

**Proposition S Monthly Controls Status Report
March 2012**

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

All Data as of February 29, 2012

Prepared for:

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

Proposition S Summary

| | | |
|--|-----------------|-----------------|
| Prop. S Percent Complete | Duration | Expended |
| 14-Year \$2.28B Program (includes Prop. S and State Matching Funds) | 22.4% | 14.4% |
| Prop S Bond Sales Received | | \$ 369,997,581 |
| State Facility Program (Fund 35) Projected Revenue Thru June 2012 | | 31,109,887 |
| Projected Revenue thru June 2012 | | 491,107,468 |
| Total Expenditures-to-Date | | 328,425,305 |
| FY 2011-2012 Planned Expenditures | | 117,860,278 |
| Projected Fund Balance - June 30, 2012 | * | 44,821,885 |
| Current Fund Balance | * | 72,682,163 |

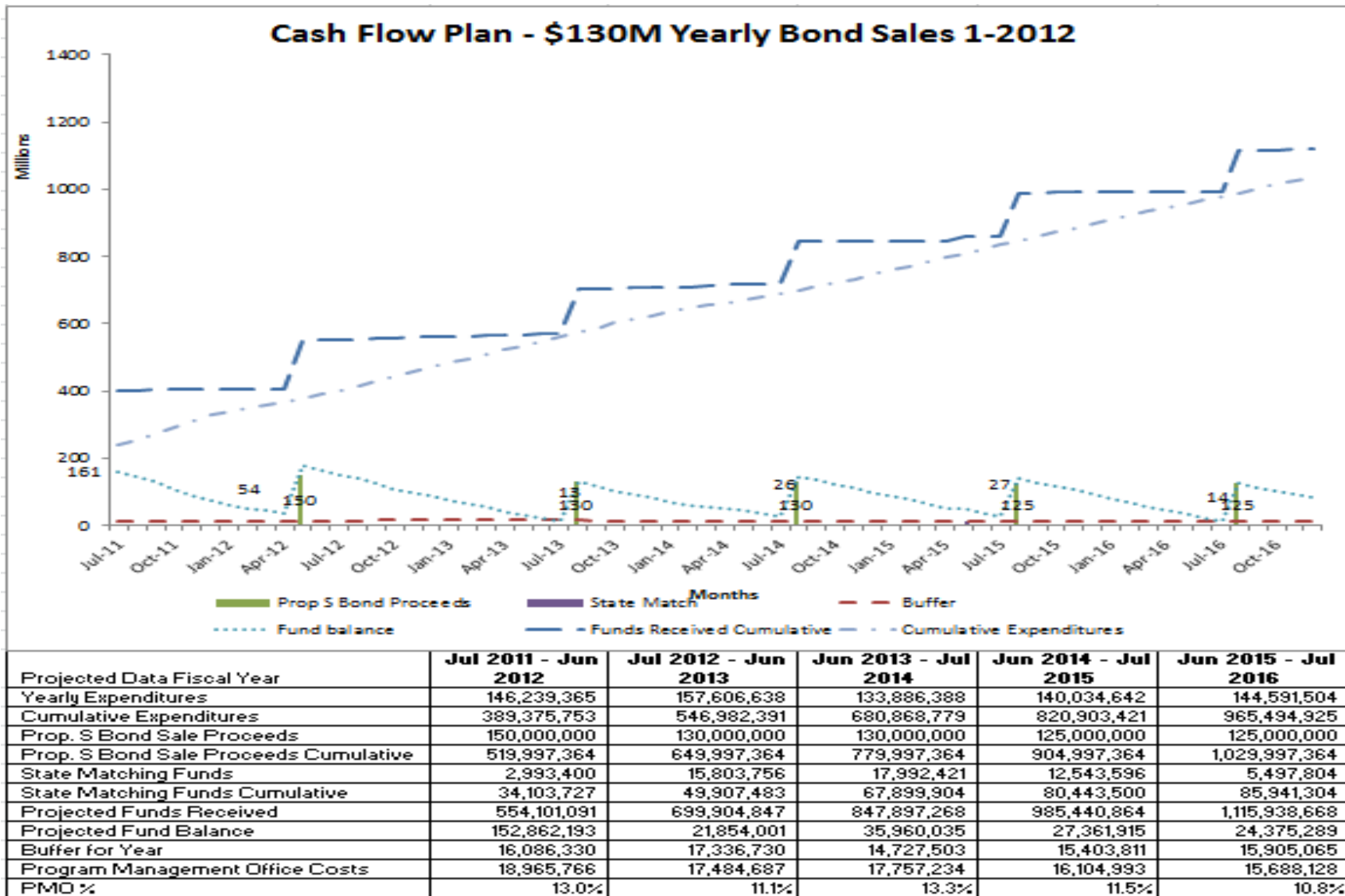
FY 2011 / 2012 Expenditures

| Category | Planned Percentage (Five-Year) | Percent of Expenditures | FY Expended - to date | Current Month Expenditures | Previous Month Expenditures |
