

AGENDA ASSEMBLY BUDGET SUBCOMMITTEE NO. 2 ON EDUCATION FINANCE

ASSEMBLYMEMBER SARAH REYES, CHAIR

**WEDNESDAY, APRIL 28, 1999
STATE CAPITOL, ROOM 126
4:00 P.M.**

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6870 COMMUNITY COLLEGES

The Governor's initial budget proposes \$153.1 million for capital projects pursuant to Proposition 1A passed by the voters in November 1998. These funds will allow the community colleges to fund 45 previously approved projects and 48 new projects at 69 campuses across the state. The amount originally funded (\$153.1 million) was less than the \$209 million allocated to each segment. This discrepancy existed because the system did not have enough projects on-line at the time that their budget was developed. This amount has since been increased to \$165 million.

ISSUE 1: PROJECTS RECOMMENDED FOR CONSENT

District / College	Project	Phase	Amount
Systemwide	Planning & Studies		\$108,000
Antelope Valley CCD, Antelope Valley College	Business/Multi-Media Center	e	1,494,000
Butte CCD, Butte College	Allied Health & Public Services	pw	1,254,000
Cabrillo CCD, Cabrillo College	Horticulture Facilities Replacement	pw	131,000
Chabot-Las Positas CCD, Chabot College	Ceramics/Sculpture Building Reconstruction/Addition	pwc	848,000
Coast CCD, Orange Coast College	Seismic Retrofit - Library	pw	238,000
Contra Costa CCD, Diablo Valley College	Business Language Building	e	1,146,000
Contra Costa CCD, Diablo Valley College	Library Building Addition	e	781,000
Contra Costa CCD, Los Medanos College	Vocational Technology Addition	e	288,000
Desert CCD, College of the Desert	Math/Social Science Building	e	580,000
Feather River CCD, Feather River College	Physical Plant Foundation Reconstruction	pwc	310,000
Gavilan CCD, Gavilan College	Adaptive Physical Education	pw	214,000
Gavilan CCD, Gavilan College	Health Occupations Building	e	127,000
Grossmont-Cuyamaca CCD, Cuyamaca College	Remodel Vocational Technology Building N	pw	68,000
Kern CCD, Bakersfield College	Seismic Retrofit - Student Services/Library	pwc	1,576,000
Kern CCD, Eastern Sierra Center	Site Acquisition	a	146,000
Kern CCD, Eastern Sierra Center	Off/On Site Development	pw	329,000
Kern CCD, Eastern Sierra Center	Initial Buildings	pw	926,000
Lake Tahoe CCD, Lake Tahoe College	Phase II Facilities, South	pw	820,000
Los Angeles CCD, Los Angeles Harbor College	Fire Alarm Correction	pw	337,000

District / College	Project	Phase	Amount
Los Angeles CCD, Los Angeles Pierce College	Remodel for Efficiency	pw	\$326,000
Los Angeles CCD, Los Angeles Southwest College	Seismic Replacement - Student Services	pw	578,000
Los Angeles CCD, Los Angeles Valley College	Remodel for Efficiency	pw	142,000
Los Rios CCD, Folsom Lake Center	Instructional Facilities, Phase 1A	e	3,274,000
Marin CCD, College of Marin	Seismic Retrofit - Fine Arts	pwc	689,000
Palo Verde CCD, Palo Verde College	Phase 1 Facilities	e	2,641,000
Peralta CCD, Laney College	Concrete Deck/Protective Membrane Replacement	pw	418,000
Redwoods CCD, College of the Redwoods	Library & Media Services	e	1,066,000
San Diego CCD, San Diego City College	Learning Resource Center	e	2,763,000
San Diego CCD, San Diego City College	Indoor Gym/Physical Education	pw	952,000
San Joaquin Delta CCD, San Joaquin Delta College	Electron Microscopy Technology Center	pw	504,000
San Luis Obispo CCD, Cuesta College	Art/Music Laboratories Addition	e	624,000
San Luis Obispo CCD, Cuesta College	Learning Skills Center/Classroom Building	e	3,513,000
San Mateo County CCD, College of San Mateo	Seismic Upgrade, Phase I	pw	388,000
San Mateo County CCD, Skyline College	Center for Advanced Learning	pw	1,595,000
Santa Clarita CCD, College of Canyons	Performing Arts Center	pw	542,000
Sequoias CCD, College of the Sequoias	Music Building	e	404,000
Siskiyou Joint CCD, College of the Siskiyou	District-wide Distance Learning	pw	153,000
State Center CCD, Madera Center	On-site Development and Phase 1 Facilities	e	881,000
West Hills CCD, Kings County Center	Site Acquisition	a	170,000
West Hills CCD, Kings County Center	Off/On Site Development	pw	301,000
West Hills CCD, Kings County Center	Initial Buildings	pw	913,000
West Valley-Mission CCD, Mission College	Learning Resource Center	e	545,000
West Valley-Mission CCD, Mission College	Science and Technology Complex	pw	755,000
Yosemite CCD, Modesto Junior College	Sierra Instructional Hall	e	2,546,000

