

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

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

**Preliminary FY Close  
All Data as of September 30, 2013**

Prepared for:

Independent Citizen's Oversight Committee  
Facilities Planning and Construction Directors  
SDUSD Chief Financial Officer

## Proposition S

<b>Prop. S Percent Complete</b>	<b>Duration</b>	<b>Expended</b>
<b>15-Year \$2.28B Program (includes Prop. S and State Matching Funds)</b>	30.6%	22.9%
<b>Prop S Bond Sales Received</b>		\$ 518,095,751
<b>State Facility Program (Fund 35) Projected Revenue Thru June 2014</b>		46,398,223
<b>Projected Revenue thru June 2014</b>		564,493,974
<b>Total Expenditures-to-Date</b>		523,924,268
<b>FY 2013-2014 Planned Expenditures</b>		52,729,834
<b>Projected Fund Balance - June 30, 2014</b>	*	0
<b>Current Fund Balance</b>	*	40,569,706

### FY 2012 / 2013 Expenditures

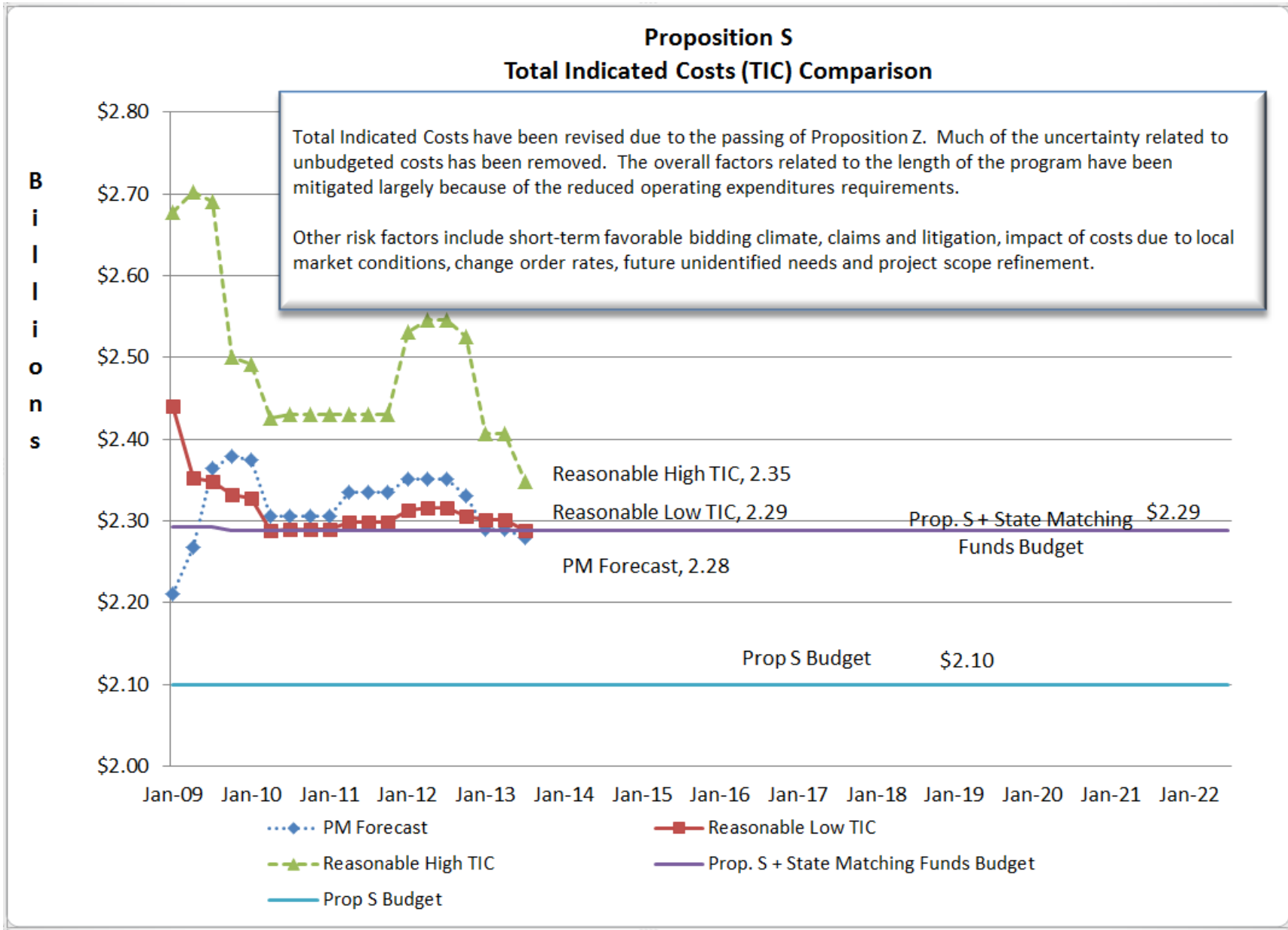
Category	Planned Percentage (Five-Year)	Percent of Expenditures	FY Expended - to date	Current Month Expenditures	Previous Month Expenditures
Planning & Design	14.8%	12.1%	\$ 16,340,250	\$ 640,230	\$ 879,653
Construction & Equipment	80.0%	83.2%	112,259,612	13,201,278	7,915,294
Program Management Office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

