



San Diego Unified
SCHOOL DISTRICT



Facilities Planning & Construction Update

Board of Education Workshop
March 16, 2010



Agenda

- Goals
- What We've Done
 - ▶ Accomplishments
- What We're Doing
 - ▶ Current Board Direction
 - ▶ Work in Place
 - ▶ *i21* Initiative
 - ▶ Business Outreach
 - ▶ Financial Summary and Update
- What We Plan To Do
 - ▶ Proposed Options to Address Revenue Reduction
 - ▶ Proposed Options for Managing Project-savings Dollars
- Summary of Requested Board Actions



Goals

- Provide an update on bond and non-bond projects
- Obtain direction from the Board of Education
 - ▶ Prop. S program
 - ◆ Proposed options to address revenue reduction
 - ◆ Proposed options for managing project-savings dollars
 - ▶ Non-bond issue
 - ◆ Major Repair and Replacement



What We've Done

Accomplishments

- Interactive 21st Century (*i21*) Classroom Initiative is well underway
 - ▶ More than 1,316 Promethean boards installed
 - ▶ Nearly 940 audiovisual cabinets installed
 - ▶ Teacher training on *i21* equipment is underway
 - ▶ 24,500 student Netbooks delivered to 808 classrooms
 - ▶ 1,316 teacher tablet PCs provided
- 115 food carts installed at all comprehensive high schools
- 19 construction projects awarded
- Projects completed
 - ▶ Initial College, Career & Technical Education projects
 - ◆ Kearny High School Construction Tech Academy
 - ◆ Mission Bay High School Student Store
 - ▶ Three synthetic turf fields
 - ◆ Mira Mesa, Morse and San Diego High Schools
- Seven out of 13 of the 2010 projects were submitted to the Division of the State Architect, and advertised for bidding
- PSA workshops/trainings established August 2009
 - ▶ 11 sessions held, approximately 400 attendees in total
- Joint labor management monthly meetings established January 2010
 - ▶ Local hire tracking and contractor-labor coordination



What We're Doing

Current Board Direction

(from October 2009 Board Workshop)

- Revised five-year plan includes:
 - Delaying design for projects scheduled to start December 2009 and beyond by up to two years
 - Delaying awards for modernization projects
 - Delaying the Crawford/Mann project
 - Expediting the i-21 Interactive classroom program
 - Expediting the data center project
 - Expediting the downtown school-library project
- Board adopted Option A for implementation:
 - Option A: Revise the five-year execution schedule
 - Delay design for modernization projects for up to three years (\$15M)
 - Delay construction contract award of modernization projects for up to four years (\$71M)
 - Lengthen the Site Discretionary Funds program from five to 10 years (\$10M)
 - Option B: Revise five-year execution schedule:
 - Delay the data center by two years (\$19M)
 - Delay the full implementation of the i-21 program (\$78)
 - Delay yearly purchase until annual funds are available or eliminate one-on-one computing (\$39M)
 - Delay the K-2 classrooms by one year (\$33M)
 - Delay construction contract award of modernization projects by up to one year (\$6M)



Current Work in Place

- **E.B. Scripps ES variable cooling system**
 - ▶ 99% completed
 - ▶ Selected for this year's San Diego Excellence in Energy Award for Education from the California Center for Sustainable Energy
- **Garfield HS Culinary Institute**
 - ▶ 93% complete, projected completion is March 2010
- **Hoover HS 20-classroom building**
 - ▶ 63% complete, projected completion is July 2010
- **San Diego HS multimedia facility**
 - ▶ 47% complete, projected completion is July 2010
- **Point Loma HS eight-classroom building**
 - ▶ 29% complete, projected completion is October 2010
- **Madison HS automotive program**
 - ▶ 28% complete, projected completion is August 2010
- **San Diego HS School of Business' culinary arts facility & 16-classroom building**
 - ▶ 30% complete, projected completion is June 2010
- **Morse HS auto body facility and culinary arts building**
 - ▶ 10% complete, projected completion is December





i-21 Technology Initiative 2009-2013

i-21 Interactive Classrooms

Promethean Boards
Document Cameras
Sound Amplification Systems
Cabling Infrastructure
Laptop Computers
DVD Players
Teacher Training

