

ICOC QUARTERLY STATUS UPDATE

January – March 2014



BACKGROUND

PROP. S AND PROP. 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

Summary

Please notice the new logo to the left. Developed by the SDUSD Communications department, it will be featured in ICOC publications and reports. The hard hat with a 'green' leaf, plans, and tool box add a picture to the "Building Quality Neighborhood Schools" theme of both bond programs.

The annual audits of the both programs were reviewed and received by the ICOC in January and February. Independent auditors concluded that the programs complied with financial and performance audit requirements. See page 3 for more details.

A priority effort to air condition the hottest classrooms in the District is well underway. The ICOC received a status report in February. Designs for 1,610 classrooms on 60 school sites are underway — half of those already submitted to Division of the State Architect (DSA) for approval prior to award of construction work. In addition, design work is underway for 5 of 10 charter schools to receive air conditioning.

ICOC Activities

- ▶ Approved the October–December 2013 Quarterly Status Update
- ▶ Approved the 2013 Annual Report
- ▶ Received the annual financial and performance audits from Christy White Associates

Status of Projects

Twenty construction projects budgeted at over \$180 million were underway along with two phases of the i21 program and infrastructure improvements at 76 schools.

Financial Status

Received Previously	1,095,876,524
Received this Quarter	0
Received to Date	1,095,876,524
Expended Previously	576,133,328
Expended this Quarter	27,100,221
Expended to Date	603,233,549
Committed to Date	781,114,027
Uncommitted Balance	314,762,497

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Active Projects Status

Balboa/Miramar Ranch/Vista Grande Exiting Improvements	52%
Boone/Washington Exiting	100%
Chollas ES Modernization	43%
Chavez/Jefferson/Rosa Parks Exiting Improvements	89%
Cubberly ES Drain Repair	0%
CPMA Kroc Performing Arts	80%
Euclid ES Classrooms	97%
Hamilton ES Modernization/New Classroom	16%
Henry HS Theater/Production/Modernization	4%
Hoover HS Tech Academy	32%
i21 Year 4	93%
i21 Year 5	34%
Infrastructure/Connectivity	7%
Jefferson ES Entrance	100%
Kearny HS Athletic Facilities	9%
Kearny HS Slope Repair	0%
Knox MS Modernization	96%
Millennial MS 3-story Classrooms	26%
Mission Bay HS Athletic Facilities	5%
Salk ES New School	31%
San Diego HS Electrical Upgrades	6%
SCPA Theater Upgrade	39%
Webster ES HVAC	75%

RECENTLY COMPLETED

Boone/Washington K-2 Exiting Improvements
Jefferson ES Entrance

RECENTLY STARTED

Cubberly ES Storm Drain Repair
Hamilton ES Modernization & New Classroom
Henry HS Theater, Production, & Modernization
Kearny HS Athletic Facilities Improvements
Mission Bay HS Athletic Facilities Improvements

For detailed project status info, please visit:
FPCPROJECTS.SANDI.NET

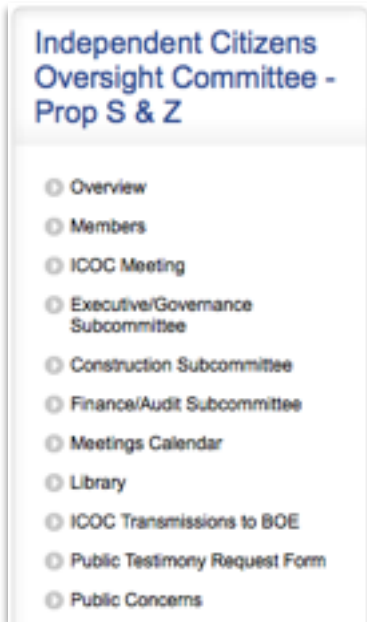
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Quarterly Spotlight

On-line Presence of Props. S&Z

There is a huge amount of constantly updated information available on the District websites regarding Props. S&Z. Below is a summary of different ways to access this information including active links imbedded in this PDF document.



First let's review what's on the ICOC's website at www.sandi.net/ICOC.

To the left is the navigation panel on the ICOC's primary web page. As you'd expect, clicking on any link will take you to the listed web page.

