

Propositions S and Z Monthly Controls Status Report

August 2016



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

**All Data as of July 31, 2016
FY 2016 Year-End**

Prepared for:

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

Proposition S

Prop. S Percent Complete	Duration	Expended
23-Year \$2.28B Program (includes Prop. S and State Matching Funds)	29.8%	27.7%
Prop S Bond Sales Received		\$ 765,966,349
State Facility Program (Fund 35) Projected Revenue-to-Date		34,251,860
Current Revenue-to-Date		800,218,209
Projected Revenue thru June 2016		800,218,209
Total Expenditures-to-Date		634,019,269
2015/2016 Planned Expenditures		36,375,101
Projected Fund Balance - June 30, 2017	*	121,198,940
Current Fund Balance	*	166,198,940

Preliminary Year-End

FY 2016 Expenditures

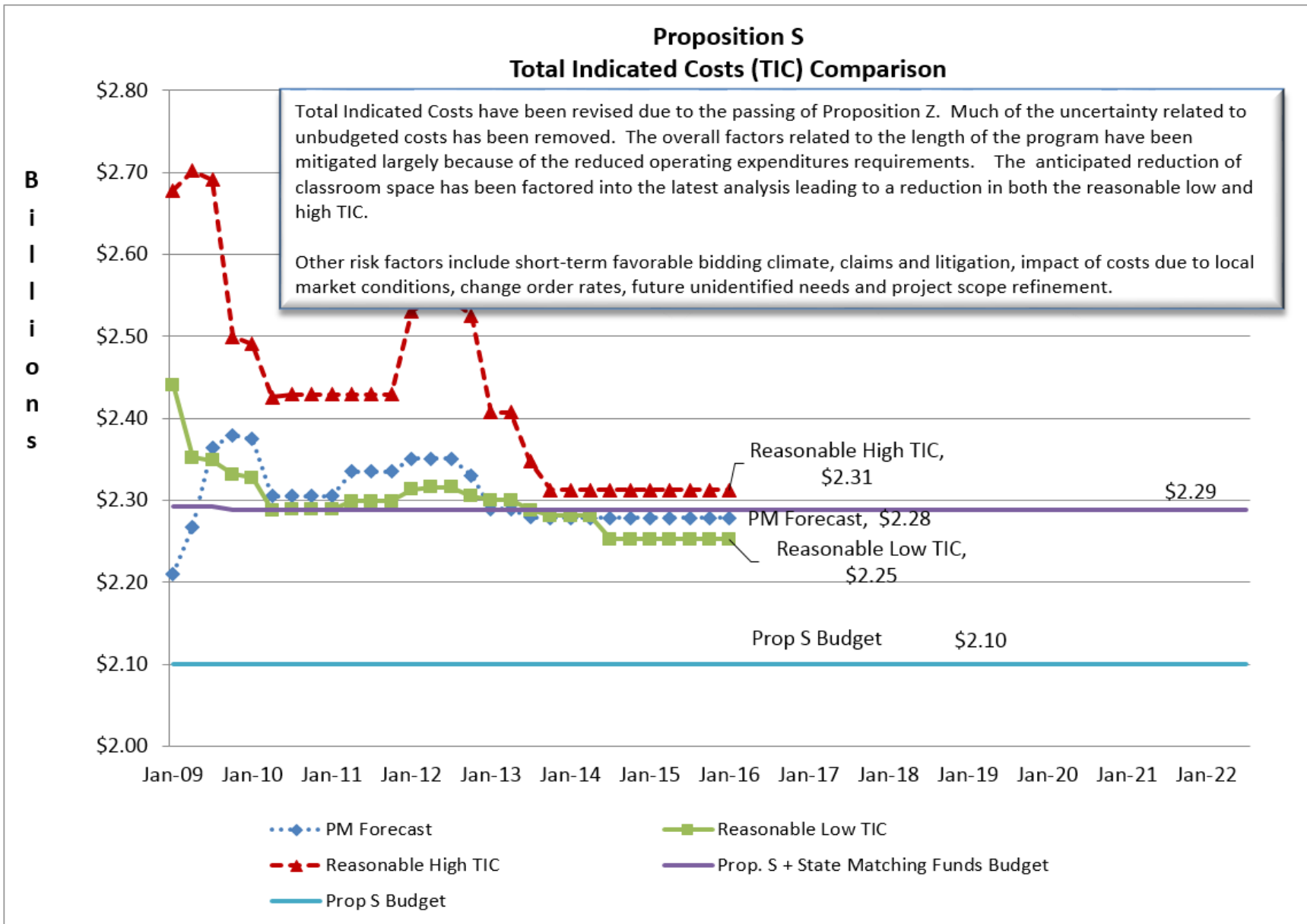
Category	Planned Percentage (Five-Year)	Percent of Expenditures	FY Expended - to date	Jun-16	May-16
Planning & Design	14.8%	40.7%	\$ 14,738,592	\$ 208,993	\$ 1,687,216
Construction & Equipment	80.0%	50.0%	18,096,235	(2,691,009)	2,466,440
Program Management Office	5.2%	9.3%	3,355,788	(1,970,913)	407,646
Sub-Total	100%	100%	\$ 36,190,615	\$ (4,452,928)	\$ 4,561,302