\$217M Budget

Data Center

High & Low Density Server Room
Network Operations Center
Burn-in / Staging Area
Emergency Backup Generator
Uninterruptable Battery System

2 Lab Classrooms and a
Separate Sandbox Sever Room
for Students

\$21M Budget

Infrastructure Connectivity

77 School Sites
(e-rate funded)

Network Infrastructure
Network Switches
Uninterruptable Power Supplies
Campus-wide Wireless Network
Voice over internet protocol

E-rate Savings \$40M
\$34M Budget

Infrastructure Connectivity

100 School Sites
(not e-rate eligible)

Network Infrastructure
Network Switches
Campus-wide Wireless Network

\$72M Budget

i-21 Total: \$344M Budget + \$40M e-rate funded = \$384M

i21 Technology Status

- Currently surveying and designing 2010-2011 classrooms
- Infrastructure connectivity
 - ▶ E-Rate funded: 43 schools in planning phase, 30 in design phase, and four schools in construction
 - ▶ Non-E-Rate: classroom wireless systems installed in 1,313 classrooms
- Data center – design development drawings completed, Division of the State Architect submittal in November 2010, construction to start October 2011, and planned project completion in 2012



*Data
center*

Business Outreach

- Business Outreach and Engagement Plan approved by Independent Citizens' Oversight Committee in January 2010
- 29.6 percent year-to-date Emerging Business Enterprises participation in construction contracts (\$15.3 million)
 - ▶ 6.6 percent Disabled Veteran Business Enterprises (more than double federal goal)
 - ▶ Adding professional services statistics in 2010
- Actively working with labor, business/community groups and contractors
 - ▶ 13 local businesses engaged on Morse HS project





