

## SUBCOMMITTEE NO. 1 on Education



**Subcommittee No. 1**  
**Chair, Carol Liu**  
**Member, Robert Huff**  
**Member, Roderick Wright**

**Thursday, May 13, 2010**  
**Outcomes**

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<b>6600</b>	<b>California State University (CSU)</b>	
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## Vote-Only Items

### Item 10: UC & CSU Capital Outlay Projects – Other Funding Sources

**April Finance Letter.** The Governor submitted an April Finance Letter for the following four capital outlay projects from either special funds or left-over 2006 bond funds. The projects total \$10.5 million, of which \$6 million is from 2006 bond funds and \$4.5 million is from special funds.

#	Project Name	Description	Amount (000)	Source
1	CSU Northridge - Performing Arts Center	Supplemental appropriation for construction of a performing arts center. The additional cost is due to the halting of bond funded projects in 2009.	\$ 1,383	2006 Bond Fund
2	UC Merced - Site Development and Infrastructure Phase 4	Preliminary Plans, Working Drawings, Construction, and Equipment for a project involving erosion control and storm water management, perimeter and interior road improvements, and improvements to the existing corporation yard; improve functionality of the existing central plant and telecommunications building; install utilities to support future buildings; and provide renovation of existing classrooms. No future costs for this project.	\$ 4,500	1996 Bond Funds
3	UC Merced - Site Development and Infrastructure Phase 6	Preliminary Plans, Working Drawings, and Construction for a project that includes: construction of a perimeter road, boundary fencing, storm water management, construction of a kit fox bridge, and salvage of impacted wetland soils. No future costs for this project.	\$ 2,000	2006 Bond Funds
4	UC Irvine - Arts Building	Equipment for the new School of the Arts building. No future costs for this project.	\$ 2,668	2006 Bond Funds

**ACTION:** Approved the four capital outlay projects in the above chart.

**VOTE:** 2-0 (Wright)

## **Item 11: Garamendi Financing Authorization for UC San Diego Clinical and Transitional Research Institute**

**April Finance Letter.** The Governor submitted an April Finance Letter requesting authority for the UC, pursuant to Government Code Section 15820.21, to establish a funding mechanism known as “Garamendi Financing,” to allow increased federal indirect costs generated from research conducted in a proposed new research building on the UC San Diego campus to pay debt service and maintenance costs for the proposed new building. The ability to finance research facilities under this program will allow facilities to “pay for themselves” by permitting the campus to use the gross indirect cost recovery attributable to the new facility to pay for debt service and maintenance.

The proposed new Clinical and Translational Research Institute would support a range of health science departments including the schools of Medicine, Neuroscience, Pathology, and Pharmacology. Since 1990-91, 22 capital projects totaling approximately \$717.0 million were financed using Garamendi Financing.

Therefore, it is requested that Item 6440-402 be added:

- (a) The San Diego Campus—Clinical and Translational Research Institute is authorized pursuant to Section 15820.21 of the Government Code.

**ACTION:** Approved

**VOTE:** 2-0 (Wright)

**Item 12: CCC Capital Outlay Projects**

**The Governor’s Budget.** The Governor’s budget proposes \$3.8 million in new funds from 2006 bond funds for California Community College capital outlay projects. The rest of the projects are paid for with reversions. The reversions pay for most of the new projects, which have become higher priorities due to health and safety concerns. The projects being terminated also required local matching funds which are no longer available.

<b>Project Name</b>	<b>Description</b>	<b>Amount (000)</b>
El Camino College Compton Center	Phase 2: Upgrade campus infrastructure, including water, sewer, and electrical systems.	\$ 16,208
El Camino College Compton Center	Renovate Allied Health Building	\$ 8,946
Imperial Valley College	Modernize 44-year old building that is not ADA compliant	\$ 2,195
Monterey Peninsula College	Modernize Humanities, Business, and Student Services Building	\$ 4,485
Ventura County Community College District	Reversion - Reconstruct Art Studio Project	\$ (180)
Ventura County Community College District	Reversion - Modernize APP, S, and DP Buildings	\$ (5,294)
Santa Barbara College District	Reversion - High Technology Center Project	\$ (22,522)
<b>TOTAL PROJECT COST</b>		<b>\$ 3,838</b>

**ACTION:** Approved the CCC capital outlay projects listed in the above chart.

**VOTE:** 2-0 (Wright)

## **Item 13: UC and CSU Capital Outlay Reappropriations, Extensions of Liquidation, and Reversion**

**April Finance Letter.** The Governor submitted an April Finance Letter that proposes a series of reappropriations, extensions of liquidation, and a reversion of funds for UC and CSU.

**Reappropriations:** It is requested that \$4,955,000 from the 1988 Higher Education Capital Outlay Bond Fund and \$13,673,789 from the 2004 Higher Education Capital Outlay Bond Fund be reappropriated until June 20, 2011, with the following budget bill language:

6610-490—Reappropriation, California State University. The balances of the appropriations provided in the following citations are reappropriated for the purposes provided for in that appropriation and shall be available for encumbrance until June 30, 2011.

0785—1988 Higher Education Capital Outlay Bond Fund

(1) Item 6610-002-0785, Budget Act of 2008 (Chs. 268 and 269, Stats. 2008) as reappropriated by Item 6610-490, Budget Act of 2009 (Ch. 1, Stats. 2009, Fourth Extraordinary Session).

