

**Propositions S & Z Monthly Controls Status Report**

**October 2014**



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

**All Data as of September 30, 2014**

Prepared for:

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

## Proposition S

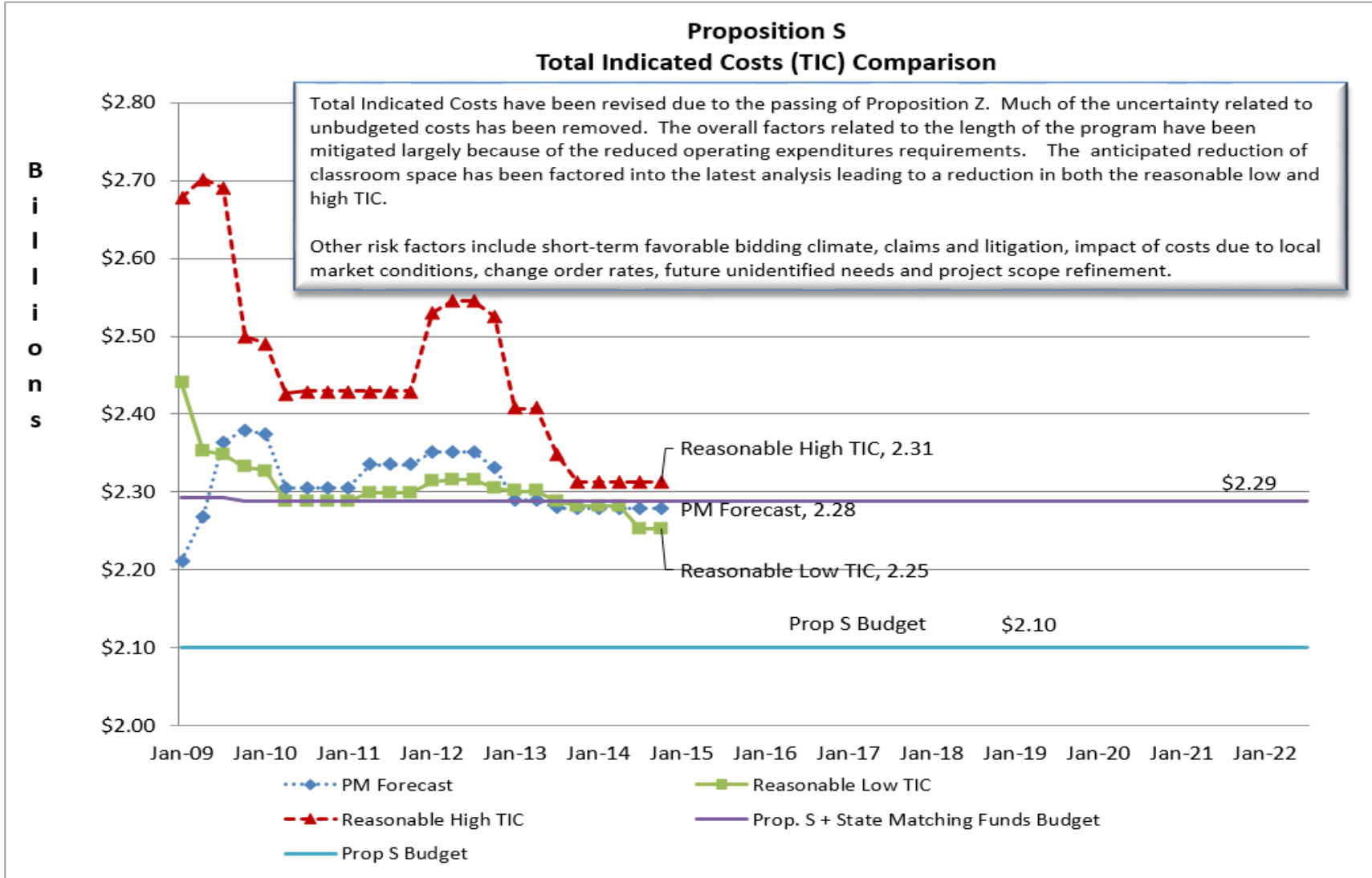
| Prop. S Percent Complete   | Duration | Expended       |
|--|----------|----------------|
| <b>15-Year \$2.28B Program</b> (includes Prop. S and State Matching Funds) | 37.2%    | 24.2%          |
| <b>Prop S Bond Sales Received</b>  |          | \$ 518,095,751 |
| <b>State Facility Program (Fund 35) Projected Revenue Thru June 2015</b>   |          | 34,251,860     |
| <b>Current Revenue-to-Date</b>   |          | 556,452,045    |
| <b>Projected Revenue thru June 2015</b>                                    |          | 621,547,771    |
| <b>Total Expenditures-to-Date</b>  |          | 553,483,107    |
| <b>2014 / 15 Planned Expenditures</b>                                      |          | 45,851,581     |
| <b>Projected Fund Balance - June 30, 2015</b>                              |          | * 25,822,168   |
| <b>Current Fund Balance</b>  |          | * 68,064,664   |

