Senate Budget and Fiscal Review—Mark Leno, Chair

SUBCOMMITTEE NO. 1 on Education

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

Thursday, May 26, 2011
9:30 a.m.
Room 3191, State Capitol

Agenda Part A

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VOTE ONLY ITEMS

ISSUE 1: California State Library – Sutro Library

Issue. The issue before the Subcommittee is the relocation costs and ongoing operations costs for the Sutro Library.

Sutro Library Overview. The heirs of the former San Francisco mayor Adolph Sutro donated his library to the State in 1913 with the provision that these collections always remain within the city and county of San Francisco. The Sutro Library is viewed as one of the best collections of local and family histories in the United States. Since 1983, the Sutro Library has been located in a modular building that does not provide adequate protection for the aging volumes of books stored there. Problems with the modular building include deficient humidity and climate controls for the collections and inadequate lighting and power for library users.

New Library Facility. SB 682 (Migden, 2005) funded a joint library project for the California State Library and the California State University, San Francisco. The J. Paul Leonard and Sutro Library project will be constructed on the CSU San Francisco campus, and is expected to be completed in November 2011. The new facility will provide a permanent location for the Sutro Library and meeting and study areas for the J. Paul Leonard Library.

Funding Request. The request is for $490,000 General Fund for the budget year and $225,000 General Fund for each subsequent year to support the relocation of the Sutro Library. Specifically, the request is for:

- $320,000 to cover the one-time costs to relocate the Sutro Library from its current location to the new facility during the budget year. This includes removing and reattaching industrial shelving, moving library collections and materials (including invaluable rare book collections), and relocating network and phone lines.
- Ongoing costs associated with the Sutro Library's occupancy of the fifth and sixth floors of the new facility. An augmentation of $170,000 is requested for the budget year and $225,000 for subsequent years. These ongoing costs are for the operating expenses for the new space, minus the costs currently spent on the modular building.

Staff Recommendation. Staff recommends that the Subcommittee approve the request.

ISSUE 2: California State Library – California Cultural and Historical Endowment

Issue. The issue before the Subcommittee is increasing the funding for the California Cultural and Historical Endowment for the 2011-12 fiscal year.

Background. One of the California State Library's purposes is to preserve California's heritage. AB 716 (Firebaugh, 2002), the California Cultural and Historical Endowment Act, established the California Cultural and Historical Endowment (CCHE) within the Library. The CCHE is intended to preserve and protect California's cultural and historical resources. The CCHE provides grants for cultural and historical preservation projects, including artifacts, collections, archives, historic structures, and properties.

Survey Requirement. In addition to providing grants, the CCHE has an unfulfilled requirement to conduct a survey of the existing collection of preserved historic and cultural resources in California, and to make recommendations to the Governor and Legislature on statewide policy regarding historic and cultural resource preservation. The survey was supposed to be completed in 2005. A new Executive Officer began work on the survey, and the Initial Assessment Summary was completed in April 2010. The State Library now estimates that the survey will be completed in June 2012.

Proposition 40. Proposition 40 was passed by the voters in 2002, and it contained $128.4 million for Historical and Cultural Resource Preservation. Currently, only $2.14 million of the funds remain unencumbered. The California State Library has awarded Proposition 40 bond funds for 170 projects statewide, of which 67 are still active.

Funding Request. The request is for $207,000 from Proposition 40 bond funds to fund the survey mandated by statute. This request augments the $656,000 from Proposition 40 bond funds the Legislature has already approved for the 2011-12 fiscal year.

Staff Recommendation. Staff recommends that the Subcommittee approve the request.

CAPITAL OUTLAY

ISSUE 3: UC Capital Outlay: San Diego SIO

Issue. The issue before the Subcommittee is a University of California (UC) capital outlay project in San Diego, the SIO Research Support Facility construction phase.

Scripps Institution of Oceanography (SIO). 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 service. 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.

San Diego Project Overview. The project would provide approximately 21,300 square feet of replacement research space for the Scripps Institution of Oceanography. 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.

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.

Staff Recommendation. Staff recommends the Subcommittee approve the request.

ISSUE 4: UC Capital Outlay: Reappropriations

Issue. The issues before the Subcommittee are University of California capital outlay reppropriations.