FY 2017 Expenditures

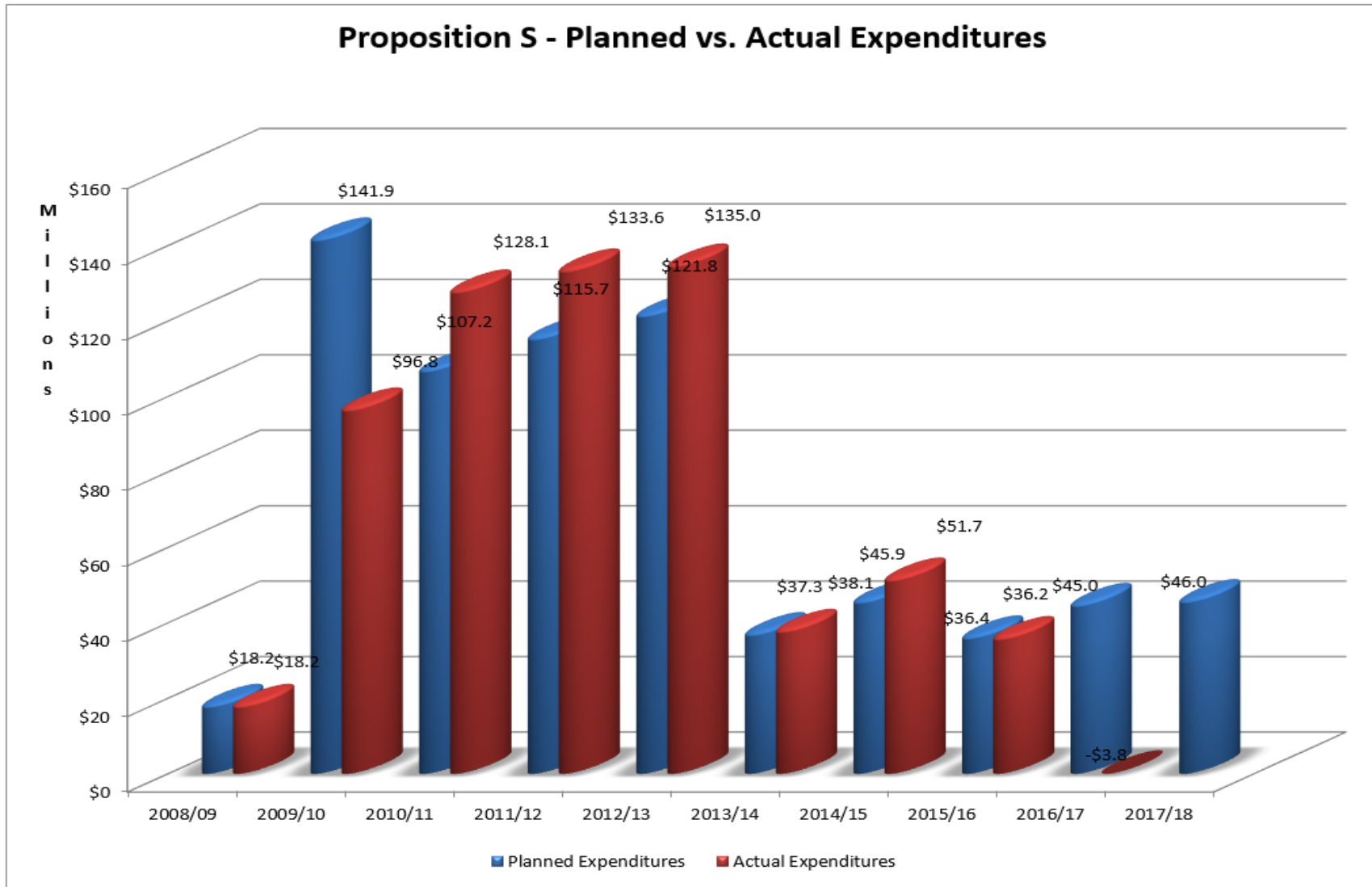
Category	Planned Percentage (Five-Year)	Percent of Expenditures	FY Expended - to date	Current Month Expenditures	Previous Month Expenditures
Planning & Design	14.8%	-1.4%	\$ (495,956)	\$ (502,645)	\$ -
Construction & Equipment	80.0%	-7.6%	(2,759,017)	(2,759,017)	-
Program Management Office	5.2%	-1.4%	(502,645)	(502,645)	-
Sub-Total	100%	-10%	\$ (3,757,618)	\$ (3,764,307)	\$ -
Prop. S Percent of Budget and Amount Committed-to-Date**				85.1%	\$ 681,289,028
Current Remaining Uncommitted Balance***					118,929,180