### FY 2014 / 2015 Expenditures

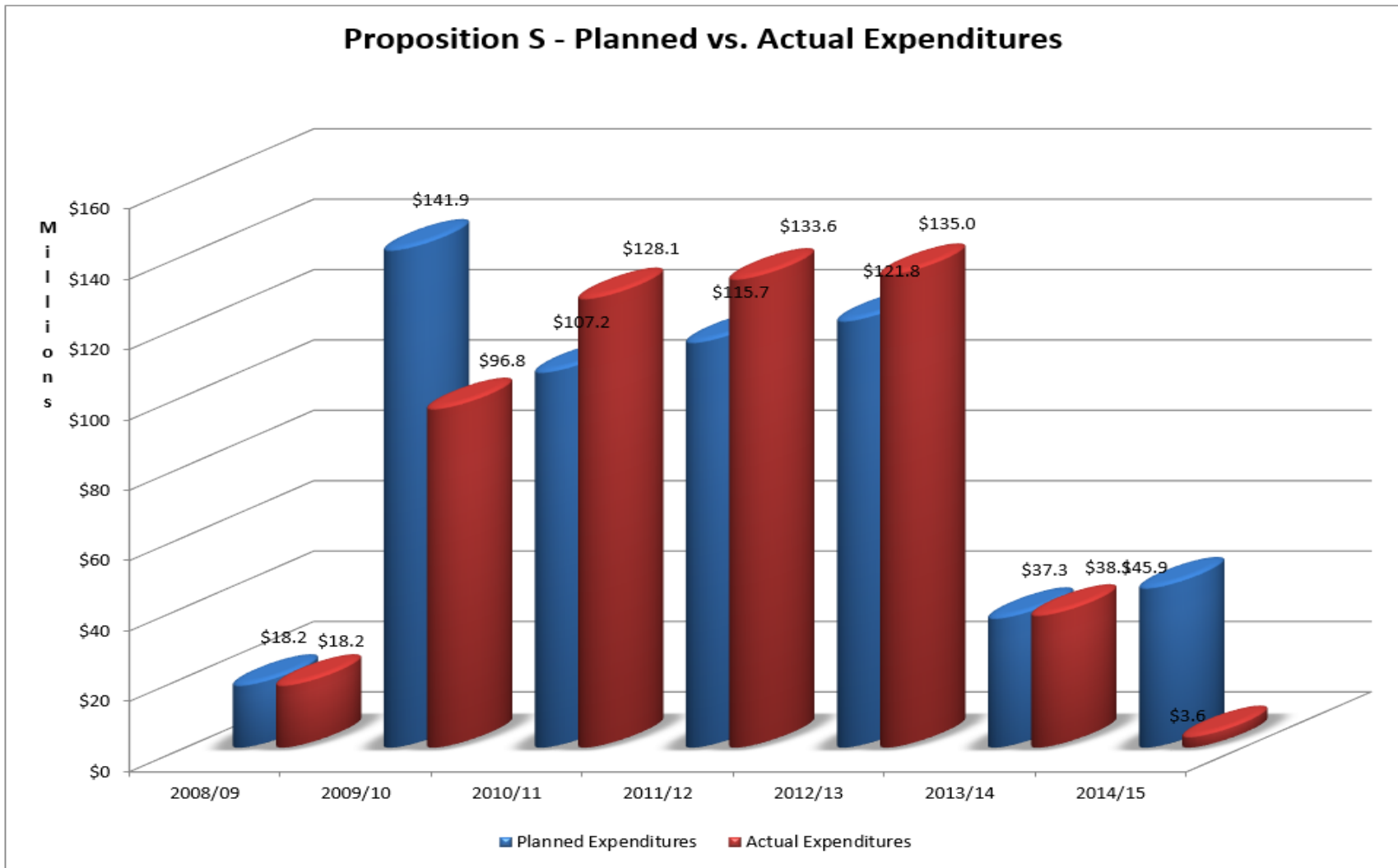
| Category  | Planned Percentage<br>(Five-Year) | Percent of Ex-<br>penditures | FY Expended - to<br>date | Current Month<br>Expenditures | Previous Month<br>Expenditures |
|---|-----------------------------------|------------------------------|--------------------------|-------------------------------|--------------------------------|
| <b>Planning &amp; Design</b>                                    | 14.8%                             | 11.7%                        | \$ 423,402               | \$ 272,916                    | \$ (176,225)                   |
| <b>Construction &amp; Equipment</b>                             | 80.0%                             | 80.9%                        | 2,918,810                | 2,036,354                     | (36,037)                       |
| <b>Program Management Office</b>                                | 5.2%                              | 7.4%                         | 266,873                  | 22,239                        | 8,543                          |
| <b>Sub-Total</b>  | 100%                              | 100%                         | \$ 3,609,085             | \$ 2,331,510                  | \$ (203,718)                   |
| <b>Prop. S Percent of Budget and Amount Committed-to-Date**</b> |                                   |                              |                          | <b>25.0%</b>                  | <b>\$ 572,828,360</b>          |
| <b>Current Remaining Uncommitted Balance***</b>                 |                                   |                              |                          |                               | <b>48,719,411</b>              |

- \* Fund balance is the unspent balance of revenue (received or projected)
- \*\* 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

