

## CAPITAL OUTLAY

## SUMMARY

The Budget Bill includes approximately \$455.4 million from all sources for capital outlay. This is 7 percent more than the appropriation included in the Budget Act of 1978. The most significant changes from current year appropriations are:

State and Consumer Services .....	-23.8%
Resources .....	-52.5%
Health and Welfare .....	+1,085.0%
Postsecondary Education .....	-46.0%

Table 1 shows how the capital outlay amounts in the Budget Bill are distributed by fund among major categories.

**Table 1**  
**Summary of 1979-80 Budget Bill Capital Outlay Appropriation**

<i>Category</i>	<i>General Fund</i>	<i>Special Fund</i>	<i>Bond Funds</i>	<i>Total All Sources</i>
Legislative/Judicial/				
Executive .....	\$72,074	—	—	\$72,074
State and Consumer Services .....	37,643,872	\$850,000	—	38,493,872
Business and Transportation .....	—	185,010,896 <sup>a</sup>	—	185,010,896
Resources .....	7,212,006	11,499,899	\$18,667,763	37,379,668
Health and Welfare .....	151,797,278	3,485,600	—	155,282,878
Education .....	53,000	31,360,380	5,053,000	36,466,380
General Government .....	2,710,800	—	—	2,710,800
Total .....	\$199,489,030	\$232,206,775	\$23,720,763	\$455,416,568

<sup>a</sup> Does not include \$22,880,000 from Toll Bridge Funds which were erroneously omitted from the Budget Bill.

## General Fund

Approximately \$199.5 million (43.8 percent) of the total amount proposed for capital outlay is from the General Fund. This is 150 percent higher than the General Fund appropriation in the Budget Act of 1978. The major portion is for the Departments of General Services (\$37.6 million), Developmental Services (\$43.8 million), and Corrections (\$103.2 million). The remainder consists of relatively small amounts for 19 other departments.

The amount provided for the Department of General Services is mainly related to development of the Sacramento Capitol Area Plan (including new office buildings), construction of a gasification technology facility at the Sacramento Central Plant and planning for new state office buildings and parking facilities in Oakland and Van Nuys. The Department of Developmental Services' proposal is principally related to fire and life safety corrections at the state hospitals. The amount included for the Department of Corrections consists of \$100 million for new prison facilities plus miscellaneous improvement proposals at existing prisons.

**Education**

The capital outlay program for education represents approximately 8 percent of the total proposed capital outlay appropriation. Nearly all of the program is from special funds and bond funds, and it represents less than 50 percent of the amount provided in the Budget Act of 1978. Table 2 compares the education appropriations contained in the Budget Act of 1978 and the Budget Bill proposal.

**Table 2**  
**Capital Outlay for Education**  
**Comparison of Appropriations**  
**Budget Act of 1978 and Budget Bill 1979-80**

<i>Segment</i>		<i>Budget Act of 1978 Amount</i>	<i>Budget Bill for 1979-80 Amount</i>
University of California.....	Health Science	\$3,608,000	\$5,503,000
	Bonds		
University of California.....	COFPHE	22,685,000 <sup>b</sup>	15,547,000 <sup>a</sup>
Hastings College of Law.....	COFPHE	7,405,000	99,000
California State University and Colleges .....	COFPHE	12,486,000	10,769,400
California State University and Colleges .....	Bonds	11,387,000	—
California Maritime Academy.....	COFPHE	400,740	130,680
California Community Colleges .....	COFPHE	9,722,300	4,814,300
California Community Colleges .....	Bonds	138,200	—
Department of Education .....	COFPHE	8,759,525	—
Department of Education .....	General	62,000	53,000
Total.....		\$76,653,765	\$36,466,380

<sup>a</sup> Does not include \$3,174,000 federal fund reported under Item 483.

<sup>b</sup> Does not include \$1,307,000 from land sales appropriated under Item 479.1.

**Status—Capital Outlay Fund for Public Higher Education**

The Capital Outlay Fund for Public Higher Education (COFPHE) was established in 1966 for capital outlay purposes related to public higher education including, but not limited to, acquisition of sites and construction of new institutions of public higher education thereon. For purposes of the fund, "public higher education" consists of all public community colleges, the California State University and Colleges, the University of California and the California Maritime Academy. With only a few exceptions, expenditures from the COFPHE have been restricted to public higher education.

For the most part, revenues to the COFPHE are from the State Tide-lands Oil and Gas royalties. By law, the state royalties are first distributed to specific accounts in the General Fund, the California Water Fund, the Central Valley Water Project Construction Fund and any remaining amounts are then deposited in the COFPHE. The State Lands Commission provides semi-annual five year revenue estimates. These estimates are the basis for the anticipated amount in the COFPHE.

Table 3 summarizes the status of the COFPHE, taking into consideration proposals in the 1979-80 Budget Bill plus estimated costs to complete previously approved projects.

## SUMMARY—Continued

Table 3

## Fund Condition

## Capital Outlay Fund for Public Higher Education

Available for appropriation June 30, 1978.....	\$54,134,536
Revenue—Tideland Oil 1978-79 <sup>a</sup> .....	52,038,464
—Sale of surplus property .....	2,999,000
Available June 30, 1978 .....	\$109,172,000
Expenditures 1978-79 .....	-71,958,728
Available for appropriation in 1979-80 .....	\$37,213,272
Governor's 1979-80 Budget Bill .....	
University of California .....	15,547,000
Hastings College of Law .....	99,000
California State University and Colleges .....	10,769,400
California Community Colleges .....	4,814,000
California Maritime Academy .....	130,680
Total Governor's Budget .....	\$31,360,080
Potential surplus July 1, 1979 .....	\$5,853,192
Revenue Tideland Oil 1979-80 <sup>a</sup> .....	41,317,851
Revenue Tideland Oil 1980-81 <sup>a</sup> .....	33,578,500
Potential Surplus June 30, 1981 .....	\$80,749,192
Estimated cost to complete previously approved projects and projects in the 1979-80 Budget Bill ...	-33,257,000
Subtotal .....	\$47,492,192
Potential amount necessary to complete University of California—Health Sciences .....	-4,500,000
Net Potential Surplus June 30, 1981 .....	\$42,992,192

<sup>a</sup> State Lands Commission estimate September 1, 1978.

In Table 3, we have used the State Lands Commission revenue estimates through 1980-81. This is the probable time frame required to complete the previously approved projects and projects included in the 1979-80 Budget Bill. Based on these estimates there would be only \$43 million for new projects over the two year period 1979-80 through 1980-81. This could change significantly if federal regulations controlling the sale of state oil are modified to allow the state to sell its crude oil at a higher price. The State Lands Commission revenue estimates for 1981-82 and 1982-83 total approximately \$50 million. However, the five year estimates indicate that annual tidelands oil and gas revenues are declining, and, from a high of \$51.4 million in 1978-79 will drop to \$22.4 million in 1982-83.

## Other Programs

**Business and Transportation.** This program includes \$177.7 million for the Department of Transportation. Of this amount, \$70,000 is from the California Environmental Protection Program Fund and the remainder is from the State Highway Account, State Transportation Fund. Appropriation requests from the State Transportation Fund, Motor Vehicle Account total approximately \$7.3 million. Of this amount \$3.2 million is for the California Highway Patrol for planning and/or construction of new field offices and minor capital outlay. The remaining \$4.1 million is for construction of new field offices, land acquisition and minor capital outlay for the Department of Motor Vehicles.

**Resources.** The capital outlay program for Resources totals \$37.4 million. Within that amount the Department of Parks and Recreation program is about \$20 million consisting of \$2.9 million from the General Fund

for acquisition and minor capital outlay (\$100,000 or less per project), \$4.4 million from several special funds for acquisition, planning and minor capital outlay and \$16.1 million from various bond sources for acquisition, planning and minor capital outlay. The proposed program provides \$3.5 million for planning to develop new park facilities, \$2.2 million for minor capital outlay and the remaining \$14.3 million is for acquisition. This represents a significant reduction compared to prior year appropriations for development of new park facilities.

The Department of Forestry program includes \$2.7 million from the General Fund for acquisition, construction of new facilities and minor capital outlay. The Department of Fish and Game proposal includes \$4 million from the Fish and Game Preservation Fund for completion of a laboratory and field station at the Region II headquarters, Nimbus plus improvement projects at various hatcheries. The Department of Fish and Game also proposes expending \$738,000 from the California Environmental Protection Program Fund to purchase ecological reserves. The Department of Water Resources program includes \$3.6 million from the General Fund for flood control projects and rehabilitation of the Sutter Bypass. The remaining program in resources is for relatively minor amounts from various sources for the California Conservation Corps, Department of Boating and Waterways and the State Coastal Conservancy.

#### **Inadequate Budget Information**

Again this year, throughout our analysis of the proposed capital outlay program we have indicated that information is either unavailable or inadequate to justify many requested projects. This problem was discussed during legislative hearings on the 1978-79 Budget Bill, and the Department of Finance concurred with the need to follow State Administrative Manual procedures for capital outlay budgeting. To emphasize the importance of doing so, the Legislature included language in the supplemental report directing the department to follow the procedures. There is no indication that the department complied with this directive. As a consequence, the information supplied for practically all projects is not adequate to substantiate the request. We have discussed this problem in more detail under our analysis of Item 494 (page 1542) and we have again recommended that the Department of Finance follow State Administrative Manual procedures for capital outlay budgeting.

## DEPARTMENT OF JUSTICE

Item 442 from the General  
Fund

Budget p. 67

Requested 1979-80 .....	\$62,574
Recommended approval .....	2,500
Recommended reduction .....	60,074

## SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

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1. *Minor Capital Outlay. Reduce by \$60,074. Recommend* 1416  
deletion of eight minor capital outlay projects.

## ANALYSIS AND RECOMMENDATIONS

## Minor Capital Outlay

*We recommend a reduction of \$60,074 by deleting eight projects.*

The Department of Justice proposes nine minor capital outlay projects (\$100,000 or less per project) totaling \$62,574. Table 1 summarizes the request:

Table 1  
Department of Justice  
1979-80 Minor Capital Outlay

<i>Project and Location</i>	<i>Budget Request</i>
1. Office Alterations, Sacramento .....	\$2,500
2. Computer Room Alterations, Sacramento .....	20,000
3. Electrical Modifications, Sacramento .....	2,500
4. Electrical Modifications, San Francisco .....	4,000
5. Electrical Modifications, Los Angeles .....	5,000
6. Electrical Modifications, San Diego .....	2,000
7. Computer Grounding Grid, Sacramento (New Division of Law Enforcement (DLE) Building) .....	2,124
8. Closed Circuit TV System, Sacramento (New DLE Building) .....	24,000
9. Wall safe provisions, Sacramento (New DLE Building) .....	450
TOTAL .....	\$62,574

**Office Alterations.** The \$2,500 office alteration project in Sacramento is to expand the central files unit of the Operations Support Services. The proposal is reasonable and we recommend approval.

**Computer Center.** The budget proposes \$20,000 for minor alterations to accommodate new computer hardware and to provide added storage space at the leased facility at 33rd and "C" Street in Sacramento. The computer room modification should not be necessary because, according to the department, this operation is scheduled to move to the new Division of Law Enforcement Building in the budget year. Construction funds for the new computer center total \$4,679,000 and were appropriated in the Budget Act of 1977. Consequently, we recommend deletion of this project.

**Equipment Related Projects.** The four projects proposed for electrical modifications relate to the periodic relocation or installation of items of equipment, such as word processing systems, that are purchased through

the department's support budget. In accordance with current state procedures, any installation requirements for items of equipment should be requested and justified with the specified item of equipment in the support budget. This allows all costs associated with equipment items to be considered together, and assures that approval of an equipment item automatically provides the needed installation funds. Consequently, we recommend that funding for these four projects be considered under Item 47, and that the amount be deleted from the minor capital outlay budget, for a reduction of \$13,500.

*New Division of Law Enforcement (DLE) Building Projects.* The proposal includes three projects for additional work at the new DLE Building. Two projects, the computer grounding system (\$2,124) and closed circuit television system (\$24,000), relate to the new computer center. The third project for \$450 provides funds to modify walls to accept wall safes for investigators to temporarily store evidence funds and confidential documents.

Additional funds for the DLE building are not required. The Department of General Services and the Department of Justice spent over two years identifying the facilities needs of the Division of Law Enforcement; these needs were used as a guide for the design of the building. Funds for construction of the new building were appropriated on the basis that a complete and operable facility would be provided. In addition, the construction appropriation of 1977 includes over \$900,000 of contingency funds. These funds are to be utilized to provide for unforeseen expenses not identified in the original program or in the construction documents. Given these funds, we see no need for a further increase to cover unforeseen needs. Consequently, we recommend deletion of the additional amount of \$26,574.

## STATE BOARD OF EQUALIZATION

Item 443 from the General  
Fund

Budget p. 105

Requested 1979-80 .....	\$9,500
Recommended approval .....	9,500

### ANALYSIS AND RECOMMENDATIONS

*We recommend approval.*

Minor capital outlay for the State Board of Equalization includes four projects totaling \$9,500 for alterations to office space. Two projects are to remove interview counters at the San Francisco and Bakersfield offices to provide more usable office area. Relocation of a partition to improve workflow is proposed at the Inglewood office. The Downey office will also be improved to convert the present workroom/storage room to a training facility for the southern California area. The proposed project costs are reasonable and we recommend approval.

**MUSEUM OF SCIENCE AND INDUSTRY**

Item 444 from the General  
Fund

Budget p. 123

Requested 1979-80 .....	\$63,800
Recommended approval .....	61,300
Recommended reduction .....	2,500

**SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS**

*Analysis  
page*

1. *Minor Capital Outlay. Reduce by \$2,500.* Recommend 1418 deletion of one project.

**ANALYSIS AND RECOMMENDATIONS****Minor Capital Outlay**

*We recommend that Item 444 be reduced by \$2,500.*

The Museum of Science and Industry is requesting \$63,800 for three minor capital outlay projects. The proposed replacement of an existing manually operated freight elevator with an automatic passenger elevator (\$60,000) and remodeling of existing rest rooms (\$1,300) will provide needed access and facilities for the handicapped. These two projects and the associated costs are reasonable and we recommend approval.

The third project is for replacement of floor tile in the main building for \$2,500. This project is a maintenance responsibility and, according to the State Administrative Manual, should be considered for funding in the special repairs line item of the support budget. Therefore, we recommend deletion of this project from the minor capital outlay request.

**FRANCHISE TAX BOARD**

Item 445 from the General  
Fund

Budget p. 213

Requested 1979-80 .....	\$20,000
Recommended approval .....	20,000

**ANALYSIS AND RECOMMENDATIONS**

*We recommend approval.*

The budget proposes \$20,000 for handicapped access modifications at the Franchise Tax Board facilities in Sacramento. Automatic doors would be provided at the main entrance of two buildings where handicapped persons now require assistance in opening the doors, and rest rooms in three buildings would be appropriately modified. The requested work and associated costs are reasonable and we recommend approval.

## DEPARTMENT OF GENERAL SERVICES

Item 446 from the General  
Fund

Budget p. 235

Requested 1979-80 .....	\$34,121,625
Recommended approval .....	0
Recommended reduction .....	32,585,850
Recommendation pending .....	1,535,775
Recommended augmentation .....	Pending

## SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

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1. Projected Space Needs—Statewide. Recommend the Department of General Services provide revised state office space needs based on updated 10-year employee population projections and that the Department of Finance indicate concurrence in the projections. 1420
2. *Sacramento Office Building—Site 1A. Reduce \$471,700.* Recommend deletion of requested equipment. 1424
3. *Sacramento Office Building—Site 1C. Reduce by \$12,027,875.* Recommend deletion of construction funds. 1425
4. *Sacramento Office Building—Site 1D. Withhold recommendation on preliminary planning funds pending receipt of additional information.* 1425
5. *Sacramento Office Building—Site 3. Reduce by \$17,742,300.* Recommend deletion of construction funds. 1426
6. *Sacramento Office Building—Site 4. Withhold recommendation on preliminary planning funds pending receipt of additional information.* 1427
7. *Sacramento Office Building—Site 5. Withhold recommendation on preliminary planning funds pending receipt of additional information.* 1427
8. *Sacramento Office Building—Site 6. Reduce by \$422,625.* Recommend deletion of working drawing funds. 1427
9. *Van Nuys Office Building. Withhold recommendation pending receipt of additional information.* 1428
10. *Oakland Office Building. Reduce by \$1,921,350.* Recommend deletion of land acquisition and preliminary planning funds. 1428
11. *Santa Rosa Office Building. Recommend budget be augmented to provide working drawings and construction funds.* 1430



**DEPARTMENT OF GENERAL SERVICES—Continued****ANALYSIS AND RECOMMENDATIONS****Projected Space Needs**

*We recommend the Department of General Services provide revised state office space needs based on updated 10-year employee population projections, and that the Department of Finance indicate concurrence in the projections.*

The Department of General Services uses a 10-year projection of the number of state employees in planning new state office buildings. These projections have typically assumed an employee growth rate of between 3 and 6 percent per year for various locations to be served by proposed new office buildings.

We do not believe the employee population projections now being used by the department for planning purposes are adequate. These projections do not reflect the impact of Proposition 13 or reductions under Section 27.2, Budget Act of 1978 or the administration's proposed reductions in the 1979-80 Budget Bill. In October, 1978, we requested that the Department of Finance review the employee projections and provide us with its assessment of these projections. In November, the department indicated that it concurred with our observations, but to date the department has not provided us its assessment of the projections.

We believe that up-to-date employee population projections should be available before preliminary planning funds are provided for new office buildings. Therefore, we recommend that the Department of General Services and the Department of Finance jointly reevaluate the current employee population projections to insure that these projections reflect the most recent information and are consistent with the administration's program and staffing plans. The revised information should be made available to the Legislature prior to budget hearings.

**CAPITOL AREA PLAN: A STATUS REPORT**

The Supplemental Report of the Committee of Conference on the 1978-79 Budget Bill directed that the Analysis of the 1979-80 Budget Bill include a status report and evaluation of the Capitol Area Plan.

**Background**

The Capitol Area Plan was prepared by the Department of General Services to establish the administration's goals for the orderly development of state facilities in the Sacramento metropolitan area. The Plan was submitted to the Legislature in March 1977, and a bill was introduced to adopt the Plan as the official state master plan for development in Sacramento. Assembly Bill 1211 was signed by the Governor on September 28, 1977, and the Plan became law as Chapter 1108, Statutes of 1977.

The Capitol Area Plan has three goals:

- (1) To supply 2 million gross square feet of office space in Sacramento by the year 2000.
- (2) To provide sufficient parking and transit facilities to meet the state's needs.
- (3) To expand the supply of housing within the boundaries of the Plan to accommodate 3,500 residents.

These goals involve significant funding requirements and policy issues. In order to provide funding and give policy direction, the Legislature established additional authority for the Director of General Services. Under the provisions of Chapter 1108, the director may:

- (1) Lease state-owned property within the Capitol Area.
- (2) Enter into joint powers authorities, and provide funds for the operation of such authorities.
- (3) Rent property at less than prevailing market rental rates to benefit low and moderate income persons.
- (4) Expend revenues collected from leases for the purpose of further implementation of the Plan.
- (5) Expend \$175,000 appropriated to implement the Plan.

The legislation also established a Capitol Area Plan Committee of nine members approved by the Governor, Legislature, and director. The committee is to review independently the reports of the department and may submit comments to the Legislature. The committee is to involve a broad cross section of interested citizens in the form of an advisory body to counsel the department in carrying out of its responsibilities related to the Capitol Area Plan.

#### **Implementation**

*State Facilities.* The major source of funding to implement the Capitol Area Plan has been the General Fund, through capital outlay appropriations provided in the annual state budgets. To achieve the goal of an additional 2 million gross square feet, the department has proposed an initial construction of 11 major office buildings totaling 1.5 million assignable square feet. (Assignable square feet represents the amount of office and related space available within the building gross square foot amount under the Plan.) These buildings would be completed by 1986 at a cost of over \$111 million. Also, parking to accommodate 3,800 cars would be provided by construction of 11 parking garages at a cost of over \$20 million. Construction of proposed infrastructures such as pedestrian malls, landscaping, and transit facilities would involve expenditures of over \$5 million. Consequently, the General Fund would contribute over \$136 million towards implementation of the Plan.

*Housing.* The housing goal of the plan is anticipated to be funded through a variety of financial mechanisms. Federal Public Works funds have been approved to rehabilitate existing housing units. Also, the director has exercised his authority to enter into a joint powers agreement with the city. The Joint Powers Authority now manages the existing housing in the Capitol Area. Revenue bonds may also be issued by the joint powers authority to provide funds for construction of new housing starts. Finally, private developers may be enticed to construct housing units in the area through advantageous long-term leases of building sites.

#### **State Office Building Element**

The objective of the State Office Building Element of the Capitol Area Plan (CAP) is "to provide offices and related services to meet present and future space requirements for the State of California near the State Capitol and in the context of metropolitan Sacramento, in the most cost effec-

## DEPARTMENT OF GENERAL SERVICES—Continued

tive manner.”

The 1977 CAP proposed construction of new state office buildings and rehabilitation of existing state office buildings to provide 1.5 million net square feet of new office space by 1986. Table 1 illustrates the projected demand for office space compared to the proposed construction through the year 2000.

**Table 1**  
**Department of General Services**  
**Office Space Demands**  
**(Square Feet in Thousands)**

	<i>1977</i>	<i>Initial 10 Year Projection 1986</i>	<i>Revised 10 Year Projection 1988</i>	<i>Goal 2000</i>
Office Space Demand (core area) .....	3,635	4,815	4,871	5,149
State-Owned (percent of total) .....	2,776 (76%)	4,296 (89%)	4,240 (87%)	4,624 (90%)
Leased (percent of total) .....	859 (24%)	519 (11%)	631 (13%)	525 (10%)

Data for 1977, 1986, and 2000 are from the Capitol Area Plan.

Data for 1988 is from the Sacramento Facilities Plan Update, May, 1978.

The department has begun construction of one office building and 10 buildings are currently in various phases of development. Table 1 lists the proposed buildings, the office space to be provided, and current phase of development.

**Table 2**  
**Department of General Services**  
**Capitol Area Plan**  
**Proposed State Office Buildings**

<i>Building</i>	<i>Net Office Square Feet<sup>a</sup></i>	<i>Current Phase</i>
Site 1A .....	190,000	Construction
Site 1B .....	120,000	Working Drawing
Site 1C .....	112,000 <sup>b</sup>	Planning
Site 1D .....	65,000	1979-80 Budget Bill— planning
Site 2 North of L .....	200,000	1979-80 Budget Bill— planning
Site 3 .....	192,000	Planning
Site 4 .....	190,000	1979-80 Budget Bill— planning
Site 5 .....	72,000	1979-80 Budget Bill— planning
Site 6 North of L .....	96,000	Planning
Site 7 North of L .....	88,000	No Budget Request
Site 8 .....	221,400	No Budget Request
Total .....	1,546,400	

<sup>a</sup> Source: Department of General Services, “Sacramento Facilities Plan 1977-2000”. First update, May 1978.

<sup>b</sup> The budget proposes 112,000 square feet. However, the update indicates 28,500 square feet.

**State Office Building Element Issues**

It is apparent that the events of the past year, and the current emphasis on reduced government growth and expenditures will have a significant impact on the many assumptions contained in the CAP. The basic issues which must be reevaluated include the following:

1. The CAP assumes that the number of state employees will expand at the rate of about 3 percent per year through 1986 and at the rate of about 0.5 percent per year between 1986 and the year 2000. As discussed above, the growth rate assumptions must be reevaluated to reflect current information as well as the program and staffing plans of the Governor and Legislature.

2. The CAP originally proposed continued occupancy of approximately 500,000 square feet of leased space. This space represents approximately 10 percent of the total projected demand in the year 2000. The update of the Sacramento Facilities Plan proposes an increase in the amount of leased space occupied. The revised 10-year projection, as shown in Table 1, now proposes continued occupancy of 631,000 square feet of leased space, representing 13 percent of the total occupied space. Because leasing is the most expensive method of providing office space, there is no basis for increasing the amount of leased space unless the state activities to be housed in this space will only be conducted on a temporary basis. If the state's long-term staffing requirements are expanding, then the Plan should be amended to provide additional state-owned space.

3. The premium price of locating state office buildings north of "L" Street may not be justified, given the increased concern with the level of state spending. New buildings on currently state-owned land within the boundaries of the Capitol Area Plan would be the most economical method of providing the additional space, but they would come at the expense of housing.

**Transportation Element**

The transportation element of the CAP included two basic development goals:

- (1) Increase the supply of peripheral parking lots (below freeways) to 3,900 spaces by 1986 and 5,300 by the year 2000.
- (2) Replace approximately 5,000 core area state spaces displaced by office buildings and housing developments.

The peripheral parking program has been implemented and additional lots are proposed in the current budget. Construction of core area garages to replace the surface lots presently in use, will begin in 1979-80 with construction of the Site 1B parking garage.

**Transportation Element Issues**

1. The parking plan should be reevaluated and adjusted to reflect any revision in the employee population projections.
2. Parking development would be impacted by modification of the proposed amount of office space to be constructed north of "L" Street.

**DEPARTMENT OF GENERAL SERVICES—Continued****Housing Element**

The CAP includes development of additional housing units and other facilities to establish a "24-hour community" in the Capitol Area. Approximately 750 existing state-owned housing units would be rehabilitated and approximately 1,000 additional units would be constructed. This housing, along with approximately 300 privately owned units would provide for a population of 3,500 residents.

The existing state-owned housing units are now managed by a Joint Powers Authority established by the state and the City of Sacramento. This authority will implement the housing goals of the plan through various means. Federal funds will be pursued, and low cost, long-term leases will be used to provide incentives for private development of sites.

**Housing Element Issues**

1. The housing objective may be affected by revisions in the state office building element. If more state office buildings are proposed for currently state-owned sites, the land available for housing may be reduced.

**Summary—Capitol Area Plan**

All elements of the Capitol Area Plan will be significantly impacted by recent and proposed cutbacks in the number of state employees, and by the current emphasis on reducing state expenditures. It is our understanding that the department is developing an update of the Capitol Area Plan which will address these impacts. This update should be available prior to budget hearings. We will provide specific recommendations when this update has been received and evaluated.

**Capital Outlay Reserve for New State Office Buildings**

The budget reappropriated \$34,121,625 for new state office buildings funded from the \$142,620,843 reserve established by Item 441 of the Budget Act of 1978. The reserve was established (1) to allow adequate legislative review of specific projects and (2) to assure that adequate funds would be available to meet the projected construction needs. The budget request proposes funds for various phases in the development of seven new buildings in Sacramento, one in Van Nuys and one in Oakland. The overall objectives of the building program are to (1) provide state-owned space for agencies that currently lease space, thereby reducing the state's annual operating costs, and (2) centralize state functions to improve efficiency.

**Sacramento Site 1A—Equipment**

*We recommend deletion of Item 446(a), a reduction of \$471,700.*

This project includes two equipment requests for the new office building currently under construction on the block bounded by 8th, 9th, "P" and "Q" Streets. The request consists of \$247,100 for a sound masking system and \$224,600 for kitchen equipment. A sound masking system provides electronic background sound in the office area to mask unwanted speech noises. The proposed kitchen equipment includes refrigeration

units, a cook center, counters and cashier's station.

The proposed sound masking equipment is not needed. The office space in the building includes acoustical partitions and carpeting. The carpeting was justified on the basis that "carpeting is one of the most practical and efficient means of achieving the acoustical design goals." The building should be occupied and the adequacy of the approved design tested by experience before the additional expense of \$247,100 for sound masking is incurred.

The proposed kitchen equipment is for the cafeteria to be operated by the Department of Rehabilitation's Business Enterprise Program for the Blind. The Welfare and Institutions Code requires new public buildings to have satisfactory sites for the operation of vending facilities for the blind, including sufficient space and electrical and plumbing outlets. The department has provided the required space and outlets at no charge to the program. The Department of Rehabilitation should provide the equipment required to operate the cafeteria. A portion of the profits from this statewide program is set aside for establishment of new enterprises such as proposed for this building. The department's Special Deposit Fund currently contains over \$2 million, a portion of which could be used for this equipment.

Because the requested equipment either is not needed or can be funded from available funds, we recommend deletion of Item 446(a), a reduction of \$471,700.

#### **Sacramento—Site 1C**

*We recommend deletion of Item 446(b), a reduction of \$12,027,875.*

The budget requests \$12,027,875 for construction of a new state office building on the block bounded by 9th, 10th, "O" and "P" Streets in Sacramento. The building would be located on approximately two-thirds of the block, the balance being occupied by the site 1B parking structure. The building would be a 160,000 gross square foot four story general office building with a cafeteria. Planning and working drawing funds (\$700,000) were provided in the Budget Act of 1978.

Neither preliminary plans nor working drawings for this project have been started. It is unlikely that the planning and working drawings will be completed in time for construction to begin in 1979-80 fiscal year. Consequently, the request for construction funds is premature and we recommend deletion.

In addition, the Budget Act of 1978 contained language requiring this building to be of sufficient size to consolidate Resource Agency departments in the vicinity of the existing Resources Building. Information we have received indicates that these departments will not be consolidated in the area. Until consistency of the department's plan with legislative intent is clarified, additional funding for the proposed project should be deferred.

#### **Sacramento Site 1D**

*We withhold recommendation on Item 446(c) pending receipt of additional information.*

The budget proposes preliminary plans for a new office building on the

**DEPARTMENT OF GENERAL SERVICES—Continued**

east side of 10th Street between "O" and "P" Streets in Sacramento. The proposed building would be four stories and would contain 92,000 gross square feet. The estimated total project cost is \$7,961,900.

We support the need for additional state-owned office space. The department, however, has not provided adequate information to evaluate this proposal. The 1978 Sacramento Facilities Plan update proposes only 35,000 net square feet for this building while the budget would provide over 65,000 net square feet. The larger size building would provide more state-owned space thereby reducing lease space requirements. However, we have not received any information as to the reasons for the increased building size or the departments proposed to occupy this building.

The department should prepare a building program which outlines (1) the space needs for the proposed tenants, (2) the basis for locating the tenants in this particular building, (3) the projected growth rate in the number of employees for the agency, and (4) the required support space to be provided (cafeteria, shops, etc.). Although we believe the project should proceed because of the large amount of space currently leased in Sacramento. We must withhold recommendation on Item 446(c) until the department has developed the required supporting information.

**Sacramento—Site 3**

*We recommend deletion of Item 446(d), a reduction of \$17,742,300.*

The budget proposes \$17,742,300 for construction of a 236,600 gross square foot office building adjacent to the existing Employment Development Department (EDD) building in Sacramento. The building would be occupied by EDD and would consist of (1) a six story structure on the parcel on "N" Street between 7th and 8th Streets immediately adjacent to the EDD building and (2) one underground level on the adjacent block bounded by "N", "O", 7th and 8th Streets. The roof of the underground structure would be landscaped to a park setting. The Budget Act of 1978 provided \$735,000 for working drawings and the Budget Act of 1977 provided \$500,000 for planning.

Preliminary plans for this building were recently completed. In reviewing the preliminary cost estimate, it was determined that the project cost exceeded the Legislature's approved cost guideline of \$65 per gross square foot (July 1979 cost index). The building foundation for the underground portion is extremely intricate because the structure would be below the ground water table. The landscaping is also expensive and extending over an entire city block. It is our understanding that the department has instructed the consulting architect to reevaluate the preliminary design, and reduce the estimated cost to within the guideline. This redesign will involve major modifications to the facility.

The building must also be redesigned because the initial design did not contain a sufficient amount of usable office space. The department's Sacramento Facilities Plan indicates that EDD will require an additional 190,000 net square feet of office space in downtown Sacramento. The initial design for this building contained less than 160,000 square feet of office space. There is no indication that the department has reevaluated EDD's space

needs and concluded that a smaller building would be adequate. Rather it appears that the architectural design is again dictating the building space. We believe the maximum amount of usable office space should be developed, and if this amount exceeds EDD's needs, then other agencies currently occupying lease space should be relocated to this building.

Given the status of the project we recommend deletion of the construction funds.

**Sacramento—Site 4 and Site 5**

*We withhold recommendation on Item 446(e) and 446(f) pending receipt of additional information.*

The budget proposes funds for preliminary plans for two office buildings in Sacramento.

Under Item 446(e), the department proposes \$580,645 for preliminary plans for Site 4. This building would be a four to six story building complex of approximately 270,000 gross square feet located on two separate parcels on the southside of "L" Street between 15th and 17th Streets. The Board of Equalization would occupy the entire complex, which would include a cafeteria, 200 seat auditorium and a computer center. The total estimated project cost is \$22,466,700.

Proposed under Item 446(f) is \$286,770 for preliminary plans for Site 5, a four story office building to be located on the south side of "N" Street between 9th and 10th Streets, immediately adjacent to the existing State Garage. The 110,000 gross square foot building is tentatively to be occupied by the Air Resources Board. The total estimated project cost is \$9,747,700.

The department has not provided adequate information to evaluate the proposed buildings. The Board of Equalization, and the Air Resources Board may require less office space than is currently proposed. The 10 year projections, which are the basis for the proposed buildings indicate the growth in the number of employees for the Board of Equalization to be 37 percent over the 1978-79 authorized level and for the Air Resources Board to be 71 percent over the 1978-79 authorized level. These projections were prepared prior to the passage of Proposition 13, and the attendant reductions in authorized positions in the 1978 Budget Act (Section 27.2). The department should prepare a detailed, up-to-date analysis of the projected space needs for the proposed tenants before preliminary planning funds are provided. Consequently, we withhold recommendation on the proposed funds pending receipt of the program information.

**Sacramento—Site 6**

*We recommend deletion of Item 446(g), a reduction of \$422,625.*

The budget proposes \$422,625 for working drawings for a state office building, north of "L" Street. The department proposes acquisition of an existing 155,730 gross square foot mercantile building at 12th and "K" Streets and renovation of the building to office use. The project includes demolition of existing, and installation of new, ventilation and air conditioning system, electrical system, lighting, carpeting, partitions and rest rooms. The prime tenant would be the Department of the Youth Authority. The Budget Act of 1978 provided \$2,700,000 for acquisition and



**DEPARTMENT OF GENERAL SERVICES—Continued**

planning, but included budget language requiring that, prior to the allocation of the funds, the Director of the Department of General Services must submit a report to the Legislature regarding costs to alter this space.

The department's report on the alterations indicates that the \$11,929,000 project would provide 91,640 square feet of office space, for a cost of \$130 per square foot. A comparable new building would cost \$128 per square foot, including land costs.

We agree that the state should always evaluate the ability of existing buildings to meet the state's needs for space, and that it should utilize such buildings where it is economical to do so. However, based on the department's information, and given the fact that the existing building is over 50 years old, we do not believe the proposed project is in the state's long-term economic interest. We encourage the department to reassess the proposed alterations and to propose only the work necessary to accommodate the state's needs. Until such a reassessment is accomplished we recommend deletion of the proposed funds, a reduction of \$422,625.

**New Office Building—Van Nuys**

*We withhold recommendation on Item 446(h) working drawings for a new state building in Van Nuys.*

The budget proposes \$433,465 for working drawings for a new state office building in Van Nuys. The building is to be located in the San Fernando Valley Administration Center, and would provide approximately 98,000 square feet of office space for various state agencies plus an auditorium, cafeteria, and support space. Working drawing funds for an adjacent parking facility for 350 cars are also proposed under Item 447(b). Preliminary planning funds were appropriated in the Budget Act of 1978. The total estimated project cost for the office building is \$12,039,600.

The department has prepared a preliminary program outlining space needs for the proposed tenant agencies. The program indicates that for some agencies, a Valley Administration Center location might adversely affect the quality and level of service provided by the agency. Consequently, partial preliminary planning funds were allocated by the Public Works Board with the understanding that the program impact of consolidation would be reevaluated, and that if appropriate, the building size would be reduced to eliminate these agencies. In addition, the department is reevaluating the employee population growth rate assumed in the preliminary program. We have not received any additional information regarding the outcome of this evaluation. In addition, the preliminary plans have not been completed.

Pending receipt of the final program information and preliminary plans, we withhold recommendation of the requested funds.

**New State Building—Oakland**

*We recommend deletion of Item 446(i), land acquisition and preliminary plans for a new state office building in Oakland, a reduction of \$1,921,350.*

The department has reviewed the state space needs in Oakland and proposes construction of a combined 235,000 gross square foot office build-

ing and 500 car underground parking garage. The new building, to be located near the existing Oakland state office building, would provide 165,000 square feet of office space for various agencies currently leasing space in Oakland and San Francisco. The total project cost, including land acquisition, is over \$24 million.

The proposed office building and underground parking garage are not justified for the following reasons:

(1) The department has not considered the impact of Proposition 13, Section 27.2 of the 1978 Budget Act, and the Governor's staffing proposals for 1979-80 on personnel requirements.

(2) Several agencies currently located in San Francisco are proposed to be relocated to Oakland. The department has not provided any justification for relocating these agencies, which generate a substantial portion of the total projected needs.

(3) A portion of the Department of Health presently located in Berkeley is to be relocated to Oakland. This activity currently occupies 18,000 square feet and is funded through a grant from the Natural Cancer Institute. This activity should not generate construction of state-owned space, since cancellation of the grant could leave the state with a substantial amount of unoccupied space. We would recommend that adequate leased space be provided in the East Bay for this activity.

(4) The Employment Development Department currently occupies 17,000 square feet of the existing Oakland state building. In other state buildings this field office program is not considered compatible with other state agencies because of high public use and parking requirements. Thus, this federally funded program should be considered for relocation.

(5) Although the department uses an allocation of 150 square feet per employee in planning new or altering existing buildings, the new Oakland building is programmed for 175 square feet per employee, and there is over 185 square feet allocated per employee in the existing Oakland state building. By modification of the circulation pattern and alteration of office space in the existing building, efficiency might be increased as much as 20 percent (150 vs. 185 square feet), which would provide space for approximately 117 additional employees. This would reduce the need for new space since offices currently planned for the new space could be accommodated in the existing building.

(6) The existing Oakland state office building was originally designed to accept an addition of 83,500 square feet. This addition, along with the space vacated by EDD could more economically provide adequate space for compatible agencies located in Oakland.

(7) The premium cost of underground parking is not justified. Parking demands have not been determined, and a smaller, less expensive above ground facility may be adequate.

The overall Oakland plan should be reevaluated to address the most recent information on employee populations, reallocation/redesign of existing space, relocation of agencies, and parking demand. Pending this reevaluation, we recommend deletion of the requested funds, a reduction of \$1,921,350.

## DEPARTMENT OF GENERAL SERVICES—Continued

## New State Office Building—Santa Rosa

*We recommend an augmentation to the budget to provide working drawings and construction funds for a new state office building in Santa Rosa.*

Chapter 1243, Statutes of 1972, authorized the Director of General Services to enter into a lease/purchase agreement for a state office building in Santa Rosa. The proposal anticipated consolidation of state agencies located in Santa Rosa to a facility in the downtown area. After a maximum of 35 years of lease payments, title to the building and land would be vested in the state. Chapter 920, Statutes of 1976, provided a loan of \$300,000 to the City of Santa Rosa for design of the facility. The loan was to be repaid from the proceeds of bonds sold for construction financing.

On September 18, 1978, pursuant to Section 28.2 of the Budget Act of 1978, the Director of General Services reported to the Joint Legislative Budget Committee his intent to exercise a 28 year lease/purchase agreement. The committee advised the director that it did not concur in the proposed agreement because:

- (1) The proposed agreement would be less expensive than continuing to lease space for agencies in Santa Rosa, but *it would be considerably more expensive than capital outlay funding of the building.*

- (2) The projected space needs of the various agencies assumed a growth rate of about 6 percent per year which, in view of the current emphasis on limited government growth, appeared excessive.

- (3) The proposed cost per square foot exceeded the cost budgeted by the Legislature for new state office buildings.

The Chairman of the Joint Legislative Budget Committee agreed with the need to construct state office space to provide consolidation of state functions and reduce state costs. However, based on the above concerns, he advised the director to reevaluate the state's needs and consider funding the building from the 1978 Budget Act reserve for construction of state office buildings.

The department is reevaluating the space needs with the intent of reducing the size and cost of the building to a supportable level. Given the fact that working drawings for this building have been partially completed through the \$300,000 loan funds, construction of the proposed building could commence in the 1979-80 fiscal year. Modification of the working drawings could be completed in three to six months. Therefore, we recommend the budget be augmented to provide adequate working drawing and construction funds for this building. The revised scope of work and the appropriate level of required funding should be identified prior to budget hearings.

