

AGENDA

ASSEMBLY BUDGET SUBCOMMITTEE NO. 2 ON EDUCATION FINANCE

Assembly Member Susan A. Bonilla, Chair

WEDNESDAY, MAY 4, 2011
STATE CAPITOL – ROOM 126
4:00 PM

2011-12 GOVERNOR'S BUDGET PROPOSALS PRESENTATION FROM OFFICIALS OF THE EDUCATION SYSTEMS

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ISSUE 1: UPDATE ON IMPLEMENTATION OF REDUCTIONS FOR THE HIGHER EDUCATION SYSTEMS

This informational item provides context to the Subcommittee on the history and current funding decisions being reviewed by the three public higher education segments for fiscal year 2011-12.

PANELISTS

- Patrick Lenz, University of California
- Robert Turnage, California State University
- Dan Troy, California Community Colleges
- Steve Boilard, Legislative Analyst's Office

BACKGROUND

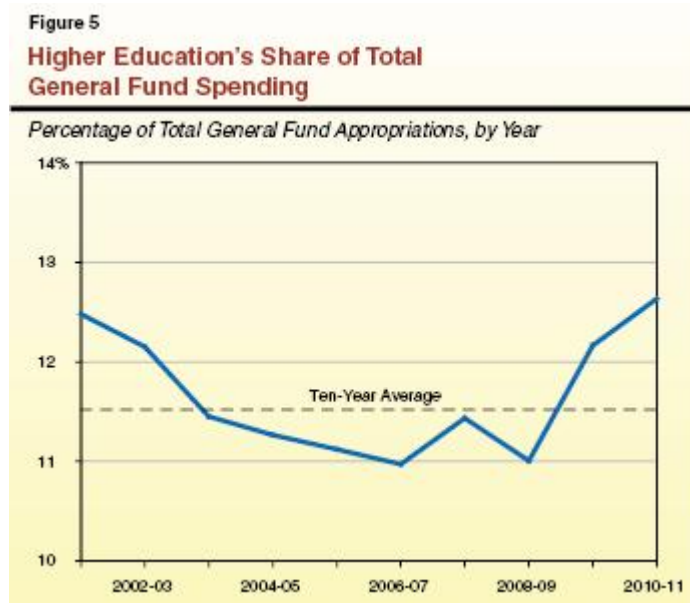
The 2011-12 budget passed by the Legislature includes:

- \$500 million unallocated reduction to the University of California and California State University. Both systems will provide a report to the Legislature on June 1, 2011 on how they met the funding reductions while minimizing impact on students.
- \$400 million unallocated reduction to the California Community Colleges. The Chancellor's Office will provide the Legislature with a report on the implementation of this provision.
- \$129 million deferral of the Community Colleges apportionment funding from 2011-12 to 2012-13.
- \$124 million in Cal Grant reductions, achieved primarily by extending certain eligibility requirements so they now apply to renewals.
- \$10 per unit student fee increase from \$26/unit to \$36 per unit. This will generate the community colleges \$110 million in fee revenue to mitigate reductions.

RECENT FUNDING HISTORY

While most state agencies have experienced significant budget dislocations in the past several years, General Fund support for higher education has been particularly volatile. Recent state higher education budgets have included retroactive funding reductions, midyear budget changes, and partial restorations of past cuts.

As shown in the figure below, higher education's share of total state General Fund support has fluctuated year by year. While there is no policy reason to expect higher education's share of the state budget to remain fixed, the fluctuations appear disconnected from tuition increases, enrollment levels, and other factors that one might expect to influence higher education's need for General Fund support. (Note that the Governor's 2011–12 budget proposal would reduce higher education's share to 11.6 percent, which is the average of the past ten years.)



