

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

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

All Data as of December 31, 2011

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)	21.2%	13.7%
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		312,749,359
FY 2011-2012 Planned Expenditures		117,277,117
Projected Fund Balance - June 30, 2012		61,080,992
Current Fund Balance		88,358,109

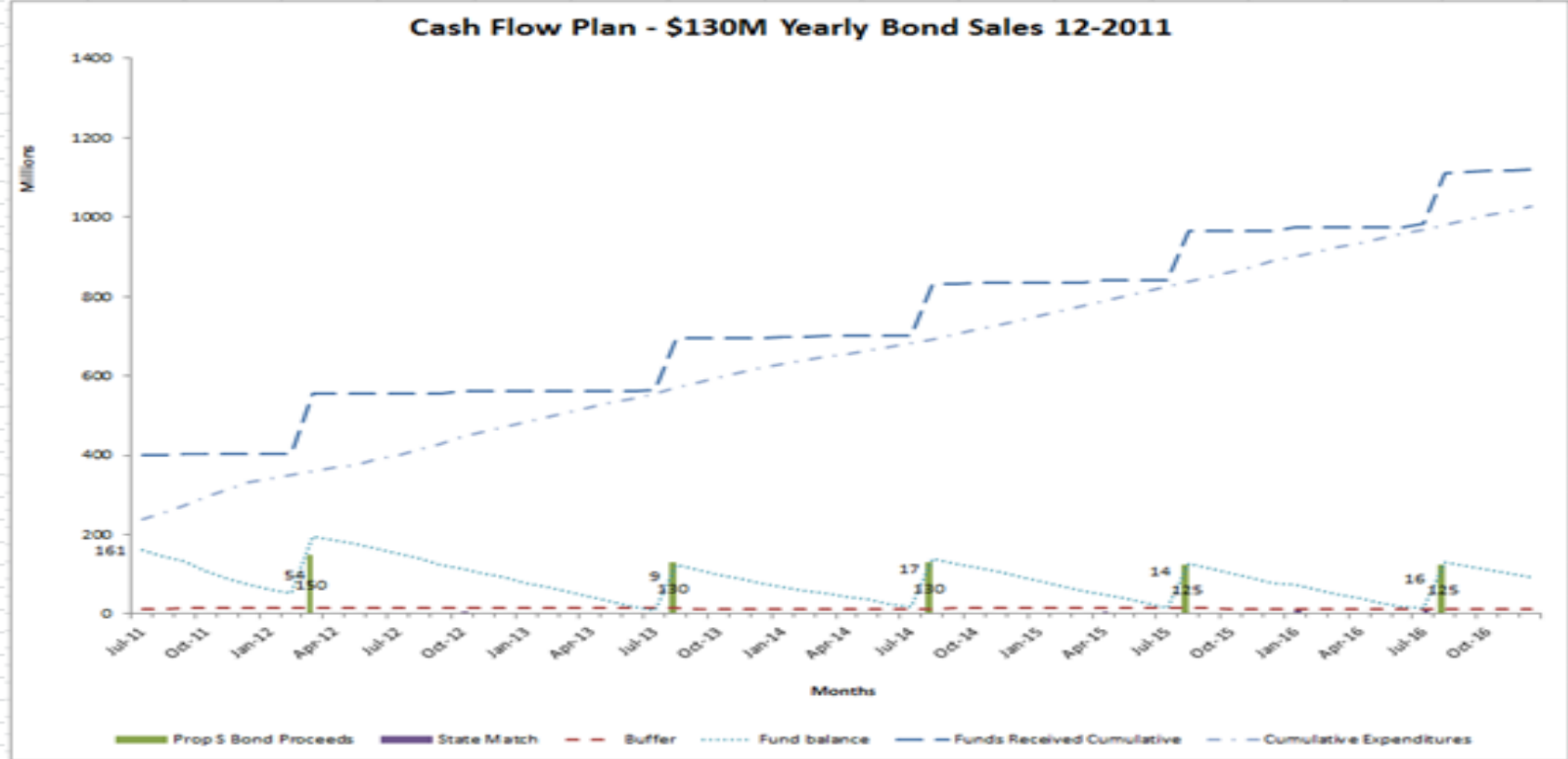
FY 2011 / 2012 Expenditures

Category	Planned Percentage (Five-Year)	Percent of Expenditures	FY Expended - to date	Current Month Expenditures	Previous Month Expenditures
Planning & Design	14.8%	13.6%	\$ 9,484,765	\$ 1,908,082	\$ 1,160,620
Construction	80.0%	81.7%	56,886,887	10,318,816	6,802,017
Program Management Office	5.2%	4.7%	3,241,320	589,202	628,062
Sub-Total	100%	100%	\$ 69,612,972	\$ 12,816,100	\$ 8,590,698