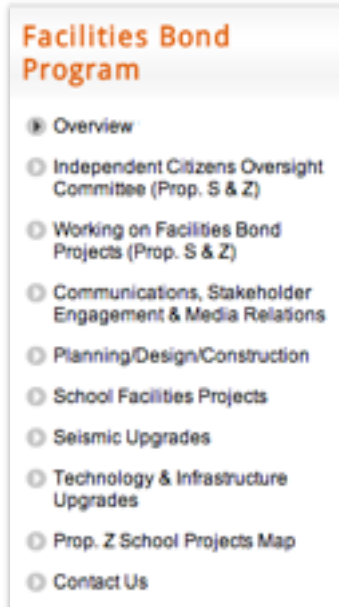
You'll note on the "Members" page that more ICOC volunteers are needed. If you're a member of the Construction Financial Management Association, the American Institute of Architects, or a similar organization, please

email ICOC@sandi.net and get involved!

The "Library" contains a complete history of all ICOC published reports to the community and major reports presented to the ICOC. The "ICOC Meeting" links to a complete history of ICOC meeting agendas, meeting minutes and reports reviewed by ICOC members. Much of the work is

done at the "Subcommittee" level where reports are reviewed in more detail by specialized subcommittees prior to review at a full ICOC meeting. All meetings are public and you're invited to attend.

The District's Facilities, Planning and Construction webpage at www.sandi.net/site/Default.aspx?PageID=1913 is also available from the District's home page www.sandi.net.



"Working on..." links to a number of sites listing contracting opportunities funded by Props. S&Z.

"Communications..." links to a media "Library" and a bond program "Newsroom".

Follow the "School Facilities..." link to fpcprojects.sandi.net for an interactive District map that links to live project status updates for all schools. The map is organized by school type (ES, MS & HS) including charter schools and leased District sites.

The last page of this PDF document contains direct web links to reports reviewed by the ICOC during this quarter as well as direct links to ICOC reports posted in the ICOC "Library".

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Financial Summary

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 \$57,780,773 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 three bond issuances; latest bond issue was 2012. Expenditures to date total \$540,283,201 against total awarded contracts and commitments of \$560,973,859 (includes State grants). Uncommitted available Prop. S funds and State grants total \$3,520,115.

A total of \$530,000,000 in Prop. Z bonds has been received from one bond issuance in 2013. Expenditures as of March 30 total \$45,559,169 against commitments of \$220,140,168. Uncommitted available Prop. Z funds and State grants total \$311,242,382.

The annual financial audits and the performance audits, for each bond, for the period July 1, 2012 through June 30, 2013 were completed by Christy White Associates in December. The reports were reviewed in detail by the Finance/Audit Subcommittee January 23rd and then presented to the full ICOC at the February 20th meeting.

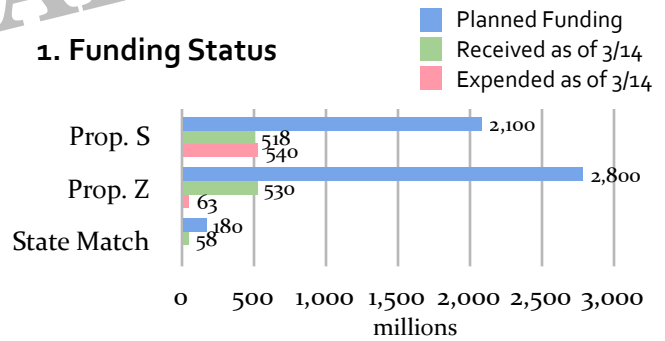
As reported in the ICOC 2013 Annual Report Performance Audit reports concluded that Prop. S and Prop. Z complied in all material respects to requirements of the bond measures, the California Constitution and Educational Code. The Financial Audit reports concluded that the financial position of the bonds conformed with generally accepted accounting principals. Staff has taken action to address the only finding, which regarded accounting accruals.

Estimated Total Cost

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

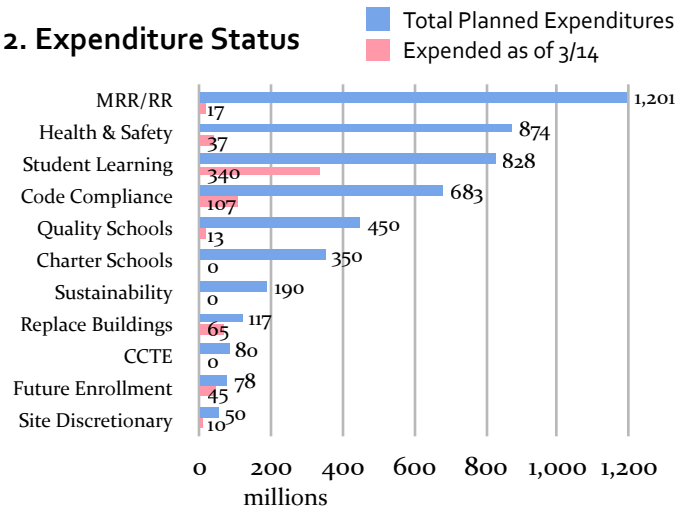
The graph to the right (Graph 3) shows the combined estimates for Prop. S and Prop. Z.