ISSUE 2: FINANCE LETTERS RECOMMENDED FOR CONSENT

District / College	Project	Phase	Amount
Antelope Valley CCD, Antelope Valley College	Technology Building		-\$25,000
San Bernardino CCD	Various Seismic Projects		-302,000
Compton CCD, Compton College	Various Projects		-4,163,000
System-wide	Child Development Center		Technical Change
System-wide	Ceramics/Sculpture Building Reconstruction/Addition		Technical Change
System-wide	Two Reappropriations		

ISSUE 3: LIBRARY PROJECTS

The Governor's 1999-00 Budget contains \$17.8 million for 12 library (learning resource center) projects. The LAO recommends the deletion of \$10.7 million, which is proposed to be dedicated for 11 new library (learning resource center) projects. The LAO raises no issue regarding the remaining \$7.1 million for the 12th project.

BACKGROUND:

The Governor's budget provides \$10.7 million for the following 11 Library projects:

District/College	Project	Phase	Amount
Barstow CCD, Barstow College	Library/LRC	Pw	\$511,000
Compton CCD, Compton College	Seismic Replacement/Expansion LRC	Pw	735,000
Grossmont-Cuyamaca CCD, Grossmont College	LRC Addition	Pw	1,029,000
Kern CCD, Cerro Coso College	Library/Media Center Addition	Pw	643,000
Mira Costa CCD, Mira Costa College	Learning & Information Hub	Pw	910,000
Monterey Peninsula CCD, Monterey Peninsula College	Library and Technology Center	Pw	1,363,000
San Jose-Evergreen CCD, San Jose City College	Library/Learning Resource Center	Pw	902,000
Southwestern CCD, Southwestern College	Learning Resource Center	Pw	1,743,000
Ventura County CCD, Moorpark College	Learning Resources & Telecommunications Center	Pw	871,000
Ventura County CCD, Ventura College	Learning Resource Center	Pw	1,640,000
Yosemite CCD, Columbia College	Learning Resources/Media Tech. Center	Pw	389,000

The LAO attests that, based on existing space standards for libraries and media-related functions and each district's current inventory of these types of space, all 11 districts can justify building additional space. The LAO recommends that these space deficiencies with the districts' existing facilities could be addressed at far less cost by constructing additions to the existing libraries.

The Community Colleges counter the LAO argument by claiming that they have looked into remodeling and expansion, but such options would not be cost effective.

ISSUE 4: KERN COUNTY CCD, BAKERSFIELD COLLEGE

The Governor's budget provides \$685,000 to repair deteriorated concrete in several campus buildings at Bakersfield College.

The LAO recommends the deletion of these funds because they claim that the repairs should be funded from operating funds rather than through the capital outlay program.

BACKGROUND:

The budget proposes \$685,000 for preliminary plans, working drawings, and construction to repair deteriorated concrete at the base of 20 campus buildings, most of which are over 40 years old. The district indicates that weathering, soil conditions, and the use of concrete below current standards have led to this deterioration over the years.

The LAO agrees that the campus has a problem that should be addressed, however, they do not believe that the costs should be paid for with general obligation bonds but rather from their annual operating budgets. They point out that the Governor's budget includes \$39 million in the community colleges' support budget for scheduled maintenance.