- * 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

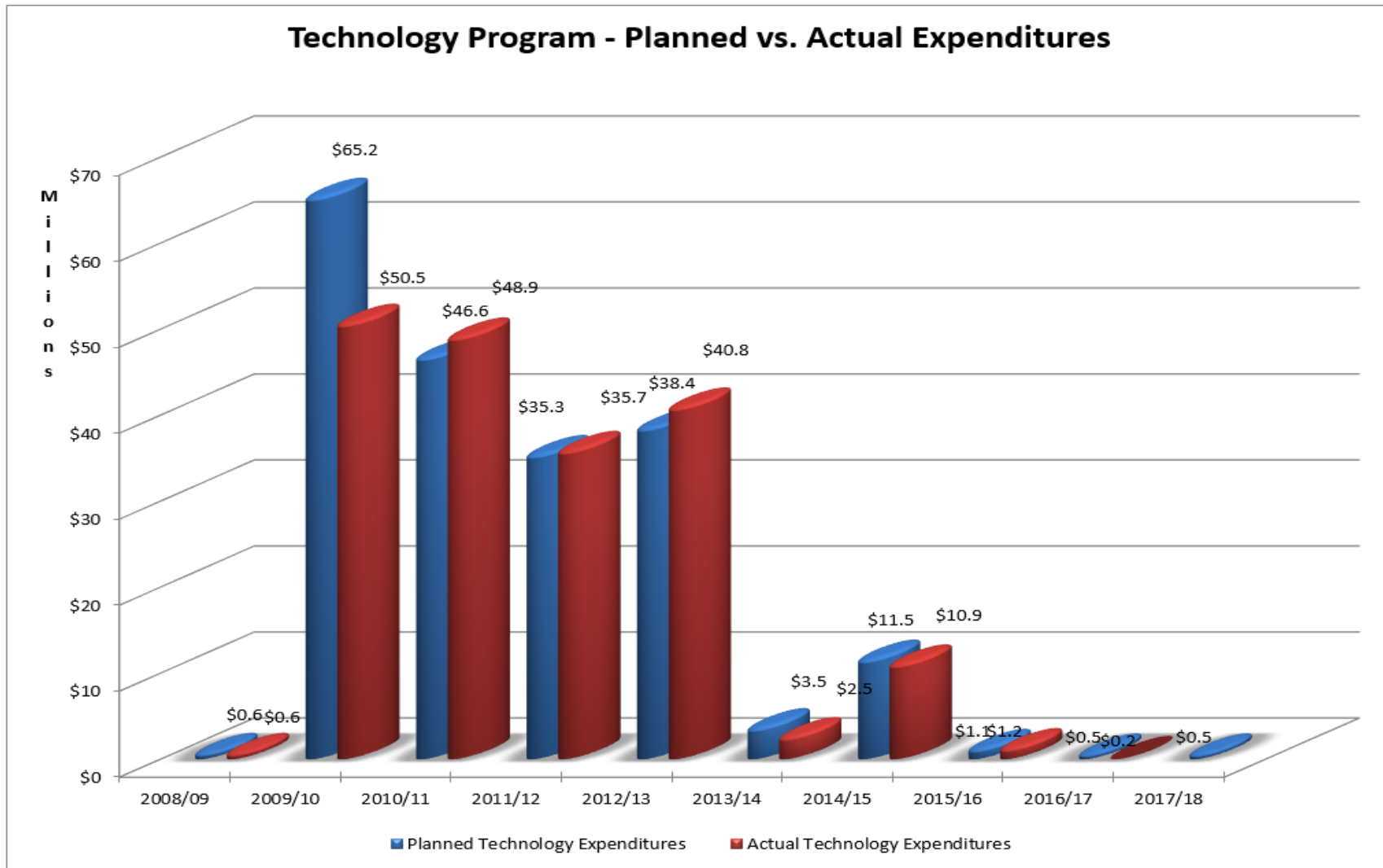


Proposition S



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

Proposition S



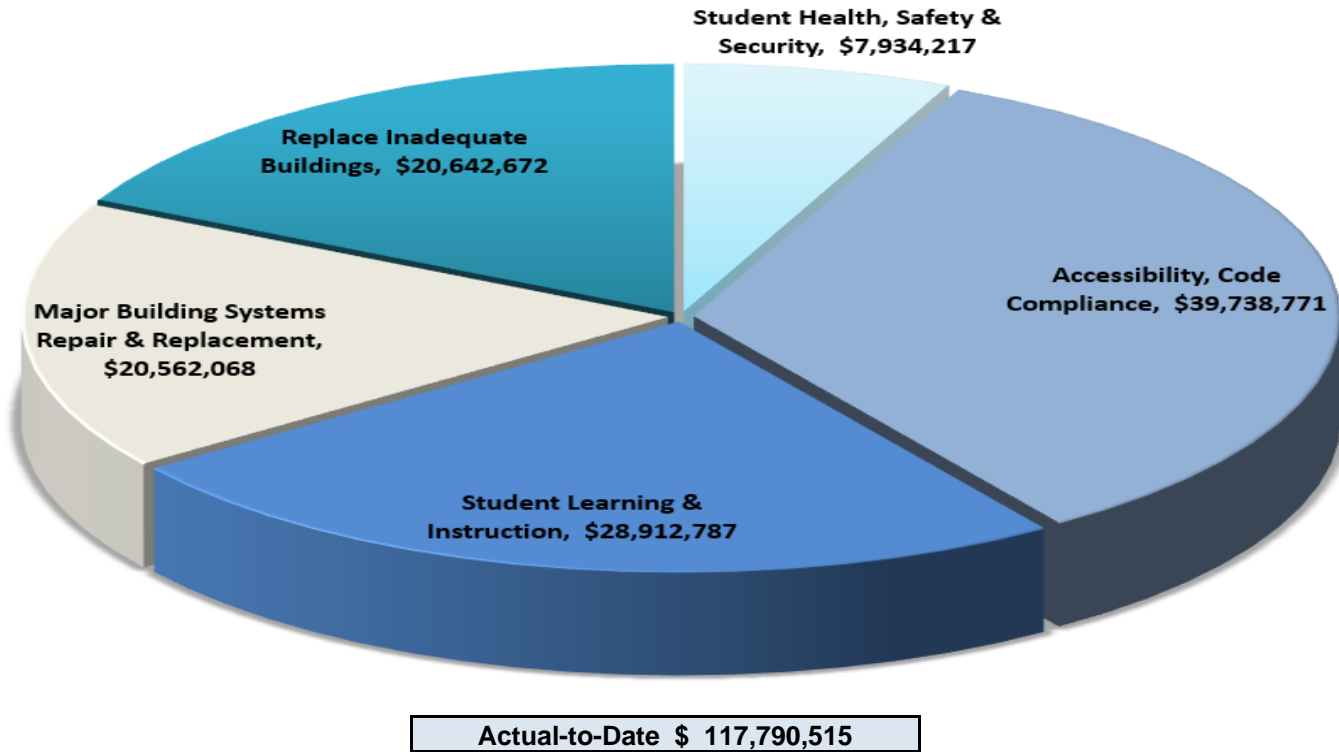
Technology Expenditure Burn Rate

Current Month	Last Month	FY 2016 to date	Total-to-date
-161,502	40,095	-161,502	191,001,937