1. Funding Status



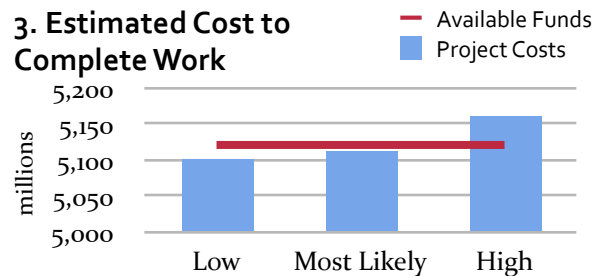
[data depicted above]	Planned	Received	Expended
Prop. S Funds	\$ 2,100 M	\$ 518 M	\$ 540 M
Prop. Z Funds	\$ 2,800 M	\$ 530 M	\$ 63 M
State Matching Funds	\$ 180 M	\$ 58 M	included above

2. Expenditure Status



[data depicted above]	Planned Prop. S	Planned Prop. Z	Total Expended
Major Repair/Replacement (MRR) and Repair/Replacement (RR) Projects	\$ 501 M	\$ 700 M	\$ 17 M
Health, Safety & Security	\$ 454 M	\$ 420 M	\$ 37 M
Student Learning & Instruction	\$ 473 M	\$ 355 M	\$ 340 M
Accessibility & Code Compliance	\$ 458 M	\$ 225 M	\$ 107 M
Quality Neighborhood Schools	—	\$ 450 M	\$ 13 M
Specific Charter School Projects	—	\$ 350 M	—
Energy Efficiency & Sustainability	—	\$ 190 M	\$ 0.19 M
Replace Inadequate Buildings	\$ 117 M	—	\$ 65 M
College/Career & Technical Education (CCTE)	—	\$ 80 M	—
Accommodate Future Enrollment	\$ 78 M	—	\$ 45 M
Site Discretionary	\$ 20 M	\$ 30 M	\$ 10 M

3. Estimated Cost to Complete Work





Documents Reviewed and Available Online

Document	Reviewed	Jan	Feb	Mar
Review Expenditure of Bond Funds				
Monthly Controls Status Report	ICOC, Fin	●	●	●
A monthly report of Prop. S financial information: planned v. actual, funds v. expenditures				
Staffing Plan	ICOC			
Status updates of staffing changes approved by the Board and designed to lower costs				
Business Outreach Narrative	ICOC	●		
Business Outreach Program Events	Const		●	●
Project Stabilization Agreement (PSA)	Const	●		●
Labor Compliance Program	ICOC			
Joint-Use Efforts	ICOC			
Project Management Report	Const	●	●	●
A 5-year implementation plan with scheduled milestones of planned projects				
Construction Management Report	ICOC, Const	●	●	●
Status summary of ongoing construction projects				
i21 Program Summary	Const	●	●	●
i21 Third Quarter Update	ICOC, Const			●
BOE Look Ahead Report	ICOC, Fin			
A report designed to keep the ICOC informed of items submitted to the Board				
CTE Project List	Fin		●	
HVAC Spending Plan	ICOC, Const	●	●	
Inspect Schools & Grounds				
No activity this quarter				
Review Efforts to Reduce Costs				
Cost Savings Measure Matrix	ICOC, Const			
Receive & Review Annual Performance Audit				
2013 Prop. S. Performance Audit	ICOC, Fin	●	From Mar. '14	
Receive & Review Annual Financial Audit				
2013 Prop. S Financial Audit	ICOC, Fin	●	From Mar. '14	
Receive & Review Deferred Maintenance Plan				
Annual MRR Plan	ICOC, Const	●	From Oct. '13	

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

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

DISTRICT COMMUNICATIONS

- ▶ Monthly Communications Report
 - ▶ February 2014
 - ▶ March 2014

ICOC WEBSITE:

WWW.SANDI.NET/ICOC

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