Campuses Contending With Funding Constraints. As a result of this General Fund volatility, the higher education segments in some years have had to tap into funding reserves and take actions to reduce per-student costs—increasing class size, furloughing employees, and reducing various campus services and overhead, among others. Moreover, the universities in particular have sought to limit enrollment, employing various enrollment management practices such as increasing admission standards, restricting the number of courses students can take, suspending summer sessions, and other techniques. Some campuses have also boosted revenues by enrolling more nonresident students. The lack of inflationary adjustments has generally prevented faculty and staff salary and benefits increases.

Students Paying Higher Share of Costs. Tuition represents a growing share of average educational costs at all three segments. In 2007-08, the full tuition charge represented about one-third of average costs at UC, one-quarter at CSU, and 11 percent at CCC. This year the tuition share of cost is 45 percent, 35 percent, and 15 percent, respectively.

Since 2007-08, the University of California has increased tuition by 68 percent. Undergraduate tuition is now \$10,302, and for academic year 2011-12, it will be \$11,124. The four-year increase in California State University tuition is even greater, at 76 percent. Undergraduate tuition is now \$4,440, and for academic year 2011-12, it will be \$4,884.

As for the California Community Colleges, fees were increased from \$20 per unit (\$600 per year for a student taking a full course load) to \$26 per unit (\$780 per year) in 2009-10. For academic year 2011-12, the student fee will go up by \$10 per unit to \$36 per unit (\$1,080 per year). At this level, CCC's continue to remain by far the lowest in the nation. The Board of Governor's fee waiver programs protect about half of all FTE students.

ITEMS TO BE HEARD

6440 UNIVERSITY OF CALIFORNIA
6610 CALIFORNIA STATE UNIVERSITY
6870 CALIFORNIA COMMUNITY COLLEGES

ISSUE 1: HIGHER EDUCATION CAPITAL OUTLAY FINANCING

The issue before the Subcommittee is informational only, to provide context of the higher education capital outlay project funding.

PANELISTS

- Steve Boilard, Legislative Analyst's Office

TYPES OF STATE BONDS

The state traditionally has sold two main types of bonds. These are:

General Fund-Supported Bonds. These are paid off from the state's General Fund, which is largely supported by tax revenues. These bonds take two forms:

- The majority are *general obligation (GO) bonds*. These must be approved by the voters and their repayment is guaranteed by the state's general taxing power. Most of these are directly paid for by the General Fund, although there are some that are paid off from designated revenue streams like mortgage or water contract payments and for which the General Fund only provides back-up security. Although their debt service on Deficit Reduction Bonds (authorized by Proposition 57 in 2004) is paid by an earmarked one-quarter cent local sales tax, the General Fund ends up paying this amount through its increased share of Proposition 98 educational funding.
- The second type is *lease-revenue bonds*, which are authorized by the Legislature. These are paid off from lease payments (primarily financed by the General Fund) by state agencies using the facilities they finance. (Historically, most of these bonds have been used to finance higher education facilities, prisons, and state office building.) These bonds do not require voter approval and are not guaranteed. As a result, they have somewhat higher interest costs than GO bonds.

Traditional Revenue Bonds. These also finance capital infrastructure projects, but are not supported by the General Fund. Rather, they are paid off from a designated revenue stream—usually generated by the projects they finance—such as bridge tolls, parking garage fees, or water contract payments. These bonds normally do not require voter approval.

Restrictions of Lease-Revenue Bond. Due to requirements for selling the bonds, lease-revenue bonds are limited to funding new buildings, replacement buildings, additions, or significant renovations. Many of the segments' top priorities—such as seismic upgrades, minor renovations of older buildings, campus infrastructure, capital renewal (upgrades to building systems), and minor capital outlay—cannot be funded with lease-revenue bonds. Older buildings and outdated infrastructure typically represent the greatest safety risks on campuses. Lease-revenue bonds can be used to demolish and replace older buildings, but cannot be used for minor renovations of the existing structures, which is often more cost efficient. Capital renewal and minor capital outlay are also cost efficient because they maintain existing buildings, extending their useful life.