May Letter. The Governor's May Letter requested the following reapproparions for UC:

Amend Item 6440-492 to reappropriate funds for the following 11 project phases appropriated from the 2006, 2007, 2008, 2009, and 2010 Budget Acts:

1. Davis Campus, King Hall Renovation and Expansion—Construction.
2. Davis Campus, Telemedicine Resource Center and Rural PRIME Facility—Equipment.
3. Irvine Campus, Primary and Electrical Improvements, Step 3—Construction.
4. Irvine Campus, Social and Behavioral Sciences—Equipment.
5. Los Angeles Campus, Telemedicine and PRIME Facilities, Phase 2—Construction.
6. Merced Campus, Site Development and Infrastructure, Phase 6—Construction.
7. Riverside Campus, Materials Science and Engineering Building—Equipment.
8. Riverside Campus, Boyce Hall and Webber Hall Renovations—Construction.
9. San Diego Campus, Music Building—Equipment.
10. San Francisco Campus, Telemedicine and PRIME UC Education Facilities—Equipment.
11. Statewide, Telemedicine Services Expansion—Equipment.

Staff Recommendation. Staff recommends the Subcommittee approve this item.

ISSUE 5: UC Capital Outlay: Extensions of Liquidation

Issue. The issues before the Subcommittee are University of California capital outlay extensions of liquidation.

May Letter. The Governor's May Letter requested the following extensions of liquidation for UC:

Add Item 6440-493 to extend the liquidation period by one additional year (until June 30, 2012) for the following eight projects phases appropriated and/or reappropriated in either 2006, 2007, or 2009:

1. Berkeley Campus, Campbell Hall Seismic Replacement Building—Working drawings.
2. Davis Campus, King Hall Renovation and Expansion—Working drawings.
3. Davis Campus, Veterinary Medicine 3B—Working drawings.
4. Irvine Campus, Biological Sciences Unit 3—Equipment.
5. Irvine Campus, Telemedicine/PRIME Latino Community Facilities—Construction.
6. Irvine Campus, Arts Building—Construction.
7. Riverside Campus, Geology Building Renovations, Phase 2—Construction.
8. Riverside Campus, Boyce Hall and Webber Hall Renovations—Working drawings.

Staff Recommendation. Staff recommends the Subcommittee approve this item.

ISSUE 6: UC Capital Outlay: May Revise Reappropriations

Issue. The issues before the Subcommittee are University of California capital outlay reappropriations.

May Revise. The Governor's May Revise requested the following reappropriations for UC:

Amend Item 6440-492 to reappropriate funds for the following two project phases appropriated from the 2010 Budget Act from general obligation bonds:

1. Merced Campus, Site Development and Infrastructure, Phase 4—Preliminary plans, working drawings, construction, and equipment.
2. San Diego Campus, Scripps Institution of Oceanography Research and Support Facilities—Preliminary plans, and working drawings.

Add Item 6440-494 to reappropriate funds for the following four project phases appropriated from the 2010 Budget Act from lease revenue bonds:

1. Berkeley Campus, Campbell Hall Seismic Replacement Building—Construction.
2. Los Angeles Campus, Center for Health Sciences South Tower Seismic Renovation—Construction.
3. Santa Barbara Campus, Davidson Library Addition and Renewal—Working drawings and construction.
4. Merced Campus, Science and Engineering Building 2—Construction.

Staff Recommendation. Staff recommends the Subcommittee approve this item.

ISSUE 7: CSU Capital Outlay: San Jose

Issue. The issue before the Subcommittee is a California State University (CSU) capital outlay proposal for CSU San Jose Spartan Complex Renovation construction phase.

Project Overview. The Spartan Complex Renovation is a renovation of four buildings: the Uchida Hall/Natatorium, the Uchida Hall Annex, the Spartan Complex East, and Spartan Complex Central. The Spartan Complex Central is a seismically unsafe building.

The project will meet the current seismic, ADA, and life-safety code requirements, as well as replacing the building systems. The project will convert the Uchida Hall/Natatorium into a two-level facility with a judo laboratory and lecture space, locker rooms, and graduate research space.

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 costs of $1.27 million.

Staff Recommendation. Staff recommends the Subcommittee approve the request.

ISSUE 8: CSU Capital Outlay: Chico

Issue. The issue before the Subcommittee is a California State University (CSU) capital outlay proposal for CSU Chico Taylor II Replacement Building construction phase.

Project Overview. The Taylor II Replacement project would demolish the existing 42-year old 33,100 square foot Taylor Hall, and construct a new 62,000 square foot replacement building to accommodate the College of Humanities and Fine Arts. The Taylor II replacement building will accommodate 1,223 FTE in lecture space, 142 FTE in laboratory space, and 100 faculty offices. The new facility would also include a recital hall, recording arts facility, replacement art gallery, and graduate research studios and offices.

