

A Message from the Citizens' Bond Oversight Committee

Dear Citizens of San Francisco:

The San Francisco Community College District Citizens' Bond Oversight Committee (CBOC) submits this Annual Report in fulfillment of its role and responsibilities, as specified under the provisions of Proposition 39 that have been incorporated into Article XIII A of the State of California Constitution.

Article XIII A requires that a community college board conduct an annual independent performance audit to ensure that bond funds have been expended only on specific projects approved by the voters. Further Article XIII A prohibits the use of bond funds for teacher and administrator salaries and other school operating expenses.

The Committee met a minimum of three times in 2009. In addition to the performance audit report, the Committee received and reviewed the annual financial audit report. The Committee would like to report that, to the best of its knowledge, the San Francisco Community College District is in full compliance with Article XIII A. This Annual Report though takes the opportunity to highlight some of its concerns about the findings and recommendations in the performance audit report for the year ending June 30, 2008.

The Committee extends its appreciation to Chancellor Don Griffin and the District Board of Trustees for providing the funds for the performance audit by MGT of America, Inc. of City College of San Francisco's capital outlay program funded with bonds approved by San Francisco voters in 2001 and 2005. The performance audit will continue to be a valuable evaluation tool and action guide for City College administration and Board of Trustees.

Please refer to the CBOC web page at www.ccsf.edu/Board/Bond for audit reports, minutes of meetings and other reports. CBOC members appreciate the opportunity to have served to ensure that voter-approved bond funds have been expended in accordance with Proposition 30 and Article XIII A.

Respectfully Submitted,
Henry Der,
Citizen's Bond Oversight Committee Chair

A Message from the Chancellor



The citizens of San Francisco in 1997, 2001, and 2005 overwhelmingly approved bond measures to improve, renovate, expand, and develop buildings and facilities for the San Francisco Community College District throughout the City. The new Mission Campus opened in 2007 creating enthusiasm and renewed interest in higher education within the Mission District. Ground has been broken for the Chinatown/North Beach Campus which will give the northeast part of San Francisco a permanent home. The renovation of the John Adams Campus which serves much of central San Francisco is almost completed and is an enormous improvement. The Health & Wellness Center, the Child Care Center, the Academic Multi Use Building, and the Collegiate Regulation Soccer Field are four projects which are completed or will soon be completed on the Ocean Campus. Even with these accomplishments, City College of San Francisco continues to look forward and plan for its future with our commitment for a state-of-the-art center for the Performing Arts at the Ocean Campus as well as developing new and permanent locations for our Castro and Southeast Campuses.

As we approach the 75th Anniversary of our great College, our College community and myself as Chancellor since 2008 owe you, the citizens of San Francisco, accolades and our sincere gratitude for providing the financial wherewithal to build and develop this institution into the premier Community College in the country. We accept your confidence in us by assuring you that your children and future generations of San Franciscans will always have in City College of San Francisco the opportunity to learn and enjoy the benefits of higher education in an atmosphere of the highest quality instruction, services, and facilities.

We thank you all.
Dr. Don Q. Griffin, Chancellor

CITIZENS' BOND OVERSIGHT COMMITTEE MEMBERS – Eunice Azzani, *City College Foundation*, Marivic Bamba, *Community Leader*, Jim Chappell, *San Francisco Planning and Urban Research*, Jose Cisneros, *City Treasurer of City and County of San Francisco*, Paul Conroy, *Attorney at Law*, Henry Der, *Senior Program Officer of Four Freedoms Fund*, Steven B. Falk, *President and CEO of San Francisco Chamber of Commerce*, Robert Figueroa, *Consultant*, Michael Goldstein, *SF People's Organization*, Michelle Horneff-Cohen, *District 7 Resident*, Mara Kopp, *President of San Francisco Taxpayers Association (Good Government Alliance)*, Chester McGensy, *Attorney at Law*, Nadia Sesay, *Director of Mayor's Office of Finance at City and County of San Francisco*, Hilary Sledge, *Attorney at Law*, Ruyard Vance, *CPA*, David Wilbur, *Tax Consultant*, Joshua Nielsen, *Student Trustee*

Auditor's Report

California voters passed Proposition 39 in November 2000 to allow community college districts to pass bonded indebtedness with a 55% majority vote – instead of the 2/3 voter approval - to pay for the construction, rehabilitation or replacement of educational facilities, including furnishing and equipment of such facilities. Among the requirements of Prop 39 bond financing are the appointment of a citizens' bond oversight committee, annual financial reports on the proceeds and uses of the bond funds, and a performance audit covering the overall capital outlay program established by a college district.