Current Financial Summary

Obligated-to-Date	Amount	Percent of Budget
	159.8M	7.6%

Monthly Expenditures	December	January
	\$12.2M	\$7.7M

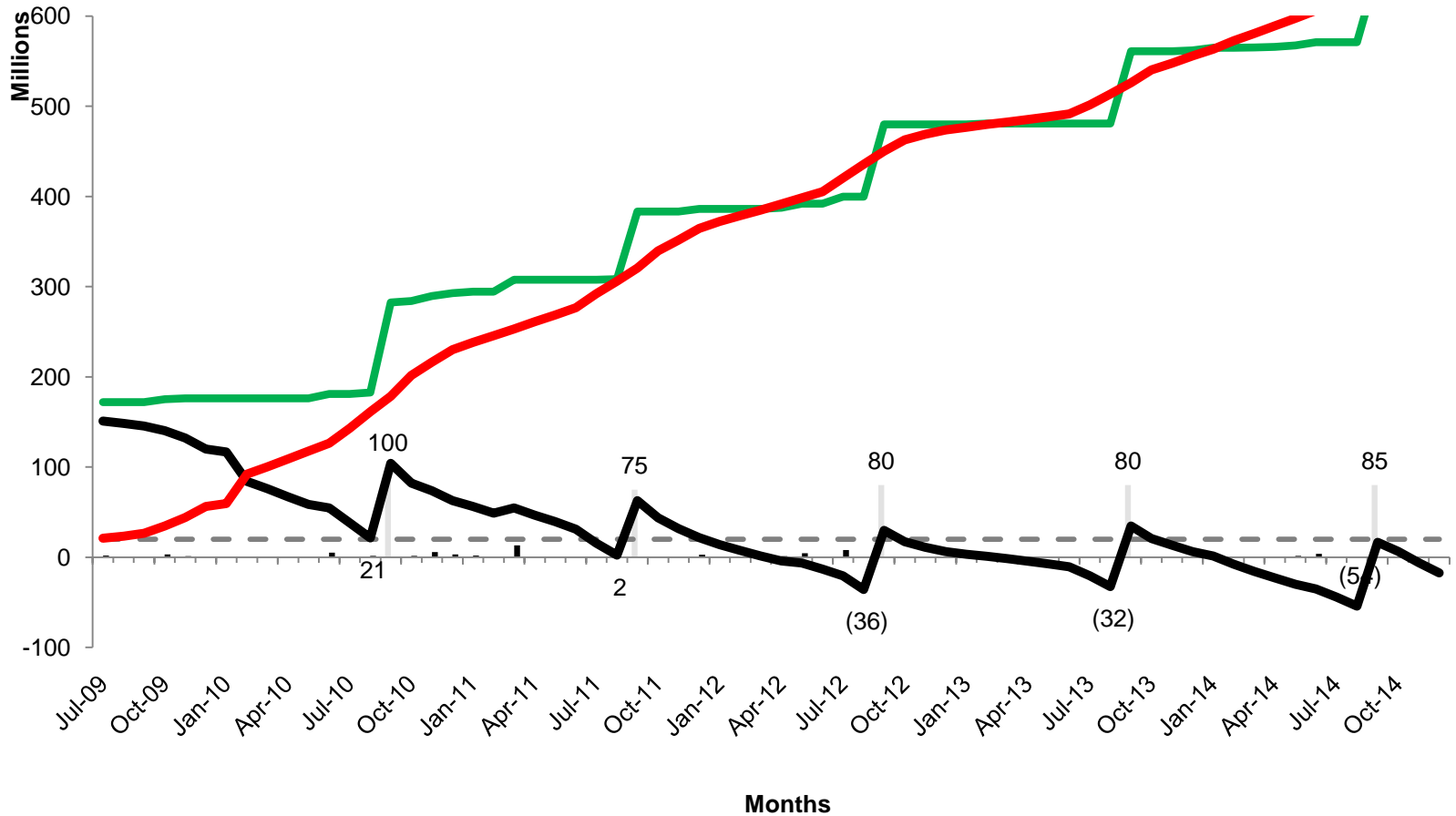
Expenditures-to-Date	Planned	Actual	Percent of Budget
	\$95.5M	\$65M	3.1%

• Actual expenditures are behind those planned due to some construction contract awards occurring after the planned date, unforeseen conditions at sites, and some vendors not submitting their invoices in a timely fashion.

Construction Projects	Budget	Awarded/ Estimated Value	Under Budget	
2010 (Calendar Year)	\$108M	\$108M	\$0	0%
Awarded-to-Date	\$64M			
Change Order Rate:	.064%			



Current Situation



- Prop S Bond Proceeds
- State Match
- Buffer
- Fund balance
- Funds Received Cumulative
- Cumulative Expenditures



Revenue Projections

	March Projections			Revised Projections			
Years	Prop. S Bond Proceeds	State Grants	Total	Prop. S Bond Proceeds	State Grants	Total	Difference
2008-09	\$170,000,000	\$2,216,855	\$172,216,855	\$169,997,581	\$1,667,073	\$171,664,654	(\$552,201)
2009-10	---	\$22,946,084	\$22,946,084	---	\$11,087,801	\$11,087,801	(\$11,858,283)
2010-11	\$120,000,000	\$18,672,761	\$138,672,761	\$100,000,000	\$20,634,198	\$120,634,198	(\$18,038,563)
2011-12	\$100,000,000	\$4,886,914	\$104,886,914	\$75,000,000	\$10,025,707	\$85,025,707	(\$19,861,207)
2012-13	\$100,000,000	\$27,713,419	\$127,713,419	\$80,000,000	\$3,130,682	\$83,130,682	(\$44,582,737)
2013-14	\$100,000,000	\$6,427,292	\$106,427,292	\$80,000,000	\$9,139,730	\$89,139,730	(\$17,287,562)
2014-15	\$105,000,000	\$11,445,650	\$116,445,650	\$80,000,000	\$13,966,886	\$93,966,886	(\$22,478,764)
TOTAL	\$695,000,000	\$94,308,975	\$789,308,975	\$584,997,581	\$69,652,077	\$654,649,658	(\$134,659,317)