MAJOR CAPITAL OUTLAY PROJECTS FUNDED IN PHASES

Capital outlay projects generally consist of three major phases: (1) preliminary plans; (2) working drawings; and, (3) construction. In the past, it was common practice for the Legislature to appropriate funds for preliminary plans in one budget act (with accompanying supplemental report language specifying the project's scope and future costs) and then—after reviewing completed preliminary plans—appropriate funds in the subsequent budget act for the remaining project phases.

Why Preliminary Plans Are Important. Preliminary plans contain important information for the Legislature in overseeing projects. Specifically, these plans include a detailed project scope description (exactly what will be built and why), a site plan, architectural floor plans, building elevations, outline specifications, and a detailed cost estimate. Preliminary plans are the initial design documents that are used to prepare the construction documents. Without completed preliminary plans, any project cost estimate presented in the Governor's budget is merely a "best guess" estimate concerning the final scope and cost of a project.

2011-12 CAPITAL OUTLAY PROJECTS

As shown in the figure below, the Governor proposes \$307 million in bond spending on capital outlay at the three segments. About two-thirds of this spending would come from new lease-revenue bonds, with the remainder coming from general obligation bonds already approved by voters. The budget also projects \$756 million in General Fund expenditures in 2011–12 to service existing general obligation fund debt for higher education projects.

The reason the Governor's budget proposes to fully fund all phases of the projects is due to their use of lease-revenue bonds. The Attorney General's Office concluded that the state cannot issue lease-revenue bonds until the Legislature has appropriated the *total* amount of the lease-revenue bonds to be issued for a project. Consequently, in the case of those projects that are fully financed with lease-revenue bonds, the budget act appropriation must include all project phases.

Higher Education Capital Outlay Appropriations
(In Millions)

	2007-08	2008-09	2009-10	2010-11	Proposed 2011-12
University of California					
General obligation bonds	\$450.0	\$57.0	\$30.9	\$9.8	\$9.3
Lease-revenue bonds	70.0	205.0	—	342.9	45.3
Subtotals	(\$520.0)	(\$262.0)	(\$30.9)	(\$352.7)	(\$54.6)
California State University					
General obligation bonds	\$417.0	\$72.0	\$16.1	\$13.4	\$2.8
Lease-revenue bonds	—	224.0	—	76.0	201.2
Subtotals	(\$417.0)	(\$296.0)	(\$16.1)	(\$89.4)	(\$204.0)
California Community Colleges					
	\$536.0	\$444.0	\$205.0	\$111.0	\$48.6
Totals	\$1,473.0	\$1,002.0	\$252.0	\$553.1	\$307.2

The Legislature approved in SB 69 (The Budget Conference Report) five General Obligation Bond projects that funded the equipment phase. The chart below lists the approved projects. Such a limited proposal reflects the fact that all three segments have essentially exhausted their general obligation bond balances. As shown in figure above, the lack of new general obligation bond funds has considerably slowed the amount of spending on higher education capital outlay projects in recent years.

In 2010, AB 220 (Brownley) and SB 271 (Ducheny) were introduced to authorize General Obligation Bond for the construction and modernization of public education facilities, which would have been subject to approval of voters in the November 2010 ballot. Both legislative bills were held in suspense in the Senate Appropriations Committee last fall.

Segment	Campus	Project	Project Phase	2011-12 Cost (000)	Full Project Cost (000)	Funding Type
UC	Merced	Social Sciences and Management Building	E	\$ 3,908	\$ 49,530	Bond Funds
UC	San Diego	Structural and Materials Engineering Building	E	\$ 917	\$ 82,523	Bond Funds
UC	Santa Cruz	Biomedical Sciences Facility	E	\$ 2,220	\$ 78,080	Bond Funds
UC	Irvine	Humanities Building	E	\$ 2,267	\$ 37,993	Bond Funds
CSU	San Francisco	Joint Library - J. Paul Leonard Library and Sutro Library	E	\$ 2,799	\$ 109,931	Bond Funds

6870 CALIFORNIA COMMUNITY COLLEGES

The issue before the Subcommittee is the Governor's capital outlay projects funded with general obligation bond funds for the California Community Colleges for 2011-12 fiscal year.

