

ICOC QUARTERLY STATUS UPDATE

DRAFT July – September 2015



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.

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/ICOC

Summary

The district's project to air-condition the hottest classrooms is nearly complete, with 1,463 classrooms in 55 schools substantially completed. A few air conditioning (HVAC) projects remain. Another 187 classrooms in five schools are underway and expected to be complete before the end of the year.

The ICOC was briefed on Board actions to issue additional Prop. S and Prop. Z bonds. Short term bonds to be used for equipment purchases are expected to be issued in October of this year. Long term bonds for capital repair and construction work are expected to be issued in January of next year.

The annual bond financial and performance audits are expected to be received during the November meetings of the Audit & Finance Subcommittee and the ICOC.

ICOC Activities

- Approved the April – June 2015 Quarterly Status Update

Status of Projects

As of June 2015, 97 projects have been completed. There are 15 active construction projects (not including HVAC work) with another ## projects in various stages of design or bidding; see chart on the right.

HVAC Projects		Status	
Crawford HS	65%	Iftin K-8 Charter	65%
Curie ES	100%	Keiller K-8 Charter	100%
Darnall K-8 Charter	87%	Mann MS	75%
Franklin ES	100%	Morse HS	100%
Hoover HS	60%	De Portola MS	100%
Horton ES	100%	Serra HS	100%

Financial Status	
Received Previously	1,178,011,156
Received this Quarter	34,328,454
Received to Date	1,212,339,610
Expended Previously	993,690,499
Expended this Quarter	52,234,491
Expended to Date	1,045,924,990
Committed to Date	1,179,687,135
Uncommitted Balance	882,473

Active Projects	Status
Bell MS Modernization	83%
Correia MS Retaining Wall	11%
*CPMA Roofing & HVAC Upgrades	6%
Crawford HS Athletic Upgrades	5%
Encanto ES Modernization	56%
Henry HS Theater/Production/Modernization	75%
i21 Year 5	41%
Infrastructure/Connectivity	10%
La Jolla HS Athletic Upgrades	20%
*La Jolla HS Softball Field	Complete
*Montgomery MS Restroom ADA Upgrades	55%
O'Farrell Charter HS Buildings & Gym	69%
O'Farrell Charter HS Interim Housing Prep	Complete
Pershing MS Modernization	95%
San Diego HS Interim Housing	Complete
University City HS Athletic Upgrades/Parking Upgrades	72%
University City HS Athletic Field	Complete

*new projects

RECENTLY COMPLETED

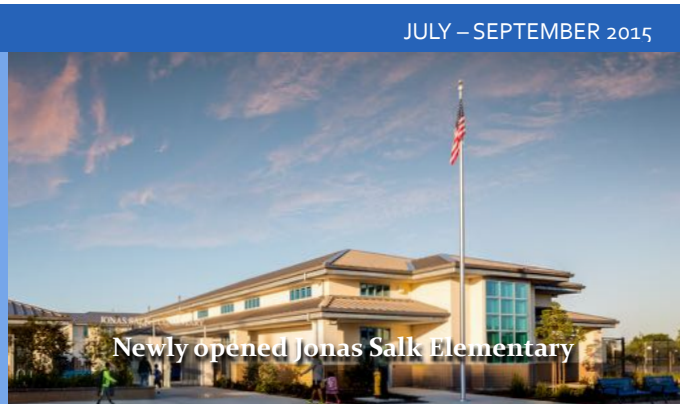
O'Farrell Charter HS Interim Housing Prep
San Diego HS Interim Housing
University City HS Athletic Field
HVAC at Curie ES, Franklin ES, Horton ES, Keiller K-8 Charter,
Morse HS, De Portola MS, Serra HS

RECENTLY STARTED

CPMA Roofing & HVAC Upgrades
La Jolla HS Softball Field
Montgomery MS Restroom ADA Upgrades

For detailed project status info, please visit:
FPCPROJECTS.SANDI.NET

DRAFT



Newly opened Jonas Salk Elementary



Ribbon Cutting at Jonas Salk Elementary

Quarterly Spotlight

Jonas Salk Elementary Opens

Jonas Salk Elementary School opened on the first day of school this year. While not part of the current bond program, it's a major construction project also managed by the Facilities, Planning and Construction department that manages Prop. S and Prop. Z funded projects.

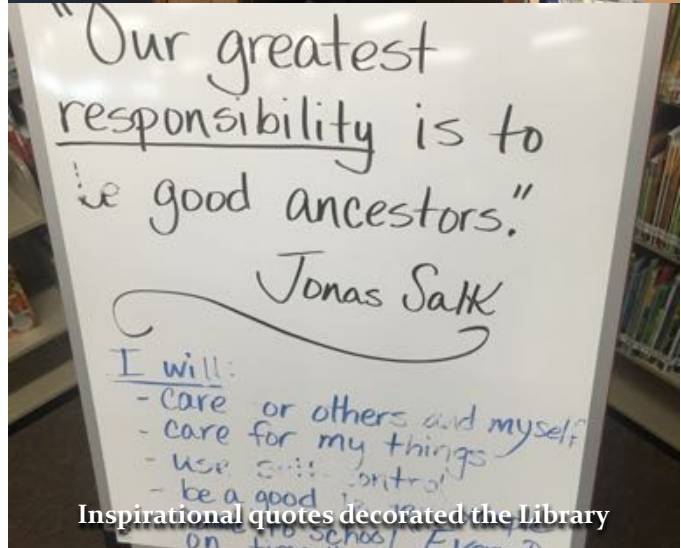
Salk Elementary School was funded by state grants secured by projects completed through the Prop. MM bond program.

