

CAPITAL OUTLAY

Summary

The Budget Bill includes a total of approximately \$88.4 million for capital outlay. This is 75 percent less than the appropriation included in the Budget Act of 1974. A summary of the distribution of the amounts in the Budget Bill is provided in Table 1.

Table 1
Summary of 1975-76 Budget Bill Capital Outlay Appropriations

Organizational unit	General Fund	Special funds	Bond funds	Total all sources
General Government	\$1,150,000	—	—	\$1,150,000
Agriculture and Services	532,500	—	—	532,500
Business and Transportation	—	\$9,168,600	—	9,168,600
Resources	4,307,420	674,000	\$2,263,062	7,224,482
Health and Welfare	11,351,902	—	—	11,351,902
Education	127,440	12,000,000	46,848,400 ^a	58,975,840
Total	\$17,469,262	\$21,842,600	\$49,111,462	\$88,403,324

^a Financing from loans to proposed 1976 bond issue. If issue is not approved by the electorate or if bonds are not sold by June 30, 1976, expenditures will be from the COFPE (\$26,441,000) and General Fund (\$20,407,400).

General Fund

Approximately \$17.5 million or 20 percent of the total appropriation is from the General Fund. This represents a decrease of nearly 34 percent from the General Fund appropriation in the Budget Act of 1974. Over 70 percent of the amount in the Budget Bill for 1975-76 is for the Departments of Health and Water Resources. The remainder is for a reserve for construction cost rise augmentations and for relatively minor projects in the Departments of General Services, Conservation, Parks and Recreation, Corrections, Youth Authority and Education.

It should be pointed out that the Budget Bill also contains a \$20.4 million General Fund loan to a proposed "Community College Construction Bond Act Program of 1976". This loan would be repaid in June, 1976 from the first proceeds from the bond issue. Although this amount is indicated as a bond fund appropriation, in reality it is a General Fund appropriation until the bonds are approved by the electorate and then sold. Thus the total General Fund proposal for 1975-76 is \$37.7 million.

Higher Education Summary

Over one-half of the proposed capital outlay program is in higher education. Of the grand total, \$58.8 million is for the University of California (UC), California State University and Colleges (CSUC) and the California Community Colleges (CCC). Included in this total is \$8 million for construction cost-rise augmentations of UC and CSUC projects.

The proposed amount is significantly below that provided in the Budget Act of 1974. The major differences are indicated in Table 2.

Table 2

<i>Segment/Fund</i>	<i>Budget Act of 1974 Amount</i>	<i>Budget Bill for 1975 Amount</i>
UC/Educational Fees	\$15,393,000	—
UC/Health Science Bonds	74,352,000	—
UC/COFPHE	26,317,000	14,603,000 (loan funds and COFPHE)
CSUC/COFPHE	45,591,000	15,838,000 (loan funds and COFPHE)
CCC/bonds	44,585,250	20,407,400 (General Fund loan)
Total	\$206,238,250	\$50,848,000

The majority of the proposed 1975-76 amount (\$46,848,000) is from anticipated bond issues (loan funds in the Budget Bill). The Governor's Budget indicates that "the administration will support legislation in 1975 to place before the electorate in June 1976, two bond issues, one to provide for California Community College capital expenditures and the second to provide funding for capital expenditures for the University of California and the California State University and Colleges". The total amount to be proposed in each issue has not been revealed, but it has been indicated that the proposal will be to satisfy the capital programs over the succeeding four years. The entire 1975-76 CCC proposal and \$26,441,000 of the UC-CSUC proposal is to be financed by loans from the General Fund and the Capital Outlay Fund for Public Higher Education (COFPHE). A discussion of the proposed loans and bond financing is under our analysis of Item 377 page 854.

Enrollments in Higher Education

Enrollments in higher education during the 1960's were increasing at a high rate. At the turn of the decade enrollments increased at a slower rate and are now expected to decrease in actual numbers in the early 1980's. As indicated in Figure 1, each segment of higher education is projected to follow this trend and enrollments are not expected to reach current levels again until the mid 1990's.

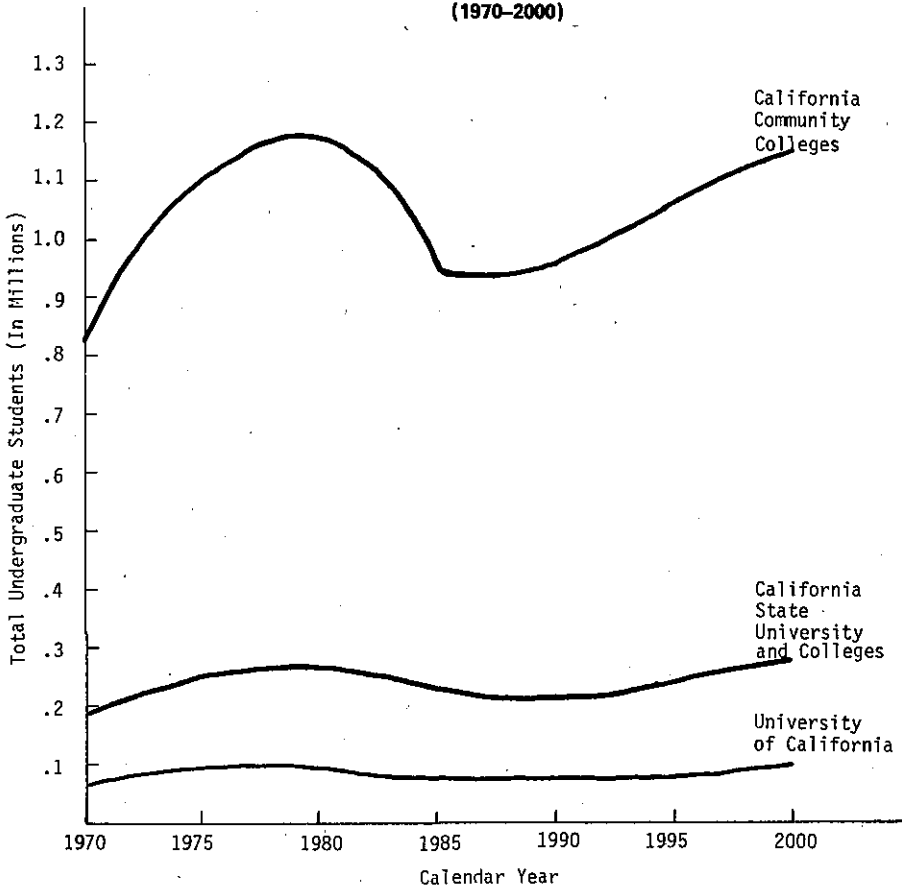
In our opinion, these projections of decreased enrollment and the potential for increased campus and systemwide utilization must be considered when reviewing and evaluating the need for construction of facilities in the higher education system. With these factors in mind, we believe it would be unwise to fund projects that would provide instructional capacity space in excess of 100 percent of the need based on 1975 enrollments.

Other Programs

The capital outlay program for Resources in 1975-76 totals approximately \$3 million exclusive of General Fund sources. The funding is from an assortment of bonds and special funds and represents a minimal capital expenditure effort. It should be noted that the Governor's Budget indicates that the Department of Parks and Recreation will "reevaluate the State Beach, Park, Recreational and Historical Facilities Fund of 1974 in terms of remaining funds and project priorities and submit a 1975-76

budget proposal to the Legislature early in the 1975 Legislative Session".

Figure 1
Actual and Projected Total Undergraduate Students
(In Millions)
California Community Colleges
California State University and Colleges
University of California
(1970-2000)



Source: Population Research Unit, Department of Finance
 (Included in Postsecondary Education Commission October, 1974, staff report
 concerning undeveloped State University and College site)

Appropriation requests from the Motor Vehicle Account in the State Transportation Fund total approximately \$9.2 million. About \$5.2 million is for the Department of Motor Vehicles for land acquisition, working drawings and construction related to new or existing field offices. The balance of approximately \$4.0 million is for the California Highway Patrol, principally for purchase of communications equipment and facilities which are currently leased under a lease-purchase contract.

Limit Availability of Planning Appropriations to One-Year

We recommend that all planning and working drawing appropriations be limited to one-year availability.

Appropriations for planning have traditionally been included under the three year availability of capital outlay funds. Construction funds are required for three years. However, planning and working drawings in most cases should not require over one year and funding should be limited to that time period.

In the past it appears that building projects approved by the Legislature have been delayed because agencies tend to either (1) delay planning and/or working drawings until construction funds are provided in the budget bill or (2) delay planning until working drawings are appropriated. The above is mostly attributable to segments of higher education. However, as we have pointed out in our discussion of several capital outlay requests in other state areas (e.g., Department of Health, Item 372), there have been undue delays in many statewide capital requests. For example, the Budget Act of 1974 appropriated \$2.1 million to the Department of Conservation for working drawings and construction of new forestry stations. To date only \$22,800 for working drawings for one project (out of ten) has been allocated. This example represents a statewide tendency and is not peculiar to the Department of Conservation.

These delays have, for the most part, been unnecessary and in our opinion, reflect the aforementioned factors and/or (1) inadequate planning, (2) agency reluctance to proceed or (3) inefficiency within governmental agencies.

We recognize that in some cases delays are unavoidable. In any case, however, delays are costly and should be avoided where possible. In our opinion, appropriating planning and working drawings funds on a one-year basis would discourage these delays and expedite construction projects because such delays would have to be explained and justified to the Legislature annually if reappropriation is needed.

UNALLOCATED CAPITAL OUTLAYItem 355 from the General
Fund

Budget p. 173

Requested 1975-76	\$150,000
Recommended approval	150,000

ANALYSIS AND RECOMMENDATIONS*We recommend approval.*

This item provides for preliminary plans of future projects to be financed from the General Fund. Allocations are proposed by the Department of Finance subject to approval by the State Public Works Board.

The proposed amount, on the basis of 1.5 percent of construction cost, would cover a program of approximately \$10 million, which appears reasonable.

UNALLOCATED CAPITAL OUTLAYItem 356 from the General
Fund

Budget p. 173

Requested 1975-76	\$1,000,000
Recommended approval	1,000,000
Recommended augmentation	750,000
Net recommended approval	\$1,750,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS*Analysis
page*

1. *Statewide. Augment by \$750,000.* Recommend appropriation of additional funds to provide General Fund construction augmentation source. 828

ANALYSIS AND RECOMMENDATIONS

This proposal is for a lump-sum appropriation for augmentation of General Fund capital outlay appropriations in accordance with Section 16409 of the Government Code. This allows augmentation funds for land acquisition, construction and equipment projects subject to the approval of the State Public Works Board. Augmentations are limited to amounts required because of construction cost increases.

Historically, the fund balance in Section 16409 has been adequate to provide necessary augmentations. In the past, this balance was maintained by the deposit of savings from completed projects into the continuing appropriation of Section 16409. However, in the current year, inflation depleted the balance. Because of this, it was necessary during the current year to transfer funds appropriated for one capital outlay project to another project within the same Budget Act schedule. This procedure was necessary to allow a project to be bid for construction or award a construc-

tion contract. The effect was to (1) delay the other project and/or (2) require subsequent funding to fully fund the project from which the funds were "borrowed".

It is apparent that an appropriation for the purpose of augmentation is necessary. The proper amount is not easily determined. It depends on the (1) amount of General Fund appropriation for construction in the 1975-76 Budget Act, (2) number of these projects and construction projects from prior years that will be bid in the budget year and (3) inflation during the budget year.

Taking these factors into consideration, we believe the proposed \$1 million is conservative. In our opinion a more reasonable amount would be \$1,750,000, which should assure that approved construction projects can proceed in an orderly manner and not be delayed because of insufficient funds. These funds will not be allocated unless an augmentation is required because of construction cost increases.

UNALLOCATED CAPITAL OUTLAY

Item 357 from the Capital Out-
lay Fund for Public Higher
Education (COFPHE)

Budget p. 173

Requested 1975-76	\$8,000,000
Recommended approval	8,000,000

ANALYSIS AND RECOMMENDATIONS

This proposal is for a lump-sum appropriation to be allocated by the Department of Finance to the University of California (UC) and the California State University and Colleges (CSUC) in accordance with Section 16352 of the Government Code. This allows augmentation of funds for land acquisition, equipment and construction projects subject to approval of the State Public Works Board. Augmentations from this source are limited to amounts required because of construction cost increases. For the Budget Bill of 1975 all UC and CSUC projects are based on an Engineering News Record (ENR) cost index of 2250. The current index is 2101 and is expected to be 2250 near the beginning of the budget year.

The Budget Act of 1974 provided \$10 million for augmentation of projects funded from the COFPHE. Over 50 percent of this amount has been allocated for previously approved projects. Although the Governor's Budget proposes bond funds for future capital outlay proposals at the UC and CSUC campuses, there are several projects from previous budget acts that will require augmentation. The actual amount necessary for augmentation of those projects is difficult to assess. However, based on past augmentation requirements, the amount requested is reasonable.

DEPARTMENT OF GENERAL SERVICES

Item 358 from the General
Fund

Budget p. 296

Requested 1975-76	\$532,500
Recommended approval	482,500
Recommended reduction	50,000
Recommended augmentation	1,500,000
Net recommended approval	\$1,982,500

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

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1. *Sacramento. New State Office Complex. Augment \$1,500,000. Recommend working drawings and a study.* 830
2. *Sacramento. Capitol Area Plan. Reduce \$50,000. Recommend deletion of land purchase.* 831

ANALYSIS AND RECOMMENDATIONS

The Department of General Services is requesting a total of four projects consisting of three construction projects and one property acquisition.

Construct New Office Building Complex

We recommend an augmentation of \$1.5 million for working drawings and a study for construction of 450,000 net square feet (nsf) of state office space in Sacramento.

As of September 1974, the State of California was leasing nearly 1.6 million nsf of office space within the Sacramento metropolitan area. The annual cost for leasing this space exceeds \$6.7 million. This represents a one year increase of 270,000 nsf at an average cost of 50.3¢ per nsf-month. Within the total amount of leased space, approximately 480,000 nsf is occupied by legislative functions, Franchise Tax Board (Aerojet) and the Department of Motor Vehicles (temporarily displaced because of fire damage to the headquarters building). This space should be deducted from the total when determining the amount of space that could be considered for consolidation into a state-owned building. The amount of space remaining totals over 1.2 million nsf at an annual cost of approximately \$5 million.

If a new legislative building is constructed, approximately 286,000 nsf of state-owned space will become available in the capitol annex. This would still leave 834,000 nsf of leased space at a cost of approximately \$3.7 million. In addition, the Department of General Services has indicated that there is a continual backlog of requests for additional space totaling approximately 125,000 nsf. Therefore, it would be safe to assume that construction of a complex of buildings similar to office buildings Nos. 8 and 9 totaling 480,000 nsf (at 80 percent efficiency this would require structures totaling 600,000 gross square feet) would not overbuild the state needs in Sacramento. The Department of General Services should immediately initiate a study to determine which agencies should occupy these buildings (and

when) based on existing lease terms. We suggest that \$50,000 of the recommended augmentation be used for this study.

In order to expedite this construction and provide a savings in both construction and lease cost we suggest that the plans for office buildings Nos. 8 and 9 be reused with changes for architectural appearances, interior modifications, site conditions and energy conservation measures. The remaining \$1.45 million should be adequate to provide site tests and to revise working drawings.

Requested Projects

The following is a discussion and our recommendation for each of the requested projects.

- (a) Construct—replace existing elevators, Library and Courts Building, Sacramento..... \$150,000

We recommend approval.

This proposal is for replacement of two 46-year old public elevators in the Library and Courts Building with two fully automatic controlled elevators. An annual savings of \$26,680, for elevator operator salaries, will be realized when the automated system is operational.

- (b) Construct—replacement windows, Office Building No. 1 and Library and Courts Building, Sacramento..... \$332,500

We recommend approval.

This request is for removal and replacement of existing wood sash windows with extruded aluminum framed double hung windows. The existing window hardware is 46 years old, replacement parts are no longer available and must be fabricated when required. An annual maintenance savings of \$4,300 and \$2,500 will be realized for office building No. 1 and the library courts building respectively. An additional benefit in replacing the existing wood sash windows is the energy savings resulting from the tighter air seal provided by the new aluminum sash. This aspect will reduce the amount of heating and cooling required for each building. *In order to sustain an even greater energy saving installation we recommend that solar reflective glass be installed rather than ordinary plate glass.* Installation of this type of glass may require a minor increase in initial installation costs. However, this increase would be insignificant in comparison to the energy conserved over a period of time.

- (c) Capitol Area Plan land purchase..... \$50,000

We recommend deletion.

This request is for purchase of approximately 0.15 acres in the Sacramento Capitol Area Plan. The property is located in the block bounded by 11th, 12th, P and Q streets and is the only parcel within this block not owned by the state. The department's request for purchase indicates that the site will be developed within the next 20 years.

Currently, there are many state owned parcels within the Capitol Area Plan which are not in state use. In our opinion, it would not be appropriate for the state to purchase this site and remove it from the property tax rolls when there are other undeveloped state-owned parcels and when there is no apparent immediate need for it.

DEPARTMENT OF GENERAL SERVICES

Item 359 from the Consumer
Affairs Fund

Budget p. 296

Requested 1975-76	\$241,000
Recommended reduction	241,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

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1. *Consumer Affairs Building. Delete \$241,000. Recommend deletion of elevator modernization project.* 832

ANALYSIS AND RECOMMENDATIONS

We recommend deletion.

This request is for automation and modernization of three elevators and readjustment and corrective work for two automated elevators in the Consumers Affairs Building.

The automation and modernization work is based on a 1972 elevator survey and a 1972 cost estimate. This information has not been updated and it is not certain that the proposed work or requested funds are appropriate.

The requested readjustment and corrective work is normally accomplished under ongoing maintenance. The proposal is identified in a 1972 report and should have already been accomplished.

DEPARTMENT OF TRANSPORTATION

Item 360 from Federal Funds
deposited in State Highway
Account

Budget p. 397

Requested 1975-76	\$12,607,568
Recommended approval	12,607,568

ANALYSIS AND RECOMMENDATION

We recommend approval.