|----------------------------------|---------------------------------------|--------------------------------|------------------------------|-----------------------------------|------------------------------------|
| Planning & Design | 14.8% | 13.6% | \$ 11,558,061 | \$ 51,887 | \$ 2,021,410 |
| Construction | 80.0% | 77.9% | 66,427,734 | 4,780,968 | 4,759,878 |
| Program Management Office | 5.2% | 8.6% | 7,303,123 | 2,526,170 | 1,535,633 |
| Sub-Total | 100% | 100% | \$ 85,288,917 | \$ 7,359,025 | \$ 8,316,921 |

| | | |
|---|--------------|-----------------------|
| Prop. S Percent of Budget and Amount Obligated-to-Date | 16.5% | \$ 377,976,567 |
| Current Remaining Unobligated Balance | ** | 23,130,900 |

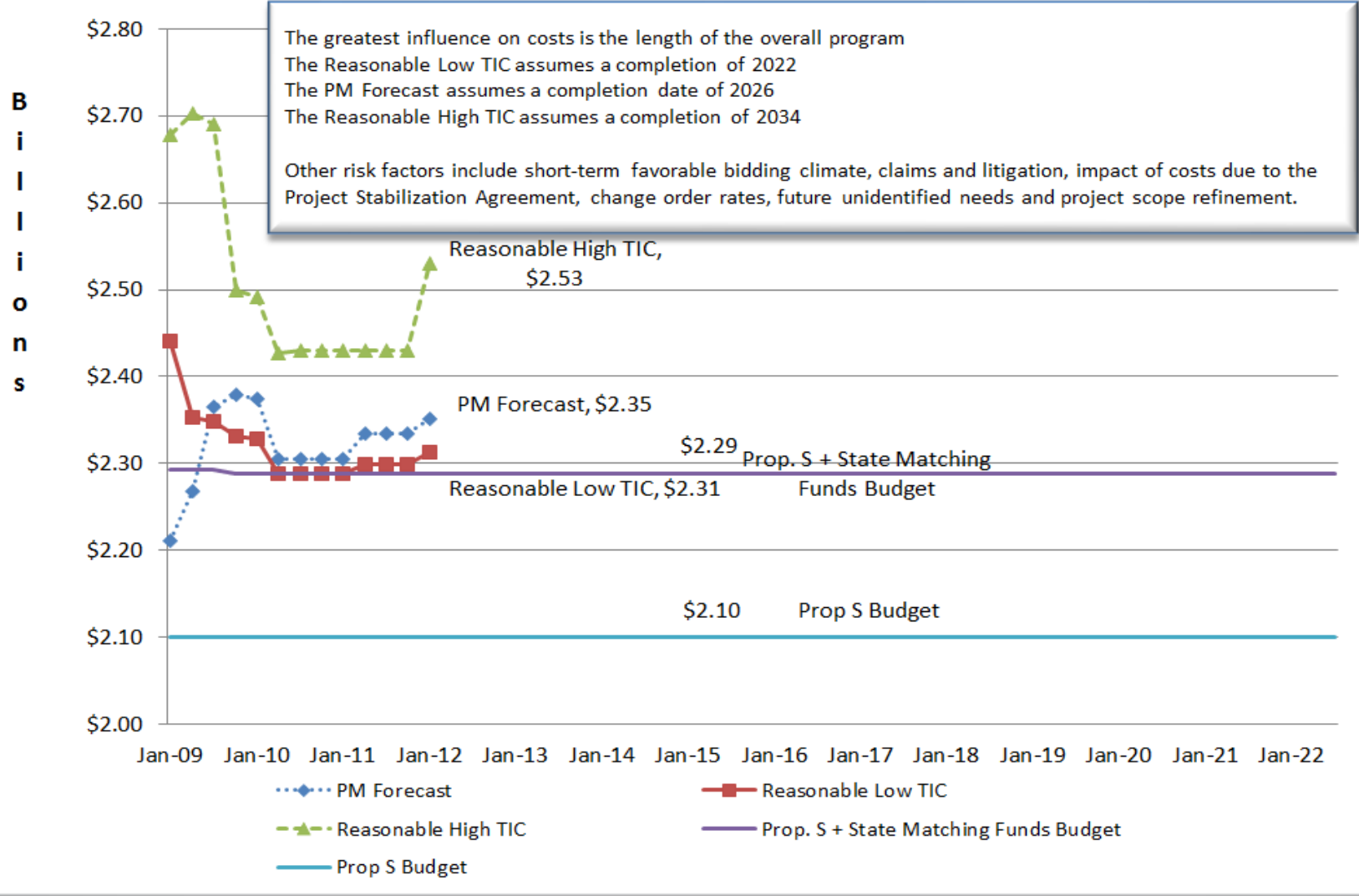
Proposition S status: Adjusted projected Prop. S bond sales from \$145M to \$90M. Sales amount tentatively set to be determined in April 2012;