## DEPARTMENT OF GENERAL SERVICES

Item 447 from the General  
Fund

Budget p. 235

Requested 1979-80 .....	\$3,233,997
Recommended approval .....	7,000
Recommended reduction .....	3,163,060
Recommendation pending .....	63,937

## SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

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1. *Gasification Technology Program. Reduce by \$3,063,900.* Recommend deletion of construction funds for gasifier. 1431
2. Van Nuys Parking Facility. Withhold recommendation pending receipt of additional information. 1432
3. *Minor Capital Outlay. Reduce by \$99,160.* Recommend deletion of two projects. 1433

## ANALYSIS AND RECOMMENDATIONS

## Gasification Technology Program, Central Plant, Sacramento

*We recommend Item 447(a) be deleted, a reduction of \$3,063,900.*

The budget proposes \$3,063,900 for construction of a gasifier at the central heating and cooling plant in Sacramento. The gasifier would produce low quality gas by burning tree trimmings, woodchips, agricultural waste or other solid waste materials. The department estimates that the low quality gas would replace 55 percent of the natural gas used in the central plant. The proposal includes a processing plant to prepare raw materials for the gasification process. The Budget Act of 1978 provided \$250,000 for preliminary plans and working drawings for this project. Budget Act language conditions the working drawing amount on the department submitting the final Environmental Impact Report (EIR) and preliminary plans to the Legislature.

The department has not completed the EIR for this project and preliminary plans have not been started. Before this project can proceed many environmental considerations must be addressed. The present proposal is based on a small scale demonstration project conducted in February 1978 at the State Printing Plant. Conceptually, the gasifier would consume approximately 1,600 pounds of material per hour of operation. Several air pollutants such as nitrogen oxide and hydrocarbons would be produced by the gasifier. The level of this pollution will have to be reviewed and approved by the Sacramento County Air Pollution Control District. Liquid waste from the gasifier would be discharged to the city sewer system. Approximately 80 pounds of ash would also be produced per hour. This material would have to be discarded at some unknown site.

The department has identified several potential fuels for the gasifier. This material will have to be relatively dry, and processed into small chips. There is no information as to the cost or availability of these fuels through-

**DEPARTMENT OF GENERAL SERVICES—Continued**

out the year or the impact of adverse weather on continued supply. We do not have any information on the cost of processing this material, where the processing will take place, and how it will be transported to the plant.

It is apparent that there is still inadequate information to evaluate this project. In addition, given the current status, it is unlikely that construction funds will be required in the budget year. Therefore, we recommend deletion of the requested funds, a reduction of \$3,063,900.

**Van Nuys Parking Facility**

*We withhold recommendation on Item 447(b) pending receipt of additional information.*

The budget proposes \$63,937 for working drawings for a 350 car parking structure at the San Fernando Valley Administration Center, adjacent to the proposed Van Nuys State Office Building.

The size of the proposed structure is based on the assumption that a substantial number of employees will not need parking because they will walk to work, utilize public transportation, or car-pool with other employees. Table 1 shows the basic assumptions used to calculate the proposed number of spaces.

**Table 1**  
**Department of General Services**  
**Proposed Van Nuys Parking Facility**  
**Estimated Parking Requirements**

	<i>Number of Spaces</i>	
Handicapped Parking.....		8
State Car Spaces.....		50
Average 125 visitor/hour with 20 percent using public transit.....		100
State Employees		
Employees.....	534	
Less 20 percent walking or utilizing public transit .....	-107	
	427	
2.3 persons per vehicle.....	186	186
Total Spaces Required .....		344

The departments' draft Environmental Impact Report (EIR) is based on the assumptions in Table 1. The comments received by the department on the draft EIR indicate that the proposed facility is too small to provide for the total parking needs. To address these concerns, the department has hired a consultant to reevaluate the parking requirement. The preliminary report from the consultant indicates that an extensive incentive program for car-pools would have to be undertaken for the proposed 350 space facility to be considered adequate. In the absence of such a program, there would be an adverse environmental impact because employees would have to park in surrounding residential areas. It is our understanding that the consultant's final report and the final EIR will address the proposed mitigating measures for this detrimental impact, which may include increasing the number of parking spaces constructed. This information should be available prior to budget hearings. Consequently, we

withhold recommendation on this item pending its receipt.

#### Minor Capital Outlay

*We recommend Item 447(c) be reduced \$99,160 by deleting two projects.*

The budget proposes \$106,160 for three minor capital outlay projects to be funded from the General Fund.

1. *Oakland State Building—Handicapped Modifications (\$7,000)*. This project would modify existing rest rooms on the first and fifth floors of the Oakland State Building to provide adequate access and facilities for the handicapped.

2. *Redding State Building—Conference Room (\$5,160)*. The department proposes installation of a 20-foot accordion door to use part of the employee room as a conference room.

3. *1530 Capitol Mall, Sacramento—Air Conditioning (\$94,000)*. This project would replace the air conditioning system in a state building operated and maintained by the Department of General Services.

We agree with the need for handicapped modifications at the Oakland state building and the associated costs are reasonable. However, the other two projects are not justified.

The Redding state building currently has a folding wall between the conference room and employee room. Adding another folding wall would provide three rooms that could be used by employees or for conferences. The department has not provided adequate justification for this project. The information submitted indicates that over 30 requests were turned down in 1977 because the one conference room was already scheduled for use. This would indicate that about two or three times a month there is a scheduling conflict for the conference room. The conferences should be scheduled in advance to avoid these conflicts. In addition, the requested folding wall is too expensive. The cost per linear foot would be over \$200 as compared to about \$5 per linear foot for a permanent partition. If future demands indicate the need for another conference room, a permanent partition could be installed for \$200 total cost.

The project to replace the air conditioning at 1530 Capitol Mall is not justified. The department proposes replacement of the existing chiller, air handling equipment, controls, and duct work in the 9,000 square foot building. The department has not provided any information indicating why the existing system cannot be repaired rather than replaced. Any necessary repair should be funded on a priority basis from the special repairs line item of the support budget. Therefore, we recommend deletion of the requested funds, a reduction of \$94,000.

**DEPARTMENT OF GENERAL SERVICES**

Item 448 from the Motor Vehicles Parking Facilities Account, General Fund

Budget p. 235

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Requested 1979-80 .....	\$850,000
Recommendation pending .....	\$850,000

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**SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS**

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page*

1. Peripheral Parking—Sacramento. We withhold recommendation pending receipt of additional information. 1434

**ANALYSIS AND RECOMMENDATIONS**

*We withhold recommendation on Item 448 pending receipt of additional information.*

Sections 14677 and 14678 of the Government Code authorizes the Director of General Services to establish rates and collect funds for the operation of employee parking facilities. The funds collected are deposited in a General Fund account and are continuously appropriated to pay the expenses of the program. These funds are reported on page 230 of the Governor's Budget.

The transportation element of the Capitol Area Plan includes the development of peripheral parking lots as a means of (1) providing replacement parking for core area parking lots displaced by construction and (2) reducing the number of automobiles driven into and parked in the Capitol Area. The budget proposes \$850,000 from the Motor Vehicle Parking Facilities Account for the construction and operation of peripheral parking facilities in Sacramento. These proposed facilities are to be located under the Interstate 80 freeway along "W" and "X" Streets or 29th and 30th Streets. The department currently operates a peripheral parking facility located under Interstate 80 between 6th and 8th Streets. Regional Transit buses would be scheduled to provide periodic service between these lots and the downtown area.

We concur in the need for developing these parking facilities and in the proposal to use parking fee revenues. However, the department has not provided adequate information to evaluate this proposal. We have asked the department to prepare a report detailing the present costs associated with the peripheral parking lots and the anticipated usage of the additional facilities proposed. Pending receipt of this additional information, we withhold our recommendation.

## DEPARTMENT OF GENERAL SERVICES

Item 449 from the Service Re-  
volving Fund

Budget p. 235

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Requested 1979-80 .....	\$109,000
Recommended approval .....	24,000
Recommended reduction .....	\$85,000

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## SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

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page

1. *Minor Capital Outlay. Reduce by \$85,000. Recommend deletion of one minor capital outlay project.* 1435

## ANALYSIS AND RECOMMENDATIONS

## Minor Capital Outlay

*We recommend Item 449 be reduced \$85,000 by deleting one project.*

The budget contains \$109,000 for three minor capital projects funded from the Service Revolving Fund:

1. *Sacramento State Garage Alterations (\$12,000).* This project would convert an existing parking area to a tire changing area. This will increase the number of service stalls available, expedite repairs, and reduce the need for contracted repairs.

2. *Central Heating and Cooling Plant Crane Extension (\$12,000).* The department proposes extension and improvements to the existing crane and trolley system, which is used to lift heavy equipment components. The project will improve safety in the maintenance of equipment.

3. *State Records Center—Reroof (\$85,000).* This project proposes replacement of the existing roof on the State Records Center located in West Sacramento.

The need for improvements to the Central Heating and Cooling Plant and State Garage are justified and the costs are reasonable. However, we recommend denial of the request to replace the roof of the State Records Center. This facility was purchased with funds appropriated in the Budget Act of 1977. At the time funds were requested, the department indicated that the facility was in excellent condition, and that the purchase was justified on a cost saving basis. The department has not provided any information detailing why the condition of the roof has deteriorated in two years to the extent replacement is required. In any case, the department should provide any required repairs on a priority basis from the special repairs line item of the support budget. Therefore, we recommend deletion of the requested minor capital outlay funds, a reduction of \$85,000.



DEPARTMENT OF GENERAL SERVICES

Item 450 from the Service Re-  
volving Fund (Printing)

Budget p. 235

Requested 1979-80 .....	\$74,077
Recommended approval .....	74,077

ANALYSIS AND RECOMMENDATIONS

*We recommend approval.*

The department proposed \$74,077 for various alterations at the State Printing Plant on Richards Boulevard in Sacramento. Over the past several years, many of the departmental administrative activities have been relocated from downtown Sacramento to the State Printing Plant. This has improved operations because the accounting, personnel and data processing services are immediately available at the plant. The proposed project would provide adequate office space for all support staff at the plant. In addition, current safety deficiencies, such as inadequate fire corridors, would be corrected. The associated costs are reasonable, and we recommend approval.

STATE PERSONNEL BOARD

Item 451 from the General  
Fund

Budget p. 251

Requested 1979-80 .....	\$15,000
Recommended approval .....	12,585
Recommended reduction .....	2,415

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

*Analysis  
page*

1. *Minor Capital Outlay. Reduce by \$2,415.* Recommend re- 1436  
duction in cost estimate for one project.

ANALYSIS AND RECOMMENDATIONS

Minor Capital Outlay

*We recommend Item 451 be reduced \$2,415 by reducing the cost estimate for carpeting.*

The budget proposes \$15,000 for two minor capital outlay projects for the State Personnel Board. One project for \$4,590 would provide 145 square yards of carpet in the word processing center to alleviate the high noise level generated by this activity. The other project for \$10,410 would provide for various modifications to the building to relocate some activities to improve workflow.

We agree with the need for these projects. However, the cost estimate of \$31.65 per square yard for carpeting in the word processing center is too high. The Department of General Services (DGS) indicates that the

cost for this work should not exceed \$15 per square yard, or \$2,175. Therefore, we recommend a reduction of \$2,415.

## DEPARTMENT OF VETERANS AFFAIRS

Item 452 from the General  
Fund

Budget p. 270

Requested 1979-80 .....	\$189,450
Recommended approval .....	107,200
Recommendation pending .....	82,250
Recommended augmentation .....	3,000
Net recommended approval .....	110,200

### SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

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1. *Minor Capital Outlay—Elevator Safety. Augment by \$3,000.* Recommend increase to provide adequate funds for elevator safety modifications. 1437
2. *Minor Capital Outlay—Fire and Life Safety.* Withhold recommendation on request for \$82,500 pending receipt of detailed cost estimate. 1438

### ANALYSIS AND RECOMMENDATIONS

#### Minor Capital Outlay

The Department of Veterans Affairs proposes four minor capital outlay projects (\$100,000 or less) at the Veterans' Home at Yountville.

1. Remodel seven elevators to comply with elevator safety code. .... \$25,450
  2. Correct fire and life safety deficiencies in Domiciliary Buildings B, G, and E. .... \$82,500
  3. Relocate condensate pump and tank to comply with safety code. .... \$49,500
  4. Alterations to dental service area. .... \$32,000
- Total requested ..... \$189,450

#### Elevator Safety

*We recommend that Item 452 be augmented by \$3,000 to provide adequate funds to modify elevators.*

The budget proposes \$25,250 to modify seven elevators to meet safety code requirements. The Budget Act of 1978 provided \$86,000 to repair three elevators at the hospital building. The engineering consultant responsible for the hospital elevator projects recently completed an analysis of the code deficiencies for all elevators at the Home. The consultant indicates that \$28,250 will be required to fund the necessary modifications to meet code. Therefore, we recommend an augmentation of \$3,000 to provide adequate funds for all necessary elevator safety work.

**DEPARTMENT OF VETERANS AFFAIRS—Continued****Fire and Life Safety**

*We withhold recommendation on \$82,500 proposed for correction of fire and life safety deficiencies pending receipt of detailed cost estimates.*

The State Fire Marshal has indicated that fire pull boxes, smoke detectors, automatic door closers and exit lights must be installed in Buildings B, C, and E. The department requests \$82,500 to fund the necessary modifications required by the State Fire Marshal. The estimated cost for this work is not in line with the cost of similar work recently completed at the Home. The proposed funds appear inadequate to fund the total work to be accomplished. The Office of the State Architect should evaluate the needed work, and provide a detailed cost estimate prior to budget hearings on this item. Until we have had an opportunity to analyze this estimate, we withhold recommendation on this item.

**Other Projects**

*We recommend approval.*

The remaining two projects to relocate a pump and tank for \$49,500, and remodel a dental suite for \$32,000 are reasonable and we recommend approval.

**DEPARTMENT OF TRANSPORTATION**

Item 453 from the State Highway Account

Budget p. 356

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Requested 1979-80 .....	\$177,630,000
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**ANALYSIS AND RECOMMENDATIONS**

See discussion under Department of Transportation (Items 157-169).

**DEPARTMENT OF TRANSPORTATION**

Item 454 from the California  
Environmental Protection  
Program Fund

Budget p. 356

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Requested 1979-80 .....	\$70,000
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**ANALYSIS AND RECOMMENDATIONS**

See discussion under Department of Transportation (Items 157-169).

## DEPARTMENT OF THE CALIFORNIA HIGHWAY PATROL

Item 455 from the Motor Vehicle Account, State Transportation Fund

Budget p. 381

Requested 1979-80 .....	\$3,208,146
Recommended approval .....	1,148,596
Recommended reduction .....	2,014,550
Recommendation pending .....	45,000

## SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

Analysis  
page

1. *Riverside—New Office Building. Reduce by \$756,200.* 1440  
Recommend deletion of construction funds.
2. *San Juan Capistrano—New Office Building. Reduce by \$391,700.* 1441  
Recommend deletion of construction augmentation.
3. *Santa Cruz—New Office Building. Reduce by \$660,400.* 1442  
Recommend deletion of construction funds. Recommend site evaluation criteria be developed.
4. *Highway Patrol Academy—Land Acquisition. Reduce by \$11,000.* 1442  
Recommend deletion of project.
5. *San Bernardino—Facilities Shop. Reduce by \$60,000.* 1443  
Recommend deletion of acquisition funds.
6. *Minor Capital Outlay. Withhold recommendation on handicapped modifications pending receipt of priority listing.* 1443
7. *Minor Capital Outlay. Reduce by \$135,250.* 1443  
Recommend deletion of various projects.

## ANALYSIS AND RECOMMENDATIONS

## Area Offices

The proposed capital outlay budget for the Department of the California Highway Patrol (CHP) totals \$3,208,146. There are seven major construction requests totaling \$2,673,296, three land acquisition projects totaling \$115,000, and 20 minor construction requests totaling \$419,850. The majority of the funds requested is for construction of new area office buildings or purchase of leased office buildings. Table 1 summarizes the area office requests.

Table 1  
California Highway Patrol  
Capital Outlay for New Area Offices 1979-80

Item	Office	Budget Request	Traffic Officer Building Size Requested	Current Number of Traffic Officers
455 (a)	Riverside .....	\$756,200 <sup>c</sup>	75	77
455 (b)	Hollister-Gilroy .....	129,300 <sup>a,w</sup>	25	24

## DEPARTMENT OF THE CALIFORNIA HIGHWAY PATROL—Continued

455(c)	Chico .....	300,386 <sup>L</sup>	25	20
455(d)	Banning .....	131,300 <sup>L</sup>	50	43
455(e)	Mojave .....	304,010 <sup>L</sup>	25	21
455(f)	San Juan Capistrano	391,700 <sup>c</sup>	75+	54
	(additional)			(projected)
455(g)	Santa Cruz .....	660,400 <sup>c</sup>	50	47

## Legend:

a—land acquisition, w—working drawings, c—construction, L—purchase of leased building

## Riverside

*We recommend deletion of Item 455(a), construction of the area office at Riverside, a reduction of \$756,200.*

The budget contains \$756,200 for construction of an area office in Riverside for 75 traffic officers. Presently, the department occupies a leased facility constructed in 1962 to accommodate 50 officers. Present staffing is 77 traffic officers. Acquisition and working drawing funds were provided in the Budget Act of 1978.

In the 1978-79 capital outlay program, the department proposed a facility in Riverside for 100 traffic officers. During legislative hearings on the program, the requested acquisition and working drawing funds were reduced to fund a facility for 75 officers. The department intends to design the facility following the standard plans for a facility of the approved size. However, preliminary plans and working drawings have not been completed for the project and we do not have adequate information to evaluate the proposed construction funds. In addition a site for the proposed facility has not been acquired and the construction funds will not be needed in 1979-80. Therefore, *we recommend deletion of the construction funds, a reduction of \$756,200.*

## Hollister/Gilroy

*We recommend approval.*

The budget proposes \$129,300 for site acquisition and working drawings for a new CHP area office in the Hollister/Gilroy area. The present leased facility was constructed for 15 traffic officers, while current staffing is 24. Because there should be no need to increase the number of traffic officers in this area, the requested facility will be constructed to the standard plan for a 25-officer facility. The requested funds are reasonable and we recommend approval.

## Chico/Banning/Mojave

*We recommend approval.*

In the past, the department has entered into several lease agreements which include an option for the state to purchase the leased facility on a specified date. The budget contains \$735,696 to purchase three leased facilities with such options. Table 2 shows the annual rent and the firm purchase optional price for each.

**Table 2**  
**California Highway Patrol**  
**Selected Leased Facilities**

<i>Item</i>	<i>Office</i>	<i>Annual Rent</i>	<i>Purchase Price<sup>a</sup></i>
455(c)	Chico .....	\$32,904	\$300,386
455(d)	Banning .....	13,404	131,300
456(e)	Mojave .....	40,476	304,010

<sup>a</sup> Includes 1 percent for Department of General Services administrative cost.

Acquisition of these offices will reduce facilities costs over the life of the building. All of these offices are in excellent physical condition and should be adequate to meet the department's needs in these locations for at least 15 years. We recommend approval of the requested amounts.

#### **San Juan Capistrano**

*We recommend deletion of Item 455(f), \$391,700 for additional construction funds for the San Juan Capistrano area office.*

The budget proposes \$391,700 for additional construction funds for the San Juan Capistrano area office. The department proposes construction of a 75-traffic officer facility on a site adjacent to a proposed Caltrans facility. The San Juan Capistrano office will initially be occupied by approximately 54 traffic officers. Funds for working drawings were appropriated in the Budget Act of 1973. Based on an Office of State Architect (OSA) estimate, construction funds in the amount of \$497,600 were appropriated in the Budget Act of 1978.

Preliminary plans for this project were recently completed by OSA, and the new cost estimate exceeds the funds appropriated by \$391,700 or 79 percent. These additional funds are now requested, raising the total estimated project cost to \$889,300.

In our judgment, the proposed building is too large and too costly. During legislative hearings on the 1978-79 budget, this project was requested and approved to provide a standard 75-traffic officer facility. However, the preliminary design prepared by OSA exceeds the standard floor plan by 1,000 square feet of office space and 500 square feet of service area. This over design is not required. Standard floor plans for CHP facilities were cooperatively developed by the Department of General Services and CHP to expedite projects and reduce costs. It is irresponsible to design a facility in excess of the CHP needs and in the process disregard the budget and delay occupancy of the building.

In addition, the current cost estimate indicates that site development costs (for grading, paving, curbs, and landscaping) will be \$284,000. This is a substantial increase over the cost estimate of \$64,100 prepared at the budget package phase. The proposed site for this facility has been known for some time and it is not known why the cost estimate for this work has increased.

We believe the OSA should redesign the proposed facility to the size and within the funds approved by the Legislature. Accordingly, we recommend deletion of the requested construction funds for a savings of \$391,700.

**DEPARTMENT OF THE CALIFORNIA HIGHWAY PATROL—Continued****Santa Cruz**

*We recommend deletion of Item 455(f), a reduction of \$660,400.*

The budget contains \$660,400 for construction of a 50-traffic officer facility in the Santa Cruz area. There are currently 47 traffic officers assigned to this area. The department currently leases an inadequate building in the City of Santa Cruz. Site acquisition and working drawing funds for a new facility were appropriated in the Budget Act of 1978.

A site for the proposed new office has not been acquired and preliminary plans have not been completed. It is unlikely that construction funds would be utilized in the 1979-80 fiscal year. Consequently, we do not have adequate information to evaluate the proposal. We recommend deletion of the proposed funds, a reduction of \$660,400.

We also recommend that the department develop criteria for evaluating available sites, similar to the site evaluation criteria developed for proposed Department of Motor Vehicles (DMV) sites. We discuss this evaluation in our analysis of the DMV capital outlay budget, Item 456. This site evaluation process would aid in expediting the acquisition of sites by identifying the most adequate site available within the funds appropriated.

**Bakersfield—Additional Land**

*We recommend approval.*

The budget proposes \$44,000 to purchase 34,700 square feet of land adjacent to the present Bakersfield office. This office has 102 traffic officers and 50 CHP vehicles. There is currently an insufficient number of parking spaces available for the department, visitors and employees. Acquisition of the adjacent parcel would alleviate this problem and we recommend approval.

**Bryte Academy—Land Acquisition**

*We recommend deletion of Item 455(i), \$11,000 for land acquisition at the Highway Patrol Academy.*

The budget proposes \$11,000 to purchase additional land at the site of the Highway Patrol Academy in Bryte. The department proposes to acquire a one-foot strip of land along the easterly boundary of the academy property, where the fence enclosing the state property was erroneously located.

The Office of the State Architect indicated in a report dated October 5, 1977 that, "All fence corners and angle points were staked in the field by OSA for the contractor. . . . On June 27, 1977, the fence encroachment was confirmed by OSA surveyors. . . . Sufficient surveys and investigations were accomplished, and it was determined that the original survey and fence staking were correct."

The information contained in the OSA report clearly states that the fence was properly staked, but somehow, was not properly constructed. The construction contractor should be held responsible for all costs to either relocate the fence to the staked alignment or pay for state acquisition costs. Under these circumstances, we recommend deletion of the

requested \$11,000. We also recommend that appropriate legal action be taken against the contractor.

#### **Facilities Shop—San Bernardino**

*We recommend Item 455(j) for land acquisition in San Bernardino be deleted, a savings of \$60,000.*

The budget proposes acquisition of a 15,000 square foot parcel of land in the San Bernardino area. A 2,000 square foot shop facility would be constructed on the site for the field maintenance crew in southern California. This crew currently uses shop space at the Torrance Motor Transport facility. This arrangement has been unsatisfactory because most of the facilities crew's work is east of Los Angeles, and an excessive amount of staff time is spent commuting between the shop and the service locations.

We agree with the need to relocate this operation to a more acceptable location. However, the proposed solution is too costly. Development of the site would cost a minimum of \$82,000, bringing the total project cost for acquisition and construction to \$142,000. The proposed 15,000 square foot site and 2,000 square foot shop appears excessive in relation to the proposed use of the facility. This facility would be the base of operations for three employees who would generally be in the field servicing equipment. We believe the acquisition proposal should be reduced in scope, to provide the minimum size site for the minimum size building required.

In addition, there may be an adequate site available on state-owned property to provide for this facility. The department should contact agencies with facilities in the San Bernardino area to determine if land is available. For example, San Bernardino State College has extensive acreage that is undeveloped, as does the California School for the Deaf at Riverside.

For these reasons, we recommend deletion of the proposed acquisition funds, a reduction of \$60,000.

#### **Minor Capital Outlay**

*We withhold recommendation on the \$45,000 proposed for handicapped modifications.*

*Further, we recommend Item 455(k) be reduced \$135,250 by deleting various projects.*

The budget contains 20 minor capital outlay projects (\$100,000 or less per project) totaling \$419,850. Our recommendations on the specific projects follow:

1. **Handicapped Access**—The budget proposes \$45,000 for construction of ramps and removal of architectural barriers to the handicapped. While we agree with the need to provide this access, the department has not identified (1) the specific work to be accomplished, (2) the estimated cost at each location and (3) the amount of funds that will be required state-wide to modify all offices. To insure an orderly program of building modification, we recommend that the department survey all offices and establish a priority list of all necessary handicapped access modifications. The priority list developed by the State University and Colleges and discussed in our analysis of Item 456, Department of Motor Vehicles (page 1451), illustrates one approach to developing this information. We recommend the CHP



**DEPARTMENT OF THE CALIFORNIA HIGHWAY PATROL—Continued**

prepare a similar priority list for review prior to budget hearings. Until this survey and priority list is completed, we withhold recommendation on the requested \$45,000.

2. *Improvements at the Highway Patrol Academy*—The budget proposes three projects at the new CHP academy: (a) widening of the service road (\$10,000), (b) construction of an observation tower (\$15,000), and (c) construction of a 100 square foot building to house the gun blueing operation (\$6,350).

Modification of the service road will provide additional paved area where delivery trucks have damaged the landscaping because the road is too narrow. *We recommend approval of this request.* The observation tower was proposed in the original design of the academy, and was specifically disapproved because of insufficient justification. *Therefore, we recommend deletion of the requested \$15,000.* The proposed facility for the gun blueing operation is not needed. The academy has more than adequate space to conduct the training program, and 100 square feet of space should be available to house this activity. In addition, there is still a substantial amount of space at the Old Academy site that could be utilized. *We therefore recommend deletion of the requested \$6,350.*

3. *Equipment Projects*—The budget proposes two projects in the minor capital outlay budget for various items of equipment. Specifically, the requested projects are: (a) additional dispatch consoles at Oakland and Fresno (\$98,000) and (b) new (replacement) backup dispatch equipment for three area offices (\$15,900). According to the State Administrative Manual, these items of equipment are to be budgeted in the support budget of the department and should be justified on programmatic need rather than on a construction need. Moreover, it is our understanding that 10 additional positions would be required as a result of purchasing the additional dispatch equipment. This further illustrates the need to consider equipment purchases as part of the support budget. Therefore, *we recommend deletion of the requested equipment funds from this item, a reduction of \$113,900.*

4. *Other Projects*—The remaining 14 projects totaling \$229,600 range from \$1,500 for sun shades to \$51,400 for a new communications site. The projects and associated costs are reasonable, and we recommend approval.

**DEPARTMENT OF MOTOR VEHICLES**

Item 456 from the Motor Vehicle Account, State Transportation Fund

Budget p. 399

Requested 1979-80 .....	\$4,102,750
Recommended approval .....	38,500
Recommended reduction .....	3,656,350
Recommendation pending .....	\$407,900

**SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS**

*Analysis  
page*

1. Priority Listing of Projects. We recommend the department establish a priority list of statewide field office and capital improvement projects. 1445
2. Site Evaluations. We recommend the department implement the procedure to evaluate available building sites based on a weighted criteria. 1446
3. *Compton Office Building and Parking Facility. Reduce by \$965,700.* Recommend deletion of construction funds. 1448
4. *Oroville Office Building and Parking Facility. Reduce by \$438,000.* Recommend deletion of construction funds. 1448
5. *Davis Office Building and Parking Facility. Reduce by \$634,650.* Recommend deletion of construction funds. 1449
6. *Vallejo Office Building and Parking Facility. Reduce by \$950,000.* Recommend deletion of construction funds. 1449
7. *Victorville Office Building and Parking Facility. Reduce by \$500,000.* Recommend deletion of construction funds. 1449
8. Redwood City—Land Acquisition. Withhold recommendation on land acquisition funds. 1450
9. Minor Capital Outlay. Withhold recommendation on safety and handicapped compliance projects pending receipt of additional information. 1450
10. *Minor Capital Outlay. Reduce by \$168,000.* Recommend deletion of various projects. 1450

**ANALYSIS AND RECOMMENDATIONS****Priority Listing of Projects**

*We recommend the department establish a priority listing of all statewide field office and capital improvement projects as part of the department's capital outlay program.*

The State Administrative Manual (SAM) requires that state agencies submit the capital outlay budget with projects assigned a priority ranking. The Department of Motor Vehicles (DMV) does not submit a statewide program with the overall ranking. Rather, the department prepares two priority listings—one list of projects proposed for capital outlay construction, and another list proposed for funding through a lease with option-to-purchase agreement.

**DEPARTMENT OF MOTOR VEHICLES—Continued**

The capital outlay budget prepared by the department does not provide adequate information to determine the need for new facilities. Moreover, the budget does not indicate how the department determines which facilities' needs are to be met through the lease/purchase program, and which are to be met through the capital outlay program. As a result, during the budget hearings the Legislature has an opportunity to review only that portion of the planned new facilities proposed for capital outlay funding.

Moreover, the existing process does not give the Legislature adequate opportunity to review specific projects proposed for lease/purchase or otherwise provide direct input to the lease/purchase program. Under Section 28.2 of the Budget Act, the department is only required to report proposed lease/purchase agreements to the chairmen of the fiscal committees and to the Chairman of the Joint Legislative Budget Committee. While the Legislature is able to review the proposed purchase of a facility when the budget includes funds to exercise the purchase option, this comes too late in the process for the Legislature to provide a significant input. The Legislature does not review the necessity of the facility until after the facility has been leased, occupied for a time and finally proposed for purchase. If the department presented the Legislature with all of its facilities' needs, regardless of the funding mechanism proposed, the Legislature could more adequately evaluate the total program and assure that high priority needs are met at the lowest possible costs. We will recommend amendments to Section 28.2 in order to insure appropriate legislative review of lease/purchase proposals.

**Site Selection—Evaluation Criteria**

*We recommend that the Department of Motor Vehicles implement the weighted criteria method of evaluating the adequacy of available sites.*

The department has experienced many long delays in acquiring building sites, as is evident by the number of land acquisition projects proposed for reappropriation as shown in Table 1. Several years ago, in response to a specific legislative request, the department developed a weighted criteria method for evaluating potential sites and it indicated that this method would be implemented. The criteria were to be applied to all available parcels in the area where a new office was planned so that functional sites would be ranked in priority and the best site selected and acquired quickly. This method was intended to expedite design and construction of the facility, thereby averting potential increased costs related to inflation.

The weighted criteria method is not being used, and acquisitions are not being expedited. It appears that projects are continually delayed because ideal sites cannot be found. The department should recognize that it is imprudent and costly to delay projects while searching for sites of an ideal nature, when sites may be available which, while not ideal, could function adequately and result in less cost to the state. Therefore, we recommend that the department implement the weighted criteria method in order to identify the most functional site that is available for immediate purchase. This will expedite site selection and acquisition, reduce costs, and ultimately will expedite occupancy of the facility.

**New Office Buildings—Project Delays**

The capital outlay program for the DMV proposes construction of several new field offices.

The department currently leases a substantial amount of office space throughout the state. Economic analysis has shown that if offices are to be occupied for more than 10 years, it is more economical for the state to construct its own facilities than continue leasing. In recent years, new offices have been proposed and funded for a number of locations in the state. These new offices are designed to meet the projected space needs in the year 1995 and to be easily expanded to meet projected space needs in the year 2000. Sufficient land has been acquired to provide for anticipated requirements in the year 2000.

We support the need to construct state-owned offices and reduce the overall cost of state government. However, as we indicated in our analysis of the 1978 Budget Bill, the department has not proceeded with previously authorized projects on a timely basis. Nearly all recent projects have been delayed. Table 1 summarizes the status of projects for which reappropriation of funds in the amount of \$10,337,475 is requested under Section 10.06 of the Budget Bill.

**Table 1**  
**Department of Motor Vehicles Reappropriations Control Section 10.06**  
**1979-80 Budget Bill**

<i>Budget/Item</i>	<i>Project</i>	<i>Original Appropriation</i> <sup>1</sup>	<i>Public Works Board Allocation</i> <sup>2</sup>	<i>Funds Not Allocated</i>
Budget Act of 1974:				
377(d)	San Fernando .....	\$736,700 <sup>c</sup>	\$32,145 <sup>p</sup>	\$704,555
Budget Act of 1975:				
362(b)	San Pedro .....	352,500 <sup>a,w</sup>	352,500 <sup>a,p</sup>	—
362(c)	Torrance .....	561,800 <sup>a,w</sup>	236,000 <sup>a,p</sup>	325,800
362(d)	Pleasanton .....	490,000 <sup>a,w</sup>	271,175 <sup>a,p</sup>	47,825 <sup>3</sup>
362(a)	Oceanside .....	434,200 <sup>a,w</sup>	23,540 <sup>a,p</sup>	410,660
362(e)	South Lake Tahoe .....	187,100 <sup>a,w</sup>	49,625	137,475
362(h)	Compton .....	568,560 <sup>a,w</sup>	—	568,560
362(i)	Los Angeles .....	879,880 <sup>a,w</sup>	—	879,880
362(k)	Woodland/Davis .....	247,300 <sup>a,w</sup>	136,430 <sup>a,p</sup>	110,870
362(l)	Santa Barbara .....	559,600 <sup>a,w</sup>	—	559,600
Budget Act of 1976:				
378(bx)	Santa Rosa .....	1,062,500 <sup>c</sup>	68,700 <sup>p,w</sup>	993,800
Budget Act of 1977:				
394(b)	Computer Replacement (HQ) .....	50,000 <sup>p</sup>	—	50,000
394(d)	Oceanside .....	885,500 <sup>c</sup>	12,750	875,750
Budget Act of 1978:				
450(a)	San Pedro .....	839,400 <sup>c</sup>	—	839,400
450(b)	Torrance .....	1,018,000 <sup>c</sup>	43,900	923,300 <sup>4</sup>
450(c)	Pleasanton .....	937,500 <sup>c</sup>	—	937,500
450(d)	Relocate key-input unit (HQ) .....	231,000	220,000 <sup>w,c</sup>	11,000
450(e)	Vallejo .....	422,500 <sup>a,w</sup>	—	422,500
450(f)	San Clemente .....	563,000 <sup>a,w</sup>	—	563,000
450(i)	Concord .....	722,000 <sup>a,w</sup>	—	722,000
450(l)	Victorville .....	257,000 <sup>a,w</sup>	—	257,000
Totals .....		\$12,006,040	\$1,446,765	\$10,337,475

<sup>1</sup> Symbols indicate: a—acquisition; p—planning; w—working drawings; c—construction.

<sup>2</sup> Excluding augmentations.

<sup>3</sup> Project savings of \$171,000 reverted by PWB.

<sup>4</sup> Project savings of \$50,800 reverted by PWB.

**DEPARTMENT OF MOTOR VEHICLES—Continued**

The additional major project funds proposed in the Budget Bill would increase the total available capital outlay funding to \$13,885,825.

All of the items requested for reappropriations from the 1974, 1975, 1976 and 1977 Budget Acts were reappropriated in the Budget Act of 1978. During hearings on the 1978-79 budget, the department provided the Legislature with a schedule indicating that most of the project funds requested for appropriation or reappropriation, would be allocated or expended during the 1978-79 fiscal year. These project funds have not been utilized and the projects are not proceeding in accordance with the schedule submitted to the Legislature.

In our judgment, the department does not have the capacity to manage both the projects for which funds were appropriated in previous years plus the projects to be funded in Item 456. Consequently, we have recommended deletion of all major capital outlay funds proposed in the budget so that the department can concentrate its efforts on reducing the current backlog. Our analysis of the proposed projects and the status of each follows.

**Compton**

*We recommend deletion of Item 456(a), for construction of a new office in Compton, a reduction of \$965,700.*

The budget includes \$965,700 for construction of a new DMV office in Compton. Acquisition and working drawing funds were appropriated in the Budget Act of 1975.

During the legislative hearings on the 1978 Budget Bill, the department indicated in writing that acquisition would be completed by November 1978. As of January 1979 (three years and six months after funds were provided) a site for this facility had not been acquired and preliminary planning had not begun. Reappropriation of the site acquisition and working drawing funds is again proposed under Section 10.06 of the Budget Bill. The project schedule prepared by the Office of the State Architect (OSA) indicates that approximately one year will be required for preparation of preliminary plans and working drawings. Based on the current status of the project, construction funds will not be needed in 1979-80. In addition, because preliminary plans and working drawings have not been completed, the construction estimate is based on inadequate information. Therefore, we recommend deletion of \$965,700 in construction funds.

**Oroville**

*We recommend deletion of \$438,000 in Item 456(b) for construction of a new DMV facility in Oroville.*

The budget contains \$438,000 for construction of a new DMV field office in Oroville. Site acquisition and working drawing funds for the proposed facility were provided in the Budget Act of 1975. The department has again requested reappropriation of these funds under Section 10.06 of the

Budget Bill. A site for the proposed facility was acquired in February 1978, and funds for preparation of preliminary plans were allocated by the Public Works Board in March 1978. At that time, the OSA informed us that the preliminary plans would be completed in August 1978.

As of February 1979, the preliminary plans for this project had not been submitted to the Public Works Board for approval. Thus, the project is at least six months behind the OSA schedule and a time frame for completion of working drawings is unknown. However, working drawings will apparently not be initiated prior to June 1979, because the department is requesting reappropriation of the 1975 working drawing funds. If the preliminary plans are approved by the Public Works Board and working drawing funds allocated before June 30, 1979, reappropriation would not be required. Given the current status of this project and the absence of adequate information to substantiate the requested construction amount, we recommend deletion.

#### Davis

*We recommend deletion of \$634,650 in Item 456(c) for construction of a new DMV facility in Davis.*

The Budget Act of 1975 provided \$247,300 for site acquisition and working drawings for a new DMV facility to serve Woodland and Davis. The department revised the original proposal to (1) provide a new facility to serve Davis only, and (2) continue serving the Woodland area in the present facility. The proposed new facility was reduced in size as a result of this change. The Legislature and the administration approved this revision and in September 1978 a site was acquired in Davis. Preliminary planning funds were allocated by the Public Works Board in June of 1978.

As of February 1979, preliminary plans for this project had not been completed. In June 1978, the OSA schedule indicated that preliminary plans were to be completed in December. Apparently, these preliminary plans will not be completed prior to June 1979, because the department has requested reappropriation of the 1975 funds for working drawings. Once preliminary plans are completed, another nine months will be required in order to prepare working drawings, based, on DMV experience.

Given the current project status, the time usually required for preparation of working drawings, and the lack of any information to justify the construction request, we recommend deletion of the requested funds.

#### Vallejo and Victorville

*We recommend that Item 456(d), \$950,000 for construction of a DMV office in Vallejo, and Item 456(e), \$500,000 for construction of a DMV office in Victorville, be deleted.*

The Budget Act of 1978 provided site acquisition and working drawings fund of \$422,500 for a new DMV facility at Vallejo and \$257,000 for one at Victorville. The Budget Bill proposes construction funds for these projects —\$950,000 for the Vallejo facility and \$500,000 for the Victorville facility.

Site acquisitions for these projects have not been completed. In addition, preliminary planning funds have not been allocated. Thus adequate information is not available to substantiate the requested amount. Also based on the project status, the requested construction funds will not be

**DEPARTMENT OF MOTOR VEHICLES—Continued**

needed in 1979–80. Therefore, we recommend deletion of Items 456(d) and 456(e), a reduction of \$1,450,000.

**Redwood City**

*We withhold recommendation on Item 456(f), \$60,000 for site acquisition at the present Redwood City field office.*

Since 1973 the department has occupied a state-owned facility in Redwood City. The site for this facility was acquired for \$419,353, and design and construction of the facility cost \$495,400. The office and parking facilities were designed for the projected workload in 1998.

Apparently, a portion of the parking lot for this facility is constructed on property that is not owned by the state. The department proposes to purchase this property, approximately 8,000 square feet (or 0.18 acres) estimated to cost \$60,000.

We have no information on the circumstances which allowed a portion of this facility to be constructed on privately owned land.