CCC Capital Outlay 2011-12

Segment	Campus	Project	Project Phase	2011-12 Cost (000)	Full Project Cost (000)	Funding Type
CCC	Santa Clarita	College of the Canyons, Administration and Student Services Building	CE	\$ 6,855	\$ 14,007	Bond Funds
CCC	San Francisco	City College of San Francisco, Performing Arts Complex	CE	\$ 38,274	\$ 151,212	Bond Funds
CCC	Coast	Orange Coast College, Music Building Modernization	C	\$ 3,489	\$ 8,008	Bond Funds
TOTAL				\$ 48,618	\$ 173,227	

PANELISTS

- Stan Hiuga, Department of Finance
- Steve Boilard, Legislative Analyst's Office
- Dan Troy, California Community Colleges

ISSUE 1: CCC COAST COMMUNITY COLLEGE DISTRICT, ORANGE COAST COLLEGE – MUSIC BUILDINGS MODERNIZATION

Summary of Proposal: The project consists of the modernization of two Music Program buildings. Music Building #3, 4,250 assignable square feet (ASF), was constructed in 1975, and Music Building #4, 7,583 ASF was constructed in 1954. The total renovation of space will create 11,886 ASF. The old buildings have physical limitations, seismic deficiencies; have inadequate electrical and telecommunications systems; do not meet ADA or Field Act standards. They are also not configured to effectively meet the instructional delivery needs of a contemporary Music Program.

The modernization of the two buildings will provide 8,700 ASF of Music Lab space, 752 ASF of Office space, 726 ASF of Tutorial space, and 1,708 ASF of Other Music Demonstration space.

Because these buildings are central and integral to the academic zone for the arts, the College has a strong desire to retain these facilities, to modernize them, and to provide, in the process, teaching facilities that will adequately support the Music Education Program into the future.

To achieve this objective, extensive renovation will be required. This will include seismic upgrades to make the building current with the Administrative Code/Field Act. The buildings will also need to meet the current code for fire safety, including the addition of fire alarm/suppression systems and improving the points of ingress and egress. To make this facility available and suitable for reuse as an academic space, interior portions of the building will require reconfiguration.

Funding Request: The request is for \$3,489,000 from the 2006 California Community College Capital Outlay Bond Fund for the construction phase of the Orange Coast College Music Buildings modernization. The total project cost is \$8 million, including future equipment cost of \$345,000.

ISSUE 2: CCC SANTA CLARITA COMMUNITY COLLEGE DISTRICT, COLLEGE OF THE CANYONS – ADMINISTRATION/STUDENT SERVICES BUILDING

Summary of Proposal: The project provides for the construction and equipment funds for a 20,544 assignable square feet (ASF) administration/student services building. Space types in the facility include 1,130 ASF laboratory space, 13,825 ASF office and administrative support space, and 5,589 ASF other space. The project also includes the demolition of the existing Colleges Services Building, which is under-sized and outmoded. The project will consolidate student services and administrative functions that are now scattered throughout the campus.

The existing College Services Building, designed to service 6,000 students, is undersized to serve the actual student population of more than 14,000 students and does not provide the technological amenities needed for delivery of effective student services. According to the District's 2007 Long Range Enrollment and WSCH Forecast, enrollment is expected to increase by over 40,000, an 18 percent increase.

A secondary objective of this project is to provide adequate facilities for the surge of registration activities that occur on campus. The breezeway entrance between the wings of the existing college services building becomes very cramped during registration. With the continued student growth rate, this condition will only get worse. The core of the proposed building is designed to handle a large flow of students.

The project will also construct a pedestrian bridge that will bisect the new building. It will provide a direct circulation link to the existing library, which is built on a hill above the proposed project. This link will also give direct access to the library for persons with physical disabilities. Currently, wheelchair access from the existing student services building to the library is through another building and indirect.

