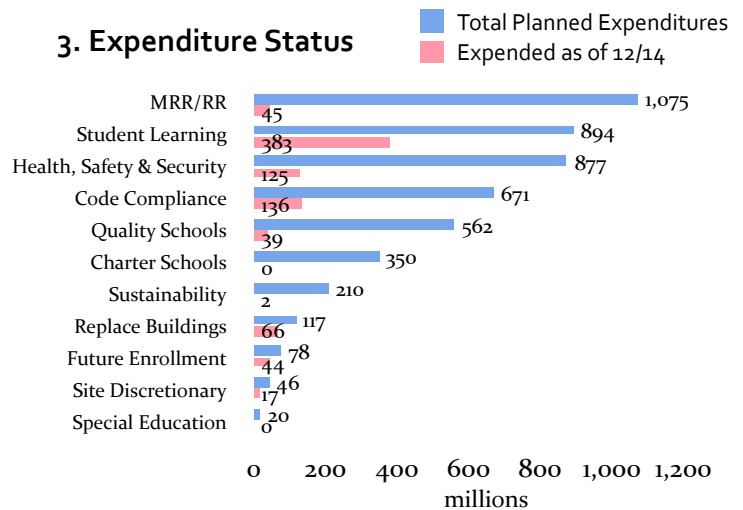
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## 2. Funding Status



[data depicted above]	Planned	Received	Expended
Prop. S Funds	\$2,100.0 M	\$518.1 M	\$564.0 M
Prop. Z Funds	\$2,800.0 M	\$530.0 M	\$236.3 M
State Matching Funds	\$180.0 M	\$60.7 M	included above

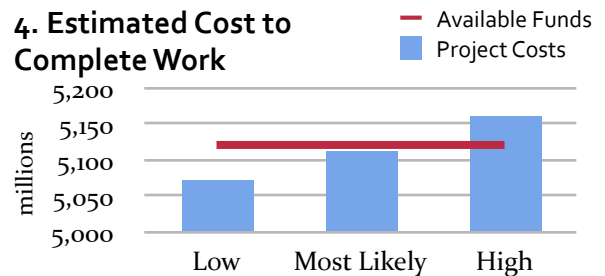
## 3. Expenditure Status



[data depicted above]	Planned Prop. S	Planned Prop. Z	Total Expended
Major Repair/Replacement (MRR) and Repair/Replacement (RR) Projects	\$501.0 M	\$575.0 M	\$45.5 M
Student Learning & Instruction	\$473.0 M	\$423.0 M	\$383.4 M
Health, Safety & Security	\$454.0 M	\$421.0 M	\$125.1 M
Accessibility & Code Compliance	\$458.0 M	\$214.0 M	\$136.2 M
Quality Neighborhood Schools		\$562.0 M	\$38.7 M
Specific Charter School Projects		\$350.0 M	Note *
Energy Efficiency & Sustainability		\$210.0 M	\$1.7 M
Replace Inadequate Buildings	\$117.0 M		\$65.9 M
Accommodate Future Enrollment	\$78.0 M		\$43.5 M
Site Discretionary	\$20.0 M	\$30.0 M	\$17.5 M
Special Education		\$20.0 M	\$0.16 M

Note: \* Charter school expenses included in other categories

## 4. Estimated Cost to Complete Work







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## Documents Reviewed and Available Online

Document	Reviewed	Oct	Nov	Dec
<b>Review Expenditure of Bond Funds</b>				
<b>Monthly Controls Status Report</b>	ICOC, Fin	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
A monthly report of financial information: planned v. actual, funds v. expenditures				
<b>Staffing Plan</b>	ICOC	<input checked="" type="radio"/>		
Status updates of staffing changes approved by the Board and designed to lower costs				
<b>Business Outreach Narrative</b>	ICOC, Const	<input checked="" type="radio"/>		
<b>Business Outreach and Engagement Plan</b>	Const	<input checked="" type="radio"/>		
<b>Business Outreach Program Events</b>	Const		<input checked="" type="radio"/>	<input checked="" type="radio"/>
<b>San Diego Contracting Opportunities</b>	ICOC			<input checked="" type="radio"/>
<b>Project Stabilization Agreement (PSA)</b>	Const	<input checked="" type="radio"/>	<input checked="" type="radio"/>	
<b>Project Management Report</b>	Const	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
<b>PPO Project Management Report</b>	Const	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
5-year implementation plans for large (reg) and in-house (PPO) planned projects				
<b>Construction Management Report</b>	ICOC, Const	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
Status summary of ongoing construction projects				
<b>i21 Program Summary</b>	Const	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
<b>i21 Quarter Update</b>	ICOC, Const	<input checked="" type="radio"/>		
<b>HVAC Quarterly Report</b>	ICOC, Const		<input checked="" type="radio"/>	
<b>Two-year Schedule: Props. S and Z</b>	ICOC	<input checked="" type="radio"/>		
<b>Inspect Schools &amp; Grounds</b>				
No activity this quarter				
<b>Review Efforts to Reduce Costs</b>				
<b>Cost Savings Measure Matrix</b>	ICOC, Const		<input checked="" type="radio"/>	
<b>Receive &amp; Review Annual Performance Audit</b>				
<b>2013 Prop. S. Performance Audit</b>	ICOC, Fin	<input checked="" type="radio"/>	From Mar. '14	
<b>Receive &amp; Review Annual Financial Audit</b>				
<b>2013 Prop. S Financial Audit</b>	ICOC, Fin	<input checked="" type="radio"/>	From Mar. '14	
<b>Receive &amp; Review Deferred Maintenance Plan</b>				
<b>2014 MRR Plan Quarterly Update</b>	ICOC, Const		<input checked="" type="radio"/>	

- ▶ Fin: Finance/Audit subcommittee
- ▶ Const: Construction subcommittee
- ▶ Gov: Executive/Governance subcommittee

# Draft

The ICOC conducts regular oversight to actively review the proper expenditure of bond funds. Documents are typically prepared by district staff and reviewed by the ICOC. Audits are performed by independent auditors. The ICOC prepares school & grounds inspection reports, quarterly status updates and annual reports.

## INFORM THE PUBLIC ON BOND FUNDS

### ANNUAL REPORTS

- ▶ 2009 ICOC Annual Report
- ▶ 2010 ICOC Annual Report
- ▶ 2011 ICOC Annual Report
- ▶ 2012 ICOC Annual Report
- ▶ 2013 ICOC Annual Report

### QUARTERLY STATUS UPDATES

- ▶ Start – December 2009
- ▶ January – March 2010
- ▶ April – June 2010
- ▶ July – September 2010
- ▶ October – December 2010
- ▶ January – March 2011
- ▶ April – June 2011
- ▶ July – September 2011
- ▶ October – December 2011
- ▶ January – March 2012
- ▶ April – June 2012
- ▶ July – September 2012
- ▶ October – December 2012
- ▶ January – March 2013
- ▶ April – June 2013
- ▶ July – September 2013
- ▶ October – December 2013
- ▶ January – March 2014
- ▶ April – June 2014
- ▶ July – September 2014

### MOST RECENT DISTRICT COMMUNICATIONS

- ▶ Monthly Communications Report
  - ▶ October 2014
  - ▶ November 2014
  - ▶ December 2014

### ICOC WEBSITE:

[WWW.SANDI.NET/ICOC](http://WWW.SANDI.NET/ICOC)