Starting with fiscal year ending June 30, 2007, a performance audit was conducted to review the CCSF capital outlay program funded by two bond measures approved by San Francisco voters in 2001 (\$195 million) and 2005 (\$246 million). Performance audit reports can be viewed on the web page of the Bond Oversight Committee at www.ccsf.edu/bondprojects. This website also has links to financial audits, meeting minutes, and other Bond Oversight Committee materials including its annual reports.

The performance audit of the year ending on June 30, 2008 produced 11 findings and 12 recommendations covering various aspects of the CCSF facilities bond program. Committee members expressed the most concern over four sections of this audit report:

Section 3 - Role of the Bond Oversight Committee

The audit report recommended the CCSF Board of Trustees to formally define the role of the Citizens' Bond Oversight Committee and identify additional resources to aid the Committee in its role. The Board of Trustees and Oversight Committee have met in two joint sessions to discuss their respective roles, as well as the role of the CCSF internal auditor. In November 2009 the Board adopted policies related to the role, function and responsibilities of the Oversight Committee, including a requirement that the Committee meet at least four times a year.

Section 5 – Competitive Bidding Process

During the review of the competitive bidding process, the audit team found that CCSF awarded two contracts without a competitive bidding process and that adequate bidding documents were not always on file. The audit report recommended that CCSF should ensure that all contracts in excess of \$15,000 are bid competitively and that the facilities office should ensure that it maintains sufficient bid documents in compliance with the CCSF document retention schedule.

In response to the audit findings and recommendations, the administration has compiled an extensive manual for the facilities planning department staff and has conducted training for all staff on following proper bidding procedures.

Section 9 - Change Management and Control

During its review of the change management and control procedures, the audit team found that the CCSF change order policy is inconsistent with state law, and that at times

Project	2001 Bond	2005 Bond	State and Other Funds	Bd of Trustees Reallocations & Interest Earned	Total Budgeted Cost	Actual or Projected Cost	Unfunded Estimate
Chinatown/North Beach Campus (New)	\$45.4	\$15.0	\$52.7	\$25.7	\$138.8	\$138.8	
Performing Arts Center	25.0	70.0	38.3	(20.2)	113.1	113.1	
Health & Wellness Center	25.0		3.0	69.4	97.4	97.4	
Mission Campus (New)	29.9	5.3	29.8	28.6	93.6	93.6	
Multi Use Academic Building	10.0	30.0	39.5	(3.5)	74.6	74.6	
Renovation, Remodeling and ADA	16.0	35.0	2.8	(12.8)	41.0	41.0	
Computer Network & Electrical upgrades	15.9	10.0			25.9	25.9	
Balboa Reservoir	13.0			(9.7)	3.3	3.3	
Evans Campus	9.3		0.5	1.2	11.0	11.0	
Ocean Campus land acquisition	5.5		0.5	1.2	11.0	11.0	
Adv. Tech. & Bio/Stem Cell Center		38.0		(36.8)	1.2	81.0	79.8
Student Development Center		33.0		(32.8)	0.2	75.0	74.8
John Adams Retrofit		10.0	24.1	13.4	47.5	47.5	
2001 & 2005 Bond Projects	\$195.0	\$246.3	\$190.7	\$22.4	\$653.0	\$807.6	\$154.6
Unissued Bonds		(46.3)					
Principal Paid or Redeemed	(25.0)	(4.0)					
Bond Principal Outstanding, 6-30-08	170.0	196.0					
Total Interest Cost	125.3	143.5					
Remaining Bond and Interest Payoff	\$261.5	\$331.2					
Final Payoff Year	2031	2031					

Allocation of the SFCCD's 2001 & 2005 Bond funds as of June 30, 2008. Amounts in millions.

CCSF management was inconsistent in following its own change order policy. The auditors discovered \$13.5 million of change orders were never approved by the Board of Trustees, and another \$26 million of change orders were approved by the Board after the construction contracts were already executed.

The audit report recommended that the CCSF Board of Trustees should amend its change order policies to comply with state law and strengthen its controls over the change order process.

In April 2009 the Board of Trustees adopted several new policies related to capital projects, including a new policy concerning change orders that will require full compliance with all state regulations.

