Ms. Theresa Gunn
Department of Finance
915 L Street, 9th Floor
Sacramento, California 95814

Mr. Steve Boilard
Legislative Analyst’s Office
925 L Street
Sacramento, California 95814

Dear Theresa and Steve:

Project Savings Program

Consistent with Items 6440-302-6028 of the Budget Act of 2003 and 6440-301-6041 and 6440-302-6041 of the Budget Act of 2004, I am pleased to report on the use of identified savings in construction funds appropriated from the 2002 Higher Education Capital Outlay Bond Fund and the 2004 Higher Education Capital Outlay Bond Fund. For each of the items identified above, the Budget Acts provide that by November 1 annually the University of California shall provide the Legislative Analyst with a report showing the identified savings by project and the purpose for which the identified savings were used for the prior year.

During the 2007-08 fiscal year, the University of California used these provisions to authorize the use of project savings for the following projects.

Los Angeles campus.

- There were $111,000 in project savings from the Campus Fire Alarm System Upgrade, Phase 3 project (Chapter 157/2003, Item 6440-302-6028[4]) in addition to the savings of $437,000 previously identified in the Project Savings Program Report submitted October 30, 2007, for a total savings of $548,000. The $548,000 amount was used to perform a series of project-specific seismic correction pre-design studies for remaining State supportable campus buildings with “Poor” and “Very Poor” seismic ratings, including the School of Public Health, CHS South Tower, and Neuropsychiatric Institute (NPI).

- There were $1,275,000 in project savings from the Geology Seismic Correction project (Chapter 157/2004, Item 6440-301-6041[4]). This amount has been committed to continuing the CHS South Tower studies and the Outpatient Wing seismic studies, currently underway.

- There were $813,000 in project savings from the GSEIS Seismic Correction project (Chapter 208/2004, Item 6440-302-6041[7]). This amount has been committed to continuing the CHS South Tower studies and the Outpatient Wing seismic studies, currently underway, and others in the health sciences area, if funds are available, such as the Vivarium, Marion Davies Children’s Center and Jules Stein Eye Institute.
San Francisco campus.

- There were $231,064.78 in project savings from the Health Sciences West Improvements, Phase 1 project (Chapter157/2003, Item 6440-301-6028[2]). This amount was used for the Health Sciences West Roof – FRP High Voltage Electric Conduit project. The campus has committed an additional $94,883.16 in non-State funds to the project.

There were no identified savings in construction funds appropriated from other Higher Education Capital Outlay Bond Funds during 2007-08. Please let me know if you have any questions.

Sincerely,

Patrick J. Lenz
Vice President for Budget

cc: Executive Vice President Lapp
Associate Vice President Obley
Director Larry Aull
Ms. Cheryl Black
Mr. Chris Woods
Ms. Amy Rutschow
Ms. Amy Supinger
Mr. Stan Hiuga
Mr. Mark Whitaker