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

Actuals-to-Date - Categories of Work that Reduce the FCI Facility Repair Needs



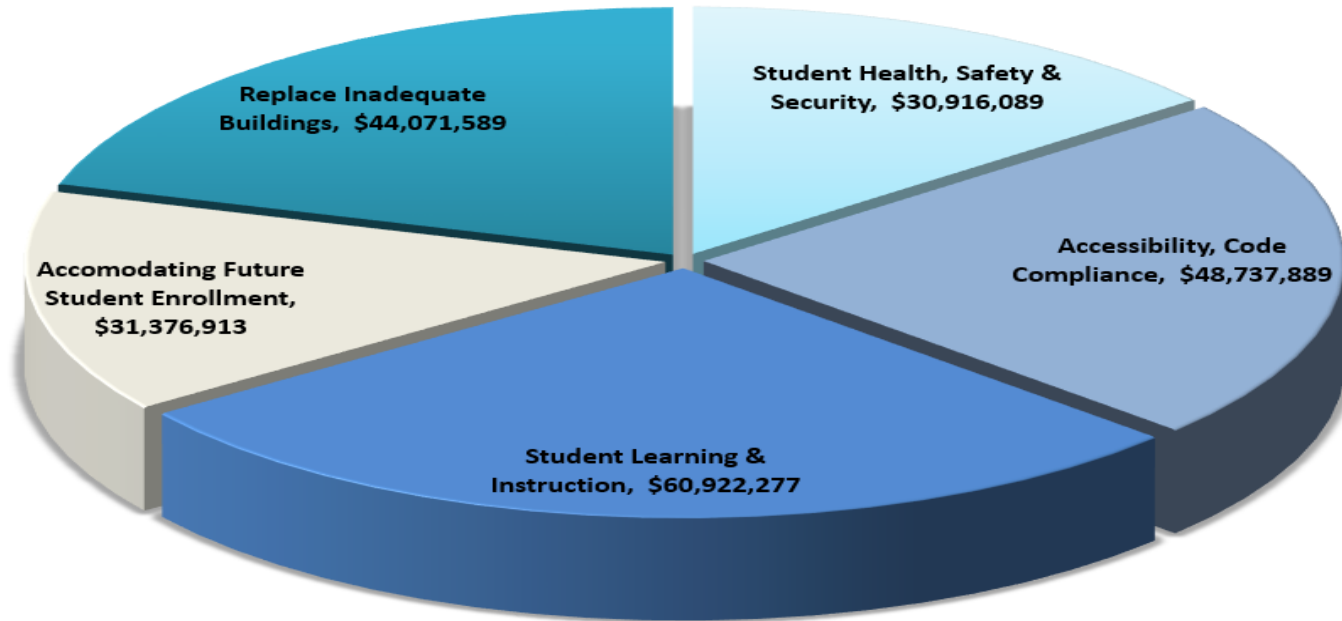
Planned Total = \$1,004,000,000

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



Actual-to-Date \$ 216,024,757

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

Proposition Z

2.8B Prop. Z Planned Revenue - 15-Years	Duration	Expended
Prop. Z Percent Complete	20.3%	21.1%
Prop Z Bond Sales Thru FY 2016		\$ 1,155,000,000
State Facility Program (Fund 35) Received-to-date		28,880,983
State Facility Program (Fund 35) Projected Revenue Thru June 2016		2,417,598
State Facility Program (Fund 35) Projected Revenue Thru June 2017		1,514,301
Prop. Z Interest Earned-to-Date		612,753
Revenue Received-to-Date		1,186,911,334
Projected Revenue thru June 2017		1,188,425,635
Total Expenditures-to-Date		590,737,625
FY 2017 Planned Expenditures		247,512,300
Projected Fund Balance - June 30, 2017	*	350,175,710
Current Fund Balance	*	597,688,010

FY 2016 Expenditures

Category	Planned Percentage	Percent of Ex-penditures	FY Expended - to date	Jun-16	May-16
Planning & Design	14.8%	19.0%	\$ 35,447,706	\$ 12,872,314	\$ 3,615,001
Construction & Equipment	80.0%	74.9%	\$ 139,517,046	14,444,784	18,050,048
Program Management Office	5.2%	6.0%	\$ 11,216,228	3,137,241	1,262,623
Sub-Total	100%	100%	\$ 186,180,980	\$ 30,454,339	\$ 22,927,671