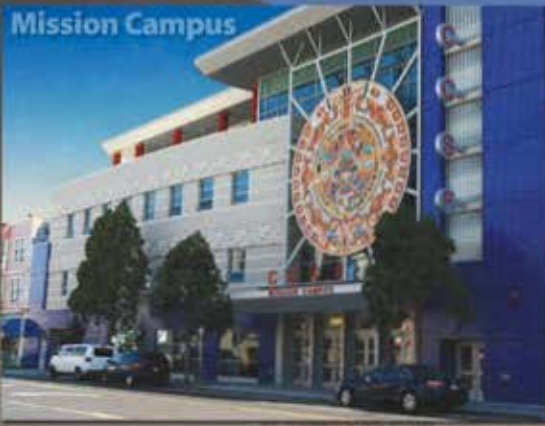
Section 11 – Follow-up on Previous MGT Audit Recommendations

The performance audit for the year ending June 30, 2008 noted that many of the report recommendations from the performance audit for the year ending June 30, 2007 had not been implemented by the end of fiscal year 2008. The administration and Board of Trustees continue to work together to address the 2007 and 2008 performance audit findings and implement their recommendations.

The performance audit reports for the 2007 and 2008 fiscal years can be viewed at www.ccsf.edu/bondprojects, where the current and previous financial audits of the 2001 and 2005 bond issuances are also available for review.



Mission Campus



CITY COLLEGE OF SAN FRANCISCO

Multi Use Building



Annual Report to the Community



Community Performing Arts & Education Center



Community Health & Wellness Center

Citizens' Bond Oversight Committee
Phase 1 & 2 Bond Issues
April 2010

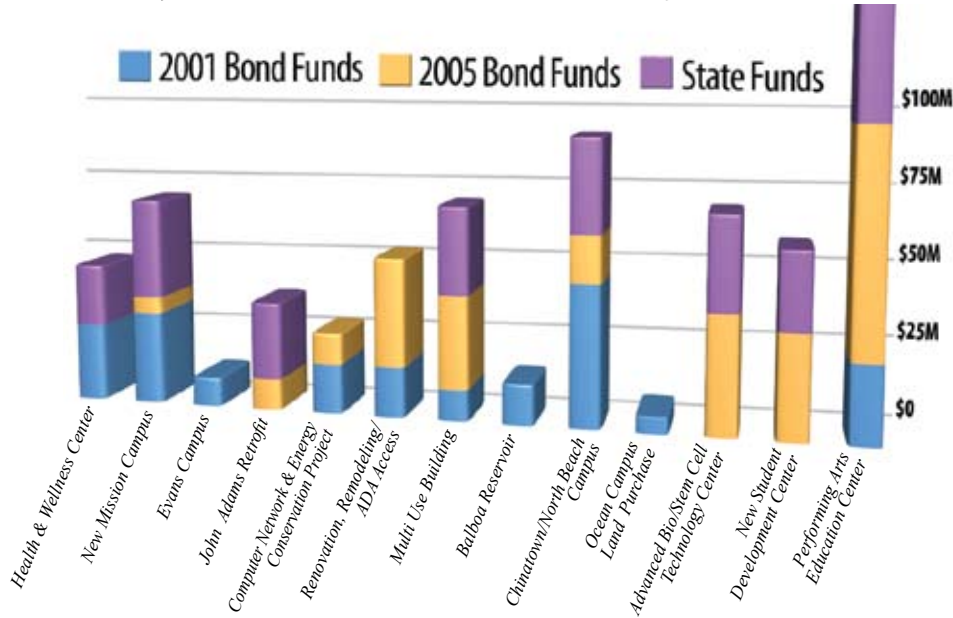


Chinatown/North Beach Campus



Student Health Center

Summary of 2001 and 2005 Bond Project Budgets



STUDENT HEALTH CENTER

The new Student Health Center was completed in June 2006. This new 22,000 sq. ft. modern health care facility provides students with general medical services, psychology counseling, eye examinations, HIV counseling and testing, and alternative health care such as nutrition counseling and weight management. Over 20,000 students a year use the facility. The second floor of the Student Health Center includes ten full-size classrooms that will replace ten aging portable classrooms. A new bridge connects the new second floor classrooms directly to an adjacent two-story classroom building.

COMPLETED PROJECTS - Ocean Campus

COMMUNITY WELLNESS CENTER

The Community Wellness Center opened in fall 2008. The new building provides a spacious new home for team athletics, a dance program, physical education, and martial arts. The community and CCSF students also enjoy the use of a weight room, fitness center, and swimming pool.

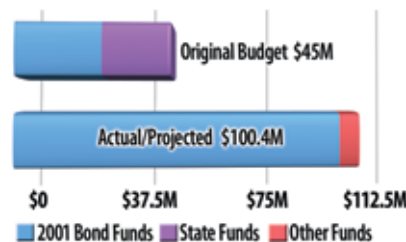
The Community Wellness Center project budget of \$45 million included the Child Developmental Center and the Student Health Services Building. Together, the project costs through June 30, 2008 were approximately \$97 million. Bond funds were moved from other 2001 projects to cover the increased costs.