Funding Request: The request is for \$6,855,000 from the 2006 California Community College Capital Outlay Bond Fund for construction and equipment phases of the college of the Canyons Administrative/Student Services Building.

ISSUE 3: SAN FRANCISCO CCC, CITY COLLEGE OF SAN FRANCISCO – PERFORMING ARTS COMPLEX

Summary of Proposal: This project provides for the construction and equipment funds for a 59,354 assignable square feet (ASF) performing arts instructional facility consisting of 2,058 ASF lecture; 21,382 ASF laboratory; 3,204 AFS office; 2,212 ASF library; and 30,498 other space. City College's performing arts and music programs are currently housed in areas that are sub-standard and overcrowded. This facility will contain state of the art technology and other specialty rooms to enhance delivery of the theater arts and music programs.

The project is submitted as a replacement for two previous projects, the Classroom/Lab Arts Complex, authorized in 2006 and the Performing Arts Center, authorized in the 2007. Both projects were terminated in 2007 by the Public Works Board because the scope was not attainable within the authorized budget. Both projects were terminated in November 2007 with the understanding that a new Capital Outlay Budget Change Proposal would be submitted in 2009-10 for approval by the Department of Finance and the Legislature.

At district expense, the district continued with the redesign and now most of the functions included in the previous two projects are now contained in this replacement project. The impetus and motivation for the district in continuing with the design of the project was due to a major building code change effective January 1, 2008. The Division of the State Architect (DSA) mandated that any project received after January 1, 2008 would need to adhere to the new building code. This would have caused a significant delay to the project and major changes to the design already completed under the old building code. The district completed the design under the old building code and submitted the plans to DSA on December 14, 2007.

Each semester about 5,000 students take courses from the performing arts and music programs in the existing space designed for use by 1,000 students.

Funding Request: The request is for \$38,274,000 from the 2006 California Community College Capital Outlay Bond Fund for construction and equipment phases of the City College of San Francisco Performing Arts Complex. The total project cost is \$151.2 million, of which \$101.9 million is from private funding.

6440 UNIVERSITY OF CALIFORNIA

The issues before the Subcommittee is the Governor's capital outlay projects funded with lease-revenue bond funds for the University of California for 2011-12 fiscal year.

Campus	Project	Project Phase	2011-12 Cost (000)	Full Project Cost (000)	Funding Type
San Diego	SIO Research Support Facilities	C	\$ 5,735	\$ 6,348	Lease-revenue
Irvine	Business Unit 2	PWC	\$ 39,595	\$ 48,371	Lease-revenue
TOTAL			\$ 45,330	\$ 54,719	

PANELISTS

- Stan Hiuga, Department of Finance
- Steve Boilard, Legislative Analyst's Office
- Patrick Lenz, University of California

ISSUE 1: UC SAN DIEGO – SIO RESEARCH SUPPORT FACILITIES

Summary of Proposal: This project will provide approximately 21,300 square feet of replacement research space for the Scripps Institution of Oceanography (SIO). This project will replace currently deficient space by constructing new interior research space and new exterior research support areas. The project also includes improvements to the existing access road. State funding for preliminary plans and working drawings were appropriated in 2010-11. State funding for construction is requested in 2011-12.

The SIO is a part of the UC San Diego campus. The SIO is one of the world's leading centers for ocean and earth science research, education, and public services. Research at SIO encompasses physical, chemical, biological, geological, and geophysical studies of the oceans and earth. The SIO operates a fleet of four ships for oceanographic research.

Funding Request: The request is for \$5,735,000 in lease-revenue bond funds for the construction phase of the project. The preliminary plans and working drawings have already been funded. The total project cost is \$6,348,000.

ISSUE 2: UC IRVINE – BUSINESS UNIT 2

Summary of Proposal: This project will provide approximately 31,950 square feet in a new approximately 47,000 square feet building to address existing space deficiencies in the Paul Merage School of Business. The building will include instruction, research, and office space. State funding for preliminary plans, working drawings, and construction is requested in 2011-12.