Prop. S Percent of Budget and Amount Obligated-to-Date	16.3%	\$ 373,884,540
Current Remaining Unobligated Balance		27,222,928

Proposition S status:

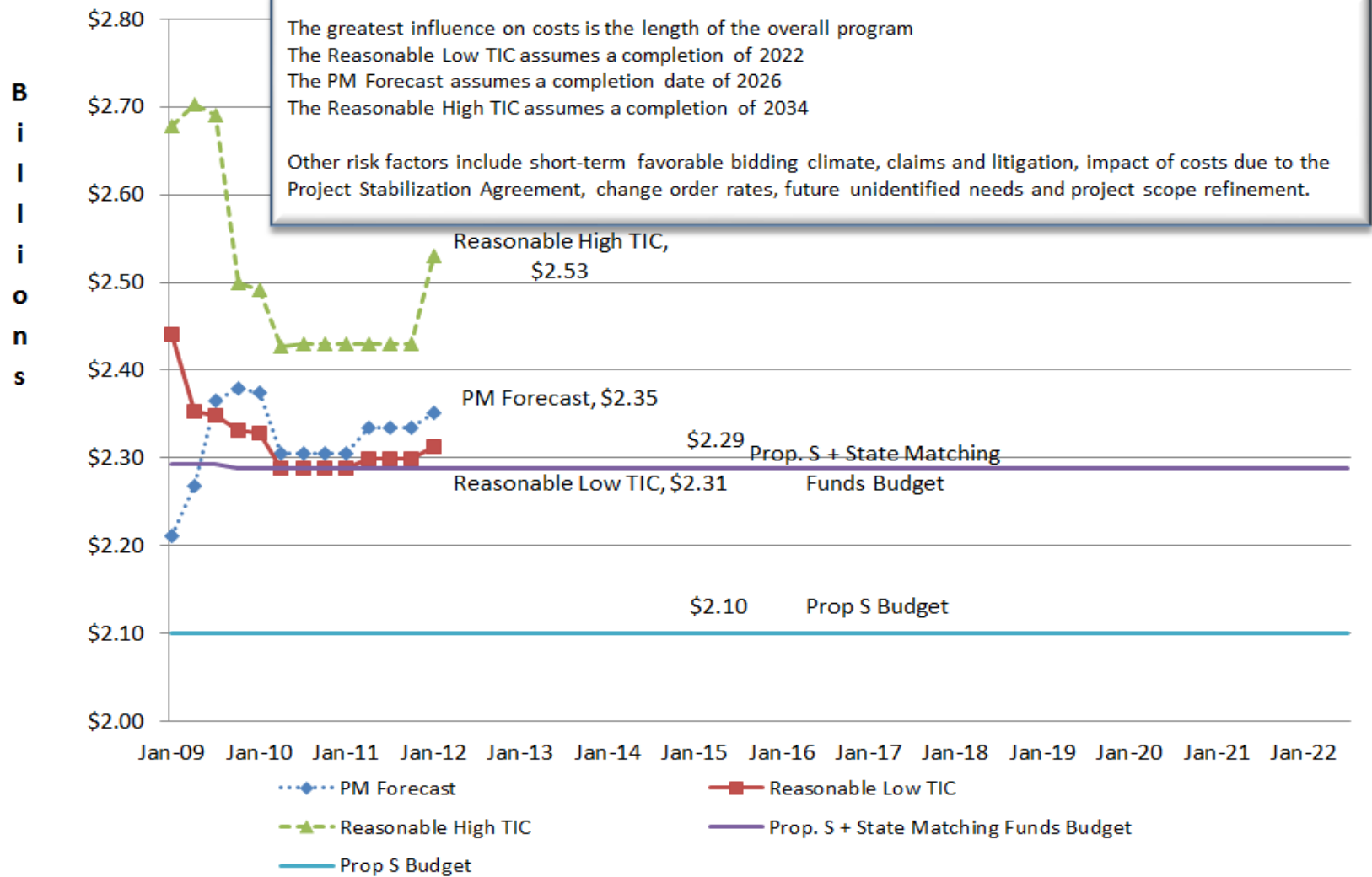
Adjusted projected Prop. S bond sales from \$145M to \$90M. Projected revenue has been revised to a range of \$60M—\$90M. Sales amount tentatively set to be determined in February 2012



