



Prop. S ICOC Subcommittee
Finance, Planning and Controls
November 17, 2011, Exhibit 2 HANDOUT
Independent Citizens' Oversight Committee
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MONTH ##, 2011

Honorable Richard Barrera and
Members of The Board of Education
San Diego Unified School District
4100 Normal Street, Room 2231
San Diego, CA 92103

Subject: Preserving the Proposition S Program

Dear President Barrera and Members of the Board of Education:

In 2011 it came to light that distressed property values would prevent the issuance of new Prop. S bonds for the foreseeable future. This news was alarming. The ICOC believes it will require drastic and immediate action to make the best use of the Prop. S money that is available. Until conditions allow for the regular issuance of new bonds, the ICOC recommends the following actions:

- Stop all new construction work
- Stop all new design work
- Wherever practical, stop planning and assessment for future design work
- Continue work on the i21 Program, but closely monitor it to control bond expenditures and future operational costs
- Reduce the amount of bond management staff

The priority at this point should be completing the work already underway. All other expenditures should be curtailed. Unfinished work of any kind (construction, design, or management costs) will be an unnecessary drain on the already stressed Prop. S program. When all obligated funds are accounted for, there should be \$50 million available (by staff estimate). This money should be used as optimally as possible to benefit students and add completed projects to District assets.

Taking these actions will ensure that the available Prop. S bond funds are used effectively. New work should not begin until there is a reasonable expectation that Prop. S bonds can be issued (and sustained over multiple years).

District staff has already proposed some of these actions. The ICOC recommends that the Board direct staff to implement all of these actions immediately.

Respectfully submitted,

Gil Johnson,
Chair