### FY 2013 / 2014 Expenditures

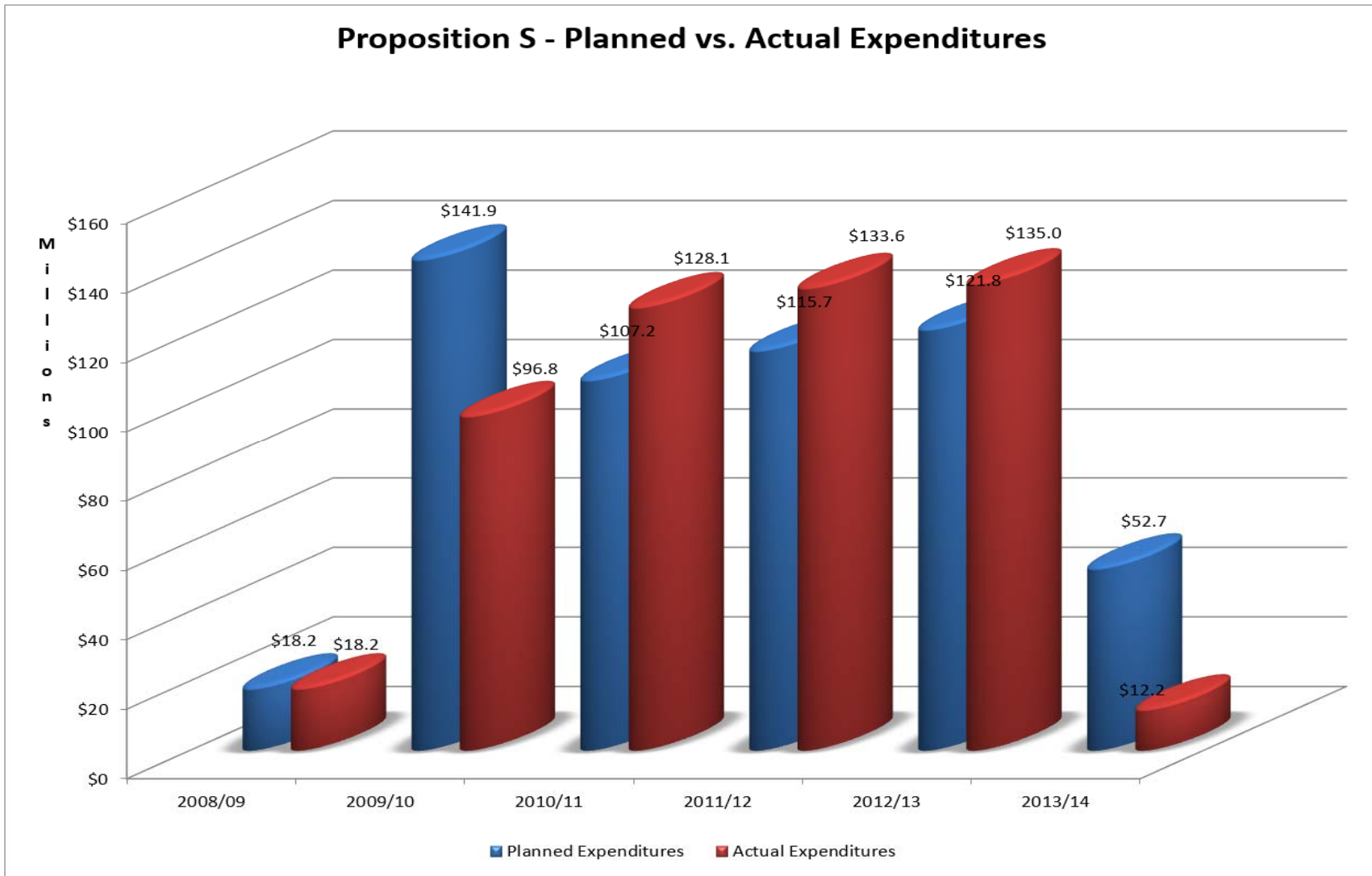
Category	Planned Percentage (Five-Year)	Percent of Expenditures	FY Expended - to date	Current Month Expenditures	Previous Month Expenditures
Planning & Design	14.8%	9.5%	\$ 1,151,343	\$ 590,963	\$ 661,645
Construction & Equipment	80.0%	89.4%	10,865,577	7,025,569	9,960,949
Program Management Office	5.2%	1.2%	143,209	72,881	286,835
<b>Sub-Total</b>	100%	100%	\$ 12,160,129	\$ 7,689,413	\$ 10,909,428
<b>Prop. S Percent of Budget and Amount Committed-to-Date**</b>				<b>24.5%</b>	<b>\$ 560,854,895</b>
<b>Current Remaining Uncommitted Balance***</b>					<b>3,639,079</b>