FY 2017 Expenditures

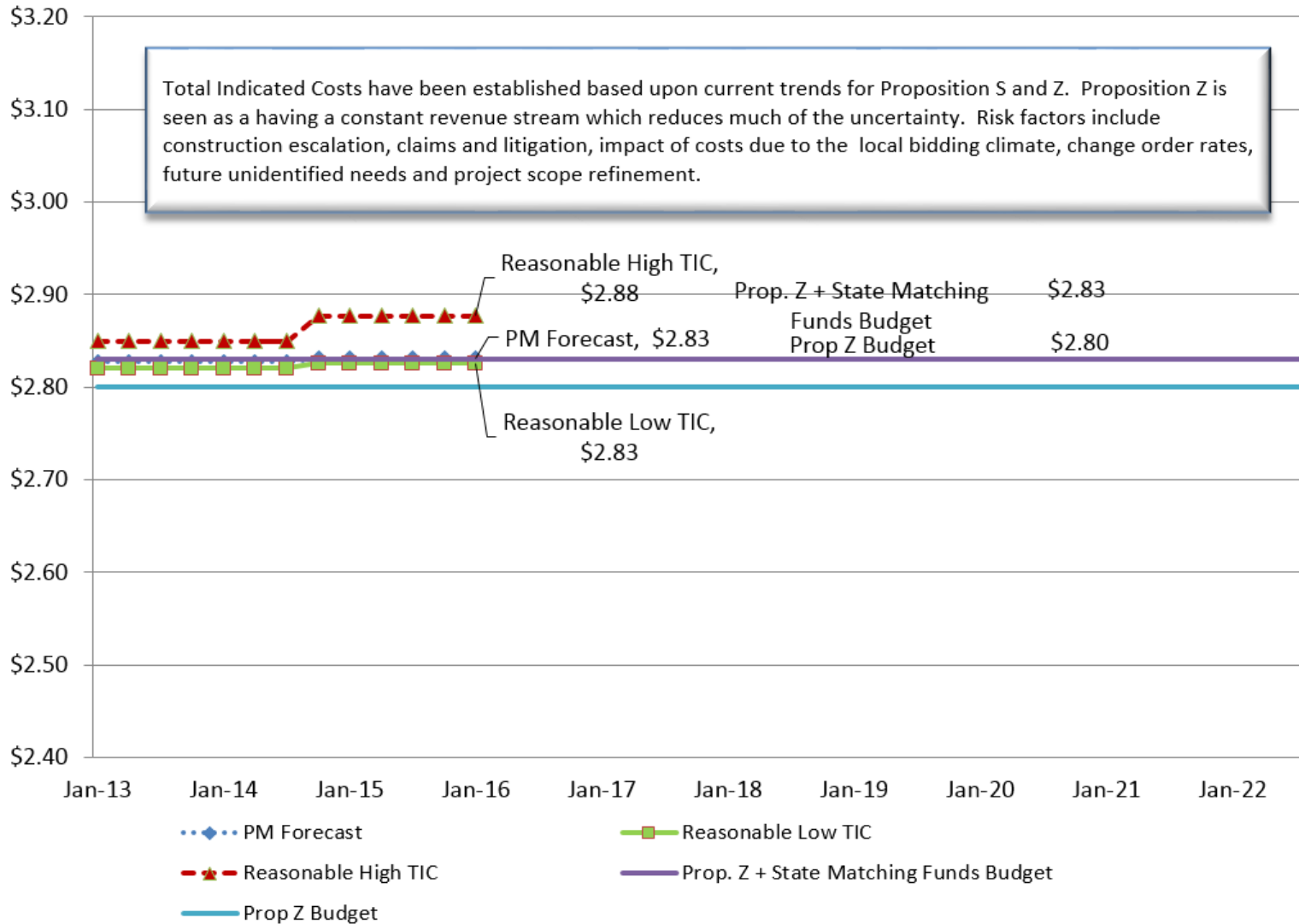
Category	Planned Percentage	Percent of Ex-penditures	FY Expended - to date	Current Month Expenditures	Previous Month Expenditures
Planning & Design	14.8%	103.8%	\$ (9,108,404)	\$ 337,598	\$ -
Construction & Equipment	80.0%	-3.8%	\$ 337,598	(9,108,404)	-
Program Management Office	5.2%	0.1%	\$ (5,671)	(5,671)	-
Sub-Total	100%	100%	\$ (8,776,478)	\$ (8,776,478)	\$ -
Prop. Z Percent of Revenue Received and Amount Committed-to-Date**				59.0%	\$ 700,460,040
Current Remaining Uncommitted Balance***					486,451,293