- * Fund balance is the unspent balance of revenue received
- ** Unobligated balance is the amount that has not been committed by contract or material orders.



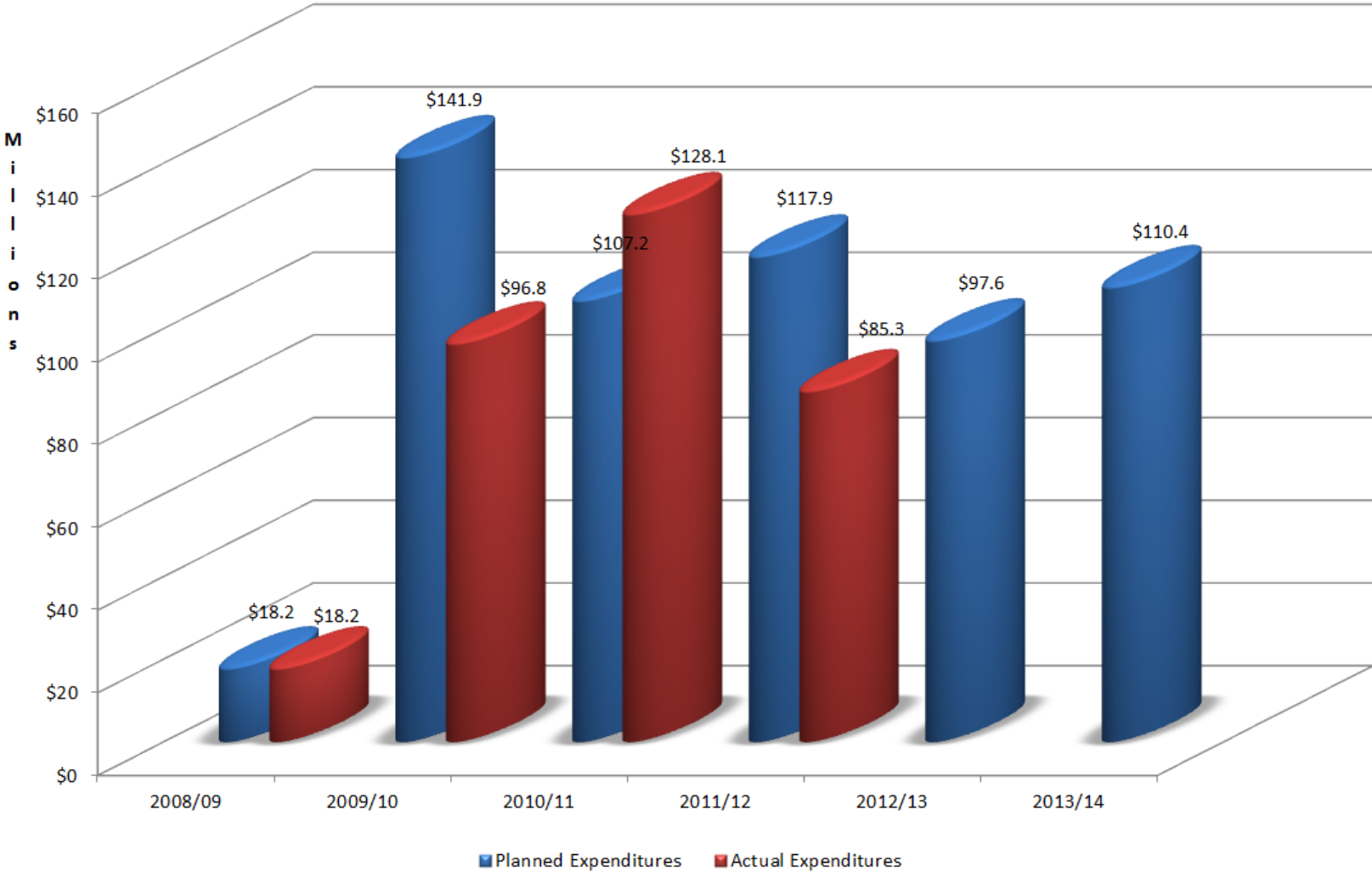
Preliminary Cash Flow Plan based upon 40-year Bond Sales. Will revise as more information is provided.