The total funding need for the completion of the three phases is \$48,371,000, of which \$39,595,000 consists of State lease revenue bond support.

Even with enrollment growth for the campus as a whole curtailed, growth in the School of Business is expected to continue, due in large part to the addition of the undergraduate majors. The Business Administration has been among the most requested majors on campus, consistently attracting approximately 10 percent of the freshman applicant pool and 15 percent of the transfer student application pool.

At the graduate level, State-funded enrollments tend to fluctuate from year to year, but the goal is to achieve a steady state of approximately 330 students.

In order to accommodate the increased enrollment, additional faculty will be required. A total of 17 additional faculties are projected, 16 of which would be State-funded. The campus would provide these additional faculties largely through reallocation of positions as existing faculty retire or leave the campus.

The campus is proposing that the Business Unit 2 building be provided through a combination of State and non-State funding.

Funding Request: The request is for \$39,595,000 in lease-revenue bond funds for the preliminary plans, working drawings, and construction phases of the project. The total project cost is anticipated to be \$48,371,000.

6610 CALIFORNIA STATE UNIVERSITY

The issues before the Subcommittee is the Governor's capital outlay projects funded with lease-revenue bond funds for the California State University for 2011-12 fiscal year.

Campus	Project	Project Phase	2011-12 Cost (000)	Full Project Cost (000)	Funding Type
San Jose	Spartan Complex Renovation (Seismic)	C	\$ 51,479	\$ 55,990	Lease-revenue
Chico	Taylor II Replacement Building	C	\$ 52,891	\$ 58,272	Lease-revenue
East Bay	Warren Hall Replacement Building	PWC	\$ 48,975	\$ 49,975	Lease-revenue
Channel Islands	West Hall	C	\$ 38,021	\$ 42,184	Lease-revenue
Fresno	Faculty Office/Lab Building	C	\$ 9,819	\$ 10,737	Lease-revenue
Total			\$ 201,185	\$ 217,158	

PANELISTS

- Stan Hiuga, Department of Finance
- Steve Boilard, Legislative Analyst's Office
- Robert Turnage, California State University

ISSUE 1: CSU SAN JOSE – SPARTAN COMPLEX RENOVATION

Summary of Proposal: This project will retrofit the Spartan Complex, including the Uchida Hall/Natatorium (#45), Uchida Hall Annex (#45A), Spartan Complex East (#46), and Spartan Complex Central (#47) which is classified with a seismic Level 5 rating. This project will meet the current seismic, ADA and life safety code requirements, as well as replacing the building systems. Conversion of the dysfunctional natatorium into a two-level facility will provide a judo activity laboratory and the lower level for lecture, locker rooms and graduate research space for a net increase of 62 Full-Time Equivalent (20 FTE in lecture space, 59 FTE in LD laboratory space, -17 FTE in UD laboratory space), and a gain of 8 faculty offices. An addition of 6,195 ASF/8,850 GFT was added to accommodate the elevator and the bridge to faculty offices to address ADA. The future cost for equipment is \$1,271,000.

This project would modernize the five buildings within the Spartan Complex, at a total of 166,650 GSF including a 6,195 ASF/8,850 GSF addition. Three of the buildings (Uchida Hall, Spartan Complex East, and Spartan Complex Central) are qualified to be contributors to a potential California Register Historic District, and this proposal would renovate these facilities to meet the guidelines recommended by the Secretary of the Interior's Standards for Preservation Planning and Developing Historic Contexts.

Funding Request: The request is for \$51,479,000 in lease-revenue bond funds for the construction phase of the San Jose Spartan Complex Renovation. The total project cost is \$55.99 million, which includes future equipment cost of \$1.27 million.