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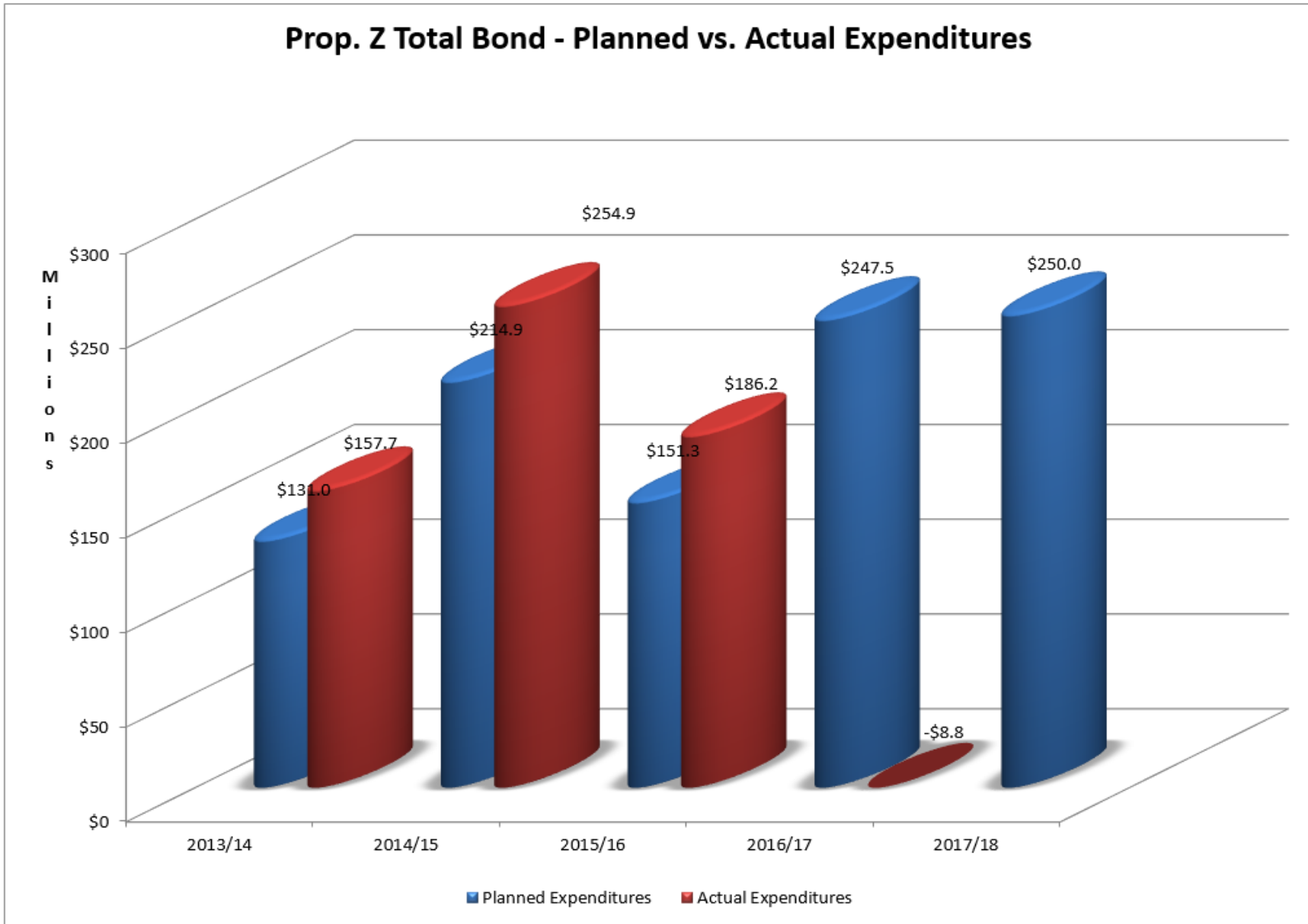
Proposition Z

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

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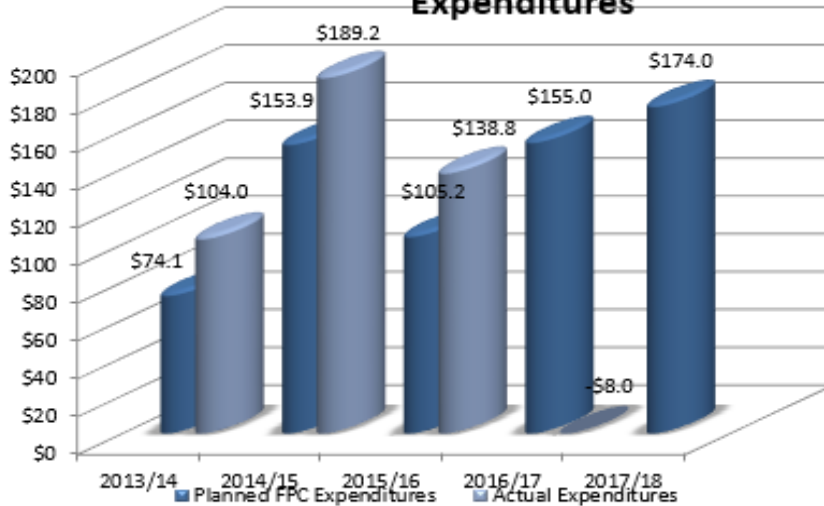


Proposition Z

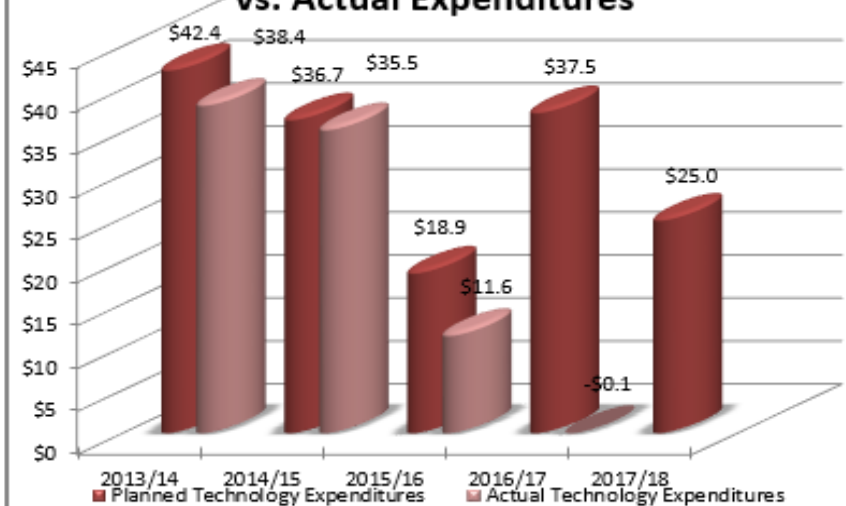


Proposition Z

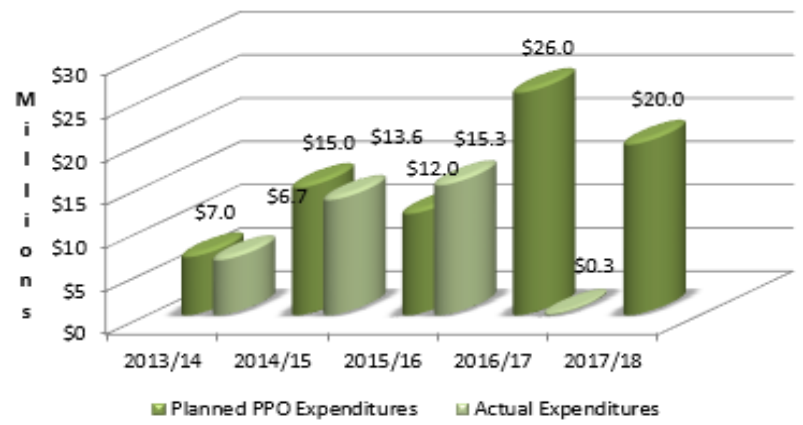
Prop. Z FPC - Planned vs. Actual Expenditures