Projected Data Fiscal Year	Jul 2011 - Jun 2012	Jul 2012 - Jun 2013	Jun 2013 - Jul 2014	Jun 2014 - Jul 2015	Jun 2015 - Jul 2016
Yearly Expenditures	146,239,365	153,785,107	129,951,125	139,465,717	144,591,504
Cumulative Expenditures	389,375,753	543,160,860	673,111,986	812,577,703	957,169,207
Prop. S Bond Sale Proceeds	150,000,000	130,000,000	130,000,000	125,000,000	125,000,000
Prop. S Bond Sale Proceeds Cumulative	519,997,364	649,997,364	779,997,364	904,997,364	1,029,997,364
State Matching Funds	2,993,400	8,387,361	7,471,183	9,953,507	11,185,504
State Matching Funds Cumulative	34,103,727	42,491,088	49,962,271	59,915,778	71,101,282
Projected Funds Received	554,101,091	692,488,452	829,959,635	964,913,142	1,101,098,846
Projected Fund Balance	152,862,193	18,259,137	25,779,195	13,832,615	17,860,985
Buffer for Year	14,623,937	15,378,511	12,995,113	13,946,572	14,459,150
Program Management Office Costs	18,965,766	17,484,687	18,757,234	16,104,993	15,688,128
PMO %	13.0%	11.4%	14.4%	11.5%	10.8%

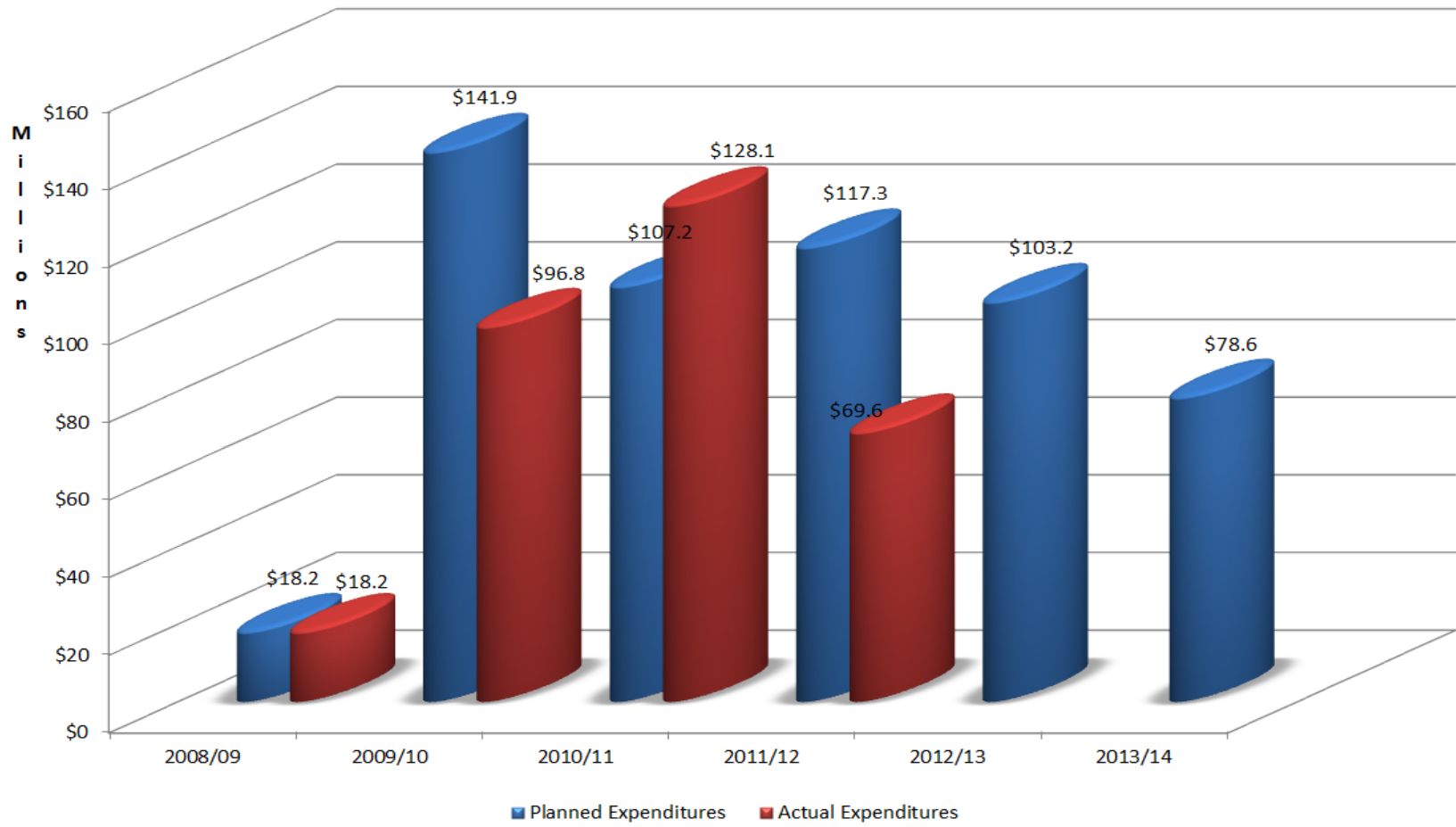
Preliminary Cash Flow Plan based upon \$90M Bond Sales with some recovery in 2015. Will revise as more information is provided.