The Community Colleges counter this claim by asserting that they have spent considerable funds (\$500,000) over the past decade, but this problem is abnormal thereby requiring additional capital outlay funds.

ISSUE 5: WEST HILLS CCD, KINGS COUNTY CENTER

The Governor's budget provides \$301,000 to develop preliminary plans and working drawings for a off-campus center in Lemoore (Kings County).

The LAO recommends deletion of these funds, stating that scope of this project is unwarranted.

BACKGROUND

The 1999-00 Budget includes \$301,000 to develop preliminary plans and working drawings for utilities and site development related to the initial phase of a new off-campus center in Lemoore (Kings County). The estimated future construction cost is \$3.6 million.

The LAO essentially feels that the scope of the proposed work exceeds that which is necessary to serve the off-campus center. They stated in the analysis that they intend to hold discussions with the district on ways that the scope and cost of the site development can be reduced.

COMMENTS

As of April 26, 1999, the LAO is still withholding recommendation on this project.

ISSUE 6: WEST VALLEY-MISSION CCD, MISSION COLLEGE

The Governor's budget provides \$755,000 to prepare preliminary plans and working drawings for a 21,000 (asf) science building at Mission College.

The LAO recommends the deletion of these funds because they claim that such a building would not be necessary if the campus utilized year-round operation.

BACKGROUND

The budget proposes \$755,000 to prepare preliminary plans and working drawings for a 21,000 asf science building at Mission College. The project includes laboratories for chemistry, physics, engineering, and biology. The estimated future construction costs are \$8.8 million.

In their *Analysis of the 1999-00 Budget*, the LAO urged all segments of higher education to begin implementing year-round operation. The LAO claims that under this system, the segments could accommodate up to 33 percent more students in existing instructional space because campuses will be fully used in the summer.

The LAO attests that West Valley--Mission Community College would not need additional laboratory facilities if they were fully under year-round operation.

The Community Colleges counter that their system already offer instruction year round – averaging 317 days of instruction per year system wide. They further point out that West Valley--Mission Community College averages 355 days of instruction per year.

ISSUE 7: FINANCE LETTERS

On April 1, 1999 the Department of Finance Submitted a Finance letters relating to several new projects and altered projects.

District/College	Project	Phase	Amount
25 Campuses (1)	Child Development Centers (Cost adjustments) SEE LIST BELOW	W,c	\$856,000
Santa Monica CCD, Santa Monica College	Seismic Library Retrofit (Scope change to include expansion and technology)		8,739,000
Rio Hondo CCD, Rio Hondo College	Science Building	C	1,947,000
12 New Misc. Projects (2)	SEE LIST BELOW		6,512,000

(1) 25 Child Development Centers

District/College	Phase	Adjustment
Chaffey CCD, Chaffey College	wc	-438,000
Contra Costa CCD, Contra Costa College	wc	626,000
Contra Costa CCD, Los Medanos College	wc	970,000
Foothill-DeAnza CCD, DeAnza College	wc	-205,000
Fremont-Newark CCD, Ohlone College	wc	-1,012,000
Gavilan Joint CCD, Gavilan College	wc	974,000
Grossmont-Cuyamaca CCD, Cuyamaca College	wc	408,000
Kern CCD, Bakersfield College	wc	386,000
Lassen CCD, Lassen College	wc	565,000
Long Beach CCD, Long Beach City College-PCC	pw	4,000
Los Angeles CCD, West Los Angeles College	wc	-318,000
Los Rios CCD, American River College	wc	-577,000
Los Rios CCD, Consumes River College	wc	-248,000
Marin CCD, Marin Community College	wc	-80,000
Merced CCD, Merced College	wc	-225,000
Mira Costa CCD, Mira Costa College	wc	-28,000
Mt. San Jacinto CCD, Meniffee Valley Center	wc	-210,000
Mt. San Jacinto CCD, Mt. Jacinto College	wc	-127,000
Redwoods CCD, College of the Redwoods	wc	-202,000
San Bernardino CCD, San Bernardino Valley College	wc	-2,062,000
San Luis Obispo CCD, Cuesta College	wc	652,000
San Mateo County CCD, Canada College	pw	-39,000
Sierra CCD, Western Nevada County Center	wc	627,000
Victor Valley CCD, Victor Valley College	wc	426,000
West Valley-Mission CCD, Mission College	wc	765,000