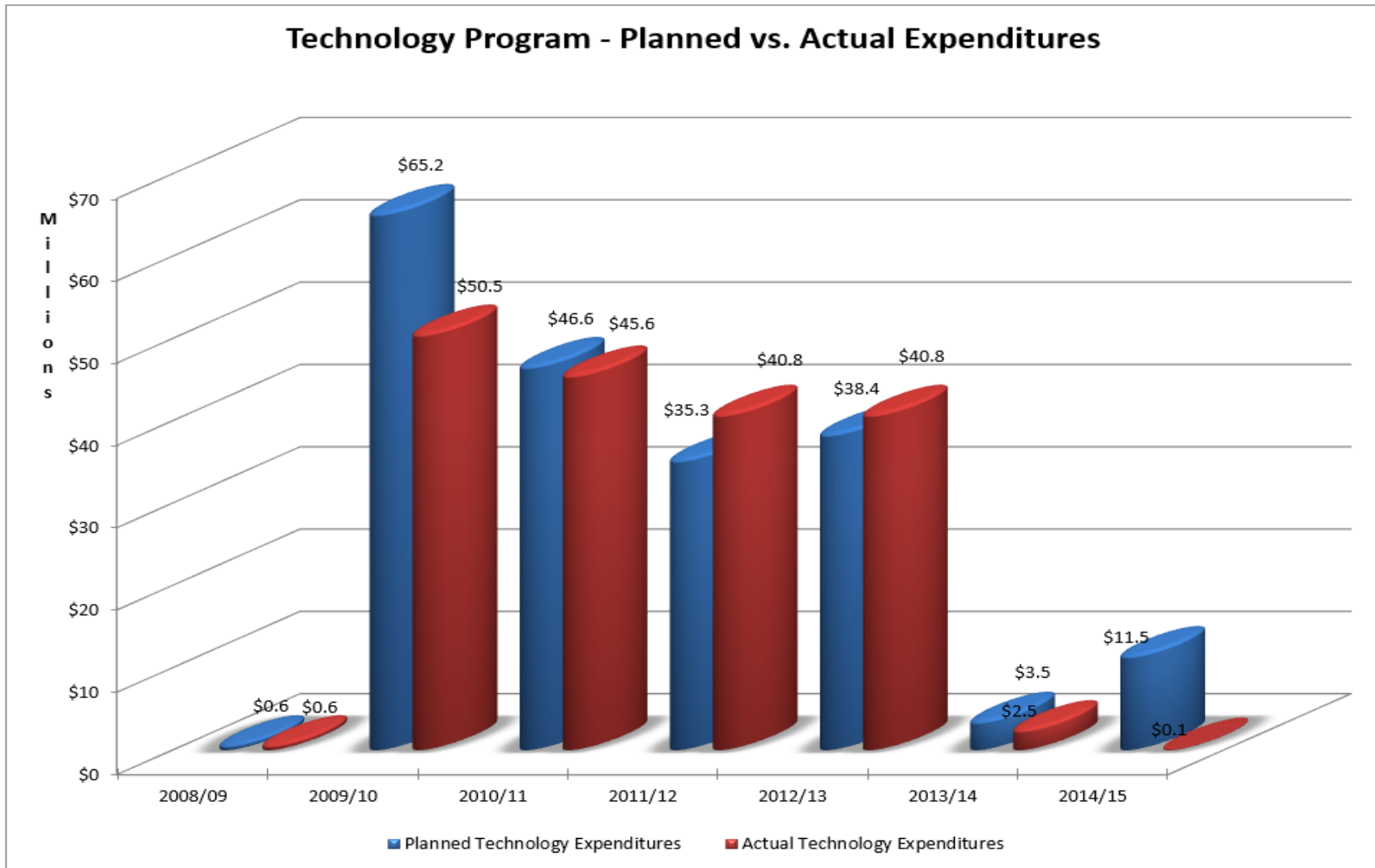


# Proposition S



Planned Expenditures shown above are adjusted based upon anticipated bid climate, change order rate and project execution plan.