Proposition S Total Indicated Costs (TIC) Comparison



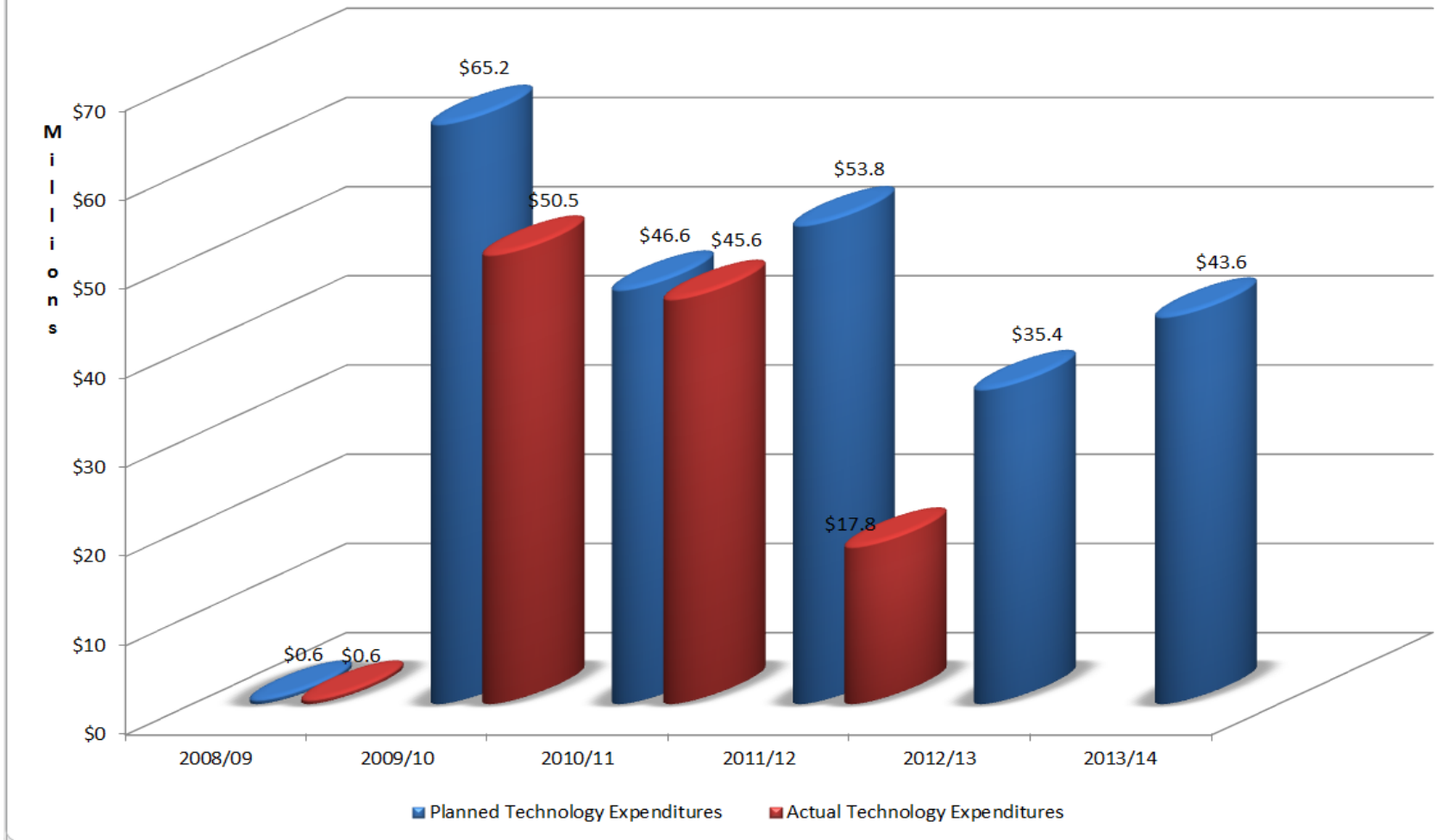
TIC risk factors will be reassessed upon clearer determination for Prop. S Bond Sales and revised implementation plan.