Chapter 1470, Statutes of 1974, requires that beginning in the 1975-76 fiscal year the Legislature must appropriate specified federal funds received pursuant to the Federal Highway Act of 1973 by the Department of Transportation and deposited in the State Highway Account. This item, together with \$17,392,483 provided in Item 220 (see page 315), will provide federal funding for various highway safety improvements which are administered by the department.

CALIFORNIA HIGHWAY PATROL

Item 361 from the Motor Vehicle Account, State Transportation Fund

Budget p. 489

Requested 1975-76	\$3,994,100
Recommended approval	3,201,700
Recommended reduction	792,400

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

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1. *Statewide Communications. Reduce equipment by \$260,000.* Recommend reduction in communications equipment. 833
2. *Statewide Construction Program Planning. Reduce by \$22,850.* Recommend deletion of planning funds. 834
3. *Los Angeles Communications Center. Reduce by \$509,550.* Recommend deletion of construction funds. 834

ANALYSIS AND RECOMMENDATIONS

The California Highway Patrol capital outlay request is for:

	Budget Bill Amount	Legislative Analyst Recommendation	
(A) Communications program			
1. replacement equipment	\$372,900	\$134,900	(\$-238,000)
2. expansion of radio and microwave systems	298,324	298,324	0
3. construction of communications facilities	163,700	141,700	(-22,000)
	<u>\$834,924</u>	<u>\$574,924</u>	<u>(\$-260,000)</u>
(B) Construction Program Planning	\$22,850	0	(\$-22,850)
(C) Construction funds for an addition to the Los Angeles Communications Center	\$509,550	0	(\$-509,550)
(D) Purchase of leased facilities	<u>\$2,626,776</u>	<u>\$2,626,776</u>	<u>0</u>
Total	<u>\$3,994,100</u>	<u>\$3,201,700</u>	<u>(\$-792,400)</u>

(a) Communications program \$834,924

We recommend a total reduction of \$260,000.

1. *Replacement equipment \$372,900.* General Services' Communications Division has established a replacement schedule for equipment based on expected equipment life. To be replaced are 22 radio stations (42 MHz), 4 radio control-repeater stations (70 MHz), 2 multiplex terminals (microwave), and 3 alarms (microwave).

The Highway Patrol originally considered a request for site acquisition and working drawings money for a new San Francisco Communications Center. Associated with this request was the replacement of 7 radio consoles. The Highway Patrol withdrew the request for the San Francisco Communications Center while the radio consoles were inadvertently left

CALIFORNIA HIGHWAY PATROL—Continued

in. Hence, we recommend a reduction of \$238,000 for 7 radio consoles at San Francisco.

2. *Expansion of Radio and Microwave systems \$298,324.*

Included in this request are 8 radio stations, 27 multiplex terminals, 17 radio frequency terminals and 8, 10-Channel tape recorders. We recommend approval.

3. *Construction of Communications Facilities \$163,700.*

This request for new equipment consists of 6 chain-link fences, 9 auxiliary generators, 5 radio vaults, 5 towers, 8 propane tanks and one solar cell. We have determined that one of these radio vaults (\$17,000) and one auxiliary generator (\$5,000) were provided in the Budget Act of 1974 for the Mt. Hough and Mojave stations, respectively. Therefore, we recommend their deletion from this item for a savings of \$22,000.

(b) Construction program planning—statewide \$22,850

We recommend deletion in the amount of \$22,850.

This request is for construction planning for projected proposals in the 1976-77 fiscal year. There will be an approximate \$30,000 balance of funds appropriated for the same purposes from unused portions of previous budget acts. Assuming a cost of one and one-half percent for such planning, this balance would be adequate for a program of approximately \$2 million. Therefore, the department has adequate funds for the projected program and we recommend deletion of this request.

(c) Los Angeles Communications Center construction \$509,550

We recommend deletion in the amount of \$509,550.

The Budget Act of 1974 provided working drawings money for an addition to the existing facility. As of January 15, 1975 neither preliminary plans nor working drawings had been started. Until a date for their completion is established we recommend deferral of construction funds.

There has apparently been some concern by the department over the desire for an addition to the existing building versus a separate structure. For the purpose of economy and function, this project, as appropriated in 1974, provided for an addition to the existing facility rather than a separate facility. This plan in our opinion represents a prudent and appropriate solution and we recommend that the department proceed with it.

(d) Purchase lease facility—Auburn	\$199,706
(e) Purchase lease facility—Barstow	251,490
(f) Purchase lease facility—Kings City	176,750
(g) Purchase lease facility—Napa	232,758
(h) Purchase lease facility—Paso Robles	232,298
(i) Purchase lease facility—Redwood City	640,797
(j) Purchase lease facility—San Bernardino	257,550
(k) Purchase lease facility—Visalia	245,715
(l) Purchase lease facility—Williams	177,760
(m) Purchase lease facility—Willows	211,952

Total \$2,626,776

We recommend approval.

The 10 facilities listed above were constructed for the state under lease

purchase agreements. These agreements were written for 15 years with options to purchase as early as the second or third year and with the right to terminate after the tenth year.

The cost to purchase these 10 facilities, all of which are at the first purchase opportunity this year, is \$2,626,776. To defer purchase for one year would result in an additional cost of \$344,385. Therefore, we recommend approval.

DEPARTMENT OF MOTOR VEHICLES

Item 362 from the Motor Vehicle Account, State Transportation Fund

Budget p. 509

Requested 1975-76	\$5,174,500
Recommended approval	119,500
Recommended reduction	5,055,000
Recommended augmentation	30,500
Net recommended approval	\$150,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

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1. Site Acquisition. Recommend special study of site acquisition process. 835
2. *Field Offices. Reduce \$4,738,000.* Recommend deletion of land acquisition and working drawings until completion and review of the program management analysis report requested under Item 205, page 331. 836
3. *Whittier. Reduce \$65,000.* Recommend deletion of site acquisition, additional parking. 837
4. *Mountain View. Reduce \$252,000.* Recommend deletion of working drawings and construction for building additions. 837
5. *Statewide. Augment \$30,500.* Recommend augmentation for project planning. 837

ANALYSIS AND RECOMMENDATIONS

Site Acquisition Process

We recommend that the Department of Motor Vehicles and the Department of General Services review the site acquisition process and present alternatives which will reduce the time currently required. This study should be submitted to the Joint Legislative Budget Committee by November 1, 1975.

The average time currently required to acquire sites for Department of Motor Vehicle field offices is more than 1½ years, distributed approximately as follows:

- 2-4 months Site selections by the Department of General Services
- 1-3 months Department of Motor Vehicles selection of site
- 1-2 months Title search

DEPARTMENT OF MOTOR VEHICLES—Continued

2-6 months Site suitability report by the Office of Architecture and Construction

2-6 months Appraisal by the Department of General Services

If condemnation is necessary, an additional 1 to 18 months is required.

Construction cannot be started, of course, until the site is acquired, and any unnecessary delay translates into added cost during an inflationary period.

Design and Function of Field Offices

The implementation of year-round registration by January 1977 will have a significant impact upon the daily workload of the Department of Motor Vehicles field offices. The effect of this change with regard to functional relationships and design criterion for field offices has not been determined.

Two other significant changes affecting field office operations, and therefore design, include (1) the recommended future use of computer terminals for direct issuance of vehicle registrations and drivers licenses and (2) the potential integration of vehicle inspection with vehicle registration. Further discussion of the use of computer terminals and the integration of vehicle inspection and registration functions are presented on pages 333 and 339 of our analysis of the Department of Motor Vehicles support budget Item 205.

Deletion of Requests for New Field Offices

We recommend deletion of \$4,738,000 for land acquisition and working drawings until completion and review of program management analysis report requested under Item 205, page 331.

Our analysis of the support budget discusses the department's need to undertake a thorough program management analysis and recommends a report to the Joint Legislative Budget Committee by April 1, 1976. The portion of this analysis relating to field office functions should include an evaluation of the impact upon capital outlay and field office building design. Until this report is available we recommend that acquisition of land and working drawings for new field offices be deferred.

There are a number of projects in the Budget Bill which have been submitted without a program description, preliminary drawings or an accurate cost estimates. For these reasons we recommend deletion of \$4,738,000 as follows.

(a) Site acquisition and working drawings, office building and parking facilities—Oceanside	\$434,200
(b) Site acquisition and working drawings, office building and parking facilities—San Pedro	352,500
(c) Site acquisition and working drawings, office building and parking facilities—Torrance	561,800
(d) Site acquisition and working drawings, office building and parking facilities—Pleasanton	490,000
(e) Site acquisition and working drawings, office building and parking facilities—South Lake Tahoe	187,100

(f) Site acquisition and working drawings, office building and parking facilities—Lancaster	260,560
(h) Site acquisition and working drawings, office building and parking facilities—Compton	568,560
(i) Site acquisition and working drawings, office building and parking facilities—Los Angeles (Southern headquarters)	879,880
(j) Site acquisition and working drawings, office building and parking facilities—Oroville	196,500
(k) Site acquisition and working drawings, office building and parking facilities—Woodland/Davis	247,300
(n) Site acquisition and working drawings, office building and parking facilities—Santa Barbara	<u>559,600</u>
Total	\$4,738,000

Requests Related to Existing Field Offices

(g) Site acquisition, additional driveway—Fullerton	\$115,000
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We recommend approval.

This site acquisition corrects a planning oversight at the Fullerton office. At the time of construction only one point of ingress and egress was provided, and this was from a secondary street. The acquisition of this parcel will permit an additional driveway and corrects an untenable condition.

(l) Site acquisition, additional parking—Whittier	\$65,000
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We recommend deletion.

It is our understanding that this property is the site of a bankrupt gas station and the department wishes to acquire it in order to control its use.

There is no apparent need for the land. The current parking lot has 30 spaces in excess of projected needs for the year 2000. The acquisition would provide an additional 28 spaces at a cost of over \$3,000 per parking space. Hence, we recommend deletion.

(m) Working drawings and construction, building addition —Mountain View	\$252,000
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We recommend deletion.

This project has been submitted without adequate justification of need.

The location is a constrained site. This proposed addition will not provide adequate long-term building space and will reduce the number of parking spaces from 94 to 65. An office space of the total size proposed should have 134 spaces.

(o) Statewide, project planning	\$4,500
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We recommend an augmentation of \$30,500.

The Budget Act of 1974 appropriated \$31,500 for project planning. This was transferred to the Office of Architecture and Construction (OAC) in December. In the preparation of this year's budget packages, OAC requested an additional \$4,000 from the department. This money was transferred to OAC from support funds.

Assuming 1.5 percent for such planning, \$4,500 would be adequate for a program of approximately \$300,000. This is far below the department's

DEPARTMENT OF MOTOR VEHICLES—Continued

anticipated project program needs. An appropriation of \$35,000 would provide for a program of \$2,330,000, a figure more realistic to the department's need. Hence, we recommend an augmentation of \$30,500.

DEPARTMENT OF CONSERVATION—DIVISION OF FORESTRY

Item 363 from the General
Fund

Budget p. 547

Requested 1975-76	\$142,420
Recommended reduction	142,420

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

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1. *Statewide. Reduce by \$5,000.* Recommend deletion of opportunity purchases. 838
2. *San Bernardino. Reduce by \$137,420.* Recommend deletion of Ranger Unit Headquarters, Class A auto shop construction. 838

ANALYSIS AND RECOMMENDATIONS

The Audits Division, Department of Finance, is currently reviewing the fire protection service offered by the Department of Conservation—Division of Forestry. The three phases of this study are (1) the fire protection program with regard to the Fair Labor Standards Act, (2) conservation camps and ecology corps centers and their need as a part of California's fire protection program, (3) watershed and fire protection program.

It is anticipated that these reports will be completed March 15, 1975. We recommend they be released at that time to the Joint Legislative Budget Committee for review. Until this study is completed and reviewed, the Department of Finance has placed a moratorium on the division's request for facilities directly related to staffing for fire suppression. We concur with the need for review of the Division of Forestry's fire protection program.

- (a) Site acquisition—opportunity purchases..... \$5,000

We recommend deletion.

The Budget Act of 1974 provided \$5,000 for opportunity site acquisitions. Only \$1,000 has been expended to date. We believe the remaining \$4,000 is adequate for future opportunity purchases.

- (b) San Bernardino Ranger Unit Headquarters—Class A
Auto Shop..... \$137,420

We recommend deletion.

This proposal is to construct and equip a six-bay Class A auto shop at San Bernardino Ranger Unit Headquarters. This will replace a four-bay shop located in a converted 1937 warehouse building.

This proposal appears in the Budget Bill without benefit of a preliminary program package prepared by the Office of Architecture and Con-

struction. Therefore, preliminary drawings and an accurate cost estimate are not available for review. Without this information we have no basis to recommend the adequacy of the request.

DEPARTMENT OF FISH AND GAME

Item 364 from the Fish and
Game Preservation Fund

Budget p. 570

Requested 1975-76	\$114,000
Recommended reduction	114,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

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1. *Heerdt Marsh. Reduce by \$114,000.* Recommend deletion of land acquisition in Marin County. 839

ANALYSIS AND RECOMMENDATIONS

We recommend deletion of \$114,000.

This request is for the acquisition of approximately 97 acres of marshland, known as the Heerdt property, located on San Francisco Bay in Marin County. Its apparent use is a deposit area of spoil material (bay dredgings) for the Golden Gate Transit District.

The \$114,000 budgeted for this purpose was obtained from a court settlement with Standard Oil Company of California for damages resulting from the collision of two tankerships owned by that company.

As prescribed in the settlement, this money was deposited in the Fish and Game Preservation Fund for "use in the purchase of lands which will protect and enhance the fish and wildlife of California, or in such other manner as will protect and enhance the environmental quality of the State of California." The department has submitted no justification that this proposal fulfills these criteria. For this reason we recommend deletion.

DEPARTMENT OF NAVIGATION AND OCEAN DEVELOPMENT

Item 365 from the Harbors and
Watercraft Revolving Fund

Budget p. 583

Requested 1975-76	\$145,000
Recommended approval	145,000

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

This item would appropriate \$125,000 for development of boater destination facilities at Picacho State Recreation Area on the Colorado River and \$20,000 for preparing preliminary plans and specifications to be used as supporting data in requests for working drawings or construction appropriations in succeeding budgets.

DEPARTMENT OF PARKS AND RECREATION

Item 366 from funds accumulated
under specified budget
items

Budget p. 594

Requested 1975-76	\$350,000
Recommended approval	350,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

*Analysis
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1. Hearst Castle. Recommend \$15,000 from this item be transferred to the Office of Architecture and Construction. 840

ANALYSIS AND RECOMMENDATIONS

We recommend that \$15,000 from this item be transferred to the Office of Architecture and Construction to prepare a comprehensive schedule with estimated costs of the repairs needed at Hearst Castle.

This item proposes to appropriate \$350,000 for capital outlay at the Hearst Castle from reserves established by legislative action in prior Budget Acts. The reserves consist of the surplus of operating revenues over operating expenses at the Hearst Castle.

The specific work to be accomplished by this item includes continued restoration of art objects, repairs to "A" House and the Roman Pool, plus a variety of preventive maintenance tasks.

Maintenance and repair will continue to be needed at Hearst Castle, but, the future scope, priority and specific definition of the work is unknown. The Office of Architecture and Construction is qualified to evaluate such work.

DEPARTMENT OF PARKS AND RECREATIONItem 367 from the State Park
Contingent Fund

Budget p. 610

Requested 1975-76 (Reimbursement)	\$500,000
Recommended special review	500,000

ANALYSIS AND RECOMMENDATIONS*We recommend special review.*

This item proposes to authorize, through the State Park Contingent Fund, the acquisition of two projects on a fully reimbursed (no state cost) basis. The reimbursements would be \$200,000 from the Federal Land and Water Conservation Fund and \$300,000 from the Save-the-Redwoods League. There is an opportunity cost for this type of acquisition because these moneys can also be used as reimbursements for other purposes or acquisitions of other redwoods. Therefore, the true costs of acquisition are the alternatives foregone. No justifying documentation has been received from the department for either of these projects. We recommend that the entire item be placed under special review.

DEPARTMENT OF PARKS AND RECREATIONItem 368 from the Bagley Con-
servation Fund

Budget p. 611

Requested 1975-76	\$320,000
Recommended approval	200,000
Recommended special review	120,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONSAnalysis
page

1. Design and Construction Planning. Recommend special review of approval of planning funds (\$120,000). 841
2. Opportunity Purchases. Recommend adding Supplemental Report language (\$200,000). 842

ANALYSIS AND RECOMMENDATIONS

Chapter 1, First Extraordinary Session of 1971, created the Bagley Conservation Fund and placed \$40 million in it for beach, park and other land acquisitions, including wildlife areas and for coastline planning and development of recreational facilities. Section 19.3 of the 1973 Budget Act transferred \$41,500,000 from the General Fund surplus into the Bagley Conservation Fund. The Legislature appropriated \$28.6 million from Tidelands Oil Revenues to the Bagley Conservation Fund for park purposes by Item 383.5, Budget Act of 1974.

(a) Design and Construction Planning \$120,000

We recommend special review until the Design and Construction Divi-

DEPARTMENT OF PARKS AND RECREATION—Continued

sion has submitted its workload as recommended in Item 251.

This subitem is a reimbursement to the department's general support budget in Item 251 and provides for the department's design and construction liaison with the Office of Architecture and Construction (OAC) on Bagley Conservation Fund projects. The funds needed in this subitem cannot be determined until a thorough workload analysis of the design and construction program has been accomplished as recommended under Item 251.

➤ (b) Opportunity Purchases \$200,000

➤ *We recommend adding Supplemental Report language.*

The Department of Parks and Recreation has from time-to-time received appropriations for unspecified acquisitions in order to permit flexibility to purchase small parcels of land that become available on an unexpected or "opportunity purchase" basis. At the present time there are no generally accepted guidelines to define such purchases. In the past both this office and the Public Works Board have expressed the view that some of the money was expended on acquisitions that did not properly qualify as opportunity purchases.

