University of California

2009-10 Budget
for State Capital Improvements
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• 2009-10 State Capital Budget requests $842.4 million to:
  ▪ fund projects previously planned for 2009-10 in campuses’ five-year plans, and
  ▪ restore projects not funded in 2008 State Budget Act.

• This funding request assumes:
  ▪ the primary source of funding will be state lease-revenue bonds, and
  ▪ no new general obligation bonds until 2010-11.
Impact of 2008-09 Budget on 2009-10

- University’s 2008-09 state capital budget plan assumed $489 million in funding from voter-approved general obligation bonds.
- Final 2008-09 State Budget Act provided only $261.3 million, primarily through lease-revenue bonds.
- $228 million in projects were not funded in the current year.
State Funding Request for 2009-10

• 2009-10 budget request includes projects not funded in the current year as well as projects scheduled for 2009-10.

• Total request for state capital outlay funds in 2009-10 is $842.4 million:
  - $801.7 million in state lease-revenue bonds for 26 major capital projects;
  - $12.1 million in existing general obligation bonds to equip five projects; and
  - $28.55 million in existing general obligation bonds for telemedicine and medical education programs.
Funding by Category of Projects
(total request: $842.4 million)

- Facilities / Infrastructure Modernization: $114.9 million (14%)
- Enrollment Increases: $385.3 million (46%)
- Seismic Corrections: $251.4 million (30%)
- Telemed Program: $28.5 million (3%)
- Other Life Safety Corrections: $62.3 million (7%)
2009-14 State Capital Improvement Program

- Approximately $1.45 billion over 5-year period.
- Assumes State funding consistent with the Compact.
- Over 58% of the 5-year funding proposed for 2009-10.
- Project schedules may change if 2009-10 budget proposal is not fully funded.
2009-14 State Capital Improvement Program

2009-14 Program by Category
(total program: $1.45 billion)

- Telemed Program: $28.5 million (2%)
- Facilities / Infrastructure Modernization: $323.9 million (22%)
- Enrollment Increases: $642.6 million (45%)
- Seismic Corrections: $375 million (26%)
- Other Life Safety Corrections: $62.3 million (4%)
- Program Improvements & Expansion: $19 million (1%)
Transitional Budget Year

- State capital proposal and the related 5-year program usually includes both State and non-State programs.

- Budget year 2009-10, however, represents a transitional period to a longer-term planning horizon.

- Over the next year, each campus will develop a comprehensive 10-year capital improvement plan, with both State and non-State objectives, for approval by The Regents.

- Beginning in 2009, a comprehensive 10-year report will replace the annual State/Non-State 5-year report.
Future Funding Needs

- Funding needs are estimated to be more than $5.9 billion over the next 5 years.
  - nearly half of funding to accommodate enrollment growth (new facilities and infrastructure);
  - 20% for correction of seismic hazards and other life-safety needs; and
  - 31% for renewal of existing facilities.
- This estimate does not include costs associated with deferred maintenance or program changes.