Proposition S - Planned vs. Actual Expenditures



Planned Expenditures shown above are adjusted based upon anticipated bid climate, change order rate and project execution plan. Planned expenditures are adjusted yearly and do not necessarily mirror the cash-flow plan shown on page 3.

Technology Program - Planned vs. Actual Expenditures

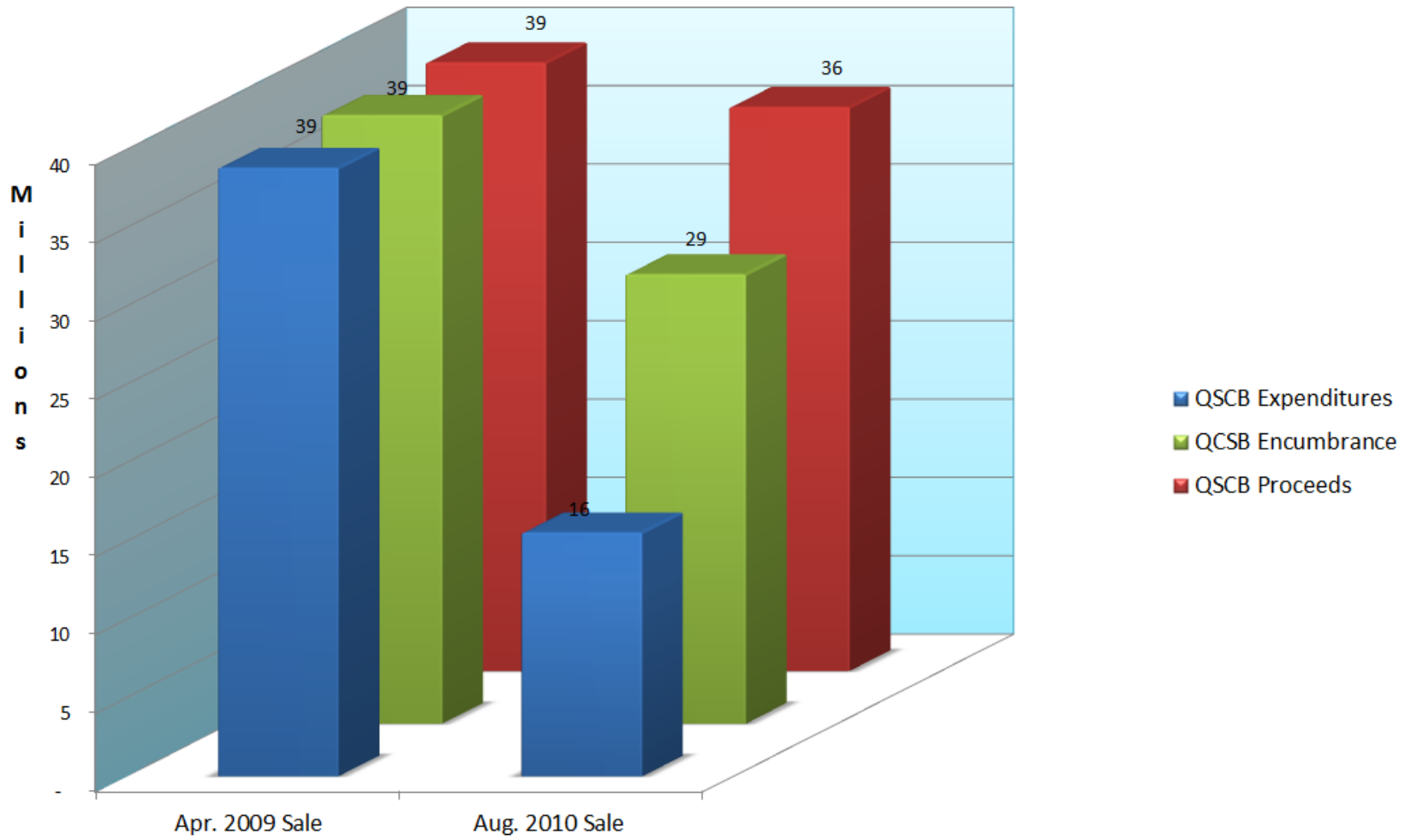


Technology Burn Rate

Current Month	Last Month
2,065,647	1,016,222

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)