More importantly, the land in question may not be needed to accommodate DMV's requirements in Redwood City. The workload of this office currently stands at only 55 percent of the facility's capacity, and a low rate of population growth is expected in this area. Information provided by the department indicates a compromise property settlement may be arranged in the current year utilizing emergency funds. If such a settlement is reached, or if the department relinquishes the property, the existing parking lot will have to be modified at state expense. The proposed compromise settlement and the estimated costs to modify the parking lot should be available prior to legislative hearings. We, therefore, withhold recommendation on this amount.

**Minor Capital Outlay**

*We withhold recommendation on projects totaling \$347,900 for fire safety and the removal of architectural barriers to the handicapped.*

*Further, we recommend that Item 456(g) be reduced \$168,000 by deleting four projects.*

The budget proposes 20 minor capital outlay projects (\$100,000 or less per project) totaling \$554,400 for the Department of Motor Vehicles.

**Table 2**  
**Department of Motor Vehicles**  
**Minor Capital Outlay**

<i>Project Type</i>	<i>Number of Projects</i>	<i>Funds Requested</i>
Fire Safety .....	1	\$28,000
Handicap Modifications .....	9	319,900
Energy Conservation .....	1	78,000
Air Conditioning .....	2	80,000
Other Improvements .....	7	48,500
Totals.....	20	\$554,400

**Safety Projects**—The one safety project requested proposes modification to the parking lot adjacent to the headquarters building in Sacra-

mento. This modification will allow fire trucks to park next to the east side of the building in the event of a fire. A portion of the project involves demolition of a fenced area that presently is used as a day care play yard. The day care activity is not a state funded activity and the improvements were not constructed at state expense. Accordingly, the required demolition should not be at state expense. We, therefore, recommend deletion of this work from the proposed project. The department should identify the specific amount prior to the budget hearings. Until this information is available we withhold recommendation on the requested \$28,000.

**Handicapped Projects**—There are nine projects proposed to remove architectural barriers to the handicapped totaling \$319,900. These projects range from \$7,000 for the Oakland and San Francisco field offices to \$87,000 for the Sacramento headquarters. For most locations, the projects provide (1) construction of ramps, (2) installation of automatic doors, and (3) modification to employee and public rest room facilities.

Modifications for this purpose should be made, but to avoid accomplishing the desired objective in a haphazard manner, the department should develop an overall statewide priority list for handicapped modifications. The priority categories developed by the California State University and Colleges system and listed in Table 3 illustrate one approach to doing so.

**Table 3**  
**Priority Categories**

- I. Funds to Provide Access to the Campus as a Whole
  - A. Adequate handicapped parking spaces
  - B. Curb cuts between parking lots and sidewalks
  - C. Adequate sidewalks
- II. Funds for Access to Facilities to Meet the Basic Needs of the Physically Handicapped
  - A. Rest room modifications (one each for men and women)
  - B. Service areas—cafeteria and vending areas should be accessible to the handicapped
- III. Funds for Access to Building of High (Public) Use
  - A. Minor ramps
  - B. Door modifications to ease the door pull. (Excludes automatic doors)
- IV. Funds for Access to Floors Above Main Level
  - A. Long ramps
  - B. Elevators
- V. Funds for Automatic Doors and Lower Drinking Facilities
- VI. Funds for Other projects

A similar statewide categorization for DMV would insure that high priority needs would be met before lower priority needs are met at any one location. Until a statewide categorization and inventory of needs for all DMV facilities is developed and reviewed we withhold recommendation on the requested projects.

**Energy Conservation**—The one energy related project proposes \$78,000 to install sun control screens on the south facing windows of the headquarters building. These screens are an energy saving measure that reduces



**DEPARTMENT OF MOTOR VEHICLES—Continued**

the solar heat gain during the summer, reducing air conditioning requirements. However, the screens are not beneficial on windows with venetian blinds or windows with other sun control devices. Because there are venetian blinds on the subject windows there is no advantage to installing the proposed sun control. *Therefore, we recommend deletion of the proposed project, a reduction of \$78,000.*

**Air Conditioning Projects**—The budget contains \$80,000 to install additional cooling capacity at the Van Nuys and Carmichael field offices. The department indicates that the design criteria for the increased capacity is one-ton of air condition capacity per 250 feet of gross building area.

These facilities were designed to air conditioning standards in effect prior to the adoption of energy conservation measures and temperature standards. The prior standards generally provided cooling capacity to maintain a temperature of approximately 72 degrees. The current energy conservation standard for cooling is 78 degrees. Thus, the existing equipment should be more than adequate to maintain 78 degrees in these buildings. We recommend that OSA review the *designed* capacity for these facilities to determine if additional air conditioning capacity is needed at this time. It may be possible to add insulation or make other energy conserving adjustments to alleviate any current problems that may exist. *Therefore, we recommend deletion of the proposed projects for a reduction of \$80,000.*

**Other Improvements**—The budget contains \$48,500 for seven other projects. The requests range from \$1,500 for office remodeling to \$20,000 to improve exterior lighting. Except for one project under this category, the requests have been justified and the associated costs are reasonable.

One project for \$10,000 is to reinforce door frames at the Costa Mesa office. This is a relatively new facility, and apparently the door frames were either incorrectly designed or incorrectly installed. OSA should investigate this apparent deficiency to determine the cause and whether the proposed installation of steel reinforcing in the door frames will alleviate the problem. If the frames were either incorrectly designed or installed the responsibility should rest with the architect or the contractor. In either case the state should not have to pay for the corrective work. *Consequently, we recommend deletion of the requested funds for this project a savings of \$10,000.*

**CALIFORNIA CONSERVATION CORPS**

Item 457 from the General  
Fund

Budget p. 416

Requested 1979-80 .....	\$286,700
Recommended approval .....	10,000
Recommended reduction .....	276,700

**SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS**

Analysis  
page

1. *Minor Capital Outlay. Reduce by \$276,700. Recommend deletion of low priority projects at existing camps (\$176,700) and unidentified projects at new camps (\$100,000).* 1453

**ANALYSIS AND RECOMMENDATIONS**

The budget proposes \$286,700 for minor capital outlay projects (\$100,000 or less per project) for the California Conservation Corps (CCC).

As of the start of the current fiscal year, a total of 16 base camps had been opened by CCC and 6 additional camps are to be opened in the current year. Prior Budget Acts have provided a maximum of \$100,000 for initial upgrading of each camp and this amount has been adequate in meeting high priority needs. A portion (\$186,700) of the funds requested for 1979-80 would be for additional upgrading beyond that accomplished from prior appropriations. Table 1 summarizes the department's requests.

**Table 1**  
**California Conservation Corps**  
**Minor Capital Outlay—1979-80**  
**Project Summary**

<i>Location</i>	<i>Number of Projects</i>	<i>Requested Amount</i>
San Luis Obispo Center .....	4	\$20,200
Agnews Center .....	2	11,200
Del Norte Center .....	2	4,700
Humboldt Center .....	2	14,100
Butte Center .....	2	60,000
Calaveras Center .....	3	67,500
Inyo Center .....	1	9,000
Subtotal .....	16	\$186,700
Unidentified* (opening 1978-79) .....		100,000
Total Request .....		\$286,700

**Minor Capital Outlay—Existing Camps**

*We recommend Item 451 be reduced \$176,700 by deleting low priority projects at existing camps.*

Table 1 indicates that \$186,700 is requested for 16 projects at seven existing camps. The 16 identified projects fall within the priority categories established by the CCC as shown in Table 2.

## CALIFORNIA CONSERVATION CORPS—Continued

**Table 2**  
**California Conservation Corps**  
**Minor Capital Outlay 1979-80**  
**Project Priority Listing**

<i>Priority Category</i>	<i>Number of Projects</i>	<i>Amount Requested</i>
1. Provide basic living needs such as food service and living quarters. Includes code corrections. ....	—	—
2. Provide basic security needs .....	1	\$10,000
3. Provide for administration, training and education; includes classroom and training areas .....	—	—
4. Provide space for physical training and storage .....	—	—
5. Provide modifications to control pollution and conserve energy .....	1	50,000
6. Provide for hobby and recreational needs .....	2	52,500
7. Provide remodeling and expansion of the above noted facilities .....	10	56,200
8. Miscellaneous items such as paving .....	2	18,000
Total .....	16	\$186,700

The CCC is only authorized to operate until January 1, 1981. Until the Legislature determines whether the CCC will continue beyond the termination date, only the highest priority needs for camp improvements should be funded. The proposed project at the Butte Center to install a security fence for \$10,000 would meet a high priority need and we recommend that this project be approved. The balance of the projects do not appear to have a high priority and we recommend that funding for them be deleted for a savings of \$176,700.

**Minor Capital Outlay—New Camps**

*We recommend Item 457 be reduced \$100,000 by eliminating unspecified projects at new camps.*

The budget proposed \$100,000 for unidentified minor capital outlay at the six new camps to be opened in the current year. The Budget Act of 1978 provided \$100,000 to upgrade each of these camps. In the past, this amount has been more than adequate to meet high priority needs for upgrading other camps. Because adequate funds have been previously approved for improvement work at the six camps, we recommend deletion of the proposed \$100,000.

## DEPARTMENT OF FORESTRY

Item 458 from the General  
Fund

Budget p. 461

Requested 1979-80 .....	\$2,742,106
Recommended approval .....	939,242
Recommended reduction .....	186,224
Recommendation pending .....	1,616,640

## SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

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1. *Coarsegold Forest Fire Station. Reduce by \$104,924.* Rec- 1455  
ommend reduction in construction estimate.
2. *Material Service Center. Reduce by \$81,300.* Recom- 1456  
mend reduction in construction cost estimate.
3. *Grasshopper Forest Fire Station. Withhold recommenda- 1456  
tion pending receipt of additional information.*
4. *Mount Zion Forest Fire Station. Withhold recommenda- 1456  
tion pending receipt of additional information.*
5. *Howard Forest Headquarters. Withhold recommendation 1456  
pending receipt of additional information.*

## ANALYSIS AND RECOMMENDATIONS

## Minor Capital Outlay

*We recommend approval.*

The budget proposes \$723,242 under Item 458(a), for 38 minor capital outlay projects (\$100,000 or less) for the Department of Forestry. Most of the projects are for minor site and utility improvements such as paving, sewage improvements and electrical renovations. Two projects, for \$80,000 each, would remodel the emergency command centers at Sacramento and Perris Headquarters. The proposed work and associated costs are reasonable and we recommend approval.

## Land Acquisitions

*We recommend approval.*

The budget proposes \$50,000 for two land acquisition projects for the Department of Forestry. Item 458(b) includes \$10,000 for opportunity purchase of unspecified parcels of land that may become available during the budget year. Item 458(c) proposes \$40,000 for acquisition of the Clear Lake Oaks Forest Fire Station site, which is currently leased from the University of California. The university intends to sell this property and its surrounding holdings. We recommend approval of the requested funds.

## Coarsegold Forest Fire Station

*We recommend Item 458(d) be reduced \$104,924 by reducing the construction estimate.*

The budget proposes \$237,924 under Item 458(d) for additional construction funds for a new station at Coarsegold. This project was previously

**DEPARTMENT OF FORESTRY—Continued**

approved and \$280,600 was appropriated for construction in the Budget Act of 1974. However, there have been delays in the land acquisition for this station. The department has now acquired the site and construction can proceed. The budget item would provide additional funds to construct the 16-person barracks/mess hall and apparatus building proposed in the 1974 appropriation.

The proposed additional construction funds represent an augmentation of over 84 percent to the original appropriation. Construction costs for the period of delay have increased approximately 46 percent. The additional cost should not exceed the increase related to inflation or \$133,000. Consequently, we recommend a reduction of \$104,924.

**Material Service Center—San Bernardino**

*We recommend Item 458(e), additional construction funds for the material supply center at San Bernardino, be reduced \$81,300, by reducing the construction estimate.*

The budget proposes \$114,300 for additional construction funds for a material supply center at the San Bernardino ranger unit headquarters. The project proposes a "pre-engineered" metal warehouse building of 7,210 square feet. The Budget Act of 1977 provided \$260,900 for construction of this project, and the Budget Act of 1978 reappropriated these funds. Preliminary plans were completed in October 1978, and the architect's cost estimate of \$371,400 exceeded the available funds by \$114,300 or 44 percent. Section 8 of the Budget Act requires the Public Works Board to defer all projects requiring an augmentation in excess of 20 percent until the Legislature provides additional funds for the specific projects. Consequently, the preliminary plans have not been approved by the board, and the working drawings have not been started pending legislative approval of the additional funds required.

This project has not proceeded because of a 12-month delay in the appointment of a consulting architect by the Office of State Architect (OSA). In our opinion, this delay was unnecessary. The project represents a standard "pre-engineered" steel building, and selection of an architect should have been an easy matter. However, as a result of the delayed appointment, and the high cost estimate, the project is now at least two years behind the original construction schedule.

We agree with the need for this project, and it should proceed. However, the proposed additional construction funds should only be increased by the rate of the inflation over the two years—12.4 percent or \$32,400. We, therefore, recommend Item 458(e) be reduced by \$81,900, to reflect only inflationary increases for this project. In addition, based on the inflationary cost increase the OSA should proceed immediately into working drawings so that construction of this facility can be expedited.

**New Facilities—Grasshopper and Mount Zion Forest Fire Stations and Howard Forest Ranger Unit Station**

*We withhold recommendation pending receipt of additional information.*

Table 1 summarizes the funds requested for construction and equip-

ment for three new facilities—Grasshopper, Mount Zion and Howard Forest.

**Table 1**  
**Department of Forestry**  
**Major Projects**  
**1979-80**

<i>Budget Bill Item</i>	<i>Project/Location</i>	<i>Request</i>
	GRASSHOPPER/Lassen County	
458(f)	Construction .....	\$603,500
458(g)	Equipment .....	11,910
	MT. ZION/Amador County	
458(h)	Construction .....	524,580
458(i)	Equipment .....	12,370
	HOWARD FOREST HEADQUARTERS/Mendocino County	
458(j)	Construction .....	456,000
458(k)	Equipment .....	8,280

1. *Grasshopper*—This project replaces substandard buildings with a 14-person barracks—mess hall, three bay apparatus building, office, and gas and oil house. The gross building area is 4,930 square feet.

2. *Mount Zion*—This proposal is for a new forest fire station in Amador County, the facility would include a 14-person barracks—mess hall, three bay apparatus building and two offices. The gross building area is 6,300 square feet.

3. *Howard Forest Headquarters*—Located in Mendocino County, this project includes replacement facilities for a 24-person barracks, a 40-person dining and kitchen facility and one office. The headquarters are frequently used as a staging area during fire fighting activities and may serve over 1,000 meals in a 24-hour period. The gross building area is 5,800 square feet.

We agree with the need for these facilities, however, the construction costs are too high. Allowing for inflation, similar type facilities approved in previous years have required funding significantly lower than the level proposed in the budget. The department should reevaluate the proposed facilities and reduce the cost estimate in line with previously approved projects. Because these are relatively simple buildings to design and construct, construction funds could be utilized in the budget year. Consequently, in an effort to expedite the projects the department should provide the revised information prior to budget hearings. We withhold recommendation on the projects pending receipt of the revised cost estimates.

## DEPARTMENT OF FISH AND GAME

Item 459 from the Fish and  
Game Preservation Fund

Budget p. 490

Requested 1979-80 .....	\$4,049,800
Recommended approval .....	277,000
Recommended reduction .....	\$3,772,800

## SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

Analysis  
page

1. *Region II Headquarters. Reduce by \$673,850.* Recommend deletion of funds to complete federally funded project. 1459
2. *San Joaquin Hatchery Aerator. Reduce by \$206,500.* Recommend deletion of funds to complete federally funded projects. 1459
3. *Fillmore Fish Hatchery Operations Building. Reduce by \$316,300.* Recommend deletion of construction funds. 1460
4. *Mount Shasta Fish Hatchery, Building and Water System. Reduce by \$704,950.* Recommend deletion of construction funds. 1460
5. *Mount Whitney Fish Hatchery Ponds. Reduce by \$462,400.* Recommend deletion of construction funds. 1460
6. *Black Rock Fish Hatchery Ponds. Reduce by \$1,335,400.* Recommend deletion of construction funds. 1460
7. *Project Planning. Reduce by \$73,400.* Recommend deletion of planning and working drawings funds for Region I Headquarters addition. 1460

## ANALYSIS AND RECOMMENDATIONS

The budget proposes construction funds for six major projects for the Department of Fish and Game. Table 1 summarizes the requests and our recommendation for each:

Table 1  
Department of Fish and Game  
Major Projects 1979-80

Budget Sub-Item	Project, Location	Budget Bill Amount	Recommendation Analyst Recommendation
(a)	Lab and field station at Region II Headquarters .....	\$673,850 <sup>c</sup>	0
(b)	Midpond aerator at San Joaquin Fish Hatchery .....	206,500 <sup>c</sup>	0
(c)	Operations building at Fillmore Fish Hatchery .....	316,300 <sup>c</sup>	0
(d)	Hatchery building and water system at Mount Shasta Fish Hatchery .....	704,950 <sup>c</sup>	0
(e)	Ponds at Mount Whitney Fish Hatchery .....	462,400 <sup>c</sup>	0
(f)	Ponds at Black Rock Fish Hatchery .....	1,335,400 <sup>c</sup>	0
	Total, Major Projects .....	\$3,699,400	0

<sup>c</sup> Construction.

**Completion of Public Works Employment Act Projects**

*We recommend Item 459(a) and 459(b) be deleted, a reduction of \$880,350.*

The budget proposes \$673,850 to complete a new laboratory and field station at the Region II Headquarters at Nimbus (Item 459(a)), and \$206,500 for installation of a midpond aerator at the San Joaquin Fish Hatchery (Item 459(b)). The funds are requested to complete facilities which were initially funded under the Federal Public Works Employment Act (PWEA) Title I. The Director of Finance authorized PWEA funds in the amount of \$1,378,400 for construction of the Region II Headquarters project and \$962,000 for the San Joaquin Hatchery project. The director reported these proposed expenditures to the Chairman of the Joint Legislative Budget Committee on September 20, 1977 in accordance with Section 28 of the Budget Act of 1977.

The Region II Headquarters project included a 33,600 square foot administration building and 4,500 square feet of laboratory and animal-holding facilities. The facility serves as the headquarters for the Sacramento area and as a field station and laboratory for biological research in fish and wildlife. Expansion and relocation of the Region II Headquarters was not required because the department occupied adequate facilities located on the California State University, Sacramento (CSUS) campus. The space occupied by the Department of Fish and Game is not needed by the university, and overall state costs would be reduced if the department remained at the CSUS location. However, because the Legislature was not provided adequate or timely information on the PWEA program, it was not possible to avert the subject project. When the project was bid for construction, the low bid of \$1,577,000 exceeded the available construction funds by \$322,700 or 26 percent. The project was reduced in scope by deletion of much of the interior finish and equipment, and a contract was awarded.

The San Joaquin Hatchery project included replacement of earthen fish rearing ponds with modern concrete ponds and related equipment. The new facility was designed to supply 1,800,000 trout to central California streams and lakes from the Tehachapis to Modesto.

The bids for the San Joaquin Fish Hatchery improvements were also in excess of the available federal funds, and the aerator equipment and pumps were deleted to allow award of the construction contract.

In his Section 28 letters to the Chairman of the Joint Legislative Budget Committee, the Director of Finance indicated that these projects were approved for federal funding with the stipulation that no additional state expenditures would be required as a result of the project. The items deleted from the two federal projects were apparently not considered to be essential to the department's program, and operations at these facilities would continue regardless of the reduced scope. Given the assurances made to the Legislature and the implicit determination that the requested items were not essential, we recommend against providing state funds for these projects.

Moreover, the estimated cost of \$673,850 for the additional items at the Region Headquarters is too high. As mentioned, the original low bid which



**DEPARTMENT OF FISH AND GAME—Continued**

included these items exceeded the available construction funds by \$322,700. This work would now have a construction value of approximately \$362,000, when adjusted for 12 percent inflation. Thus, the estimated cost for this work, including contingencies and design fees should not exceed \$427,000.

Regardless of the estimated costs, the additional items are not needed, and we recommend deletion of \$673,850 for the improvements to the Regional Headquarters, and \$206,500 for the aerator at the San Joaquin Fish Hatchery, a reduction of \$880,350.

**Fish Hatchery Improvements**

*We recommend Items 459(c), (d), (e) and (f) be deleted, a reduction of \$2,819,050.*

The budget proposes construction funds for four projects at the Fillmore, Mount Shasta, Mount Whitney and Black Rock Fish Hatcheries. These project funds total \$2,819,050 and would provide additional rearing ponds and hatchery buildings. Working drawings funds for these projects and a similar project at Darrah Springs were appropriated in the Budget Act of 1978.

The working drawings for these projects have not been completed. Consequently, we have no basis on which to adequately evaluate the requested construction funds. In addition, the budget indicates that the Darrah Springs Hatchery will be closed. We presume the previously approved working drawings funds for replacement of the ponds will not be required. Because of the lack of adequate information and the plan to close one hatchery we recommend deletion of the requested funds.

**Project Planning**

*We recommend Item 459(g) for project planning, be reduced \$73,400.*

The budget proposes a total of \$103,400 for project planning for the Department of Fish and Game. The department indicates that \$30,000 of the requested planning funds would be used for schematic planning for projects proposed in the 1980-81 Governor's Budget. The balance of the funds (\$73,400) requested, are for the preparation of preliminary plans and working drawings for enlarging the Region I office in Redding.

We agree with the proposed \$30,000 to provide planning funds for projects to be proposed in the 1980-81 Governor's Budget. However, the planning funds requested for the Region Headquarters building indicate the total project cost is over \$900,000. We have not received adequate information to justify either the expansion of this facility or the indicated project cost. Therefore, we recommend deletion of the requested planning and working drawing funds, a reduction of \$73,400.

**Minor Capital Outlay**

*We recommend approval.*

The budget proposes \$247,000 for seven minor construction projects summarized in Table 2. The proposed projects and associated costs are reasonable and we recommend approval.

Table 2  
Department of Fish and Game  
Minor Capital Outlay 1979-80

<i>Project, Location</i>	<i>Amount Requested</i>
1. Equipment repair shop, Honey Lake Wildlife Area .....	\$60,000
2. Fish ladders, Calaveras River .....	25,000
3. Fish screens, Scott River .....	5,300
4. Fish screens, Kidder Creek .....	5,300
5. Replacement Residence, Hot Creek Hatchery .....	50,000
6. Relocate South District Planting Base, Newell Creek .....	95,000
7. Pump, Grant Canyon Laboratory .....	6,400
Total .....	\$247,000

DEPARTMENT OF FISH AND GAME

Item 460 from the California  
Environmental Protection  
Program Fund

Budget p. 490

Requested 1979-80 .....	\$738,000
Recommended reduction .....	738,000

<b>SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS</b>	<i>Analysis page</i>
1. <i>Ecological Reserves. Reduce by \$738,000. Recommend deletion of acquisition and development funds.</i>	1461

ANALYSIS AND RECOMMENDATIONS

*We recommend Item 460 be deleted.*

The Department of Fish and Game proposes \$738,000 for Ecological Reserve acquisition and development projects funded from the Environmental Protection Program Fund. This fund derives revenue from the sale of personalized vehicle license plates.

The department proposes 10 acquisition projects for \$688,000, and \$50,000 for development projects to control vehicle access and provide identification signs. The proposed acquisition projects are listed in priority order in Table 1. In the event any of the first sites listed cannot be purchased, the department will attempt to purchase a site lower on the priority list.

Table 1  
Department of Fish and Game  
Land Acquisition—Ecological Reserves  
1979-80

1. *Kern River Ecological Reserve*—(800 acres). Located 13 miles southwest of Bakersfield, this parcel consists mainly of the alkali sink plant community. A riparian habitat is the dominant vegetation. The area is a habitat for the rare and endangered San Joaquin kit fox and the bluntnosed leopard lizard.
2. *Pixley Ecological Reserve*—(162 acres). An undeveloped, arid and

## DEPARTMENT OF FISH AND GAME—Continued

- sparsely vegetated wild land habitat in Tulare County, this habitat supports a variety of native species including the endangered San Joaquin kit fox and the bluntnosed leopard lizard.
3. *McCumber Lake Bald Eagle Nesting Territory*—(40 acres). Located on the western side of McCumber Reservoir, Shasta County, this land is presently in private ownership and a timber harvest plan has been submitted. The department believes that logging activities adjacent to the nest would result in abandonment of this historic nesting site.
  4. *Lewiston Bald Eagle Nesting Site*—(40 acres). This site, located near Lewiston Dam, Trinity County, contains an active southern bald eagle nest. Acquisition of the private land would provide a buffer zone around the nesting area.
  5. *Upper Santa Clara River Ecological Reserve*—(312 acres). This site is located in the Soledad Canyon section of the Upper Santa Clara River, Los Angeles County. The area represents one of the few remaining southern California native arid canyon habitats of the endangered unarmored three-spine stickleback fish. The main threat to this existing habitat comes from an increase in recreational activities in the area.
  6. *Todd River Native Plant Preserve*—(35 acres). Located southwest of the City of Santa Rosa, Sonoma County, the proposed site contains some undisturbed western Sonoma County flora but is threatened by the increase in development in western Sonoma County.
  7. *Darlingtonia Rare Plant Ecological Reserve*—(79 acres). Located in Del Norte County, the site proposed for acquisition supports a dense growth of species listed as rare and endangered plants.
  8. *Upper Sacramento River Riparian Habitat*—(316 acres). The department proposes five parcels of land for acquisition to protect Sacramento River riparian habitat in Tehama, Glenn and Butte Counties. These sites provide habitat for the rare yellow-billed cuckoo and habitat for the extirpated Bell's vireo.
  9. *Coachella Valley Ecological Reserve*—(200 acres). The proposed reserve consists of five parcels of undeveloped, sparsely vegetated sand habitat in the vicinity of Indio, Riverside County. The property consists of two types of habitats; mesquite dunes and sand hummocks. These habitats support a variety of native species but, according to the department, the primary value is because it is the critical habitat of the Coachella Valley fringe-toed lizard.
  10. *Delta Riparian Habitat*—(45 acres). The proposed habitat consists of three separate parcels. The areas to be considered are generally small island inlets in San Joaquin-Sacramento River Delta. They are a combination of riparian and wetland habitat types used heavily by nongame birds and mammals as well as by numerous species of waterfowl.

In the current year, a total of \$804,218 is available for expenditure. Table 2 shows the funding for this program for the past two years, the current year and the proposed budget year. At the time this analysis was prepared,

only \$175,000 of the available \$804,218 had been expended. Apparently the unexpended amount of \$629,218, or a substantial portion of these funds, will be carried forward to the 1979-80 fiscal year. The potential carry-over and budget appropriation would provide a total of approximately \$1.3 million for this program. Based on the status of prior appropriations, this level of funding is beyond the department's capability for acquiring properties. Therefore, we recommend deletion of the additional \$738,000.

**Table 2**  
**Department of Fish and Game**  
**Wildlife Conservation Program**  
**Funds Statement, 1976-77 through 1979-80**

	1976-77	1977-78	1978-79	1979-80
Funds available, prior year appropriations .....	\$336,052	\$64,256	\$379,218	\$629,218
Budget Act appropriation.....	—	400,000	425,000	738,000
Total Available.....	\$336,052	\$464,256	\$804,218	\$1,367,218
Less: Expenditures .....	-270,413	-45,239	175,000 <sup>a</sup>	—
Less: Reversions .....	-1,383	-39,799	—	—
Balance available in subsequent fiscal year .....	64,256	379,218	629,218	—

<sup>a</sup> Estimated July 1, 1978 through January 1, 1979.

## DEPARTMENT OF BOATING AND WATERWAYS

Item 461 from the Harbors and  
 Watercraft Revolving Fund

Budget p. 504

Requested 1979-80 .....	\$419,500
Recommended reduction .....	93,000
Net recommended approval .....	\$326,500

### ANALYSIS AND RECOMMENDATIONS

(a) *Spud Point—acquisition* ..... \$80,000

*We recommend approval.*

The property to be acquired consists of approximately 28.7 acres of unimproved land on Spud Island which is 10 miles west of Stockton on the Stockton Deep Water Channel. The remaining portions of the island are owned by the state (14.8 acres) and by the Port of Stockton (67.4 acres). The proposed acquisition would make the entire island available as a recreational boating destination area.

(b) *Project planning* ..... \$20,000

*We recommend approval.*

This request provides the department with funds for planning new boating facilities for 1980-81 throughout the state.

(c) *Minor capital outlay* ..... \$319,500

*We recommend deletion of \$93,000 for the proposed boater destination facilities at Angel Island State Park and approval of this request in the reduced amount of \$226,500.*

This request provides for minor capital outlay projects at (1) Angel

**DEPARTMENT OF BOATING AND WATERWAYS—Continued**

Island, (2) Clear Lake, (3) Folsom Lake, (4) Millerton Lake, (5) Salton Sea, (6) Samoa and, (7) Lake Tahoe. Except for the Angel Island project, we recommend approval of the proposed projects.

We recommend deletion of \$93,000 for construction of boater destination facilities at Angel Island State Park. This project was part of a larger project which has been deleted from the capital outlay program of the Department of Parks and Recreation for 1979–80. Therefore the \$93,000 should also be deleted.

**DEPARTMENT OF PARKS AND RECREATION**

Item 462 from the Parks and  
Recreation Revolving Ac-  
count, General Fund

Budget p. 540

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Requested 1979–80 .....	\$2,325,000
Recommended approval .....	2,325,000

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**ANALYSIS AND RECOMMENDATIONS**

(a) *Forest of the Nisene Marks State Park—acquisition....* \$2,325,000

*We recommend approval with the understanding that the Save-The-Redwoods League will gift to the state the difference between the state's appraisal and the League's purchase cost of \$518,000 for the 10 parcels owned by the League.*

The proposed acquisition would add approximately 200 acres to the Forest of Nisene Marks State Park in Santa Cruz County. Aptos Creek, which flows year-round, winds through eight of the 12 parcels. A large portion of this project, which consists of unimproved watershed lands, is contiguous with state-owned land known locally as the *T. Hopkins right-of-way*. Ten of the parcels (assessor's parcels 40-09-41, 40-09-42, 40-09-43, 40-09-45, 40-10-31, 40-10-33, 40-10-34, 40-10-03, 40-10-32 and 40-09-27) totaling 149 acres are owned by the Save-The-Redwoods League. The remaining two parcels (39-13-23 and 39-13-24) totaling 51 acres are owned by a large investment firm.

The department plans to use the property for a new entrance road to the park and for development of trails and a campground. The main portion of the existing park consists of steep mountain terrain and is nearly devoid of developable land.

Although the department has a large backlog of uncompleted acquisition projects which should be reduced before new projects are funded, (see our analysis of Item 230), we recommend approval of this project for the following reasons. First, the department is proposing to revert \$772,511 remaining in Chapter 219, Statutes of 1977 (Item 400e). The project to be reverted is essentially an alternative to this acquisition. It has encountered severe opposition from the owners and the surrounding community of Aptos. The reversion will not reduce this appropriation request but will make part of the funds needed for this new appropriation available. Sec-

ond, the Save-the-Redwoods League proposes to gift to the state the difference between the state's appraisal and the League's purchase cost (\$518,000) for the 10 parcels owned by the League.

## DEPARTMENT OF PARKS AND RECREATION

Item 463 from the Bagley Conservation Fund

Budget pp. 538 and 551

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Requested 1979-80 .....	\$318,699
Recommended approval .....	50,349
Recommended pending .....	268,350

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### ANALYSIS AND RECOMMENDATIONS

(a) *Design and construction planning* ..... \$50,349

*We recommend approval.*

This request is a reimbursement to the department's general support Item 230 for preliminary planning of capital outlay design and construction projects funded from the Bagley Conservation Fund.

(b) *Candlestick Point State Recreation Area (Day-Use)—working drawings* ..... \$268,350

*We recommend that approval be withheld, and that the department be directed to submit a revised proposal for this project to the fiscal subcommittees at the time of budget hearings.*

This project proposes \$268,350 to prepare working drawings for the first phase of development at Candlestick Point State Recreation Area in San Francisco. The total cost of this phase is estimated to be about \$4 million. The project will provide for construction of day-use recreational facilities on about 35 of the 170 acres included in the park.

The projects consists of: (1) clearing and removing large quantities of refuse, junk, construction debris and several buildings, (2) site preparation including land filling and contouring, (3) utilities including water, sewer, electrical and area lighting, (4) roadways, trails and 160 car parking area, (5) four comfort stations and a park entrance station, (6) landscaping including irrigation, trees, shrubs and large turf areas, (7) picnic facilities, sand beach and fishing pier, and (8) improvements to an existing building for use as the park's operation and maintenance facility.

In the interest of providing initial public use facilities as quickly as possible, the department has recently: (1) arranged for a contractor to start removal of construction debris and junk from the site at no cost to the state, (2) arranged for a developer to deposit and contour large quantities of fill material on the site at no cost to the state and, (3) applied for a \$100,000 grant from the federal Land and Water Conservation Fund to permit the construction of simplified day-use facilities and landscaping on 22 of the 35 acres included in the first phase of development. It is anticipated that these simplified facilities will be ready for public use by mid-summer of 1979, provided federal funds are received by March 1, 1979. Present plans call for hiring youths from the Hunters Point area to per-

**DEPARTMENT OF PARKS AND RECREATION—Continued**

form day labor work for this project. We concur with this short-term approach.

The department's request for \$268,350 for working drawings needs to be revised to allow for the short-term work which is currently being done with sketches and simple drawings. Detailed working drawings are needed but they should be limited to drawings for construction of utilities and permanent buildings. The request may also need revision to ensure that adequate funds are available to the department for completion of the short-term public use facilities and for the construction of utilities during the budget year. Area lighting is needed as soon as possible to provide safety for park visitors and irrigation systems are needed to establish and maintain landscaping and turf areas which will be planted this summer. For these reasons we recommend that approval of the request be withheld and that the department submit a revised proposal to the fiscal subcommittees at the time of budget hearings.

**DEPARTMENT OF PARKS AND RECREATION**

Item 464 from the Collier Park  
Preservation Fund

Budget pp. 537, 550 and 551

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Requested 1979-80 .....	\$2,868,400
Recommended reduction .....	311,600
Net recommended approval .....	\$2,556,800

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**ANALYSIS AND RECOMMENDATIONS**

(a) *Acquisition costs* ..... \$120,000

*We recommend approval*

The department is requesting \$120,000 to cover costs incurred by the Real Estate Services Division of the Department of General Services in the preparation of budget estimates for proposed acquisition projects and the processing of gifts to the state park system.

(b) *Inholding purchases*..... \$500,000

*We recommend a reduction of \$250,000 and approval in the reduced amount of \$250,000.*

Many state park units surround parcels of land that remain in private ownership. These parcels are generally small and are referred to as inholdings. Traditionally the department is not required to bring acquisitions of this type to the Legislature for approval.

We recommend that money for such purposes continue to be available. However, this request for \$500,000 is excessive and should be reduced to \$250,000 which is the amount normally provided for this purpose. If acquisition of major inholdings are needed, the department should request them as specific projects in the Budget Bill.

(c) *Opportunity purchases* ..... \$250,000

*We recommend approval.*

On occasion small properties which are contiguous to state park units

become available to the state. In order to take advantage of such opportunities and to prevent incompatible development of such properties, the Legislature normally provides the department with an appropriation which permits it to proceed quickly with minor opportunity purchases.

(d) *Minor capital outlay* ..... \$1,998,400

*We recommend deletion of \$61,600 for improvements to the water system at Prairie Creek State Park and approval in the reduced amount of \$1,936,800.*

In accordance with a request by the Legislature contained in Supplemental Language Report (page 43), Budget Act of 1977, the Department of Finance has included minor capital outlay projects in the Capital Outlay section of the Budget Bill. All of the proposed projects requested by the department are under the \$100,000 limit for minor capital outlay.

We recommend approval for 49 of the 50 proposed minor capital outlay projects. However, we recommend deletion of \$61,600 for improvement of the water system at Prairie Creek State Park. This unit is scheduled for transfer to the National Park Service on July 1, 1979, and the cost of any improvements should be a federal responsibility.

## DEPARTMENT OF PARKS AND RECREATION

Item 465 from the State Park  
Contingent Fund

Budget pp. 539 and 541

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Requested 1979-80—Reimbursement .....	\$(765,000)
Recommended approval—Reimbursement .....	(765,000)

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### ANALYSIS AND RECOMMENDATIONS

The State Park Contingent Fund is used for projects which are funded with gifts, bequests and donations from individuals and conservation groups and grants from the Federal Land and Water Conservation Fund. Allocations from this fund involve no expenditure of state funds but do require decisions on the allocation of the federal funds available to the state.

(a) *Castle Rock State Park—acquisition* ..... \$350,000

*We recommend approval.*

Castle Rock State Park is located in the coastal mountains of Santa Cruz County. The park currently consists of 1,761 acres.

The proposed project would add 145 acres (assessor's parcels 88-51-10, 88-51-11, 88-51-12, and 88-71-15) of open-space to the park. The Sempervirens Fund, an organization devoted to completion of Castle Rock State Park, has offered to donate one-half (\$175,000) of the acquisition cost of the project to the state.

(b) *Humboldt Redwoods State Park—acquisition* ..... \$415,000

*We recommend approval.*

Humboldt Redwoods State Park is located in Humboldt County. The park consists of approximately 46,000 acres.

The proposed project would add 988 acres (assessor's parcels 107-231-3,



**DEPARTMENT OF PARKS AND RECREATION—Continued**

107-232-3, 211-183-6, 211-291-16, 211-292-5, 211-292-16, 211-291-13, 211-291-14, 211-296-4, 211-384-1, 211-384-20 and 211-296-23) of unimproved lands to the park. Most of the parcels have good stands of virgin redwoods and douglas fir trees. The Save-the-Redwoods League has purchased the properties and proposes to deed the parcels to the state for half its acquisition cost (\$830,000). Humboldt Redwoods State Park is not part of the National Redwoods Park.

(c) *Reimbursements—Sempervirens Fund* ..... —\$175,000

*We recommend approval.*

This reimbursement from the Sempervirens Fund represents one-half the market value of the proposed acquisition at Castle Rock State Park.

(d) *Reimbursements—Federal Land and Water Conservation Fund* ..... —\$590,000

This reimbursement from the Federal Land and Water Conservation Fund would be for the matching one-half of the acquisition cost of the Castle Rock State Park project (\$175,000) and the Humboldt Redwoods State Park (\$415,000).

**DEPARTMENT OF PARKS AND RECREATION**

Item 466 from the Off-Highway

Vehicle Fund

Budget p. 541

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Requested 1979–80 .....	\$1,200,000
Recommended reduction .....	1,200,000

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**ANALYSIS AND RECOMMENDATIONS**

The Off-Highway Vehicle Fund receives special license fees and gas taxes paid by off-highway vehicle (OHV) users. The fund is used to acquire, construct and operate projects for OHV users.

(a) *Hollister Hill State Vehicular Recreation Area—acquisition*..... \$1,200,000

*We recommend deletion of \$1,200,000 for this project.*

Hollister Hills State Vehicular Recreation Area is located in the mountains of San Benito County, about five miles south of Hollister. The proposed acquisition would add 1,824 acres of unimproved mountainous grazing land (assessor's Parcels 23-04-01, 23-04-02, and 23-04-03) to this park unit which presently contains 3,084 acres.

The department indicates that acquisition of this property will complete the acquisition project, permit adding 65 miles of additional trails for use by off-highway vehicles, and provide one access point for the park unit rather than the two currently needed.

The property proposed to be acquired is a desirable acquisition and addition to the existing Vehicular Recreation Area, and there is ample funding in the Off-Highway Vehicle Fund. However, due to the department's large backlog (\$196 Million) of uncompleted acquisition projects

and the need to limit appropriations for new acquisitions until the department has substantially reduced this backlog, we recommend deletion of \$1,200,000 for this new project.

### CALIFORNIA EXPOSITION AND STATE FAIR

Item 467 from the General  
Fund

Budget p. 560

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Requested 1979-80 .....	\$525,000
Recommended approval .....	525,000

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#### ANALYSIS AND RECOMMENDATIONS

*We recommend approval.*

This request is for minor capital outlay projects for Cal-Expo. Included are necessary repairs to preserve and protect the structures, facilities to increase security and some landscape improvements.

On the assumption that the state will continue to operate Cal-Expo, we recommend approval.