Proposition S Total Indicated Costs (TIC) Comparison

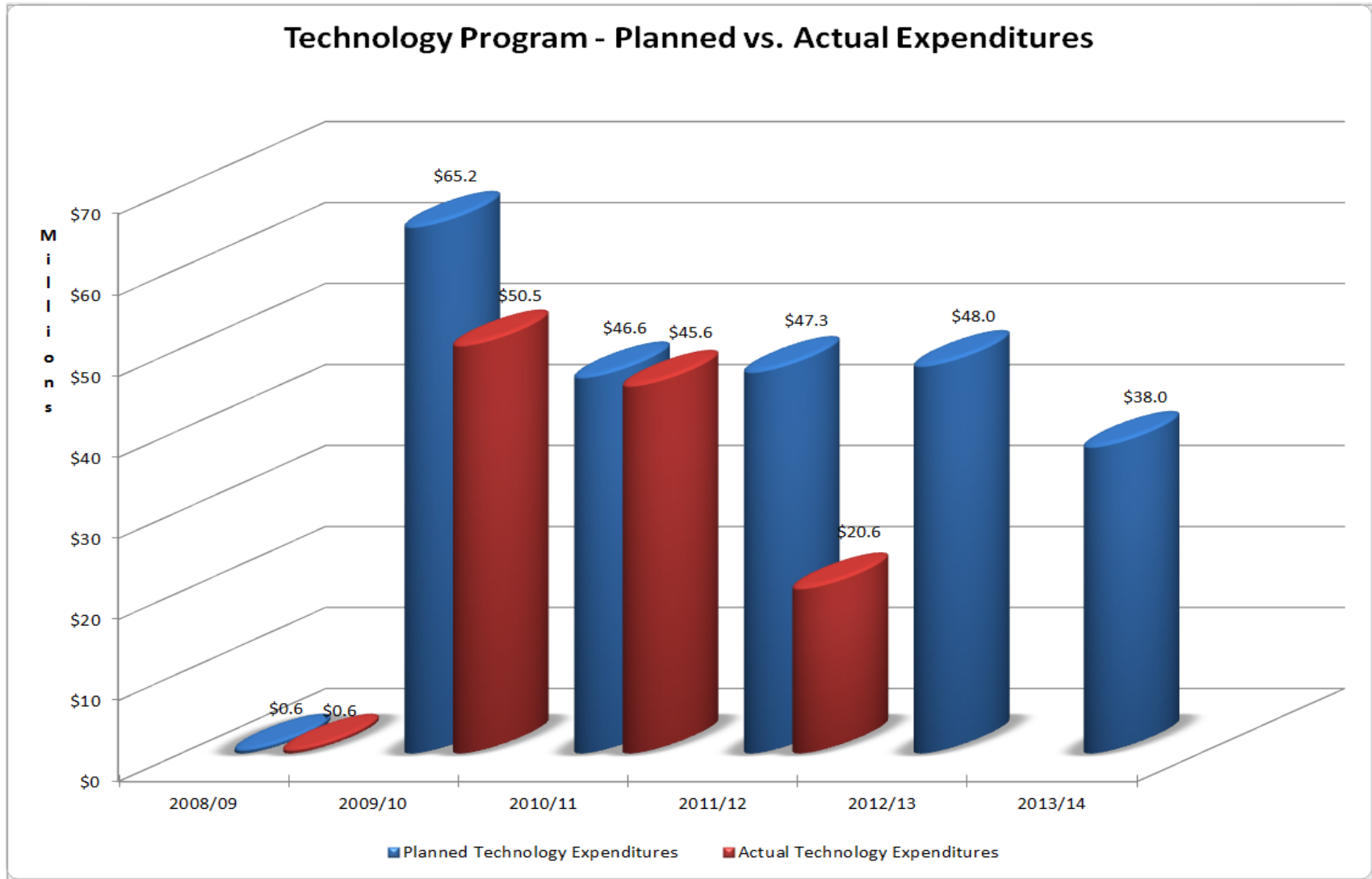


TIC risk factors will be reassessed upon clearer determination for Prop. S Bond Sales and revised implementation plan.