The current Taylor facility is not code compliant in fire, plumbing, HVAC, and other building codes. Replacing the Taylor facility is an identified component of the CSU Chico capital outlay Master Plan.

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

Staff Recommendation. Staff recommends the Subcommittee approve the proposal.

ISSUE 9: CSU Capital Outlay: Channel Islands

Issue. The issue before the Subcommittee is a California State University (CSU) capital outlay proposal for CSU Channel Islands West Hall construction phase.

Project Overview. The CSU Channel Islands campus opened in 2002, and currently has about 2,920 FTES. In order for the campus to increase its enrollment, more classroom space is needed. The West Hall project would renovate existing buildings and construct a building addition with space for lecture and laboratories, faculty offices, administrative offices, and instructional support spaces. The facility will be occupied by several disciplines, including anthropology, computer science, environmental science and natural resources, geography, geology, physics, and psychology.

The renovation will provide about 6,600 square feet and the additional space will provide 28,800 square feet, for a project total of 35,400 square feet of space. Overall, the project will increase campus capacity space by 555 FTES and 38 faculty offices. The project will allow CSU Channel Islands to meet a target of 6,280 FTES by 2015-16.

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 costs of $1.7 million.

Staff Recommendation. Staff recommends the Subcommittee approve the proposal.

ISSUE 10: CSU Capital Outlay: Fresno

Issue. The issue before the Subcommittee is a California State University (CSU) capital outlay proposal for CSU Fresno Faculty Office/Lab Building construction.

Project Overview. The Faculty Office/Lab Building project would construct a new 13,400 square foot two-story facility to house graduate research laboratories, classroom space and faculty offices for the Colleges of Health and Human Services and Physical Education. The new facility will provide four research laboratories for kinesiology, Nursing and Physical Therapy departments, a 75 FTES classroom, a computer lab, locker rooms, and 23 academic/athletic faculty offices.

CSU Fresno needs additional space for the athletic program because the College of Health and Human Services has experienced a 27 percent enrollment growth since 2004, and to provide gender-equitable space for men's and women's athletics in compliance with Title IX.

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 costs of $356,000.

Staff Recommendation. Staff recommends the Subcommittee approve the proposal.

ISSUE 11: CSU Capital Outlay: Los Angeles

Issue. The issue before the Subcommittee is a California State University (CSU) capital outlay proposal for Los Angeles campus Corporation Yard and Public Safety equipment only project.

Project Overview. The facility at the Los Angeles campus has already been fully constructed at a cost of $18.2 million in General Obligation bond funds.

Funding Request. The April 1st Finance Letter requests $648,000 from the Higher Education Capital Outlay Bond Fund of 2002 for the equipment phase of the Corporation Yard and Public Safety project. Originally, the equipment phase received an appropriation in the *2009 Budget Act* from the 1998 Higher Education Capital Outlay Bond Fund for the equipment phase.

Staff Recommendation. Staff recommends the Subcommittee approve the April Letter.

ISSUE 12: CSU Capital Outlay: Budget Bill Language

Issue. The issue before the Subcommittee is California State University (CSU) capital outlay budget bill language to allow CSU to use contract savings for minor capital outlay projects.

Proposal Overview. The proposed budget bill language would allow a CSU campus that completes a major capital outlay project under cost to use the left-over funds for minor capital outlay projects on that campus. A minor capital outlay project has a cost of less than $600,000 for the total project. Currently, UC has this kind of authority.

Requested Language. The request is for the following budget bill language:
6610-401—Identified savings in funds encumbered from the Higher Education Capital Outlay Bond Funds of 1996, 1998, 2002, and 2004, and from the 2006 University Capital Outlay Bond Fund, for capital outlay projects, remaining after completion of a capital outlay project and upon resolution of all change orders and claims, may be used: (a) to begin working drawings for a project for which preliminary plan funds have been appropriated and the plans have been approved by the State Public Works Board consistent with the scope and cost approved by the Legislature as adjusted for inflation only, (b) to proceed further with the underground tank corrections program, (c) to perform engineering evaluations on buildings that have been identified as potentially in need of seismic retrofitting, or (d) to proceed with design and construction of projects to meet requirements under the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.)**, or (e) for identified savings in funds encumbered from the Higher Education Capital Outlay Bond Funds of 1996, 1998, 2002, 2004, and from the 2006 University Capital Outlay Bond Fund, to fund minor capital outlay projects.** No later than November 1 of each year, the California State University shall prepare a report showing (a) the identified savings by project and (b) the purpose for which the identified savings were used. This report shall be submitted to the Chairperson

of the Joint Legislative Budget Committee and to the chairpersons of the fiscal committees of each house of the Legislature.