### DEPARTMENT OF WATER RESOURCES

Item 468 from the General  
Fund

Budget p. 589

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Requested 1979-80 .....	\$1,095,000
Recommended approval .....	1,095,000

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#### ANALYSIS AND RECOMMENDATIONS

*We recommend approval.*

This item finances the State Reclamation Board's responsibilities for cooperation on flood control projects of the U.S. Corps of Engineers in the Sacramento and San Joaquin River systems. The funds are available for one year only. They would be used for the acquisition of lands, easements and rights-of-way for the following Corps projects:

(a) Sacramento River and tributaries flood control project	\$30,000
(b) Chester, North Fork Feather River flood control project.....	50,000
(c) San Joaquin River and tributaries flood control project	15,000
(d) Sacramento River bank protection project .....	<u>1,000,000</u>
Total .....	\$1,095,000

## DEPARTMENT OF WATER RESOURCES

Item 469 from the General  
Fund

Budget p. 589

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Requested 1979-80 .....	\$2,563,200
Recommended approval .....	2,422,750
Recommended reduction .....	140,450

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## SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

Analysis  
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1. *Sutter Bypass Rehabilitation. Reduce by \$140,450.* Rec- 1470  
ommend reduction in construction cost estimate.

## ANALYSIS AND RECOMMENDATIONS

## Sutter Bypass Rehabilitation

*We recommend that Item 469(a), for construction of Sutter Bypass Rehabilitation, be reduced by \$140,450.*

The budget proposes \$2,508,000 for the third and final phase of rehabilitation of the Sutter Bypass. The three-year project includes replacement of the three 40-year old drainage pumping plants and new control structure and fish ladders. Including this final phase of work to rehabilitate pump plant No. 2, the total cost for the bypass rehabilitation is \$4,336,100.

We agree with the need for this work. However, the proposed cost of \$2,508,000 is too high.

The budget includes \$401,280 for design and construction inspection. This represents 20 percent of the estimated construction amount. Based on cost of similar capital outlay projects, 13 percent of the construction cost should be adequate for design and inspection. The department has not justified a higher cost for these activities. Therefore, we recommend the budget be reduced by \$140,450 to reflect the appropriate level of funding for these services.

## Snow Data Telemetry

*We recommend approval.*

The budget proposes \$55,200 for six satellite tracked snow data collection platforms. This is the second phase of a five-year program of state participation in the conversion of 30 data collection sites from land-based microwave communications to Geostationary Environmental Satellites (GOES) communications. Other cooperating agencies (utility districts, flood control districts, and other water related entities) will participate in 92 telemetry sites to be included in the statewide system. The 1978 Budget Act included \$99,500 for the first phase of the project. When the system is completed, the information available to the department will improve control of streamflows and reservoir storage. We recommend approval.

## DEPARTMENT OF HEALTH SERVICES

Item 470 from the General  
Fund

Budget p. 691

Requested 1979-80 .....	\$965,874
Recommended approval .....	605,550
Recommended reduction .....	277,690
Recommendation pending .....	82,634

## SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

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1. *Rest Room Modifications.* Reduce by \$172,300. Recommend deletion of project. 1472
2. *Minor Capital Outlay.* Withhold recommendation on \$82,634 for elevator modifications, pending reevaluation of cost estimate. 1472
3. *Minor Capital Outlay.* Reduce \$105,390. Recommend reduction in construction cost estimate for approved projects. 1472

## ANALYSIS AND RECOMMENDATIONS

The budget proposes \$965,874 for capital outlay for the Department of Health Services. The four major projects are for improvements to the Public Health Building in Berkeley. Table 1 summarizes the requests and our recommendation for each.

Table 1  
Department of Health Services  
1979-80 Capital Outlay

Item	Project	Budget Bill Amounts	Legislative Analyst Recommendation
470(a)	Autoclave replacement.....	\$318,100 <sup>wc</sup>	\$318,100
470(b)	Handicapped modifications, rest rooms.....	172,300 <sup>wc</sup>	—
470(c)	Elevator modifications .....	130,950 <sup>wc</sup>	130,950
470(d)	Remodel Food and Drug laboratory.....	42,000 <sup>pw</sup>	42,000
470(e)	Minor projects.....	302,524 <sup>wc</sup>	Pending
	Total .....	\$965,874	\$491,050

<sup>p</sup> preliminary plan, w—working drawings, c—construction.

## Autoclave Replacement

*We recommend approval.*

The budget contains \$318,100 for replacing seven autoclaves (steam sterilizers) in various laboratories. The existing autoclaves were installed in 1954 and have become unserviceable because replacement parts are not available. The budget proposes an initial phase of seven replacements, with additional funds proposed for future years to replace 16 other units.

**DEPARTMENT OF HEALTH SERVICES—Continued****Handicapped Modifications, Rest Rooms**

*We recommend Item 470(b) be deleted, a reduction of \$172,800.*

The budget proposes \$172,800 for design and construction of new rest rooms and modifications to existing rest rooms to provide handicap access in the Public Health Building in Berkeley. The project includes new rest rooms on each of the nine floors of the main building (including the basement) and modifications to existing rest rooms on each of the five floors of the annex building. The modifications include wider doorways and modifications to the existing partitions and fixtures.

We agree with the need to provide adequate facilities for the handicapped. However, the department has not provided any justification for 28 handicapped rest room facilities in the building. Adequate facilities should be provided in areas frequently used by the handicapped, such as the first floor of the main building. The department should reevaluate the needs, and propose a minor capital outlay project of a reduced scope. We, therefore, recommend deletion of the requested major project, a reduction of \$172,800.

**Elevator Modifications**

*We recommend approval.*

This project would provide \$130,950 to upgrade the two lobby elevators which service the basement through the eighth floors of the main building. Improvements would include modifications for compliance with seismic code, fire code and handicapped access requirements. The proposed costs are reasonable, and we recommend approval.

**Food and Drug Laboratory**

*We recommend approval.*

The budget proposes \$42,000 for working drawings for altering the second floor of the building. The project would provide two center island chemistry laboratory benches, built-in counters, and two fume hoods. The existing laboratory work area will not accommodate the chemists assigned to this laboratory. The proposed modification would provide the needed work space and improve efficiency. We recommend approval.

**Minor Projects**

*We withhold recommendation on \$82,634 for elevator safety modifications.*

*Further, we recommend a reduction of \$105,390 for various minor capital outlay projects.*

Table 2 shows the proposed minor capital outlay projects for 1979-80.

**Table 2**  
**Department of Health Services**  
**Minor Capital Outlay (Item 470(e))**  
**1979-80**

<i>Project</i>	<i>Budget Request</i>	<i>Legislative Analyst Recommendation</i>	<i>Net Difference</i>
1. Elevator Safety Modifications, Berkeley .....	\$82,634	Pending	—
2. Air Condition Animal Facilities, Berkeley .....	10,250	\$9,850	-400
3. Emergency Electrical Supply, Fairfield Animal Facility.....	90,438	82,050	-8,388
4. Modify Training Laboratory Benches, Berkeley ....	15,037	14,450	-587
5. Alterations (Immunoserology) Berkeley.....	8,475	8,150	-325
6. Alterations, Statewide.....	95,690	—	-95,690
Total.....	\$302,524	—	-\$105,390

**Elevator Safety Project**—The budget proposes \$82,634 to provide safety modifications for seven elevators at the Berkeley facility. Funds requested in Item 470(e) would provide these same modifications as well as handicapped modifications for two of the seven elevators. The department should reevaluate the requested funds to reflect the amount necessary for the remaining five elevators only. Pending this reevaluation we withhold our recommendation.

**Other Specified Projects**—The budget contains \$219,890 for five other minor capital outlay projects ranging from \$8,475 for safety alterations to an existing lab, to \$90,430 for an emergency electrical system at the Fairfield Animal Facility. We agree with the need for these projects, but the estimated costs are overstated. The budget includes costs projected to March 1980. All capital outlay funds are budgeted at the estimated cost as of the start of the fiscal year. In addition, the cost estimate includes 25 to 30 percent for contingencies and OSA services. These costs should not exceed 20 percent for alteration projects. We, therefore, recommend a reduction of \$9,700 for projects two through five shown in Table 2, to reflect (1) July 1, 1979 construction costs and (2) the appropriate contingency and design costs.

**Unspecified Projects**—The budget contains \$95,690 for unspecified office alterations for the department. Alterations are discretionary, and the proposed project should be identified, and requested through the budget process in accordance with the State Administrative Manual. We, therefore, recommend deletion of the requested funds, a reduction of \$95,690.

## DEPARTMENT OF DEVELOPMENTAL SERVICES

Item 471 from the General  
Fund

Budget p. 712

Requested 1979-80 .....	\$43,812,490
Recommended approval .....	
Recommended reduction .....	3,512,777
Recommendation pending.....	40,299,713

a. Recommend new item to establish a reserve for project funds required in 1980-81 and 1981-82 fiscal years.

## DEPARTMENT OF DEVELOPMENTAL SERVICES—Continued

## SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

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- |  |      |
|--|------|
| 1. Fire and Life Safety and Environmental Improvements. Recommend new Budget Bill item to establish reserve for project funds required in 1980-81 and 1981-82 fiscal years.  | 1474 |
| 2. Fire and Life Safety and Environmental Improvements. Recommend that funds previously appropriated be reverted and placed in the reserve item for future appropriation.  | 1474 |
| 3. Fire and Life Safety and Environmental Improvements. Withhold recommendation on working drawings and construction scheduled for expenditure during 1979-80 fiscal year pending receipt of additional information. | 1474 |
| 4. <i>Discretionary Improvement Projects—Statewide. Reduce by \$776,940.</i> Recommend deletion of seven projects at various state hospitals.  | 1477 |
| 5. <i>Water Connection—Camarillo. Reduce by \$486,280.</i> Recommend deletion of project.  | 1478 |
| 6. Heavy Duty Fly Screens—Camarillo. Recommend project be included in Fire and Life Safety and Environmental Improvement program.  | 1479 |
| 7. <i>Emergency Electrical Power. Reduce by \$894,430.</i> Recommend projects be deleted.  | 1479 |
| 8. <i>Replace Piping—Napa. Reduce by \$389,825.</i> Recommend project be deleted.  | 1479 |
| 9. Elevator Equipment Replacement—Sonoma. Recommend project be included in Fire and Life Safety and Environmental Improvement program.   | 1480 |
| 10. <i>Minor Capital Outlay. Reduce by \$965,302.</i> Recommend deletion of requested projects.  | 1480 |

## Fire and Life Safety Improvements

*We recommend:*

1. A new item be added to the Budget Bill to establish a reserve for all fire and life safety and environmental improvement funds required in 1980-81 and 1981-82 fiscal years.

2. All funds previously appropriated for this work be reverted and placed in the reserve item for future appropriation.

3. We withhold recommendation on specific project funds required in 1979-80 under Items 471(a) (1), (c) (1), (e) (1), (g) (1), (h) (1), (i) (1), and (k) for fire and life safety and environmental improvements pending receipt of additional information.

The budget proposes \$39,226,563 for fire and life safety and environmental improvements at the nine state hospitals operated by the Department of Developmental Services (DDS). A summary of the budget request and previously appropriated funds for these hospital improvements is contained in Table 1.

**Table 1**  
**Department of Developmental Services**  
**Fire and Life Safety and Environmental Improvements**

<i>Budget Bill Item</i>	<i>Hospital</i>	<i>Budget Request</i>	<i>Proposed Deficiency Bill <sup>a</sup></i>	<i>Budget Act of 1978</i>	<i>Budget Act of 1977 <sup>b</sup></i>	<i>Total</i>
471(a)(1)	Agnews.....	\$4,716,060	\$217,060	—	\$3,469,300	\$8,402,420
—	Camarillo.....	—	—	—	1,738,565	1,738,565
471(c)(1)	Fairview.....	1,819,524	66,413	10,155	4,930,509	6,826,601
—	Napa.....	—	—	—	8,021,958	8,021,958
471(e)(1)	Frank D. Lanterman (Pacific).....	7,312,924	295,380	19,300	4,271,949	11,899,553
—	Patton.....	—	—	—	4,756,620	4,756,620
471(g)(1)	Porterville.....	4,014,938	129,597	32,395	5,431,200	9,608,130
471(h)(1)	Sonoma.....	7,194,297	300,643	36,430	6,892,545	14,423,915
471(i)(1)	Stockton.....	2,000,320	92,000	—	5,245,086	7,337,406
471(k)	Unallocated.....	12,168,500	5,102,800	—	—	17,271,300
TOTAL.....		\$39,226,563	\$6,203,893	\$98,280	\$44,757,732	\$90,286,468

<sup>a</sup> Includes repayment of \$820,000 Emergency Fund loan allocated by Director of Finance October 12, 1987.

<sup>b</sup> As reappropriated by Section 10.60 of the Budget Act of 1978 and available until June 30, 1981.

**Need for Improvements**—State hospitals must be licensed as health facilities pursuant to federal and state regulations if the state is to qualify for federal reimbursement for services provided to Medi-Cal and Medicare eligibles. The state hospitals have numerous fire and life safety and environmental deficiencies, and currently do not comply with these requirements. The Legislature appropriated \$47,566,246 in the Budget Act of 1977 under Item 407 (a) to correct these deficiencies at 11 state hospitals. Column six of Table 1 shows the funds appropriated in 1977 for the nine DDS hospitals. The funds were reappropriated in the Budget Act of 1978.

Because the existing state hospital buildings do not meet code requirements, the federal Department of Health, Education and Welfare (HEW) has required a Plan of Correction which will assure complete compliance with the requirements by July 1982. Failure to comply with these requirements would result in decertification and immediate termination of federal reimbursements under Medi-Cal and Medicare. HEW has indicated that decertification will occur if (1) the Legislature does not authorize funds to implement the Plan of Correction for the projected 1982 population, (2) planning or construction of the necessary modifications falls behind schedule to the point that the work could not be completed by July 1982, and (3) currently occupied buildings proposed to be taken out of service are not phased-out on schedule.

The funds approved in 1977 were based on a projected population of 7,000 developmentally disabled patients. The department subsequently revised this projection to 8,000 patients, and revised it again in May 1978 to 8,840. Due to the apparent disparity between the population for which funds had been appropriated and the more recent higher patient population projections, the federal government required an amended Plan of Correction for the higher population. The DDS submitted an amended plan in October 1978 and the Department of Finance approved an emergency fund loan to provide architectural planning for additional buildings related to the department's anticipated increased population. The Department of Developmental Services is currently preparing a more detailed Plan of Correction to be submitted to HEW by May 1, 1979. This



**DEPARTMENT OF DEVELOPMENTAL SERVICES—Continued**

plan will include detailed schedules covering each building contained in the plan submitted in October 1978. The proposed budget includes working drawings and construction funds for the additional buildings.

*Population Projects*—The basic objective of the improvement program is to provide adequate facilities for the expected 1982 population. This projected population has varied substantially since the Legislature initially approved the correction program. It is imperative that the projections be thoroughly evaluated to assure that they are accurate and consistent with legislative policy, so that corrective work to those buildings—and only those buildings—that will be utilized by the 1982 population will be completed. In our analysis of the DDS budget (Item 271) we have recommended budget language requiring population projection updates three times a year. By continuous updating of these projections, the building renovation program can be revised to provide for proper population projection.

It is our understanding that a revised population projection will be prepared prior to legislative hearings. This update may impact the renovation program, and will be the basis for the final Plan of Correction to be submitted to the federal government by May 1979. Until the revised population projections are prepared, there is no justification for the increased capacity proposed in the 1979–80 budget.

*Project Schedule*—The department indicates that the correction program will have to proceed in several phases because there is a limited amount of space available to relocate the patients displaced by construction activities. The final phases of work accomplished during the 1980–81 and 1981–82 fiscal years may require additional augmentations beyond the amount proposed in the Budget Bill (Item 471(k)). To allow the Legislature ample review and control, only funds required for the phases of work proposed in the budget year should be provided. The schedule for work to be accomplished in the 1979–80 fiscal year will be included in the May 1979 detailed Plan of Correction. Consequently, we withhold recommendation on the funds required for 1979–80 pending receipt of the detailed schedule.

*Cost Estimate*—The amount of funds appropriated to date, as well as the additional amount proposed in the Budget Bill, are based on inadequate cost information. Schematic designs have not been completed, thus, preliminary plans and working drawings have not been started. Consequently, the working drawing and construction amounts budgeted for each building are based on incomplete information.

*Conclusions*—The following conclusions result from an analysis of the state hospital capital improvement program:

1. The costs to renovate the state hospital facilities are going to be very high and in our judgment will exceed the amount previously appropriated and the amount included in this item. Prior cost estimates are unreliable and cannot serve as a basis for planning.
2. It is premature to budget the proposed \$39,226,563 for specific projects because the cost estimates and the amount of work that can be accomplished in 1979–80 are based on incomplete information.

3. A portion of the request under this item is related to a state hospital population that is higher than previously approved by the Legislature. This change in population should be thoroughly reviewed by the Legislature before related capital outlay funds are appropriated.
4. It is necessary for the state to earmark adequate funds to make necessary physical facility corrections to meet certification requirements and thereby remain eligible for federal funds.
5. The Legislature needs to have greater control of the funds required for the improvement program. To maintain the necessary control, only those funds required for work in the budget year should be appropriated for specific projects. The funds to complete the entire program can be placed in a reserve subject to future appropriation by the Legislature.

*Recommendation*—Based on these conclusions, we recommend that a new item be added to the Budget Bill to establish a reserve amount to insure that adequate funds are available for the entire program. These reserve funds would be available for appropriation by the Legislature in the year expenditures are anticipated and when adequate cost information has been developed. Establishment of the reserve will have four advantages:

- It would assure the availability of funds and allow the department to redefine the schedule and cost estimates,
- It would assure the federal government that adequate funds will be available to complete the renovation program,
- It would take advantage of the existing General Fund surplus, thus avoiding the necessity of having to cut back on ongoing programs in future years (when the surplus is exhausted), and
- It would allow the Legislature to keep control of the funds until adequate substantiating information is available.

The reserve should consist of:

1. Funds previously appropriated (based on unreliable cost estimates) that are not required in the budget year.
2. Additional funds requested in the budget to complete the plan of physical facility corrections to be approved by the Legislature.
3. Funds included in the Budget Bill that are related to the improvement program but will not be accomplished in the budget year. (Items 471 (b) (2) and 471 (h) (2)).

#### **Discretionary Improvement Projects**

*We recommend deletion of Items 471 (a) (2), (b) (3), (c) (3), (d) (3), (f) (2), (h) (3), and (h) (4), a reduction of \$776,940.*

The budget contains \$776,940 for various improvement projects at the hospitals:

The projects in this category are discretionary improvements which if undertaken, may significantly disrupt the operations of the hospitals. There will be considerable disruption over the next three years with construction of the fire and life safety and environmental improvement projects. In our opinion, it is not advisable to proceed with low priority discretionary projects which may jeopardize the completion of the reno-

**DEPARTMENT OF DEVELOPMENTAL SERVICES—Continued**

vation projects required to satisfy certification requirements. Consequently, we recommend deletion of the following projects, for a total reduction of \$776,940.

1. *Item 471(a)(2), Agnews State Hospital*—Preliminary plans and working drawings for commissary warehouse (\$37,050). This project would provide a new warehouse for storage of food stuffs and supplies. Although the existing facility is deficient and subject to temperature fluctuations, there is inadequate information to justify the proposal. The hospital indicates that existing space could be utilized to provide adequate facilities. The projected reduction in population at this hospital may also impact the need for this new facility. A thorough reevaluation of the proposed project (which is based on a 1969 report) is needed.

2. *Item 471(b)(3), Camarillo State Hospital*—Preliminary plans for RTC building ventilation (\$35,000). No information was provided on this project, although the amount requested for preliminary plans indicates a total project cost of \$1,500,000.

3. *Item 471(c)(3), Fairview State Hospital*—Preliminary plans and working drawings for alterations and modifications to laundry (\$49,490). The department proposed minor modifications to the laundry facility, and replacement equipment of over \$900,000. Total estimated project cost is \$1,242,200.

4. *Item 471(d)(3), Napa State Hospital*—Schematic design to air condition units 168, 195–198 and 235–257 (\$387,800). This project would provide a new central chiller plant, piping, and building modifications to air condition patient buildings. The total estimated project cost is \$28,561,500.

5. *Item 471(f)(2), Patton State Hospital*—Preliminary plans and working drawings for air conditioning building N (\$107,300). The total estimated cost for this project is \$671,200.

6. *Item 471(h)(3), Sonoma State Hospital*—Preliminary plans and working drawings for electrical distribution improvements (\$46,000). This project would basically replace existing overhead power lines with an underground system and make various other electrical modifications. The total estimated project cost is \$629,000.

7. *Item 471(h)(4), Sonoma State Hospital*—Construction funds to replace water tank (\$114,300). This project would replace the existing 200,000 gallon storage tank with a 300,000 gallon tank. The total estimated project cost is \$206,300, of which \$92,000 is from support budget funds.

**Camarillo—Water Service Connection**

*We recommend deletion of Item 471(h)(1), a reduction of \$486,280.*

The budget proposes \$486,280 for connection of Camarillo State Hospital to the Camrosa Water District system.

The Budget Act of 1978 provided \$831,300 for construction of “15,000 feet of water line, connection to Camrosa Water District facilities, meter and vault, connections to existing hospital pipelines, control valves, electrical controls and miscellaneous work.” Thus, it appears that the Budget Act of 1978 provided funds to do the proposed work. We have no information to justify additional funds. Therefore, we recommend deletion of the requested \$486,280.

**Camarillo—Heavy Duty Fly Screens**

*We recommend Item 471 (b) (2) be included as part of the environmental improvements project for Camarillo State Hospital.*

The budget proposes \$788,800 for heavy duty fly screens for Camarillo State Hospital. The department indicates that these screens are required for licensing and that an inspection team has noted this deficiency. This improvement should proceed with the other building alterations proposed for fire and life safety and environmental improvements. We, therefore, recommend the \$788,800 be included in the reserve for these projects.

**Emergency Electrical Power**

*We recommend deletion of Items 471 (c) (2), (d) (2) and (f) (1), a reduction of \$894,430.*

The budget proposes construction funds for three projects to install emergency electrical power. Table 3 shows the proposed construction and working drawing funds approved in the Budget Act of 1978.

**Table 3**  
**Department of Developmental Services**  
**1979-80 Emergency Power Projects**

	<i>Budget Request (construction)</i>	<i>Budget Act of 1978 (working drawings)</i>
Fairview .....	\$157,635	\$54,800
Napa .....	175,995	49,600
Patton .....	560,800	65,800
Total .....	<u>\$894,430</u>	<u>\$170,200</u>

We agree with the need to provide emergency electrical power to all patient occupied buildings. However, the requested construction funds are based on inadequate information. Working drawings for these projects have not been completed, and there is no basis to determine the adequacy of the requested funds. We, therefore, recommend deletion of the requested amounts, a reduction of \$894,430.

**Replace Piping—Napa**

*We recommend deletion of Item 471 (d) (1), a reduction of \$389,825.*

The budget proposes \$389,825 for preliminary plans, working drawings and construction to replace the existing hot water circulating pipes at Napa State Hospital. The existing pipeline is an insulated fiberglass system installed in 1972. The proposed project would replace this system with insulated steel pipe.

The department indicates that between 1972 and 1976, 10 joints in the existing system have failed. This system was installed in 1972 and there is no information detailing why this system must be replaced. There have been no reported repairs since 1976, and replacement of the entire system, which is otherwise in good condition, has not been justified. We, therefore, recommend deletion of the requested funds, a reduction of \$389,825.

## DEPARTMENT OF DEVELOPMENTAL SERVICES—Continued

## Elevator Equipment Replacement—Sonoma

*We recommend that Item 471 (b) (2) be included in the Fire and Life Safety and Environmental Improvements project for Sonoma State Hospital.*

The budget proposes \$284,350 to replace elevator equipment and upgrade seven elevators. The elevators are located in living areas and in the acute care hospital.

We agree with the need for this work. However, to reduce disruption of the patient areas, these modifications should be included as part of the Fire and Life Safety and Environmental Improvement project. The requested \$284,350 should be included in the reserve for these improvements.

## Minor Capital Outlay

*We recommend deletion of Item 471 (j), a reduction of \$965,302.*

The budget proposes \$965,302 for minor capital outlay. We have not received adequate information to justify this request. Consequently, we have no basis on which to evaluate the request, and we recommend deletion.

## DEPARTMENT OF MENTAL HEALTH

Item 472 from the General  
Fund

Budget p. 726

Requested 1979-80 .....	\$1,568,808
Recommended approval .....	564,200
Recommended reduction .....	1,004,608

## SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

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1. *Air Conditioning—Atascadero State Hospital. Reduce by \$530,800.* Recommend deletion of preliminary plans and working drawing funds. 1481
2. *Air Conditioning—Metropolitan State Hospital. Reduce by \$214,187.* Recommend deletion of preliminary plans and working drawing funds. 1481
3. *Boiler Plant—Metropolitan State Hospital. Reduce by \$116,613.* Recommend deletion of preliminary plans and working drawing funds. 1481
4. *Minor Capital Outlay. Reduce by \$143,008.* Recommend deletion of requested projects. 1482

**ANALYSIS AND RECOMMENDATIONS****Security Altering System—Atascadero**

*We recommend approval.*

The budget proposes \$564,200 for phase II installation of a modern security alert system at Atascadero State Hospital. This hospital houses mentally ill criminal offenders, and the proposed system is needed to improve safety. The initial phase of this project, funded in 1978, included installation of the system in patient occupied areas. The proposed phase II includes all other areas of the hospital such as dining rooms, recreation areas, treatment areas and corridors. The project costs appear reasonable and we recommend approval.

**Air Conditioning—Atascadero and Metropolitan**

*We recommend deletion of Item 472(b), and Item 472(d), a reduction of \$530,800 and \$214,187, respectively.*

The budget proposes \$744,987 for preliminary plans and working drawings to install air conditioning in the patient occupied areas of Atascadero (\$530,800) and Metropolitan (\$214,187) State Hospitals. The total estimated project cost is \$7,276,200 for Atascadero and \$5,869,000 for Metropolitan. The projects also include modifications to the existing heating and ventilation systems.

The department indicates that these projects are required to meet the requirements of Title 22 of the California Administrative Code (CAC). Licensing reviews noted violations of:

- (1) Inadequate air exchanges per hour for patient occupied areas,
- (2) Exhaust systems use hallways, and
- (3) Existing windows do not open enough to provide adequate outside air.

The noted deficiencies can be corrected without the expense of installing air conditioning. The mechanical ventilation system can be modified to increase the number of air exchanges per hour, and provide adequate outside air. We recommend that the Office of the State Architect evaluate renovation of the ventilation system to comply with the CAC requirements. We, therefore, recommend deletion of the requested projects, a reduction of \$744,987.

**Boiler Plant—Metropolitan**

*We recommend deletion of Item 472(c), a reduction of \$116,613.*

The budget proposes \$116,613 for preparation of preliminary plans and working drawings for a new boiler plant at Metropolitan State Hospital. A new building to house three new boilers and related equipment is proposed. The total estimated project cost is \$2,029,300.

The department indicates that a consulting engineer has evaluated the existing building and equipment and has recommended replacing the facility. We have not received the consultant's report, which apparently includes an evaluation of repairing the existing plant equipment. This alternative may be less costly than construction of a new plant, and should be thoroughly evaluated before funds are appropriated for replacement of this plant. Therefore, we recommend deletion of the requested funds,

**DEPARTMENT OF MENTAL HEALTH—Continued**

a reduction of \$116,613.

**Minor Capital Outlay**

*We recommend deletion of Item 472(e) a reduction of \$143,008.*

The budget proposes \$143,008 for minor capital outlay projects (\$100,000 or less) at Atascadero and Metropolitan State Hospitals. We have not received adequate information to justify the proposed projects. Consequently, we have no basis on which to evaluate the requested amount, and we recommend deletion.

**EMPLOYMENT DEVELOPMENT DEPARTMENT**

Item 473 from the Unemployment Trust Fund

Budget p. 756

Requested 1979-80 .....	\$3,485,600
Recommended approval .....	1,396,600
Recommended reduction .....	2,089,000
Recommended augmentation .....	183,450
Net recommended approval .....	\$1,580,050

**SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS**

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1. *New Field Office, Monterey. Reduce by \$1,458,360. Recommend deletion of construction funds.* 1483
2. *Building Alteration and Addition, Santa Rosa. Reduce by \$458,600. Recommend deletion of project.* 1483
3. *New Field Office, Placerville. Augment by \$17,000. Recommend preliminary planning funds for new field office.* 1484
4. *New Field Office, Watsonville. Augment by \$19,800. Recommend preliminary planning funds for new field office.* 1484
5. *New Field Office, El Centro. Augment by \$14,250. Recommend preliminary planning funds for addition to field office.* 1484
6. *Oroville Field Office. Reduce by \$28,700. Recommend deletion of working drawing funds.* 1485
7. *Oroville Field Office. Augment by \$92,600. Recommend \$80,000 for land acquisition and \$12,600 for preliminary planning.* 1485
8. *Preliminary Planning. Reduce by \$143,340. Recommend unspecified preliminary planning funds be reduced.* 1485
9. *Van Nuys Office Building Addition. Augment by \$39,800. Recommend preliminary planning funds for office addition at Van Nuys.* 1485

**ANALYSIS AND RECOMMENDATIONS**

Capital outlay projects for the Employment Development Department (EDD) are funded from Reed Act monies which are credited to the State of California under Section 903 of the Social Security Act. These monies are repaid from on-going federal grants for facility rental and become available again for further use.

**New Field Office—Monterey**

*We recommend Item 473(a), for construction of a new field office in Monterey, be deleted, a reduction of \$1,458,360.*

The budget proposes construction funds for a 14,250 square foot field office to provide employment services in the Monterey area. The office would have adequate space and parking to provide for the projected workload in 1995. The building would be situated and designed to accept an addition if the future workload increases beyond the projected level. Site acquisition and working drawing funds were provided in the Budget Act of 1978.

We agree that this field office is needed. However, site acquisition and preliminary plans have not been completed and working drawings have not been started. Consequently, the appropriate level of funding for construction cannot be determined. Further, based on the status of the project, construction funds will not be needed in the budget year. Consequently, we recommend deletion.

**Building Addition and Improvements—Santa Rosa**

*We recommend deletion of Item 473(b), a reduction of \$458,600.*

The budget includes \$458,600 for working drawings and construction of a building addition and improvements to the Santa Rosa field office. The existing building contains approximately 13,000 square feet. The department proposes enclosing a 1,000 square foot courtyard plus general modernization of the facility including new heating and air conditioning systems, ceilings, lighting, carpeting and rest rooms.

The proposed project would essentially demolish all existing interior improvements in a substantial portion of the building. The need to relocate the rest rooms and provide new ceilings and floor covering, particularly carpeting has not been adequately justified. The department should reevaluate the proposed alterations to minimize changes and retain the present configuration of space, and upgrade only the deficient areas of the building. In addition, the proposal to enclose the courtyard is not justified on a programmatic basis. Based on state guidelines, adequate space currently exists to meet department needs at this location. The proposed project should be reevaluated to meet only the essential needs. Therefore, we recommend deletion of the proposed project, a reduction of \$458,600.

**Purchase Options**

*We recommend approval.*

The budget contains three projects to exercise purchase options on land and/or facilities that the department presently leases.

*Item 453(c)—Fresno West (\$263,000)*—Purchase a 73,800 square foot parcel containing a 14,000 square foot building and 92 parking spaces. The



**EMPLOYMENT DEVELOPMENT DEPARTMENT—Continued**

annual rent is \$40,680 and would be renegotiated in December 1979. If the purchase option is not exercised, the projected annual rent would approach \$100,000.

*Item 453(d)—Healdsburg (\$30,000)*—Purchase a 20,000 square foot parcel currently occupied by a state-owned modular building plus 28 improved parking spaces. Current rent of \$3,000 per year would be renegotiated in 1986.

*Item 453(e)—Oakdale (\$40,000)*—Purchase a 24,978 square foot parcel currently occupied by state-owned modular building and 34 improved parking spaces. Current rent of \$4,000 per year would be renegotiated in 1986.

**New Field Offices—Land Acquisition/Preliminary Planning**

*We recommend Item 473 be augmented by \$51,050 to provide preliminary planning funds for three projects.*

The budget proposes three site acquisition projects for new field offices. Table 1 summarizes the proposed acquisition costs and the estimated future requirements for development of the sites.

**Table 1**  
**Employment Development Department**  
**New Field Office Site Acquisition**  
**1979-80**

Item	Location (bldg. sq.ft.)	1979-80 Acquisition Costs	Future Development Costs
473(f)	Placerville (9,600 s.f.)	\$300,000	\$881,000
473(g)	Watsonville (11,000 s.f.)	276,000	1,019,000
473(i)	El Centro (10,000 s.f.)	450,000	840,000
TOTAL		\$1,026,000	\$2,740,000

The proposed acquisition projects would provide sites for office buildings to meet the projected 1996 workload requirements in these areas. The need for these projects is justified on a programmatic basis and the acquisition of the sites should proceed. However, the department should reassess the projected workload and space requirements for 1996 to insure that the most recent information has been considered. Space needs may have to be revised to reflect a more modest rate of growth, as is indicated by the most recent budget projections. In addition, the department recently implemented a program of mailing benefits to qualified individuals. This will reduce the number of people visiting the field offices, which may reduce the need for lobby area and parking.

With approval of these acquisition funds the department should have sites acquired before the end of the budget year. To expedite these projects, preliminary planning funds should also be provided in the budget year so that planning can begin immediately upon acquisition of the sites. Table 2 indicates the preliminary planning funds required for the proposed buildings at these three locations.

**Table 2**  
**Employment Development Department**  
**Site Acquisition Projects**  
**1979-80**

	<i>Preliminary Planning Budget</i>	<i>Previously Transferred to State Architect</i>	<i>Net Preliminary Plan Required</i>
Placerville .....	\$20,000	\$3,000	\$17,000
Watsonville .....	22,800	3,000	19,800
El Centro .....	18,900	4,650	14,250
TOTAL .....	\$61,700	\$10,650	\$51,050

We recommend augmentation of \$51,050 to provide adequate funds to expedite the three proposed projects.

#### **New Field Offices—Oroville**

*We recommend deletion of \$28,700 for working drawings for an addition to the Oroville field office.*

*Further, we recommend an augmentation of \$80,000 for land acquisition and \$12,600 for preliminary planning for the addition to the Oroville office.*

Item 473(h) contains \$28,700 to develop working drawings for a 5400 square foot addition to the EDD office in Oroville. The current Oroville office was designed to accommodate a staff of 19 employees. The present staffing is 31 employees, and consequently the facility is extremely crowded. Although the budget request proposes working drawing funds for an addition, the land necessary to accommodate the addition and continue adequate parking is proposed for the 1980-81 budget.

We agree with the need for the addition to the existing facility. However, we do not believe it is prudent to fund preparation of working drawings prior to the acquisition of the proposed site. We believe land acquisition at a cost of \$80,000 should proceed in the budget year, and that preliminary planning funds of \$12,600 should be provided so that design can commence immediately upon acquisition. Working drawing funds are not needed in the budget year. Thus, the amount for this purpose should be deleted.

#### **Preliminary Planning**

*We recommend Item 473(j) be reduced \$143,340 by deleting preliminary planning funds for specific projects.*

*Further, we recommend that \$39,800 for preliminary planning for the Van Nuys field office be shown as a separate line item in the Budget Bill.*

The budget proposes a lump-sum amount of \$181,000 for preliminary planning. Table 3 shows the department's proposed allocation of these funds. This amount is requested as a lump sum so that the department may prepare preliminary plans for projects proposed for working drawings or working drawings and construction in the 1980-81 Governor's Budget.

## EMPLOYMENT DEVELOPMENT DEPARTMENT—Continued

**Table 3**  
**Employment Development Department**  
**Preliminary Planning**  
**1979-80**

	<i>Previously Funded Phase</i>	<i>Requested</i>	<i>Legislative Analyst Recommendation</i>
1979-80 related projects <sup>a</sup> .....	—	\$36,914	—
Van Nuys .....	Land Acquisition	47,336	—
San Jose .....	None	32,600	—
Torrance .....	None	26,490	—
1980-81 projects .....	—	38,600	38,600
<b>TOTAL</b> .....		<b>\$181,940</b>	<b>\$38,600</b>

<sup>a</sup> El Centro, Placerville, Watsonville, Oroville and Van Nuys are recommended for specific line items in 1979-80 Budget Bill.

General Fund agencies receive planning funds through an allocation from the unallocated capital outlay item of the budget (Item 494). Those agencies that are not funded from the General Fund, such as EDD, require a specific item funded from the department's normal source of funds. A portion of amount requested in this item provides the necessary planning funds. However, most of the requested amount should not be included in this lump-sum appropriation.

**Planning Funds Related to Other 1979-80 Requests.** The preliminary planning amount requested by EDD includes funds for several projects that have previously been considered, or are proposed in the current year for acquisition of land. Because approval or disapproval of the acquisition funds would affect the necessity for these planning funds, we recommend establishing separate budget line items under Item 473 to identify the required preliminary planning funds for each project for which land acquisition is proposed. Therefore, we recommend a reduction of \$36,914 by eliminating partial preliminary planning funds proposed for the El Centro, Placerville, Watsonville and Oroville field offices. Our previous recommendations on the proposed site acquisition funds for these offices would provide adequate preliminary plans for the specific projects.

**Van Nuys.** The proposed preliminary planning funds for the Van Nuys field office are needed because site acquisition funds have been appropriated and planning should proceed immediately upon acquisition. However, the requested funds of \$47,366 should be reduced to \$39,800 to reflect the appropriate level of funding for preliminary planning. In addition, the funds recommended should be provided by a separate line item in the budget because this project has already been approved for acquisition. Thus, all costs related to the approved project can easily be identified in the Budget Act.

**Torrance and San Jose Field Office.** The proposed planning funds for these projects are not required because land acquisition funds have not been appropriated, and are not proposed in the current budget. In addition, the department currently leases sufficient space at these locations to accommodate the existing staff. Therefore, we recommend deletion of the proposed preliminary planning funds, a reduction of \$59,090.

*Planning 1980-81 projects.* The department proposed \$38,600 for project planning for projects proposed for funding in the 1980-81 Governor's Budget. The proposed amount is reasonable and we recommend approval. In addition we recommend that the Budget Bill language for Item 473(j) be revised to read, "project planning" rather than "preliminary planning". This will avoid future confusion regarding the use of these funds.

## DEPARTMENT OF REHABILITATION

Item 474 from Federal  
Funds

Budget p. 767

Requested 1979-80 .....	\$211,395 <sup>a</sup>
Recommended reduction .....	211,395

<sup>a</sup> Item 474 is shown as a zero appropriation in the Budget Bill because the expenditure is offset by an equal amount of federal funds.

### SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

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1. *Minor Capital Outlay—Central Office. Reduce by \$52,500.* Recommend deletion of minor projects at central office, Sacramento. 1487
2. *Minor Capital Outlay—District Offices. Reduce by \$158,895.* Recommend deletion of minor projects at various district offices. 1488

### ANALYSIS AND RECOMMENDATIONS

#### Minor Capital Outlay—Central Office

*We recommend Item 474 be reduced \$52,500 by deleting alterations at the central office.*

The budget contains \$52,500 for alteration at the Sacramento central office of the Department of Rehabilitation. The central office occupies approximately 50,000 square feet of leased space at 9th and "K" Streets in Sacramento. The department proposes various modifications such as installation of approximately 250 linear feet of permanent walls, demolition of some existing walls, and various electrical modifications.

The proposed alterations are not necessary. Prior to occupancy of this space in August 1976, the Department of General Services, Space Management Division (SMD) studied the overall space needs of the central office and designed a functional layout. The SMD layout is mostly an open office landscape, utilizing movable acoustical dividers rather than permanent walls. The basis for this open office concept (which has a high installation cost) is to allow more flexibility in the use of space. If the interrelations of the various sections of the central office have changed, the department should have SMD reevaluate the open office layout for possible layout modification. It should be possible to make such modifications at little or no cost, because the existing partitions are movable. Therefore, we recommend deletion of the requested funds.

**DEPARTMENT OF REHABILITATION—Continued****Minor Capital Outlay—District Offices**

*We recommend Item 474 be reduced \$158,895 by deleting projects at various district offices.*

The budget proposes \$158,985 for a number of projects at various district offices. A substantial number of these projects involve minor modifications to the existing space which usually are budgeted as part of the facilities operation in the support budget. These items include installation or relocation of electrical and telephone outlets, restriping of parking lots, and adjusting doors. The State Administrative Manual (SAM) defines capital outlay projects as "alterations and improvements which are to change the use or modernize a building." Maintenance projects are defined as "projects (to) continue the usability of a facility at its designed level of service." Under these definitions the above mentioned types of projects are actually maintenance projects and should be funded from the department's support budget maintenance funds.