- \* 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



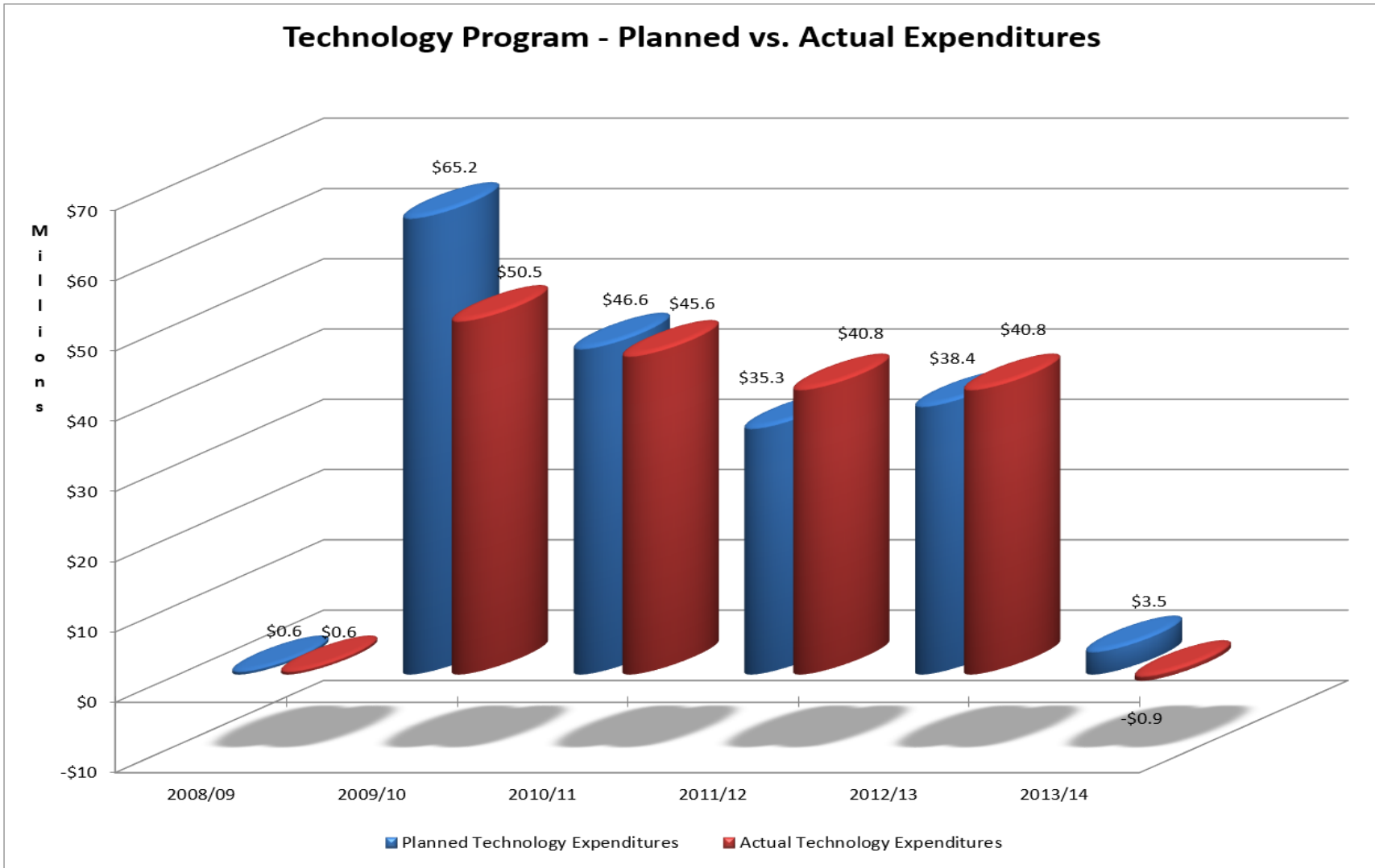
# Proposition S



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



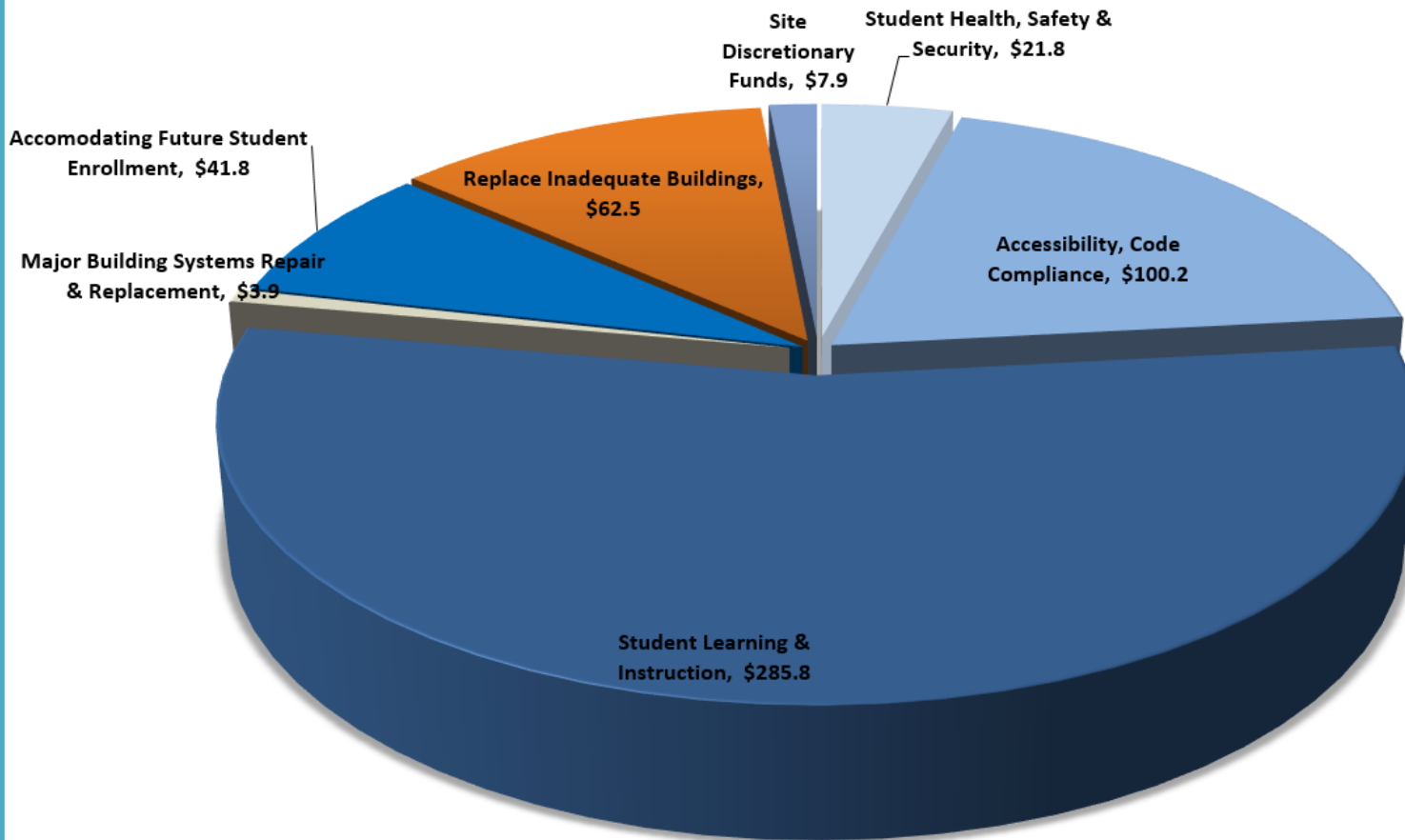
### Technology Expenditure Burn Rate

Current Month	Last Month	FY 2014 to date	Total-to-date
564,856	593,414	(897,414)	175,690,058

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.