Total revenue reduction over five years = \$134,659,317

Cash Flow Plan Update

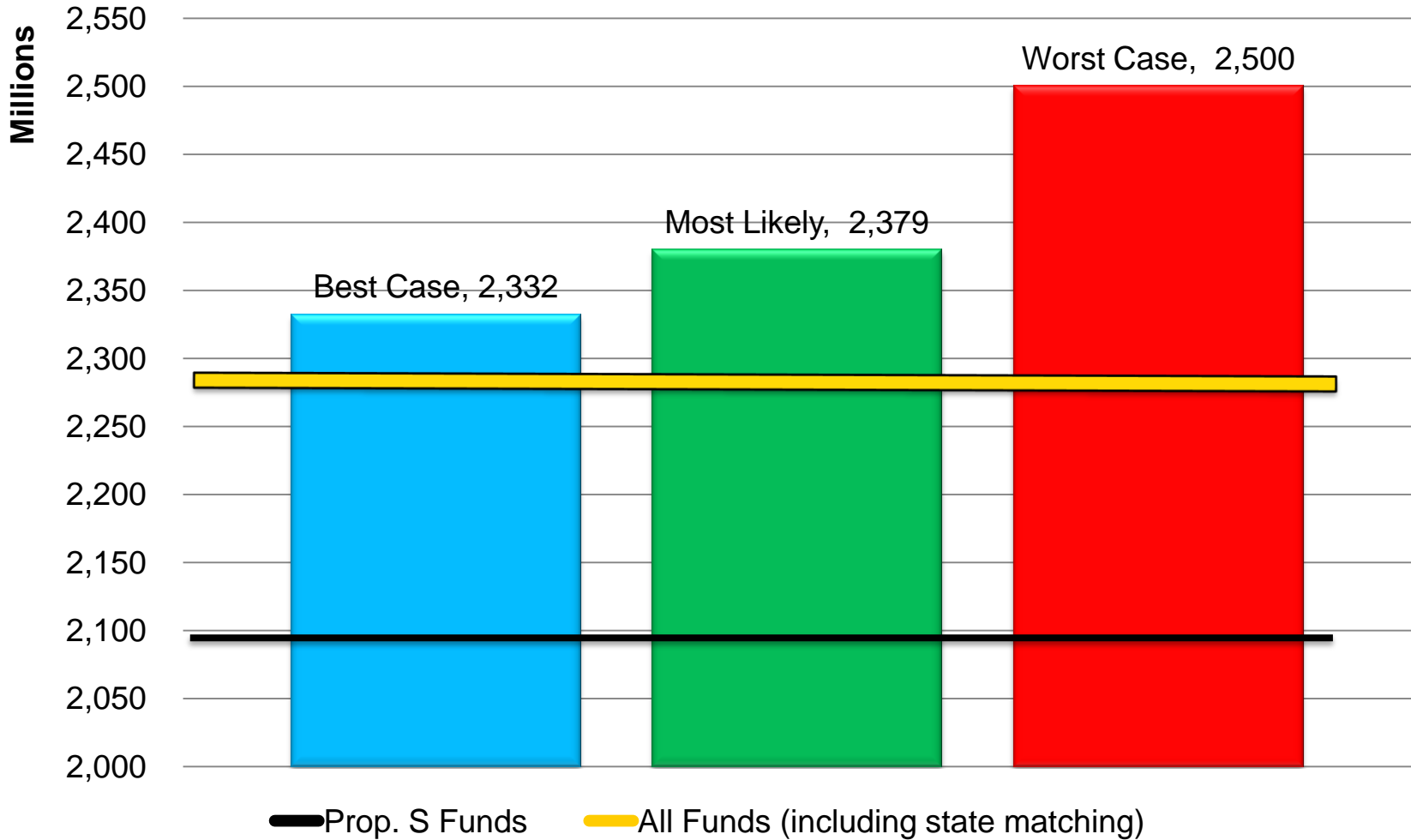
■ Plan changes since October 2009

- ▶ Added 12 projects
 - ◆ K-2 second-floor exiting at seven schools, security cameras grant at various schools, Normal Heights air-conditioning, ALBA-North Park, sinks and grease traps (Physical Plant Operations work), Sessions ES parking lot and drop-off project
- ▶ Expedited stadium projects at Clairemont HS and Madison HS
 - ◆ Broke out scoreboard, track and field projects from stadium projects
 - ◆ Start construction in 2013
- ▶ Delayed projects
 - ◆ Four Overcrowded Relief Grant projects
 - ◆ Two Career, Technical Education projects





Total Indicated Costs (TIC)



What We Plan To Do



Proposed Options to Address Revenue Reduction

■ Option A

- ▶ Fund downtown school-library lease (\$20 million) from Prop. S
- ▶ Delay 90 projects by one year
- ▶ Delay four projects by two years
 - ◆ Gompers Preparatory Academy
 - ◆ Millennial Tech Middle School
 - ◆ San Diego High School
 - ◆ Pershing Middle School