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

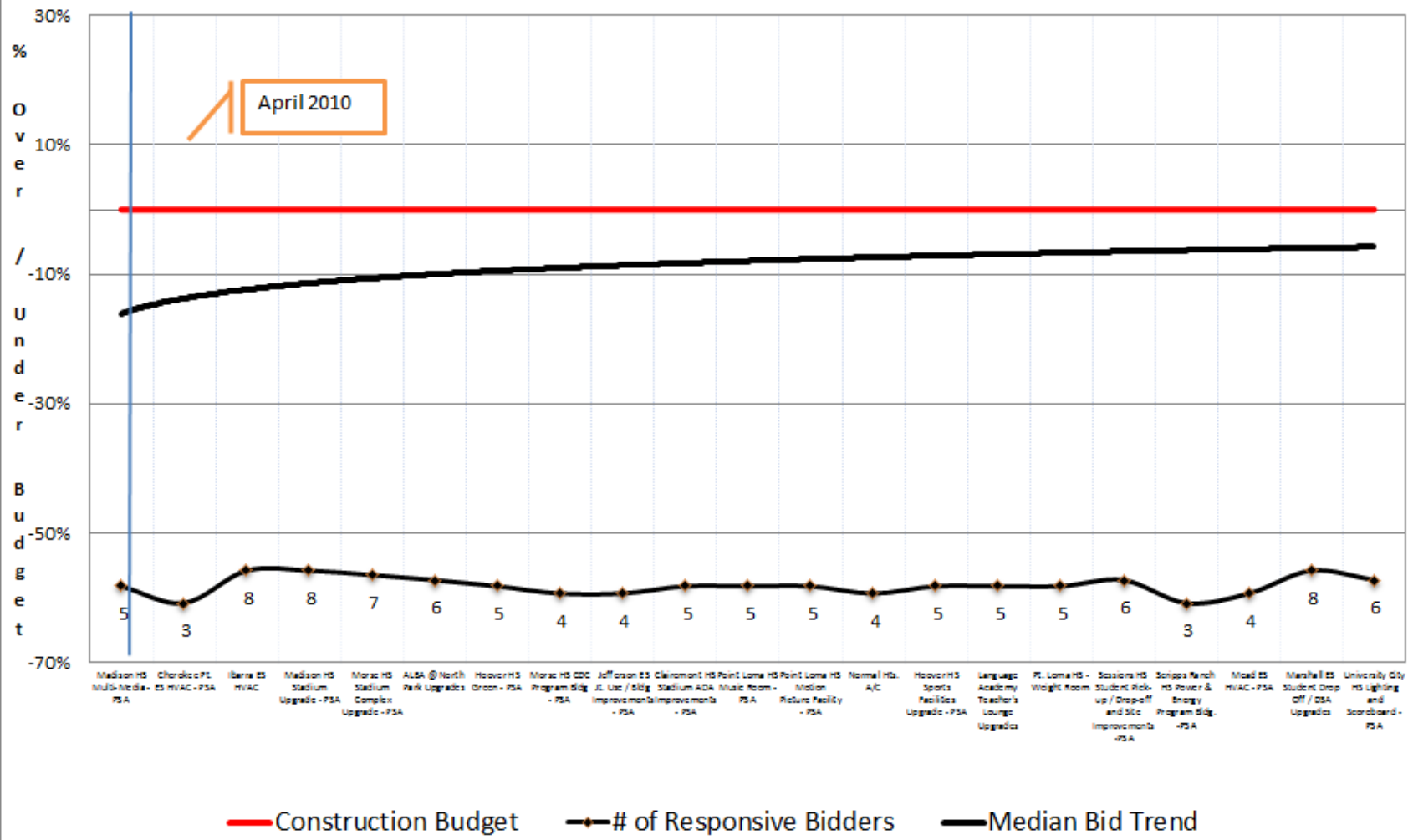
Construction Cost Index (CCI)	The annual escalation rate of the CCI held steady at 2.5% for the second consecutive month.	20-CITY:	DEC. 2011	% change	% change
		1913 = 100	Index Value	Month	Year
		Construction Cost	9171.7	0.0	2.5
		Common Labor	19465.7	0.0	1.9
		WAGE \$/HR.	37.0	0.0	1.9
Builder Cost Index (BCI)	Building cost inflation, tracked by the BCI, fell to 2.9% this month from 3.2% last month.	20-CITY:	DEC. 2011	% change	% change
		1913 = 100	Index Value	Month	Year
		Building Cost	5114.5	0.0	2.9
		Skilled Labor	8800.1	0.7	1.9
		WAGE \$/HR.	48.8	0.1	1.9
Material Cost Index (MCI)	A 0.4% increase in steel prices offset monthly price declines for cement and lumber prices.	20-CITY:	DEC. 2011	% change	% change
		1913 = 100	Index Value	Month	Year
		Materials	2862.6	-0.1	4.8
		CEMENT \$/TON	105.2	0.2	2.6
		STEEL \$/CWT	49.2	0.0	7.4
		LUMBER \$/MBF	390.9	-0.5	-1.4