# Proposition S

## Actuals-to-Date Expenditures by Category

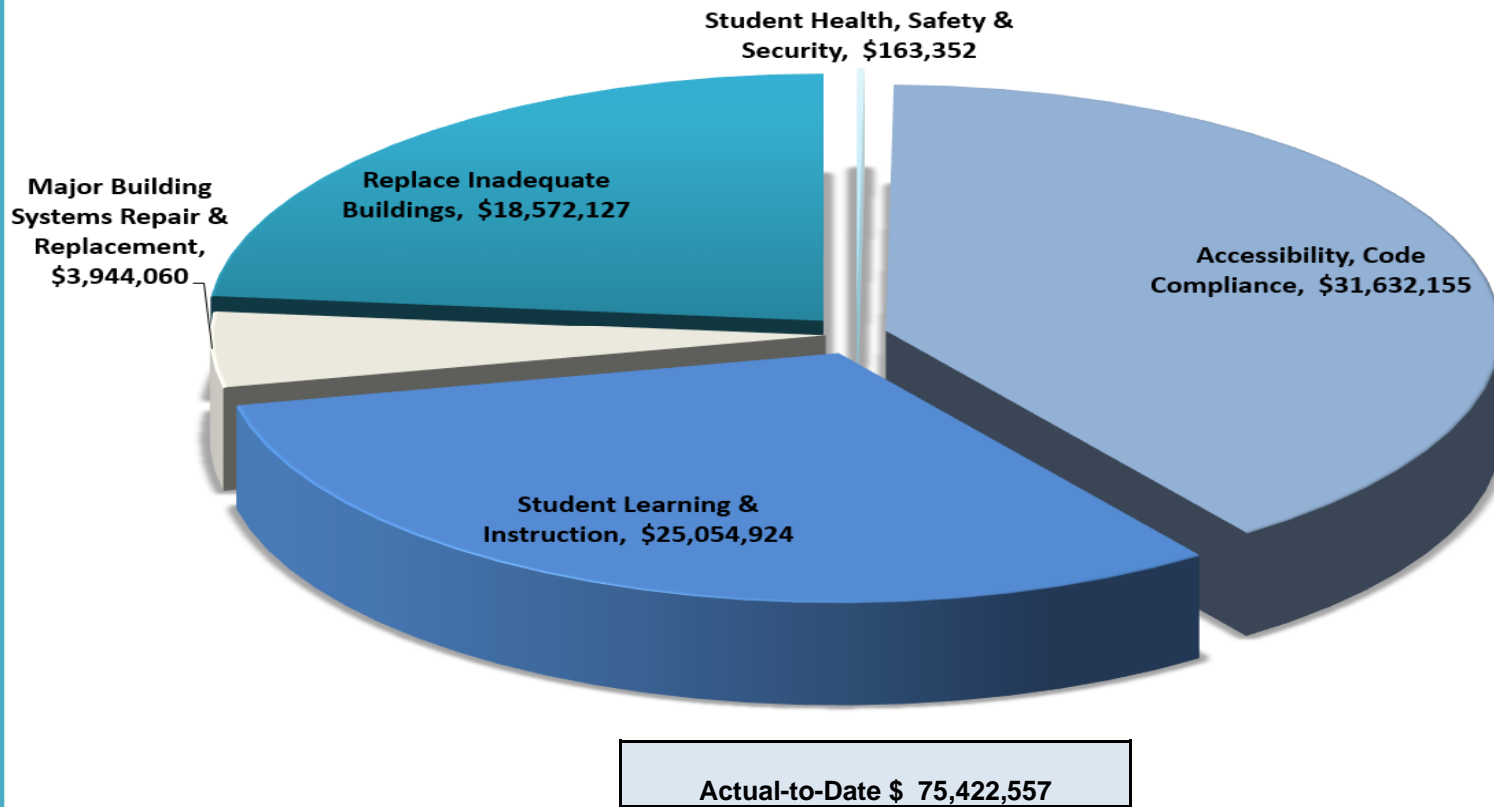


Millions

Actual-to-Date \$ 523,916,159

## Proposition S

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



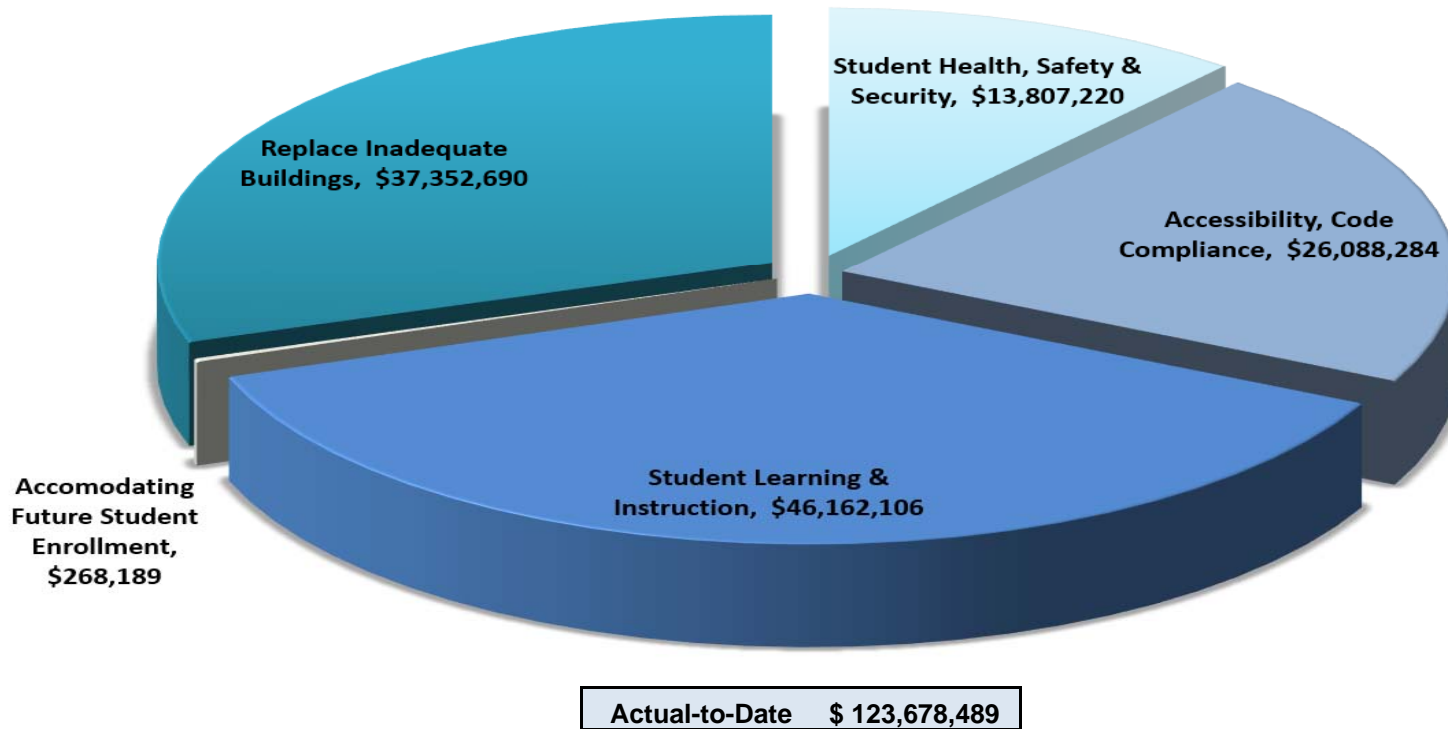
Major Repair and Replacement (MRR) type work is repairs to existing facilities. MRR work is done in several categories with the MRR category being the largest. For example, under Accessibility and Code Compliance restrooms, kitchens, stadiums and hard-scape are repaired and replaced.

- ◆ MRR Type work reduces the Total Cost of Facility Repairs Needs, in the Facilities Condition Index (FCI):

$$\text{FCI} = \text{Total Cost of Facility Repair Needs} / \text{Current Replacement Value}$$