(2) 12 New Misc. Projects

District/College	Project	Phase	Amount
Contra Costa CCD, Diablo Valley College	Life Sciences Renovation	p	\$195,000
Los Rios CCD, Folsom Lake Center	Instructional Facility, Phase IB	p	1,537,000
Mendocino-Lake CCD, Mendocino College	Science Building	p	243,000
Merced CCD, Merced College	Interdisciplinary Learning Center	p	276,000
Palomar CCD, Palomar College	High Technology Laboratory/Classroom Bldg.	p	942,000
Rancho Santiago CCD, Santiago Canyon	Learning Resource Center	p	278,000
Riverside CCD, Riverside College	Learning Resource Center	p	918,000
San Luis Obispo County CCD, Cuesta College	Library Addition/Renovation	p	472,000
Sequoias CCD, College of the Sequoias	Multi-Media Learning Resource Center	p	333,000
State Center CCD, Madera Center	Academic Facilities	p	541,000
Victor Valley CCD, Victor Valley College	Advanced Technology Building	p	575,000
Yuba CCD, Woodland Center	Science Building	p	202,000

COMMENTS:

Since these projects were recently received by the Legislature, the Department of Finance should outline the merits of the projects at the hearing.

ISSUE 8: LOS ANGELES CCD, MISSION COLLEGE

The Legislature is currently hearing legislation AB 8 (Cardenas), which would appropriate \$4.7 million for building and/or site development Los Angeles Mission College.

BACKGROUND:

The Legislature reappropriated these funds in the 1998-99 Budget allowing the college a designated time period to use these funds – which were initially appropriated earlier in the decade. Mission College was, however, unable to come to an agreement on a new project/site during the time allocated and the funds have expired once again.

Mission College asserts that this project is sorely need to expand a campus that currently encompasses 22 acres.

Mission College further claims that they are in negotiations with the County of Los Angeles regarding a potential 17 acres site – thus meriting another opportunity to use the funds.

6610 CALIFORNIA STATE UNIVERSITY

The Governor's budget proposes to invest \$209.8 million for CSU capital outlay expenditures pursuant to Proposition 1A passed by the voters in November 1998. This amount includes \$138.4 million for CSU to complete 11 previously approved projects at 9 campuses, \$58.4 million for 11 new projects at nine campuses, and \$12.7 million for minor projects. All of these projects place priority on seismic safety, fire/life safety, and vital infrastructure.

ISSUE 1: PROJECTS RECOMMENDED FOR CONSENT

Campus	Project	Phase	Amount
Systemwide	Minor Capital Outlay	p,w,c	12,726,000
San Diego	Science Laboratory Building	e	4,983,000
Sonoma	Library/Information Center	e	3,293,000
Chico	Education Classroom/Faculty Office Addition	w,c	12,993,000*
Fullerton	Physical Education Renovation/Addition	w,c	18,681,000*
Fullerton	Seismic Upgrade, Humanities	w,c	1,353,000*
Long Beach	Fire/Life Safety Infrastructure	c	3,879,000*
Northridge	Corporation Yard	c	6,142,000*
Pomona	Sewer Infrastructure	p,w,c	3,113,000*
San Francisco	Seismic Renovation Hensill Hall	c	18,555,000*
San Francisco	Psychology Bldg. Seismic Upgrade	p,w,c	5,175,000*
San Luis Obispo	Engineering & Architecture Renovation & Replacement Phase 1	p,w,c	10,371,000*
Stanislaus	Educational Services Building	w,c	24,409,000*
Dominguez Hills	Telecommunications Infrastructure	w	256,000
Long Beach	Telecommunications Infrastructure	w	422,000
Los Angeles	Telecommunications Infrastructure	w	350,000
Northridge	Telecommunications Infrastructure	w	220,000
Pomona	Telecommunications Infrastructure	w	231,000
San Bernardino	Telecommunications Infrastructure	w	278,000
Los Angeles	Physical Science Building	p	655,000
Long Beach	Fine Arts Building	e	395,000

* Projects that have altered dollar amounts from the January 10 budget due to a LAO/CSU compromise on cost escalation formulas.