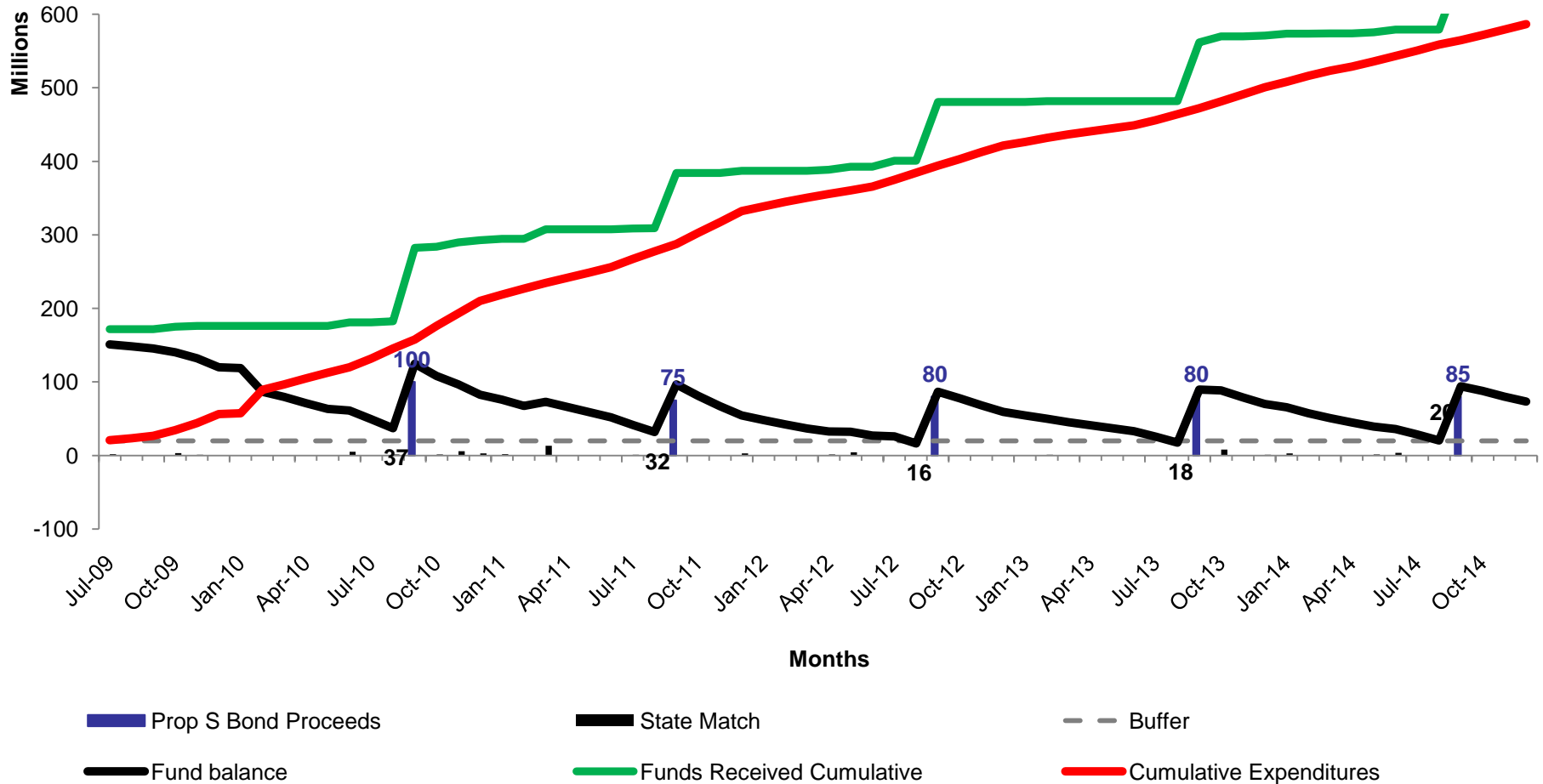
■ Option B

- ▶ Fund \$7 million of the downtown school-library lease from Centre City Development Corporation (CCDC) redevelopment funds
- ▶ Fund \$13 million of capital projects for schools as specified within the CCDC agreement
- ▶ Within the upcoming five-year plan to meet cash flow requirements:
 - ◆ Delay 80 projects by one year
 - ◆ Delay three projects by two years
 - Gompers Preparatory Academy
 - Millennial Tech Middle School
 - Pershing Middle School



Option A: Revised Five-year Cash Flow Plan

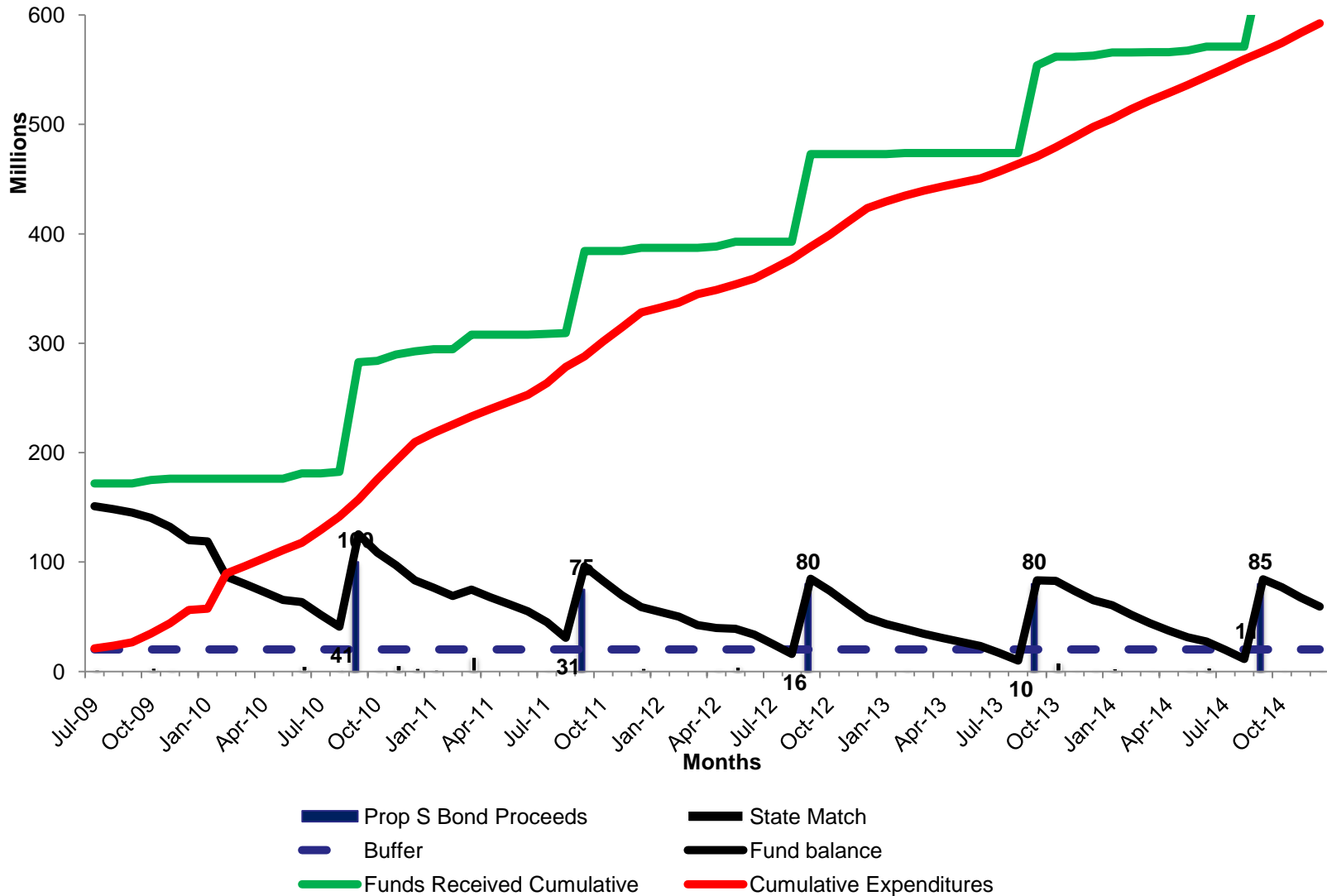
(Prop. S funds for downtown school-library & multiple delayed projects)