# Proposition S

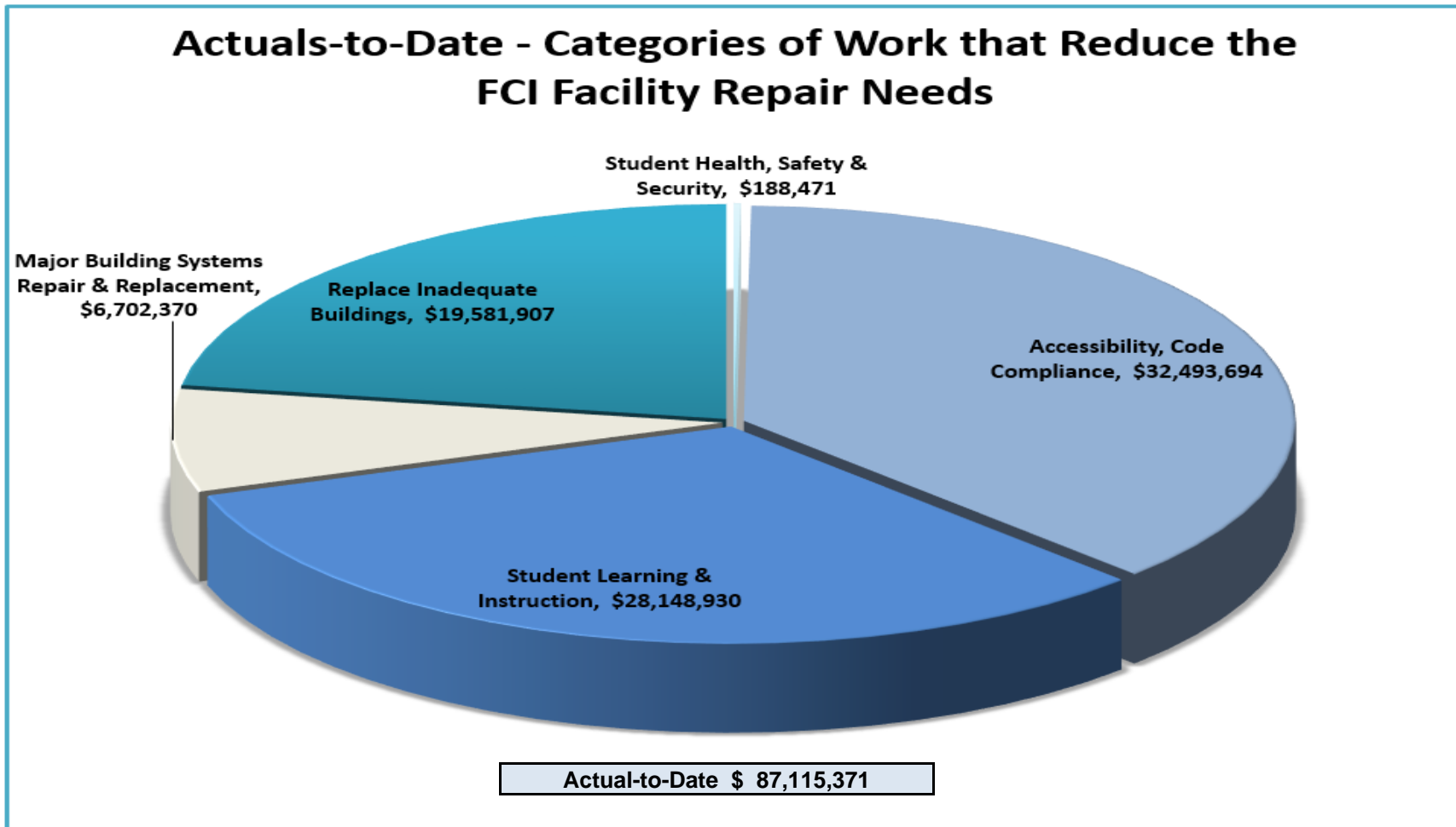


Technology Expenditure Burn Rate

| Current Month | Last Month | FY 2015 to date | Total-to-date |
|---------------|------------|-----------------|---------------|
| 0             | 693748     | 127,264         | 179,182,802   |

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



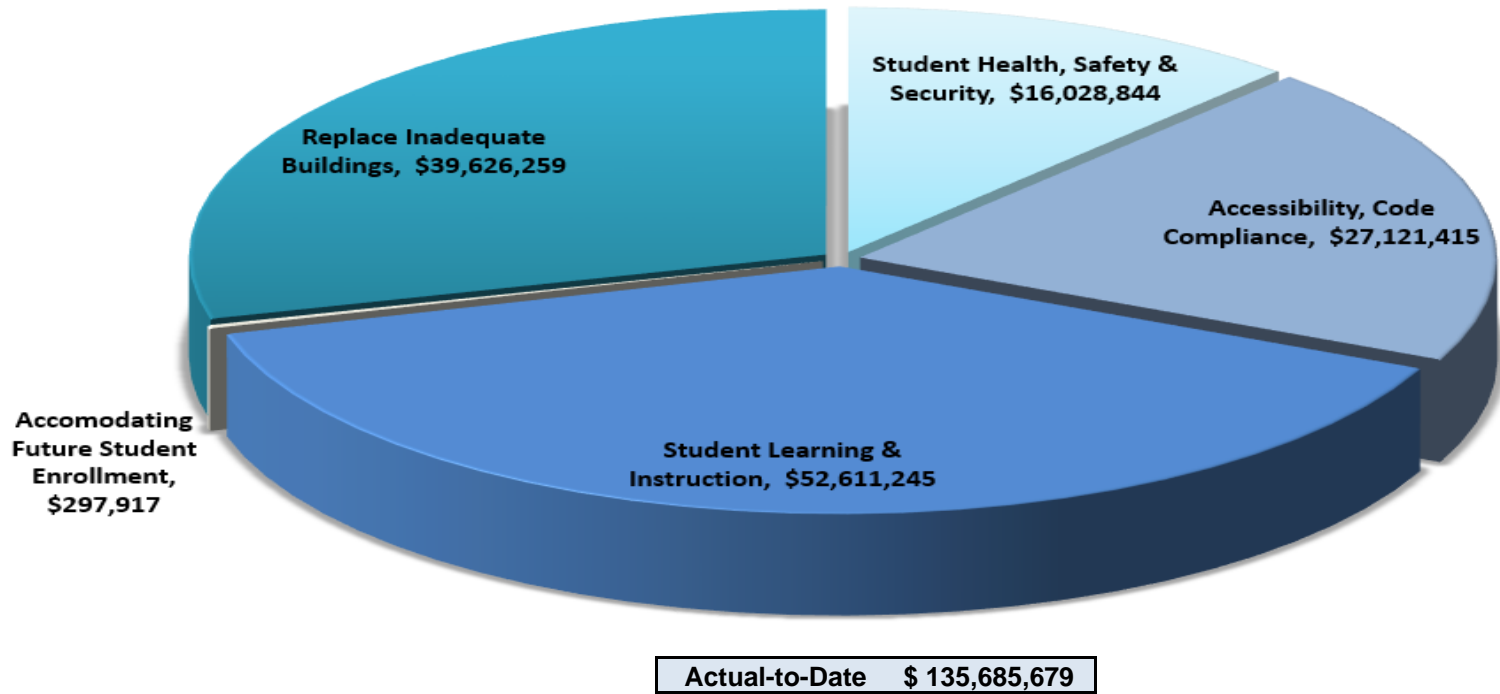
**Planned Total = \$1,004,000,000**

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



**Planned Total = \$669,550,000**

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

| <b>2.8B Prop. Z Planned Revenue - 15-Years</b>                           | <b>Duration</b> | <b>Expended</b> |
|--|-----------------|-----------------|
| <b>Prop. Z Percent Complete</b>  | 9.6%            | 7.3%            |
| <b>Prop Z Bond Sales Received</b>  |                 | \$ 530,000,000  |
| <b>State Facility Program (Fund 35) Received-to-date</b>                 |                 | 26,463,385      |
| <b>State Facility Program (Fund 35) Projected Revenue Thru June 2015</b> |                 | 1,945,701       |
| <b>Projected Revenue thru June 2015</b>                                  |                 | 559,021,839     |
| <b>Total Expenditures-to-Date</b>  |                 | 205,199,770     |
| <b>FY 2015 Planned Expenditures</b>                                      |                 | 224,806,734     |
| <b>Projected Fund Balance - June 30, 2015</b>                            | *               | 129,015,334     |
| <b>Current Fund Balance</b>  | *               | 353,822,068     |