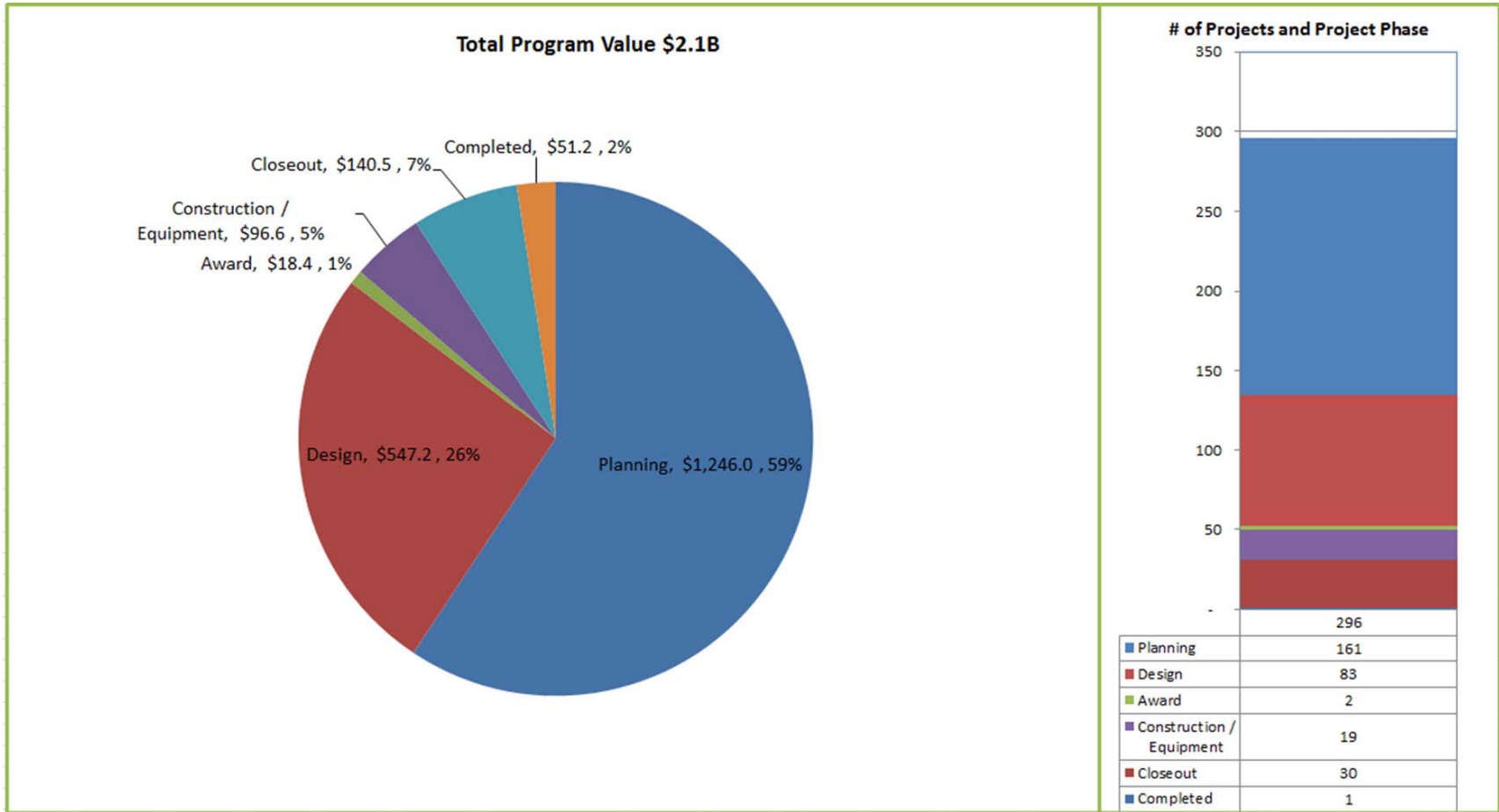
- The Common Labor Index is the labor component of ENR’s Construction Cost Index and tracks the union wage, plus fringe benefits, for laborers.
- The Skilled Labor Index is the labor component of ENR’s Building Cost Index and tracks union wages, plus fringe benefits, for carpenters.