Staff Comment. Allowing campuses to utilize capital outlay contract savings for minor capital outlay projects will encourage them to keep projects at or under cost. However, not returning the savings back to the state also means that those savings then cannot be appropriated for another major capital outlay project.

Staff Recommendation. Staff recommends the Subcommittee approve the budget bill language.

ISSUE 13: CSU Capital Outlay: Extensions of Liquidation

Issue. The issues before the Subcommittee are California State University capital outlay extensions of liquidation.

May Letter. The Governor's May Letter requested the following extensions of liquidation for CSU:

Add Item 6610-493 to extend the liquidation period by one additional year (until June 30, 2012) for the following five projects phases appropriated and/or reappropriated in either 2006, 2007, or 2009:

1. Systemwide: Minor Capital Outlay—Preliminary plans, working drawings, and construction (funded with the Higher Education Capital Outlay Bond Fund of 2006).
2. Long Beach Campus, Peterson Hall 3 Replacement—Construction.
3. Systemwide: Minor Capital Outlay—Preliminary plans, working drawings, and construction (funded with the Higher Education Capital Outlay Bond Fund of 2002).
4. Systemwide: Minor Capital Outlay—Preliminary plans, working drawings, and construction (funded with the Higher Education Capital Outlay Bond Fund of 1998).
5. Fresno Campus, Library Addition and Renovation—Construction and Equipment.

Staff Recommendation. Staff recommends the Subcommittee approve this item.

ISSUE 14: CSU Capital Outlay: May Revise Reappropriations

Issue. The issues before the Subcommittee are California State University capital outlay reappropriations.

May Revise. The Governor's May Revise requested the following reappropriations for CSU:

Add Item 6610-492 to reappropriate funds for the following four project phases appropriated from the 2010 Budget Act from general obligation bonds.

1. Chico, Taylor II Replacement Building—Preliminary plans and working drawings.
2. Fresno, Faculty Offices/Lab Building—Preliminary plans and working drawings.
3. Channel Islands, West Hall—Preliminary plans and working drawings.
4. San Jose, Spartan Complex Seismic Renovation—Preliminary plans and working drawings.

Staff Recommendation. Staff recommends the Subcommittee approve this item.

ISSUE 15: CSU Capital Outlay: Monterey Library Reappropriation

Issue. The issues before the Subcommittee is a California State University capital outlay reappropriation.

Monterey Bay. Add to Item 6610-492 an additional reappropriation of funds for CSU Monterey Bay: Library Group II equipment phase until June 30, 2012. These funds will revert on June 30, 2011 unless reappropriated. The project is not yet completed, and thus reappropriation is needed.

The project reference is: Per Chapters 171/172, FY 2007/08, 6610-301-6028-(2) Equipment CFIS 06.74.006 $4,228,000.

Staff Recommendation. Staff recommends the Subcommittee approve the reappropriation for this project until June 30, 2012.

ISSUE 16: CCC Capital Outlay: San Francisco

Issue. The issue before the Subcommittee is a California Community Colleges (CCC) capital outlay proposal for the San Francisco Community College District, City College of San Francisco Performing Arts Complex construction and equipment phases.

Project Overview. The Performing Arts Complex project would provide 59,354 square feet of space containing lecture, laboratory, office, library, and other space. The new facility would contain state-of-the-art technology and other specialty rooms to enhance the delivery of the theater arts and music programs.

This project would serve as a replacement for two previously approved projects, the Classroom/Lab Arts Complex authorized in 2006 and the Performing Arts Center, authorized in 2007. Both projects were halted by the Public Works Board because the scope of the projects was not achievable within the authorized budget.

The district completed the design (preliminary plans and working drawings) for the project in 2007. The design is for a building one-third smaller than the original complex approved in 2006.

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 the 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.

Staff Recommendation. Staff recommends the Subcommittee approve the request

ISSUE 17: CCC Capital Outlay: Santa Clarita

Issue. The issue before the Subcommittee is a California Community Colleges (CCC) capital outlay proposal for the Santa Clarita Community College Districts, College of the Canyons, Administration/Student Services Building.