CHILD DEVELOPMENT CENTER

The completed Child Development Center on the Ocean Campus provides pre-school and toddler programs responsive to the diversity of families and their children's needs with classes provided through the Family Studies Department. The interior spaces are in close relationship to the secured designated outdoor play areas. Separate observation rooms allow Family Studies students and teachers to observe activities without disturbing the children.

Community Health and Wellness Center



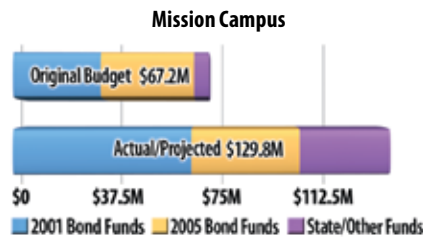
COMPLETED PROJECTS



Mission Campus

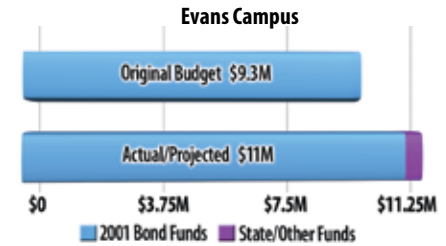
The completed new Mission Campus opened in Fall 2007 and is located in the heart of the Mission District. Many of the features of the 1935 and 1938 “art nouveau” era have been preserved. Project elements include Child Development Center, Parent Center, Career Placement and Development Center, bookstore, cafe, graphic communications labs, science and language labs, computer labs, multimedia classrooms, administrative offices, faculty workroom, lounge and offices, conference room, theater, and library.

The final project cost was \$93.6 million, up from an original budget of \$67.1 million. Bond funds were moved from other projects to make up for the increased costs. The final costs include an additional budget amount of \$5.2 million to renovate an adjacent building and integrate it into the Mission campus after the SF Unified School District decided it no longer needed the building.



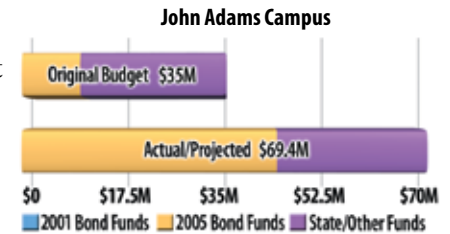
Evans Campus

The newest campus of CCSF campuses opened in 1994. The college purchased the Evans Campus and renovated and remodeled the facility so that it is the focus of an expanded mix of vocational and technical programs. The Evans Campus plans to expand the Construction and Maritime Trades Training Center and develop a transportation hub including automotive, aeronautics, railroad, maritime, and intelligent transportation systems. The original budget of \$9.3 million was for the acquisition and seismic retrofitting of the building. The estimated cost of the project as of June 30, 2008 is \$11 million.



John Adams Campus

The John Adams Campus is the largest site outside of the Ocean Campus, with over 60 classrooms. Built in 1911, it served as the old Lowell High School for many decades. The campus projects consisted of a major seismic retrofit, repairing, and some limited remodeling, including a re-configured library, new restrooms, and new windows. This phase of the project was completed in February 2010.

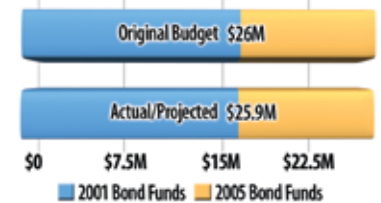


The original budget for this project was \$34 million, which includes \$24 million of state funds. The current estimated cost is \$47.5 million, although several planned improvements have been postponed until additional funds are available, including renovation of the Annex building, the installation of an elevator to the fourth floor, and some classroom renovations.

AUXILIARY PROJECTS

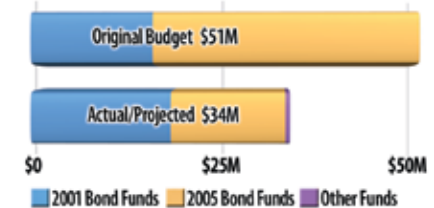
COMPUTER NETWORK & ENERGY CONSERVATION PROJECT

The second phase of Technology Infrastructure project has expanded intercampus communication systems in support of computer networking and internet access, and added energy conservation improvements. This project was completed in January 2008 for \$25.9 million within its original \$26 million budget.



