

ICOC QUARTERLY STATUS UPDATE

January – March 2013

Bond Program Branding
will be revised by
Communications Dept.

PROP. S

REPAIR, RENOVATE, & REVITALIZE
OUR SCHOOLS

BACKGROUND

PROP. S AND PROP. Z

Proposition S is the \$2.1 billion bond measure passed in 2008. Proposition Z is the \$2.8 billion bond measure passed in 2012. These bond programs provide resources to repair, renovate and revitalize San Diego schools, and provide matching funds to construct classrooms and schools to accommodate enrollment growth in Miramar and downtown.

ICOC

The Independent Citizens' Oversight Committee is the legally required committee appointed by the Board of Education to actively review the proper expenditure of bond funds, and inform the Board and the public concerning bond expenditures. Bond funds must be used for projects specified in the bond and cannot be used for teacher or administrative salaries.

GET INVOLVED

ICOC meetings are open to the public. For times, locations, and past minutes, please visit our website:

WWW.SANDI.NET/PROPS/ICOC

Summary

Following the passage of Prop. Z, the Independent Citizens' Oversight Committee has expanded its role to cover the oversight of both Prop. S and Prop. Z. In February the Board of Education reconfigured the committee by increasing the number of members from 11 to thirteen. Other changes include:

- ▶ Members may serve up to 3 consecutive 2-year terms,
- ▶ 10 of the 13 members will be nominated by, and represent, specific community organizations, and
- ▶ Requirements for quorum were modified to be the majority of seats actually appointed by the Board but never less than 5.

In March several ICOC members walked two construction sites for the purpose of reviewing and validating work being completed under the Prop. S bond program.

- ▶ March 7th: ICOC members observed Whole Site Modernization (WSM) project and construction of the new Performing Arts Center (PAC) at the Creative Performing Media Arts (CPMA) middle school.
- ▶ March 20th: ICOC members observed construction of the new 2-Story Classroom Building at Knox Middle School.

Other ICOC Activities

- ▶ The independent auditor presented the financial and performance audit reports to the ICOC
- ▶ The ICOC has four vacant positions

Financial Status

Received Previously	562,520,338
Received this Quarter	0
Received to Date	562,520,338
Expended Previously	436,656,516
Expended this Quarter	30,851,186
Expended to Date	467,507,702
Committed to Date	561,624,895
Uncommitted Balance	895,443

Status of Projects

Ten construction projects budgeted at over \$82 million were underway along with two phases of the i21 program, infrastructure improvements at 76 schools, and the Data Center at Serra High School.

Active Projects	Status
CPMA Kroc Performing Arts	34%
Downtown Charter HS	48%
Serra HS Data Center 2	78%
Encanto ES Classrooms	61%
Euclid ES Classrooms	15%
i21 Year 3	100%
i21 Year 4	59%
Infrastructure/Connectivity	6%
Knox MS Modernization	48%
Language Academy New Building	61%
Marston MS Woodshop Vents	70%
Mira Mesa HS Broadcast	100%
Point Loma HS Concessions	74%
Zamorano ES Classrooms	54%

*Data from April reports as March reports were not available.

RECENTLY COMPLETED

Mira Mesa HS Broadcasting
i21 Interactive Suites (year 3)

RECENTLY STARTED

(no new projects started this quarter)

For detailed project status info, please visit:

FPCPROJECTS.SANDI.NET



Broadcasting Center at Mira Mesa HS



picture pending

Quarterly Spotlight

Ribbon Cuttings

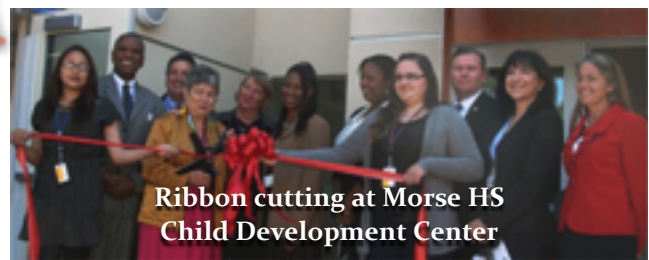
Prop. S opened up 2013 by opening up a host of completed projects for student use. They opened up:

- ▶ An athletic field shared by Gompers Preparatory Academy and Millennial Tech Middle School
- ▶ A softball field at Hoover High School
- ▶ Joint-use facilities at ALBA Community Day School
- ▶ The Child Development Center (CDC) at Morse High School
- ▶ A Motion Pictures Industry Program facility opened at Point Loma High School

A Broadcast Journalism Program and Computerized Graphic Design Program facility will open at Mira Mesa High School in May.