ISSUE 2: FINANCE LETTERS RECOMMENDED FOR CONSENT

Campus	Project	Phase	Amount
CSU Sonoma	Salazar Building		-371,000 (shift in accounts)

ISSUE 3: CSU SONOMA, SALAZAR BUILDING

The 1999-00 Budget provides \$371,000 for preliminary plans to renovate the Salazar Library at CSU Sonoma.

The LAO recommend deletion of the funds because of the assertion that the project cost is too high and CSU should reevaluate the proposed use of the building.

BACKGROUND:

The budget includes funds (\$371,000) to renovate what is now the Salazar Library, which is being replaced by a new library currently under construction. This project will renovate the Salazar building to provide instructional space and offices for student services and administration. The estimated total project cost is \$15.3 million.

The LAO has concerns regarding the high cost of the project, the amount of new instructional space, and the plan to allocate space in the building for the Cotati Rohnert Park High School's use as a magnet technical high school.

CSU counters that these points on three levels:

- 1) The project costs is not too high, but within CSU guidelines for such a project,
- 2) The amount of new space to be added with this project is justified by a deficit in instructional space they would experience without this project, and
- 3) The space reserved for the magnet technical school helps with the mission of their Teacher Preparation program and strengthen their existing education programs for participating high school students.

ISSUE 4: CSU BAKERSFIELD, CLASSROOM/OFFICE BUILDING

The Governor's budget provides \$8.7 million for preliminary plans, working drawings, and construction of a classroom/office building at CSU Bakersfield.

The LAO recommends deletion of these funds because of the assertion that this project would not be need if the campus better utilized year-round operations.

BACKGROUND:

The project at CSU Bakersfield would increase the instructional capacity of the Bakersfield campus by 967 FTE. The campus' current capacity (4,552 FTE) is only slightly above its current enrollment (4,335 FTE).

CSU counters the LAO by claiming that 1) when the campus fully implements year-round operation, there will still be need for this project and 2) there are existing instructional support space deficiencies on the campus meriting this new building.

ISSUE 5: SAN JOSE, JOINT LIBRARY

The Governor's 1999-00 Budget provides \$70 million for a proposed CSU San Jose and City of San Jose Joint Use Library.

The LAO recommends deletion of these funds, based on their claim that the campus has a sufficient amount of library space and because of questions that need to be addressed concerning ownership and operations of a library that will be owned as tenants-in-common with the city of San Jose.

BACKGROUND:

The 1999-00 Budget proposes \$70 million for working drawings and construction of a library to be jointly developed, owned, and operated by the state and the Redevelopment Agency of the City of San Jose. The city and San Jose State University have signed a memorandum of understanding (MOU) for this project that, among other things, provides that the state will budget up to \$101 million for the project and the city will contribute \$70 million. According to CSU, the commitment of \$101 million consists of: the \$70 million in the budget; \$16 million in additional higher education bond funds, of which \$8 million is for equipment and \$8 million is for an undesignated purpose; \$5 million from the campus support budget for an undesignated purpose; and \$10 million in donor funds. In addition, the CSU estimates that another \$11.5 million will be required to alter one of the existing campus libraries upon completion of the new library. Thus, the estimated total state cost for this project is \$102.5 million.

The LAO principal objections are as follows:

- 1) The campus does not need a new library since they currently have nearly 200,000 asf of library space in two separate facilities which is designed to accommodate a campus of 20,000 FTE students.
- 2) The project's total cost of \$91 million will not provide much benefit, with the campus only receiving a net increase of 28,000 asf in library space.
- 3) Such a project would create many ownership problems between the city and the state.