The problem of definition can be overcome if the following language is added in the Supplemental Report. "It is the intent of the Legislature that the Public Works Board assure that opportunity purchases consist of relatively small purchases of land and improvements that were not available for purchase by the Department of Parks and Recreation six months prior to the beginning of a fiscal year."

DEPARTMENT OF PARKS AND RECREATION

Item 369 from the Collier Park ^{4/17 SF put on}
Preservation Fund

Budget p. 595

Requested 1975-76	\$240,000
Recommended reduction	200,000
Recommended special review	40,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

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1. Fort Ross. Recommend deletion of \$200,000. Recommend deletion of visitors center. 843
2. Planning Funds. Recommend deferral of \$40,000 preliminary planning funds. 843

ANALYSIS AND RECOMMENDATIONS

Chapter 1502, Statutes of 1974, established the Collier Park Preservation Fund. This fund is the depository for the first \$7 million in park system revenues received annually. Previously the money was deposited in the General Fund.

- (a) Fort Ross State Historic Park—construction of visitor center.....

\$200,000

We recommend deletion of \$200,000.

Item 410.4 Budget Act of 1974, appropriated \$20,000 for a general development plan and \$15,000 for preliminary planning at Fort Ross. To date, these funds have not been expended and no program has yet been developed. There is no plan at this time upon which these construction funds could be spent. The request appears to be premature and we recommend disapproval.

- (b) ~~Preliminary planning~~

\$40,000

We recommend deferral.

It is not clear how much of the planning money appropriated to the department from several sources in past years has been transferred to OAC for preparation of preliminary plans and estimates, has been retained by the department, or remains unexpended. An accounting should be made of these amounts. Pending receipt of such an accounting which has been requested, we defer recommendation on further preliminary planning money.

DEPARTMENT OF WATER RESOURCES

Item 370 from the General
Fund

Budget p. 627

Requested 1975-76	\$3,590,000
Recommended approval	3,590,000

ANALYSIS AND RECOMMENDATIONS

This item appropriates the capital outlay funds for the acquisition of lands, easements and rights-of-way for U.S. Corps of Engineers flood control projects in the Central Valley.

We recommend approval of the following projects as requested in the Governor's Budget:

(a) Sacramento River and Tributaries Flood Control project	\$72,000
(b) Fairfield Flood Control project	1,900,000
(c) Chester, North Fork Feather River Flood Control project	50,000
(d) San Joaquin River and Tributaries Flood Control project	18,000
(e) Fresno River Flood Control project	35,000
(f) Chowchilla River Flood Control project	115,000
(g) Sacramento River Bank Protection project	1,400,000

DEPARTMENT OF WATER RESOURCES

Item 371 from the General

Fund

Budget p. 639

Requested 1975-76	\$225,000
Recommended approval	225,000

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

This request is for 17 radio telemetry remote data stations (\$175,000) and related additions to the central interrogation station (\$50,000). This equipment will complete the central valley portion of a new telemetry system installed in 1973-74 and 1974-75. The system presently consists of 41 remote data stations throughout central and northern California and a central interrogation station in Sacramento which monitors the readings of the remote stations. Remote data stations provide hydrologic and meteorologic data for river forecasting and reservoir inflow forecasting. The new equipment proposed in this item will provide automatic organization and editing of data reducing the chance for data errors.

DEPARTMENT OF HEALTH

Item 372 from the General

Fund

Budget p. 726

Requested 1975-76	\$8,901,902
Recommended approval	6,854,902
Recommended reduction	1,812,000
Recommended augmentation	71,500
Recommended special review	235,000
Net recommended approval	\$6,926,402

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

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1. Statewide. We recommend a report assessing the factors that affect state hospital construction and structures. 845
2. Statewide. We recommend special review of environmental planning for resident area. 846
3. *Statewide. Reduce \$1,000,000.* Recommend deletion of fire and panic safety improvements. 846
4. *Statewide. Reduce \$150,000.* Recommend deletion of ancillary services/structures, modernization planning. 846
5. *Camarillo State Hospital. Reduce \$412,000.* Recommend deletion of alterations to electrical distribution system. 847
6. *Metropolitan State Hospital. Reduce \$250,000.* Recommend deletion of air-condition R&T building. 847
7. *Porterville State Hospital. Augment \$71,500.* Recommend 848

an augmentation in the amount of \$71,500 for construction and equip rehabilitation therapies buildings.

ANALYSIS AND RECOMMENDATIONS

Report Assessing State Hospital Construction and Structures

We recommend the department, through the State Architect, retain a private planning firm to conduct a study of the factors that affect construction and existing structures of the state hospitals. The findings of this study and resulting recommendations should be reported to the Joint Legislative Budget Committee by April 1, 1976.

We believe it imperative that the Department of Health evaluate its current position with regard to the state hospitals' capital needs.

Over the past years, requests for building code related items or accreditation related improvements have been budgeted. However, to date there has not been an established comprehensive statewide plan for the utilization and updating of state hospitals. It is recognized that many deficiencies exist at the hospitals. However, we continue to appropriate money on a crisis basis without correcting the basic problems. In our opinion, this is not a satisfactory approach.

For example, (1) air-conditioning of state hospitals has been undertaken, (2) there is a current request to correct fire and life safety infractions and (3) there will apparently follow a request to improve the patient care and ancillary areas. However, the structures in the state hospital system as a whole have never been fully evaluated. The larger question is whether these buildings warrant the expense the continuing modifications require. An examination of the cost required to meet codes and accreditation standards plus the expenses associated with modifications such as air-conditioning might suggest that to replace a structure, or to classify it to an alternate use would be a more viable alternative. We believe a study to evaluate all of the factors affecting state hospital structures is necessary in order to assure the best result from the expenditure of state funds.

This study should include, but not be limited to, a complete inventory of structures, master utilization plan, corrective action schedules and an analysis of potential problems, benefits and costs. The Office of Architecture and Construction (OAC) should assist the department in coordination and preparation of guidelines for this study so that a private planning firm can undertake this study and prepare a report. The findings and recommendations should be completed and submitted to the Joint Legislative Budget Committee by April 1, 1976 so that the department's major and minor capital outlay for 1976-77 can be considered in relation to it.

There should also be an immediate review of the Fire Marshal's survey to ascertain those measures which can be taken on an operational or management basis to reduce fire hazards to a minimum and provide maximum short-term protective devices or processes. This survey should include review of the administration of existing safety regulations and procedures.

A cost estimate for conducting the study and any short term adjustments should be provided by OAC during budget hearings. Unspent portions of previous Budget Act appropriations for code and accreditation projects should be redirected to fund this study and survey, as well as any short-term adjustments found to be required.

DEPARTMENT OF HEALTH—Continued

Proposed 1975-76 Capital Outlay Program

- (a) Environmental planning for resident areas—Sonoma,
Pacific and Porterville State Hospitals \$235,000

We recommend special review.

This proposal would provide a planning study to determine the necessary improvements in environmental conditions in patient areas. Improvements of this type are apparently needed and should be implemented in a timely manner. However, this effort should be an element of the statewide study discussed above.

We have recommended that the balance of prior appropriations for code and accreditation projects be used for the proposed statewide study. However, we have not received information identifying the balance in these appropriations. If the balance is inadequate, we believe it would be appropriate to use a portion of the funds in this proposal to supplement the cost of the statewide study. Hence, we recommend special review until the balance of past appropriations has been determined.

- (b) Fire and panic safety improvements—Statewide \$1,000,000

We recommend deletion.

This proposal is unclear. The department had originally requested \$8,455,550 for improvement of fire and panic safety deficiencies in three state hospitals. This request was based on a State Fire Marshal's survey of the facilities. Apparently, the \$1 million in the Budget Bill is intended to fund portions of the required improvements. However, we have no indication what improvements these funds will provide. In our opinion, this proposal is another example of funding improvement projects without benefit of proper planning.

This proposal should be a component of the recommended statewide study and thus we recommend deletion of this request.

- (c) Ancillary services—structures, modernization planning—statewide. \$150,000

We recommend deletion.

This proposal is similar to the request under subitem (a) for environmental planning for patient areas. We believe this planning effort should also be an element of the proposed statewide study. Therefore, we recommend deletion of this proposal.

- (d) Air-condition wards—Agnews State Hospital \$1,611,000
(f) Air-condition wards—Fairview State Hospital \$1,608,437
(i) Air-condition wards—Sonoma State Hospital \$3,130,465

We recommend approval.

These requests would augment previously approved projects. The progress of the air-conditioning projects for these hospitals has been unduly slow. Funds for each were appropriated in the Budget Act of 1973. In October 1974, a project status report from the OAC indicated that (1) Agnews—the Office of Architecture and Construction was negotiating with a private engineer for the preparation of the working drawings and drawings of specifications for long lead time equipment items, (2) Fair-

view—contract drawings were approximately 50 percent complete and equipment items requiring long delivery periods were being purchased, (3) Sonoma—working drawings were approximately 10 percent complete.

These projects should be under construction. We realize that they were put into the budget by the Legislature without benefit of proper preliminary planning. However, this was done because of the Legislature's concern for the need for air-conditioning in these hospitals. It is our understanding that planning funds were transferred to OAC in July 1973 but no significant planning was started until March 1974. Delays of this type are neither reasonable nor prudent. We estimate that these delays caused a cost increase in each project (because of inflation) of approximately \$670,000, \$690,000 and \$1.2 million respectively. A similar delay is occurring with the air-conditioning project at Stockton State Hospital. To date, working drawing funds appropriated for the Stockton project in the Budget Act of 1974 have not been requested for allocation through the State Public Works Board. Planning for this project should have been underway in July 1974 and working drawings should have been completed by this time.

Table 1 provides a detail of the augmentation requirement for each project in this item. The new estimate includes inflation costs and refined estimates based on improved information. The funds transferred are related to air-conditioning projects at Porterville and Pacific State Hospitals which already have been augmented by the State Public Works Board by \$593,465 and \$221,437 respectively. As indicated in Table 1 funds were obtained from the projects at Sonoma and Fairview State Hospitals. This augmentation process was necessary because of a lack of funds in the General Fund augmentation source under Section 16409 of the Government Code.

Table 1
Air-condition Wards—State Hospitals

	<i>Appropriation Budget Act of 1973</i>	<i>New Estimate</i>	<i>Difference</i>	<i>Funds Transferred</i>	<i>1975-76 Budget Request</i>
Agnews.....	\$1,700,000	\$3,311,000	\$1,611,000	—	\$1,611,000
Fairview.....	\$3,500,000	4,887,000	1,387,000	\$221,437	1,608,437
Sonoma.....	\$5,500,000	8,037,000	2,537,000	593,465	3,130,465

- (e) Alterations to electrical distribution—Camarillo State Hospital..... \$412,000
- (g) Air-conditioned R&T building—Metropolitan State Hospital..... \$250,000

We recommend deletion.

These projects appear in the Budget Bill without benefit of a preliminary program package prepared by the Office of Architecture and Construction (OAC). Therefore, the following information is not available (1) project description and requirements, (2) preliminary drawings and (3) an accurate cost estimate. Without this information we have no basis to recommend the need for these projects or the adequacy of the requested amounts.

DEPARTMENT OF HEALTH—Continued

- (h) Construct and equip rehabilitation therapies building
—Porterville State Hospital..... \$505,000

We recommend an augmentation of \$71,500.

This project provides an indoor area of 10,000 square feet for program and recreational activities during inclement weather and in the evenings. The facility will contain a 6,500 square foot gymnasium, 1,000 square foot physical education room, dressing rooms, shower and toilet areas, equipment storage and office area.

The OAC has recently completed preliminary plans for this proposal. The current estimated total project cost is \$593,000 of which \$16,500 has previously been transferred to OAC for planning. Hence, the amount needed under this item is \$576,500. Based on the type of facility to be constructed the estimated cost is reasonable and we recommend approval of the total amount. This requires an augmentation of \$71,500 to the Budget Bill amount.

DEPARTMENT OF CORRECTIONS

Item 373 from the General
Fund

Budget p. 792

Requested 1975-76	\$1,650,000
Recommended approval	675,000
Recommended reduction	825,000
Recommended augmentation	705,578
Recommended special review	150,000
Net recommended approval	\$1,380,578

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

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1. Statewide. We recommend the department prepare a long-range plan for institutional needs. Plan to be submitted to the Joint Legislative Budget Committee by October 1, 1975, and annual updates submitted each successive October. 849
2. *Replace San Quentin. Augment \$650,000.* Recommend an augmentation of \$650,000 for programming and planning of a new facility to replace San Quentin. 849
3. California Institution for Women. Recommend special review of project to construct pump station and interceptor. 850
4. *California Men's Colony. Reduce \$825,000.* Recommend a reduction of project to remodel sewage plant, construction. 850
5. *Deuel Vocational Institution. Augment \$55,578.* Recommend an augmentation of project to remodel sewage plant, construction. 850

ANALYSIS AND RECOMMENDATIONS**Long-Range Planning**

We recommend the Department of Corrections prepare a long-range plan for institutional needs to be submitted to the Joint Legislative Budget Committee by October 1, 1975, and annual updates submitted each successive October.

The department has experienced a steady increase in inmate population from a low of 19,595 in December 1972 to 24,586 in December 1974. The increase in male felon inmates during this same period rose 10.6 percent per year from 17,082 to 21,900. The department projects a male felon inmate population of 22,070 in June 1975 and 22,645 in June 1976. This represents a 0.8 percent increase in the last half of the current year and a 2.6 percent increase in the budget year. The department's long-range population projection indicates an increase in male felon population through 1980.

It is apparent that if the department is to house prison inmates adequately, there must be a long-range plan. Such a plan should, at a minimum, indicate (1) number of existing beds by institution and security classification, (2) existing inmate population by institution location, security classification and inmate's home county, (3) projected inmate population at each institution including probable mix of security classification and inmate's home county, (4) contingency plans in the event inmate population decreases, increases and/or changes in security classification mix from that anticipated, (5) plans for providing additional beds if required and (6) plans for deactivation of units as required. Such a plan should be reviewed and updated annually.

Replace San Quentin

We recommend an augmentation of \$650,000 for programing and planning a new facility to replace San Quentin.

Many studies have been made on the California prison system. These studies have recommended repeatedly the closing of both San Quentin and Folsom. The following quote is taken directly from the State Board of Corrections report dated July 1971:

"Manifestly, San Quentin and Folsom should be abandoned. Several recommendations calling for improvements in these institutions are made in this report. These were included only because there seems little certainty that these facilities will be closed in the near future. They should be closed. So long as they exist, they impede California's correctional efforts and tarnish its image.

"They are immense, yet do not have adequate space for modern programs. They are not secure or safe. Decent living conditions are almost unattainable in them, and they are ugly and depressing.

"Any major remodeling, in either facility, would cost many millions of dollars. If there is a choice between remodeling and a new facility, the latter choice is by far the better."

We concur with this conclusion.

A new facility would provide new opportunities. Its design would reflect current correctional, rehabilitation and program needs.

DEPARTMENT OF CORRECTIONS—Continued

Last year the Department of Corrections requested \$2.5 million for the renovation of a portion of the south block. The estimated cost for similar renovations and modification of cell areas would exceed \$30 million. The department also planned a new 150-bed hospital at this institution. We estimate the cost of such a structure would exceed \$10 million. Demolition of existing condemned buildings and modification to other buildings would also be required at a cost of perhaps \$2 million to \$5 million. The total long-range facility cost at San Quentin, therefore, can be expected to exceed \$45 million.

We estimate that a new 2,400-bed institution would cost approximately \$65 million. Such an institution could be constructed on state-owned land at Otay Mesa, San Diego County. This land was originally purchased as a site for a new correctional institution. This location is appropriate in view of the fact that 82 percent of the male felon inmate bed capacity is in the north portion of the state while nearly 57 percent of all male inmates are from the southern portion.

In light of (1) the recognized archaic conditions at San Quentin, (2) the fact that the cost to renovate San Quentin is nearly 70 percent of the cost of a new modern institution and (3) present maldistribution of institution beds with respect to location of inmate families, we recommend an augmentation of \$650,000 for programing and planning of a new facility to replace San Quentin.

Proposed 1975-76 Capital Outlay Program

- (a) Construct pump station and interceptor—California
Institution for Women..... \$150,000

We recommend special review.

The program package report for this project is scheduled for completion in January. The Water Quality Control Board reviews this report in order to determine need and eligibility for reimbursements. Until this review is complete we withhold our recommendation.

- (b) Remodel sewage plant—California Men's Colony..... \$950,000

We recommend a reduction of \$825,000.

The California Water Quality Control Board—Central Coast Region has adopted July 1, 1977 as the compliance date for this facility to meet water discharge requirements.

We recommend that \$125,000 be appropriated at this time for preliminary plans and working drawing. This will permit the department to develop the construction documents, seek reimbursements and be ready to go to construction in fiscal year 1976-77.

- (c) Remodel sewage plant—Deuel Vocational Institution \$550,000

We recommend augmentation of \$55,578.

This project is to meet the regulations adopted by the California Regional Water Control Board—Central Valley Region, for waste discharge requirements. A compliance date of November 1, 1976 has been set.

The consulting engineer's program package provides for (1) domestic water facilities comprised of aerated lagoon, polishing pond, filtration and chlorination facilities, and (2) agricultural wastewater facilities comprised

of enlargement of existing pond, influent and effluent pump stations. The estimated cost is \$628,578 less \$23,000 previously expended for planning. Thus, an augmentation of \$55,578 to the requested amount is required.

It should be noted that there are federal and state reimbursements of 87½ percent of the total costs available for this project.