## Proposition S

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



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):  
$$FCI = \text{Total Cost of Facility Repair Needs} / \text{Current Replacement Value}$$



# Proposition Z

## Proposition Z Summary

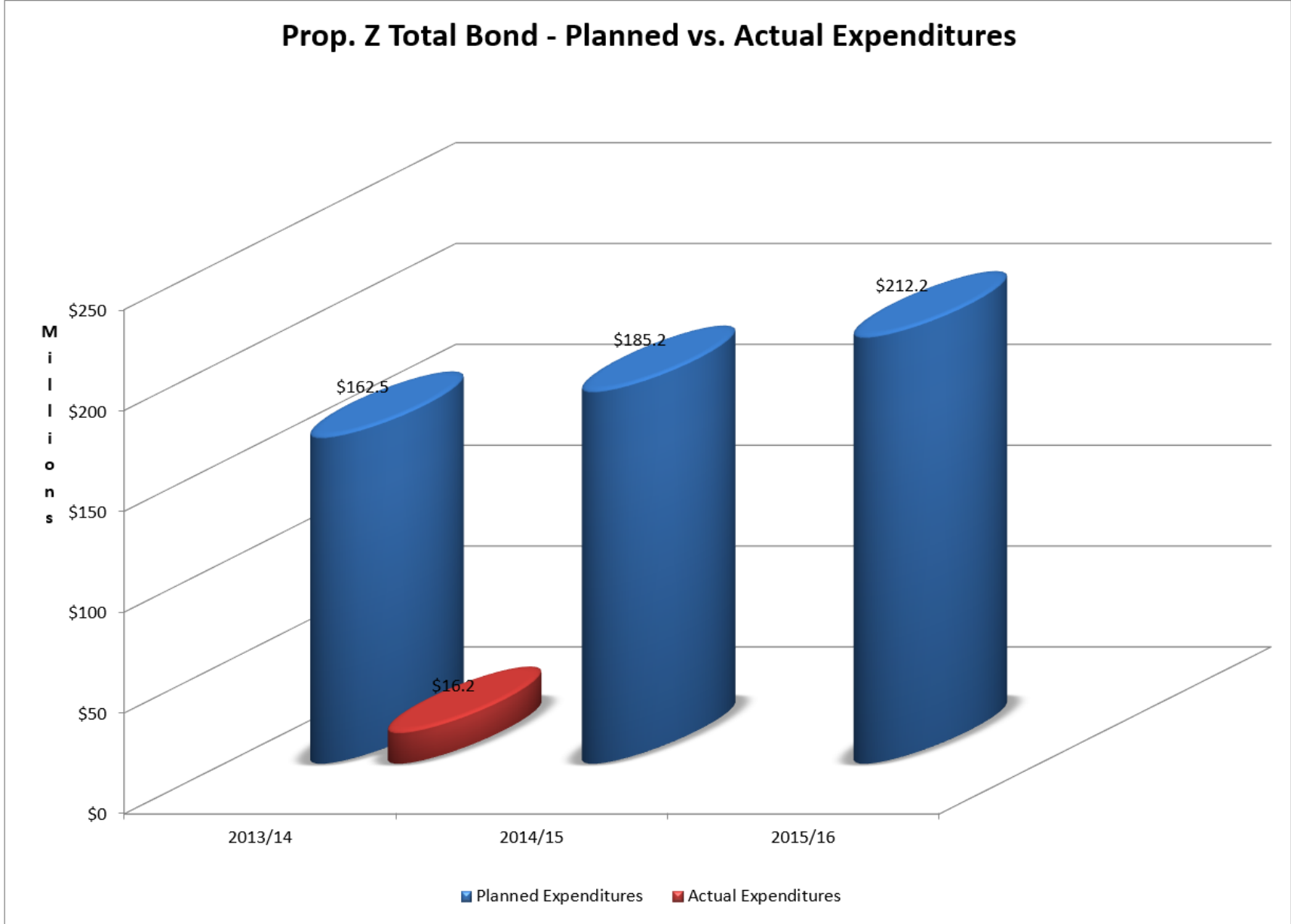
<b>2.8B Prop. Z Planned Revenue - 15-Years</b>	<b>Duration</b>	<b>Expended</b>
<b>Prop. Z Percent Complete</b>	2.2%	0.6%
<b>Prop Z Bond Sales Received</b>		\$ 530,000,000
<b>State Facility Program (Fund 35) Projected Revenue Thru June 2014</b>		-
<b>Projected Revenue thru June 2014</b>		530,000,000
<b>Total Expenditures-to-Date</b>		16,234,962
<b>FY 2013-2014 Planned Expenditures</b>		16,234,962
<b>Projected Fund Balance - June 30, 2014</b>	*	362,469,309
<b>Current Fund Balance</b>	*	513,765,038

