

Office of the President  
May 8, 2002

**TO MEMBERS OF THE COMMITTEE ON FINANCE:**

**ITEM FOR ACTION**

**For Meeting of May 16, 2002**

**ENDORSEMENT OF KINDERGARTEN–UNIVERSITY PUBLIC EDUCATION  
FACILITIES BOND ACTS OF 2002 AND 2004, OFFICE OF THE PRESIDENT**

The President recommends that the Committee on Finance recommend Board endorsement of the Kindergarten–University Public Education Facilities Bond Acts of 2002 and 2004, to be included on the November 2002 statewide general election ballot and 2004 statewide primary election ballot, respectively. It is further recommended that the President and other University officials be authorized to organize an information program to explain the important nature of the bond measures in ensuring that projected enrollment growth can be accommodated, buildings are seismically safe, essential infrastructure is repaired or replaced, and critical fire and life safety improvements are made at the ten University of California campuses.

**BACKGROUND**

The President recommends that the Regents endorse the Public Education Facilities Bond Acts, which would provide needed funds for facilities and infrastructure improvements at California's public schools and the California Community Colleges, California State University, and the University of California. Funding from general obligation bonds for the University's state funded capital outlay budget from 2002-03 through 2005-06 is contingent upon voter approval of the Bond Acts.

Since the mid-1960s, the state has provided funding for the University's capital outlay needs using general obligation bond funds. The most recent general obligation Bond Act approved by the voters in 1998, Proposition 1A, provided the University with approximately \$210 million per year for four years. The last year of funding from the 1998 Bond Act was 2001-02.

Assembly Bill 16 (Hertzberg), which was passed by the Legislature and signed by the Governor, proposes two Public Education Facilities Bond Acts, one for 2002 and one for 2004, that would authorize a total of \$27 billion in general obligation bond funds over four years to help fund K-12 and higher education facility needs. The 2002 Bond Act would authorize more than \$13 billion for K-12 and \$1.65 billion for higher education. The 2004 Bond Act would authorize \$10 billion for K-12 and \$2.3 billion for higher education. In addition, AB 16 authorizes \$651.3 billion in lease revenue bond funding for higher education that does not require voter approval.

It is the intention of the Governor and the Legislature that the University receive approximately \$345 million per year for capital outlay for the four-year period covered by the Bond Acts. For the first year, 2002-03, the amount of general obligation bond funding will be less than \$345 million, reflecting lease revenue bond funding approved by the Legislature to accelerate into 2001-02 seven capacity projects originally scheduled for 2002-03 general obligation bonds and to fund construction of the Classroom and Office Building at the Merced campus.