Project Overview. The Administration/Student Services Building project would demolish the existing Colleges Services Building and construct a new building with 20,544 square feet of space for laboratory, office, administrative support, and other. The project will consolidate student services and administrative functions into one building.

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

Staff Recommendation. Staff recommends the Subcommittee approve the proposal.

ISSUE 18: CCC Capital Outlay: Coast

Issue. The issue before the Subcommittee is a California Community Colleges (CCC) capital outlay proposal for the Coast Community College District, Orange Coast College, Music Buildings Modernization construction project.

Project Overview. The Music Buildings Modernization project would renovate two existing music buildings. Music Building #3 was constructed in 1975; Music Building #4 was constructed in 1954. Both buildings have physical limitations, including seismic deficiencies, outdated mechanical systems, HVAC inefficiencies, inadequate electrical and telecommunications support, and they are not ADA compliant. The current buildings are not able to sustain the technology that is required in modern music production.

The existing music buildings are central to the academic zone for the arts, and the College would like to modernize them rather than construct new buildings elsewhere.

The modernization project will provide teaching facilities that can support the Music Education Program, including programs for voice, instruments, computers in music, recording technology, and music theory. Portions of the building interior will be reconfigured to better accommodate academic programs. The project 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.

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 costs of $345,000.

Staff Recommendation. Staff recommends the Subcommittee approve the proposal.

ISSUE 19: CCC Capital Outlay: May Revise Reappropriations

Issue. The issue before the Subcommittee is a California Community Colleges (CCC) capital outlay reappropriations in the Governor's May Revise budget proposal.

May Revise. The Governor's May Revise requests that Item 6870-491 be added to reappropriate the following ten project phases appropriated in the 2005, 2008, 2009, and 2010 Budget Acts:

1. Los Angeles CCD, Los Angeles Harbor College, Library Learning Resource Center—Equipment
2. San Joaquin Delta CCD, San Joaquin Delta College, Cunningham Math Science Replacement—Equipment
3. San Luis Obispo CCD, North County Center, Technology and Trades Complex—Construction and equipment
4. San Mateo CCD, Canada College, Electrical Infrastructure Replacement—Construction
5. San Mateo CCD, Skyline College, Electrical Infrastructure Replacement—Construction
6. El Camino CCD, El Camino College Compton Center, Infrastructure Replacement
   Phase 2—Construction
7. El Camino CCD, El Camino College Compton Center, Allied Health Building—Working drawings and construction
8. Kern CCD, Bakersfield College, Performing Arts Modernization—Construction
9. Riverside CCD, Moreno Valley College, Phase III Student Academic Services Building—Construction

10. Redwoods CCD, College of the Redwoods, New Science Humanities Building Seismic Replacement—Working drawings and construction

Staff Recommendation. Staff recommends the Subcommittee approve this item.

ISSUE 20: CCC Capital Outlay: May Revise Extension of Liquidation

Issue. The issue before the Subcommittee is a California Community Colleges (CCC) capital outlay extension of liquidation in the Governor's May Revise budget proposal.

May Revise. The Governor's May Revise requests a two-year extension of the liquidation period on the construction phase of the Los Angeles CCD, Los Angeles Trade Technical College, Renovate and Modernize Building A project. The project is expected to be completed in September 2011. The extension is necessary because of delays attributed to project redesigns to remain within the approved budget, unexpected site conditions, and the cleanup of undocumented hazardous materials.

Therefore, it is requested that Item 6870-492 be added to extend the liquidation period for this project until June 30, 2013.

Staff Recommendation. Staff recommends the Subcommittee approve this request.

Discussion Items

Capital Outlay Projects Summary Chart

Campus	Project	Project Phase	2011-12 Cost (000)	Full Project Cost (000)	Funding Type
UC San Diego	SIO Research Support Facilities	C	$5,735	$6,348	Lease-revenue
UC Irvine	Business Unit 2	PWC	$39,595	$48,371	Lease-revenue
CSU San Jose	Spartan Complex Renovation (Seismic)	C	$51,479	$55,990	Lease-revenue
CSU Chico	Taylor II Replacement Building	C	$52,891	$58,272	Lease-revenue
CSU East Bay	Warren Hall Replacement Building	PWC	$48,975	$49,975	Lease-revenue
CSU Channel Islands	West Hall	C	$38,021	$42,184	Lease-revenue
CSU Fresno	Faculty Office/Lab Building	C	$9,819	$10,737	Lease-revenue
CSU Los Angeles	Corporation Yard and Public Safety	E	$648	$18,200	GO Bond
CCC Santa Clarita	College of the Canyons, Administration and Student Services Building	CE	$6,855	$14,007	GO Bond
CCC San Francisco	City College of San Francisco, Performing Arts Complex	CE	$38,274	$151,212	GO Bond
CCC Orange Coast	Orange Coast College, Music Building Modernization	C	$3,489	$8,008	GO Bond