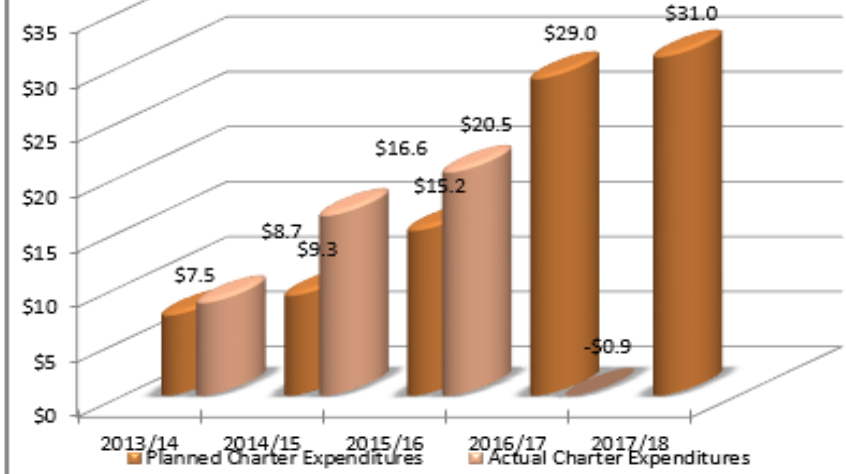
Prop. Z Technology Program - Planned vs. Actual Expenditures



Prop. Z PPO Projects - Planned vs. Actual Expenditures



Prop. Z Charter Schools - Planned vs. Actual Expenditures



Proposition Z

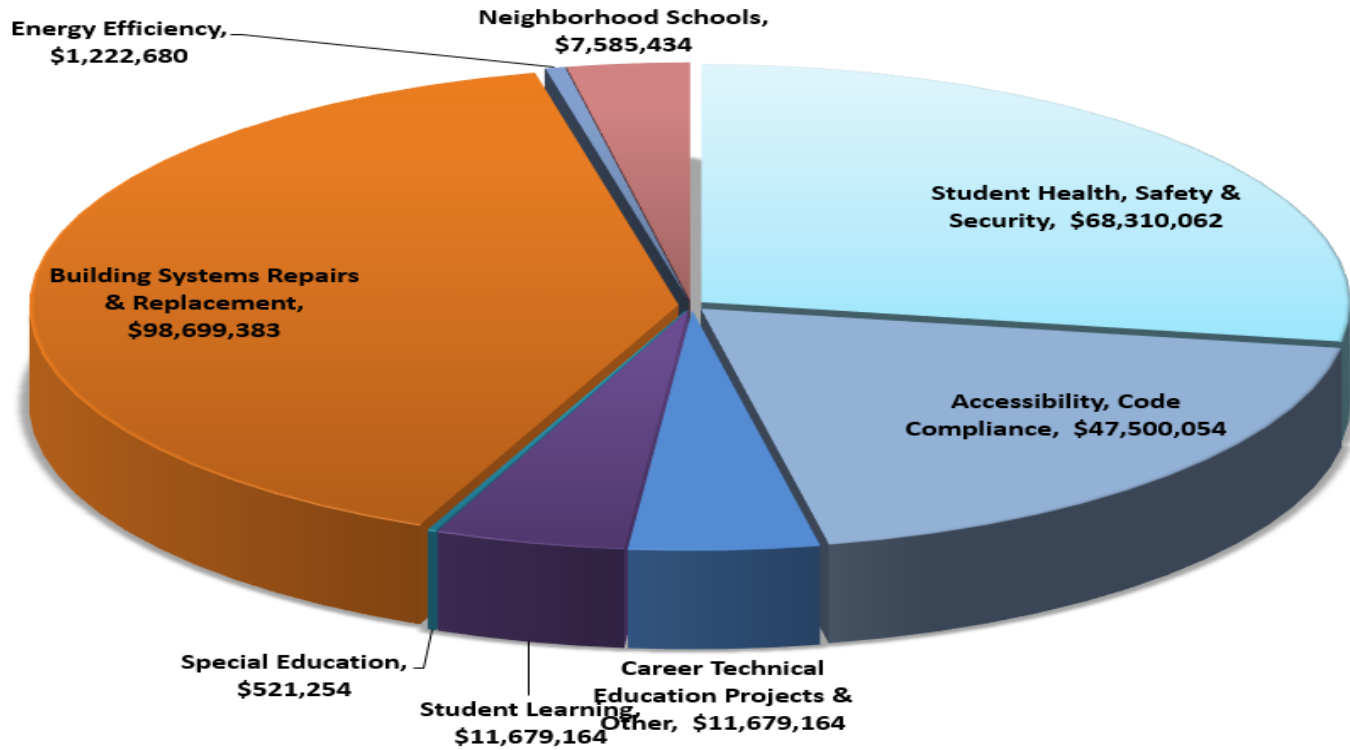


Green Bond Expenditures Include projects for:

- ◆ Renewable Energy
- ◆ Water Conservation and Water Quality
- ◆ Energy Efficiency
- ◆ Green Modernization
- ◆ Sustainable Waste Management