Option B: Five-year Cash Flow Plan

(with CCDC funds for downtown school-library)





Board Action: Choose Option A or B

■ Option A

- ▶ Fund downtown school-library lease (\$20 million) from Prop. S
- ▶ Delay 90 projects by one year
- ▶ Delay four projects by two years
 - ◆ Gompers Preparatory Academy
 - ◆ Millennial Tech Middle School
 - ◆ San Diego High School
 - ◆ Pershing Middle School

■ Option B

- ▶ Fund \$7 million of the downtown school-library lease from Centre City Development Corporation (CCDC) redevelopment funds
- ▶ Fund \$13 million of capital projects for schools as specified within the CCDC agreement
- ▶ Within the upcoming five-year plan to meet cash flow requirements:
 - ◆ Delay 80 projects by one year
 - ◆ Delay three projects by two years
 - Gompers Preparatory Academy
 - Millennial Tech Middle School
 - Pershing Middle School

Additional Strategies to Maintain Cash Flow

- Maximize the use of state matching funds and redevelopment funds
- Take advantage of the E-Rate discount to reduce technology costs
- Reschedule contract awards to maintain a positive fund balance



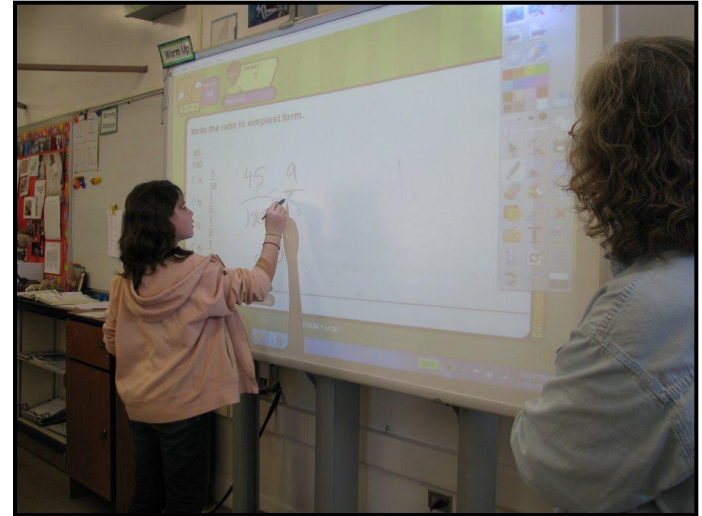
Potential Revenue Threats

■ State matching funds

- ▶ Possible reduced funding
- ▶ Some projects may lose state funding

■ Prop. S bond sales

- ▶ Reduced assessed value may continue for years
- ▶ Near-term bond sales could be less than projection