Overall Impacts

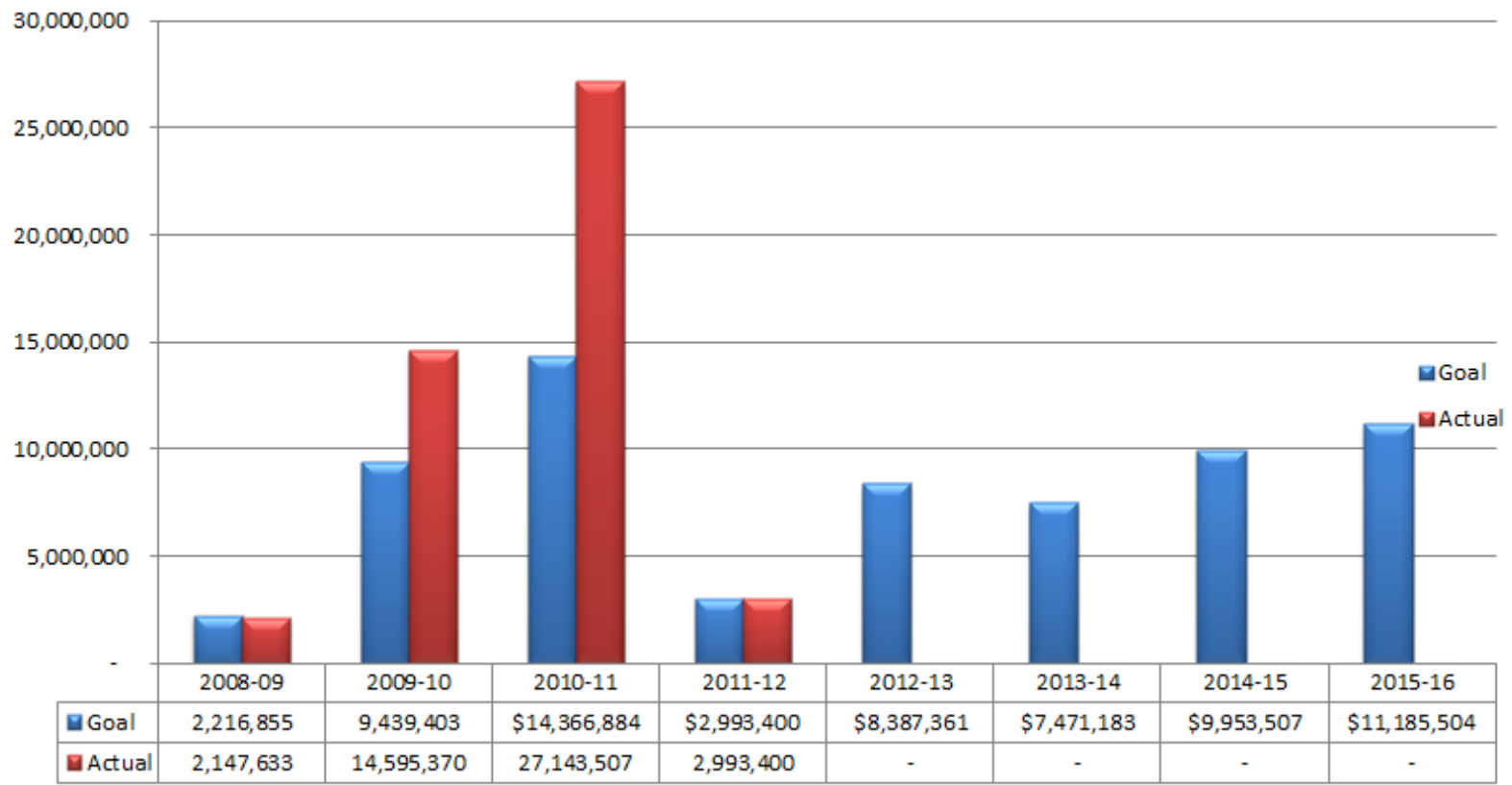
- The CCI and BCI held steady while the MCI decreased slightly over the last month. The MCI increase over the last year is 4.8%.
- SDUSD FPC is currently applying a 1.8% escalation factor for our internal construction estimates. The Office of Public School Construction is applying 4.28% per the Marshall 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 2.6 % 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.





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.

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



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

