MEMORANDUM

DT: March 9, 2006
TO: Prop A 2003 Citizen’s Bond Oversight Committee
   Patricia Crawford, Nick Driver, Shirley Herndon, Nan McGuire, Jim Quadra
FM: Leonard Tom
   Bond Program Manager

I have enclosed for your review and comment a copy of the financial report for the Prop A 2003 Bond Program, effective for January 31, 2006. The figures in this report are preliminary and unaudited. These figures do not represent final expenses through the end of Fiscal Year 04/05, only payments made and reported in the District’s accounting system as of the date of the report. Invoices for products delivered or services rendered through June 30, 2005, are still being processed and will be reported at a later time.

The basic program budget has been increased from $337.912 million to $338.425 million (a net increase of $0.513 million). That is due to a net increase in State Prop 55 funding eligibility ($280,920) and an increase in accrued interest reported through November 2005 ($232,795) available to the program.

As projects that are eligible for State Prop 55 funding complete their design phases the programwide budget will be revised as final eligibility is determined and State approvals are received. For this month’s report the good news is that State Proposition 55 grant eligibility at SF Community Alternative School was increased by $340,891 as final criteria were determined for the grant application. The bad news is that grant eligibility at Gloria Davis Alternative Middle School decreased by $59,971.

There were no bid openings for Prop A 2003 projects in January.

In January we determined that $46,000 should be transferred from the program contingency (admin) to cover additional costs for modifications to standardized construction bid documents. The modifications were necessary to streamline and improve contract bidding conditions and procedures. In January we also transferred $273,062 from the Program Management Staff budget to provide temporary project management and construction management staff for the District. The project management and construction management workload peaked as many Bond projects were transitioning from design phase to construction phase. District staff was not available to perform those tasks during the latter half of 2005 so those services were provided to the District by the Primary Executive Architect.

With those changes and the increase in accrued interest, the programwide contingency stood at $8.027 million at the end of January.

Project-to-date figures for budget and expense can be found in the latter three columns on the right side of each report page. “Bud-to-Date” combines the Budget columns for the two fiscal years and subtracts the unexpended balance of FY 04/05. “Exp-to-Date” combines the Exp columns for two years. “Total Project Budget Bal” subtracts “Exp-to-Date” from “Bud-to-Date.”
Please be aware that there are currently negative numbers in the Prop A portion of the “Total Project Budget Bal” column for 17 of the projects. These are schools that have State Prop 55 funding. The State funds have not yet been entered into the District’s accounting system. Prop A funds are temporarily “carrying” the State funded portion of the budget until those funds are received and formally acknowledged by the Board of Education.

As of Jan. 31, 2006, the Board of Education had approved $74.616 million of contracts for the Bond Program and the Program had actually expended $20.692 million. The amount paid during January was about $1.608 million. A majority of the expense went to design fees, construction and construction management, plus the District’s programwide staffing and Primary Executive Architect costs.

Planning and design work is currently complete at 17 and ongoing at 15 of the 32 projects in the Bond Program. Construction at Bryant Elementary began in June 2005 and is currently 99% complete. Construction at Bret Harte Elementary (38% complete), Thurgood Marshall High School (15% complete), Rosa Parks Elementary (33% complete) and Dr. Charles Drew Elementary (14% complete) is proceeding on schedule. Construction at Commodore Sloat and Clarendon began in December. Construction contracts were awarded for Alvarado and Sherman elementary schools in January. Three projects were advertised for bids in January 2006 (Horace Mann, SF Community and Gloria Davis).

Please call me at (415) 241-6151 with any questions that you may have about this report.

Enclosure

cc: David Goldin, Joe Grazioli, Genevieve Hahn, Josie Cruz, Myong Leigh, Shawn Ropp, Bruce Hart, Jeff Stahl, Toks Ajike, Erin Hirst, James Wong, Maureen Shelton