DEPARTMENT OF THE YOUTH AUTHORITY

Item 374 from the General
Fund

Budget p. 811

Requested 1975-76	\$800,000
Recommended approval	297,000
Recommended reduction	333,000
Recommended special review	170,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

*Analysis
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1. *Southern California Youth Center, Chino. Reduce \$150,000.* 851
Recommend deletion of construction project to remodel gymnasium.
2. *Southern California Youth Center, Chino. Reduce \$180,000.* 852
Recommend deletion of project to convert auditorium to recreation building.
3. *Southern California Reception Center-Clinic, Norwalk. Reduce \$3,000.* 852
Recommend reduction of electrical distribution system construction.
4. *Ventura School. Recommend special review of project to improve potability of drinking water.* 852

ANALYSIS AND RECOMMENDATIONS

- (a) Remodel gymnasium, Southern California Youth Center \$150,000

We recommend deletion.

The existing gymnasium is a standard high school facility and was designed to meet the needs of this institution of 1,200 wards. The proposed project would partition the gymnasium into halves to provide separate facilities to isolate individual ward groups. This request, plus the auditorium remodel request in subitem (b), would provide three separate and isolated gymnasiums.

This gymnasium is not the only recreational area currently provided the wards. There are (1) outdoor court areas, (2) indoor recreation rooms in the sleeping quarters, (3) handball courts, (4) a swimming pool, (5) a running track and (6) a multi-purpose play field. This variety of recreational facilities accommodates a wide range of activities, and the need for separate gymnasium facilities is not apparent. Hence, we recommend deletion of this request.

DEPARTMENT OF THE YOUTH AUTHORITY—Continued

- (b) Convert auditorium to recreation building, Southern California Youth Center \$180,000

We recommend deletion.

This project would convert the existing auditorium area of approximately 5,600 square feet into a gymnasium of 4,600 square feet and additional staff offices of 1,000 square feet.

We believe this proposal is inappropriate. As we pointed out in the preceding project there is no apparent need for separate gymnasium facilities. In addition, the proposed office space will be occupied by staff which is adequately housed in the administration building at the present time. There is ample office space at this institution and the proposed offices are not needed.

The auditorium is the only facility of this type available at this institution. It will house approximately 600 persons and can be used for a variety of activities such as movies, meetings, talent shows and other entertainment programs.

It has not been shown that this institution does not need an auditorium.

- (c) Rehabilitate electrical distribution system, Southern California Reception Center-Clinic \$300,000

We recommend a reduction of \$3,000.

The current electrical distribution system at the Southern Reception Center has a history of failures. When these occur they cause disruptions and create security problems. This project will increase system reliability, facilitate locating and isolating trouble areas and aid in early restoration of power when failures occur. The modernized system will also allow for repairs without disrupting the entire institution.

The Office of Architecture and Construction has indicated that the cost for inspection services could be reduced from \$14,000 to \$11,000. Hence, we recommend a reduction of \$3,000.

- (d) Improve potability of drinking water—Ventura School \$170,000

We recommend special review.

Drinking water at this facility is obtained from state owned wells. The quality of this water does not meet State Department of Health standards.

This proposal would provide for connection to the City of Oxnard water system. The higher quality city water would be blended with the well water to bring it to acceptable levels. The necessary work is to be accomplished by the City. Therefore a contract between the state and city is required to determine payment and connection reimbursements. At this time, the terms of the contract and the costs are not final. We anticipate that adequate information will be available during budget hearings.

DEPARTMENT OF EDUCATION

Item 375 from the General

Fund

Budget p. 864

Requested 1975-76	\$127,440
Recommended approval	127,440

ANALYSIS AND RECOMMENDATIONS

- (1) Working drawings, construct and equip life and safety requirements Diagnostic School for the Neurologically Handicapped Children, Northern California \$127,440

We recommend approval.

The Northern California Diagnostic School for the Neurologically Handicapped Children is located on 2.8 acres in the City of San Francisco. The student capacity of this school is approximately 50. Of this number 41 students are full time residents at the school. The remaining capacity is used on a weekly rotating basis for up to nine students. Thus, approximately 250 students attend this school during the year.

The proposed project will correct life and safety code infractions within the existing building. These infractions were identified in a State Fire Marshal's building survey report dated August 5, 1974. The State Office of Architecture and Construction has completed preliminary plans for correcting all the code infractions. The estimated cost is reasonable and we recommend approval.

UNIVERSITY OF CALIFORNIA

Item 376 from the Capital Out-

lay Fund for Public Higher

Education

Budget p. 913

Requested 1975-76	\$2,000,000
Recommended special review	\$2,000,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS*Analysis
page*

1. Universitywide. Recommend special review of requested amount to allow opportunity for review of annual report of minor capital outlay projects. 854

ANALYSIS AND RECOMMENDATIONS

This request represents a lump-sum appropriation to the University to be allocated for minor construction and improvements at each of the general and health science campuses and agricultural field stations.

The specified projects, all of which are for \$100,000 or less, have not been submitted, and are not required for review.

UNIVERSITY OF CALIFORNIA—Continued

Special Review

We recommend special review of this item in order to provide an opportunity to examine the projects funded in the University's 1974-75 minor capital outlay appropriation.

For the past several years the minor capital improvement program has been reviewed on a postaudit basis. This review has revealed that there are several categories of projects (i.e., change in instructional space) that should be reviewed by the Legislature. The annual postaudit report is usually received in February. After review of this report we will be in a better position to recommend specific action on the minor capital outlay program.

It should be pointed out that the Budget Bill contains language to limit minor capital outlay appropriations to one year. In prior years these funds were made available for three years. Because the projects under minor capital outlay should be accomplished within one year, the proposed availability limitation should not cause any problems. Hence, we concur with this change.

UNIVERSITY OF CALIFORNIA

Item 377 from the Capital Out-
lay Fund for Public Higher
Education

Budget p. 913

Requested 1975-76	\$12,603,000
Recommended special review	\$12,603,000

ANALYSIS AND RECOMMENDATIONS

We recommend special review.

This proposal is for a \$12,603,000 loan from the COFPHE to a proposed Higher Education Construction Program bond issue of 1976. These funds will provide the 1975-76 capital outlay program proposed for the University of California general campuses. The loan funds are to be repaid in June 1976 from the first proceeds of the bond issue.

This proposal is similar to the one for the California State University and Colleges (Item 379) and the California Community Colleges (Item 380), except the loan for the community colleges is from the General Fund rather than the COFPHE.

Borrowing vs Pay-As-You-Go—New Policy

In recent years capital outlay for higher education (primarily the University of California and the State University and Colleges) has been financed from tidelands oil revenues deposited in the Capital Outlay Fund for Public Higher Education (COFPHE). The 1975-76 Governor's Budget proposes to replace this current revenue source with bond financing. A portion of the balance in the COFPHE would then be transferred to the General Fund to increase the surplus. Because no authority for bonds is

currently available, a loan will be made from COFPHE to be repaid in 1976 from the proceeds of a future higher education bond act. In addition, a similar loan from the General Fund is proposed to be repaid from a Community College Construction Bond Act of 1976.

The issue of borrowing vs "pay-as-you-go" is a recurring one. It is important to consider the impact of the General Fund bond programs on the General Fund budget, and this depends upon the extent to which alternatives are utilized. If pay-as-you-go is used to finance capital outlay for state construction, bond costs are avoided but General Fund expenditures immediately rise to pay the costs. If, on the other hand, General Fund bonding programs are used, General Fund expenditures are spread out over about a 25-year period. The final cost is much higher because of interest costs.

In the past, we have supported the pay-as-you-go concept because of its lower total cost, particularly when the annual level of appropriation for construction was relatively constant. Under present economic conditions, however, bond funding may have short-term advantages. This method of financing could maintain a higher level of state construction than pay-as-you-go and aid in stabilizing the construction industry while at the same time deferring tax increases, which would otherwise be required to fund such expenditures.

However, the use of loans to finance part of 1975-76 capital outlay needs, in anticipation of the voters approving bond issues in June 1976, is an unusual procedure. Under this arrangement the voters are offered a "Hobson's Choice" on part of the capital outlay financing. If they approve the bonds, then past and future construction will be financed from that source. If they disapprove the bonds, then past construction will still be funded, but from state taxes and oil revenues. It would be more logical to divide the issue and have the voters decide whether they approve of bond financing only for future capital outlay, and then use state revenues to fund the 1975-76 projects. The adoption of this policy would (1) eliminate the loan proposals, (2) call for the use of current taxes and oil revenues to fund \$46.8 million of 1975-76 higher education capital outlay and (3) reduce the projected General Fund surplus estimate to a realistic figure by counting these expenditures as current obligations, which in fact, they are.

CALIFORNIA STATE UNIVERSITY AND COLLEGES

Item 378 from the Capital Out-
lay Fund for Public Higher
Education

Budget p. 953

Requested 1975-76	\$2,000,000
Recommended special review.....	\$2,000,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

1. Statewide. Recommend special review to allow opportunity for review of annual report of minor capital outlay projects.

ANALYSIS AND RECOMMENDATIONS

This request represents a lump-sum appropriation to the California State University and Colleges (CSUC) to be allocated for minor construction and improvements at each of the 19 campuses.

The specified projects, all of which are for \$100,000 or less, have not been submitted, and are not detailed in the budget.

Special Review

We recommend special review of this item in order to provide an opportunity to examine the projects funded in the CSUC 1974-75 minor capital outlay appropriation.

For the past several years the minor capital improvement program has been reviewed on a postaudit basis. This review has revealed that there are several categories of projects (i.e., change in instructional space) that should be reviewed by the Legislature. The annual postaudit report is usually received in February. After review of this report we will be in a better position to recommend specific action on the minor capital outlay program.

It should be pointed out that the Budget Bill contains language to limit minor capital outlay appropriations to one year. In prior years these funds were available for three years. Because the projects under minor capital outlay should be accomplished within one year, the proposed availability limitation should not cause any problems. Hence, we concur with this change.

CALIFORNIA STATE UNIVERSITY AND COLLEGES

Item 379 from the Capital Out-
lay Fund for Public Higher
Education

Budget p. 953

Requested 1975-76	\$13,838,000
Recommended special review.....	\$13,838,000

ANALYSIS AND RECOMMENDATIONS

We recommend special review.

This proposal is for a \$13,838,000 *loan* from the Capital Outlay Fund for Public Higher Education (COFPE) to a proposed Higher Education Construction Program Bond issue of 1976. The funds in this item provide for the 1975-76 capital outlay program proposed for the California State University and Colleges. The loan funds are to be repaid in June 1976 from the first proceeds from the bond issue.

We have provided a more detailed discussion of the proposed loan and bond program, under Item 377, page 854.

CALIFORNIA COMMUNITY COLLEGES

Item 380 from the General
Fund

Budget p. 985

Requested 1975-76	\$20,407,400
Recommended special review.....	20,407,400

ANALYSIS AND RECOMMENDATIONS

We recommend special review.

This proposal is for a \$20,407,400 *loan* from the General Fund to a proposed Community College Construction Program bond issue of 1976. These funds will provide the state's participation (sharing ratio) in the 1975-76 capital outlay program proposed for the community colleges. The loan funds are to be repaid in June, 1976 from the first proceeds from the bond issue.

We have provided a more detailed discussion of the loan and bond financing proposal under Item 377 page 854.

It is important to note that in June, 1974, the California Postsecondary Education Commission studied the need for a proposed bond issue to provide state matching funds to construct community college facilities. A new bond issue had been proposed because funds in the current Community College Bond program were nearly depleted.

Subsequent to this study the commission passed a resolution which contained the following conclusions:

1. There will be a decline in Community College enrollments, beginning in 1979, as indicated by Department of Finance projections. However, information that could influence the downward trend and,

CALIFORNIA COMMUNITY COLLEGES—Continued

thus, the need for a Community College bond issue is not available at the present time.

2. Legislative intent with respect to standards for the utilization of instructional facilities is not clear. However, both the Legislature and the Commission will be better informed on this subject after the Commission staff submits a report on utilization standards in the fall of 1974.
3. The types of Community College facilities needed for evening enrollments are not clearly defined at this time and may differ substantially from those needed for daytime enrollments. Since evening enrollments appear to be increasing at a faster rate than daytime enrollments, this information is essential.
4. The need for Community College facilities shall be considered by the Commission in its overall master planning for California postsecondary education, including capital outlay requirements for all segments.
5. Although there is clearly a need for facilities in some Community College districts through 1979-80, the need may disappear for a number of years in some of these districts as enrollments decline after 1979-80;

In view of these conclusions the commission recommended deferral of the proposed bond issue and use of the General Fund and the Capital Outlay Fund for Public Higher Education for financing community college capital outlay. We recommend special review of this item because the proposal repayment of the \$20 million General Fund loan could not be made if the bonds are not authorized.

DEPARTMENT OF PARKS AND RECREATION

Item 381 from the 1964 State
Beach, Park, Recreational and
Historical Facilities Fund

Budget p. 609

Requested 1975-76	AA	\$53,000
Recommend approval	AV	53,000

ANALYSIS AND RECOMMENDATIONS

We recommend approval

This item provides \$53,000 from the State Beach, Park, Recreational and Historical Facilities Fund of 1964 to the Department of Parks and Recreation for the review of the plans and specifications and the administration of grant projects resubmitted by local government under the grant provisions of the 1964 Park Bond Act. These funds will also provide for administering the projects now underway. It will be a reimbursement to the department's general support Item 251.

DEPARTMENT OF PARKS AND RECREATION

Item 382 Reappropriations from
the State Beach, Park, Recrea-
tional and Historical Facilities
Fund of 1964

Budget p. 612

ANALYSIS AND RECOMMENDATIONS

We recommend that Item 313(g), Budget Act of 1971 be reappropriated.

This item proposes to reappropriate funds for acquisitions and minimum development projects financed from the State Beach, Park, Recreational and Historical Facilities Bond Fund.

The citation and title of each acquisition being reappropriated are:

Item 362 (a,b): Budget Act of 1965—Delta Meadows, Huntington Beach Pfeiffer Big Sur.

Item 423 (a): Budget Act of 1966—Montana de Oro.

Item 423 (c): Budget Act of 1966—Coyote River Parkway

Item 423 (f): Budget Act of 1966—Caviota Refugio

Item 423 (m): Budget Act of 1966—Old River Islands

Item 423 (q): Budget Act of 1966—12 miscellaneous projects.

Item 423 (t): Budget Act of 1966—Santa Monica Mountains

Item 343.7 (b): Budget Act of 1967—Delta Meadows (augmentation)

Item 377.1 (a): Budget Act of 1968—Carpinteria State Beach

Item 422 (a): Budget Act of 1969—Statewide acquisitions

Item 322 (b): Budget Act of 1972—Topanga Canyon

Item 322 (e): Budget Act of 1972—Cardiff State Beach

Item 322 (f): Budget Act of 1972—Federal reimbursements

Item 322 cx(a): Budget Act of 1972—relocation expenses

The minimum development projects being reappropriated are:

Item 424 (c): Budget Act of 1966—Point Mugu, appropriation for development of a water system only.

Item 423 (a): Budget Act of 1969—San Diego Old Town, \$250,000 initial development.

Item 423 (c): Budget Act of 1969—Caviota Refugio, \$225,000 initial development

Item 314 (f): Budget Act of 1971—Refugio State Beach

Item 323A: Budget Act of 1972—San Onofre State Beach

The department has not proposed to request reappropriation of Item 313(g), Budget Act of 1971 for Montana de Oro. This appears to be an error and we recommend it be added to the list of reappropriated projects.

In our analysis last year we pointed out, as we have for several years, a continuing lack of acquisition progress, particularly on the remaining 1964 State Beach, Park, Recreational and Historical Facilities Projects. The status of these and other acquisition appropriations is shown in Table 1.