ISSUE 2: CSU CHICO – TAYLOR II REPLACEMENT BUILDING

Summary of Proposal: This project proposes to demolish the 42-year old Alva P. Taylor Hall, a 33,10 GSF building (#101) and construct the new 62,000 ASF/91,000 GSF Taylor II Replacement Building (31010) to accommodate the College of Humanities and Fine Arts. The new facility will be a three and four-story structure that will effectively use the land mass available for this building and meet the current and future instructional and public event needs of the University. Taylor II will accommodate 1,223 FTE in lecture space, 103 FTE in LD laboratory space, 30 FTE in UC laboratory space, and 100 faculty offices including two replacement department suites (Faculty Administration), and 1 replacement Dean's suite (Academic Administration). The plan for this new facility includes a new recital hall/dance/recording arts facility, replacement art galleries, and graduate research studios and offices. The future cost for equipment is \$2,581,000.

The College of Humanities and Fine Arts (HFA) is the largest college at the university, with approximately 20 percent of the total FTES. The existing Taylor Hall building is not large enough to house their instructional classrooms and faculty office needs for the departments now housed there. Much of the College of Humanities and Fine Arts entitled space is located in distant, interim facilities, off-campus rental spaces, and other interim classified space spread throughout campus. Taylor II will allow HFA to be consolidated in one physical area with modern state of the art laboratories and facilities, improving the efficiency of their operations, and integration of their programs, students, and faculty.

Funding Request: The request is for \$52,891,000 in lease-revenue bond funds for the construction phase of the Taylor II Replacement Building project. The total project cost is \$58,272,000, which includes future equipment cost of \$2.58 million.

ISSUE 3: CSU EAST BAY – WARREN HALL REPLACEMENT BUILDING

Summary of Proposal: This project will demolish the E. Guy Warren Hall Building (#13), which carries the highest level of seismic risk (DSA Level 6) in the CSU system and construct a new replacement office building adjacent to the Warren Hall site. The project will deconstruct twelve total floors in Warren Hall (77,596 ASF/114,000 GSF) and a two-story bridge element that spans over West Loop Road and connects to the Library Building (#12). The total area to be demolished is 84,800 ASF/141,500 GSF. The replacement facility will provide 113 administrative and faculty offices in a 40,000 ASF/67,000 GSF building.

The project will also relocate the basement level telecommunications switch to the recently completed Student Services Replacement Building (SSRB). The completed SSRB also provides space to relocate the functions now housed in the top section of Warren Hall; the proposed replacement building will accommodate offices in the lower portion of Warren Hall and in existing temporary modular buildings.

Warren Hall (#13) has structural deficiencies identified by the CSU Seismic Review Board that could result in the loss of life if the nearby Hayward Fault should rupture in a seismic event. State geological experts consider this fault to be one of the most likely in California to have a Richter magnitude 7 or greater earthquake. Such an event could result in a total building failure, endangering the building population of 900-1,200 people on a typical day. The CSU Seismic Review Board reviewed all buildings in the CSU system and prioritized Warren Hall as the highest priority seismic concern. Warren Hall presently contains a mixture of academic and administrative functions distributed on the twelve occupied floors. The building also houses the campus computer center and the switchgear for the campus Main Point of Entry (MPOE) for communications, including network services, voice communications, and video.

Funding Request: The request is for \$48,975,000 in lease revenue bond funds for the preliminary plans, working drawings, and construction phases of the Warren Hall replacement building project. The total project cost is \$49,975,000, which includes future equipment cost of \$1 million.

ISSUE 4: CSU CHANNEL ISLAND – WEST HALL

Summary of Proposal: This project will renovate a portion of West Hall (#8) and add 28,800 ASF/48,000 GSF of new construction to provide 555 FTE (373 FTE in lecture space, 42 FTE in LD laboratory space, 140 FTE in UD laboratory space), and 38 faculty offices. The facility will be occupied by several disciplines, including anthropology, computer science, environmental science and natural resources, geography, physics, and psychology. The future cost for equipment is \$1,733,000.