### FY 2015 Expenditures

| Category  | Planned Percentage | Percent of Expenditures | FY Expended - to date | Current Month Expenditures | Previous Month Expenditures |
|---|--------------------|-------------------------|-----------------------|----------------------------|-----------------------------|
| <b>Planning &amp; Design</b>                                    | 14.8%              | 2.3%                    | \$ 3,628,942          | \$ 2,866,464               | \$ 3,052,634                |
| <b>Construction &amp; Equipment</b>                             | 80.0%              | 25.8%                   | \$ 40,688,974         | 24,312,812                 | 21,772,867                  |
| <b>Program Management Office</b>                                | 5.2%               | 2.0%                    | \$ 3,193,272          | 2,134,251                  | 1,179,267                   |
| <b>Sub-Total</b>  | 100%               | 30%                     | \$ 47,511,188         | \$ 29,313,526              | \$ 26,004,769               |
| <b>Prop. Z Percent of Budget and Amount Committed-to-Date**</b> |                    |                         |                       | <b>60.7%</b>               | <b>\$ 339,570,221</b>       |
| <b>Current Remaining Uncommitted Balance***</b>                 |                    |                         |                       |                            | <b>219,451,618</b>          |

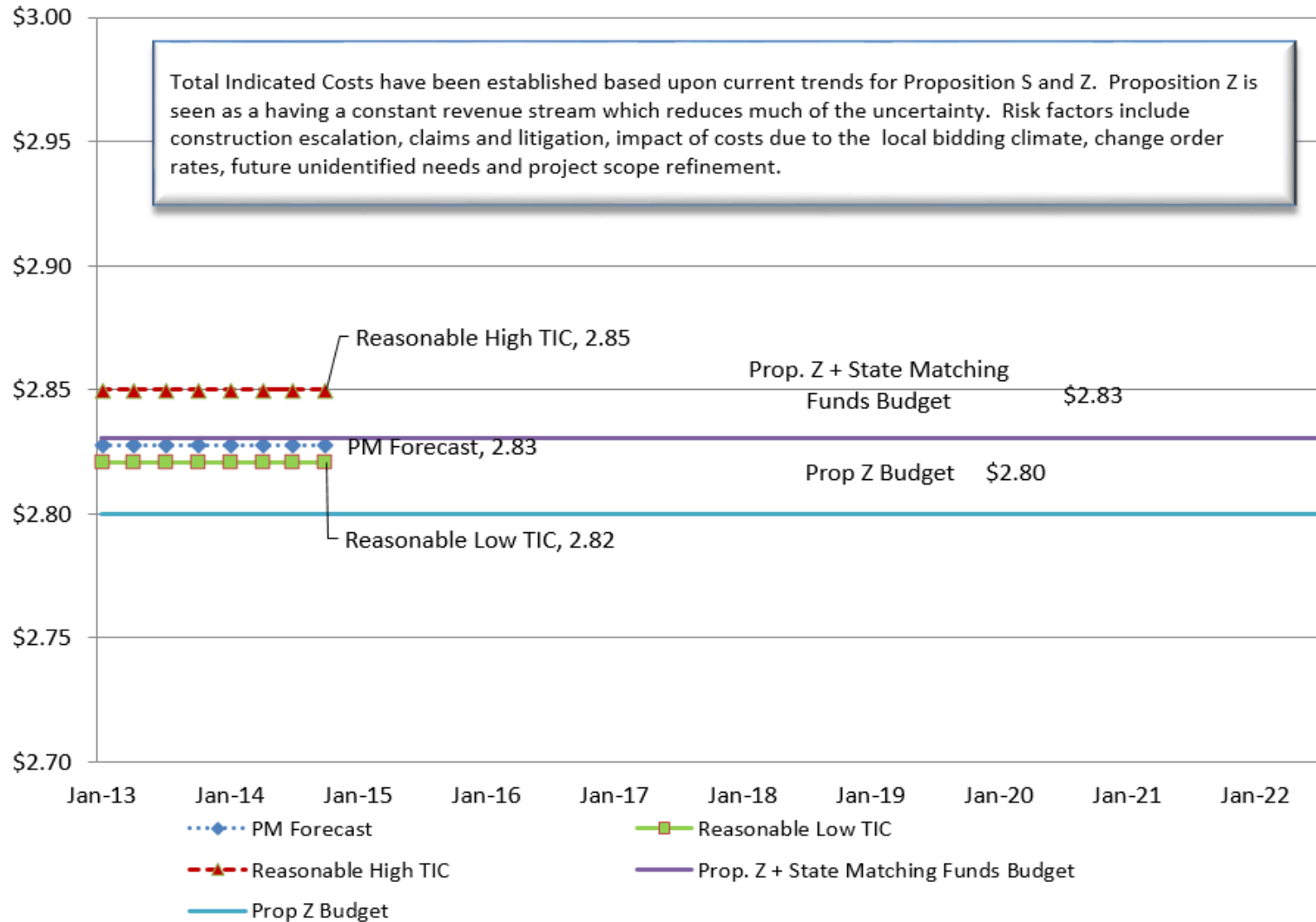
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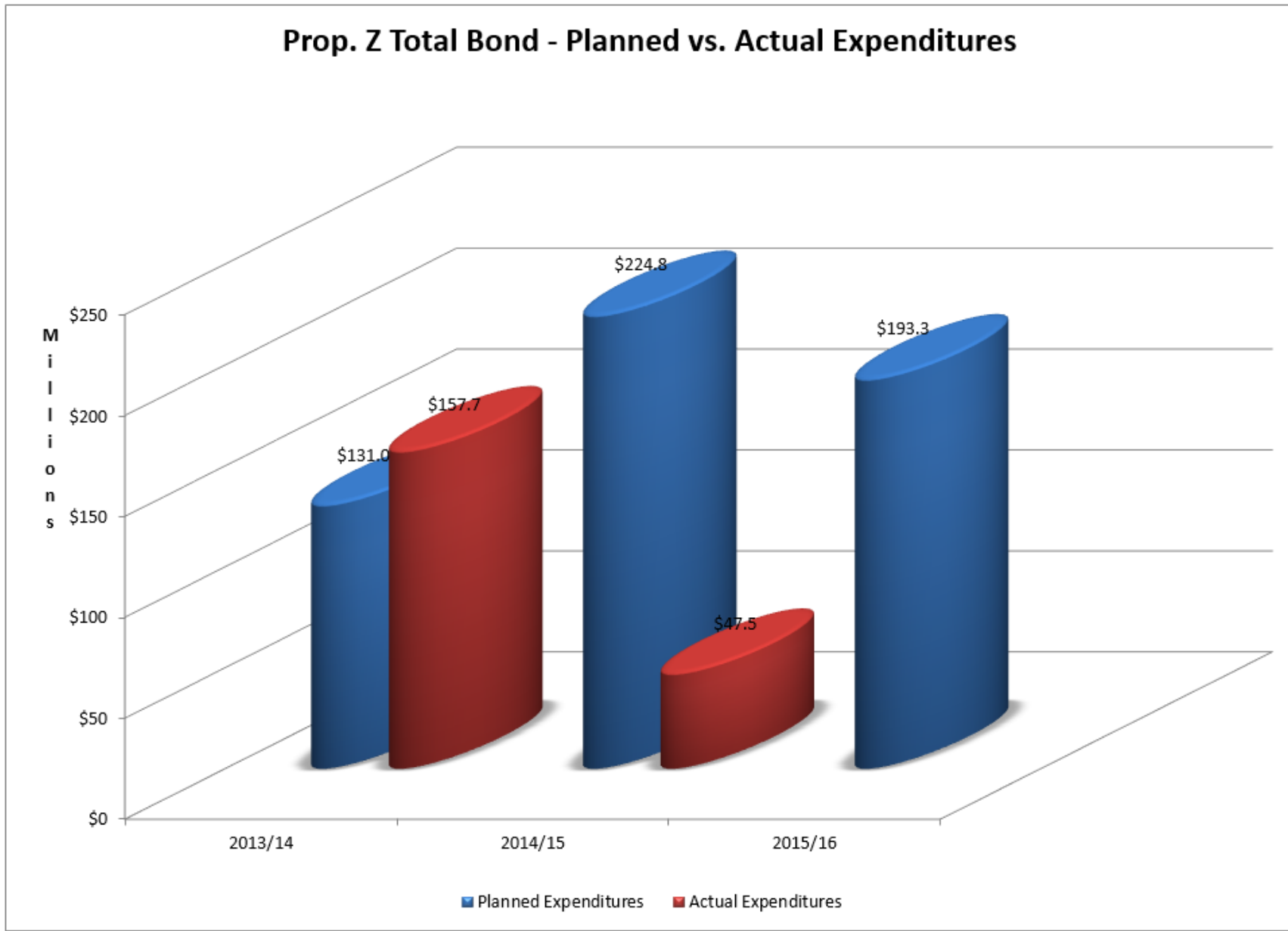
# Proposition Z