DEPARTMENT OF PARKS AND RECREATION—Continued

Table 1
ACQUISITIONS NOT COMPLETED
APPROPRIATIONS AND EXPENDITURES AS OF NOVEMBER 30, 1974
 Funding provided by the State Beach, Park, Recreational and Historical
 Facilities Funds of 1964 and 1974; the Bagley Conservation Fund;
 the State Park Contingent Fund; the Off-Highway
 Vehicle Fund; and the General Fund

Project (Appropriations)	Amount Available	Expenditures	Remaining Balance	Acres	
				Acquired to Date	To Be Acquired
Allensworth					
(Item 318.2/72)	\$200,000	\$131,530	\$68,470	43.89	196.11
(Ch. 1484/74, Item 410.7B)	300,000	—	300,000	—	Augmentation
Ano Nuevo					
(Ch. 1484/74, Item 410.7B)	1,000,000	—	1,000,000	—	740.00
Anza Borrego					
(Item 382.2/74)	30,000	—	30,000	—	92.50
(Ch. 1484/74, Item 410.7B)	1,100,000	—	1,100,000	—	1,430.00
Bear Harbor Ranch					
(Item 350/73)	2,035,000	22,980	2,012,020	—	3,800.00
(Ch. 1521/74)	250,000	—	250,000	—	Augmentation
Big Basin Redwoods					
(Item 382/74)	70,000	—	70,000	—	80.00
(Ch. 1484/74, Item 410.7B)	250,000	—	250,000	—	173.00
Bodie SHP					
(Ch. 1484/74, Item 410.7B)	75,000	—	75,000	—	200.00
Border Field					
(Ch. 1484/74, Item 410.7B)	3,000,000	—	3,000,000	—	390.00
Bothe-Napa					
(Item 318/72)	350,000	—	350,000	—	441.00
(Ch. 1484/74, Item 410.7B)	650,000	—	650,000	—	178.00
Candlestick Park					
(Item 350/73)	10,000,000	566,380	9,433,620	8.82	260.18
Carmel River					
(Item 318/72)	884,000	—	884,000	—	—
(Ch. 1484/74, Item 410.7B)	1,750,000	—	1,750,000	—	35.60
Castle Rock					
(Item 382/74)	30,000	—	30,000	—	85.00
Century Ranch <i>expansion</i>					
(Ch. 1521/74)	7,000,000	—	7,000,000	—	1,135.00
Columbia SHP					
(Ch. 1484/74, Item 410.7B)	430,000	—	430,000	—	Misc.
Corral Beach					
(Ch. 1521/74)	2,000,000	—	2,000,000	—	8.00
Cosumnes River					
(Ch. 1484/74, Item 410.7B)	2,500,000	—	2,500,000	—	3,450.00
Caswell Memorial					
(Ch. 1484/74, Item 410.7B)	50,000	—	50,000	—	13.00
Coyote River Parkway					
(Item 423/66)	2,500,000	1,529,276	970,724	358.19	108.59
Cuyamaca Rancho					
(Ch. 1484/74, Item 410.7B)	1,800,000	—	1,800,000	—	655.00
Delta Meadows					
(Item 362/65)	765,000	106,395	658,605	—	710.40
(Item 343.7/67)	320,000	—	320,000	—	Augmentation
Delta Channels Islands					
(Ch. 1484/74, Item 410.7B)	500,000	—	500,000	—	1,000.00
Doheny SB					
(Item 313/71)	2,100,000	15,435	2,084,565	—	3.27
(Ch. 1521/74)	750,000	—	750,000	—	2.91

Project (Appropriations)	Amount Available	Expenditures	Remaining Balance	Acres	
				Acquired to Date	To Be Acquired
Elk Creek Ranch					
(Item 350/73)	100,000	1,461	98,539	—	60.00
(Ch. 1521/74)	250,000	—	250,000	—	Augmentation
El Capitan					
(Ch. 1484/74, Item 410.7B)	2,500,000	—	2,500,000	—	300.00
El Presidio de Santa Barbara					
(Ch. 959/72, Item 322A)	33,000	6,718	26,282	—	1.00
(Ch. 1521/74)	100,000	—	100,000	—	Misc.
Empire Mine					
(Item 350/73)	1,500,000	25,397	1,474,603	—	122.00
Encinal Beach					
(Item 350/73)	650,000	8,679	641,321	—	5.00
(Ch. 1521/74)	650,000	—	650,000	—	Augmentation
Fort Ross					
(Item 350/73)	742,216	14,068	728,148	—	200.00
(Ch. 1521/74)	750,000	—	750,000	—	Augmentation
Gaviota/Refugio					
(Item 423/66)	4,519,558	4,309,155	210,403	2,286.13	200.00
Gualala River					
(Ch. 983/73)	55,000	5,920	49,080	—	100.00
Hendy Woods					
(Ch. 983/73)	300,000	439	299,561	—	200.00
Hollister Hills					
(Ch. 542/74)	1,400,000	—	1,400,000	—	2,484.00
Humboldt Redwoods					
(Item 349/73)	489,600	—	489,600	—	Misc.
(Item 382/74)	357,000	—	357,000	—	Misc.
(Item 382.1/74)	135,000	—	135,000	—	Misc.
(Ch. 1484/74, Item 410.7B)	1,500,000	—	1,500,000	—	300.00
Inverness Ridge					
(Item 350/73)	1,000,000	225,287	774,713	142.45	1,097.55
(Ch. 1521/74)	500,000	—	500,000	—	Augmentation
Jedediah Smith					
(Item 349.1/73)	30,000	—	30,000	—	18.00
Jetty Beach					
(Item 379/73)	500,000	—	500,000	—	—
Julia P. Burns					
(Ch. 1484/74, Item 410.7B)	125,000	—	125,000	—	120.00
Las Tunas Beach					
(Ch. 1521/74)	500,000	—	500,000	—	.77
Leo Carrillo					
(Ch. 983/73)	1,900,000	24,686	1,875,314	—	35.00
(Ch. 1484/74, Item 410.7B)	1,000,000	—	1,000,000	—	Augmentation
(Ch. 1521/74)	1,000,000	—	1,000,000	—	10.00
Little River					
(Item 318.2/72)	75,000	10,176	64,824	—	55.00
MacKerricher SP					
(Item 383.3/74)	200,000	738	199,262	—	100.00
Malibu Lagoon					
(Ch. 1484/74, Item 410.7B)	3,150,000	—	3,150,000	—	22.00
Manchester SB					
(Item 350/73)	400,000	10,102	389,898	—	263.00
Manresa SB					
(Item 379/73)	1,100,000	—	1,100,000	—	45.00
Mendocino Headlands					
(Item 350/73)	430,000	192,026	237,974	—	193.00
(Item 383.3/74)	75,000	548	74,452	—	19.10

DEPARTMENT OF PARKS AND RECREATION—Continued

Project (Appropriations)	Amount Available	Expenditures	Remaining Balance	Acres	
				Acquired to Date	To Be Acquired
(Ch. 1521/74)	550,000	—	550,000	—	Augmentation
Montana de Oro					
(Item 423/66)	1,736,000	1,290,065	445,935	1,326.71	510.00
(Item 313/71)	950,000	42,772	907,228	—	Augmentation
Montara SB					
(Ch. 1754/71, Item 307B) ..	630,000	—	630,000	—	54.00
(Item 350/73)	65,000	1,932	63,068	—	9.10
Morro Bay					
(Item 318.2/72)	357,500	355,491	2,009	5.73	2.54
(Ch. 1514/74, Item 410.3H)	1,000,000	—	1,000,000	—	760.00
Mount Diablo					
(Item 350/73)	1,000,000	13,509	986,491	—	1,330.00
(Ch. 1484/74, Item 410.7B)	3,000,000	—	3,000,000	—	—
Newport & Laguna Beach					
(Item 410.2/74)	7,600,000	—	7,600,000	—	1,500.00
Old River Islands					
(Item 423/66)	778,150	8,810	769,340	—	980.00
Old Sacramento					
(Item 367/73)	185,000	181,061	3,939	5.01	1.89
Old Town-San Diego					
(Item 379/73)	950,000	—	950,000	—	9.90
(Ch. 1484/74, Item 410.7B)	350,000	—	350,000	—	Augmentation
Patrick's Point					
(Ch. 1484/74, Item 410.7B)	500,000	—	500,000	—	180.00
Pescadero SB					
(Ch. 1484/74, Item 410.7B)	560,000	—	560,000	—	340.00
Point Lobos					
(Ch. 958/72)	2,000,000	27,000	1,973,000	—	48.81
(Ch. 1521/74)	1,000,000	—	1,000,000	—	Augmentation
Poppy Preserve					
(Ch. 1521/74)	300,000	—	300,000	—	400.00
Pomponio					
(Item 379/73)	500,000	—	500,000	—	309.00
(Ch. 1484/74, Item 410.7B)	150,000	—	150,000	—	14.70
Prairie Creek Redwoods					
(Ch. 1521/74)	1,000,000	—	1,000,000	—	320.00
Pygmy Forest					
(Ch. 1484/74, Item 410.7B)	1,400,000	—	1,400,000	—	642.00
Red Rock Canyon					
(Item 350/73)	350,000	6,229	343,771	—	9,554.00
(Ch. 1521/74)	450,000	—	450,000	—	2,009.00
Refugio SB					
(Ch. 1484/74, Item 410.7B)	1,100,000	—	1,100,000	—	42.00
Russian Gulch					
(Item 350/73)	350,000	7,975	342,025	—	110.00
Salt Point					
(Ch. 1521/74)	1,100,000	—	1,100,000	—	233.00
San Elijo/Cardiff					
(Ch. 1484/74, Item 410.7B)	2,000,000	—	2,000,000	—	370.00
San Luis Island					
(Ch. 1484/74, Item 410.7B)	1,500,000	—	1,500,000	—	18,700.00
Santa Cruz Mtns. (Hoover Ranch) (Ch. 1423/72)	2,500,000	24,173	2,475,827	—	2,274.00
Santa Monica Mtns.					
(Item 401.1/74)	310,000	308,830	1,170	—	Augmentation
(Ch. 1484/74, Item 410.7B)	3,900,000	—	3,900,000	—	1,630.00
Schooner Gulch and Bowling Ball Beach					
(Ch. 983/73)	200,000	20,125	179,875	—	80.00

Project (Appropriations)	Amount Available	Expenditures	Remaining Balance	Acres	
				Acquired to Date	To Be Acquired
(Ch. 1521/74)	70,000	—	70,000	—	Augmentation
Shasta County/Horr Ranch					
(Item 379/73)	850,000	—	850,000	—	5,790.00
(Ch. 1484/74, Item 410.7B)	150,000	—	150,000	—	Augmentation
Sonoma & Mendocino					
Counties					
(Ch. 738/73)	750,000	30,755	719,245	—	Misc.
Sonoma Coast					
(Item 318.2/72)	398,650	398,323	327	11.80	28.00
(Item 350/73)	3,925,000	1,572,918	2,352,082	654.43	845.51
(Item 383.3/74)	600,000	258	599,742	—	250.00
South Carlsbad					
(Ch. 1484/74, Item 410.7B)	3,000,000	—	3,000,000	—	36.00
Stanford Home					
(Item 379/73)	951,000	—	951,000	—	Misc.
Stone Lake					
(Item 379/73)	6,240,000	—	6,240,000	—	—
Sugar Pine Point					
(Ch. 1484/74, Item 410.7B)	1,250,000	—	1,250,000	—	40.00
Suisun Marsh					
(Ch. 1521/74)	2,000,000	—	2,000,000	—	68,173.00
Tornales Bay					
(Ch. 1521/74)	2,000,000	—	2,000,000	—	602.00
Topanga Canyon					
(Item 362/65)	6,899,000	6,158,528	740,472	31.21	130.00
(Item 322/72)	459,000	1,969	457,031	—	27.35
(Ch. 1515/74, Item 410.10C)	2,500,000	—	2,500,000	—	600.00
Torrey Pines					
(Ch. 1521/74)	200,000	—	200,000	—	7.00
Usal Ranch					
(Ch. 1521/74)	500,000	—	500,000	—	2,000.00
Van Damme					
(Ch. 1484/74, Item 410.7B)	220,000	—	220,000	—	169.00
(Ch. 1521/74)	280,000	—	280,000	—	73.00
Ward Creek					
(Item 382/74)	500,000	—	500,000	—	173.00
Willow Creek					
(Ch. 983/73)	750,000	8,399	741,601	—	393.00
TOTALS.....	<u>145,960,927</u>	<u>17,997,881</u>	<u>127,963,046</u>	<u>4,882.16</u>	<u>144,050.78</u>

Source: Department of Parks and Recreation

Remarks: Acreage acquired to date and not shown above is about 33,000 acres.

DEPARTMENT OF PARKS AND RECREATION

Item 383 from the Recreation
and Fish and Wildlife En-
hancement Fund

Budget p. 599

Requested 1975-76	\$817,368
Recommended special review	817,368

ANALYSIS AND RECOMMENDATIONS

The approval of Proposition 20 by the electorate in 1970 created the Recreation and Fish and Wildlife Enhancement Fund to provide \$60 million for the development of recreational facilities along the California Water Project

- (a) Silverwood Lake State Recreation Area—bicycle and
hiking trails \$450,000

We recommend special review.

Construction at Silverwood State Recreation Area is nearing completion. This money is to finance the last features needed. No details or cost information on this project have been received. We therefore recommend special review.

- (b) Design and Construction planning \$367,368

We recommend deferral until the Design and Construction Division has submitted its workload substantiation.

This subitem appropriates money for reimbursement to the department's support Item 251. It provides for continuing design and construction liaison with OAC on the projects financed from the Recreation and Fish and Wildlife Enhancement Fund. At the present time, the staffing needed to accomplish this is not known. We have recommended under Item 251 that the department schedule its workload and manpower requirements in order that appropriations such as this subitem can be accurately determined.

DEPARTMENT OF NAVIGATION AND OCEAN DEVELOPMENT

Item 384 from the Recreation
and Fish and Wildlife En-
hancement Fund

Budget p. 581

Requested 1975-76	\$301,100
Recommended approval	301,100

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

This item is for minor capital outlay for boating facilities at units of the state water project. Projects include restrooms and extension of boat ramps at Lake Oroville (Butte County), an additional boat ramp at Thermalito Forebay (Butte County) and an additional parking area at Perris Lake State Recreation Area (Riverside County).

DEPARTMENT OF NAVIGATION AND OCEAN DEVELOPMENT

Item 385 from the Recreation
and Fish and Wildlife En-
hancement Fund

Budget p. 583

Requested 1975-76	\$175,000
Recommended approval	175,000

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

This item finances a repayment to the Department of Water Resources (DWR) for costs incurred in extending boat ramps at the Loafer Creek and Lime Saddle launching areas at Lake Oroville (Butte County). The ramp work was done at a time when DWR had drawn down the reservoir water level to repair power plant intake trash racks.

DEPARTMENT OF PARKS AND RECREATION

Item 386 Reappropriation from
the Recreation and Fish and
Wildlife Enhancement Fund

Budget p. 612

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

This item proposes to reappropriate development funds on two projects financed from the Recreation and Fish and Wildlife Enhancement Fund for one additional year.

The citations and titles of these projects are:

Item 327 (f): Budget Act of 1972—San Luis Reservoir, O'Neill Forebay

Item 327 (g): Budget Act of 1972—Silverwood Lake, Sawpit Canyon

DEPARTMENT OF PARKS AND RECREATION

Item 387 from the 1974 State
Beach, Park, Recreational and
Historical Facilities Fund of
1974

Budget p. 612

Requested 1975-76	\$916,594
Recommended approval	60,000
Recommended special review	856,594

ANALYSIS AND RECOMMENDATIONS

We recommend special review of preliminary planning (\$200,000) and design and construction planning (\$656,594).

Approval of the 1974 State Beach, Park, Recreational and Historical Facilities Fund by the electorate authorized the expenditure of \$250 million in bonds of which \$60 million is limited to development and \$90 million to acquisition for the state park system.

(a) Preliminary Planning..... \$200,000

We recommend special review.

There is no clear indication of the amount of planning money appropriated to the department from several sources in past years which has been (1) transferred to OAC for preparation of preliminary plans, (2) retained by the department, or (3) unexpended by the department. An accounting should be made of these amounts. We have requested such an accounting and we defer recommendation on further planning money pending its receipt.

(b) Design and Construction Planning \$656,594

We recommend special review until the design and construction program workload has been resubmitted in accord with the recommendation in Item 251.

(c) Historical and Archeological surveys..... \$60,000

We recommend approval.

This subitem is a reimbursement to the general support budget in Item 251. These funds provide for the special research performed at historical sites prior to development.

DEPARTMENT OF PARKS AND RECREATION

Item 388 Reversions from the
State Beach, Park, Recreational
and Historical Facilities Fund
of 1974

Budget p. 613

ANALYSIS AND RECOMMENDATIONS

We recommend deletion of the reversion for Item 410.7B(ii) Budget Act of 1974, Carmel River.

Item 388 would revert the unencumbered balances of the projects listed for the reasons shown:

Item	Project	Reason for Reverting
Item 410.10 Budget Act of 1974	Prairie Creek	Duplicated by appropriation (Y) Chapter 1521, Statutes of 1974
Item 410.10K Budget Act of 1974	Irvine Ranch	Duplicated by Item 410.2, Budget Act of 1974 budget.
Item 379(b) Budget Act of 1973	Carmel River (Odello)	Duplicated by appropriation in Item 410.7B(ii) Budget Act of 1974
Item 379(e) Budget Act of 1973	Leo Carrillo (Marquardt)	Department is dropping this project.
Item 410(f) Budget Act of 1974	Rancho Olompali	Appropriation authorized development rather than acquisition.
Item 410.6 Budget Act of 1974	Old Shasta (Litch Store)	Appropriation authorized development but cited acquisition.
Item 379(j) Budget Act of 1973	Stone Lake	Department is dropping this project.

Item 410.7B(ii) Budget Act of 1974 is the funding source for the Carmel River Project. It has not been acquired and should not be reverted. The budgeted reversion is an error.

DEPARTMENT OF PARKS AND RECREATION

Item 389 from the State Beach,
Park, Recreational and Historical
Facilities Fund of 1974

Budget p. 598

Requested 1975-76	\$104,263
Recommended special review	\$104,263

ANALYSIS AND RECOMMENDATIONS

We recommend deferral until a complete department workload analysis is completed.

This item would reimburse the Department of Parks and Recreation support Item 251 in the amount of \$104,263 for costs of reviewing plans and specifications submitted for local grant projects funded from the 1974 Park Bond Act. The money would also be used to administer funds for the 25 grant projects receiving appropriations last year.

The 1975-76 grants proposed in Item 390 are \$24.17 million compared to \$41.17 million in the current year. The two appropriations cover approximately two-thirds of the \$90 million available for the grants program. We question the thoroughness and suitability of the guidelines used in the department's grant review process and recommend deferral until a complete departmental workload is completed.

DEPARTMENT OF PARKS AND RECREATION

Item 390 from the State Beach,
Park, Recreational and Historical
Facilities Fund of 1974

Budget p. 596

Requested 1975-76	\$24,073,158
Recommended approval	24,073,158

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

Passage of the 1974 State Beach, Park, Recreational and Historical Facilities Bond Act authorized a \$90 million grant program to local government on the basis of population. This item proposes to grant the \$24 million for 381 projects identified in the administration program in Item 389. Local governments utilize some of these funds in combination with federal matching funds. The grants are applied for as prescribed in the bond act and represent decisions made by local government.

DEPARTMENT OF PARKS AND RECREATION

Item 391 Reversions from the
State Beach, Park, Recreational
and Historical Facilities Fund
of 1974

Budget p. 596

SUMMARY OF RECOMMENDATIONS

We recommend approval.

This item would revert part of three local grant projects financed under the 1974 Park Bond Act. They were included in the 297 projects receiving appropriations by Chapter 1572, Statutes of 1974 (AB 3438).