The balance of the requested district office projects are for removal or installation of permanent walls, automatic doors, ramps and other minor modifications of office space. We have not received the information that Section 6137 of SAM requires departments to submit in support of minor construction requests. As a result, we have no basis on which to conclude that these projects are needed. Consequently, *we recommend deletion of the funds requested for these offices, a reduction of \$158,985.*

**DEPARTMENT OF CORRECTIONS**

Item 475 from the General

Fund

Budget p. 818

Requested 1979-80 .....	\$103,651,706 <sup>a</sup>
Recommended approval .....	100,273,400 <sup>b</sup>
Recommended reduction .....	2,760,662
Recommendation pending .....	617,644

<sup>a</sup> Includes \$455,500 for capital outlay funded from reimbursements; net General Fund request is \$103,196,206.

<sup>b</sup> Recommend budget control language for \$100 million under new item.

**SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS**

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1. *New Facilities—Statewide. Add new Budget Bill item and budget control language. Recommend Item 475(a) be transferred to a reserve for planning and construction funds.* 1489
2. *Special housing units—Deuel Vocational Institute (\$275,866) and San Quentin (\$341,778). Withhold recommendation pending receipt of detailed cost estimate.* 1491
3. *Water Tank—Folsom. Reduce by \$923,372. Recommend deletion of construction funds.* 1491

4. *Replace Water and Kitchen Waste lines—Folsom. Reduce by \$50,000.* Recommend deletion of working drawing request. 1492
5. *Remodel Sewage Plant—California Institute for Men (CIM), Chino. Reduce by \$148,750.* Recommend deletion of project. 1492
6. *Entrance Building and Visitor Parking Area—CIM, Chino. Reduce by \$150,000.* Recommend deletion of project. 1492
7. *Replace Primary Electrical System Switch Gear—Vacaville. Reduce by \$60,000.* Recommend deletion of preliminary plans and working drawing request. 1493
8. *Replace Water Mains—San Luis Obispo. Reduce by \$1,161,700.* Recommend deletion of project. 1493
9. *Waste Water Treatment Facility—San Quentin. Reduce by \$215,000.* Recommend deletion of project. 1493
10. *Minor Capital Outlay—Statewide. Reduce by \$51,840.* Recommend deletion of two projects. 1494

## ANALYSIS AND RECOMMENDATIONS

### New Facilities Statewide

*We recommend adding a new Budget Bill Item (475.1) with budget control language limiting the availability of the funds proposed in Item 475(a) for planning and construction of new prison facilities.*

The budget proposes \$100 million for construction of new prison facilities. The Governor's Budget does not indicate the proposed location(s), capacity, or additional operating costs of the new facilities. Consequently, there is inadequate information for the Legislature to evaluate the need for specific expenditures at this time.

It is apparent that the Department of Corrections will need to undertake an extensive capital outlay program in the years ahead. Many of the existing institutions may require major renovations which will probably result in reductions in housing capacity. In addition, the department's inmate population projections indicate that additional capacity will be needed in the years ahead. Table 1 indicates the population in December for the previous three years.

**Table 1**  
**Department of Corrections**  
**Male Felon Population**

	1976	1977	1978
Population, Male Felons December 25-31 .....	17,917	16,969	19,018
Percent Change .....		-5.6%	+12.1%

The current capacity for male felons is 20,847 excluding hospital beds. If the recent up-turn in inmate population continues there will be no excess capacity in the state prisons by fall 1979.

The Legislature engaged a private consultant to evaluate the department's plan for correctional needs. The consultant's report to the Legislature concluded that (1) the department's population projections are too

**DEPARTMENT OF CORRECTIONS—Continued**

high, and there is adequate capacity to meet the needs for the next few years, (2) the long range need is uncertain at this time, (3) major renovation of the existing facilities is needed, and (4) a master plan should be developed to orderly implement recommended changes in facilities and in programs.

The basic conclusions and recommendations of the department and of the Legislature's consultant have significant capital outlay requirements. Implementation of any of these recommendations would occur over a number of years, and require substantial capital outlay appropriations. However, until a master plan is developed, it is not known what the total cost of renovations and new facilities will be.

Chapter 789, Statutes of 1978, appropriated \$7.6 million to the Department of Corrections for (1) preliminary planning for an additional maximum security facility or facilities, (2) the razing of San Quentin Prison and possibly Folsom Prison, (3) preliminary planning for renovation of existing facilities and (4) inventorying existing surplus state property for potential use as sites for new correctional facilities.

Future costs for renovation and/or construction of new prisons and the razing of the San Quentin and Folsom Prisons have not been determined and will be dependent on the results of the planning funded in this act. However, based on current population projections and the physical condition of existing correctional facilities, the capital cost will exceed \$100 million.

The Office of the State Architect (OSA) has been allocated a portion of the funds appropriated in Chapter 789 to begin architectural evaluation of the proposed projects. OSA, in cooperation with the department, has made the initial selection of eight architectural firms to accomplish this objective. Contracts with the architectural firms should be finalized by March 1979. Specifically, the architect will (1) develop detailed program information for new facilities, (2) develop schematics for proposed remodeling programs, (3) analyze measures proposed by the department to accommodate overcrowding until new institutions are constructed, and (4) provide general cost estimates when applicable. The project schedule calls for completion of this preliminary phase in the spring of 1980. Thus, adequate information to assess the proposed expenditure of \$100 million will not be available to the Legislature during budget hearings on the 1979-80 Budget Bill.

Given the fact that the preliminary phase of the planning process will not be completed until the spring of 1980, it is clear that no additional funds beyond those available under Chapter 789 will be required in the 1979-80 fiscal year. However, because at least \$100 million will probably be required to implement whatever plans are finally adopted by the Legislature, we recommend that this amount be placed in a new reserve Item (475.1) in the Budget Bill, subject to reappropriation by the Legislature. Establishment of the reserve at this time would have three advantages:

- it would assure the availability of funds and allow the Department of Corrections to develop specific plans and substantiating information

- for legislative review;
- it would take advantage of the existing General Fund surplus, thus avoiding the necessity of having to cut back on-going programs in future years (when the surplus is exhausted) in order to finance the prisons; and
- it would allow the Legislature to keep control of the funds until adequate substantiating documentation is available.

**Conversions for Special Housing Units—Deuel Vocational Institute—San Quentin**

*We withhold recommendations on Item 475(b) and Item 475(j) for special housing at Deuel Vocational Institute (\$275,866) and San Quentin (\$361,778).*

The budget includes a total of \$617,644 to provide additional special housing units at Deuel Vocational Institute and San Quentin through modification of existing facilities. The Department of Corrections indicates that these units are necessary "to provide for short-term needs in housing and controlling prison gang inmates and activities, racially violent inmates, potentially high escape risks, disruptive behavioral problems, and general population inmates fearful for their lives." In the support budget, under Item 292, 133.9, new positions have been proposed to staff these special housing units, 130.9, of which we have recommended be approved. However, the department does not have adequate information as to the cost of modifying existing space to meet this program increase.

According to the State Administrative Manual, the Office of the State Architect (OSA) is to prepare a budget package with schematic architectural drawings and cost estimates for a proposed project prior to inclusion of the project in the major capital outlay program. This cost estimate should be the basis for the amount requested in the Governor's Budget. However, budget packages for these projects have not been prepared. Consequently, we have no basis on which to analyze the requested amount, and must therefore, withhold recommendations pending receipt of the budget packages.

**Water Tank—Folsom**

*We recommend Item 475(c) be deleted for a reduction of \$239,372.*

The budget proposes \$923,372 for construction of a new water tank and water line at Folsom to provide drinking water for the prison. Presently, drinking water is stored in an open reservoir which should be replaced with a closed storage tank. The Budget Act of 1978 contained \$72,288 to fund working drawings for this project.

In view of the current planning effort underway which may result in the razing of Folsom Prison, we believe it would be inappropriate to implement major physical plant modifications that are unrelated to security or safety at this time. Moreover, the construction funds requested for this project are based on insufficient information. Working drawings have not been completed and there is not adequate information available to substantiate the construction fund request. Therefore, we recommend deletion of the requested \$923,372.



**DEPARTMENT OF CORRECTIONS—Continued****Replace Water Lines and Kitchen Waste Lines—Folsom**

*We recommend Item 475(d) be deleted for a reduction of \$50,000.*

The budget proposes \$50,000 for the preparation of working drawings to replace domestic water lines and kitchen waste lines at Folsom State Prison. The department estimates the construction portion of this project to be \$425,000.

In view of the current planning effort underway which may result in the razing of Folsom Prison, we believe it would be inappropriate to implement major physical plant modifications that are unrelated to security or safety at this time. Moreover, a budget package has not been prepared for this project and adequate information is not available to substantiate either the need for this project or the requested amount. Therefore, we recommend this project be deleted for a savings of \$50,000.

**Remodel Sewage Plant—California Institute for Men (CIM), Chino**

*We recommend deletion of Item 475(e) for a savings of \$148,750.*

The budget includes \$148,750 for the state share of preliminary plans, working drawings and construction costs involved in remodeling the sewage treatment plant at the California Institute for Men, Chino. Other grant funds provided through the federal government would fund 85 percent of the proposed project.

We have not received adequate information to justify this project. It is our understanding that a private consultant has been hired by the department to analyze and make recommendations relative to upgrading the sewage plant. This study has not been completed and there is no basis on which to evaluate the requested funds. In addition, this facility is included in the statewide project to study remodeling of prisons. The study may recommend a change in the capacity of this facility which could have an impact on the need for this project. Planning should be deferred until the department has completed the statewide study. Therefore, we recommend deletion of the project for a savings of \$148,750.

**Entrance Building and Visitor Parking Area—California Institute for Men—Chino**

*We recommend that Item 475(f) be deleted for a reduction of \$150,000.*

The budget proposes construction of a new entry building and visitors' parking area at the California Institute for Men (CIM) at Chino. This new facility would provide a combined visiting entrance for CIM and Reception Center West. Working drawings and construction are proposed for a total project cost of \$150,000.

The request for a new facility is inappropriate at this time. Under the provisions of Chapter 789, Statutes of 1978, this facility is being studied for possible remodeling. Until this study is completed, and a definite plan is adopted, new facilities should not be constructed. Consequently, we recommend deletion of the proposed project for a savings of \$150,000.

**Replace Primary Electrical System and Switchgear—California Medical Facility—Vacaville**

*We recommend deletion of Item 475(g) for a reduction of \$60,000.*

The budget proposes \$60,000 for preliminary plans and working drawings to replace the primary electrical system and switchgear at Vacaville. The total project cost is estimated to be \$654,700. The project would include:

- (1) Modifications to comply with Division of Industrial Safety requirements.
- (2) Provision for backup services from an alternate primary service.
- (3) Emergency generator for guard post and fence service.
- (4) General upgrading of portions of the electrical distribution system.

The Office of the State Architect indicates that, "The primary electrical distribution system at the California Medical Facility at Vacaville has adequate capacity to carry current load and any reasonable future growth." The proposed project is requested to correct some code deficiencies and modernize the system. We believe the deficiencies should be corrected. In our judgment, however, modernization of the system is inappropriate at this time. The facility is presently being studied for possible alterations under the statewide planning program. We recommend the department rescope the proposed project to meet code requirements only. Such a rescope could be considered for inclusion in the 1980-81 budget. Therefore, we recommend deletion of the proposed project for a savings of \$60,000.

**Replace Water Mains—California Men's Colony—San Luis Obispo**

*We recommend Item 475(h), \$1,161,700 for replacing water mains at the California Men's Colony, be deleted.*

The department indicates that existing water mains at the California Men's Colony, San Luis Obispo, are corroded, broken and leaking. The budget request proposes replacement of 27,000 feet (5.1 miles) of water lines. The estimated project cost of \$1,161,700 indicates the average cost to be \$43 per lineal foot.

We have not received adequate information to justify either the extent of the proposed work or the requested amount. In addition, major renovations to the physical plant should not be undertaken until the department has completed the statewide planning program for facility renovations. Finally, it appears that the pipes to be replaced extend beyond the grounds of this facility. We question the need to replace these water mains which serve other areas surrounding the institution. For these reasons, we recommend deletion of the proposed project for a savings of \$1,161,700.

**Waste Water Treatment Facilities—San Quentin**

*We recommend deletion of Item 475(i), working drawings for a Waste Water Treatment Plant at San Quentin, for a savings of \$215,000.*

San Quentin presently operates a waste water treatment plant. On occasion, plant output does not meet state water quality control discharge requirements. The department proposes that San Quentin be included in the Eastern Marin Southern Sonoma Waste Water Facilities Plan. This would provide a means for consistent compliance with waste water dis-

**DEPARTMENT OF CORRECTIONS—Continued**

charge requirements. The total cost, including grant funds, is estimated at \$31,500,000, with the state providing \$621,000. The budget proposes \$215,000 for working drawings for San Quentin's share of the project.

We believe the requested project is inappropriate. In previous years, funds have been appropriated to improve the existing treatment plan so that it can meet discharge standards, yet the department maintains that compliance still has not been achieved. Moreover, the department has not indicated either the current degree of noncompliance with the standards or the cost of upgrading the existing plant to be in compliance. In addition, the Department of Corrections is currently evaluating the possibility of replacing San Quentin. Until San Quentin's future is decided, we do not recommend expending funds on physical plant improvements that are unrelated to security. Consequently, we recommend deletion of the proposed project for a savings of \$215,000.

**Replace Two Elevators—California Rehabilitation Center—Norco**

*We recommend approval.*

The budget proposes \$255,400 for replacing two elevators at California Rehabilitation Center, Norco. These elevators service eight floors, and are presently out-of-service because of general deterioration. The proposed cost is reasonable for a project of this type and we recommend approval.

**Minor Capital Outlay**

*We recommend Item 475(1) be reduced to \$18,000 by deleting two projects for a savings of \$51,840.*

The budget proposes three minor capital outlay projects (\$100,000 or less per project) totaling \$69,840. Table 1 summarizes the request:

**Table 1**  
**Department of Corrections**  
**Proposed Minor Capital Outlay**

<i>Project, Location</i>	<i>Estimated Cost</i>
1. Construct dumbwaiter in Willis Unit, California Medical Facility, Vacaville .....	\$21,840
2. Construct brine evaporation ponds, California Men's Colony, San Luis Obispo .....	30,000
3. Install sawdust collection system, Deuel Vocational Institute, Tracy .....	18,000
TOTAL .....	\$69,840

Except for projects related to security and safety, alterations to the physical plants of the institutions should be deferred until the statewide plan for alterations is completed. The projects at Vacaville (\$21,840) and San Luis Obispo (\$30,000) are not related to security and/or safety and should be deferred. The sawdust collector at Tracy is a safety item, and we recommend its approval.

## DEPARTMENT OF THE YOUTH AUTHORITY

Item 476 from the General  
Fund

Budget p. 841

Requested 1979-80 .....	\$2,253,900
Recommended approval .....	935,600
Recommended reduction .....	\$1,318,300

## SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

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1. *Security sound systems—various locations. Reduce by \$414,700. Recommend funding only preliminary plans and working drawings.* 1495
2. *Domestic water line and storage tank—Preston School of Industry. Reduce by \$232,000. Recommend deletion of storage tank.* 1496
3. *Additional vocational shops—Preston School of Industry. Reduce by \$57,000. Recommend reduction of cost estimate.* 1497
4. *New Infirmary—Preston School of Industry. Reduce by \$90,000. Recommend deletion of project.* 1497
5. *Rehabilitate electrical system—Northern Reception Center—Clinic. Reduce by \$448,600. Recommend deletion of project.* 1498
6. *Minor Capital Outlay—various locations. Reduce by \$76,000. Recommend two projects be deleted and one project be reduced.* 1498

## ANALYSIS AND RECOMMENDATIONS

## Systemwide—Security Sound Systems

*We recommend Item 476(a) be reduced \$414,700 by funding preliminary plans and working drawings only.*

A total of \$455,500 is proposed to rehabilitate and upgrade the security sound system at three institutions, as listed in Table 1.

Table 1

Department of the Youth Authority  
Proposed Security Sound System Projects

Location	Estimated Cost
Preston School of Industry, Ione .....	\$29,750
Karl Holton School, Stockton .....	200,000
Fred C. Nelles School, Whittier .....	225,750
Total .....	\$455,500

The security sound system allows staff to monitor selected areas of the schools from remote locations. The existing systems are to be modernized by replacing obsolete tube-type equipment with electronic equipment. Improved control consoles will combine automatic and manual emergency alarms.

**DEPARTMENT OF THE YOUTH AUTHORITY —Continued**

A total of \$1,080,300 was appropriated in the Budget Act of 1977 to provide upgraded systems at five other locations listed in Table 2.

**Table 2**  
**Department of the Youth Authority**  
**Previously Funded Security Sound System Projects**  
**(1977 Budget Act)**

<i>Location</i>	<i>Estimated Cost</i>
Southern Reception Center-Clinic, Norwalk .....	\$174,540
Ventura School .....	237,610
Northern Reception Center-Clinic, Sacramento .....	185,530
El Paso de Robles School, Paso Robles .....	174,170
Southern California Youth Authority, Chino .....	308,450
Total .....	<u>\$1,080,300</u>

The 1977 appropriation for these five projects was reappropriated in the Budget Act of 1978 because working drawings had not been completed by June 30, 1978. As of December 1978, the working drawings still had not been completed. We agree with the need for this work at the three additional locations. However, based on the progress of the previously approved projects, it is apparent that construction funds for the three projects will not be required in 1979-80.

In addition, elimination of the construction portion of the project will allow the department to (1) analyze the bidding experience on the five previously approved projects before proceeding with these three, and (2) analyze the operational effectiveness of the five previously approved projects and make any necessary modifications to the design of the three new projects.

Consequently, we recommend a reduction of Item 476(a) by \$414,700 and the approval of \$40,800 to fund preliminary plans and working drawings only.

**Preston School of Industry—Waterline and Storage Tank**

*We recommend Item 476(b) be reduced by \$232,000 by eliminating construction funds for a water storage tank.*

The budget contains \$521,600 for construction of a new domestic waterline and 250,000 gallon storage tank at the Preston School of Industry. The Budget Act of 1978 provided \$68,100 for preparation of working drawings for the water line and a 500,000 gallon storage tank.

The Department of the Youth Authority received over \$5.6 million under Title I of the federal Public Works Employment Act for departmentwide construction projects. Initially, one of the federally funded projects approved was a second 250,000 gallon storage tank. Subsequently, the project was approved for a 500,000 gallon tank which will provide adequate storage facilities. Consequently, we recommend deletion of the \$232,000 construction funds for the storage tank proposed for state funding and approval of the remaining \$289,600 for construction of the domestic waterlines.

**Preston School of Industry—Additional Vocational Shops**

*We recommend Item 476(c) be reduced by \$57,000.*

Current projections indicate that the average daily population of the Preston School of Industry will be 550 wards in 1979–80, an increase of 148 over the 1977–78 average daily population of 402 wards. Adequate dormitory space is currently available to accommodate this increase in population. However, the existing classroom and vocational training space is inadequate to provide for the increase. While some classroom space is available and could be upgraded, the department's educational program now emphasizes vocational type training rather than classroom training. Consequently, in order to provide appropriate educational facilities for the increased population, the department proposes construction of additional vocational education shops to accommodate 75 wards. The balance of the additional wards will be accommodated by alteration of existing space, funded in the minor capital outlay budget.

The new vocational education shops will provide space for welding (two shops), industrial painting, auto body and masonry skills. In addition, an existing welding shop will be converted to an air conditioning shop. A departmental study indicates that these vocations will provide good employment opportunities. The total project cost is estimated to be \$930,000 for the 15,000 square foot facility.

We agree with the need for this work, but the proposed cost of \$53 per gross square foot is too high. Corporation yard facilities have recently been constructed at San Jose State University at \$30.50 per gross square foot. The State University and Colleges facilities are of a similar type of construction as the proposed vocational shop facilities.

We recommend a reduction of the proposed project budget to \$32 per gross square foot, the San Jose State University corporation yard cost adjusted for inflation. This guideline would generate a total project cost of approximately \$575,000. The working drawings for such a project should not exceed \$39,000. Therefore, we recommend reducing Item 476(c) by \$57,000.

**Preston School of Industry—New Infirmary**

*We recommend Item 476(d) be deleted for a reduction of \$90,000.*

The budget proposes \$90,000 for preparation of preliminary plans and working drawings for a new infirmary at Preston School of Industry. The new infirmary would contain 6,970 gross square feet and would provide medical and dental treatment suites, offices, eight patient rooms and other support space. The total cost for construction of a new infirmary and demolition of the old hospital is estimated to be \$1,205,800.

The present hospital building was surveyed by the Office of the State Architect (OSA) in 1975 and declared to be hazardous during significant earthquake activity. Numerous fire code violations have also been identified by the State Fire Marshal. In partial compliance with Fire Marshal requirements, the second floor of the two-story building has been abandoned.

*Need for a New Facility*—Based on available information the need to construct a new infirmary is not justified. Adequate health care facilities

**DEPARTMENT OF THE YOUTH AUTHORITY —Continued**

should and can be provided within the existing facility. The first floor of the present hospital has sufficient space to provide medical service, and in-patient care for the current average overnight population of two patients.

*Seismic Safety*—The OSA report indicated that the present structure could not withstand lateral forces (as occur during an earthquake) of a magnitude specified by the Hospital Seismic Safety Act. However, it is not necessary and not appropriate to apply Hospital Act standards to infirmaries. Title 22 of the California Administrative Code expressly exempts infirmaries from hospital licensing requirements, and the related stringent seismic safety requirements. Based on this and the infrequent seismic activity in this area plus the limited building occupancy, the need to vacate or modify the infirmary for seismic reasons is not apparent.

*Fire Safety*—We agree with the need to correct fire and life safety deficiencies in the presently occupied areas of the existing building. We recommend that, before proceeding with much costlier solutions to the problem, the OSA investigate the cost of the following building modifications recommended by the Fire Marshal:

- (1) Installation of an automatic sprinkler system.
- (2) Installation of an approved manual fire alarm system.
- (3) Modifications for a one-hour fire resistant exit corridor.

Upon completion of this investigation, the department should submit a request for funding in the 1980–81 capital outlay program.

*Cost*—The preliminary design by the OSA indicates that, exclusive of design fees, the new infirmary would cost over \$108 per gross square foot. The State University and Colleges use a guideline of \$65 per gross square foot for student health center building costs. Using this guideline the construction cost plus demolition should not exceed \$750,000, of which \$51,000 would be preliminary plans and working drawings.

**Northern Reception Center—Clinic—Rehabilitate Electrical System**

*We recommend Item 476(e) be deleted for a reduction of \$448,600.*

The budget contains \$448,600 for construction of improvements to the primary electrical system at the Northern Reception Center-Clinic. An appropriation of \$29,000 for working drawings was provided in the Budget Act of 1978.

The Budget Bill request for construction funds is based on insufficient information. The Office of the State Architect (OSA) has only recently (December 1978) selected a private firm to design this project. Preliminary plans have not been completed, and working drawings will not be ready by budget hearings. Consequently, the appropriate level of funding for construction cannot be determined. Therefore, we recommend deletion of this request for a reduction of \$448,600.

**Minor Capital Outlay**

*We recommend Item 476(f) be reduced \$76,000 by eliminating two projects and reducing one project.*

The department has requested 17 minor capital outlay projects totaling \$642,200. Table 3 summarizes the request and our recommendations.

**Table 3**  
**Department of the Youth Authority**  
**Minor Capital Outlay**  
**1979-80 Fiscal Year**

	<i>Budget Request</i>	<i>Legislative Analyst's Recommendation</i>
Preston School of Industry		
Improve Security Fence .....	\$4,500	\$4,500
Improve Security in Four Lodges .....	56,000	—
Provide Cathodic Protection .....	45,000	45,000
Provide Additional Academic and Vocational Education Classroom .....	25,000	25,000
Alteration to Living Unit and Classroom .....	88,800	88,800
Northern California Youth Center		
Upgrade Fire Life and Safety Hospital .....	5,000	5,000
Ventura School		
Cross Connection and Water Blending Station .....	15,000	—
Modification to Living Unit and Classroom .....	33,200	33,200
Fred C. Nelles School		
Provide Cathodic Protection .....	60,000	60,000
Remodel Taft and Adjustment Unit Cottage .....	50,000	50,000
Youth Training School		
Provide Cathodic Protection .....	60,000	60,000
Install Isolation Main Water Valves in Living Units .....	13,000	13,000
Fire Sprinkler System for Auto and Carpenter Shops .....	30,000	30,000
Transformer Electric Upgrade .....	35,000	35,000
El Paso De Robles		
Construct Paint Shop and Storage Complex .....	50,000	50,000
Cambria Addition .....	67,700	62,700
Pine Grove Camp		
Install Ward Shower Vent Fan .....	4,000	4,000
<b>TOTAL .....</b>	<b>\$642,200</b>	<b>\$566,200</b>

We recommend deletion of two projects: (1) improve security in four lodges at Preston at a cost of \$56,000 and (2) cross connection and water blending station at Ventura at a cost of \$15,000. We also recommend reduction of one project at El Paso de Robles School.

The Preston school project would construct three offices in the day room area of four housing units. These offices are for (1) the treatment team supervisor, (2) the caseworker's office and (3) a counseling office. The existing team supervisors' offices would be returned to the original use as linen and storage rooms. Relocating the caseworker's office would provide an additional staff member on the ward who can provide security back-up if needed.

The four dayrooms are already crowded with recreation equipment, chairs and other items. Construction of the offices would further reduce the size of the dayrooms, aggravating this crowded condition. In addition,



**DEPARTMENT OF THE YOUTH AUTHORITY —Continued**

the department indicates that the proposed project is a second phase of a four phase project. We are unable to determine what work was accomplished under phase one, or what work will be required in phases three and four. The overall cost/benefit of the entire project should be evaluated. Consequently, we recommend deletion of the proposed project for a savings of \$56,000.

*The Ventura school* project would provide a cross connection and water blending station to blend city water with institution water. The Budget Act of 1975 provided \$404,300 to improve the water supply system at Ventura and the Public Works Board subsequently augmented the project funds by \$83,380, or 21 percent. The original amount was intended to cover the cost of water blending. We believe that adequate funds have been provided for this project and, therefore, recommend the deletion of the \$15,000.

*The El Paso De Robles school* project is for construction of a \$67,700 addition to Cambria Cottage. This addition would provide counseling and treatment facilities. We agree with the need to provide these additional facilities, but the proposed cost is too high. The estimated cost prepared by the Office of the State Architect includes \$15,700 for construction contingency and architectural and engineering services (A/E) which is 29 percent of the estimated building (contract) cost. Typically, 20 percent of the building cost is adequate to provide for contingency and A/E services. Consequently we recommend a reduction of \$5,000 to bring the proposed cost in line with accepted costs.

The remaining 14 proposed projects are reasonable and we recommend approval.

**DEPARTMENT OF EDUCATION**

Item 477 from the General

Fund

Budget p. 923

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Requested 1979-80 .....	\$40,000
Recommended approval .....	40,000

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**ANALYSIS AND RECOMMENDATIONS**

*We recommend approval.*

This item contains \$40,000 to provide a day security communication system at the School for the Deaf, Riverside. The school does not have a reliable means of communication between the classrooms and supervisory staff. Because of numerous incidents of violence, the department requested the California State Police to conduct a security survey. One of the recommendations resulting from that survey was to install a communication system.

The proposed system will provide two-way communication between classrooms and the principal's office for both hearing and nonhearing staff members. The requested amount is reasonable for a system of this type and we recommend approval.

DEPARTMENT OF EDUCATION

Item 478 from the General  
Fund

Budget p. 920

Requested 1979-80 .....	\$13,000
Recommended reduction .....	13,000

<b>SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS</b>	<i>Analysis</i>
	<i>page</i>
1. <i>Superintendent's Residences. Reduce by \$13,000. Recommend deletion of planning and working drawing funds.</i>	000

ANALYSIS AND RECOMMENDATIONS

*We recommend that Item 478 be deleted.*

This item contains \$13,000 to develop preliminary plans and working drawings for superintendent residences at the new Schools for the Blind, Deaf, and Multihandicapped. The new schools are under construction on a 91-acre site in Fremont and will have capacities for 150 children and 500 children, respectively.

Based on the amount requested for preliminary plans and working drawings, the residences will cost nearly \$100,000 each. Construction funds are not requested, but the Governor's Budget indicates that "the construction of these residences will be funded with anticipated savings to be achieved from the currently authorized projects."

Funding for the new schools has been appropriated from the Capital Outlay Fund for Public Higher Education (COFPHE). In 1973 the Legislature appropriated \$3.1 million for site acquisition, planning, construction and equipment for new facilities to replace the Berkeley school. In 1974, \$19.9 million was appropriated to provide working drawings, construction and equipment. Subsequent appropriations augmented the original amounts by \$26.6 million. The current estimated total project cost for the new facilities is \$49.6 million—116 percent above the original estimate of \$23 million. When the schools are completed in June 1980, the residential schools currently located in Berkeley will be closed and the site sold as surplus. The schools in Berkeley have superintendent residences.

During budget hearings on the various funding requests, the Legislature denied funds for construction of superintendent residences. No additional justification for constructing these residences nor any information concerning the current request has been provided by the department.

In addition, there are no "savings" anticipated from the currently authorized projects. As indicated above, the original estimated cost of \$23 million was augmented by \$26.6 million. Any cost reductions that may be realized during construction should allow the return of funds to the COFPHE to be used for high priority statewide needs.

We know of no reason why the taxpayers should fund the construction of new state-owned residences within a major metropolitan area.

## UNIVERSITY OF CALIFORNIA

Item 479 from the Capital Out-  
lay Fund for Higher Educa-  
tion

Budget p. 964

Requested 1979-80 .....	\$5,807,000
Recommended Approval .....	281,000
Recommended Reduction .....	5,176,000
Recommendation Pending .....	350,000

## SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

*Analysis  
page*

1. Budget Language for Project Planning. Recommend modification of budget language to allow expenditure of planning funds for general campus and health science campus rather than limiting expenditures to general campuses. 1503
2. *Universitywide—Planning Studies. Reduce by \$60,000.* 1504  
Recommend deletion of five of six proposed universitywide planning studies.
3. Richmond Storage Facility. Recommend that proceeds from the sale of property originally purchased by the state be subject to appropriation by the Legislature to offset future state supportable capital improvement projects. 1505
4. *Universitywide—Northern Regional Library Facility. Reduce by \$396,000.* 1506  
Recommend deletion of preliminary plans and working drawings for a Northern Regional Library facility.
5. San Diego—Seawall Extension, Scripps Institute of Oceanography. Withhold recommendation on working drawings and construct seawall extension pending additional information. 1507
6. *Los Angeles—Schoenberg Hall Addition. Reduce by \$4,215,000.* 1507  
Recommend deletion of construct Schoenberg Hall addition.
7. *Berkeley—Gilman Hall Laboratory Alterations. Reduce by \$297,000.* 1507  
Recommend deletion of working drawings and construct Gilman Laboratory alterations.
8. *Berkeley—Evans Hall Elevator Addition. Reduce by \$208,000.* 1509  
Recommend deletion of working drawings and construct Evans Hall elevator addition.

## ANALYSIS AND RECOMMENDATIONS

The University of California capital outlay program totals \$20,600,000 in state funds (four items) plus \$3,174,000 in federal funds reported in Item 483. A summary of the program included in the 1979-80 Budget Bill is summarized in Table 1.

**TABLE 1**  
**University of California**  
**Summary of Capital Outlay Program in**  
**1979-80 Budget Bill**

<i>Item</i>	<i>Budget Bill Amount</i>	<i>Fund</i>	<i>Analysis Page</i>
479 .....	\$5,807,000	COFPHE <sup>a</sup>	1502
480 .....	5,000,000	COFPHE	1509
481 .....	200,000	COFPHE	1510
482 .....	4,540,000	COFPHE	1511
483 .....	(3,174,000)	Federal	1516
517 .....	5,053,000	Bonds <sup>b</sup>	1563
<b>TOTAL</b> .....	<b>\$20,600,000 <sup>c</sup></b>		

<sup>a</sup> Capital Outlay Fund for Public Higher Education.

<sup>b</sup> Health Science Facilities Construction Program Fund.

<sup>c</sup> Does not include federal funds under Item 483.

Item 479, discussed here, contains nine general capital improvement projects. A summary of these projects and our recommendations for each are shown in Table 2. A discussion of each project follows.

**Table 2**  
**University of California**  
**Item 479—General Capital Improvement Projects**

<i>Item</i>	<i>Project Title</i>	<i>Phase <sup>a</sup></i>	<i>Campus</i>	<i>Budget Bill Amount</i>	<i>Legislative Analyst's Recommendation</i>	<i>Estimated Future Cost <sup>b</sup></i>
479(1)	Project programming and preliminary plans, general campuses .....	p	Universitywide	\$150,000	\$150,000	—
479(2)	Engineering and environmental planning studies .....	p	Universitywide	80,000	20,000	—
479(3)	Northern regional library facility .....	pw	Universitywide	396,000	—	\$5,741,000
479(4)	Completion of applied science building first floor (earth sciences), step 2 .....	e	Santa Cruz	82,000	82,000	—
479(5)	Seawall extension SIO ..	wc	San Diego	350,000	Pending	—
479(6)	Schoenberg Hall addition .....	c	Los Angeles	4,215,000	—	1,174,000
479(7)	Gilman Hall, laboratory alterations .....	wc	Berkeley	297,000	—	—
479(8)	Fire safety—campus water mains, step 2 .....	w	Los Angeles	29,000	29,000	596,000
479(9)	Evans Hall, elevator addition .....	wc	Berkeley	208,000	—	—
<b>TOTAL</b> .....				<b>\$5,807,000</b>	<b>\$281,000</b>	<b>\$7,511,000</b>

<sup>a</sup> Phase symbol indicates: p—planning; w—working drawings; c—construction; e—equipment.

<sup>b</sup> University estimate.

#### **Universitywide Project Planning**

*We recommend modification of budget language under Item 479(1) to allow expenditure of planning funds for general campus and health science campus needs rather than limiting expenditures to the general campuses.*

**UNIVERSITY OF CALIFORNIA—Continued**

This item provides \$150,000 for project programming and preliminary plans for major capital outlay projects on university general campuses. Budget language provides that (a) a maximum of \$45,000 will be available for expenditure on July 1, 1979 for utility and site development projects and for development of benefit/cost analyses of planning alternatives for proposed 1981–82 capital outlay projects, and (b) \$105,000 will be available for preliminary planning for those working drawings or working drawing/construction projects which are in the 1980–81 Governor's Budget. Similar language concerning the expenditure of this category of funds has been included in each Budget Act since 1975.

Expenditure of funds in this manner provides improved project programming and expedites approved projects. However, the language also stipulates that the funds are to be used for project programming and preliminary plans on *general campuses*. This language would not allow planning efforts for health science facilities throughout the university. The health science facilities construction program fund (bond) is nearly depleted. Consequently, most future capital improvement requirements for health science campuses will be funded from the COFPHE. To accommodate that planning effort, the funds included under this item should be available for necessary health science projects. The amount included in the Budget Bill should be adequate for both general and health science campuses and deletion of the general campus language will assure continued planning for university high priority needs.

**Universitywide—Planning Studies**

*We recommend that Item 479(2), engineering and environmental planning studies, be reduced to \$20,000, a reduction of \$60,000.*

This budget item includes five proposed studies at four campuses plus one universitywide study proposal. Studies under this category are funded on a universitywide basis because they are not related to individual capital projects. We recommend deletion of five of the six proposals. A brief description of each study and our recommendations follow.

**Berkeley—Heating Plant Cogeneration Feasibility Study.** This \$15,000 study would provide an overall assessment of the alternatives for central heating plant cogeneration (generation of electricity by adding to and modifying existing equipment) on the Berkeley campus. This proposal is directly related to a specific capital improvement project and should not be funded under this broad category item. Moreover, this study is premature. The University of California, Davis campus is installing a cogeneration facility that should be operational by this summer. Further study in the area of cogeneration should be deferred until the Davis project can be evaluated and the results applied to other campuses. Also, any such study should evaluate universitywide needs and not be limited to one campus. We recommend deletion.

**Davis—Sacramento Medical Center Utility Master Plan.** This is a request for \$20,000 to develop a master plan consistent with requirements of the Department of Health regarding existing utility services. The plan would review electrical, boiler and chilled water distribution systems. The

project is necessary to assure that utility needs are identified and consistent with long-range planning. We recommend approval of this portion of the request.

*Los Angeles—Energy Conservation Master Plan.* This \$15,000 study proposal would evaluate existing energy consuming systems and identify areas for potential energy conservation capital projects. This proposal is premature. A central control system recently funded by the state is under construction. The central system will monitor and control the energy consuming elements at this campus. Completion of the system in 1980 will result in significant modifications to current operations and provide major savings in energy consumption. Before a meaningful study of the campus energy systems can be accomplished, the effects and modifications resulting from the central control system must be known. Consequently, we recommend deletion of the \$15,000 proposed for this study.

*San Francisco—Long-Range Development Plan.* This proposal is for \$10,000 to update the campus long-range development plan. In response to legislative directives and community concerns, the campus reevaluated and completely revised the long-range development plan in October 1975. The final plan focused on (1) limiting the amount of campus space in response to the legislative mandate to decentralize and (2) on methods to best utilize space on the central campus. There has been no demonstrated need to change the 1975 plan and we recommend deletion of the \$10,000 associated with this request.

*San Francisco—Library Programming.* This proposal is for \$15,000 to study library needs at the San Francisco campus. The study would also include architectural and engineering reviews of existing facilities. The proposal is related to a specific capital improvement project and adequate funds are provided under Item 479(1) for programming high priority projects in the university system. Thus, we recommend deletion of this request, a savings of \$15,000.

*Systemwide—Atlas Update.* This proposal is for \$5,000 to revise the university's 1975 Atlas of University Properties. The revision would reflect boundary changes and other modifications which have occurred in the intervening years. This information should be available on an ongoing basis. It is an appropriate responsibility of the university's support and operations budget and should not be a cost to the Capital Outlay Fund for Public Higher Education.

#### **Richmond Storage Facility**

*We recommend that the proceeds from the sale of property originally purchased by the state be subject to appropriation by the Legislature to offset future state supportable capital improvement projects.*

The university currently uses a portion of a storage facility in Richmond to house seldom used library volumes. In November 1978, the university sold this facility to the Richmond Development Agency with the understanding that the university could remain in the facility for five years, rent free. The facility was sold for \$7.55 million. Terms of the sale include a \$2.25 million downpayment with the balance payable in 30 annual pay-

**UNIVERSITY OF CALIFORNIA—Continued**

ments plus 8 percent interest on the unpaid balance. Thus, the total proceeds will be approximately \$15.6 million. It is our understanding that the university is willing to commit approximately 12 percent of the proceeds toward the construction of the northern regional library facility proposed in the budget. This percentage is about equal to the amount of space currently used for library storage in the Richmond facility.

The Richmond facility was purchased in 1960 for \$1.8 million consisting of \$1.6 million state funds and a \$200,000 gift from the seller. Because this facility was purchased by the state we believe the proceeds should be deposited in the University's General Fund and that the total amount should be subject to Legislative appropriation to offset future costs of the proposed northern facility or other state approved capital outlay projects.

**Budget Bill Proposal for Northern Regional Library Facilities**

*We recommend that Item 479(3), preliminary plans and working drawings for a northern regional library facility be deleted, a reduction of \$396,000.*

The proposal is for development of an Environmental Impact Report (\$70,000), preliminary planning (\$147,000) and working drawings (\$179,000) for a northern regional library compact shelving facility. This facility would be located in Berkeley on university property but remote from the Berkeley campus. The proposal is the initial phase of the University's 1977 Library Development Plan. In addition to this proposal, completion of the plan would entail construction of (1) a southern regional storage center, currently planned by the university to be on the Los Angeles campus and (2) additional library facilities on various campuses. University estimates indicate that if all aspects of the plan are completed approximately \$80 million for capital outlay would be required.

According to the university, the proposal in the Budget Bill would provide storage for three million volumes plus the potential for a future addition to accommodate 11 million volumes. The university estimates that the total project cost would be \$6,137,000. The regional storage library center would contain 11,000 assignable square feet (asf) for staff, equipment and library users, and 105,000 asf of shelving/storage area. The need for this amount of storage area has not been substantiated. Based on data in the university's development plan, the proposed storage area would be capable of housing between 6.5 million and 8.8 million volumes rather than the reported three million volumes. The university should clarify this apparent inconsistency. In any case, the requested funding should be deferred until the university (1) reevaluates its library development plan and (2) coordinates its needs for library storage with the California State University and Colleges, Community Colleges and others to determine the statewide needs in this area and to assure that all such needs will be accommodated in the regional storage center(s).