Proposition S - Planned vs. Actual Expenditures



Technology Program - Planned vs. Actual Expenditures

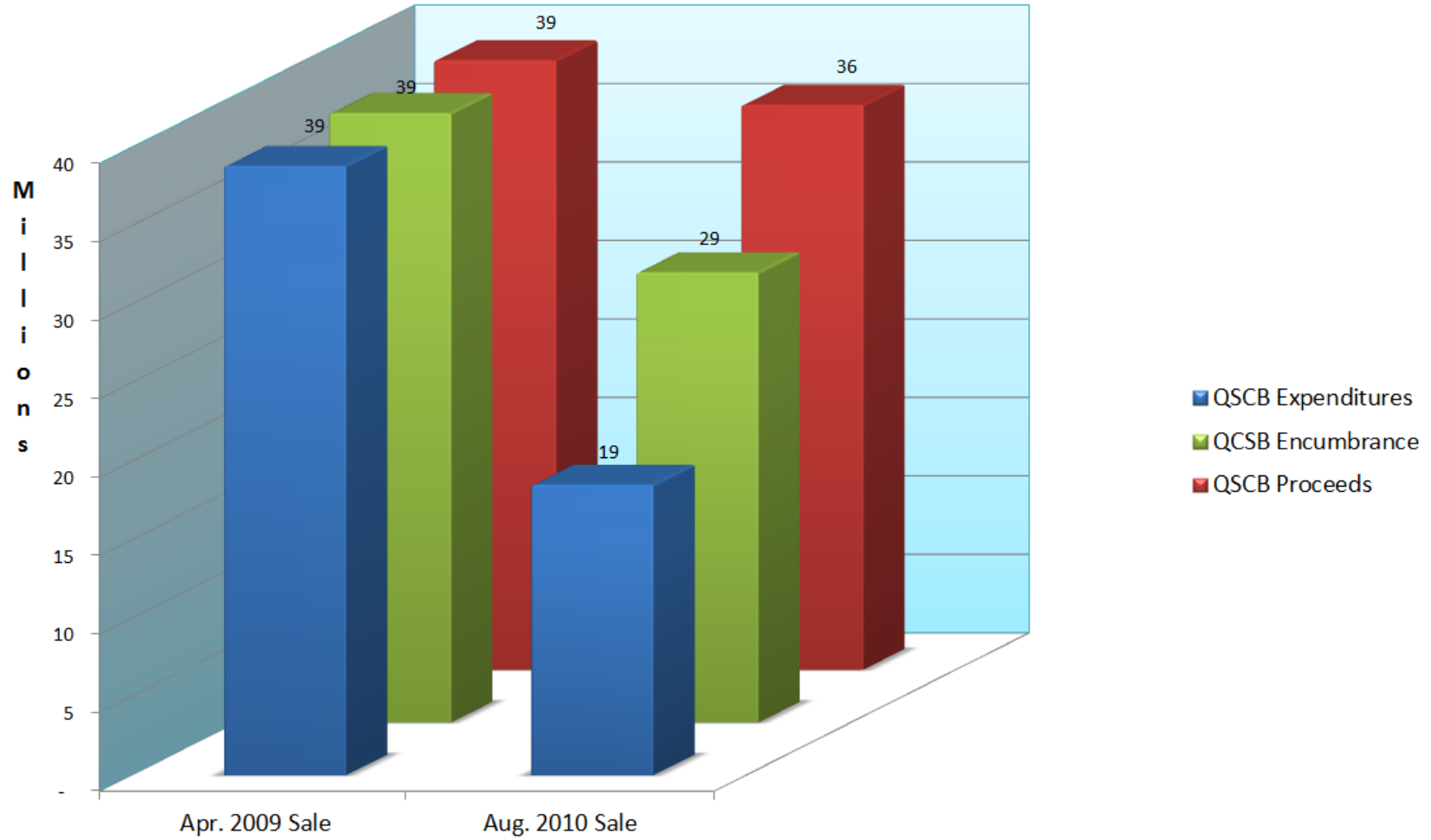


Technology Burn Rate

| Current Month | Last Month |
|---------------|------------|
| 1,199,831 | 1,499,119 |

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.