<i>Item</i>	<i>Amount Reverted</i>	<i>Local Government Affected</i>
Item 412(a) (273) Budget Act of 1974.....	Unencumbered balance	City of Carpinteria
Item 412(a) (60) Budget Act of 1974.....	\$57,150	City of Claremont
Item 412A (156) Budget Act of 1974.....	\$50	City of King

UNIVERSITY OF CALIFORNIA

Item 392 from the Higher Educa-
tion Construction Program
Fund (loan from the Capital
Outlay Fund for Public Higher
Education)

Budget p. 913

Requested 1975-76	\$10,603,000
Recommended approval	4,562,400
Recommended reduction	5,806,600
Recommended augmentation	1,304,000
Recommended special review.....	234,000
Net recommended approval	\$5,866,400

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

*Analysis
page*

1. Educational Fee Fund. Recommend addition of new Budget Bill item appropriating approximately \$6 million of Educational Fee Funds for General Campus projects proposed to be funded in Item 392. 871
2. Preliminary planning. Recommend two separate Budget Bill items to implement proposal to expedite construction projects. 873
3. *Riverside. Reduce by \$341,000.* Recommend deletion of equipment for alterations 1973-74, Step 2. 874
4. *Berkeley. Reduce by \$72,000.* Recommend deletion of equipment for alterations 1974-75. 874

UNIVERSITY OF CALIFORNIA—Continued

5. *Los Angeles. Reduce by \$479,600.* Recommend reduction of equipment for Life Sciences Unit 3. 874
6. *Davis. Reduce by \$26,000.* Recommend reduction of equipment for Fire and Police station. 875
7. *Santa Cruz.* Recommend special review of equipment request for library Unit 2. 875
8. *Universitywide. Reduce by \$300,000.* Recommend deletion of planning funds. 876
9. *Berkeley. Reduce by \$289,000.* Recommend deletion of campus buildings, group 1, fire protection construction. 876
10. *Davis. Reduce by \$957,000.* Recommend deletion of fire protection 1974-75 construction. 876
11. *Riverside. Reduce by \$1,239,000.* Recommend deletion of nine major buildings, fire suppression devices, construction. 876
12. *Riverside. Reduce by \$740,000.* Recommend deletion of major buildings, correct life safety deficiencies construction. 877
13. *San Diego. Reduce by \$186,000.* Recommend reduction of general campus, Step 2, correct life safety deficiencies. 877
14. *Santa Barbara. Reduce by \$56,000.* Recommend reduction of general campus, correct life safety deficiencies construction. 877
15. *Irvine. Augment by \$377,000.* Recommend addition of health and safety modifications construction. 877
16. *Davis. Reduce by \$1,103,000.* Recommend reduction of electrical generating facilities to provide for working drawings only. 878
17. *Santa Barbara. Reduce by \$18,000.* Recommend reduction of central control Phase 2, construction. 878
18. *Davis. Augment by \$321,000.* Recommend addition of utilities 1975-76 construction. 879
19. *Los Angeles. Augment by \$335,000.* Recommend addition of utilities 1975-76 construction. 879
20. *San Diego. Augment by \$153,000.* Recommend addition of utilities 1975-76 construction. 879
21. *Santa Barbara. Augment by \$118,000.* Recommend addition of utilities 1975-76 construction. 879
22. *Health Sciences. Augment by \$20,575,000 from the Health Sciences Facilities Construction Program Fund (bonds).* Recommend adding Budget Bill item for necessary health science projects. 880
23. Relocate Vegetable Crop Field Headquarters. Recommend funding project from both Health Sciences bond funds and Educational Fee funds. 881

ANALYSIS AND RECOMMENDATIONS

The University of California capital outlay programs totals \$14,603,000. This amount is in three items. Item 378 contains \$2 million from the Capital Outlay Fund for Public Higher Education (COFPH) and item 395 another \$2 million (loan funds) for minor capital improvement projects. This item (392) contains \$10,603,000 from the COFPH as a loan to an anticipated Higher Education Construction Program Fund bond issue of 1976. The loan is proposed to be repaid in June, 1976 from the first proceeds from the bonds. A more detailed discussion of this loan proposal is in our discussion of item 377, page 854.

Use of Tuition—Policy Change

We recommend that a new item be added to the Budget Bill appropriating \$6 million of Educational Fee funds (tuition) for General Campus projects that are proposed to be funded in Item 392. This would save \$6 million in loan funds proposed in Item 392.

The Education Fee funds (tuition) (EFF) was first established by the Regents in the 1970-71 fiscal year. Initially nearly all the revenue received from this fee was earmarked for capital outlay use thereby offsetting the need for state funds. In 1971-72 state funding requirements of \$23.9 million were relieved by use of these funds for capital outlay. Since that time a larger portion of this revenue has been used to fund operating budget programs such as student aid so that in 1974-75 only \$15.4 million of EFF was used to offset state funds for capital outlay.

The 1975-76 Regents request was to use more of this tuition for operating budget items (particularly student aid) so that only \$6 million was proposed to offset capital outlay. However, the Governor's Budget does not recommend using this \$6 million and instead proposes using a loan from COFPH to be repaid from the proceeds of a proposed 1976 bond act. Because the budget makes no provision to expend this \$6 million, these funds are still available for use.

Given the potential financial problems facing the state, we have difficulty justifying the new policy which borrows \$6 million from a future bond act in order to free \$6 million of current tuition revenue for unidentified or unrequested needs. As a result we are recommending that the \$6 million of tuition funds (EFF) be appropriated for capital outlay as originally requested by the Regents. This would reduce the amount of the state loan funds by an equal amount.

Instructional Capacity

As we have pointed out in our Capital Outlay Summary, page 825, enrollments in higher education are increasing at a slower rate and are expected to peak in the early 1980's and decline to below current enrollments. The current level of enrollment is not expected to be attained again until the 1990's. The University system is expected to follow this trend.

Because of this projected enrollment trend we believe it would be unwise to fund projects which would provide capacity in excess of 1975-76 enrollment needs. This will require some overcrowding during the late 1970's and early 1980's. However, this will not last and existing instructional related space within the University system should be more than ade-

UNIVERSITY OF CALIFORNIA—Continued

quate through the 1990's.

The University system currently has adequate space for 1975-76 enrollment needs. Current space plus space previously approved and funded for construction provides 112 percent of the need for classroom space and 97 percent of the need in all other instruction and research space. Therefore, there is no apparent need for additional instructional related space in the University system.

The projects proposed in the Budget Bill do not provide new space for enrollment growth. The Governor's Budget indicates that "no provisions are made for new starts that contemplate enrollment growth pending the administration's review with the University of the proposed program."

Proposed 1975 Capital Outlay Program

This item contains 19 projects totaling \$10,603,000. We have divided the projects into four categories and in the same priority order as shown in the Regent's proposed program. We have recommended augmentations to add those projects we believe should proceed. A summary of this proposal and our recommendations is provided in Table 1.

Table 1
University of California
Summary of Proposed Program and Legislative Analyst Recommendations

<i>Item No.</i>	<i>Project Title</i>	<i>Phase^a</i>	<i>Campus</i>	<i>Budget Bill Amount</i>	<i>Legislative Analyst Recommendation</i>	<i>Analysis Page</i>
A. Universitywide Projects						
(1)	Preliminary planning	p	Universitywide	\$300,000	\$300,000	873
B. Equipment Projects						
(3)	Alterations 1973-74 Step 2	e	Riverside	341,000	0 (-341,000)	874
(4)	Alterations 1974-75	e	Berkeley	72,000	0 (-72,000)	874
(5)	Life Sciences Unit 3	e	Los Angeles	994,000	514,400 (-479,600)	874
(6)	Humanities Bldg. (Mandel-ville Center)	e	San Diego	226,000	226,000	874
(7)	King Hall Basement develop-ment	e	Davis	67,000	67,000	874
(8)	Third College Academic Unit 1	e	San Diego	420,000	420,000	874
(9)	Fire and Police Station.....	e	Davis	112,000	86,000 (-\$26,000)	875
(10)	University Library Unit 2	e	Santa Cruz	234,000	Special Review	875
Subtotal.....				\$2,466,000	\$1,313,400 (-\$918,600)	
C. Life Safety Projects						
(2)	Preliminary planning	p	Universitywide	300,000	0 (-300,000)	376
(11)	Campus buildings, Group 1, fire protection.....	c	Berkeley	289,000	0 (-289,000)	376
(12)	Fire protection 1974-75	wc	Davis	957,000	0 (-957,000)	376

Table 1
University of California
Summary of Proposed Program and Legislative Analyst Recommendations

Item No.	Project Title	Phase ^a	Campus	Budget Bill Amount	Legislative Analyst Recommendation	Analysis Page
(13)	Fire suppression devices (nine major buildings) ..	wc	Riverside	1,239,000	0 (- \$1,239,000)	876
(14)	Correct life safety deficiencies (major buildings) ..	wc	Riverside	740,000	0 (- \$740,000)	877
(15)	General campus, Step 2, correct life safety deficiencies	wc	San Diego	2,099,000	1,913,000 (- \$186,000)	877
(16)	General campus, correct life safety deficiencies	wc	Santa Barbara	243,000	187,000 (- \$56,000)	877
—	Health and safety modification	wc	Irvine	0	377,000 (+ \$377,000)	877
Subtotal				\$5,867,000	\$2,477,000 (- \$3,390,000)	
D. Utility and Site Development Projects						
(17)	Electrical generating facility	wc	Davis	1,171,000	68,000 (- \$1,103,000)	878
(18)	Central control, Phase 2	wc	Santa Barbara	294,000	276,000 (- \$18,000)	878
(19)	Integration of Revelle building systems into central control	wc	San Diego	505,000	505,000	878
—	Utilities 1975-76	wc	Davis	0	321,000 (+ \$321,000)	879
—	Utilities, 1975-76	wc	Los Angeles	0	335,000 (+ \$335,000)	879
—	Utilities, 1975-76	wc	San Diego	0	153,000 (+ \$153,000)	879
—	Utilities, 1975-76	wc	Santa Barbara	0	118,000 (+ \$118,000)	876
Subtotal				\$1,970,000	\$1,776,000 (- \$194,000)	
TOTAL				\$10,603,000	\$5,886,400 (- \$4,502,600)	

^a Phase symbol indicates: p—preliminary plans; w—working drawings; c—construction; e—equipment.

In the following discussion we have divided the budget bill program into the categories identified in Table 1.

A. Universitywide Projects

We recommend two Budget Bill items for preliminary planning funds for (1) utility and site development and (2) major building projects.

This category contains one request for \$300,000. This will provide preliminary plans for projects to be proposed in the 1976-77 fiscal year. The requested amount will provide for approximately \$20,000,000 in construction costs based on 1.5 percent for preliminary planning.

In our Capital Outlay Summary, page 827, we have recommended that all planning and working drawing appropriations be limited to one-year availability. These appropriations have traditionally been included under

UNIVERSITY OF CALIFORNIA—Continued

the three year availability of capital outlay funds. Construction funds are required for three years. However, planning and working drawings in most cases should not require over one year and funding should be limited to that time period.

In the past it appears that major building projects have been delayed because of a tendency to (1) delay planning and/or working drawings until construction funds are provided in the Budget Bill or (2) delay planning until working drawings are appropriated. Appropriating planning and working drawing funds for one year only should discourage these delays and expedite construction projects because delays would have to be explained and justified to the Legislature annually if reappropriation is needed.

To assist the implementation of this proposal, we recommend two budget items for preliminary planning. One item, for \$200,000, to provide planning for major building projects to be proposed in the 1976-77 fiscal year. These funds should be released for those working drawing projects for major building which are included in the 1976-77 Budget Bill. This will allow planning to start three to six months earlier and working drawings could be nearly complete when construction funds are requested in the following fiscal year. This procedure would (1) expedite approved projects and save construction costs related to inflation and (2) provide the Legislature improved budget information.

The remaining \$100,000 would be for planning of utility and site development projects. Because of the nature of these projects, they are funded annually and planning has been timely.

B. Equipment Projects

This category contains equipment requests for new building space or existing space which has been altered. We recommend approval except for those requests discussed below.

Riverside

We recommend deletion of Item 392(3), equip alterations 1973-74, Step 2, a reduction of \$341,000.

This request is for equipment for space altered to provide improved utilization for existing programs. Equipment needs for ongoing programs are provided in the University operating budget. Alteration of this space does not generate needs for equipment beyond the normal operating budget allotment. Therefore, we recommend deletion.

Berkeley

We recommend deletion of Item 392(4), equipment alterations 1974-75, a reduction of \$72,000.

This request is identical to the Riverside proposal discussed above. Any equipment needs for ongoing programs should be provided in the University's operating budget.

We recommend reduction of Item 392(5), equip Life Sciences Unit 3, a reduction of \$479,600.

The Life Sciences 3 facility contains approximately 70,000 assignable square feet (asf). State support for this facility was for approximately 45,000 asf. The remaining area was not supported by the state and was

provided from a federal NIH grant and gift funds.

This request includes \$338,500 for state funding of equipment within the nonstate supported area. This space was not supported or reviewed by the state and the necessary equipment should be financed from other sources.

In addition, the equipment list for the state supported area contains (1) \$5,500 for a fire extinguisher system which should be part of the construction project, (2) \$75,000 for shared costs of two electron microscopes and (3) \$15,000 for a water purification system that is proposed to be leased. We recommend deletion of these items.

Early in 1974 the University conducted a survey of the number of electron microscopes on each campus and the usage of each microscope. This survey revealed that UCLA had 37 electron microscopes, with a range of usage from 0 (5 microscopes) to 40 (9 microscopes) hours per week. Most were used 20 hours or less per week.

The Supplementary Report on the Committee on Conference related to the Budget Bill of 1974, recommended that the Postsecondary Education Commission, in cooperation with the University, conduct a study to determine the appropriate rate of use for electron microscopes. The findings of this study were to be reported to the Joint Legislative Budget Committee by January 1, 1975. We have not received this report. It was our understanding that the University would place a moratorium on purchase of electron microscopes until this study had been completed and reviewed. Because of this and in view of the low use of these microscopes on the UCLA campus we recommend deletion of the proposed purchase.

Davis

We recommend a reduction of Item 392(9), equip Fire and Police Station, a reduction of \$26,000.

The Fire and Police Station will replace existing facilities and provide additional space for these functions. The request includes equipment which is not related to the additional space (i.e., office equipment, hose washers, hose testers). This equipment is related to the existing functions and should not be a part of the capital improvement program. If replacement equipment is needed it should be funded from the operating budget equipment allotment.

Santa Cruz

We recommend special review of Item 392(10), equipment for Library Unit 2.

This request indicates that there is no existing equipment for the new library addition. However, upon completion of this addition the campus will move from temporary library quarters in the Applied Science Building. The library equipment in this temporary space will be moved to the library addition. In fact, the request includes \$8,300 to move the existing equipment. The value of this equipment should be deducted from the requested amount.

Also several functions to be housed in the new space are presently operating in the existing library building. The equipment presently used by these functions should be counted and deducted from the request.

In view of the above we recommend special review of this request to

UNIVERSITY OF CALIFORNIA—Continued

allow the University an opportunity to reevaluate the existing equipment. The value of this equipment should be provided before budget hearings and deducted from the requested amount.

C. Life Safety Projects

This category contains seven proposals. We have recommended the addition of one project to this category.

The Budget Act of 1974, provided \$10 million for correction of earthquake, fire and life safety hazards throughout the University system. This amount was provided as a lump sum to be used for a list of 20 projects including life safety-seismic studies and preliminary planning. A condition of this appropriation was that the scope and cost of each project must be agreed upon by the University, Department of Finance and the Chairman of the Joint Legislative Budget Committee or his designee. Less than \$500,000 of the appropriation has been allocated by the State Public Works Board.

One of the major reasons for the slow progress of this program is that the University has not adopted a policy for correcting seismic safety hazards. The University has not established (1) the degree to which existing buildings will be rehabilitated or (2) priorities for corrective work. Many buildings will also require seismic work and fire and life safety corrective work. Therefore, it is necessary to (1) evaluate each building with regard to each aspect of corrective work, (2) establish priorities and (3) coordinate the proposed work. The University is attempting to resolve the complexities of this program. Hopefully, the University will soon complete and approve a policy upon which these projects can be reviewed.

The projects in this category are for fire and life safety only and except as noted are unrelated to the policy discussed above. We recommend approval except as noted.

Universitywide

We recommend deletion of Item 392(2), Universitywide preliminary planning, a reduction of \$300,000.

Berkeley

We recommend deletion of Item 392(11), campus buildings, group 1, fire protection, a reduction of \$289,000.

The above two projects were funded in Item 393, Budget Act of 1974. As discussed above funds are still available in that appropriation. These requests should be funded from that source.

Davis

We recommend deletion of Item 392(12), fire protection 1974-75, a reduction of \$957,000.

Riverside

We recommend deletion of Item 392(13), nine major buildings, fire suppression devices, a reduction of \$1,239,000.

These requests would provide fire protection in various areas. Title 19 of the California Administrative Code requires minimum design and con-

struction requirements and establishes fire, explosion and panic safety practices and procedures in various buildings. This code should be followed and the Legislature has consistently supported projects necessary to meet these requirements. However, all of the buildings in these requests currently meet existing code and these projects provide for work that exceeds current code requirements. Therefore, we recommend deletion.

Riverside

We recommend deletion of Item 392(14) major buildings, correct life safety deficiencies, a reduction of \$740,000.

This request is apparently related to seismic safety and should be deferred pending a University policy regarding this type of project. In any case, the justification submitted for this project is inadequate. There is no detail of what is to be accomplished and the cost estimate is not substantiated.

San Diego

We recommend a \$186,000 reduction in Item 392(15) general campus, Step 2, correct life safety deficiencies.

This project provides for the correction of life safety deficiencies in several campus buildings. The items in the project are related to code deficiencies which should be corrected. However, several items are (1) general maintenance repair work or (2) work in non-state supported buildings. These items, totaling \$150,300, should be funded through maintenance or from non-state funds.

The request also includes a \$35,700 request for a fire protected corridor in the humanities library. This item was inadvertently counted twice in the cost estimate. The total should be reduced accordingly.

Santa Barbara

We recommend a reduction of \$56,000 in Item 392(16) general campus, correct life safety deficiencies.

This proposal is for the correction of several unsafe conditions within various buildings on the campus. Many of these conditions are related to code requirements and we recommend approval of these items.

However, parts of the request are (1) normal maintenance items, (2) in excess of code requirements or (3) related to administrative procedures. We recommend deletion of these items.

Irvine

We recommend addition of working drawings and construction for health and safety modifications, an augmentation of \$377,000.