The university is acquiring more than 600,000 volumes annually including volumes acquired by gifts and exchange. It is apparent that additional space must be constructed if the current universitywide holdings of over 15 million volumes plus the annual acquisition are to continue to be

housed within the system. The new space would be provided by either general campus library facilities or storage facilities. Compared to general campus library space the proposed storage facilities should be less expensive to construct and operate. Also, construction of storage facilities should eliminate any need to construct additional library space on the various university campuses. However, to assure that this objective is realized, the university should reevaluate the criteria that would be used to qualify a volume for storage. These criteria are basic to realizing the benefits of low cost storage and eliminating the need to construct additional campus library space.

According to data in the University's Library Plan, prior studies have indicated that "books that develop little recorded use develop little browsing, and books that develop much recorded use develop much browsing." The university concludes that it would then be reasonable to use the criterion of last circulation date as the best predictor of future use of both kinds, both circulation and use within the library. However, the university indicates that "this criterion is used only to estimate the amount of material considered eligible for compact shelving, and only for the purpose of the space model and for systemwide consistency in planning. The selection of specific items to be placed in the facilities would be made by each campus, on whatever basis seems appropriate for that campus." Based on this, the university then uses the basic criterion that a campus would *consider* sending a volume to the storage facility if it had not been circulated within the last 12 years. Moreover, even if the volume had not been circulated for this period of time the campus could still make the decision to keep it within the campus library. The plan also states that after a period of time, volumes in the storage facility should be considered for storage at the National Center for Research Libraries. It normally requires seven days to obtain a book from the National Center. Under the plan the university would consider sending a volume from the regional center to storage at the National Center only if it had not been circulated from the regional center for 10 years. Thus, *under the university's criteria, a volume within the university's library system would be considered for storage outside the university only if the volume had not been circulated over a 22-year period.* Presumably, each time a volume circulated, the 22-year time frame would start again.

It is clear to us that the university's criteria for storing seldom used volumes will not reduce the need to construct new library facilities on the general campuses and will not result in any cost savings to the state. Therefore, we recommend that no funds be appropriated for planning of regional facilities until the university reevaluates these criteria.

In addition, the need for storage facilities is not a problem limited to the university. The California State University and Colleges, Community Colleges and other state entities are or will be faced with the same problem. Although it may be appropriate for the university to be the lead agency because of its research activities, we believe it is essential that the state's total needs be fully recognized and taken into consideration in the planning of the proposed regional storage centers. There is no evidence that this essential close coordination has taken place. Until this is accomplished



**UNIVERSITY OF CALIFORNIA—Continued**

any funding for regional centers is premature.

**Santa Cruz—Equipment**

*We recommend approval of Item 479(4), equip completion of applied science building first floor (Earth Sciences), step 2.*

This request of \$82,000 will provide the necessary equipment for a project that was approved for construction in the Budget Act of 1978. The project has proceeded on schedule and upon completion will contain an undergraduate teaching laboratory, graduate research laboratories, and supporting spaces. The requested amount is within state cost guidelines for space of this type and we recommend approval.

**San Diego—Seawall Extension Scripps Institute of Oceanography (SIO)**

*We withhold recommendation on Item 479(5), working drawings and construct seawall extension SIO, pending additional information.*

This proposal will provide a 400 foot extension of the existing concrete seawall at Scripps Institute of Oceanography. The need for this seawall has been substantiated by a detailed engineering geologic study of the University of California coastal property at Scripps Institute of Oceanography. The seawall will ensure that no additional land will be eroded and therefore will eliminate the possibility of damage to existing buildings. The university is in the process of developing preliminary plans and adequate information regarding the cost of the project, and this information should be available prior to budget hearings.

**Los Angeles—Schoenberg Hall Addition**

*We recommend deletion of Item 479(6), construct Schoenberg Hall addition, a reduction of \$4,215,000.*

This proposal provides for construction of a 43,200 square foot addition to the existing music building. The proposed addition is justified based on current enrollment and existing facilities at the Los Angeles campus. Preliminary planning and working drawing funds were provided in the Budget Act of 1978. However, there is inadequate information to substantiate the requested construction amount. The project is in the early stages of planning and schematic drawings are only in process. Thus, preliminary plans have not been started. Based on the current status of the project, it is doubtful that construction funds will be required in the budget year. Consequently, we recommend deletion of the requested amount.

**Berkeley—Gilman Hall Laboratory Alterations**

*We recommend deletion of Item 479(7), working drawings and construction Gilman Hall, laboratory alterations, a savings of \$297,000.*

This project would renovate 2,548 asf for chemical engineering. The work involves dismantling existing equipment and improving the general physical conditions of two rooms for instructional laboratories. The budget request represents a cost of approximately \$102 per asf—73 percent of the cost of new laboratory facilities. Alterations of this nature should not be this costly and the university should reevaluate its proposal and resubmit a more economical solution.

**Los Angeles—Fire Safety**

*We recommend approval of Item 479(8), working drawings for fire safety—campus water mains, step 2.*

This item provides working drawings for a project to increase the water flow supply at the Los Angeles campus to assure adequate fire protection. The need for the project is based upon a comprehensive engineering study of the campus water supply and distribution system with respect to fire protection needs. The study indicates that some areas of the campus are deficient by over 50 percent of the required water flow for fire protection. The proposed project will alleviate these problems and we recommend approval.

**Berkeley—Evans Hall Elevator Addition**

*We recommend deletion of Item 479(9), working drawings and construct Evans Hall elevator addition, a savings of \$208,000.*

This project would provide for the installation of an elevator within an existing elevator shaft in Evans Hall. Evans Hall has 10 floors above grade that are served by four elevators. The building houses class laboratories and faculty offices in the upper floors. Although there may be some delay in accessing the upper floors during some periods of the day there is no indication that this is a major problem. Given the demand on limited COFPHE funds and the amount of vertical transportation available within Evans Hall the proposed addition of an elevator was a low priority on a statewide basis and we recommend deletion.

## UNIVERSITY OF CALIFORNIA

Item 480 from the Capital Out-  
lay Fund for Public Higher  
Education

Budget p. 964

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Requested 1979-80 .....	\$5,000,000
Recommended approval .....	3,000,000
Recommended reduction .....	2,000,000

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**SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS**

1. *Minor Capital Outlay. Reduce by \$2,000,000.* Recommend reduction to provide only high priority needs.

**ANALYSIS AND RECOMMENDATIONS**

*We recommend that Item 480, be reduced to \$3,000,000 to provide only high priority minor capital outlay improvement needs, a reduction of \$2,000,000.*

This request represents a lump-sum appropriation to be allocated for minor capital outlay projects (\$100,000 or less per project) at each of the general and health science campuses and agricultural field stations.

Projects accomplished under this item are reported to the Legislature on a post-audit basis. Any instructional capacity related project and

UNIVERSITY OF CALIFORNIA—Continued

projects which provide new space must be submitted for review prior to inclusion in the budget. Any proposed changes in approved projects must be approved by the Department of Finance and reviewed by the Legislative Analyst.

The University has submitted detailed project information for the minor capital outlay proposal. The projects submitted include low priority items to modernize existing functional spaces. This modernization work may be desirable but it is not necessary for the academic program, and because of limited amounts in the COFPHE we believe this work should be deleted. In addition, the proposal includes (1) maintenance items, (2) work specifically deleted from major capital outlay projects, and (3) phasing of projects costing in excess of \$100,000. Based on our review of the information it appears that \$3 million is adequate to fund high priority items related to life safety projects and alterations to accommodate changing instructional need. Thus, we recommend a \$2 million reduction.

UNIVERSITY OF CALIFORNIA

Item 481 from the Capital Out-  
lay Fund for Public Higher  
Education

Budget p. 964

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Requested 1979-80 .....	\$200,000
Recommended approval .....	200,000

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ANALYSIS AND RECOMMENDATIONS

*We recommend approval.*

This item includes \$200,000 to provide the second installment to purchase the county's interest in the Sacramento Medical Center (SMC) land and buildings. The requested amount is in accord with the agreement between the County of Sacramento and the University providing for the University's continued operation, ownership and control of the SMC.

The agreement which is effective July 1, 1978 through June 30, 1988, provides that the University must purchase the county's interest (base value of \$10 million) if the agreement is terminated on or before June 30, 1988. The agreement also provides that the University may make prepayment to the county for the county's interest under the following provisions:

"If the State of California budgets and makes available to the University funds therefor, the University shall prepay the county for a portion of the value of the interest in the medical center complex in the amount of \$200,000 for each fiscal year during which this agreement remains in effect, commencing with the fiscal year which begins July 1, 1978."

If the University makes all 10 annual prepayments, the value of the county's interest which would be required to be paid if the agreement is terminated June 30, 1988 would be \$6,687,942. This amount is based on the value of the annual prepayments at a rate of 9 percent per year com-

pounded.

The agreement also provides that if a new or amended agreement is entered into by June 30, 1987, the county's interest value would be decreased by 10 percent for each fiscal year between June 30, 1988, and the effective date of termination of the new or amended agreement. Consequently, the University could become the sole owner of the SMC by June 30, 1995 if all prepayments are made and a new agreement effective through 1995 is entered into by June 30, 1987. Under these conditions the University, through the state, would pay the county a total of \$2 million for the county interest in SMC plans and buildings, and we recommend approval of the second prepayment amount of \$200,000.

UNIVERSITY OF CALIFORNIA

Item 482 from the Capital Out-  
lay for Public Higher Educa-  
tion

Budget p. 964

Requested 1979-80 .....	\$4,540,000
Recommended approval .....	3,330,000
Recommended reduction .....	926,000
Recommendation pending .....	284,400

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

Analysis  
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1. *Berkeley—Hildebrand Biohazards. Reduce by \$5,000.* 1512  
Recommend deletion of working drawings for Hildebrand biohazards.
2. *Davis—CAC Deficiencies. Reduce by \$705,000.* Recom- 1513  
mend deletion of construct CAC deficiencies (CAL/ OSHA), step 2.
3. *Irvine—CAC Deficiencies. Reduce by \$216,000.* Recom- 1513  
mend deletion of construct CAC deficiencies (CAL/ OSHA).
4. *Santa Barbara—Energy Conservation Improvements.* 1515  
Withhold recommendation on construct energy conserva-  
tion improvements 1979-80 step 1, pending additional infor-  
mation.

ANALYSIS AND RECOMMENDATIONS

This item contains \$4,540,000 for 13 projects related to (1) building code deficiencies, (2) removal of architectural barriers to the handicapped and (3) energy conservation. A discussion of the projects in each of these categories follows.

Projects to Correct Code Deficiencies

This category contains six projects totaling \$2,240,000, with an estimated future cost of \$425,000. The projects and our recommendations for each are summarized in Table 1.

## UNIVERSITY OF CALIFORNIA—Continued

**Table 1**  
**University of California**  
**Projects to Correct Code Deficiencies**

<i>Item</i>	<i>Project Title</i>	<i>Phase<sup>a</sup></i>	<i>Campus</i>	<i>Budget Bill Amount</i>	<i>Legislative Analyst Recommendation</i>	<i>Future Cost<sup>b</sup></i>
482(1)	CAC <sup>c</sup> deficiencies (elevators) step 1 .....	c	Berkeley	\$455,000	\$455,000	\$0
482(2)	Hildebrand Biohazards .....	w	Berkeley	5,000	0	425,000
482(3)	CAC deficiencies (elevators)	c	Davis	403,000	403,000	0
482(4)	CAC deficiencies (CAL/ OSHA), step 2 .....	c	Davis	705,000	0	0
482(5)	CAC deficiencies (CAL/ OSHA) .....	c	Irvine	216,000	0	0
482(7)	CAC deficiencies step 2 (uni- versity hospital ventilation) ....	c	San Diego	456,000	456,000	0
TOTAL .....				\$2,240,000	\$1,314,000	\$425,000

<sup>a</sup> Phase symbol indicates: w—working drawings; c—construction<sup>b</sup> University estimate<sup>c</sup> California Administrative Code**Berkeley—CAC Deficiencies**

*We recommend approval of Item 482(1), CAC deficiencies (elevators) step 1.*

This project (\$455,000) will make necessary code corrections to 33 campus elevators in 10 state funded buildings. The work will alter the elevators to conform with code requirements for the physically handicapped, seismic safety and fire protection. Working drawing funds for this project were provided in the Budget Act of 1978. The project has proceeded on schedule and construction should begin early in the budget year.

**Berkeley—Hildebrand Biohazards**

*We recommend that Item 482(2), working drawings for Hildebrand Biohazard, be deleted, a savings of \$5,000.*

This project with a total cost of approximately \$450,000 is not a code deficiency problem, although it is included in the University of California category of projects to correct code deficiencies. The work would enclose a portion of the roof of Hildebrand Hall to provide a new 1,500 square foot laboratory. The new laboratory facility would be equipped to satisfy all federal requirements for preparation, utilization, containment, decontamination or disposal of hazardous chemical carcinogens, radioactive isotopes, oncogenic viruses and the nucleic acid derived from such viruses, and recombinant DNA. According to the University, all activities except the recombinant DNA experiments are now in progress in other laboratories at the Berkeley campus and essential safety procedure are being followed. There is no apparent need to construct a new laboratory on the Berkeley campus. If recombinant DNA experiments cannot be undertaken because of inadequate existing labs the campus should consider alterations of existing space rather than construct the proposed new space at the estimated cost of \$245 per square foot.

**Davis—CAC Deficiencies**

*We recommend approval of Item 482(3), construct CAC deficiencies (elevators).*

This project (\$403,000) will correct fire and life safety code deficiencies on seven elevators in eight buildings at the Davis campus. Working drawing funds for this project were provided in the Budget Act of 1978. The project has proceeded on schedule and should be under construction early in the budget year. The requested amount is justified and we recommend approval.

**Davis—CAC Deficiencies (CAL/OSHA)**

*We recommend that Item 482(4), construct CAC deficiencies (CAL/OSHA), step 2, be deleted, a savings of \$705,000.*

This project would (1) modify fume hood exhaust systems, (2) correct ventilation problems and (3) install back syphonage devices in the campus water system. Working drawing funds for this project were provided in the Budget Act of 1978. However, preliminary plans have not been completed and the requested construction amount cannot be substantiated. Moreover, the university is reevaluating its universitywide policy and need regarding modification of fume hood and ventilation systems. Until this reevaluation is completed, this portion of the project should be deferred. In addition, the university has not provided sufficient information to justify the proposed expenditure of \$445,000 for back syphonage devices. As a matter of engineering practice at the university these devices have been installed in water systems, for many years, where there is a potential contamination problem. The university has not provided information indicating that existing systems are lacking such devices in critical areas or that existing devices are inadequate. Consequently, we recommend deletion of the requested construction amount.

**Irvine—CAC Deficiencies (CAL/OSHA)**

*We recommend that Item 482(5), construct CAC deficiencies (CAL/OSHA), be deleted, a savings of \$216,000.*

The work under this project, for the most part, is for modification of campus fume hoods. As discussed above, the university is reevaluating its policy and needs in this area. Until this reevaluation is completed this portion of the work should be deferred. The remaining work is for installation of safe guard controls on four ovens and kilns (\$5,000) and installation of a second exit door from four laboratories (\$7,000). These two projects are minor capital outlay improvements and should be funded from the university's minor capital outlay lump-sum appropriation under Item 480.

**San Diego—CAC Deficiencies**

*We recommend approval of Item 482(7), construct CAC deficiencies step 2 (University Hospital ventilation).*

This proposal provides \$456,000 to correct code deficiencies in the ventilation system in the hospital emergency service area, administrative area, and clinical laboratories. All work is required by the California Administrative Code. Working drawing funds for this project were provided in the Budget Act of 1978. The work has proceeded and construction should

**UNIVERSITY OF CALIFORNIA—Continued**

begin early in the budget year.

**Projects to Remove Architectural Barriers to the Handicapped.**

*We recommend approval of Item 482(6) and Items 482(8) through 482(10).*

This category contains four projects to remove architectural barriers to the handicapped at two campuses. A summary of the projects and our recommendations for each is provided in Table 2.

**Table 2**  
**University of California**  
**Projects to Remove Architectural Barriers**  
**to the Handicapped**

<i>Item</i>	<i>Project Title</i>	<i>Phase<sup>a</sup></i>	<i>Campus</i>	<i>Budget Bill Amount</i>	<i>Legislative Analyst Recommendation</i>	<i>Future Cost<sup>b</sup></i>
482(6)	Kinsey Hall—Fire safety and physically handicapped access.....	w	Los Angeles	\$9,000	\$9,000	\$714,000
482(8)	Cory Hall utility systems and handicapped improvements, CAC deficiencies .....	w	Berkeley	45,000	45,000	886,000
482(9)	CAC deficiencies (handicapped), step 1 .....	c	Berkeley	685,000	685,000	—
482(10)	CAC deficiencies (handicapped) .....	c	Los Angeles	799,000	799,000	—
<b>TOTAL .....</b>				<b>\$1,538,000</b>	<b>\$1,538,000</b>	<b>\$1,600,000</b>

<sup>a</sup> Phase symbol indicates: w—working drawings; c—construction

<sup>b</sup> University estimate

The university has completed an extensive survey of all campus facilities and has developed a plan to remove architectural barriers to the handicapped. The projects contained in the Budget Bill do not correct all architectural barriers on campus but these projects and previously funded projects throughout the university system represent a major step towards increasing accessibility for the physically handicapped person. The request for Kinsey Hall, at Los Angeles, also includes correction of fire and life safety code deficiencies in the building. Working drawing funds for the construction projects at Berkeley and Los Angeles were provided in the Budget Act of 1978. These projects have proceeded on schedule and preliminary plans have been developed to substantiate the requested amounts. Construction for these two projects should begin early in the budget year.

**Projects Related to Energy Conservation**

This category contains three projects. A summary of the projects and our recommendation for each is provided in Table 3.

**Table 3**  
**University of California**  
**Projects Related to Energy Conservation**

<i>Item</i>	<i>Project Title</i>	<i>Phase<sup>a</sup></i>	<i>Campus</i>	<i>Budget Bill Amount</i>	<i>Legislative Analyst Recommendation</i>	<i>Future Cost<sup>b</sup></i>
482(11)	Addition of controls to air conditioning systems in 10 campus buildings .....	c	Irvine	\$257,000	\$257,000	—
482(12)	Central plant improvements.....	c	Irvine	221,000	221,000	—
482(13)	Energy conservation improvements, 1979-80 step 1	c	<u>Santa Barbara</u>	<u>284,000</u>	<u>Pending</u>	<u>—</u>
<b>TOTAL .....</b>				<b>\$762,000</b>	<b>\$478,000</b>	<b>—</b>

<sup>a</sup> Phase symbol indicates: c—construction

<sup>b</sup> University estimate

**Irvine—Controls to Air Conditioning Systems**

*We recommend approval of Item 482(11), construct addition of controls to air conditioning system in 10 campus buildings.*

The requested \$257,000 will finance construction of a project to add additional controls to the heating and cooling systems at the Irvine campus. Addition of these controls is based on an engineering evaluation of existing systems and an attempt to promote energy conservation by reducing the consumption of fuel for heating and cooling. The engineering study indicates that the estimated annual savings resulting from installation of these controls will be \$53,000 per year. Working drawing funds for this project were provided in the Budget Act of 1978. Preliminary plans have been completed, and these plans substantiate the requested amount.

**Irvine—Central Plant Improvements**

*We recommend approval of Item 482(12), construct central improvements.*

This project (\$221,000) will provide three 500 ton cooling towers to replace existing units which are deteriorating from corrosion. The design capacity for air conditioning at the central plant is adequate for the Irvine campus needs and the new cooling towers will not increase that capacity. However, because the existing towers are in a state of deterioration they produce only 75 percent of rated capacity. Under these conditions the central plant operates inefficiently from energy usage standpoints. Working drawings for this project are nearly completed and construction should begin early in the budget year.

**Santa Barbara—Energy Conservation Improvements**

*We withhold recommendation on Item 482(13), construct energy conservation improvements, 1979-80 step 1, pending additional information.*

This project (\$284,000) will modify air conditioning and ventilating systems to reduce energy consumption. The work will include installation of economizer systems in three air conditioned buildings, modification of air distribution systems in 10 buildings to provide a more efficient system and modification of temperature controls. Based on the university's energy conservation study this project should provide an annual savings of over \$500,000. Working drawings for this project were provided in the Budget Act of 1978. However, preliminary plans have not been completed and the



**UNIVERSITY OF CALIFORNIA—Continued**

requested construction amount cannot be substantiated. The plans should be completed by March 1979. We withhold recommendation pending receipt of the preliminary plans.

**UNIVERSITY OF CALIFORNIA**

Item 483 from Federal Funds

Budget p. 964

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Requested 1979-80 .....	\$3,174,000
Recommendation pending .....	3,174,000

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**ANALYSIS AND RECOMMENDATIONS**

*We withhold recommendation pending additional information.*

This item contains \$3,174,000 from federal fund sources for nine projects. The item includes budget language specifying that the amount constitutes federal funds as defined in Section 8.7. Under this condition expenditure of the funds will not require further review by the Legislature.

The projects included under this item consist of \$500,000 for university-wide minor capital outlay improvements (\$100,000 or less per project) \$2,085,000 for seven projects at Lawrence Berkeley Laboratory and \$589,000 for one project at the San Francisco campus, Center for Educational Development. We have not received any detailed information regarding the proposed projects. In addition, it is not clear what action the Legislature can take concerning these funds. For example, if a specific project is disapproved it is not clear that the funds can be used for another proposal or if the funds are returned to the federal government. Finally there is no indication of potential state costs in the event a project cost exceeds the appropriated federal funds. Until this is clarified we withhold recommendation.

**HASTINGS COLLEGE OF LAW**

Item 484 from the Capital Out-  
lay Fund for Public Higher  
Education

Budget p. 965

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Requested 1979-80 .....	\$99,000
Recommended reduction .....	99,000

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**SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS**

*Analysis  
page*

1. *Alterations to Existing Building. Reduce by \$99,000.* Rec- 1517  
ommend deletion of funds for preliminary planning and  
working drawing.

**ANALYSIS AND RECOMMENDATIONS**

*We recommend that Item 484, preliminary plans and working drawings to alter the existing building be deleted, a reduction of \$99,000.*

This item provides \$99,000 for preliminary plans and working drawings for a project to alter approximately 14,700 assignable square feet (ASF) in the existing Academic Building at Hastings College of Law. The requested modifications are to accommodate the secondary effects related to construction of the new Academic Facilities Building. Construction of the new facilities should begin early in 1979 and be completed within approximately two years.

Alterations of the existing building could not begin until the new Academic Facilities Building is occupied (1981). Consequently, on a timing basis the need for preliminary plans and working drawings in fiscal year 1979-80 is marginal.

The data submitted by Hastings College of Law is dated September 1, 1976. The budgets developed from that data indicate a total alteration cost of nearly \$1.3 million. The alterations consist of nearly 9,000 ASF considered as "major" alterations and 5,700 ASF of "minor" alterations. Nearly 57,000 ASF will not be altered. Based on the budget information the "major" alterations will cost \$98 per ASF and the "minor" alterations \$25 per ASF. By comparison, the new Academic Facilities Building is costing approximately \$80 per ASF. Thus, the proposed "major" alterations exceed the ASF cost of the new facility by over 20 percent and the "minor" alterations are 30 percent of the ASF cost of the new facility. These proposed alteration costs are excessive and the Hastings staff should thoroughly reevaluate the proposal.

Because the cost of proposed alterations is excessive, and because on a timing basis the requested funds are not necessary in 1979-80, we recommend deletion of the requested amount. In reevaluating the alterations proposal, we would recommend that the Hastings staff keep the "major" alterations within \$35 per ASF and the "minor" alterations within \$20 per ASF.

**CALIFORNIA STATE UNIVERSITY AND COLLEGES**

Item 485 from the Capital Out-  
lay Fund for Public Higher  
Education

Budget p. 1006

Requested 1979-80 .....	\$6,796,400
Recommended approval .....	2,561,400
Recommended reduction .....	2,014,000
Recommendation pending .....	2,194,000

**SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS**

Analysis  
page

1. *Statewide Planning. Reduce by \$25,000.* Recommend deletion of general studies for statewide projects. 1519
2. *Statewide Fume Hood Modifications. Reduce by \$1,765,000.* 1520

**CALIFORNIA STATE UNIVERSITY AND COLLEGES—Continued**

- Recommend deletion of working drawings and construct fume hood modifications to meet safety requirements.
3. Statewide—Removal of Architectural Barriers. Withhold recommendation on projects to remove campus architectural barriers to the physically handicapped pending additional information identifying specific campuses and projects. 1520
  4. San Jose. Withhold recommendation on working drawings and construct modifications to new science building and business tower to meet Fire Marshal requirements, pending receipt of additional information. 1521
  5. San Francisco. Withhold recommendation on construct modifications to science building to meet Fire Marshal requirement pending receipt of additional information. 1522
  6. *Fresno. Reduce by \$119,000.* Recommend reduction in equipment funds for Library III. 1522
  7. *San Francisco. Reduce by \$14,000.* Recommend deletion of preliminary plans and working drawings to relocate the computer center to the old administration building. 1524
  8. *Northridge. Reduce by \$91,000.* Recommend deletion of working drawings for the art and design center. 1525
  9. Chico. Withhold recommendation on working drawings and construct laboratory school conversion, pending receipt of additional information. 1525

**ANALYSIS AND RECOMMENDATIONS**

The California State University and Colleges (CSUC) capital outlay program totals \$10,769,400 (two items) from the Capital Outlay Fund for Public Higher Education (COFPE). Item 485 contains \$6,769,400 for 19 major capital outlay proposals. Item 486 which follows contains \$4 million for minor (\$100,000 or less, per project) capital outlay projects.

The Trustees' request for 1979-80 included 59 projects totaling \$36,623,000. The Governor's Budget proposes \$10,769,400 for 20 projects. For legislative review purposes, we have separated the projects into five descriptive categories. These categories and our recommendations for the individual projects follow.

**A. Statewide Projects**

This category includes five projects. A summary of these and our recommendations for each are shown in Table 1.

**Table 1**  
**California State University and Colleges**  
**Statewide Projects**

<i>Item</i>	<i>Project Title</i>	<i>Phase<sup>a</sup></i>	<i>Campus</i>	<i>Budget Bill Amount</i>	<i>Legislative Analyst Recommendation</i>	<i>Future Cost<sup>b</sup></i>
485(1)	Master planning .....	p	Statewide	\$100,000	\$100,000	—
485(2)	General Studies .....	p	Statewide	25,000	—	—
485(3)	Preliminary planning—1980-81					

projects .....	p	Statewide	125,000	125,000	—
485(7) Modifications to fume hoods to meet safety requirements.....	wc	Statewide	1,765,000	—	\$423,000
485(14) Remove architectural barriers to the physically handicapped..	pwce	Statewide	500,000	Pending	—
Total.....			\$2,515,000	\$225,000	\$423,000

<sup>a</sup> Phase symbol indicates: p—planning; w—working drawings; c—construction; e—equipment.

<sup>b</sup> Trustees' five-year Capital Improvement Program (1979–80 through 1983–84).

### Master Planning

*We recommend approval of Item 485(1), master planning—statewide.*

Master planning funds are requested to provide for continuation of architectural, engineering, master planning and other professional consulting services. The funds will be distributed by the Chancellor's Office to the campuses based upon priority needs. This level of funding should be adequate for these needs plus associated general studies.

### General Studies

*We recommend that Item 485(2), general studies—statewide, be deleted, a reduction of \$25,000.*

The funds requested for general studies are based on the need to provide topographic surveys, engineering studies, utility studies, traffic studies and other miscellaneous studies. The Chancellor's Office would distribute these funds to campuses based upon priority needs.

The CSUC system is entering a steady state planning mode with regard to new physical planning. Thus, the need to continue funding master planning and general studies at the historical levels is not evident. Based on prior expenditure and current needs, the \$100,000 provided for master planning under Item 485(1) should be adequate to provide for these planning and study efforts within the CSUC system. Consequently, we recommend that the Chancellor's Office utilize the \$100,000 under Item 485(1) for master planning and general studies and continue to distribute the funds on a priority basis.

### Preliminary Planning

*We recommend approval of Item 485(3), preliminary planning—1980–81 projects.*

This item provides \$125,000 for preliminary planning. Of this amount, a maximum of \$30,000 would be available on July 1, 1979 for utility and site development projects. The remaining \$95,000 would be available for development of preliminary plans for working drawings and/or working drawings/construction projects which are included in the 1980–81 Governor's Budget. This funding mechanism has been utilized since the Budget Act of 1975, and it represents an effort to improve project programming and expedite approved projects. This level of funding will provide approximately \$8.5 million in construction costs. A planning program of this magnitude is reasonable.

**CALIFORNIA STATE UNIVERSITY AND COLLEGES—Continued****Modifications to Fume Hoods**

*We recommend that Item 485(7), working drawings and construct modifications to fume hoods to meet safety requirements, be deleted, a reduction of \$1,765,000.*

Working drawing funds (\$60,000) for a portion of this project were provided in the Budget Act of 1978. To date the corrective work has not been adequately identified and complete preliminary plans have not been developed. Based on the complexity of this problem and the status of the program, it is doubtful that construction funds will be required in the budget year. In addition, because adequate planning has not been developed the estimated construction costs cannot be substantiated.

**Remove Architectural Barriers to the Physically Handicapped**

*We withhold recommendation on Item 485(14), removal of architectural barriers to the physically handicapped—statewide, pending receipt of additional information identifying specific projects to be accomplished.*

This item contains a \$500,000 lump sum appropriation for removal of architectural barriers to the handicapped. The trustees have established priorities for the removal of these barriers. The priorities, which were developed by the Chancellor's Office in consultation with the Statewide Disabled Students Coalition, the Chancellor's Council of Presidents and the Department of Rehabilitation, are as follows:

- I. Access to the campus as a whole
- II. Access to facilities to meet the basic needs of the physically handicapped
- III. Access to main level of building with high student use
- IV. Access to floors above and below main level
- V. Automatic doors and lower drinking fountains
- VI. Other barrier projects

Since 1973 the state has provided \$4.3 million to CSUC for removal of campus architectural barriers to the handicapped. In addition, a federal grant in the amount of \$1,854,000 was received for these purposes.

In 1976-77, the Chancellor's Office advised that all known architectural barriers in categories I-III had been or were in the process of being corrected. However, based on information contained in the Chancellor's response to a legislative request in the Supplemental Report to the 1978 Budget Act, there remains approximately \$1 million of work required to correct architectural barriers under categories I-III. In addition, the report indicates that an estimated \$7 million will be required to remove architectural barriers under the categories IV-VI.

Continuation of this program is necessary, but the barriers and proposed improvements should be identified on a campus/project basis and individually identified in the budget. This will allow the Legislature to monitor the progress of the program. At the same time, it will aid in assuring that all barriers are corrected in priority. Consequently, we withhold recommendation on the proposed amount pending receipt of campus/project information identifying the specific barriers and proposed

improvements which would be corrected.

#### B. Projects to Correct Code Deficiencies

A summary of the four projects in this category and our recommendations for each are provided in Table 2.

**TABLE 2**  
**California State University and Colleges**  
**Projects to Correct Code Deficiencies**

Item	Project Title	Phase <sup>a</sup>	Campus	Budget Bill Amount	Analyst Recommen- dation	Legislative
						Future Cost <sup>b</sup>
485(4)	Modify new science building and business tower to meet Fire Marshal requirements .....	wc	San Jose	\$661,000	Pending	—
485(5)	Modifications to six campus buildings to meet Fire Marshal requirements .....	c	Los Angeles	193,000	193,000	—
485(6)	Modifications to science building to meet Fire Marshal requirements .....	c	San Francisco	134,000	Pending	—
485(8)	Vacuum systems/science building to meet Cal/OSHA requirements .....	c	Pomona	150,500	150,500	—
	TOTAL .....			\$1,138,500	\$343,500	—

<sup>a</sup> Phase symbol indicates: w—working drawings; c—construction.

<sup>b</sup> Trustees' five-year Capital Improvement Program (1979–80 through 1983–84).

#### San Jose

*We withhold recommendation on Item 485(4), working drawings and construct modifications to new science building and business tower to meet Fire Marshal's requirements, pending additional information.*

This project is required to meet Fire Marshal code requirements for high-rise buildings. The requested amount is based on a survey conducted by the State Fire Marshal. The results of this survey disclosed certain conditions that in the opinion of the Fire Marshal presented greater than normal fire and life safety hazards. Many of the items identified can be corrected administratively and should not require capital investments. In addition, a portion of the work includes installation of a firemen's communication system. This system is not required because of available communications equipment. The Chancellor's Office is reviewing the State Fire Marshal report and will modify the requested project by deleting items that have been or can be corrected administratively and also by deleting the communications system. Until information concerning the modified project is available, the funds necessary to make the required corrections cannot be established.

#### Los Angeles

*We recommend approval of item 485(5), construct modifications to six campus buildings to meet Fire Marshal requirements.*

Working drawing funds for this project were appropriated in the

**CALIFORNIA STATE UNIVERSITY AND COLLEGES—Continued**

Budget Act of 1978. The project will correct the campus multi-storied buildings to comply with code requirements involving fire safety and elevator safety. Preliminary plans for this project have been completed and working drawings are underway. Construction should begin early in fiscal year 1979-80. The requested construction amount is appropriate and we recommend approval.

**San Francisco**

*We withhold recommendation on Item 485(6), construct modifications to science building to meet Fire Marshal requirements pending additional information.*

This project is similar to the San Jose proposal to modify existing high-rise buildings to meet Fire Marshal requirements. This proposal will modify the Biological Science and the Physical Science buildings on the San Francisco campus. Modifications to meet these requirements are necessary but this project also includes an unnecessary firemen communication system and items that can be administratively corrected. As is the case in San Jose, the firemen communication system is not required at this campus because of adequate available communication equipment. The Chancellor's Office is reviewing the Fire Marshal's report and will modify this proposal to eliminate the communication system and the work that can be or has been corrected administratively. Until this information is available, the amount of funds required cannot be determined.

**Pomona**

*We recommend approval of Item 458(8), construct vacuum systems/science building to meet CAL/OSHA requirements.*

Working drawing funds in the amount of \$4,000 were provided for this project in the Budget Act of 1978. The project will provide a centralized laboratory vacuum system in the science building. The existing system is comprised of small vacuum pumps that exhaust directly into the laboratory space. This system does not meet CAL/OSHA requirements and should be replaced with the centralized system. The amount included in the Budget Bill has been substantiated through the development of preliminary plans and we recommend approval.

**C. Equipment Projects**

*We recommend that Item 485(10), equip Library III, Fresno, be reduced by \$119,000.*

The five projects in this category and our recommendations for each are contained in Table 3.

**TABLE 3**  
**California State University and Colleges**  
**Equipment Projects**

<i>Item</i>	<i>Project Title</i>	<i>Campus</i>	<i>Budget Bill Amount</i>	<i>Legislative Analyst Recommendation</i>	<i>Future Cost<sup>a</sup></i>
485(9)	Corporation Yard.....	Bakersfield	\$4,000	\$4,000	\$—
485(10)	Library III .....	Fresno	706,000	587,000	—
485(11)	Art building addition .....	Fullerton	239,000	239,000	—
485(12)	Faculty office building .....	San Luis Obispo	19,000	19,000	—
485(13)	Life science building.....	San Luis Obispo	486,000	486,000	—
<b>TOTAL.....</b>			<b>\$1,454,000</b>	<b>\$1,335,000</b>	<b>\$—</b>

<sup>a</sup> Trustees' five-year Capital Improvement Program (1979-80 through 1983-84).

The proposals included in this category will provide equipment for new facilities at the various campuses. Except for the Fresno Library III equipment proposal, each of the requests represents amounts necessary to purchase equipment to make the new facilities functional. The requested amounts are within state cost guidelines for the various functions housed in each facility.

**Fresno—Library III.** The equipment list submitted by the Chancellor's Office identifies a 1979-80 equipment need totaling \$587,000. Consequently, we recommend that the Budget Bill amount be reduced by \$119,000 to reflect the Chancellor's Office revisions.

#### **D. Projects for Ancillary Facilities and Energy Conservation**

This category includes three projects. A summary of these and our recommendation for each are shown in Table 4.

**TABLE 4**  
**California State University and Colleges**  
**Projects for Ancillary Facilities and Energy Conservation**

<i>Item</i>	<i>Project Title</i>	<i>Phase<sup>a</sup></i>	<i>Campus</i>	<i>Budget Bill Amount</i>	<i>Legislative Analyst Recommendation</i>	<i>Future Cost<sup>b</sup></i>
485(15)	Water and energy conservation systems.....	c	Pomona	\$519,000	\$519,000	\$—
485(18)	Relocate computer center to old administration building....	pw	San Francisco	14,000	—	\$163,000
485(19)	Auxiliary fuel storage .....	c	Stanislaus	138,900	138,900	—
<b>Total .....</b>				<b>\$671,900</b>	<b>\$657,900</b>	<b>\$163,000</b>

<sup>a</sup> Phase symbol indicates: p—planning; w—working drawings; c—construction.

<sup>b</sup> Trustees' five-year Capital Improvement Program (1979-80 through 1983-84).

#### **Pomona**

*We recommend approval of Item 485(15), construct water and energy conservation systems.*

This project will connect the university's irrigation water system to the City of Pomona reclaimed water system. This will allow the university to irrigate approximately 300 acres of agricultural and landscape area with reclaimed water (tertiary treated sewage water) rather than domestic (drinkable) water. Working drawing funds in the amount of \$36,000 were



**CALIFORNIA STATE UNIVERSITY AND COLLEGES—Continued**

provided for this project in the Budget Act of 1978. Preliminary plans have been completed and working drawings are being developed. The requested amount is reasonable and we recommend approval.

**San Francisco**

*We recommend that Item 485(18), preliminary plans and working drawings to relocate the computer center to the old administration building, be deleted, a reduction of \$14,000.*

This proposal would relocate the San Francisco campus computer center, hardware staff and user facilities from the basement of the library to the first and second floor levels of the old administration building. The work would entail installation of raised computer flooring, air conditioning, fire suppression systems, power for the computer equipment and miscellaneous building modifications to accommodate the staff. The library basement space now assigned to computer operations would be occupied by the audio-visual center.

The area in the old administration building is presently occupied by telephone equipment, accounting archives and various administrative offices. The campus has indicated that the telephone equipment will be relocated to telephone company facilities off campus and the other units will be relocated to the new administration building addition.

The new administration building addition was completed in 1976-77 at a cost of more than \$6 million. The project cost for this facility was nearly \$1 million in excess of the amount approved by the Legislature. The project initially approved by the Legislature, and later approved by the State Public Works Board when augmentation funds were granted, included 10,000 square feet for the campus computer center. Apparently, midway through construction, the computer center was deleted by the Chancellor's Office and the campus. To our knowledge this deletion was not approved by either the administration or the Legislature, and funds related to this expensive space were not returned to the state.

The need to expend an additional \$177,000 to relocate the computer center has not been adequately justified, and because of the prior funding, we do not believe that additional funds for this purpose should be provided. If the campus considers improvement of the computer center a high priority, the campus staff should reevaluate the proposed alterations to minimize the cost and fund any such improvements in priority within the minor capital outlay program for \$100,000 or less.

**Stanislaus**

*We recommend approval of Item 485(19), construct auxiliary storage.*

This request is for a 10,000 gallon oil storage tank to provide an auxiliary source of fuel in the event natural gas is curtailed. Campus boilers will also be converted so that oil or gas can be used as the source of fuel. Working drawing funds in the amount of \$11,000 were provided in the Budget Act of 1978. Preliminary plans have been completed and working drawings are in process. Construction should begin early in the budget year and we recommend approval.

**E. Instructional Capacity Projects**

This category contains two projects. The projects and our recommendations for each are summarized in Table 5.

**TABLE 5**  
**California State University and Colleges**  
**Instructional Capacity Projects**

<i>Item</i>	<i>Project Title</i>	<i>Phase<sup>a</sup></i>	<i>Campus</i>	<i>Budget Bill Amount</i>	<i>Legislative Analyst Recommendation</i>	<i>Future Cost<sup>b</sup></i>
485 (16)	Art and design center .....	w	Northridge	\$91,000	—	\$1,905,000
485 (17)	Laboratory school conversion .....	wc	Chico	899,000	Pending	226,000
TOTAL .....				\$990,000	Pending	\$2,131,000

<sup>a</sup> Phase symbol indicates: w—working drawings; c—construction.