Salk Elementary School is designed to serve approximately 700 K-5 students. The facilities include three two-story classroom buildings; a multi-purpose building, a special education building, a reading specialist/learning center, an administration building, a lunch court shelter, and a joint-use hard-court area. In addition, there is a planned joint-use grass playfield to be constructed and maintained by the City of San Diego. There are also on-site drop-off/pick-up areas with on-site parking, plus photovoltaic (solar) carport covers that will contribute up to 35 percent of the site's power.

A formal dedication was held on October 27. Dr. Peter Salk, son of Dr. Jonas Salk, superintendent Cindy Marten, bond manager Lee Dulgeroff, and the school principal Deidre Hardson, joined students, parents and community members.



The Library



Inspirational quotes decorated the Library



Joint-use hard-court with after-school activity



Courtyard features outdoor teaching spaces

Financial Summary

Status

Prop. S authorized the issue of \$2.1 billion in general obligation bonds, Prop. Z authorized \$2.8 billion. Some projects listed in the propositions depend in part on state grants — the district currently anticipates receiving a total of \$180 million in state grants. The district has received \$60,715,245 in state funding; the most recent receipt of grant funds was June 2013.

A total of \$583,191,477 in Prop. S bonds has been received from four bond issuances; the latest bond issue was in April. Expenditures to date total \$608,514,718 against total awarded contracts and commitments of \$621,168,590 (includes State grants). Uncommitted available Prop. S funds and State grants total \$379,180.

A total of \$530,000,000 in Prop. Z bonds has been received from one bond issuance in 2013. Expenditures as of September 30 total \$437,410,272 against commitments of \$558,518,545. Uncommitted available Prop. Z funds and State grants total \$503,293.

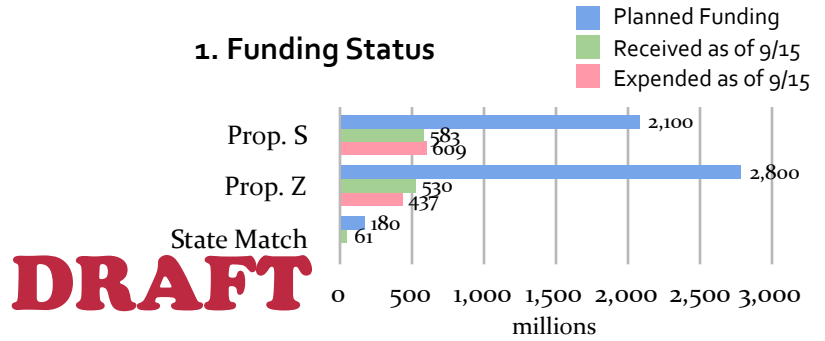
Additional Prop. S bonds were issued in April this year, totaling \$65,095,726. Consisting of multiple issues, \$15,095,000 were short-term current interest bonds (CIBs) and \$50,000,726 were long-term capital appreciation bonds (CABs). As part of the bond issue transaction there were also long-term CIBs issued to refinance \$199,285,000 in Proposition MM bond debt. The issues were in compliance with new legal restrictions regarding payback ratios for CABs. The ICOC will receive a full briefing on the bond issue transactions from the District's bond financial advisor in October.

Estimated Total Cost

There has been no change in the risk-adjusted cost estimate to complete listed work in Prop. S and Prop. Z. The estimates project that there will be enough funding to complete all listed projects in both bond programs.

The graph to the right (Graph 3) shows the combined estimates for Prop. S and Prop. Z.

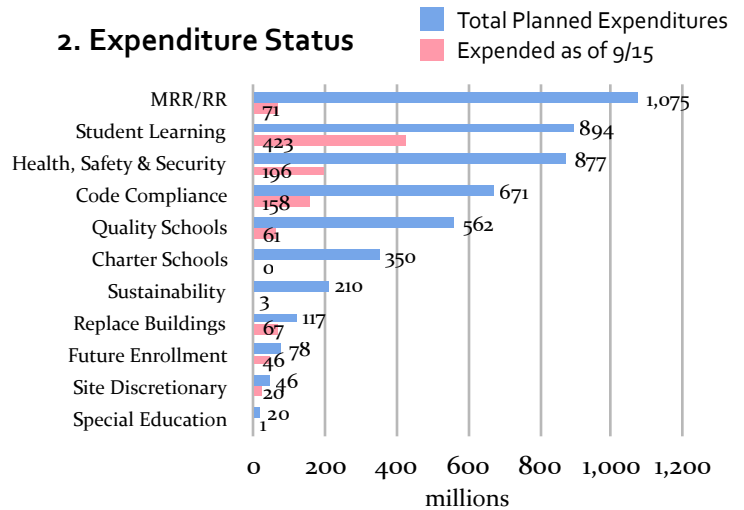
1. Funding Status



DRAFT

[data depicted above]	Planned	Received	Expended
Prop. S Funds	\$2,100.0 M	\$583.2 M	\$608.5 M
Prop. Z Funds	\$2,800.0 M	\$530.0 M	\$437.4 M
State Matching Funds	\$180.0 M	\$60.7 M	Included above