Ribbon cutting at Millennial Tech MS
Shared Athletic Field



Ribbon cutting at Morse HS
Child Development Center



Ribbon cutting at Hoover HS
Softball Field



Ribbon cutting at Point Loma HS
Motion Picture Industry Program

Financial Summary

Status

Prop. S authorized the issuance of \$2.1 billion in general obligation bonds, Prop. Z authorized \$2.8 billion. As stated in the bond measures, projects listed may depend in part on state grants — the district currently anticipates receiving \$165 million in state funds.

As of March 31, 2013, a total of \$518,095,751 in Prop. S bonds has been received from three bond issuances. The district has received \$44,424,587 in state funding to augment Prop. S projects. Expenditures to date total \$467,507,702 against total awarded contracts and commitments of \$561,624,895. There is a total of \$895,443 in uncommitted available funding.

Ongoing commitments are fully funded. Additional funds will become available with the first issue of Prop. Z bonds in May 2013. The first issue is expected to be about \$500 million including about \$100 million in short-term bonds to fund short-life equipment and devices. A revised plan is being developed based on expected Prop. Z revenues. Prop. Z bond issues are expected to occur every 2-years. The size and frequency of future Prop. S bond issues is less certain as they are dependent on how quickly assessed values recover, and may be affected by pending legislation restricting the use of capital appreciation bonds. None of the Prop. Z bonds will be capital appreciation bonds.

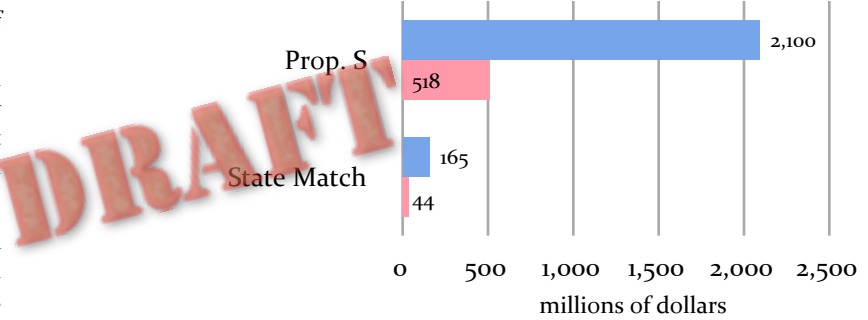
Estimated Total Cost

The district’s bond management team maintains a risk-adjusted cost estimate to complete all Prop. S listed work; the ICOC anticipates that this will be updated in the near future to address Prop. Z work. The Estimated Costs to Complete Work on the right (chart 3) shows the available funds v. the cost to complete all work. Previously, they projected funding shortfalls between \$20 and \$240 million. The most significant risk factor in the projection was uncertainties about how quickly bond funds would be available to spend on projects.

Passage of Prop. Z removed uncertainties on how quickly bond funds would be available. The Estimated Costs to Complete Prop. S Work projects that expected funding will be able to finish all work listed in the ballot and projects added by the Board.

1. Funding Status

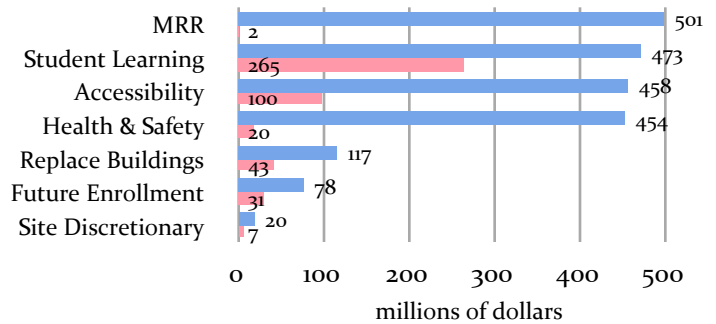
Planned Funding
Received as of 3/13



[data depicted above]	Received	Planned
Prop. S Funds	\$ 518 M	\$ 2,100 M
State Matching Funds	\$ 45 M	\$ 165 M