REMODELING AND ADA RENOVATIONS

Work at all District facilities includes projects to renovate and modernize the District’s aging facilities and to improve disability access, meet seismic standards, and improve child care facilities. The current budget for this project is \$41 million, down from the original \$51 million budget. Approximately \$20 million of 2005 bond funds were moved from this category into other 2005 bond projects.

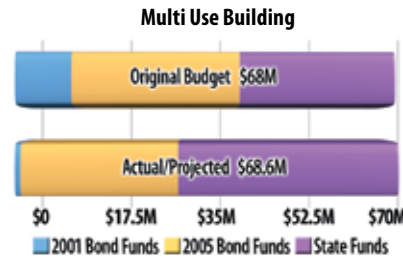


PROJECTS UNDERWAY



Multi Use Building

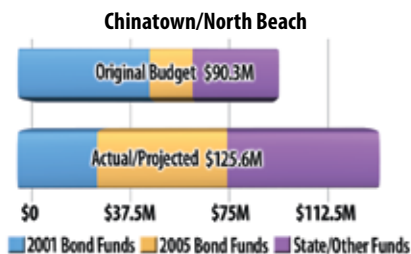
When completed in the fall of 2010, this building across from the main campus will include classrooms, laboratory and student observation classrooms, as well as office space for faculty and staff. The building was originally conceived to be used jointly by CCSF and San Francisco State University for collaborative training and integrated degree programs, although this formal relationship has not, and may not be, formalized with SFSU. The project is expected to be completed for \$74.6 million, compared to the original budget of \$68 million.



Chinatown/North Beach Campus

The existing Chinatown/North Beach Campus occupies 10 different locations. Two new buildings have been designed, one on the corner of Kearny and Washington streets, and another on Washington Street adjacent to the Columbo Building at Columbus Avenue. Estimated completion date is spring 2012. The new campus will include dedicated classroom space, a library/learning resource center, expanded offices, student support areas (i.e., admissions, counseling, financial aid, student activities and bookstore), faculty work areas, and conference rooms.

The estimated land acquisition and construction cost is \$139 million, up from an original cost estimate of \$90.3 million. The increase was partly caused by the change of site location and increased cost of land and design work, along with a lengthy approval process.



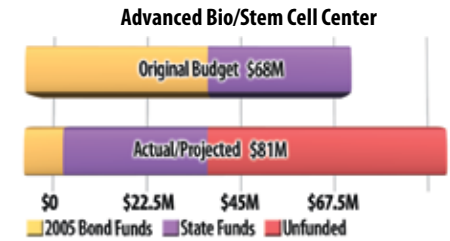
PROJECTS ON HOLD



The Advanced Bio/Stem Cell Technology Center, New Student Development Center, and Performing Arts Education Center are currently on hold. The accompanying charts depict any unfunded portion in red. For the first two projects they will not be built until new sources of funding are found. In the case of the Performing Arts Education Center, funds approved by the state for this project are not yet available.

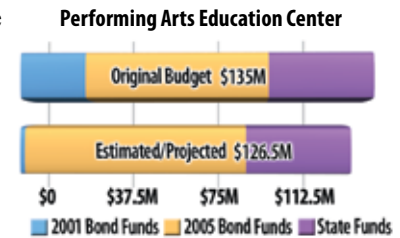
ADVANCED BIO/STEM CELL TECHNOLOGY CENTER

The Advanced Bio/Stem Cell Technology would provide additional opportunities for training students in career fields related to the expanding bio-technology, stem cell and life-sciences industry in the Bay Area. The original budget was \$68 million, which includes \$30 million of expected state funds. The estimated cost to complete the project is \$81 million as of June 30, 2008, with only \$1.2 million actual costs incurred.



PERFORMING ARTS EDUCATION CENTER

The Performing Arts Education Center will feature a 650-seat auditorium, a black box theatre, a 150-seat recital hall and associated classrooms, student rehearsal/practice rooms, faculty office and meeting space. This project is on hold as of June 30, 2008 because funds originally budgeted to this project have been moved to other bond-funded projects. Construction will start when 2005 bond funds are allocated to it and the state can provide its \$40 million share of the total funding.



The current cost estimate for this project is \$113 million, down from the original budget of \$135 million due to lower construction costs in a recessionary economy. However, since construction will not likely begin until sometime between 2011 and 2014, construction costs may be higher at that time. As of June 2008, \$12.5 million had been spent on preliminary designs and site preparation work.

STUDENT DEVELOPMENT CENTER

A new Student Development Center would consolidate student services - admissions, registration, financial aid, matriculation, counseling, advising and career planning - in a one-stop service center for all students. The original budget was \$58 million.