CSUCI has a current enrollment of 2,920 FTE; at the Occupation Year (2013-14) of the proposed project the campus will have an enrollment of 4,980 FTE, and 6,280 FTE at the Target Year (2015-16). Other than the North Hall Renovation project, the campus has no other planned projects that will deliver lecture or laboratory space prior to 2013-14. In the target year of 2015-16 with this project, the campus will have available lecture space at 88 percent of demand, Lower Division (LD) lab space at 75 percent of demand, and Upper Division (UD) lab at 80 percent of demand, plus a faculty office space deficiency of 111 faculty offices. In order to meet demands that projected enrollment will place on campus facilities, additional lab space, as well as faculty space will be needed.

Funding Request: The request is for \$38,021,000 in lease-revenue bond funds for the construction phase of the West Hall project. The total project cost is \$42,184,000, which includes future equipment cost of \$1.7 million.

ISSUE 5: CSU FRESNO – FACULTY OFFICE/LAB BUILDING

Summary of Proposal: This project will construct a new 13,400 ASF/ 21,800 GSF two story facility to house graduate research laboratories, classroom space and faculty offices for the Colleges of Health and Human Services and Physical Education. It includes four research laboratories for Kinesiology, Nursing and Physical Therapy departments, a 75 FTE classroom, a self instruction computer lab, locker rooms, and 23 academic/athletic faculty offices. This will provide gender equitable space and logical adjacencies to accommodate men's and women's sports programs in compliances with Title IX. The future cost for equipment is \$356,000.

The Department of Educations' Office of Civil Rights (OCR) has sited the university for violations to the Title IX Regulations. The specific violations relate to the inequities in men's and women's athletic offices and facilities. The university has been given very rigid requirements for providing a remedy to these inequities as well as an aggressive timeline. The recent litigation against Fresno State (July 2007 through December 2007) further perpetuated the need to provide an immediate solution to these inequities as outlined by the OCR.

Funding Request: The request is for \$9,819,000 in lease-revenue bond funds for the construction phase of the Faculty Office/Lab Building project. The total project cost is \$10,737,000, which includes future equipment cost of \$356,000.

**ISSUE 6: APRIL 1ST FINANCE LETTER – CSU LOS ANGELES CAMPUS,
CORPORATION YARD AND PUBLIC SAFETY**

Summary of Proposal: This project will provide appropriately sized and equipped permanent space for operations and administrative functions necessary to support the departments of Facilities Services, Management and Maintenance, Facilities Planning and Construction, Environmental Health and Safety, Shipping and Receiving, Public Safety, and Parking Administration. The latter two functions will be accommodated separately in a new building (#46) located in parking lot A. This 12,654 ASF/ 20,410 GSF building will be proportionately funded by state and non-state parking funds. The new Corporation Yard will provide 39,430 ASF/ 46,604 GSF to serve a campus enrollment of 20,000 FTE. An alternative fund source is requested to complete the equipment appropriation for this project, which was initially funded for \$765,000 in the 2009-10 Budget Act, and is proposed to be reverted as part of this funding shift.

Funding Request: The April 1st Finance Letter requests \$648,000 from the 2002 Higher Education Capital Outlay Bond Fund for the equipment phase of the Corporation Yard and Public Safety project.

Originally, the equipment phase received an appropriation of \$765,000 in the 2009 Budget Act from the 1998 Higher Education Capital Outlay Bond Fund for the equipment phase. However, since the initial request for these funds, a review of the cumulative project appropriations and administrative costs charged to Fund 0574 show it to be exhausted. The California State University was able to utilize a portion of the Fund 0574 appropriation to purchase equipment for the public safety part of the facility (e.g. police dispatch area workstations, audiovisual equipment, etc.) before exhausting the Fund 0574, but an alternate funding source is needed to purchase the remaining equipment and furniture for the corporation yard and various trade shops. Therefore, it is requested that Item 6610-495 be added to revert the remaining expenditure authority from the Item 6610-301-0574, and that Item 6610-301-6028 be added for \$648,000 to purchase the remaining equipment.