This project will provide health and safety modifications in several areas of the campus. The work includes corrections to meet the recently established requirements of (1) physically handicapped persons building accessibility laws and (2) Cal-OSHA. This work is necessary and we believe the project should proceed in the budget year.

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D. Utility and Site Development Projects

This category contains three projects. Each project is related to savings in maintenance and operations costs and/or energy savings. We have recommended the addition of four utility projects which we believe are necessary and should proceed.

We recommend approval except as discussed below.

Davis

We recommend a \$1,103,000 reduction in Item 392(17), electrical generating facilities, to provide working drawings only.

The current heating and cooling capacity at the Davis campus is adequate for the foreseeable future. The proposal in this item contains additional steam heating boilers. These boilers are not necessary for the electrical generating proposal or other campus needs. Therefore, the proposed program should not include any additional heating and cooling capacity.

The proposal would provide electrical generating capacity on the Davis campus. Upon completion, the campus should experience a savings in both energy consumption and operating costs. A report prepared for the campus, by a consulting engineer, indicates that the system will (1) pay for itself in three to four years, (2) save an energy equivalent of 30,000 to 40,000 barrels of oil per year and (3) provide a net reduction in atmospheric pollutance of between 90 to 125 tons per year. These anticipated advantages are certainly desirable and the proposed system represents an energy savings attitude that the state should encourage.

However, this proposal is in the early planning stages. Accurate design and cost information is not available and a more accurate assessment of the advantages of this system can be attained upon refinement of the system design. Also, because of the early stage of this project, construction would probably not start in the budget year. Therefore, we recommend funding for working drawings only.

Santa Barbara

We recommend an \$18,000 reduction in Item 392(18) central control phase 2, to reflect previously funded amounts.

The central control phase 2 project will provide the last phase of a system that allows monitoring and control of heating, air-conditioning and ventilating system components in all major buildings on this campus. This system will provide a savings in both energy consumption and operating costs. The estimated savings in operating cost totals \$65,000 annually.

The total project (phase 1 and 2) was designed in 1972. Therefore, the design fees (\$18,000) related to this phase were funded at that time. We recommend deletion of this amount.

We recommend adding the following four projects to the Budget Bill:

Davis

We recommend addition of working drawings and construction for utilities 1975-76 construction, an augmentation of \$321,000.

This project will provide (1) a domestic water well and water line connection and (2) cathodic protection for existing natural gas piping. The additional well and water line connection is necessary to provide adequate fire protection in the west campus area. The cathodic protection portion of the project is required to meet federal regulations regarding natural gas distribution lines.

Los Angeles

We recommend addition of working drawings and construction for utilities 1975-76 construction, an augmentation of \$335,000.

This project is required to provide an adequate steam supply to the new Life Sciences Unit 3 building. The building is expected to be occupied at the end of the budget year and the additional steam supply is needed to make the building fully operable.

The project also provides a stand-by steam source for the campus hospital. Under existing conditions, if the steam service to the hospital is interrupted, the main general campus steam supply line must be used for hospital needs. If this occurs there would be no steam available to the general campus. Because of the age of the hospital steam service piping there is an above-normal potential for frequent and extended interruptions. Hence, we recommend funding of this project in the budget year.

San Diego

We recommend addition of working drawings and construction for utilities 1975-76, an augmentation of \$153,000.

This project will provide an additional water supply to the upper campus area. Water-flow tests conducted by the city of San Diego Fire Department revealed that the present maximum water flow rate of 1,600 gallons per minute (gpm) in the north campus is inadequate for fire protection. The additional line will increase the fire protection flow rate to the necessary 4,000 gpm.

Santa Barbara

We recommend addition of working drawings and construction for utilities 1975-76, an augmentation of \$118,000.

This project provides for (1) a fire sprinkler system for the campus propane fuel storage tanks and (2) drainage for power and communications manholes.

The campus utilizes propane gas for stand-by fuel to be used when natural gas supplies are interrupted. The storage facilities include eight 30,000-gallon above ground storage tanks. The sprinkler system is proposed to keep the tanks from rupturing in the event of fire. Because of the number and size of these tanks there is a high potential for loss of life or property in the event of a fire and explosion. This proposal represents a reasonable effort to minimize this danger.

Drainage for communications and power manholes is necessary to protect numerous underground electrical and communication cables. The

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value of the underground cables is between \$400,000 and \$500,000. The failure and consequent replacement of cables because of water damage is costly and can be averted with a drainage system as proposed. Such a system is common practice and should have been installed initially. However, this was not done and we recommend approval of the proposal.

HEALTH SCIENCES

We recommend addition of a new Budget Bill item for \$20,575,000 from the 1972 Health Sciences Facilities Construction Program Fund (bonds) for necessary health science projects.

There are no funds in the Budget Bill for University health science facilities capital outlay. The Governor's Budget indicates that "due to the complex nature of health science education and the delivery of health care services" there are no proposed health science construction expenditures pending an administration review with the University of the programs in this area.

There is approximately \$53.4 million remaining in the 1972 Health Sciences Facilities Construction Program Fund (bonds). This amount includes receipt of approximately \$23.5 million in federal grants as offsets to bond fund appropriations. In addition to the \$53.4 million, the Budget Bill contains a \$1,357,000 reversion of a prior appropriation for the Riverside Medical Program. We have also recommended the transfer of the Irvine Medical Program to Davis. There has been approximately \$24 million appropriated from the bond funds for health science capital outlay at Irvine. These funds have not been expended. Thus, there could be as much as \$78.8 million of health science bond funds available for future appropriation.

In our opinion, there are several projects that should be funded from this source. These proposals and the related costs are as shown in Table 2.

Table 2
Legislative Analyst Proposed Health Science
Capital Outlay Program from the Health Sciences Bond Fund

Project Title	Phase ^a	Campus	Legislative Analyst Recommendation
Correct life safety deficiencies Step 2, University Hospital of San Diego County	wc	San Diego	\$828,000
Basic Sciences building, correct life safety deficiencies	wc	San Diego	507,000
Replacement facilities for UC Hospital, inpatient care areas	wc	San Francisco	7,612,000
Langley Porter Neuropsychiatric Institute alterations, Step 2	wc	San Francisco	760,000
Medical Sciences building, Fire Protection, 1975-76	wc	San Francisco	446,000
Relocate Vegetable Crop Field headquarters	wc	Davis	408,000
Reserve for construction cost rise	—	Universitywide	9,514,000
Planning	—	Universitywide	500,000
Total			\$20,575,000

^a Phase symbol indicates: w—working drawings; c—construction.

The major portion of our proposal contains construction projects which

are necessary to correct fire and life safety hazards and to comply with the recently adopted hospital seismic code regulations, Chapter 1130, Statutes of 1972 (SB 519). These projects are essential for the safe operation and continued use of the respective facilities and we believe they should be funded in the budget year.

We have also included funds for (1) a relocation project at Davis, (2) a reserve for construction cost-rise augmentation of previously approved projects (exclusive of Irvine and Riverside) and for those projects in our proposal and (3) preliminary planning funds for projects to be proposed in 1976-77.

Relocate Vegetable Crop Field Headquarters

We recommend funding this project from both Health Sciences bond funds and Educational Fee funds.

The proposed Davis project is required because of the location of a new west campus entrance road. The new road will pass through a portion of the existing field headquarters. Because of this, effective operation of the field headquarters, consisting of offices, laboratories and greenhouses, will not be possible.

A major reason for this road is the development of permanent medical school facilities in this area of the campus. These facilities will generate added traffic to the campus and an access near the facilities rather than through the general campus is highly desirable.

It should also be pointed out that the permanent medical facilities displace a portion of the vegetable crops field area, and any subsequent additions would further encroach on this area.

Therefore, in our opinion, a portion of the cost to relocate the vegetable crop facilities should be borne by health sciences bond funds. However, because the new road is also a benefit to the general campus, we believe the cost should be shared between Health Science bond funds and Educational Fee funds.

The Budget Act of 1972, Item 308(26) and Budget Act of 1973, Item 360(24) appropriated working drawing and construction funds from Educational Fee Fund for utilities and site development. A portion of these funds was for extension of an interior campus road. It is our understanding that this project has been deferred indefinitely and the associated \$417,000 will not be used. We recommend that these funds be reappropriated under Section 11 of the Budget Bill, for the vegetable crop relocation project. This would provide approximately 50 percent of the project cost.

University's Proposed Health Science Capital Outlay Program

The university proposed a \$53.4 million health science capital outlay program. This amount would have depleted the bond fund. A summary of this program is provided in Table 3.

Table 3

University of California Regents' Proposed Health Sciences Capital Outlay Program—Unfunded in Budget Bill

Planning	\$930,000
Working drawings.....	228,000

UNIVERSITY OF CALIFORNIA—Continued

Construction.....	26,516,000
Equipment	1,917,000
Hospital acquisition	5,000,000
Reserve for construction cost rise	18,792,000
Total	\$53,383,000

Several of the projects proposed in the University program should be funded in the budget year. However, planning for these projects has not proceeded as rapidly as expected. We are withholding a recommendation regarding these projects until more adequate information is available. We anticipate receiving this information prior to budget hearings and we will make additional recommendations, if appropriate, at that time.

University—Orange County Agreement

On October 1, 1974 the University and the County of Orange entered into an agreement to transfer the Orange County Medical Center to the University effective July 1, 1975. The agreement requires that if an additional state appropriation of \$8,230,000 is not enacted by March 1, 1975, the agreement terminates.

No provision for this has been included in the Governor's Budget and the operating budget has not been adjusted to reflect the additional costs of operating a hospital.

We examined the agreement and presented our conclusions to the Joint Committee on Health Science Education on December 19, 1974. In that report we recommended that (1) the agreement not be approved and (2) the College of Medicine at Irvine be closed and the students be transferred to the other UC Medical schools (principally Davis) without a reduction in the output of MD's.

With the high costs of medical education and the pending financial problems of the state, we believe the Regents should give serious consideration to the benefits that would accrue if the costs of operating a fifth medical school were avoided.

UNIVERSITY OF CALIFORNIA

Item 393 from the Higher Education Construction Program Fund (loan from the Capital Outlay Fund for Public Higher Education).

Budget p. 913

Requested 1975-76	\$2,000,000
Recommended special review	\$2,000,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

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1. Universitywide. Recommend special review of minor capital outlay projects. 883

ANALYSIS AND RECOMMENDATIONS

A description of the minor capital outlay proposal is under our discussion of Item 376 and 853.

We recommend special review until we have had an opportunity to examine the University's annual post audit report of minor capital outlay projects.

This proposal plus Item 376 provides a total of \$4 million for minor capital outlay projects throughout the University system. The amount in this item is proposed from the Capital Outlay Fund for Public Higher Education (COFPHE) as a loan to an anticipated Higher Education Construction Program bond issue. The loan would be repaid from the first proceeds of this bond issue in June 1976. Item 376 provides \$2 million from the COFPHE for the same purpose. It is unclear why the total amount is split funded in this manner.

CALIFORNIA STATE UNIVERSITY AND COLLEGES

Item 394 from the Higher Education Construction Program Fund (Loan from the Capital Outlay Fund for Public Higher Education)

Budget p. 953

Requested 1975-76	\$11,838,000
Recommended approval	5,550,200
Recommended reduction	5,882,800
Recommended augmentation	100,000
Recommended special review	405,000
Net recommended approval	\$5,650,200

CALIFORNIA STATE UNIVERSITY AND COLLEGES—Continued

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

Analysis
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1. College Sites. Recommend selling undeveloped state college sites in Contra Costa, San Diego and Ventura Counties. 886
2. *San Diego. Reduce by \$778,000.* Recommend deletion of Life Sciences Rehabilitation construction. 889
3. *San Jose. Reduce by \$2,810,000.* Recommend deletion of Old Science Rehabilitation for Psychology construction. 889
4. *San Luis Obispo. Reduce by \$762,000.* Recommend deletion of Crandall Hall gym and Natatorium construction. 889
5. *Statewide. Augment by \$100,000.* Recommend additional preliminary planning funds and two separate Budget Bill items to implement proposal to expedite construction projects. 889
6. *Bakersfield. Reduce by \$664,000.* Recommend deletion of Central Plant III construction. 890
7. *Dominquez Hills. Reduce by \$7,800.* Recommend reduction of Outdoor Physical Education Facility equipment. 890
8. *Humboldt. Reduce by \$60,000.* Recommend deletion of Marine Laboratory addition equipment. 890
9. *San Diego. Reduce by \$36,000.* Recommend deletion of Arts and Sciences Building Rehabilitation equipment. 891
10. Chico. Recommend special review of the library equipment request. 891
11. *Long Beach. Reduce by \$150,000.* Recommend deletion of Utilities 1975 working drawings and construction. 891
12. *San Diego. Reduce by \$615,000.* Recommend deletion of Utilities 1975 working drawings and construction. 892

ANALYSIS AND RECOMMENDATIONS

The California State University and Colleges (CSUC) capital outlay program is proposed for funding from two sources in three separate items. Item 378 contains \$2 million from the Capital Outlay Fund for Public Higher Education (COFPHE) and Item 393 an additional \$2 million (loan funds) for statewide minor (under \$100,000 per project) construction projects. This Item (394) contains \$11,838,000 for 27 projects. The amount in this item and Item 393 is from a Higher Education Construction Program Bond Fund issue to be proposed in 1976. The interim funding represents a loan from the COFPHE to be repaid in June, 1976, from the first proceeds of the bond issue. A more detailed discussion of this funding proposal is under our analysis of Item 377 page 854.

Instructional Capacity

As we have pointed out over the past several years, enrollments throughout higher education are generally increasing at a less rapid rate. Enrollments are expected to decrease beginning in the early 1980's, to drop below current levels during the 1980's and not reach current levels again until the 1990's. The CSUC system is expected to experience this

trend and enrollments are continually being revised downward. This is borne out in the Trustee's enrollment projections contained in the five-year capital outlay program. Last year we reported that enrollments for 1973-74 were originally projected at 230,260 FTE. This was first revised downward to 226,200 FTE and then to 219,750 FTE in the 1974-75 program projections. The final report for actual 1973-74 enrollments dropped below these revisions to 218,075 FTE, or 12,185 FTE (5.3 percent) less than originally projected.

In view of this we believe it unnecessary to fund projects in excess of 1975-76 enrollment needs. Table 1 compares current instructional capacity space with space needs for 1975-76. The space needs indicated in the table are based on the Trustees revised enrollment allocations dated December 9, 1974. We realize that this will result in some overcrowding during the latter part of this decade. However it will be temporary and the campuses should have adequate capacity into the 1990's. In addition, as can be seen in Table 1 all but one campus currently have excess classroom space and only seven have some deficiency in class laboratories. It should also be noted that the Postsecondary Education Commission is in the process of establishing class-laboratory utilization rates for an 8:00 a.m. to 10:00 p.m. scheduling period. This is a longer utilization schedule than currently used. Therefore, the class-laboratory capacities in Table 1 should increase under the new standards.

Table 1
California State University and Colleges
FTE Capacity Needs in 1975/76 Compared to Existing *

Campus	Classroom (FTE)			Class Laboratories (FTE)		
	Existing	Need 1975/76	Deficit (-) Excess (+)	Existing	Need 1975/76	Deficit (-) Excess (+)
Bakersfield.....	3,197	1,990	+1,209	433	257	+176
Chico.....	11,016	9,603	+1,413	1,163	1,226	-63
Dominguez Hills	5,689	4,386	+1,303	530	142	+388
Fresno.....	12,347	10,491	+1,856	1,443	1,352	+91
Fullerton.....	15,324	12,557	+2,767	1,113	1,102	+11
Hayward.....	12,414	6,776	+5,638	617	600	+17
Humboldt.....	6,038	5,116	+872	763	965	-202
Long Beach.....	18,853	17,505	+1,348	1,810	2,183	-373
Los Angeles.....	18,544	12,728	+5,816	1,809	1,006	+803
Northridge.....	16,107	15,421	+686	1,106	1,195	-89
Pomona.....	11,072	7,849	+3,223	1,260	1,015	+245
Sacramento.....	14,304	13,198	+1,106	1,029	893	+136
San Bernardino.....	3,413	2,746	+667	289	152	+137
San Diego.....	21,924	18,870	+3,054	2,016	2,176	-160
San Francisco.....	14,833	13,448	+1,385	1,432	1,667	-235
San Jose.....	18,416	15,356	+3,060	2,092	2,025	+67
San Luis Obispo.....	9,978	11,751	-1,773	1,744	2,440	-696
Sonoma.....	5,220	4,489	+731	448	334	+114
Stanislaus.....	3,518	2,018	+1,500	267	108	+159
TOTAL.....	222,207	186,595	+38,859	21,364	20,838	+526

* Includes space funded for construction prior to 1975-76.

CALIFORNIA STATE UNIVERSITY AND COLLEGES—Continued**Limit Availability of Planning and Working Drawing Appropriations**

Under our capital outlay summary (Page 827) we have recommended that all planning and working drawings appropriations be limited to a one year availability. In the past, these appropriations have been included under the three year availability of capital outlay funds. Three year availability is necessary for construction funds. However, project planning and working drawings, in most cases, should not require more than one year and, in our opinion, the appropriations for these purposes should be so limited.

In the past many projects funded for working drawings have not proceeded in a timely manner. This has apparently occurred because of a tendency to (1) defer planning until construction funds are approved or (2) request working drawing funds before they are needed. In order to expedite approved projects (and limit increased construction costs) we have recommended that these appropriations be limited to one year and that prior appropriations be limited to the 1975-76 fiscal year. Any project requiring a longer period could be reexamined and reappropriated in the succeeding budget act. At that time any delays would have to be explained and justified to the Legislature.

Sell Undeveloped State College Sites

We recommend that the Department of General Services sell the undeveloped state college sites in Contra Costa, San Mateo and Ventura Counties.

The Supplementary Report of the Committee on Conference relating to the Budget Act of 1974 recommended that the Postsecondary Education Commission and the Department of General Services determine the need for retaining the undeveloped state college sites in Contra Costa, San Mateo and Ventura Counties.