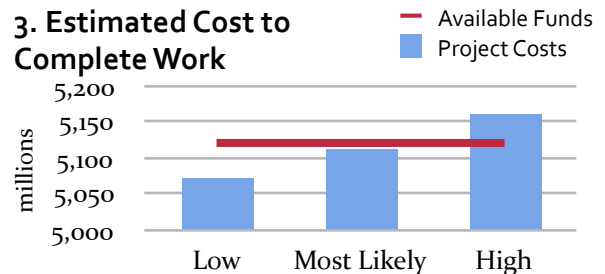
2. Expenditure Status



[data depicted above]	Planned Prop. S	Planned Prop. Z	Total Expended
Major Repair/Replacement (MRR) and Repair/Replacement (RR) Projects	\$501.0 M	\$575.0 M	\$70.6 M
Student Learning & Instruction	\$473.0 M	\$423.0 M	\$423.1 M
Health, Safety & Security	\$454.0 M	\$421.0 M	\$195.6 M
Accessibility & Code Compliance	\$458.0 M	\$214.0 M	\$158.1 M
Quality Neighborhood Schools		\$562.0 M	\$61.3 M
Specific Charter School Projects		\$350.0 M	Note *
Energy Efficiency & Sustainability		\$210.0 M	\$2.8 M
Replace Inadequate Buildings	\$117.0 M		\$67.2 M
Accommodate Future Enrollment	\$78.0 M		\$46.2 M
Site Discretionary	\$20.0 M	\$30.0 M	\$20.2 M
Special Education		\$20.0 M	793.3 K

Note: * Charter school expenses included in other categories

3. Estimated Cost to Complete Work





DRAFT

Documents Reviewed and Available Online

Document	Reviewed	Jul	Aug	Sep
Review Expenditure of Bond Funds				
Monthly Controls Status Report	ICOC, Fin	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Prop. S and Prop. Z financial information: planned v. actual, funds v. expenditures				
Staffing Plan	ICOC	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Status updates of staffing changes approved by the Board and designed to lower costs				
Business Outreach Narrative	ICOC, Const	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Business Outreach Program Events	Const	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Project Stabilization Agreement (PSA)	Const	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Project Management Report	Const	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
PPO Project Management Report	Const	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
5-year implementation plans for large (reg) and in-house (PPO) planned projects				
Construction Management Report	ICOC, Const	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Status summary of ongoing construction projects				
i21 Quarterly Update	ICOC, Const	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
HVAC Quarterly Report	ICOC, Const	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Inspect Schools & Grounds				
No activity this quarter				
Review Efforts to Reduce Costs				
Cost Savings Measure Matrix	ICOC, Const	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Receive & Review Annual Performance Audit				
2014 Prop. S. Performance Audit	ICOC, Fin	<input checked="" type="radio"/>	From Mar. '15	
Receive & Review Annual Financial Audit				
2014 Prop. S Financial Audit	ICOC, Fin	<input checked="" type="radio"/>	From Mar. '15	
Receive & Review Deferred Maintenance Plan				
MRR Plan Quarterly Update	ICOC, Const	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

- ▶ Fin: Finance/Audit subcommittee
- ▶ Const: 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.

Public Comments (0 new this quarter)
 ICOC meetings are open to the public. See our [website](#) for times and locations. To speak, please fill out this [Public Testimony form](#).

INFORM THE PUBLIC ON BOND FUNDS

ANNUAL REPORTS

- ▶ 2009 ICOC Annual Report
- ▶ 2010 ICOC Annual Report
- ▶ 2011 ICOC Annual Report
- ▶ 2012 ICOC Annual Report
- ▶ 2013 ICOC Annual Report
- ▶ 2014 ICOC Annual Report

QUARTERLY STATUS UPDATES

- ▶ January – March 2011
- ▶ April – June 2011
- ▶ July – September 2011
- ▶ October – December 2011
- ▶ January – March 2012
- ▶ April – June 2012
- ▶ July – September 2012
- ▶ October – December 2012
- ▶ January – March 2013
- ▶ April – June 2013
- ▶ July – September 2013
- ▶ October – December 2013
- ▶ January – March 2014
- ▶ April – June 2014
- ▶ July – September 2014
- ▶ October – December 2014
- ▶ January – March 2015
- ▶ April – June 2015

MOST RECENT DISTRICT COMMUNICATIONS

- ▶ Monthly Communications Report
- ▶ September 2015

ICOC WEBSITE:

WWW.SANDI.NET/ICOC