Qualified School Construction Bonds (Zero Interest)



Trends

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.

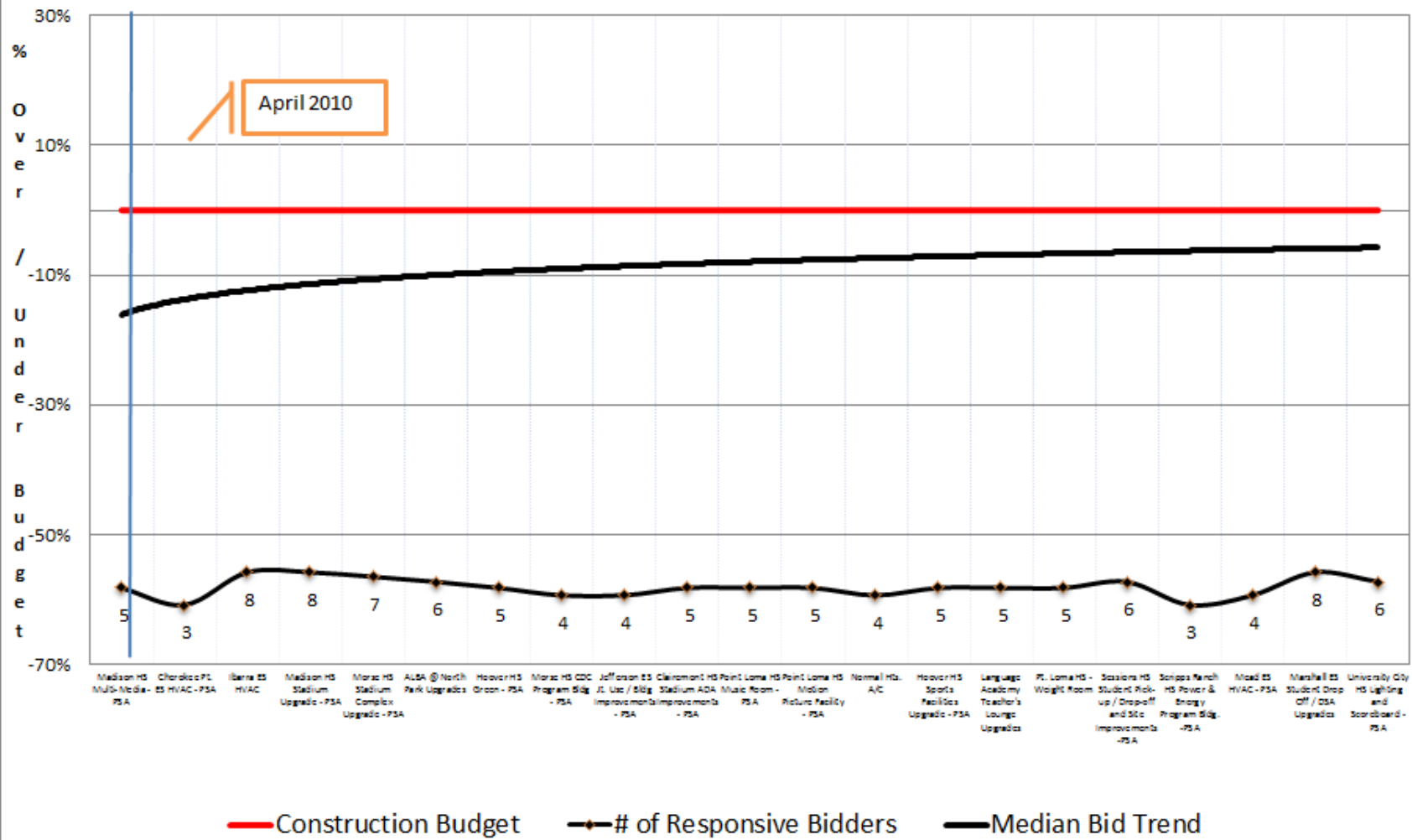
| | | | | | |
|-------------------------------|--|--------------------------------|-------------------------------|---------------------------|--------------------------|
| Construction Cost Index (CCI) | The annual escalation rate of the CCI increased to 2.9%. | 20-CITY: 1913 = 100 | Mar-12 Index Value | % change Month | % change Year |
| | | Construction Cost | 9267.6 | 0.8 | 2.9 |
| | | Common Labor | 19686.5 | 0.8 | 2.7 |
| | | WAGE \$/HR. | 37.4 | 0.8 | 2.7 |
| Builder Cost Index (BCI) | Building cost inflation, tracked by the BCI, rose to 2.7% this month from 2.3% last month. | 20-CITY: 1913 = 100 | Mar-12 Index Value | % change Month | % change Year |
| | | Building Cost | 5144.5 | 0.5 | 2.7 |
| | | Skilled Labor | 8847.7 | 0.3 | 2.4 |
| | | WAGE \$/HR. | 49.1 | 0.3 | 2.4 |
| Material Cost Index (MCI) | The MCI increased from 2.7% to 3.3% as rising yearly steel costs offset lower lumber prices. | 20-CITY: 1913 = 100 | Mar-12 Index Value | % change Month | % change Year |
| | | Materials | 2881.8 | 0.7 | 3.3 |
| | | CEMENT \$/TON | 106.4 | 0.0 | 3.1 |
| | | STEEL \$/CWT | 49.7 | 0.8 | 5.7 |
| | | LUMBER \$/MBF | 388.9 | 0.6 | -2.9 |