Long-range Assessment

- Increased construction costs anticipated over next five years and beyond
- Prop. S was planned to last 10 years, but is now projected to last 16 years causing costs to increase
- We must remain diligent in order to deliver the promised scope to the students and voters
- Best-case scenario: \$70 million short over 15 years
- Constant review of project scheduling required





Early Program Savings

Options:

- A. Keep any construction savings at the campus where the cost avoidance was incurred until the entire project list has been completed or increase scope.
- B. Return all cost avoidance dollars from the near-term favorable bidding climate to the program to accommodate future cost overruns, “pop-up” requirements, and anticipated inflation.

Board action: Choose option A or B.

Last Prop. S Project



Crown Point Junior Music Academy



***Non-bond
Issue***

Major Repair & Replacement/ Repair & Replacement Agenda

- Major Repair & Replacement/Repair Replacement (MRR/RR) overview
- ICOC engagement
- Review fiscal year '08-'09 MRR/RR implementation results
- FY '09-'10 MRR/RR plan

Board action: Approval of the Fiscal Year '09-'10 MRR/RR Plan

Major Repair & Replacement/ Repair & Replacement Overview

- Maintaining District Facilities with Three Maintenance Programs:
 - ▶ Major Repair & Replacement (MRR)
 - ▶ Repair & Replacement (RR)
 - ▶ Regular/operational maintenance
 - ◆ Repairs/breakdowns
 - ◆ Preventive maintenance
- Facilities in the program: 3,902 buildings, 14.8 million square feet and 2,600 developed acres at current replacement value of \$4.1 billion

ICOC Engagement

- Present to Independent Citizens' Oversight Committee (ICOC) and Report to the Board, per Board Policy: E-2570
 - ▶ Presented to ICOC
 - ▶ Subcommittee representative reviewed MRR/RR
 - ◆ Access to all reports and records
 - ◆ Colbi Technologies support in preparing report of ICOC review
 - ▶ Presented to full ICOC
 - ◆ ICOC received the 2010 MRR/RR Plan
 - ◆ ICOC forwarded report with recommendations
 - ▶ Presented to board with ICOC recommendations

Review Fiscal Year (FY) '08-'09 MRR/RR Implementation Results

- FY '08-'09 MRR/RR report to Board of Education
 - ▶ 507 projects, 163 facilities, \$24.9 million budget

- FY '08-'09 MRR Implementation
 - ▶ 94.8 percent of budget expended
 - ▶ Project completion rate of 87 percent (June '09)
 - ▶ 445 completed projects, \$21.8 million
 - ◆ Includes FY '07-'08 carry-over projects
 - ▶ 62 projects in progress
 - ◆ \$1.9 million work in progress (June '09)
 - ◆ \$1.2 million allocated in '09-'10 plan to complete

FY 09-10 MRR/RR Plan

- The budget:
 - ▶ Board approved funding for '09-'10 at \$25 million
 - ◆ \$20.6 million in district funds
 - ◆ \$4.4 million in state deferred maintenance funds
- 502 projects at 161 district sites loaded into Computerized Maintenance Management System (CMMS)
- Projected expenditure of 70 to 80 percent due to spending restrictions

2009-10 Projects

MRR	\$10.0 million
RR	\$11.1 million
Carryover and Emergent Work	\$ 3.9 million
Total	<u>\$25.0 million</u>



***Board
Action***

Summary of Board Actions

- Prop. S program
 - ▶ Choose one of two options to address revenue reduction
 - ▶ Choose one of two options for managing program-savings dollars
- Non-bond issue
 - ▶ Major Repair and Replacement