**Proposition Z  
Total Indicated Costs (TIC) Comparison**

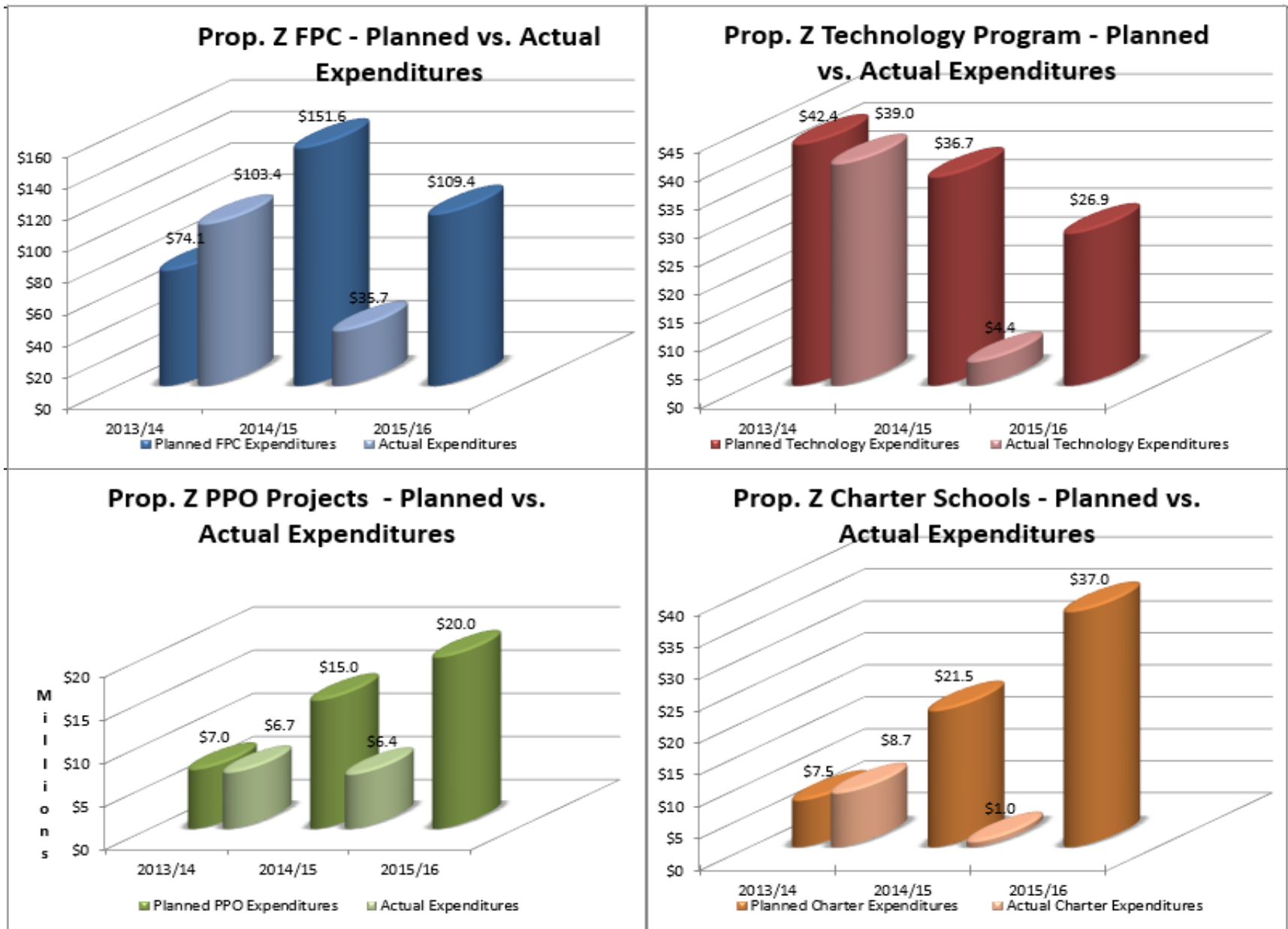
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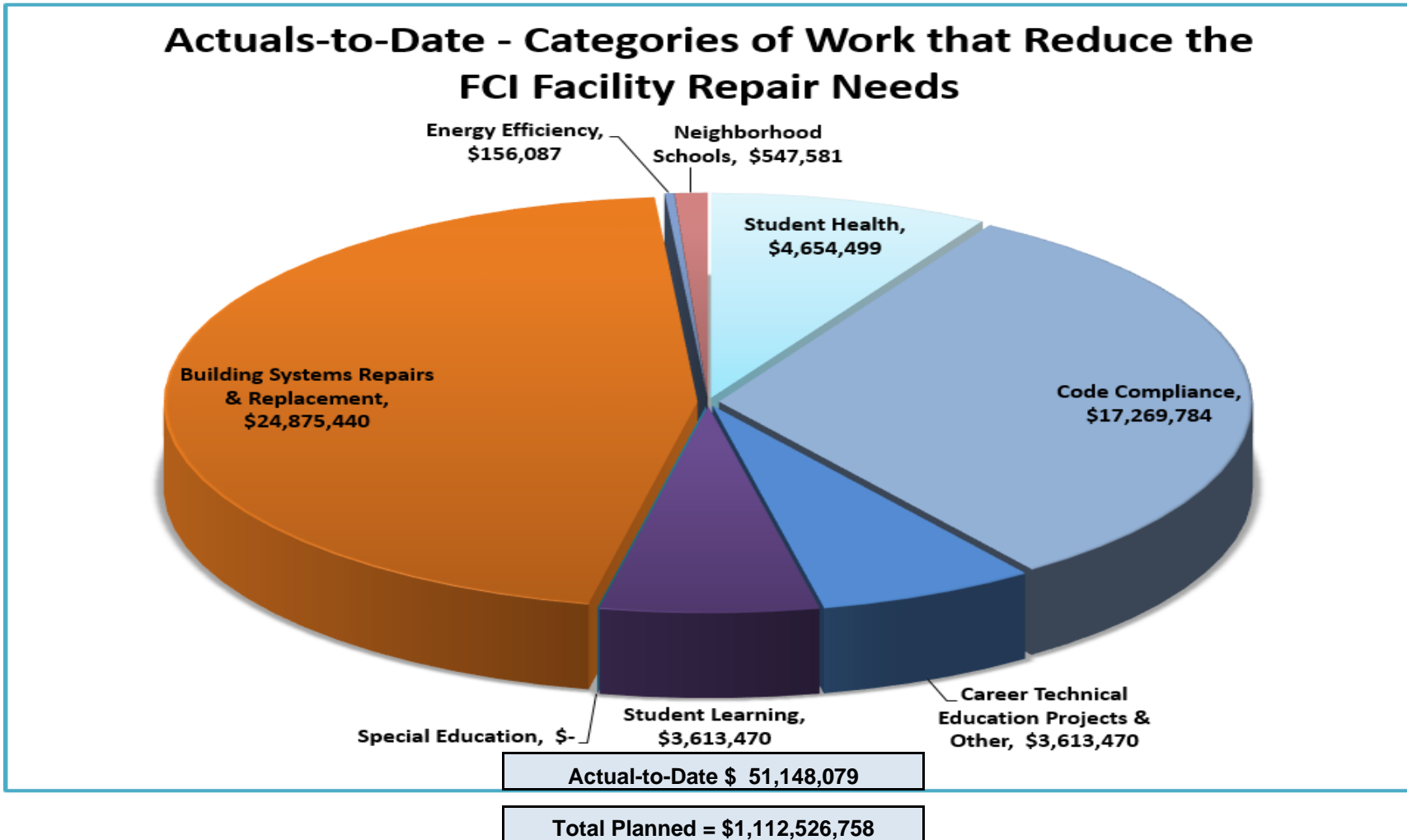
# Proposition Z