## FY 2012 / 2014 Expenditures

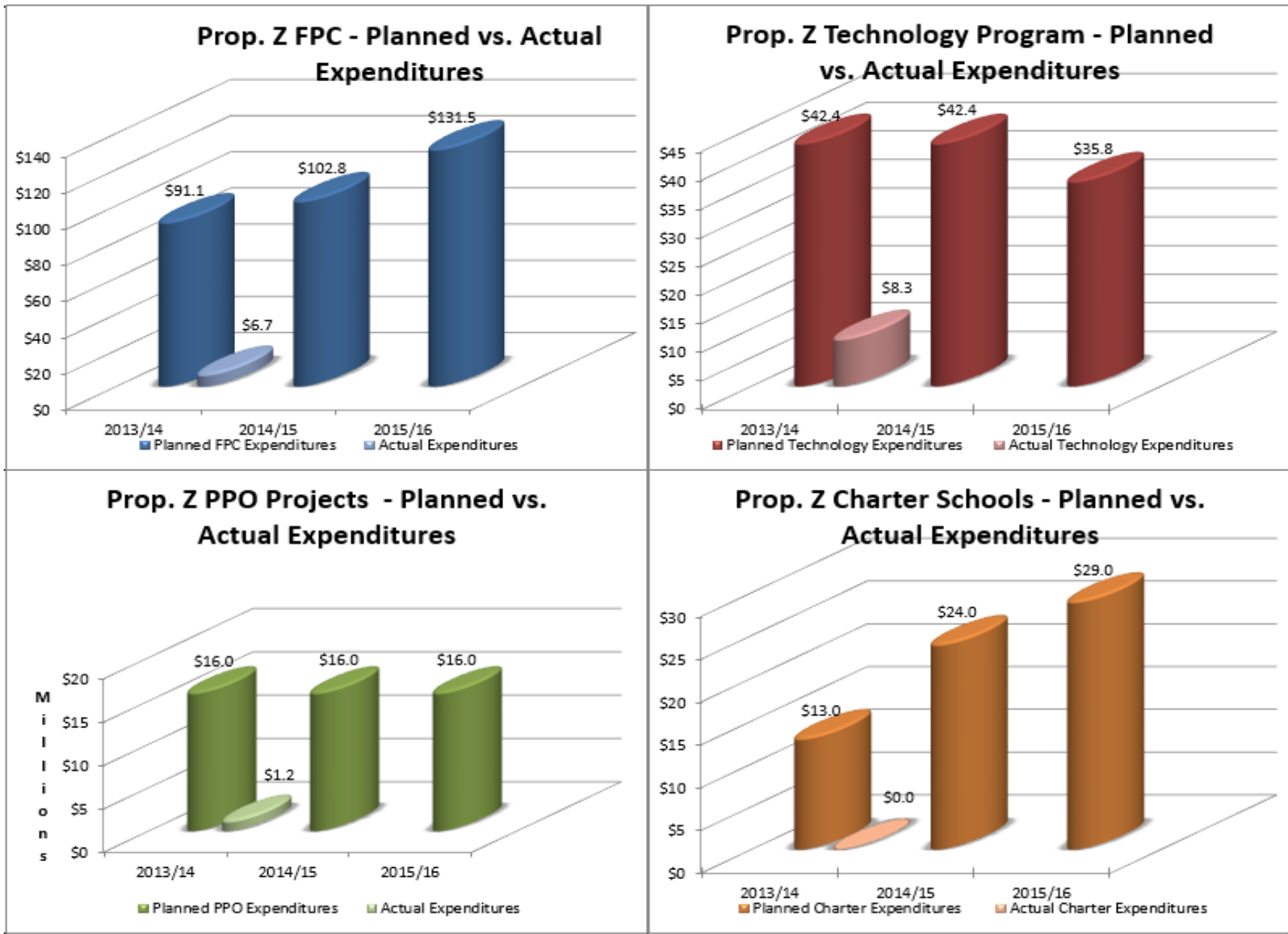
Category	Planned Percentage	Percent of Expenditures	FY Expended - to date	Current Month Expenditures	Previous Month Expenditures
<b>Planning &amp; Design</b>	14.8%	10.9%	\$ 1,777,571	\$ 698,802	\$ 281,519
<b>Construction &amp; Equipment</b>	80.0%	77.6%	\$ 12,600,530	6,811,874	2,021,024
<b>Program Management Office</b>	5.2%	11.4%	\$ 1,856,862	818,812	587,512
<b>Sub-Total</b>	100%	100%	\$ 16,234,962	\$ 8,329,488	\$ 2,890,055
<b>Prop. Z Percent of Budget and Amount Committed-to-Date**</b>				<b>14.0%</b>	<b>\$ 74,433,146</b>
<b>Current Remaining Uncommitted Balance***</b>					<b>455,566,854</b>