<sup>b</sup> Trustees' five-year Capital Improvement Program (1979–80 through 1983–84).

**Northridge**

*We recommend deletion of Item 485 (16), working drawings for art and design center, a reduction of \$91,000.*

This proposal would provide working drawings for a 21,000 assignable square foot (asf) facility to provide laboratories for sculpture, textile and weaving, metals, ceramics and wood design. Working drawing funds for this project were deleted from the 1978–79 Budget Bill after the passage of Proposition 13, and because of the project's relatively low statewide priority and the demand on limited funds in the COFPHE. In our opinion, this project remains a low priority on a statewide basis.

The academic program to be housed in the proposed facilities are currently in inadequate space that should be modified. However, it should not be necessary to construct new facilities to accommodate these programs adequately. The campus should reevaluate its needs and propose a project to improve the program's space through alterations rather than construction of a new facility. The estimated construction cost for the proposed facility is more than \$67 per asf. Minimum alteration of existing space to adequately house these programs should not exceed \$35 per asf or a construction cost of not more than \$735,000 for a comparable amount of space. This would represent a savings of \$700,000 to \$800,000. We recognize that this would not be the ideal or most optimum solution. However, in view of limited amounts in the COFPHE and the statewide demand on these funds, the alterations solution could adequately accommodate the various programs and thereby allow the use of the savings for other statewide needs. Accordingly, we recommend deletion of the requested working drawing funds.

**Chico**

*We withhold recommendation on Item 485 (17), working drawings and construct laboratory school conversion, pending receipt of additional information.*

This request is for \$899,000 to convert approximately 21,300 asf of vacated space for laboratory and related facilities for psychology and education, behavioral studies clinic and graduate research space. This project reflects

**CALIFORNIA STATE UNIVERSITY AND COLLEGES—Continued**

a significant reduction in the campus proposal that had been included in the 1976–77 capital outlay program. At that time, the campus was proposing construction of a new education-psychology building at a construction cost of \$2.3 million. That cost adjusted for inflation would now be \$2.6 million. However, in response to legislative action, the campus reevaluated its programmatic needs and existing space, and has developed a program that will satisfy its academic needs within existing space. This reevaluation has resulted in significant cost reductions. In fact, the campus is currently reevaluating the preliminary plans developed for the alterations project in an attempt to further reduce the cost. The need to improve existing facilities to house the academic program is justified. The campus reevaluation of the alterations work should be available prior to budget hearings. Until that information is available for review we withhold recommendation of the budget amount.

**CALIFORNIA STATE UNIVERSITY AND COLLEGES**

Item 486 from the Capital Out-  
lay Fund for Public Higher  
Education

Budget p. 1006

Requested 1979–80 .....	\$4,000,000
Recommended approval .....	3,000,000
Recommended reduction .....	1,000,000

**SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS**

1. *Minor Capital Outlay. Reduce by \$1,000,000.* Recommend reduction to provide only high priority needs.

**ANALYSIS AND RECOMMENDATIONS****Minor Projects**

*We recommend that Item 486, be reduced to \$3,000,000 to provide only high priority minor capital outlay improvement needs, a reduction of \$1,000,000.*

This request represents a lump-sum appropriation to be allocated by the Chancellor's Office for minor construction and improvement at each of the 19 campuses. To be considered a minor capital improvement project the total project cost must be \$100,000 or less. Budget Bill language requires that the Chancellor's Office submit to the Department of Finance, for approval, a statewide priority listing of the projects proposed to be funded under this appropriation. Changes to the approved list may be authorized by the Chancellor's Office and any such changes are to be reported to the Department of Finance. The Budget Act of 1978 contained identical language. All project information and requested changes are provided to the Legislative Analyst.

The Chancellor's Office has submitted a priority list of projects

proposed for 1978-79. This list contains 384 projects totaling \$5 million. The list contains many low priority projects such as campus signs and locator maps, outdoor study tables, landscaping, general site development, additional air conditioning, various utility system modifications, etc. In addition, some of the proposals are (1) maintenance items, (2) work specifically deleted from major capital outlay projects, and (3) phasing of projects costing in excess of \$100,000. Based on our review of the information related to the 384 projects and deletion of the low priority projects it appears that \$3 million would be adequate for the CSUC minor capital outlay program. This amount will provide for high priority needs for life safety projects and changes related to instructional needs. Consequently, we recommend that this item be reduced by \$1 million.

### CALIFORNIA MARITIME ACADEMY

Item 487 from the Capital Out-  
lay Fund for Public Higher  
Education

Budget p. 1026

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Requested 1979-80 .....	\$128,180
Recommended approval .....	128,180

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#### ANALYSIS AND RECOMMENDATIONS

*We recommend approval.*

This item contains one project for installation of a fire alarm system and another to modernize the synchronized master clock at the California Maritime Academy. Installation of the fire alarm system will provide the level of fire security necessary to comply with code requirements. Modernizing the master clock will extend the system into the many new facilities recently completed at the academy. The budget information substantiates the work to be done and associated costs.

### CALIFORNIA MARITIME ACADEMY

Item 488 from the Capital Out-  
lay Fund for Public Higher  
Education

Budget p. 1026

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Requested 1979-80 .....	\$2,500
Recommended reduction .....	\$2,500

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#### ANALYSIS AND RECOMMENDATIONS

*We recommend Item 488, minor capital outlay be deleted, a reduction of \$2,500.*

This item is for one minor capital outlay project (\$100,000 or less per project) at the Maritime Academy. The Governor's Budget indicates that the funds will provide for the installation of an automatic pool chlorinating

**CALIFORNIA MARITIME ACADEMY—Continued**

system for the academy's natatorium. The natatorium has been in use at the academy for many years and there is no apparent need for an automatic chlorinator system. We have received no information to substantiate the need for the proposed system or the requested amount.

**CALIFORNIA COMMUNITY COLLEGES**

Item 489 from the Capital Out-  
lay Fund for Public Higher  
Education

Budget p. 1036

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Requested 1979-80 .....	\$2,314,300
Recommended approval .....	926,400
Recommended reduction .....	1,387,900

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**SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS**Analysis  
page

1. Alternatives to Maximize Use of Existing Educational Facilities. Recommend that the Postsecondary Education Commission evaluate (1) alternatives to improve interdistrict coordination of academic programs, (2) methods to maximize interdistrict sharing of physical facilities, and (3) utilization of existing high school facilities. The commission should submit its findings and recommendations to the Legislature by November 1, 1979. 1529
2. State Participation in Community College Capital Outlay Program. Recommend that the state continue participating in the community college capital outlay program on the historical district/state sharing basis. 1531
3. District Cost of Approved Projects. Recommend that district funds for projects included in the budget bill be limited to the district's proportionate share based on the state's approved participation. 1531
4. *Yuba Community College District, Yuba College. Reduce by \$199,100.* Recommend deletion of working drawings and construct campus drainage. 1533
5. *Rancho Santiago Community College District, Santa Ana College. Reduce by \$50,300.* Recommend deletion of working drawings and construct site development, Phase II. 1533
6. *Coast Community College District, Goldenwest College. Reduce by \$189,200.* Recommend deletion of working drawings and construct health science alterations and repairs. 1533
7. *San Jose Community College District, Evergreen Valley College. Reduce by \$275,600.* Recommend deletion of working drawings, construct and equip remodel Cluster Ro-  
ble. 1534

8. *Sweetwater Community College District, Southwestern College. Reduce by \$673,700. Recommend deletion of working drawings and construct life science building.* 1535

#### GENERAL PROGRAM STATEMENT

The California Community College Capital Outlay Program in the Budget Bill totals \$4,814,300. This amount is split between Items 489 and 490 and is derived from the Capital Outlay Fund for Public Higher Education (COFPHE). In addition the various district shares total approximately \$3.2 million. Thus, the total Community College Capital Outlay Program is about \$8.0 million.

Historically, the state has participated in approved community college capital outlay projects in accordance with 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.

Prior to the Budget Act of 1975, the entire state's share of the community college capital outlay program was funded from bonds. A proposed bond issue was defeated by the electorate in 1976. Subsequently, the state's share has been funded from remaining bond funds and the COFPHE.

In the past, each district's share of capital outlay projects generally has been raised through local tax overrides, local bonds, or in many cases through the local permissive tax. Enactment of Proposition 13 has virtually eliminated these local revenue sources.

The Governor's Budget includes only projects for districts that have certified that adequate district capital outlay funds are available to provide the district's share of the project cost.

#### ANALYSIS AND RECOMMENDATIONS

##### Current and Future Needs

*We recommend that the Postsecondary Education Commission evaluate (1) alternatives to improve interdistrict coordination of academic programs, (2) methods to maximize interdistrict sharing of physical facilities and (3) the utilization of underused high school facilities. The commission should submit its findings and recommendations to the Legislature by November 1, 1979.*

Because of Proposition 13 and other factors, future enrollments in the community college system are uncertain. The Department of Finance's Population Research Unit has indicated that, "The degree of uncertainty about the level of funding for community college districts is so great that an 'estimate' of future enrollment and contact hours would have no predictive value. This is particularly true for 1978-79 and 1979-80 fiscal years." With this caveat, the unit recently released enrollment projections assuming various funding and participation levels. By 1983-84, these projections show a low of 643,100 average daily attendance (ADA) and a high of 836,300 ADA. Compared to actual 1977-78 ADA, these projections reflect possible changes ranging from a 10.5 percent decline to a 16.4 percent increase. This range is for the state as a whole, and variations among individual districts may be substantial.

The Department of Finance enrollment projections proposed for the

**CALIFORNIA COMMUNITY COLLEGES—Continued**

1980-81 five-year construction program assume that past trends in age/sex participation rates and current demographic trends will continue for all credit classes. Only noncredit courses that are not state-supportable were excluded. We have used these data in our review of the proposed capital program, although the resulting projection is on the high end of the range developed by the department.

In some districts existing physical facilities do not adequately meet current enrollment needs. Moreover, even where existing capacity is sufficient to meet current or projected enrollment, over time there will always be some need to alter existing facilities to meet changing academic programs. The extent of these needs can only be determined after an evaluation of existing facilities and individual capital improvement project proposals. Even then, however the extent of need would be greatly dependent upon the capital outlay parameters employed. For example, if more consideration was given to interdistrict sharing of physical facilities and closer coordination of academic programs, the need for capital outlay improvements (and the resulting cost to state and local taxpayers) might be much lower than if each district's needs were considered in a vacuum.

Similarly, the need for new construction to meet facility needs is heavily dependent upon the range of options for providing additional space that is considered. An alternative that has received little attention to date is using excess high school facilities. Because of enrollment decline, high school districts throughout the state are faced with potential closure of some facilities. In some cases, these facilities could serve community college's needs, making new construction unnecessary.

We believe it is essential that the full array of alternatives for reducing capital outlay requirements in the community college program receive a thorough evaluation. Consequently, we recommend that the Postsecondary Education Commission evaluate (1) alternative methods to improve the coordination of academic programs, (2) methods to maximize interdistrict sharing of physical facilities, and (3) utilization of high school district facilities.

**Community College Budget Request**

On December 15, 1978 the Chancellor's office submitted a revised capital outlay program totaling nearly \$61 million. Of this amount, \$37.4 million was proposed for state funding. The revised program reflected the Board of Governors' policy that "projects proposed for funding in 1979-80 be supported at 100 percent state funds except for those districts where it is determined that funds are available from unrestricted reserves, restricted amounts which can be transferred to support the district's share of the project or projects." The Chancellor's Office indicated that the intent of this policy is that reserves in excess of 5 percent of the total budget were to be considered available in support of the district's share of the project. Ten of the 31 districts with projects in the chancellor's capital outlay program are unable to provide the district's share.

**State Participation**

*We recommend that no change be made in the historical district/state sharing basis under the Community College Capital Outlay Program at this time.*

Counties, cities, education districts, and other special districts will all face difficulties in financing capital outlay projects as the result of Proposition 13. Community college districts are not unique in this regard. Moreover, it is clear that existing state revenue sources will not be able to finance the maintenance and continued growth of all existing state and local programs and services.

For these reasons, we believe it would be premature to increase the state's share of capital outlay project costs only for community colleges at this time. Any increase in the state's share should be considered only in the context of a permanent solution to the fiscal problems brought about by Proposition 13. Until such a solution is worked out, there is no basis for assessing the extent of community colleges' needs for additional facilities or the priority of those needs relative to other state and local needs.

**District Participation**

*We recommend that district funds for projects included in the Budget Bill be limited to the district's proportionate share based on the state's approved participation.*

Item 479 contains \$2,314,300 from the COFPHE. Item 480 contains a lump-sum appropriation of \$2.5 million from the same source to initiate a statewide program to remove architectural barriers to the handicapped. The district's share of this proposed program is approximately \$3.2 million.

The projects under Item 479 include eight equipment proposals for previously approved construction projects and five new construction projects. In prior years, the districts have had the flexibility to finance a project in excess of state supportable size and/or cost. The excesses were financed through district funds. This may have been appropriate in the past. However, the situation has changed significantly under Proposition 13. The Governor's Budget proposes funding 70 percent of the community colleges budget from state funds. Considering this financial picture we do not believe the state should directly or indirectly fund capital improvement projects that exceed state standards. Consequently, we recommend including Budget Act language specifying that district funds cannot exceed the district's proportionate share based on the states' approved participation.

**Budget Bill Projects.**

Table 1 provides a summary of the projects proposed in Item 489 and our recommendations for each.



## CALIFORNIA COMMUNITY COLLEGES—Continued

**Table 1**  
**California Community Colleges**  
**Item 489 Capital Improvement Projects**

Item	District/Project	Phase <sup>a</sup>	1979-80 Budget		Legislative Analyst's Recommendation	
			District Share	State Share	District Share	State Share
	Coast Community College District					
489(11)	Golden West College Health Science facility alterations/repairs .....	wc	\$85,000	\$189,200	—	—
	Subtotal .....		\$85,000	\$189,200	—	—
	Grossmont Community College District					
489(1)	Power Plant Maintenance Facility, Phase II	e	\$5,100	\$9,600	\$5,100	\$9,600
489(2)	Cuyamaca College Vocational Technical and Arts Building, Phase II .....	e	117,600	219,900	117,600	218,900
	Subtotal .....		\$122,700	\$229,500	\$122,700	\$229,500
	Lassen Community College District					
489(7)	Lassen College Trades Building .....	e	\$34,500	\$153,600	\$34,500	\$153,600
	Subtotal .....		\$34,500	\$153,600	\$34,500	\$153,600
	Los Rios Community College District					
489(4)	Sacramento City College Administration of Justice and Fine Arts remodel .....	e	\$48,000	\$89,100	\$48,000	\$89,100
	Subtotal .....		\$48,000	\$89,100	\$48,000	\$89,100
	Peralta Community College District					
489(6)	College of Alameda:					
	Convert former library .....	e	\$29,800	\$51,000	\$29,800	\$51,000
	Subtotal .....		\$29,800	\$51,000	\$29,800	\$51,000
	Rancho Santiago Community College District					
489(10)	Santa Ana College:					
	Site Development, Phase II .....	wc	\$51,300	\$50,300	—	—
	Subtotal .....		\$51,300	\$50,300	—	—
	San Jose Community College District					
489(3)	San Jose City College:					
	Central Utility Plant .....	e	\$4,500	\$3,300	\$4,500	\$3,300
489(12)	Evergreen Valley College:					
	Remodel Cluster Roble .....	wce	383,800	275,600	—	—
	Subtotal .....		\$387,300	\$278,900	\$4,500	\$3,300
	Santa Monica Community College District					
489(8)	Santa Monica College:					
	Business Building .....	e	\$71,800	\$250,200	\$71,800	\$250,200
	Subtotal .....		\$71,800	\$250,200	\$71,800	\$250,200
	Sonoma County Junior College District					
489(5)	Santa Rosa Junior College:					
	Bussman Hall Remodeling and Expansion .....	e	\$106,000	\$149,700	\$106,000	\$149,700
	Subtotal .....		\$106,000	\$149,700	\$106,000	\$149,700

Sweetwater Community College District

489(13)	Southwestern College:					
	Life Science Building .....	wce	\$346,300	\$673,700	—	—
	Subtotal .....		\$346,300	\$673,700	—	—
	Yuba Community College District					
489(9)	Yuba College:					
	Campus drainage .....	wc	\$277,200	\$199,100	—	—
	Subtotal .....		\$277,200	\$199,100	—	—
	TOTAL .....		\$1,560,990	\$2,314,300	\$617,300	\$926,400

<sup>a</sup> Phase symbol indicates: w—working drawings; c—construction; e—equipment.

### Equipment Projects

*We recommend approval of Item 489(1) through 489(8).*

The community college capital outlay program in the budget bill includes equipment proposals for a total of eight previously approved projects in seven districts. The various capital outlay projects total \$1,543,700 of which \$926,400 is from the COFPHE and \$617,300 from district funds. The amounts included in the bill are within state guidelines for equipment required for the various building occupancies and we recommend approval.

### New Construction Projects

#### Yuba Community College District

*We recommend that Item 489(9), working drawings and construct campus drainage be deleted, a savings of \$199,100.*

This proposal would provide an improved storm drainage system for the entire central quadrangle area of the campus. Based on the district's information there appear to be localized drainage problems during heavy rains. These problems generally involve standing water on portions of the walkways and grass areas. We agree that this is undesirable, but in our judgment the proposed expenditure of district and state funds totaling \$476,300 is not justified when less costly solutions are available. The district should reevaluate the problem and propose more economical solutions to the problem.

#### Rancho Santiago Community College District

*We recommend that Item 489(10), working drawings and construct site development, Phase II, be deleted for a savings of \$50,300.*

The budget proposes funding for a portion of a project at Santa Ana College, that has been denied by the Legislature in past years. The original project involved the purchase of several blocks of single-family dwellings, construction of additional parking and modification of a campus entrance road. The district has gone ahead with purchase of the residential housing and is now requesting state participation in development costs. In our opinion the need for this project continues to be marginal. For this reason, and in view of prior legislative action, we believe the request for state participation at this time is inappropriate, and recommend denial of the request.

#### Coast Community College District

*We recommend that Item 489(11), working drawings and construct health science alterations and repairs be deleted for a savings of \$189,200.*

Funds are requested to rehabilitate structurally a small (4,800 gross

**CALIFORNIA COMMUNITY COLLEGES—Continued**

square feet) building on the Golden West College Campus. Ground settlement has caused the concrete floor to separate from the walls. Because of this the campus has judged the structure "generally inoperable and dangerous to occupy". The proposed modifications would virtually demolish the interior and reconstruct the building using more structurally sound elements.

The need to maintain this building is not apparent. The building, part of a complex, is basically a general lecture facility with three faculty offices. Based on early enrollment projections for 1979 (anticipated year of occupancy) this district has 110 percent of needed lecture space and 98 percent of office space needs. Recent enrollment information indicates that actual 1977 enrollment was within 1 percent of projections and 1981 enrollments have been revised downward by 3.6 percent. Thus, district enrollments are fairly stable with no anticipated increases. Consequently, the need to continue use of the subject facility is not obvious and the proposed expenditure of district and state funds totaling \$274,200 is not justified.

We also note that the anticipated construction cost is \$50.50 per gross square foot (gsf) or 78 percent of the \$64.70 per gsf cost for a new building. Reconstruction costs of this magnitude are unreasonable and if the building is to be altered the district should completely reevaluate the proposed work.

**San Jose Community College District**

*We recommend that Item 489(12), working drawings, construct and equip remodel Cluster Roble be deleted, a savings of \$275,600.*

The budget proposes to alter vacant space, in the Cluster Roble complex at Evergreen Valley College, to provide classrooms, laboratories and offices. The total estimated project cost, including district funds, is \$659,400. Based on current design/contract administration costs and state guidelines for equipment, this project should not exceed \$562,000. This translates into a reduction of \$21,000 in the design/contract administration amounts and \$76,400 in equipment costs. The state's share of this reduced figure would be \$234,900. However, the need to alter this space in the manner proposed is not clear.

Under early enrollment projections for 1981 (anticipated year of occupancy) the San Jose District has capacity without this project, for 97 percent of lecture needs, 99 percent of laboratory needs and 96 percent of office needs. Revised projections indicate a fairly stable enrollment with a 1 percent reduction for 1981. Thus, at best there is only a marginal need for the additional capacity in this project.

In addition, a portion of this request is based on the district's desire to discontinue leasing a local high school district's facilities. As we indicated above, sharing of existing educational facilities to maximize utilization and reduce total costs to the taxpayers should be emphasized, not discontinued as proposed in this project.

For these reasons, we do not believe the proposed alteration project is justified. Consequently, we recommend deletion of Item 489(12) a savings

of \$275,600.

**Sweetwater Community College District**

*We recommend that Item 489(13), working drawings and construct life science building be deleted for a savings of \$673,700.*

Funds are included in the budget for a project for construction of an 8,642 gsf building at Southwestern College. The building would be used mainly for science laboratories with some auto-tutorial space and faculty offices. The current estimated total project cost indicates a building construction cost of \$96.50 per gsf. Based on California State University and College Cost Guidelines, the building should not exceed \$75 per gsf. This would result in a total project cost of \$813,000 of which the state's share would be \$537,000.

The need for this facility, however, is unclear. Early enrollment projections indicated that without this project the district would be at 89 percent and 85 percent of the laboratory and office space needs respectively with library space at 101 percent of need. However, recent enrollment data indicate that actual enrollment for 1977 was 8.5 percent below that projected so that 1980 enrollments have been reduced by 12 percent. Based on the revised enrollment information existing campus space will provide 95 percent of the laboratory space need and 91 percent of the office needs. In view of the unstable but apparently declining enrollment in this district we believe it would be premature to fund this project.

**CALIFORNIA COMMUNITY COLLEGES**

Item 490 from the Capital Out-  
lay Fund for Public Higher  
Education

Budget p. 1036

Requested 1979-80 .....	\$2,500,000
Recommendation pending .....	2,500,000

**SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS**

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1. Bond Funds. Recommend that whatever projects under this item are approved for funding be financed with surplus bond funds rather than from the Capital Outlay Fund for Public Higher Education. 1536
2. Itemize Projects to be Funded. Recommend that all projects under this item be itemized and identified by district, campus and cost. 1536
3. Total Funding Required Uncertain. Withhold recommendation pending receipt of information identifying specific projects and cost related to state supportable facilities. 1536

**CALIFORNIA COMMUNITY COLLEGES—Continued****ANALYSIS AND RECOMMENDATIONS**

This item contains a \$2.5 million lump-sum appropriation from the Capital Outlay Fund for Public Higher Education (COFPHE) to the Board of Governors of the California Community Colleges. Subject to approval of the State Public Works Board, these funds may be allocated by the Board of Governors on a statewide basis for the removal of architectural barriers to the handicapped at state funded facilities.

The Budget Act of 1978 contained \$138,200 from the State Construction Program Fund (bonds) to provide planning and working drawings for statewide projects to remove architectural barriers to the handicapped. The Budget Act included language indicating that the funds were in anticipation of federal funds being available for the construction phase. Federal funds for this purpose have not been received.

**Bond Funds Available for this Program**

*We recommend that whatever projects in Item 490 are approved for funding be financed with bond funds rather than from the Capital Outlay Fund for Public Higher Education.*

The Governor's Budget (page 1243) indicates that \$2,941,780 is available and could be appropriated for these projects from (1) the Junior College Construction Program Bond Fund, Bond Act of 1968 (\$639,989) and (2) the Community College Construction Program Fund, Bond Act of 1972 (\$2,301,882). These bond funds are for the exclusive use of the community college system. We believe these surplus amounts, rather than COFPHE funds, should be used to fund the high priority needs of making existing community college facilities (many constructed with bond funds) accessible to the handicapped. As summarized on page 1414, the COFPHE has a limited amount of funds to provide for the capital improvement needs of higher education. Because of this limited availability coupled with the high priority of the handicap accessibility projects we believe it would be prudent to use the community college bonds for these projects. Thus, we recommend funding whatever projects in Item 490 are approved from bonds, thereby allowing the limited amount of COFPHE funds to be used for other needs in the state higher education system.

**Statewide Program**

*We recommend that the specific projects to be funded under Item 490 be itemized.*

*Further, we withhold recommendation on the requested amount until additional information is provided identifying specific projects and costs associated with improving state facilities.*

The budget provides a lump-sum appropriation of \$2.5 million and does not identify the districts, campuses, specific projects, or associated costs for which these funds will be used. The Department of Finance staff indicate that the projects listed in Table 1 will be funded under Item 490. However, Table 1 indicates that the total state share would be greater than \$2.5 million. Based on information provided by the chancellor's office, some of the difference may be related to nonstate facilities included in the project

proposals. The Department of Finance has requested the chancellor's office to provide additional information detailing the specific cost for the state facility portion of the projects. In order to provide appropriate legislative review of the proposed expenditures and to assure that a legislatively approved program will be allocated through the State Public Works Board, we believe it is essential that the projects be itemized. However, until we receive additional information concerning cost related to state facilities, we have no basis for analyzing the appropriate level of funding under this item.

**Table 1**  
**California Community Colleges Item 490**  
**Projects to Remove Architectural**  
**Barriers to the Handicapped**

<i>District/Project</i>	<i>Phase<sup>a</sup></i>	<i>1979-80 Budget</i>	
		<i>District Share</i>	<i>State Share</i>
Coast Community College District			
Physically handicapped modifications <sup>d</sup> .....	c	\$92,400	\$203,800
Orange Coast College			
Physically handicapped modifications.....	c	16,700	36,700
Subtotal .....		\$109,100	\$240,500
Los Rios Community College District			
Elevators for physically handicapped .....	c	56,100	104,100
Subtotal .....		\$56,100	\$104,100
Mt. San Antonio Community College District			
Mt. San Antonio College:			
Elevator for library .....	c	28,900	33,500
Subtotal .....		\$28,900	\$33,500
Pasadena Area Community College District			
Pasadena City College:			
Remove architectural barriers .....	wc	175,300	338,800
Subtotal .....		\$175,300	\$338,800
Riverside Community College District			
Riverside City College:			
Elevator to Art & Ceramic building.....	c	101,600	230,400
Site and Building Alterations for the handicapped .....	c	77,000	174,700
Subtotal .....		\$178,600	\$405,100
San Diego Community College District			
San Diego City College:			
Handicapped access remediation .....	c	125,100	184,100
San Diego Mesa College:			
Handicapped access remediation .....	c	174,400	256,700
Subtotal .....		\$299,500	\$440,800
San Jose Community College District			
Evergreen Valley College:			
Remove architectural barriers .....	c	66,400	47,700
Subtotal .....		\$66,400	\$47,700
Santa Barbara Community College District			
Santa Barbara City College:			
Handicapped transition plan .....	c	391,400	547,300
Subtotal .....		\$391,400	\$547,300

**CALIFORNIA COMMUNITY COLLEGES—Continued**

Santa Monica Community College District			
Remove handicapped barriers .....	c	64,200	223,700
Subtotal .....		\$64,200	\$223,700
Sierra Joint Community College District			
Sierra College:			
Handicapped Access .....	c	253,000	220,300
Subtotal .....		253,000	220,300
Total .....		\$1,622,500	\$2,601,800

<sup>a</sup> Phase symbol indicates: w—working drawings; c—construction.

**AGRICULTURAL LABOR RELATIONS BOARD**

Item 491 from the General  
Fund

Budget p. 1067

Requested 1979–80 .....	\$10,000
Recommended reduction .....	10,000

**SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS**

1. *Minor Capital Outlay. Reduce by \$10,000.* Recommend deletion of unspecified project.

**ANALYSIS AND RECOMMENDATIONS**

*We recommend deletion of Item 491, a reduction of \$10,000.*

The budget includes \$10,000 for minor capital outlay projects (\$100,000 or less per project) for the Agricultural Labor Relations Board. The funds are proposed for minor building alterations in Sacramento (Office Building No. 1) and in the state building in San Diego. Apparently a portion of the funds may also be used for improvements to any of the other field offices in the state.

The board has not provided adequate information to justify the requested funds. Minor alterations are discretionary, and any proposed alteration should be justified based on need. We have no basis on which to evaluate the need for the proposed funds, and accordingly we recommend that they be deleted from the budget.

**DEPARTMENT OF FOOD AND AGRICULTURE**

Item 492 from the General  
Fund

Budget p. 1109

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Requested 1979-80 .....	\$1,763,500
Recommended approval .....	173,300
Recommended reduction .....	1,590,200

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**SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS**

*Analysis  
page*

1. *Veterinary Laboratory, San Bernardino. Reduced by \$1,582,500. Recommend deletion of construction funds.* 1539
2. *Minor Capital Outlay. Reduce by \$7,700. Recommend reduction of construction estimate.* 1539

**ANALYSIS AND RECOMMENDATIONS****Relocation of San Gabriel Laboratory**

*We recommend Item 492(a) be deleted, a reduction of \$1,582,500.*

The budget proposes \$1,582,500 for construction of a new veterinary and animal diagnostic laboratory. The laboratory provides testing facilities and services for the diagnosis of disease in poultry and livestock. The new facility, to be constructed on the grounds of the National Orange Show in San Bernardino, would replace the department's San Gabriel diagnostic laboratory. The existing facility is inadequate, and the animal and dairy industries served by this facility have gradually migrated from Los Angeles to San Bernardino and Riverside Counties. Preliminary plans and working drawing funds in the amount of \$97,800 were provided in the Budget Act of 1978.

We agree with the need for this work, however, the construction estimate is based on inadequate information. Preliminary plans are not complete. Working drawings have not been started, and will not be ready by budget hearings. Consequently, construction funds probably will not be required in the budget year. In view of the project status and the lack of detailed information to support the requested amount, we recommend deletion of Item 492(a), for a savings of \$1,582,500.

**Minor Capital Outlay**

*We recommend that Item 492(b), be reduced \$7,700 by reducing the construction estimate for two projects.*

The budget proposes \$181,000 for three minor capital outlay projects (\$100,000 or less per project) for the Department of Food and Agriculture. One project would provide \$30,000 for construction of safety barriers at six Border Agriculture Inspection stations. Traffic passes on both sides of the truck office at these stations, and the barriers would protect the occupants. The other two projects would enlarge the driveways and inspection building at the Redwood Highway station for \$66,100, and the South River Station for \$84,900. The modified facilities would accommodate more recreational type vehicles. Currently, the one high driveway is inadequate to



DEPARTMENT OF FOOD AND AGRICULTURE—Continued

process the volume of recreational vehicles entering the station.

We agree with the need for this work. However, the proposed cost estimate for architectural and engineering fees and contract administration is too high. The budget proposes a total of \$25,600 for this work, or 20 percent of the estimated contract cost. Typically, these services for a remodeling type project should not exceed 15 percent of the estimated contract costs. Therefore, we recommend the budget for these projects be reduced \$7,700 (\$3,330 for Redwood Highway and \$4,370 for South River) to reflect the appropriate level of funding for these services.

MILITARY DEPARTMENT

Item 493 from the General  
Fund

Budget p. 1157

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Requested 1979-80 .....	\$167,300
Recommended approval .....	167,300

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ANALYSIS AND RECOMMENDATIONS

The budget proposes an expenditure of \$167,300 from the General Fund for capital outlay purposes for the Military Department. The proposal consists of (1) \$77,300 for Architectural and Engineering (A/E) services and, (2) \$90,000 for minor capital outlay.

Architectural and Engineering Services

*We recommend approval.*

The budget proposes \$77,300 for A/E services for federally funded construction projects. The Military Department receives federal funds for projects relating to maintenance shops, communication facilities, gun ranges, and other federally funded activities. However, the federal funds do not finance the A/E services related to the projects. State funds are requested in the amount of \$77,300 to fund these services, and we recommend approval.

Minor Capital Outlay

*We recommend approval.*

The budget proposes \$90,000 for minor capital outlay for the Military Department. The requested projects include various site improvements (curbs, gutters, sidewalks, and paving) at five locations. We concur in the need for this work and we recommend approval.

**UNALLOCATED CAPITAL OUTLAY**

Item 494 from the General  
Fund

Budget p. 1241

Requested 1979-80 .....	\$320,000
Recommended approval .....	300,000
Recommended reduction .....	\$20,000

**SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS**

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1. *Previously Incurred Obligations. Reduce by \$20,000.* 1541  
Recommend deletion of funds for project planning obligations incurred by the Office of State Architect for periods prior to the 1979-80 fiscal year.
2. *Term of Fund Availability. Recommend that the unallocated funds be available for one year rather than three years.* 1541
3. *Improve Capital Outlay Budget Procedures. Recommend that the Department of Finance implement State Administrative Manual procedures for capital outlay budgeting.* 1542

**ANALYSIS AND RECOMMENDATIONS**

*We recommend deletion of funds for project planning obligations incurred by the Office of the State Architect for periods prior to the 1979-80 fiscal year.*

The Budget Bill historically has included an item that funds preliminary plans for projects proposed to be funded from the General Fund in the ensuing fiscal year. The amount included in this item for the budget year would cover (1) the historical usage (\$300,000) and (2) project planning obligations incurred by the Office of the State Architect for periods prior to the 1979-80 fiscal year (not to exceed \$20,000).

The requested amount for future project planning is appropriate. Assuming 1.5 percent of project costs for preliminary plans, the proposed amount would provide for approximately \$22 million in construction. A program of this magnitude appears reasonable.

The funds requested for obligations incurred by the Office of the State Architect have not been justified. The Department of Finance has not provided information indicating why these funds are needed. The department controls the allocation of funds under this category, and obligations cannot be incurred without the department's approval. According to department records, there is a cash balance of \$3,766 and \$169,795 in the unallocated amounts provided in the Budget Act of 1976 and 1978, respectively. There are no funds remaining in the 1977 Budget Act appropriation. Without adequate information to substantiate the request, we recommend the \$20,000 be deleted.

**Terms of Fund Availability**

*We recommend that the funds under this item be available for one year rather than three years.*

All planning funds except those provided under this item are available

**UNALLOCATED CAPITAL OUTLAY—Continued**

for one year. Project planning should not take more than one year and the very nature of this item argues against the need for fund availability beyond one year. The intent of the funds in this item is to finance the preparation of sound plans and cost estimates for projects to be included in the budget for the ensuing fiscal year. Thus, we recommend that the funds provided in this item be available for one year consistent with the availability of other Budget Act planning funds.

**Improvement Capital Outlay Procedures**

*We recommend that the Department of Finance follow State Administrative Manual procedures for capital outlay budgeting.*

During legislative hearings on the 1978 Budget Bill, the Department of Finance concurred in the need to follow State Administrative Manual (SAM) procedures for capital outlay budgeting. To emphasize the importance of doing so, the Legislature included language in the supplemental report directing the department to follow the procedures.

There is no indication that the department complied with this directive. Consequently, information on many proposed projects is either unavailable or inadequate to justify the request. The quality of information has declined during the past several years and the majority of the capital improvement budget requests submitted recently have not been adequately prepared. Such inadequate budget preparation would not result if existing State Administrative Manual (SAM) procedures were followed.

The capital outlay budgeting procedures outline in the SAM may be summarized as follows:

1. Each department is to submit (a) a written program for each project to be included in the capital budget request for the forthcoming fiscal year and (b) a projected capital outlay need for the four years after the budget year. The four-year plan must include a description of each project, location information, projected maintenance costs, and current estimated costs. The building plan covering the five-year period must reach the Department of Finance by April 1.

As in recent years, this procedure was not followed this year and the departments' four year projections for capital outlay needs have been eliminated from the Governor's Budget. To permit the Legislature to adequately assess each department's capital outlay needs, this procedure should be followed.

2. Before any capital outlay project can be included in the Governor's legislative program, there must be an agreement on the salient aspects of the project. Copies of the written project program are to be distributed to the Department of Finance, the Legislative Analyst, the department submitting the project, the agency (if applicable), and the Office of State Architect (if that office would normally be assigned to do the construction). If necessary, the Department of Finance is to call a conference of these parties to determine the need and scope of the project in detail, to resolve outstanding issues, and to set the project priority if it has not been set by the agency. Depending on the results of the scope conference, the Department of

Finance may allocate preliminary planning funds to the State Architect and authorize the preparation of schematic plans and budget estimates.

This information, which is essential to the rationale development of the state's capital outlay program, has not been provided, and generally scope conferences have not been scheduled. In fact, in most cases no information on the projects is received until December. As a result, the scope and associated costs of many projects are unresolved, and the projects do not proceed in a timely manner.

This portion of the procedure deteriorated further this year, and the traditional scope conference, for higher education (except the University of California) were not held.

3. The SAM requires that if a project is relatively small, the initial proposal made to the Legislature may include funds for working drawings, construction and equipment. Normally, for large projects, the first proposal made to the Legislature is for funds for the preparation of working drawings. Following the preparation of project cost estimates, a decision is made regarding the specific projects to be proposed for construction funding in the Governor's Budget. This portion of the SAM procedures has been disregarded. Planning, working drawing and construction funds have been requested for several large projects, and requests for construction funding have been included for projects even though preliminary plans and working drawings have not been completed and cost estimates have not been determined.

Unless the procedure outline in the SAM is followed, the scope and costs of capital outlay projects will be uncertain when presented to the Legislature, resulting in project delays. Over time, these delays greatly increase the cost of capital projects. Moreover, if the project is approved under these circumstances, the Legislature has no further opportunity to review and evaluate the capital improvement proposal. Once the project is included in the Budget Act, the only further review is at the State Public Works Board. Although there are legislative advisors to the board, the voting members represent the administration.

## UNALLOCATED CAPITAL OUTLAY

Item 495 from the General  
Fund

Budget p. 1241

Requested 1979-80 .....	\$450,000
Recommended reduction .....	99,125
Recommendation pending .....	350,875

## SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

Analysis  
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1. Status of federal Public Works Employment Act of 1977. 1544  
Recommend that prior to budget hearings the Department of Finance submit a status report on all state projects funded under the federal program.
2. State cost associated with the federal program. Withhold 1546  
recommendation of \$350,875 pending clarifications of federal disallowances of state costs.
3. *Unidentified Costs. Reduce by \$99,125.* Recommend dele- 1546  
tion of amount requested for unidentified costs.

## ANALYSIS AND RECOMMENDATIONS

This item provides \$450,000 for inspection charges involving projects funded under Title I of the Public Works Employment Act. Apparently, federal reimbursement for these costs have been disallowed. The funds would be allocated by the Department of Finance.

## Federal Public Works Employment Act of 1977 (Title I, Round II)

*We recommend that prior to budget hearings, the Department of Finance provide the Legislature a status report on all state projects funded under the Federal Public Works Employment Act I, Title I program.*

In an effort to stimulate economic recovery, and to provide federal assistance to state and local government, the federal government established the Public Works Employment Act of 1976 (PWEA). The act appropriated \$3.25 billion under two titles: Title I Local Public Works for Capital Outlay Projects and Title II Anti-Recession Provisions to Maintain Basic Governmental Services. Subsequent to the passage of that act, the Public Works Employment Act of 1977 was approved. This Act provided for a second round of federal public works assistance.

Between September 14, 1977 and October 17, 1977 the Director of Finance, pursuant to Control Section 28, Budget Act of 1977, submitted 84 Section 28 letters for 97 projects to be funded under the provisions of the PWEA, Round II. A summary of the programs submitted for federal approval and the approved program is provided in Table 1.

**Table 1**  
**Public Works Employment Act**  
**State Projects Title I, Round II**  
**Project Status**

	<i>Number of Projects Submitted</i>	<i>Dollar Amount as Submitted</i>	<i>Projects Approved</i>	
			<i>Number</i>	<i>Amount</i>
Parks and Recreation.....	8	\$4,671,941	8	\$4,370,648
Forestry.....	1	50,000	0	—
Water Resources.....	2	200,000	2	200,000
Office of Appropriate Technology.....	1	425,000	1	425,000
Corrections.....	10	2,039,379	10	2,255,250
Transportation.....	2	3,360,000	2	3,360,000
Health.....	11	3,035,087	11	3,191,266
General Services.....	3	5,128,877	3	5,124,652
Food and Agriculture.....	1	120,000	1	120,000
Youth Authority.....	15	5,712,300	16	5,738,300
Fish and Game.....	3	2,640,400	3	2,640,400
State Lands Commission.....	1	1,210,969	1	1,210,969
University of California.....	10	5,301,009	10	5,301,009
Hastings College of Law.....	1	4,250,000	1	4,250,000
California Maritime Academy.....	1	467,400	1	467,400
California Community Colleges:				
Feather River College.....	1	509,000	1	509,000
California State University and Colleges.....	14	4,106,650	14	4,120,618
Employment Development Department				
Office of Migrant Services.....	1	2,716,595	1	2,716,595
Counties <sup>a</sup> .....	11	10,003,891	11	10,003,891
Total.....	97	\$56,346,998	97	\$56,004,998

<sup>a</sup> Section 28 letters were not required or submitted. Therefore, there was no legislative review of these projects.