The CSU counters the LAO by asserting:

- 1) The campus does need additional library space to accommodate the out-year enrollment projections of 25,000 FTE.
- 2) The total joint project, providing 374,000 gsf, will save the state money with the city of San Jose as a partner. CSU claims a savings of \$16 million.
- 3) They assert that the MOU concerns are unwarranted because of the considerable time and effort put into drafting an agreement that adequately protects the CSU and the State.

ISSUE 6: FINANCE LETTERS

On April 1, 1999 the Department of Finance Submitted Finance letters relating to the following new projects and altered projects.

Campus	Project	Phase	Amount
CSU Humbolt	Behavioral and Social Sciences Phase 1	W,c	\$21,187,000
CSU Sonoma	Salazar Building	W,c	13,321,000
San Diego State	Chemistry-Geology, Business, Administration, Math Building Renovations	P,w,c	19,535,000

COMMENTS:

Since these projects were recently received by the Legislature, the Department of Finance should outline the merits of the projects at the hearing.

6440 UNIVERSITY OF CALIFORNIA

The Governor's budget proposes to invest \$209.8 million for UC Capital outlay expenditures, pursuant to Proposition 1A, passed by the voters last November 1998. This amount includes \$47 million to allow UC to complete five previous projects at five campuses and \$162.8 million for 16 new projects at eight campuses. All of these projects place priority on seismic safety, fire/life safety, and vital infrastructure.

ISSUE 1: PROJECTS RECOMMENDED FOR CONSENT

Campus	Project	Phase	Amount
Davis	Chemistry Annex Alterations	P, w	\$238,000
Davis	Life Sciences Alterations, Phase 1	P, w	411,000
Davis	Electrical Improvements, Phase 2B	P, w	486,000
Riverside	Humanities-Olmsted Hall Seismic Upgrade and Renovation	W	448,000
San Diego	Galbraith Hall Renovations	E	714,000
San Diego	Central Plant Equip. Improvements 3	P	198,000
Santa Barbara	Sewer System Renewal	P, w	585,000
Irvine	Environ. Health & Safety Services Bldg.	E	589,000
Irvine	Arts Renovation & Seismic Improvement, Phase 2	P	185,000
Davis	Chilled Water System Improvements IV	C	6,788,000
Los Angeles	Health Sciences Seismic Replacement Bldg 1	C	21,693,000
Los Angeles	Health Sciences Seismic Replacement Bldg. 2	P,w	2,630,000
Riverside	Entomology Buildings Seismic Replacement	C	22,514,000
Riverside	Pierce Hall Seismic Upgrade	C	1,570,000
San Diego	Natural Sciences Building	P,w,c	53,157,000
Santa Cruz	Physical Sciences Building	W,c	45,682,000
Irvine	Physical Sciences Research Facility Seismic Improvements	P,w	49,000

ISSUE 2: FINANCE LETTERS RECOMMENDED FOR CONSENT

Campus	Project	Phase	Amount
Berkeley	LeConte Hall	P, w	\$1,088,000
University-wide	Regional Library	P	800,000
Davis	Life Sciences Building	P, w	Decrease of (55,000) & future costs of 3,728,000
UC Davis	Alternative Pest Control Quarantine and Containment Facility	C	6,402,000

ISSUE 3: UC SANTA BARBARA & UC IRVINE

The 1999-00 budget includes a total of \$47,914,000 for construction of a new natural science building on the Irvine campus (\$46,688,000) and design of a new engineering building on the Santa Barbara campus (\$1,226,000).

The LAO recommends that the Legislature delete a total of \$48 million for two projects - one on the Irvine campus and one on the Santa Barbara campus -- because (1) there is a sufficient amount of research space on each campus and (2) the instructional space is not needed either at the current time or under year-round operation.

BACKGROUND:

The LAO substantiates their claim as follows:

“Existing Amount of Research Space Is Adequate. Our analysis of the space information provided by UC indicates that these two campuses currently have a sufficient amount of research space. The UC Irvine currently has 748,000 asf of research space compared to 586,000 asf "needed" based on actual 1998-99 enrollment and faculty, a difference of 162,000 asf. The UC Santa Barbara has 781,000 asf compared to 668,000 asf "needed," a difference of 113,000 asf. Based on projected enrollments, this amount of space at each campus should be sufficient to accommodate students and faculty well into the next decade. The UC should consider altering existing space if necessary to address changes in research activities. Based on the amount of existing research space at these campuses, however, the proposed new buildings are not needed.”