The Postsecondary Education Commission, after reviewing a staff report, has advised the Legislature that it believes there are a number of important factors relating to access to higher education and the changing forms of higher education which must be examined before it presents a recommendation concerning these sites. However, after reviewing the commission's staff report and a report approved by the Director of General Services, we believe that it would be in the best interest of the state to sell these sites.

The commission's staff report concluded that (1) currently planned enrollment capacity for the existing 19 state college and university system campuses is adequate for at least the next 20 years and (2) there will be no need to develop campuses on the three undeveloped sites prior to the late 1990's. These conclusions were based on population projections, participation rates, average student loads and current planning of the CSUC Board of Trustees.

The report approved by the Director of General Services has not been officially released, but it indicates that (1) the current estimated total market value of the sites is \$9,770,000 and (2) there are no other state needs for the properties. The department's report also indicates that a

total of approximately \$265,000 in property tax revenue is lost by local governments annually because of state ownership of these sites. In view of these factors we recommend that the Department of General Services sell the three sites.

Proposed 1975/76 Capital Outlay Program

A summary of the proposed program under this item and our recommendations are provided in Table 2.

The 27 projects in Table 2 have been separated into the four descriptive categories and in priority order as presented in the trustees 1975-76 capital outlay program. It should be noted that the trustees requested a program which included nine categories totaling \$75,838,000 for 91 projects. The 64 unfunded projects are not in the budget for several reasons. These include (1) insufficient justification, (2) additional instruction space was requested in excess of need or (3) the projects were considered low priority (i.e., swimming pools, air-conditioning, site development, additional corporation yards, etc.).

Several of the unfunded projects proposed in the CSUC program should be funded in the budget year. However, planning for these projects has not proceeded as rapidly as expected. We are withholding a recommendation regarding these projects until more adequate information is available. We anticipate receiving this information prior to budget hearings and we will make additional recommendations, if appropriate, at that time.

It should also be noted that the Governor's Budget indicates that "no provision is made for new starts that contemplate enrollment growth pending the administration's review with the trustee of the proposed program."

A. Correct Structural Deficiencies

This category includes one planning and three construction projects. Working drawings funds for each of the construction requests were appropriated in the Budget Act of 1974. However, preliminary plans for these projects have not been completed, and working drawings are not expected to be completed until late in 1975. Therefore we have no basis upon which to justify the requested construction amounts and we recommend their deletion.

Table 2
California State University and Colleges Projects 1975-76
(Components of Item 394)

Item No.	Project Title	Phase ^a	Campus	Budget Bill Amount	Legislative Analyst Recommendation	Analysis Page
A.	Projects to Correct Structural Deficiencies					
(1)	Life Sciences Rehabilitation	c	San Diego	\$778,000	0	889
(2)	Old Science Rehabilitation for Psychology	c	San Jose	2,810,000	0	889

CALIFORNIA STATE UNIVERSITY AND COLLEGES—Continued

(3) Crandall Gym and Natatorium Rehabilitation	c	San Luis Obispo	762,000	0	889
(4) Rehabilitation projects	p	Statewide	150,000	\$150,000	
Subtotal			\$4,500,000	\$150,000	
B. Projects for Planning					
(5) Master Planning	p	Statewide	\$190,000	\$190,000	889
(6) Preliminary planning..	p	Statewide	100,000	200,000	889
				(+100,000)	
Subtotal			\$290,000	\$390,000	
C. Projects to Make Existing and Funded Projects Operable					
(7) Central Plant III	c	Bakersfield	\$664,000	0	890
(8) Outdoor Physical Education Facility	e	Dominguez Hills	14,000	\$6,200	890
				(\$-7,800)	
(9) Science Building	e	Fresno	500,000	500,000	890
(10) Education Classroom Building	e	Fullerton	358,000	358,000	890
(11) Convert Laboratory School	e	Humboldt	74,000	74,000	890
(12) Marine Laboratory Addition	e	Humboldt	60,000	0	890
(13) Administration Bldg. ..	e	Long Beach	347,000	347,000	890
(14) General Classroom and Faculty Office Bldg.	e	Long Beach	207,000	207,000	890
(15) Science Building	e	Pomona	500,000	500,000	890
(16) Arts and Sciences Rehabilitation	e	San Diego	36,000	0	891
(17) Health Services Bldg.	e	San Diego	63,000	63,000	890
(18) Home Economics Bldg.	e	San Jose	73,000	73,000	890
(19) Classroom Office Bldg. No. 2	e	Sonoma	205,000	205,000	890
(20) Library	e	Chico	405,000	Special Review	891
(21) Engineering Building	e	Fresno	265,000	265,000	890
(22) Physical Sciences Bldg.	e	Los Angeles	400,000	400,000	890
(23) Science 2, II	e	San Jose	200,000	200,000	890
Subtotal			\$4,371,000	\$3,198,200	
D. Projects to Fully Utilize Existing Campuses					
(24) Remove architectural barriers to handicapped	pwce	Statewide	1,500,000	\$1,500,000	891
(25) Utilities 1975	wc	Chico	412,000	412,000	891
(26) Utilities 1975	wc	Long Beach	150,000	0	891
(27) Utilities 1975	wc	San Diego	615,000	0	892
Subtotal			\$4,677,000	\$1,912,000	
TOTAL			\$13,838,000	\$5,650,200	

* Phase symbol indicates:

p—preliminary planning; w—working drawings; c—construction; e—equipment.

San Diego

We recommend deletion of Item 394(1), Life Sciences rehabilitation, a reduction of \$778,000.

This project will bring the Life Sciences Building up to current building codes and modernize the facility. The facility has a current capacity of 962 FTE and 31 faculty offices. The project, as presently planned, will not change this capacity. In view of the existing excess classroom space and deficit in class-laboratory space, we believe that the project should be rescoped to decrease the classrooms and increase class-laboratories.

San Jose

We recommend deletion of Item 394(2), Old Science rehabilitation for Psychology, a reduction of \$2,810,000.

The scope of this project has apparently changed from that approved for working drawings in the Budget Act of 1974. As approved, it would have provided an additional 41 FTE classroom capacity, 59 FTE class-laboratory capacity and 65 faculty offices. This represents a marginal increase in instructional capacity. However, the budget now indicates this project will add 1,444 FTE classroom capacity which is a significant change. As shown in Table 1, a project scope of this magnitude, in classroom space, is not justified on the San Jose campus. We believe the trustees should proceed with the project as originally approved.

San Luis Obispo

We recommend deletion of Item 394(3), Crandall Gym and Natatorium rehabilitation, a reduction of \$762,000.

This project as approved in 1974 included structural rehabilitation and mechanical and electrical modifications to correct substandard and unsafe conditions. The estimated project cost at that time was \$301,000. Shortly after the Budget Act of 1974 was approved, the trustees' staff indicated that, in addition to the approved scope, other deficiencies existed which, in their opinion, "should be corrected to make the facility suitable for instructional purposes." The revised project cost was estimated at \$425,000. This amount appeared in the trustees' proposed 1975-76 capital outlay program. The Budget Bill amount of \$762,000 is a significant increase for which we have no justification. Apparently there has been a substantial change in the project and the trustees should provide adequate information for legislative review prior to starting working drawings for this project.

B. Statewide Planning

We recommend an augmentation of \$100,000 to Item 394(6) for preliminary planning—1976-77 projects.

This category includes two requests. The request for statewide campus master planning will provide \$10,000 for each operating campus. Changing instructional program needs, coupled with a necessity to increase utilization of existing facilities, requires evaluation and readjustments of campus master plans. The requested funds will provide for this evaluation and readjustment. *However, because the needs at each campus differ, it would seem appropriate to provide the campuses master planning money*

CALIFORNIA STATE UNIVERSITY AND COLLEGES—Continued

on an "as needed" rather than a lump sum to each campus.

The funds requested for project planning are to provide schematic and preliminary plans for projects that will be proposed for funding in 1976-77 such as site development, utility services and alterations.

However, to assist the implementation of our proposal to expedite construction projects by appropriating planning and working drawing funds for one year, we recommend (1) an additional \$100,000 be provided for the 1976-77 planning effort and (2) two budget items for preliminary planning. One item for \$150,000 is to provide for major building projects to be proposed in the 1976-77 fiscal year. These funds should be released for those working drawing projects for major building when included in the 1976-77 Budget Bill. This will allow planning to start three to six months earlier and working drawings could be nearly complete when construction funds are requested in the following fiscal year. This procedure would (1) expedite approved projects and save construction costs related to inflation and (2) provide the Legislature improved budget information.

The remaining \$50,000 would be for utility and site development projects. Because of the nature of these projects, they are funded annually and planning has generally been timely.

C. Projects to Make Existing and Funded Buildings Operable

This category contains 17 projects consisting of one construction request and 16 equipment requests. We recommend approval except for those projects discussed below.

Bakersfield

We recommend deletion of Item 394(7) Central Plant III, a reduction of \$664,000.

Working drawings funds for this project were appropriated in the Budget Act of 1974. However, preliminary plans have not been completed and working drawings have not been made. Because of this the current budget information is inadequate and we cannot recommend approval.

Dominguez Hills

We recommend a reduction of \$7,800 for Item 394(8) Outdoor Physical Education facility equipment.

This request is for equipment for the second phase of outdoor physical education facilities at this campus. However, the equipment request includes several items (i.e., pole vault pit, fertilizer spreader, vacuum, etc.) which were either a portion of the construction project and are already provided for or they are items which should be provided from support budget funds. The total cost of these items is \$7,800.

Humboldt

We recommend deletion of Item 394(12), Marine Laboratory addition equipment, a reduction of \$60,000.

Working drawings funds for this project were provided in the Budget Act of 1972. Schematics were apparently approved by the trustees in July

1974. However, the trustees have been unable to obtain clearance from the Coastal Zone Conservation Commission for construction of the facilities. In addition there are apparent cost problems and the question of sewage disposal is currently under study. Because of these factors it is quite probable that the facility will not be constructed in the budget year. Therefore, the request for equipment funds is premature.

San Diego

We recommend deletion of Item 394(16), Arts and Sciences rehabilitation equipment, a reduction of \$36,000.

The construction project to which this equipment request is related simply brings the building up to building code standards and modernizes the facilities. There will be no change in instructional capacity and the need for new equipment should not be necessary. Any equipment required for ongoing programs is provided in the support budget.

Chico

We recommend special review of Item 394(20), library equipment.

This request will provide the third and final phase of equipment for the new library complex at Chico. The new library was partially occupied in June 1974 and should now be fully occupied.

This phase of the equipment request includes \$127,078 for an electronic media distribution control system. This is a major cost for a system that is a departure from current library use and equipment. We are not certain of the impact that this system may have on (1) the instructional program at Chico or (2) the systems in existence at other campuses. Until we have had an opportunity to review this aspect of the request we withhold any recommendation.

D. Projects to Fully Utilize the Existing Campus

This category contains five requests. We recommend approval except for the two projects discussed below.

Long Beach

We recommend deletion of Item 394(26), Utilities 1975, a reduction of \$150,000.

This request provides for relocation of a sewage pumping station and installation of an interconnected sewer line. The present station is owned and operated by the County Sanitation District. This proposal requires the trustees to (1) provide property and an easement gratuitously to the district for the new pumping station and interconnecting sewer line and (2) bear the cost of the interconnecting line. The district would then (1) construct the pumping station and sewer line and (2) quit claim the existing pumping station site to the trustees.

The only apparent justification for this project is that occasionally there are objectionable odors emanating from the pumping station. However, there is no certainty that such odors will be eliminated at the new plant or that the district could not modify the existing plant to rid it of the odors. In addition, we have no information indicating the value of the properties to be exchanged or pertinent cost information relating to the project.

CALIFORNIA STATE UNIVERSITY AND COLLEGES—Continued

San Diego

We recommend deletion of item 394(27), Utilities 1975, a reduction of \$615,000.

This proposal would provide additional central chilling plant capacity and revise and/or extend various utilities systems throughout the campus. We have no information justifying the need for additional plant capacity or the revision and/or the extension of existing utility services.

CALIFORNIA STATE UNIVERSITY AND COLLEGES

Item 395 from the Higher Education Construction Program Fund (loan from the Capital Outlay Fund for Public Higher Education)

Budget p. 953

Requested 1975-76	\$2,000,000
Recommended special review	\$2,000,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

Analysis
page

1. Statewide. Recommend special review of minor capital outlay projects.

892

ANALYSIS AND RECOMMENDATIONS

A description of the minor capital outlay proposal is under our discussion of Item 378 page 856.

We recommend special review after we have had an opportunity to examine the CSUC annual postaudit report of minor capital outlay projects.

This proposal plus Item 376 provides a total of \$4 million for minor capital outlay projects throughout the California State University and Colleges (CSUC) system. The amount in this item is proposed from the Capital Outlay Fund for Public Higher Education (COFPHE) as a loan to an anticipated Higher Education Construction Program bond issue. The loan would be repaid from the first proceeds of this bond issue in June 1976. Item 378 provides \$2 million from the COFPHE for the same purpose. It is unclear why the total amount is split funded in this manner.

CALIFORNIA COMMUNITY COLLEGES

Item 396 from the Community
College Construction Program
Bond Act of 1976 (Loan from
the General Fund)

Budget p. 985

Requested 1975-76	\$20,407,400
Recommended approval (Item 396)	17,407,400
Recommended approval (Transfer to New Item 396.1)	3,000,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS
*Analysis
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1. Community College Construction Program Bond Act of 1972. Recommend funding \$3 million of proposed capital outlay program from current bond funds. 893

ANALYSIS AND RECOMMENDATIONS

The 54 projects in the schedule under this item represent a total community college capital outlay program of \$38,802,716. The state participation (sharing ratio) in approved community college capital outlay projects is based on a formula established by Chapter 1550, Statutes of 1967, which takes into account the ratio of weekly student contact hours and assessed valuation districtwide and statewide. Based on this formula the state's share of the total program is \$20,407,400 with the remaining \$18,395,316 required to be funded by the individual districts.

The state funding for this program is proposed from a General Fund loan to an anticipated "Community College Construction Program Fund of 1976." The loan is to be repaid from the first proceeds of the new bond issue in June 1976. A more detailed discussion of this funding proposal is in our analysis of Item 377 on page 854.

Community College Construction Program Act of 1972

We recommend \$3 million of the proposed 1975-76 capital outlay program be transferred from Item 396 to new Item 396.1 and funded from existing bonds.

The "Community College Construction Program Act of 1972" provided \$160 million for state participation in community college capital outlay programs. Of this amount, approximately \$152.5 million has been encumbered or appropriated. Thus, nearly \$7.5 million is available for appropriation. The Governor's Budget indicates that \$7 million is to be held in a reserve for construction cost rise augmentations and \$478,113 for continuing appropriations.

Section 16352.5 of the Government Code provides an augmentation fund for community colleges funded from the 1972 Construction Program

CALIFORNIA COMMUNITY COLLEGES—Continued

Bond Act. To be eligible for such augmentation, the following specific conditions must be met:

(1) The contract award must be made within one year of the effective date of the appropriation, except that projects in the 1972 budget may be augmented if the contract award is made prior to June 30, 1974.

(2) Augmentations must be based on the *state's share only* and on the same basis as the original appropriation.

(3) The augmentation must be \$5,000 or more.

Because of conditions (1) and (2) we believe the proposed \$7 million reserve is excessive. In our opinion, the need for augmentations should not exceed \$4 million. This is based on (1) the community college's estimate of \$1 million necessary for augmentation of projects in the Budget Act of 1972 and (2) 75 percent of the \$36.8 million of construction projects in the Budget Act of 1974 qualifying for an average 10 percent state augmentation (i.e., \$2.8 million). The remaining \$3 million of bond funds should be used to fund a portion of the 1975-76 community college capital outlay program and thereby offset the proposed General Fund loan by the same amount. Because equipment items do not require future augmentation it would be appropriate to use the \$3 million to offset the \$5.9 million community college equipment request.

Proposed 1975-76 Capital Outlay Program

As we have indicated, the total number of projects in this item is 54. We have grouped the projects into the following four categories and provided a discussion of each category. The cost estimates for projects in each category are in line with similar projects experienced on the California State University and College campuses. The totals shown for each category represent the state share only.

1. Site development and utility services..... \$3,372,800

We recommend approval.

This category represents 16.5 percent of the proposed state share. It contains projects to provide necessary utility services and heating-cooling plants to make new buildings operable. Site development will also improve campus access and erosion control.

2. Equipment \$5,969,800

We recommend (1) approval of the requested amount and (2) funding \$3 million of the request from the "Community College Construction Program Act of 1972."

This category represents 29 percent of the proposed state share and contains 38 equipment requests for new buildings previously approved for

construction. The buildings to be equipped include facilities for general academics; science, vocational technology and physical education.

3. Instructional Capacity Facilities \$8,574,900

We recommend approval.

This category contains four construction projects affecting four districts. The amount represents 42 percent of the proposed state share. Based on current instructional capacity utilization standards, the proposed projects are justified and we recommend approval.

4. Libraries \$2,489,900

We recommend approval.

This category contains two construction projects and represents approximately 12.5 percent of the proposed state share. The two projects will provide additional library space at Allen Hancock College and College of Alameda. Existing library space at these colleges is respectively 47 percent and 60 percent of current guideline standards. The proposed facilities will bring library space on these campuses in line with the standards.

CONTROL SECTIONS

Sections 4 through 35 of the Budget Bill are the so-called "control sections" which place limitations upon the expenditure of certain appropriations, extend or terminate the availability of certain specified prior appropriations, define the authority of the Director of Finance with respect to reductions and transfers within and between categories of expenditure and contain the usual severability and urgency clauses.

Although significant fiscal policy is contained in these sections, particularly with respect to extending the availability of prior appropriations, these sections have not been received by us in time to permit adequate review for purposes of recommendations to be incorporated in this analysis. These control sections will be analyzed and a recommendation thereon made to the committees in hearings on the Budget Bill.