- 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.

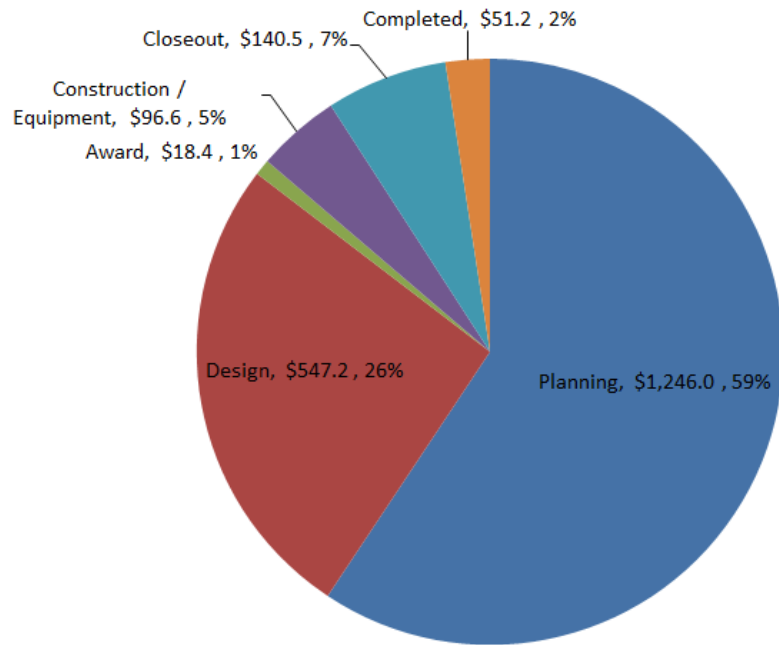
Overall Impacts

- The CCI, BCI and MCI all increased slightly over the last month. The MCI increase over the last year is 3.3% with steel prices increasing 5.7% over the year.
- SDUSD FPC is currently applying a 1.8% escalation factor for our internal construction estimates. The Office of Public School Construction is applying 4.28% per the Marshall and Swift CCI. San Diego material costs are seen as lagging the national trend and prevailing labor rates have not been adjusted.
- Over the last year SDUSD construction projects were awarded at 6.4% less than the budget — now less than the expected 10% - 30% range. One year ago projects were awarding at 23% less than the budget. One year ago the median of bids to budget was -18% of budget and is now -6%.
- Program change order rate is currently 3.0% with allowances and 5.8% excluding allowances.

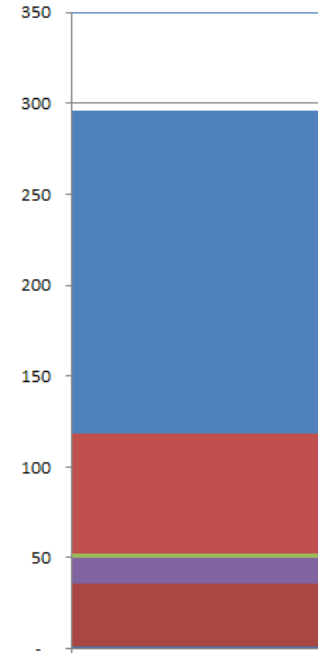
This chart measures general contractor construction bids as a percentage of the construction budget. Since November 2009, the median of bids has increased by 16% indicating that construction costs are on the rise.