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# Proposition Z



## Proposition Z



## 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

Construction Cost Index (CCI)	The CCI's annual escalation rate jumped a full percentage point, to 3.3%, this month.	<b>20-CITY:</b>	<b>Oct-13</b>	<b>% change</b>	<b>% change</b>
		<b>1913 = 100</b>	<b>Index Value</b>	<b>Month</b>	<b>Year</b>
		<b>Construction Cost</b>	9688.9	1.4	3.3
		<b>Common Labor</b>	20622.3	1.8	3.5
		<b>WAGE \$/HR.</b>	39.22	1.8	3.5
Builder Cost Index (BCI)	A 0.7% increase in the BCI's labor component pushed the indexes' annual inflation rate to 2.0% from 1.7%.	<b>20-CITY:</b>	<b>Oct-13</b>	<b>% change</b>	<b>% change</b>
		<b>1913 = 100</b>	<b>Index Value</b>	<b>Month</b>	<b>Year</b>
		<b>Building Cost</b>	5308.4	0.4	2.0
		<b>Skilled Labor</b>	9128.6	0.7	1.7
		<b>WAGE \$/HR.</b>	50.66	0.7	1.7
Material Cost Index (MCI)	A 0.6% increase in lumber prices was offset by falling steel and cement prices.	<b>20-CITY:</b>	<b>Oct-13</b>	<b>% change</b>	<b>% change</b>
		<b>1913 = 100</b>	<b>Index Value</b>	<b>Month</b>	<b>Year</b>
		<b>Materials</b>	2974.2	-0.1	2.5
		<b>CEMENT \$/TON</b>	110.9	-0.2	2.0
		<b>STEEL \$/CWT</b>	50.0	-0.4	1.4
		<b>LUMBER \$/MBF</b>	430.32	0.6	5.7

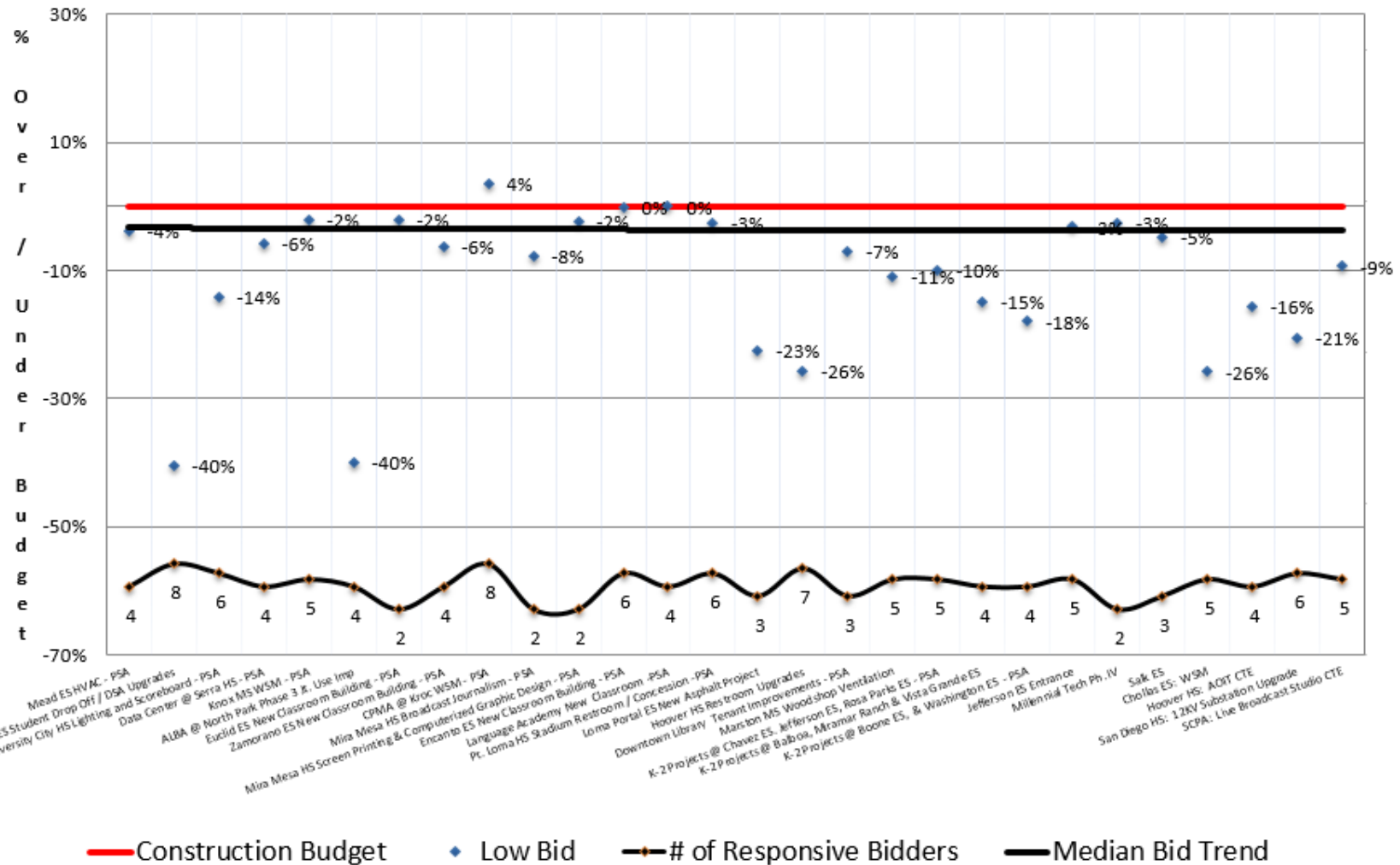
- The Common Labor Index is the labor component of ENR’s Construction Cost Index and tracks the union wage, plus fringe benefits, for laborers.
- The Skilled Labor Index is the labor component of ENR’s Building Cost Index and tracks union wages, plus fringe benefits, for carpenters.