2. Prop. S Expenditures

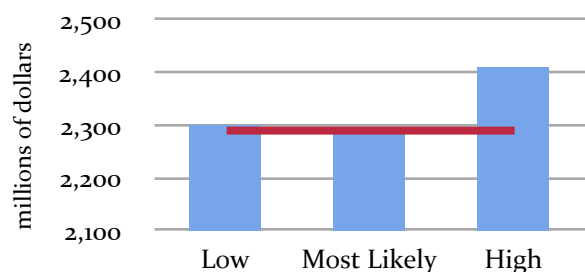
Total Bond Expenditures
Expended as of 3/12



[data depicted above]	Expended	Planned
Major Repair & Replacement (MRR)	\$ 1.8 M	\$ 501 M
Student Learning & Instruction	\$ 265 M	\$ 473 M
Accessibility & Code Compliance	\$ 99 M	\$ 458 M
Health, Safety & Security	\$ 20 M	\$ 454 M
Replace Inadequate Buildings	\$ 43 M	\$ 117 M
Accommodate Future Enrollment	\$ 31 M	\$ 78 M
Site Discretionary	\$ 7 M	\$ 20 M

3. Estimated Cost to Complete Prop. S Work

Available Funds
Project Costs





Documents Reviewed and Available Online

Document	Reviewed	Jan	Feb	Mar
Review Expenditure of Bond Funds				
Monthly Controls Status Report	ICOC, Fin	●		●
A monthly report of Prop S financial information: planned v. actual, funds v. expenditures				
Staffing Plan	ICOC			
Status updates of staffing changes approved by the Board and designed to lower costs				
Business Outreach Narrative	ICOC			
Business Outreach Program Events	Con	●	●	
Project Stabilization Agreement (PSA)	Con	●	●	
Labor Compliance Program	ICOC			
Joint-Use Efforts	ICOC			
Project Management Report	Con	●	●	
A 5-year implementation plan with scheduled milestones of planned projects				
Construction Management Report	ICOC, Con	●		
Status summary of ongoing construction projects				
i21 Program Summary	Con	●	●	
i21 First Quarter Update	ICOC, Con	●		
BOE Look Ahead Report	ICOC, Fin			
A report designed to keep the ICOC informed of items submitted to the Board				
Inspect Schools & Grounds				
Reports for site-walks of CPMA and Knox MS in March are pending				
Review Efforts to Reduce Costs				
Cost Savings Measure Matrix	ICOC, Con			
Receive & Review Annual Performance Audit				
2012 Prop S. Performance Audit	ICOC, Fin		●	
Receive & Review Annual Financial Audit				
2012 Prop. S Financial Audit	ICOC, Fin		●	
Receive & Review Deferred Maintenance Plan				
FCI Evaluation Update	Con			

- ▶ Fin: Finance/Audit subcommittee
- ▶ Con: Construction subcommittee
- ▶ Gov: Executive/Governance subcommittee

The ICOC conducts regular oversight to actively review the proper expenditure of bond funds. Documents are typically prepared by district staff and reviewed by the ICOC. Audits are performed by independent auditors. The ICOC prepares school & grounds inspection reports, quarterly status updates and annual reports.

INFORM THE PUBLIC ON BOND FUNDS

ANNUAL REPORTS

- ▶ 2009 ICOC Annual Report
- ▶ 2010 ICOC Annual Report
- ▶ 2011 ICOC Annual Report
- ▶ 2012 ICOC Annual Report

QUARTERLY STATUS UPDATES

- ▶ Start – December 2009
- ▶ January – March 2010
- ▶ April – June 2010
- ▶ July – September 2010
- ▶ October – December 2010
- ▶ January – March 2011
- ▶ April – June 2011
- ▶ July – September 2011
- ▶ October – December 2011
- ▶ January – March 2012
- ▶ April – June 2012
- ▶ July – September 2012
- ▶ October – December 2012

DISTRICT COMMUNICATIONS

- ▶ Monthly Communications Report
- ▶ no activity this quarter

ICOC WEBSITE:

WWW.SANDI.NET/PROPS/ICOC