6041—2004 Higher Education Capital Outlay Bond Fund

(2) Item 6610-002-6041, Budget Act of 2008 (Chs. 268 and 269, Stats. 2008) as reappropriated by Item 6610-490 Budget Act of 2009 (Ch. 1, Stats. 2009, Fourth Extraordinary Session).

**Extension of Liquidation:** It is requested that the liquidation period for various capital renewal projects funded in the 2007 Budget Act from the 2006 University Capital Outlay Bond Fund be extended by one additional year, until June 30, 2011. The CSU has experienced delays attributable to the processing of reappropriations by the State Controller's Office and delays stemming from the state's inability to obtain financing to restart suspended projects during the past year. The request includes the following budget bill language:

6610-494—Reappropriation, California State University. Notwithstanding any other provision of law, the period to liquidate encumbrances of the following citations are extended to June 30, 2011.

6048—2006 University Capital Outlay Bond Fund

(1) Item 6610-002-6048, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).

**Reversion:** Reversion for UC Irvine, Steinhaus Hall Seismic Improvements Project (Issue 001) - The Steinhaus Hall Seismic Improvements project at the Irvine Campus is now complete and approximately \$2,668,000 in bid and project savings can be reverted

to the 2006 University Capital Outlay Bond Fund (Fund 6048). UC is proposing to appropriate the project savings in an equivalent amount for equipment to support the Arts Building, currently under construction on the Irvine Campus.

Item 6440-496—Reversion, University of California. As of June 30, 2010, the unencumbered balance of the appropriation provided for in the following citation shall revert to the fund from which the appropriation was made:

6048—2006 University Capital Outlay Bond Fund

1. Item 6440-302-6048, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)

Irvine Campus:

99.09.375-Steinhaus Hall Seismic Improvements--Construction

**ACTION:** Approved the reappropriations, extensions of liquidation, and the reversion

**VOTE:** 2-0 (Wright)

## **Item 14: CCC Capital Outlay Reappropriations and Reversion**

**April Finance Letter.** The Governor submitted an April Finance Letter that proposes a series of reappropriations and a reversion of funds for CCC. Amendment to and addition of budget bill items 6870-490 and 6870-497, capital outlay, California Community Colleges:

**Various Reappropriations.** In December 2008, as a result of the state's deteriorating cash position in the Pooled Money Investment Account (PMIA), the Administration issued Budget Letter 08-33, directing departments to suspend any projects that required cash disbursements from PMIA loans. In order to comply with this, all state departments, including the California Community Colleges (CCC), suspended project activities on bond funded projects. Since that time, there have been several bond sales to provide some of the cash needed for projects. However, it is necessary to reappropriate the unspent balances of the requested funds to allow the CCC to fulfill its obligation for the bond funded projects as they are able to restart. Consequently, the following reappropriations are requested:

Add Item 6870-490 to reappropriate funds for the following 17 project phases appropriated from the 2006, 2007, 2008, and 2009 Budget Acts.

1. Cabrillo Community College District, Cabrillo College: Health Wellness Center—Equipment
2. Barstow Community College District, Barstow College: Performing Arts Center—Construction and equipment
3. Chabot-Las Positas Community College District, Chabot College: Math Science Modernization—Working drawings
4. El Camino Community College District, El Camino College Compton Center: Infrastructure Replacement Phase 1—Construction
5. Feather River Community College District, Feather River College: Learning Resource Center Technology Building—Equipment
6. Glendale Community College District, Glendale College: Laboratory College Services Building—Working drawings
7. Los Angeles Community College District, East Los Angeles College, Multi-Media Classrooms—Equipment
8. Mira Costa Community College District, Mira Costa College, Campuswide Fire Line Replacement—Construction
9. Ohlone Community College District, Ohlone College, Fire Suppression—Working drawings and construction
10. Riverside Community College District, Riverside City College: Wheelock Gymnasium Seismic Retrofit—Construction
11. Riverside Community College District, Moreno Valley Center: Phase III Student Academic Services Building—Working drawings
12. San Francisco Community College District, City College of San Francisco: Joint Use Instructional Facility—Equipment
13. Santa Clarita Community College District, College of the Canyons, Administration Student Services—Working drawings

14. Siskiyou Community College District, College of the Siskiyou, Science Complex Modernization—Construction
15. South Orange County Community College District, Irvine Valley College: Life Science Building—Construction and equipment
16. South Orange County Community College District, Saddleback College: Learning Resource Center Renovation—Equipment
17. Mt. San Jacinto Community College District, Menifee Valley Center: General Classroom Building—Construction and equipment

**Reversion.** Traffic studies completed in March 2009 concluded that vehicle and pedestrian traffic patterns at the intersection of El Don Drive and Rocklin Road have significant safety hazards. Placement of the child development center at its planned location would exacerbate these safety issues. In addition, the new Center would require the hiring of additional personnel at a time when the district is determining how to implement severe budget reductions that would likely include layoffs. The district board, therefore, made a difficult decision to postpone further development of the child development facility until it has addressed the safety issues at the planned site or identified a more appropriate site for the facility and the means to operate it effectively.

Amend Item 6870-497 to revert \$7,821,000 in 2006 California Community College Capital Outlay Bond Fund for the Sierra Joint Community College District, Sierra College: Child Developmental Center—Construction and equipment from the 2008 Budget Act.

**ACTION:** Approved the reappropriations and the reversion.

**VOTE:** 2-0 (Wright)