The federal government placed several major restrictions on the projects submitted under PWEA, Title I, Round II:

1. In general only those projects submitted prior to December 24, 1976 (under PWEA, Title I, Round I) were eligible for submittal under the Round II program. In some cases (for example, drought related projects) this restriction was not applied.

2. Projects were to be ready for construction in 90 days.

3. Preference was given to projects that comply with energy conservation needs.

4. At least 10 percent of each project allocation was earmarked for minority contractors and/or suppliers.

5. The work was to be accomplished under contract rather than utilizing state civil service personnel. Because of these restrictions, particularly the first two, the specific projects which could be submitted for funding were limited.

Projects proposed for funding under PWEA Round I and II were reviewed at the state level by the Employment Development Department (EDD) and the Department of Finance. EDD reviewed each request to make sure it conformed to PWEA regulations. Projects approved by EDD were then submitted to the Department of Finance, which developed the final list of projects for submittal to the U.S. Department of Commerce.

**UNALLOCATED CAPITAL OUTLAY—Continued**

The Legislature did not get to see the projects submitted by the individual departments for state approval, and was not advised of the Department of Finance's selections until after the final list of projects was submitted to Commerce. Consequently, in neither Round I nor Round II was the Legislature provided adequate or timely information on alternatives or proposed projects. As a result, it was not able to conduct a meaningful review of the projects, or to influence how these federal funds would be used. *In all cases, the Department of Finance advised the Legislature, through the Section 28 process, that no additional General Fund money would be required to complete approved projects.*

Given the limited legislative review of Title I projects to date and the amount of federal funds involved in California's share of the program, we believe the Legislature should be given a detailed summary of the current status of the approved programs. Consequently, we recommend that the Department of Finance submit a report to the Legislature showing the final costs of all projects, identifying those portions of projects that were not accomplished because of limited funds, and itemizing any state funds requested to complete these projects in the budget year or thereafter.

**Inspection Costs and Federally Funded Projects**

*We withhold recommendation on \$350,875 pending Department of Finance clarification of state costs associated with the federal program.*

The Department of Finance has provided a summary of construction inspection costs incurred by the Office of State Architect for various projects under the PWEA Round II program, totaling \$350,875. According to the Office of State Architect, appropriation of this amount will provide for their costs through completion of the projects. This is contrary to the assurances given to the Legislature by the Department of Finance that no General Fund money would be required for those projects funded under the federal program. Moreover, the office's request may indicate a failure to comply with federal regulations requiring all project work to be accomplished under contract rather than through the use of state civil service personnel.

Prior to approval of any amount under this item the Department of Finance should clarify the specific state costs involved and indicate the reasons why these costs were not reimbursed by the federal government.

**Funds for Unidentified Costs**

*We recommend deletion of funds for unidentified costs, a savings of \$99,125.*

This item contains \$450,000 for state costs incurred under the federal PWEA, Title I, Round II program. As indicated above, the Office of State Architect has identified \$350,875 as the amount needed to complete projects currently under construction. The need to expend an additional \$99,125 has not been substantiated. Consequently, we recommend deletion of this amount.

**DEPARTMENT OF PARKS AND RECREATION**

Items 496 and 497 from the  
State Beach, Park, Recreation-  
al and Historical Facilities  
Bond Fund of 1964

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Requested 1979-80 .....	Reappropriations and Reversions
Recommendation pending .....	Reappropriations and Reversions

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**ANALYSIS AND RECOMMENDATIONS**

*We recommend approval be withheld. Additional information is needed for evaluation of the requested reappropriations and reversions for capital outlay projects.*

Item 496 contains reappropriations of unexpended balances totaling \$2,262,236 for six capital outlay acquisition and development projects for the Department of Parks and Recreation from the 1964 Park Bond Act. The reappropriations are shown on pages 138 and 139 of the Budget Bill.

Item 497 contains requests for reversions of unexpended balances totaling \$2,934,977 for three capital outlay acquisition projects for the Department of Parks and Recreation. The reversions are shown on page 139 of the Budget Bill.

**DEPARTMENT OF PARKS AND RECREATION**

Item 498 from the Recreation  
and Fish and Wildlife En-  
hancement Bond Fund of  
1970

Budget p. 551

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Requested 1979-80 .....	\$36,372
Recommended approval .....	36,372

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**ANALYSIS AND RECOMMENDATIONS**

*(b) Design and Construction planning ..... \$36,372*

*We recommend approval.*

This request is a reimbursement to the department's support Item 230 for planning and administration of capital outlay acquisition projects funded from the 1970 Recreation and Fish and Wildlife Enhancement Fund.



**DEPARTMENT OF PARKS AND RECREATION**

Item 499 from the Recreation  
and Fish and Wildlife En-  
hancement Fund

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Requested 1979-80 .....	Reappropriations
Recommendation pending .....	Reappropriations

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**ANALYSIS AND RECOMMENDATIONS**

*We recommend approval be withheld. Additional information is needed for evaluation of the requested reappropriations for capital outlay projects.*

Item 499 contains requests for reappropriations of unexpended balances totaling \$5,840,098 for 7 capital outlay development projects for the Department of Parks and Recreation. The reappropriations are shown on pages 140 and 141 of the Budget Bill.

**DEPARTMENT OF PARKS AND RECREATION**

Item 500 from the State Beach,  
Park, Recreational and His-  
torical Facilities Bond Fund of  
1974

Budget p. 551

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Requested 1979-80 .....	\$1,714,670
Recommended approval .....	1,714,670

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**ANALYSIS AND RECOMMENDATIONS**

(a) *Design and construction planning* ..... \$1,714,670

*We recommend approval.*

This request is a reimbursement to the department's general support Item 230 for preliminary planning of capital outlay acquisition and development projects funded from the 1974 Park Bond Fund.

**DEPARTMENT OF PARKS AND RECREATION**

Items 501-502 from the State  
Beach, Park, Recreational and  
Historical Facilities Bond  
Fund of 1974

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Requested 1979-80 .....	Reappropriations and Reversions
Recommendation pending .....	Reappropriations and Reversions

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**ANALYSIS AND RECOMMENDATIONS**

*We recommend approval be withheld. Additional information is needed for evaluation of the requested reappropriations and reversions for capital outlay projects.*

Item 501 contains requests for reappropriations of unexpended balances totaling \$29,738,635 for 48 capital outlay acquisition and development projects for the Department of Parks and Recreation. The reappropriations are shown on pages 142 to 147 of the Budget Bill.

Item 502 contains requests for reversions of unexpended balances totaling \$4,096,394 for 33 capital outlay acquisition and development projects for the Department of Parks and Recreation. The reversions are shown in pages 147 to 150 of the Budget Bill.

**DEPARTMENT OF PARKS AND RECREATION**

Item 503 from the State Beach,  
Park, Recreational and His-  
torical Facilities Bond Fund of  
1974

Budget p. 522

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Requested 1979-80 .....	\$149,198
Recommended approval .....	149,198

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**ANALYSIS AND RECOMMENDATIONS**

*We recommend approval*

This item provides \$149,198 for administration of local grants projects financed from the 1974 Park Bond Fund. This item is a reimbursement to the department's general support budget Item 230.

DEPARTMENT OF PARKS AND RECREATION

Item 504 from the State Beach,  
Park, Recreational and His-  
torical Facilities Bond Fund of  
1974

Budget p. 522

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Requested 1979-80 .....	\$1,533,741
Recommended approval .....	1,533,741

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ANALYSIS AND RECOMMENDATIONS

*We recommend approval.*

The 1974 State Beach, Park, Recreational, and Historical Facilities Bond Act authorized a \$90 million grant program to local governments. The purpose of this program was to provide funding allocated on a per capita basis for local parks as determined by local agency priorities. Local governments utilize some of the grant funds in combination with federal matching funds.

This item appropriates \$1,533,741 for 48 projects as enumerated on pages 151 to 154 of the Budget Bill as introduced. The grants are locally approved as prescribed in the bond act and represent decisions made by local government.

WILDLIFE CONSERVATION BOARD

Item 505 from the State Beach,  
Park, Recreational and His-  
torical Facilities Bond Fund of  
1974

Budget p. 494

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Requested 1979-80 .....	Reappropriation
Recommended approval .....	Reappropriation

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ANALYSIS AND RECOMMENDATIONS

*We recommend approval.*

The State Beach, Park, Recreational and Historical Facilities Bond Act of 1974 provided \$10 million for the acquisition and development of wildlife areas.

This request is to reappropriate the undisbursed balance of five previously approved items for construction of wildlife areas plus one item for project planning. The acquisition items consist of \$5,500,000 contained in the Budget Act of 1975, \$2,885,000 added to the Budget Act of 1975 (Item 387.6L) by Chapter 462, Statutes of 1976 and \$1 million in the Budget Act of 1976. The remaining item for project planning consists of \$40,000 in the Budget Act of 1978.

The board has indicated that these projects have proceeded on schedule and are eligible for federal grants under the Land and Water Conservation Program. Under this program, federal grants of up to 50 percent of the

state funds are available to supplement the state's program. Thus, reappropriation has been requested to remain eligible for the federal funds. We recommend approval of the requested reappropriation.

## DEPARTMENT OF PARKS AND RECREATION

Item 506 from the State Beach,  
Park, Recreational and His-  
torical Facilities Bond Fund of  
1974

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Requested 1979-80 .....	Reversions
Recommended approval .....	Reversions

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### ANALYSIS AND RECOMMENDATIONS

*We recommend approval.*

This item is for reversion of 22 local grant projects. These reversions represent local government decisions.

## DEPARTMENT OF BOATING AND WATERWAYS

Item 507 from the State, Urban,  
and Coastal Park Bond Fund  
of 1976

Budget p. 504

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Requested 1979-80 .....	\$1,847,000
Recommended reduction .....	1,400,000
Net recommended approval .....	\$447,000

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### ANALYSIS AND RECOMMENDATIONS

(a) *Lake Del Valle, Alameda County—development* ..... \$200,000

*We recommend approval.*

Lake Del Valle Regional Park is a 3,445 acre park located in Alameda County. The park area is owned by the Department of Water Resources. It is a reservoir of the State Water Project which is operated by the East Bay Regional Park District.

The proposed project will provide for (1) expansion of an existing boat launching ramp, (2) installation of two boarding floats, (3) construction of a parking area for 193 cars and boat trailers and, (4) landscaping, irrigation and utilities.

(b) *San Luis Reservoir State Recreation Area, Merced County—development*..... \$1,400,000

*We recommend deletion of \$1,400,000.*

San Luis Reservoir State Recreation Area is part of the State Water Project and is located near the town of Los Banos in Merced County.

The proposed project at Dinosaur Point provides for construction of a four-lane launching ramp and parking area. These facilities would be

**DEPARTMENT OF BOATING AND WATERWAYS—Continued**

constructed at three elevations to permit continuous operation even though the reservoir is full or at minimum elevation.

We recommend deletion of the project because the environmental impact report has not been completed as required by the California Environmental Quality Act (CEQA).

(c) *Preliminary planning* ..... \$30,000

*We recommend approval.*

This request provides the Department of Boating and Waterways with funds for planning of new boating facilities at reservoirs of the State Water Project.

(d) *Minor capital outlay* ..... \$153,000

*We recommend approval.*

This request provides for minor capital outlay projects at (1) San Luis Reservoir State Recreation Area (Basalt Area and O'Neill Forebay) and (2) Silverwood Lake State Recreation Area.

**DEPARTMENT OF PARKS AND RECREATION**

Item 508 from the State, Urban,  
and Coastal Park Bond Fund  
of 1976

Budget p. 540

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Requested 1979-80 .....	\$14,531,621
Recommended reduction .....	11,360,000
Net recommended approval .....	\$3,171,621

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**ANALYSIS AND RECOMMENDATIONS**

(a) *Garrapata Beach—acquisition* ..... \$1,300,000

*We recommend deletion of \$1,300,000 for this project.*

Garrapata Beach is on the coast of Monterey County about 10 miles south of Monterey. This is an area of rugged shoreline and coastal mountains. The California sea otter refuge lies immediately offshore of this coastline.

The proposed acquisition project consists of eight unimproved parcels (243-241-11, 243-241-10, 243-241-09, 243-241-08, 243-241-06, 243-241-07, 243-271-01 and 243-271-02), totaling 34 acres within the "Sea Otter" subdivision. This would be the second acquisition at this location. Chapter 1109, Statutes of 1977 appropriated \$5,360,000 for acquisition of 3,137 acres.

The property proposed to be acquired is a desirable acquisition and addition to the existing Garrapata Beach project. However, due to department's large backlog (\$196 million) of uncompleted acquisition projects and the need to limit appropriations for new acquisitions until the department has substantially reduced this backlog, we recommend deletion of \$1,300,000 for this new project.

(b) *Haskell's Beach—acquisition* ..... \$1,800,000

*We recommend approval.*

Haskell's Beach is on the coast of Santa Barbara County about 12 miles west of downtown Santa Barbara. This is an area of steep coastal bluffs, large sloping meadows, marshy areas, a small lagoon, and flat sandy beaches.

Chapter 1109, Statutes of 1977, Section 3(d) appropriated \$500,000 for acquisition of two parcels (assessor's parcels 079-200-06 and 079-200-07) totaling approximately 60 acres at this location. Due to escalating prices of coastal properties in this area, the department had to reduce the scope of the project and acquire only one parcel (079-200-06) consisting of 23 acres, in order to stay within the appropriation. This request for \$1.8 million would provide for acquisition of the remaining parcel (079-200-07) and for acquisition of a third parcel (079-210-59) consisting of 8 acres.

Although the department has a large backlog of uncompleted acquisition projects, we recommend approval of this request because it would (1) allow for completion of the project as originally planned and (2) serve to avoid the splitting apart of two parcels which are under a single ownership.

*(c) Leo Carrillo State Beach (Yerba Buena)—acquisition.. \$4,200,000*  
*We recommend deletion of \$4,200,000 for this project.*

Leo Carrillo State Beach is on the coast of Los Angeles County about 19 miles north of Malibu. The Yerba Buena Beach is an up coast extension of this unit.

The proposed project would add seven parcels (assessor's parcels 700-07-02, 700-07-19, 700-08-16, 700-08-17, 700-08-30, 700-20-02 and 700-20-03) totaling 12.8 acres to Yerba Buena Beach which presently contains 16 acres. The acquisition consists of three sites. The down coast site is a flat sandy beach and a steep bluff. The up coast site includes tide pools, a pocket beach and a steep bluff on which is located a snack shop and a parking lot that is built over a native American archeological site. The upland site includes a group of commercial buildings and privately operated group recreation area.

The department's purpose in acquiring this property would be to (1) provide increased public access and parking, (2) ensure preservation of an archeological site and, (3) provide an area for development of public restrooms and concessions facilities.

We recommend deletion of \$4,200,000 for this project for the following reasons: (1) there is a need to limit appropriations for new acquisitions until the department has substantially reduced its existing backlog (\$196 million) of uncompleted acquisition projects and (2) it is questionable whether the public benefits to be gained from acquiring all of these parcels justifies the \$4.2 million cost (\$328,125 per acre).

*(d) Little Sur River—acquisition..... \$1,200,000*  
*We recommend deletion of \$1,200,000 for this project.*

Little Sur River Beach is on the Monterey coast about 18 miles south of the City of Monterey.

The proposed acquisition consists of one parcel (assessor's parcel 159-01-01). The parcel contains 1,250 acres of scenic coastal open-space and 2.5 miles of outstanding beaches. Also included on the property are a coastal

**DEPARTMENT OF PARKS AND RECREATION—Continued**

river, freshwater lagoon, marshes, grasslands, and canyons having stands of Redwood trees.

The purpose of acquiring this property would be to provide public access to the wide beaches and to assure preservation of the unspoiled coastal landscape. The inland portion has potential for development of trails and camping facilities that could be hidden from Highway #1.

The property proposed to be acquired is a desirable acquisition. However, due to the department's large backlog (\$196 million) of uncompleted acquisition projects and the need to limit appropriations for new acquisitions until the department has substantially reduced this backlog, we recommend deletion of \$1,200,000 for this new project.

*(e) McGrath State Beach—acquisition..... \$4,300,000*

*We recommend deletion of \$4,300,000 for this project.*

McGrath State Beach is located on the coast of Ventura County about 2 miles south of the City of San Buenaventura.

The proposed acquisition would add 80.2 acres (assessor's parcel 138-08-045) to this unit of the state park system which presently includes 395 acres, 11,000 feet of ocean frontage, sand dunes, and Lake McGrath. The property to be acquired is open-space sand dunes which contain active oil wells operated by Standard Oil Company.

The department intends to acquire surface rights only, allowing the present owner to retain mineral rights. The department plans to lease surface rights to Standard Oil to permit continued operation of the wells for an indefinite period.

Although the property proposed to be acquired would be a desirable addition to McGrath State Beach, we recommend deletion of \$4.3 million for this project for the following reasons: (1) there is a need to limit appropriations for new acquisitions until the department has substantially reduced its existing backlog (\$196 million) of uncompleted acquisition projects, and (2) it is questionable whether the department has legal authority to allow the seller to retain mineral rights to park system property in order to allow continued operation of oil wells. It is our understanding that the Public Resources Code prohibits mining or extraction of minerals on state park property. We will request a Legislative Counsel's opinion to resolve this issue.

*(f) Twin Lakes State Beach—acquisition ..... \$360,000*

*We recommend deletion of \$360,000 for this project.*

Twin Lakes State Beach is located on the coast of Santa Cruz County between the Cities of Santa Cruz and Capitola.

The proposed project would add 25 parcels (as shown on Department of Recreation's acquisition plan 16603) consisting of 7.52 acres and 1,300 feet of ocean frontage to this unit which presently contains 86 acres and 4,900 feet of ocean frontage. The property to be acquired includes vegetated terrace, two lagoons and a sandy beach. Although the project includes portions of 11 developed parcels, no improvements are included in the acquisitions.

The department's purpose in acquiring the properties is to provide

public access to the beach, provide needed public parking and sanitary facilities and insure preservation of the lagoons.

The property proposed to be acquired is a desirable acquisition and addition to Twin Lakes State Beach. However, due to the department's large backlog (\$196 million) of uncompleted acquisition projects and the need to limit appropriations for new acquisitions until the department has substantially reduced this backlog, we recommend deletion of \$360,000 for this new project.

(g) *Designs and construction planning* ..... \$1,371,621

*We recommend approval.*

This request is for reimbursement to the department's general support budget Item 230 for general design and construction planning of development projects funded from the 1976 State, Urban, and Coastal Park Fund.

**WILDLIFE CONSERVATION BOARD**

Item 509 from the State, Urban,  
and Coastal Park Fund

Budget p. 495

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Requested 1979-80 .....	Reappropriation
Recommended approval .....	Reappropriation

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**ANALYSIS AND RECOMMENDATIONS**

*We recommend approval.*

The State, Urban and Coastal Park Bond Act of 1976 provided \$15 million for the acquisition or development of areas to sustain wildlife, provide recreation and furnish public access to lands or waters for fishing and hunting. The Budget Act of 1977, Item 411 (a) contained \$100,000 from the bond fund to provide acquisition and development planning funds pursuant to the bond act. This planning includes appraisals, title reports, surveys, engineering studies and Environmental Impact Reports.

The request under this item is to reappropriate the undisbursed balances of the amount contained in the Budget Act of 1977. Thus, the funds to continue the necessary planning effort would be available until June 30, 1980. We recommend approval.



DEPARTMENT OF PARKS AND RECREATION

Item 510 from the State, Urban,  
and Coastal Park Bond Fund  
of 1976

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Requested 1979-80 .....	Reappropriation
Recommended approval .....	Reappropriation

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ANALYSIS AND RECOMMENDATIONS

*We recommend approval.*

Item 510 contains a request for reappropriation of an unexpended balance of \$317,550 in Item 512(c), Budget Act of 1978, for Huntington State Beach—Phase II working drawings. The department has encountered problems in reaching agreements with the City of Huntington Beach and the South Coast Regional Coastal Commission on proposed designs for reconstruction of facilities at this beach unit. Resolution of these problems is expected soon.

DEPARTMENT OF PARKS AND RECREATION

Item 511 from the State, Urban,  
and Coastal Park Bond Fund  
of 1976

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Requested 1979-80 .....	Reversions
Recommendation pending .....	Reversions

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ANALYSIS AND RECOMMENDATIONS

*We recommend approval be withheld. Additional information is needed for evaluation of the requested reversions for capital outlay projects.*

Item 511 contains requests for reversions of unexpended balances totaling \$722,535 for 5 capital outlay acquisition projects for the Department of Parks and Recreation.

**DEPARTMENT OF PARKS AND RECREATION**

Item 512 from the State, Urban,  
and Coastal Park Bond Fund  
of 1976

Budget p. 522

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Requested 1979-80 .....	\$281,184
Recommended approval .....	281,184

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**ANALYSIS AND RECOMMENDATIONS**

*We recommend approval.*

This item provides \$281,184 for administration of local grants projects financed from the 1976 Park Bond Fund. This item is a reimbursement to the department's support Item 230.

**DEPARTMENT OF PARKS AND RECREATION**

Item 513 from the State, Urban,  
and Coastal Park Bond Fund  
of 1976

Budget p. 522

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Requested 1979-80 .....	\$9,380,576
Recommended approval .....	9,380,576

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**ANALYSIS AND RECOMMENDATIONS**

*We recommend approval.*

The 1976 State, Urban, and Coastal Park Bond Act (Chapter 259, Statutes of 1976) provides \$85 million for grants to counties, cities, and districts. These grants are for the acquisition, development or restoration of real property for urban parks, beaches, recreation, and historic preservation projects.

This item appropriates \$9,380,576 for 119 projects as enumerated on pages 160 to 167 of the Budget Bill as introduced. The grants are locally approved as prescribed in the bond act and represent decisions made by local government.

**DEPARTMENT OF PARKS AND RECREATION**

Item 514 from the State, Urban,  
and Coastal Park Bond Fund  
of 1976

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Requested 1979-80 .....	Reversions
Recommended approval .....	Reversions

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**ANALYSIS AND RECOMMENDATIONS**

*We recommend approval.*

This item is for reversion of 46 local grant projects shown on pages 167 to 170 of the Budget Bill. These reversions represent local government decisions.

**STATE COASTAL CONSERVANCY**

Item 515 from the State Coastal  
Conservancy Fund

Budget p. 513

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Requested 1979-80 .....	\$538,110
Estimated 1978-79 .....	632,309
Actual 1977-78 .....	177,018
Requested decrease \$94,199 (14.9 percent)	
Total recommended increase .....	\$300,000

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**SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS**

*Analysis  
page*

1. Appropriation Schedule. Recommend Item 515 include a schedule of expenditures. 1562
2. *Pre-Project Planning. Increase Item 515 by \$300,000.* 1562  
Recommend increase to provide planning funds in support budget rather than from capital outlay.
3. *Capital Outlay. Delete Item 516.* Recommend disapproval of reappropriation of capital outlay funds in Item 520.1, Budget Act of 1978, because projects are not identified. 1562
4. Federal Funds. Recommend appropriation of federal funds be deleted. 1562
5. Local Assistance. Recommend deletion of exemption of local assistance grants from Public Works Board review. 1562

**GENERAL PROGRAM STATEMENT**

Chapter 1441, Statutes of 1976, established the State Coastal Conservancy in the Resources Agency. The conservancy consists of the following members:

1. Chairperson of the Coastal Commission
2. Secretary of the Resources Agency, who serves as chairperson
3. Director of Finance

4. Two public members appointed by the Governor.

The law provides an executive officer for the conservancy and authorizes other staff as necessary.

The conservancy's authorized activities are unique and without precedent. These activities are designed in part to permit acquisition of small parcels of land in the coastal zone, consolidation of acquired parcels and, as appropriate, changes in land use to promote conservation. In most cases the projects must (1) conform to policies of the California Coastal Act of 1976 (Chapter 1330), (2) be approved by the Coastal Commission or (3) be in conformity with a local coastal program. The specific activities are as follows:

1. *Preservation of agricultural lands.* The conservancy may acquire fee title or other interest in land to prevent the loss of agricultural land to other uses. The conservancy must take action to return the lands to private ownership with appropriate use restrictions.

2. *Coastal restoration projects.* The conservancy may undertake projects or award grants to local agencies to assemble parcels of land within coastal restoration areas in order to correct undesirable development patterns, including blighted areas. For these projects, the conservancy and local agencies are subject to the State Community Redevelopment Law.

3. *Coastal resource enhancement projects.* The conservancy may undertake projects or provide grants to local and state agencies to restore the natural and scenic character of coastal areas.

4. *Resource protection zones.* The conservancy may award grants to state agencies for the acquisition of interests in lands, other than full fee title, to establish buffer areas around public beaches, parks, natural areas and fish and wildlife preserves in the coastal zone.

5. *Reservation of significant coastal resource areas.* The conservancy may acquire and hold, for subsequent conveyance to an appropriate public agency, key coastal resource land which would otherwise be lost to public use.

6. *System of public accessways.* The conservancy may award grants to the Department of Parks and Recreation and local agencies to acquire and initially develop lands for public accessways to the coast.

The conservancy is located in Oakland and has a staff of 14 authorized positions.

#### **ANALYSIS AND RECOMMENDATIONS**

This analysis includes discussion of Item 515, support, and Item 516, capital outlay, for the State Coastal Conservancy.

The conservancy is funded by \$10 million provided in Chapter 259, the State, Urban, and Coastal Bond Act of 1976. Expenditures may be made only after funds are appropriated by the Legislature. The budget shows a remaining surplus of \$1,802,563 in the conservancy fund at the end of the budget year.

## STATE COASTAL CONSERVANCY—Continued

## Item 515, Support

The budget proposes \$538,110 from the State Coastal Conservancy (Fund) for support of the State Coastal Conservancy in 1979–80. This is a decrease of \$94,199, or 14.9 percent, from estimated current year expenditures. The conservancy received \$150,000 in federal Title II funds in 1978–79 for seven temporary planning positions which are proposed to be discontinued in 1979–80.

The conservancy was activated in June 1977 and its first support budget was for fiscal year 1977–78. Table 1 shows the conservancy's support budgets and personnel-years of staff assistance for a three-year period.

Table 1  
State Coastal Conservancy  
Support Budget and Staff

	Actual 1977-78	Estimated 1978-79	Proposed 1979-80
State Coastal Conservancy (Fund) .....	\$177,018	\$482,309	\$538,110
Federal Title II funds .....	—	150,000	—
Total support .....	\$177,018	\$632,309	\$538,110
Personnel-years .....	5.4	22	15

*Added Staff Costs.* Although the budget provides the same level of staffing as provided in the Budget Act of 1978 (excluding the federally funded temporary positions in the current year) there are some added staff costs. The State Personnel Board has established new classifications for the conservancy's technical staff. The budget deletes seven positions and establishes seven new positions for an added cost of \$15,858 due to the new classifications.

Also, the budget proposes \$24,720 for a fiscal officer position. The position was authorized in the 1978 Budget Act by converting an administrative assistant position. However, the latter position was abolished by the State Controller under Section 20. Therefore, the fiscal officer position is requested again for 1979–80.

*Reduction per Control Section 27.1.* The conservancy has reduced operating expenses in the current year by \$9,000 pursuant to Control Section 27.1, Budget Act of 1978. The reduction was made in consultant and professional services. There were no personnel reductions pursuant to Section 27.2.

## Item 516, Capital Outlay

Item 516 reappropriates the undisbursed balance of Item 520.1, Budget Act of 1978. Item 520.1 appropriated a lump sum of \$7,000,000 for use by the conservancy for unspecified purposes. The item was designated as Capital Outlay by the Department of Finance in order that the Public Works Board would have to approve all expenditures from it.

The budget shows unspecified expenditures from the \$7 million as follows:

	<i>Estimated 1978-79</i>	<i>Proposed 1979-80</i>
Various State Coastal Conservancy Projects .....	\$4,000,000	\$3,000,000
Pre-Project Feasibility Planning .....	(300,000)	(300,000)
Total Expenditures .....	\$4,000,000	\$3,000,000

Last year we recommended against approval of the \$7 million without some specification of the projects on which the funds would be expended. The Legislature approved the lump sum appropriation in order to give the conservancy latitude to organize its program and gain experience without being constrained by the traditional limitations of scheduled appropriations.

This year Item 516 proposes to continue the latitude given to the conservancy. It does this by reappropriating the undisbursed amount of Item 520.1, Budget Act of 1978. The reappropriation is for one year. The item also appropriates any federal funds received by the conservancy, exempts local assistance grants from Public Works Board approval and specifies that \$300,000 shall be used only for pre-project feasibility planning.

*1978-79 Program.* As of January 1979, the Public Works Board had approved two expenditures. These are contained in the \$4,000,000 current year expenditure which the budget shows will be made from the \$7 million capital outlay appropriation in Item 520.1, Budget Act of 1978. The two expenditures are:

1. \$300,000 for pre-project feasibility planning
2. \$56,900 for land acquisition at Trinidad Bay.

Chapter 1404, Statutes of 1978, authorized the conservancy to grant up to \$100,000 from Item 520.1 to the Humboldt North Coast Land Trust, Inc., for land acquisition at Trinidad Bay. No grant has yet been made.

The conservancy has used its staff and expended a portion of the \$300,000 available for pre-project feasibility planning on the projects listed below:

- Seal Beach restoration, Orange County
- Aliso Greenbelt enhancement, Orange County
- Arcata Marsh enhancement, Humboldt County
- San Dieguito Lagoon enhancement, San Diego County
- Eureka waterfront restoration, Humboldt County
- Ocean Beach restoration, Orange County

Specific plans on the projects are in the process of being developed. Presumably, some of these project plans will result in capital outlay projects or local grants which will make up the balance of the \$4 million in expenditures anticipated in the current year.

In addition, the conservancy staff is investigating possible agricultural preservation projects.

The conservancy's expenditure estimate of \$4,000,000 is probably optimistic. The conservancy has not completed any projects. Therefore, its record of completed project work cannot be evaluated. The Legislature gave the conservancy wide latitude to initiate its work in 1978-79. However, one year later the conservancy still does not have a specific program of expenditures. A tighter budget should be required.

**STATE COASTAL CONSERVANCY—Continued****Restructure Budget Items**

*We recommend that (1) support Item 515 be approved but that an appropriation schedule be added, (2) Item 515 be increased to include \$300,000 for pre-project feasibility studies and plans, (3) Item 516 be disapproved because the request is a lump sum appropriation without specific, scheduled projects, (4) the reappropriation of federal funds be deleted from Item 516 and (5) the exemption in Item 516 of local assistance grants from Public Works Board review be deleted.*

Item 515 is an unscheduled appropriation of \$538,110 to the conservancy. The appropriation should be scheduled as follows in order to increase legislative control:

## Schedule:

(a) Personal services.....	\$361,541
(b) Operating expenses and equipment .....	176,569
(c) Pre-project feasibility planning.....	300,000

The \$300,000 for pre-project feasibility planning should be transferred from capital outlay to the support appropriation because it is part of the staff planning effort and should not require Public Works Board approval.

Item 516 should be deleted because the conservancy after one year of preparation has not identified specific projects for use of the funds. The appropriation of any federal funds should be deleted in order to provide for legislative review of the expenditures. The exemption of local assistance projects from Public Works Board review should not be approved. Instead, the projects should be scheduled in the Budget Bill.

**STATE COASTAL CONSERVANCY**

Item 516 from the State Coastal  
Conservancy (Fund)

Budget p. 515

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Requested 1979-80 .....	Reappropriation
Recommended Reduction .....	\$3,000,000

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**ANALYSIS AND RECOMMENDATIONS**

*We recommend disapproval of the reappropriation.*

The analysis of this item is included in Item 515 where we discuss the lack of program for the conservancy and recommend against the reappropriation in Item 516. The funds that will revert cannot be determined until June 30, 1979, but should be no less than the \$3 million scheduled for expenditure next year.

## UNIVERSITY OF CALIFORNIA

Item 517 from the Health  
Sciences Facilities Construc-  
tion Program Funds (bonds)

Budget p. 964

Requested 1979-80 .....	\$5,053,000
Recommended approval .....	3,130,000
Recommended reduction .....	28,000
Recommendation pending .....	1,895,000

## SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

Analysis  
page

1. *Los Angeles—Health Science Center Alteration. Reduce by \$28,000.* Recommend deletion of working drawings for Health Science Center alterations (released School of Nursing space for Biomedical Library). 1565
2. *San Diego—Clinical Cardiology Expansion.* Withhold recommendation on working drawings and construct UCMC—San Diego Clinical Cardiology expansion and relocation pending additional information. 1565
3. *San Francisco—Medical Science Building Alterations, Step 3.* Withhold recommendation on construct medical science building alterations, step 3 pending additional information. 1566

## ANALYSIS AND RECOMMENDATIONS

In the 1972 general election, the voters approved a \$155.9 million Health Sciences Facility Construction Program Bond Fund to provide for expansion, development and construction of health science facilities at the University of California. This item provides \$4,053,000 from the Health Science Construction Program Fund for eight projects at five campuses. If this item is approved as submitted to the Legislature there will be approximately \$1.3 million in the Bond Fund for future appropriation. This estimate is based on information developed by the university and it includes an estimated 7 percent interest on the unexpended portion of the Bond Fund and does not include approximately \$1.2 million set aside for potential augmentation for construction of previously approved projects.

A summary of the projects in the 1979-80 Capital Improvement Program and our recommendations for each are shown in Table 1.

## Davis Campus

*We recommend approval of \$187,000 in Item 517(1), working drawings and construct medical sciences unit I, alterations step 2.*

This proposal of \$187,000 represents the third phase of a four phase project to alter space in the new medical sciences unit I building to satisfy the programmatic needs of the School of Veterinary Medicine. The medical science unit I building was programmed and designed as a permanent basic science facility for use exclusively by the School of Medicine. Howev-



## UNIVERSITY OF CALIFORNIA—Continued

Table 1

## University of California Health Sciences—Capital Improvement Program 1979–80

Item	Project Title	Phase <sup>a</sup>	Campus	Budget Bill Amount	Legislative Analyst Recommendation	Future Cost <sup>b</sup>
517(1)	Medical sciences unit 1, alterations, step 2.....	wc	Davis	\$187,000	\$187,000	\$355,000
517(2)	Renovations, improvements and alterations, buildings 1 and 53, UCIMC.....	c	Irvine	2,730,000	2,730,000	0
517(3)	School of Nursing, facility	e	Los Angeles	104,000	104,000	0
517(4)	School of Medicine facility (Riverside program)	e	Los Angeles	75,000	75,000	0
517(5)	Health Science Center alterations (Released School of Nursing space for Biomedical library) ..	pw	Los Angeles	28,000	0	561,000
517(6)	UCMC, San Diego Library expansion .....	e	San Diego	34,000	34,000	0
517(7)	UCMC—San Diego clinical cardiology expansion and relocation.....	wc	San Diego	208,000	Pending	164,000
517(8)	Medical science building alterations, Step 3 <sup>c</sup> .....	c	San Francisco	1,687,000	Pending	472,000
Total .....					\$5,053,000	\$3,130,000

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

b University estimate.

c Incorrectly identified as "Step 2" in the Budget Bill.

er, the building was planned for a medical school class size of 128. Because the class size will remain at 100 students and the veterinary class size has been increased from 100 to 128 students the university determined, and the administration and Legislature concurred, that veterinary medicine would occupy a portion of the medical sciences unit I area. This project and the remaining phase will provide the necessary conversions, utilities and fixed equipment to adapt the facilities to meet the modified needs. The project has been phased because of logistics and the need to continue maximum utilization of the building during alterations. The proposed work is consistent with the previously approved program.

We recommend approval.

**Irvine Campus**

*We recommend approval of \$2,730,000 in Item 517(2), construct renovations, improvements and alterations, buildings 1 and 53, UCIMC.*

This proposal for \$2,730,000 will alter building 1 (the original hospital building) for pathology, nuclear medicine, therapeutic radiology, administration, pediatrics, and surgery. Building 53 will be altered for administrative and fiscal activities. The amount of space to be altered totals approximately 40,700 asf. The alterations are consistent with the planned development of the University of California, Irvine Medical Center. The proposed alterations together with previously approved hospital building

additions will provide expanded and improved facilities for in-patient care and supporting diagnostic, treatment, and service activities. Working drawings for the project are nearly completed and construction should begin early in the budget year. We recommend approval of the requested amount.

#### **Los Angeles Campus**

*We recommend approval of \$104,000 in Item 517(3), and \$75,000 in Item 517(4), for equipping the School of Nursing facility and the School of Medicine facility (Riverside program), respectively.*

*Further, we recommend that Item 517(5), preliminary plan and working drawings for the health science center alterations, be deleted, a savings of \$28,000.*

**Equip—School of Nursing Facility**—The university is requesting \$104,000 to match federal funds to equip the facilities currently under construction which will house the School of Nursing. The school will occupy six floors of the Lewis B. Factor building. The space consists of science laboratories, audio visual learning laboratories, a demonstration laboratory and six rooms for the teaching of therapy. The requested amount is appropriate and we recommend approval.

**Equip—School of Medicine Facility (Riverside program)**—The School of Medicine (Riverside program) will occupy 6,325 asf of space in the Lewis B. Factor building. This space provides for the Los Angeles School of Medicine portion of the Riverside/Los Angeles Biomedical Science program and for the administrative activities of the school's division of family practice. The requested equipment amount of \$75,000 is appropriate and we recommend approval.

**Health Science Center Alterations.** This request is for \$28,000 to develop preliminary plans and working drawings to alter space to be vacated by the School of Nursing when the school relocates to the Lewis B. Factor building. The space to be altered contains 6,200 asf. The proposal would provide a large reading room and study area, a typing room, a photo copying area and a staff conference room. The current estimated construction costs represents \$50 per asf. Based on the condition of the existing space and the alterations required to serve the library, the proposed costs are excessive. The University should completely reevaluate the alterations proposal and determine the minimum alterations necessary to occupy the space. The cost should not exceed \$15 per asf and the project could be accomplished within the minor capital outlay program utilizing funds under Item 480. Consequently, we recommend deletion of the requested funds.

#### **San Diego Campus**

*We recommend approval of \$34,000 in Item 517(6), equip UCMC San Diego library expansion.*

*Further, we withhold recommendation on \$208,000 in Item 517(7), working drawings and construct UCMC—San Diego Clinical Cardiology Expansion and relocation, pending additional information.*

**Equip—San Diego Library Expansion.** The Budget Act of 1978 provided construction funds for a new library at the University of California

**UNIVERSITY OF CALIFORNIA —Continued**

Medical Center in San Diego. That project has proceeded and should be under construction before the end of the current year. The request of \$34,000 is for equipment to make the new library operable. The requested amount is within state guidelines and we recommend approval.

*Clinical Cardiology Expansion and Relocation.* This proposal of \$208,000 will modernize and expand the Clinical Cardiology Unit at the University Hospital. The Cardiology Unit presently occupies approximately 700 asf in the basement. Upon completion of the proposed alterations the unit will move to the third floor of the hospital where it will occupy 1,451 asf. This proposal is consistent with the University Hospital master plan and is justified on a programmatic basis. However, the University has not developed the appropriate preliminary planning and cost information. This information should be available prior to budget hearings. Until it is available we withhold recommendation on the requested amount.

**San Francisco Campus**

*We withhold recommendation on \$1,687,000 in Item 517(8), construct medical science building alterations, step 3, pending additional information.*

This proposal of \$1,687,000 is for construction of the third and final step of alterations to on-campus space reassigned to the School of Dentistry. Upon completion of the new dentistry building and the various alterations projects the School of Dentistry will have a total of approximately 162,000 asf. The space includes 67,000 asf in existing on-campus space, 68,000 asf in the new dentistry building, 14,000 asf at San Francisco General Hospital, 10,000 asf at the Community Dental Clinic at San Francisco Extension Center and 3,000 asf at off-campus community hospitals. The proposed alterations work is consistent with the approved dentistry physical facility plan. Preliminary plans and working drawing funds were provided in the Budget Act of 1978. According to the university's project schedule, preliminary plans will not be available until April 1979. Consequently, adequate information is not available to substantiate the requested construction amount. Until this information is available we withhold recommendation.

**CONTROL SECTIONS**

Sections 4 through 37 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.