“More Instructional Space Not Needed. Based on UC space information, the Irvine and Santa Barbara campuses have sufficient instructional space to accommodate an additional 1,100 full-time equivalent (FTE) students and 1,900 FTE students, respectively, above current enrollments.”

The UC counter the LAO by asserting 1) the two projects are based on existing CPEC guidelines that outline research projects such as these and 2) the projects are justified by projected enrollment growth figures of 3,000 to 5,000 FTE students per campus over the next 10 years.

ISSUE 4: UC BERKELEY

The 1999-00 budget includes \$2 million for preliminary plans and working drawings for a "Seismic Replacement Building 1" at UC Berkeley.

The LAO recommends the Legislature delete the \$2 million requested for the design of "Seismic Replacement Building 1" at the Berkeley campus because it would be less costly to repair existing buildings than to construct the proposed building.

BACKGROUND:

The \$2 million in the budget for preliminary plans and working drawings for "Seismic Replacement Building 1" at UC Berkeley would produce 44,000 asf of academic space. The estimated total project cost for this building is \$17.5 million--nearly \$400 per asf. The UC justified this building on the basis that it is needed to replace two buildings--2223 Fulton and Warren Hall tower--because each is considered a significant seismic risk to life (Level V on the Department of General Services' [DGS'] rating scale).

The LAO asserts that UC has not, however, completed the evaluation of all of its buildings using the DGS' seismic risk assessment methodology. Thus, it is not clear that the Fulton and Warren buildings are the most critically deficient on the campus, or if there are others that should be accorded a higher priority for funding.

The LAO also attests that it would be substantially less expensive to strengthen existing building rather than pursuing replacement.

The UC counters that they have looked into retrofitting rather than construction, but such an option would be cost inefficient.

ISSUE 5: FINANCE LETTERS

On April 1, 1999 the Department of Finance Submitted Finance letters relating to the following new projects and altered projects.

Campus	Project	Phase	Amount
UC San Francisco	Parnassus Services Seismic Replacement Building	W,c	\$1,414,000
UC Berkeley	Two seismic projects (FEMA Match and Broida Hall Seismic)	C	6,035,000
System-wide	General capital outlay guidelines and timelines		Language only

COMMENTS:

Since these projects were recently received by the Legislature, the Department of Finance should outline the merits of the projects at the hearing.

ISSUE 6: UC MERCED (INFORMATIONAL ITEM)

The Governor's budget does not provide any capital outlay funds for the 10th UC campus in Merced. However, the recently approved school bond (Proposition 1A) contained roughly \$55 million for the Merced campus – to be appropriated anytime over the next four budget years.

This agenda item is designed to allow the UC to outline the capital outlay timeline and plans for the 10th UC campus in Merced.

BACKGROUND:

The UC Merced campus is scheduled to open doors in 2005 enrolling 1,000 students. They have estimated that enrollment should reach 5,000 by 2010.

The UC estimates that it will need \$250 million in capital outlay funds for the 10th campus by 2005. However, UC has indicated that they will not dedicate funds for this campus until the 2000-01 budget (at the earliest).

The 1999-00 Budget includes \$9.9 million in support funding for the 10th UC campus. Funding provided in the budget act is being used to continue the development of academic programs; site planning including development of the campus Long Range Development Plan and associated environmental analyses; support for initial campus staff and faculty; and other one-time program development costs.

The 1998-99 Budget additionally contained \$1.5 million in one-time funds to establish distributed learning centers at the Merced Tri-College Center, in Modesto, and in Bakersfield. These centers will be used for both on-site and distance learning instruction.

COMMENTS:

On March 17, 1999, the Subcommittee placed \$1 million on the checklist for a potential building in downtown Merced. This site would be a "housing location" for UC to begin establishing a presence in the Central Valley and to provide space for staff and administration. The UC should update the Subcommittee on the status of this request.