## Proposition Z



## Proposition Z

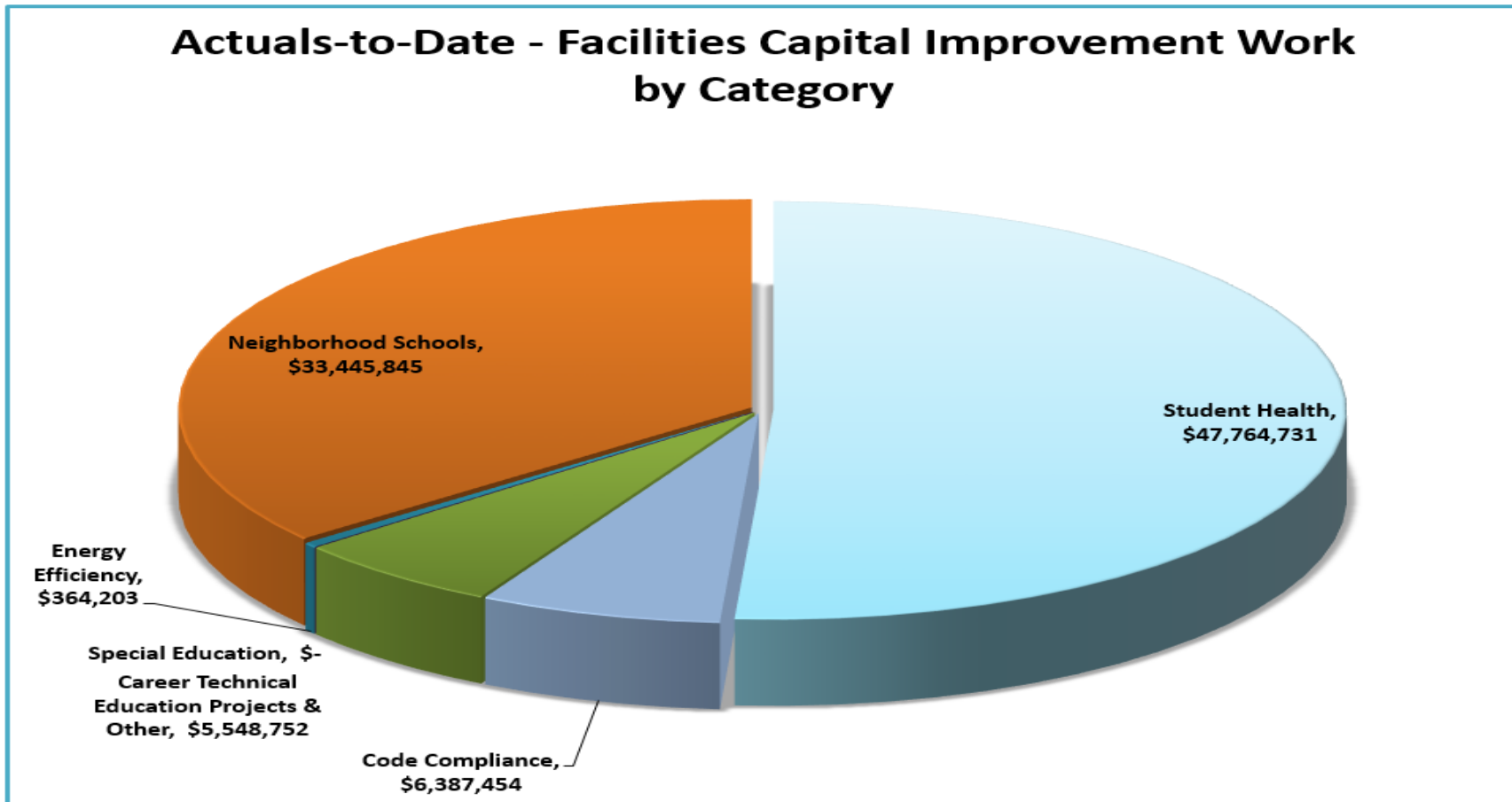


Major Repair and Replacement (MRR) type work is repairs to existing facilities. MRR type work is done in several categories with the BSRR category being the largest. For example, under Accessibility and Code Compliance restrooms, kitchens, stadiums and hardscape are repaired and replaced.

- ◆ 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 Z



**Actual-to-Date \$ 93,531,750**

**Total Planned = \$ 1,294,849,894**

Capital improvement work is done in many categories in Prop. Z 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):  

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

## Propositions 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

|   |   |                      |                    |              |             |
|---|---|----------------------|--------------------|--------------|-------------|
| <b>Construction Cost Index (CCI)</b><br>+3.3% | The annual escalation rate for the CCI increased to 3.3% from the previous month’s 3.2%, as the index’s labor cost component rose 0.2%.               | <b>1913 = 100</b>    | <b>INDEX VALUE</b> | <b>MONTH</b> | <b>YEAR</b> |
|   |   | <b>CONSTRUCTION</b>  | 9870.1             | 0.3%         | 3.3%        |
|   |   | <b>COMMON LABOR</b>  | 21069.9            | 0.2%         | 3.9%        |
|   |   | <b>WAGE \$/HR.</b>   | 40.03              | 0.2%         | 3.9%        |
| <b>Builder Cost Index (BCI)</b><br>+2.3%      | Annual inflation measured by the BCI climbed back to 2.3% after falling as low as 1.7% last May. The gain is due mostly to a 0.3% increase in the MCI | <b>1913 = 100</b>    | <b>INDEX VALUE</b> | <b>MONTH</b> | <b>YEAR</b> |
|   |   | <b>BUILDING</b>      | 5408.5             | 0.3%         | 2.3%        |
|   |   | <b>SKILLED LABOR</b> | 9340.8             | 0.3%         | 3.1%        |
|   |   | <b>WAGE \$/HR.</b>   | 51.84              | 0.3%         | 3.1%        |
| <b>Material Cost Index (ICI)</b><br>+1.0%     | Lumber prices jumped 1.2% for the second consecutive month.   | <b>1913 = 100</b>    | <b>INDEX VALUE</b> | <b>MONTH</b> | <b>YEAR</b> |
|   |   | <b>MATERIALS</b>     | 3005.8             | 0.3%         | 1.0%        |
|   |   | <b>CEMENT \$/TON</b> | 114.8              | 0.2%         | 3.8%        |
|   |   | <b>STEEL \$/TON</b>  | 49.6               | 0.1%         | -1.2%       |
|   |   | <b>LUMBER \$/TON</b> | 454.10             | 1.2%         | 6.1%        |

- 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 over the last year. Lumber, steel and cement increased over the last month. Labor increased over last month and is up over 3% over the last year.
- SDUSD FPC is currently applying a 2.5% 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 31 months SDUSD construction projects were awarded at 4.7% 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 1.2% variance.
- Program change order (CO) rate is 2.4%.