#### Overall Impacts

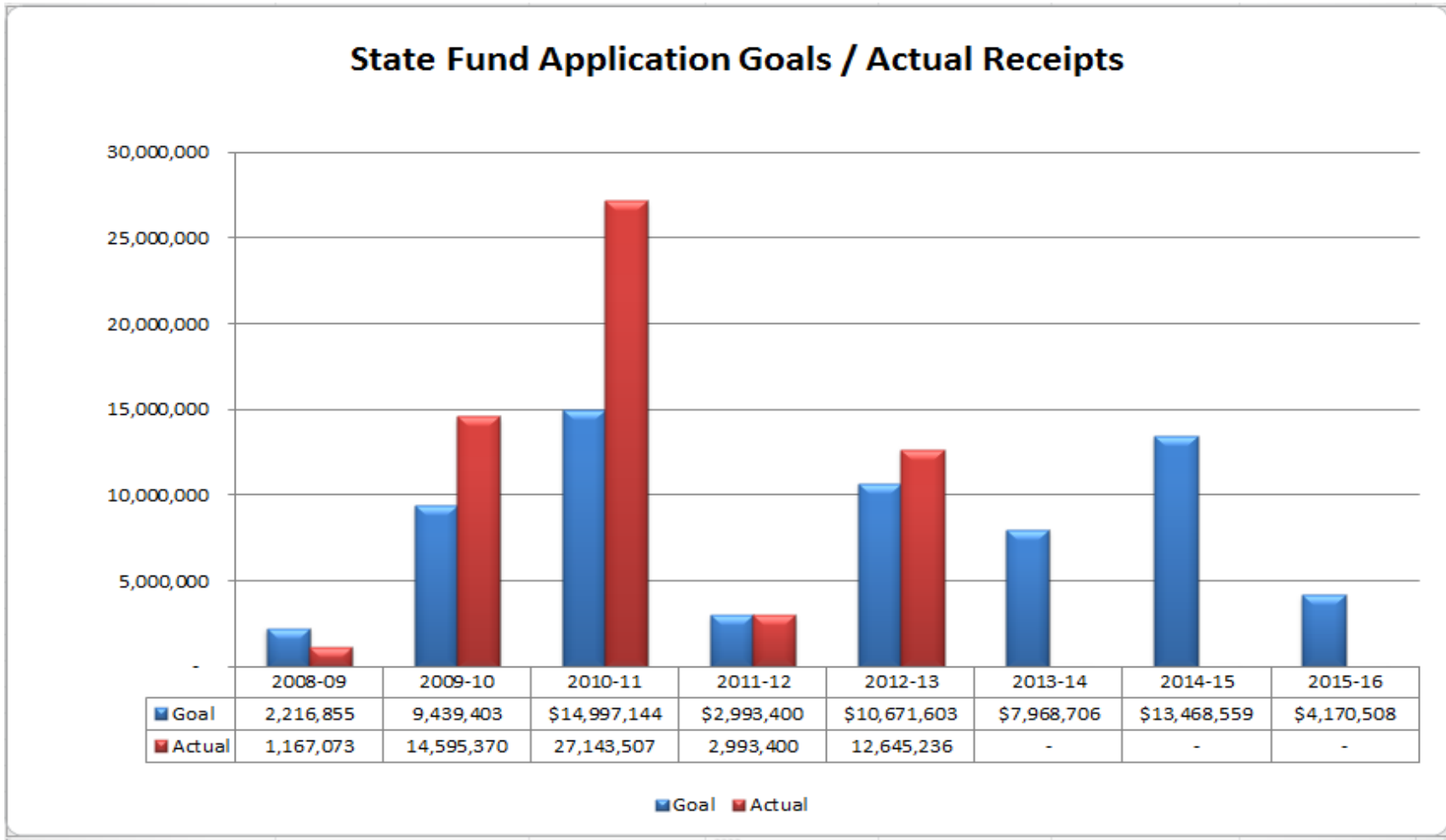
- The CCI and BCI increased over the last month, while the BCI decreased despite lumber prices being up 5.7% over the last year while steel and labor costs decreased.
- SDUSD FPC is currently applying a 2.7% yearly escalation factor for our internal construction estimates. The Office of Public School 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 2.8%.

# 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 4.9% under budget. Since the inception of Prop. S, the overall award amount is 12.4% under budget.



## Proposition S and Z



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.