Total Program Value \$2.1B

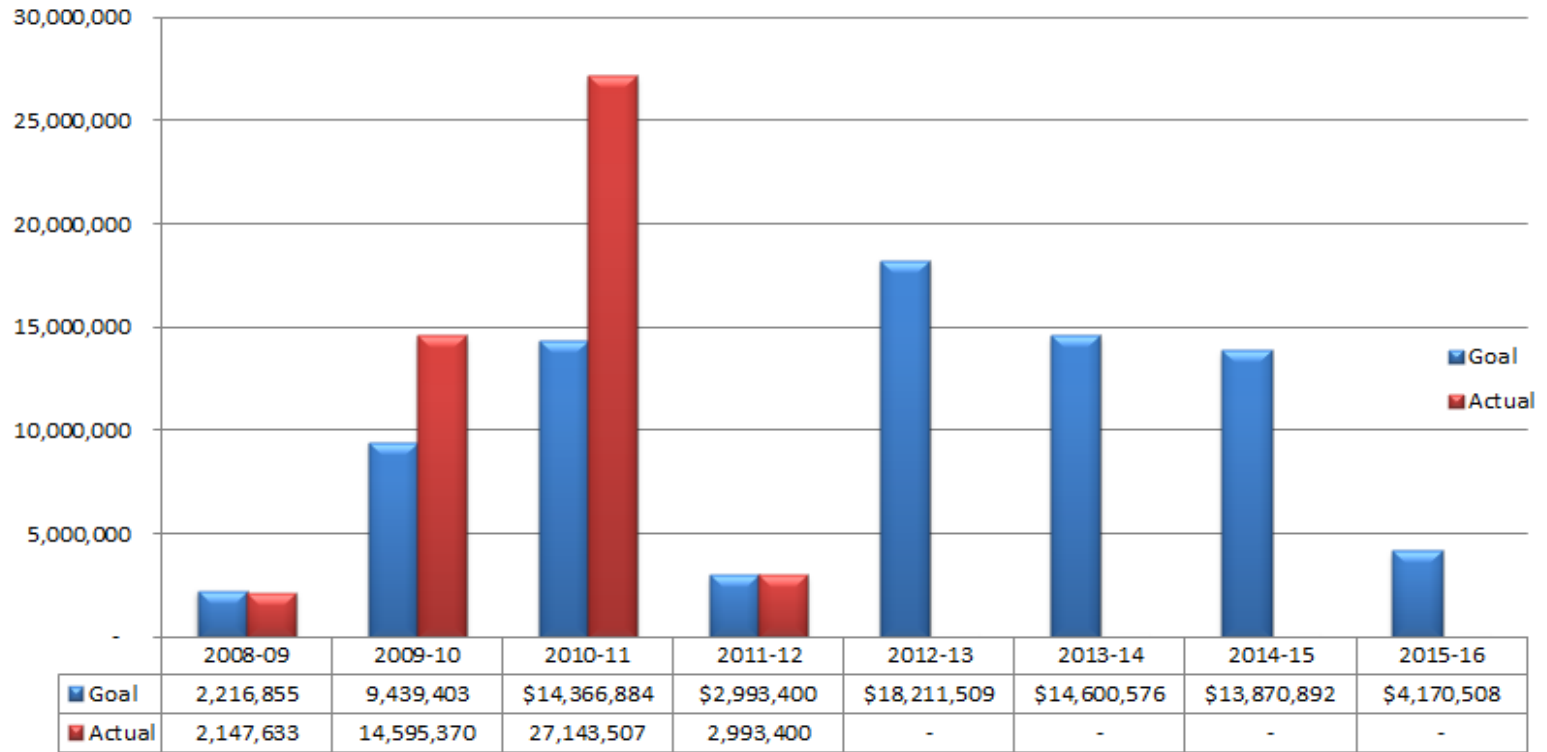


of Projects and Project Phase



| | |
|----------------------------|-----|
| ■ Planning | 178 |
| ■ Design | 66 |
| ■ Award | 2 |
| ■ Construction / Equipment | 14 |
| ■ Closeout | 35 |
| ■ Completed | 1 |

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.

The Office of Public Schools Construction has increased grant amounts by 4.28% reflecting increases in construction costs in California.

**Kearny H.S. Construction Tech Academy
First Prop. S Project**



**Crown Point Jr. Music Academy
Last Scheduled Prop. S Project**