ISSUE 21: California State Library – Library Renovation

Issue. The issue before the Subcommittee is the California State Library relocation for infrastructure renovation project, year four.

Renovation Overview. In 1928, the California State Library moved into the Library and Courts Building at 914 Capitol Mall in Sacramento. The Library and Courts Building is a registered state and federal landmark. The building had received few updates since its original construction, and in 2005-06 the Legislature approved a renovation project for the Library and Courts Building with a scope that included fire, life safety, and infrastructure improvements.

In 2009, the State Library collection was moved to a temporary storage facility in West Sacramento in order to allow the renovation project to move forward. The renovation project was initially scheduled to be completed in October 2010. The Department of General Services (DGS) has extended the renovation timeline, and currently estimates that the State Library can move back into the Library and Courts Building by the end of November 2012.

Funding Request. The request is for $707,000 General Fund for the budget year to cover rental, utilities, and other costs related to the temporary move offsite of the State Library's collection during the ongoing renovation of the historic Library and Courts Building.

Increased Costs. The budget year funding request is $111,000 more than the current year funding for the West Sacramento facility rental. The reasons for the increase are:

1. The electrical and natural gas costs were $97,000 for the previous 12 months. The original proposal did not include an allowance for electrical and natural gas costs;
2. An anticipated $12,000 increase in courier services and van rental; and
3. A $2,000 increase in the lease consultant contract.

Staff Recommendation. Staff recommends that the Subcommittee approve the request.

ISSUE 22: UC Capital Outlay: Irvine Business Unit

Speakers:

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

Issue. The issue before the Subcommittee is a UC capital outlay proposal for Irvine, Business Unit 2, design and construction phases.

Irvine Business School. The UC Irvine School of Business enrollment has grown by 50 percent since 2001-02. The program is anticipated to grow by another 20 percent by 2014-15 due to the increasing popularity of the business major. The School of Business currently occupies two buildings on the Irvine campus: the School of Business building completed in 1988, and the Multipurpose Academic and Administration Building completed in 2000. Currently, the business major constitutes nearly 10 percent of the campus freshman application pool and 15 percent of the transfer student application pool.

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.

Irvine Project Overview. The project would construct a new building with approximately 47,000 square feet of space. State funding would provide 31,950 square feet of instruction, research, and support space for the School of Business. Gift funds included in the project will construct shell space that, when built out, will provide an additional 5,505 square feet for the School of Business, as well as 9,580 square feet for an auditorium and food service space to serve the campus as a whole.

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. This project has not yet been started.

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

Staff Recommendation. Staff recommends the Subcommittee reject the proposal without prejudice because this project does not meet the health and safety threshold for consideration.

ISSUE 23: CSU Capital Outlay: East Bay

Speakers:

- Elvyra San Juan, California State University
- Stan Hiuga, Department of Finance
- Judy Heiman, Legislative Analyst's Office

Issue. The issue before the Subcommittee is a California State University (CSU) capital outlay proposal for CSU East Bay Warren Hall Replacement Building preliminary plans, working drawings, and construction phases.

Project Overview. The Warren Hall replacement building project would demolish the 84,800 square foot Warren Hall building and construct a new replacement office building adjacent to the current Warren Hall site. The replacement facility will provide 113 administrative and faculty offices in a 40,000 square foot building. This project would eliminate 876 FTE in lecture space and provide a net increase of 40 offices. This project would also complete the relocation of the campus main telecommunications switch from the Warren Hall basement into the new Student Services Replacement Building.

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 costs of $1 million.

Current Building Unsafe. Currently, eight floors of the Warren Hall building are empty because the building has been deemed seismically unsafe. Since Warren Hall is built on a hillside, if an earthquake were to strike the San Francisco East Bay, there is a likelihood that Warren Hall would fall down and cause destruction to the buildings around it.

Staff Recommendation. Staff recommends the Subcommittee approve the proposal due to this project being critical to campus health/life-safety.