Proposition Z

Actuals-to-Date - Categories of Work that Reduce the FCI Facility Repair Needs



Actual-to-Date	235,518,031
Total Planned =	\$1,112,526,758

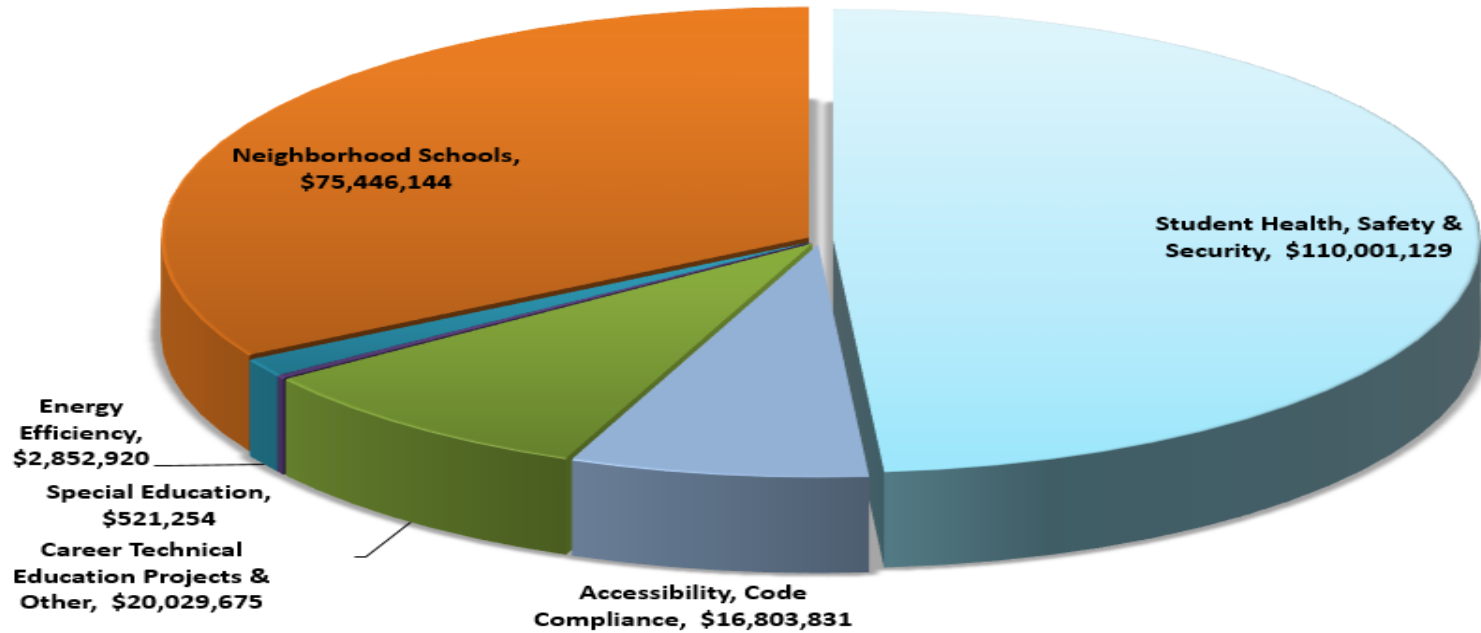
Major Repair and Replacement (MRR) type work is repairs to existing facilities. MRR type work is done in several categories with the BSRR category being the largest. For example, under Accessibility and Code Compliance restrooms, kitchens, stadiums and hardscape are repaired and replaced.

- ◆ MRR Type work reduces the Total Cost of Facility Repairs Needs, in the Facilities Condition Index (FCI):

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

Proposition Z

Actuals-to-Date - Facilities Capital Improvement Work by Category



Actual-to-Date \$225,654,953

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

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

Construction Cost Index (CCI) +3.4%	The Construction Cost Index's annual escalation rate held steady at 3.4% for the second consecutive month. The labor component showed no change.	1913 = 100	INDEX VALUE	MONTH	YEAR
		CONSTRUCTION	10385.7	0.1%	3.4%
		COMMON LABOR	22123.9	0.0%	3.6%
		WAGE \$/HR.	42.26	0.0%	3.6%
Builder Cost Index (BCI) +2.8%	The Building Cost Index's annual escalation rate inched up to 2.8% this month from 2.7% the previous month.	1913 = 100	INDEX VALUE	MONTH	YEAR
		BUILDING	5669.5	0.2%	2.8%
		SKILLED LABOR	9898.3	0.1%	2.8%
		WAGE \$/HR.	54.66	0.1%	2.8%
Material Cost Index (ICI) +.4%	The MCI rose 0.4% in August, following July's 1.1% gain, leaving the index 2.6% above a year ago.	1913 = 100	INDEX VALUE	MONTH	YEAR
		MATERIALS	3118.3	0.4%	2.6%
		CEMENT \$/TON	113.7	0.1%	-1.8%
		STEEL \$/CWT	49.9	0.0%	0.4%
		LUMBER \$/MBF	513.92	1.2%	4.1%

- 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

- SDUSD FPC is currently applying a 4.0% yearly escalation factor for our internal construction estimates. The Office of Public School Construction is applying 4.27% per RS Means Index.
- Over the last 35 months SDUSD construction projects were awarded at 2.8% 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 2.8%.

Propositions S and Z

This chart measures general contractor construction bids as a percentage of the construction budget for projects awarded since June 2013. The award amount during this period is 4.6% under budget. Since the inception of Prop. S, the overall award amount is 7.6% under budget.

