

December 5, 2019

Honorable Holly Mitchell, Chair
Joint Legislative Budget Committee
State Capitol, Room 5080
Sacramento, CA 95814

Gabriel Petek
Legislative Analyst Office
925 L Street, #1000
Sacramento, CA 95814

Keely Bosler, Director
Department of Finance
State Capitol, Room 1145
Sacramento, CA 95814

Erika Contreras
Secretary of the Senate
State Capitol, Room 3044
Sacramento, CA 95814

Diane F. Boyer-Vine
Legislative Counsel
State Capitol, Room 3021
Sacramento, CA 95814

E. Dotson Wilson
Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, CA 95814

RE: California State University 2020/2021 through 2024/2025 Five-Year Plan

This letter is to provide a copy of the California State University (CSU) 2020/2021 through 2024/2025 Five-Year Plan as required by EDC 67501 and the final 2020/2021 Capital Outlay Program report as required by EDC 89772 (a)(3). At their November 2019 meeting, the Board of Trustees approved the Five-Year Plan, which contains 2020/2021 Capital Outlay Program.

For your convenience, we have provided the Legislative Analyst's Office with a hard copy of the Five-Year Plan and the Capital Outlay Budget Change Proposals. Should you require an electronic copy or a hard copy for your use, we will be glad to provide it. You can access both of these documents at: http://calstate.edu/cpdc/Facilities_Planning/majorcapoutlayprogram.shtml.

- The Five-Year Plan is a long-range planning tool that includes projects for all 23 campuses that the CSU aims to implement during this planning horizon. The plan includes academic, self-support, deferred maintenance, seismic strengthening, resiliency improvements and infrastructure improvement projects with funding from a variety of sources. The total amount needed for the projects in the Five-Year Plan is slightly over \$22.1 billion, with over \$15.4 billion for academic facilities and approximately \$6.7 billion for self-support facilities.
- The 2020-2021 Capital Outlay Program consists of twenty-three projects, including a statewide program for Infrastructure Improvements that will fund individual projects at all

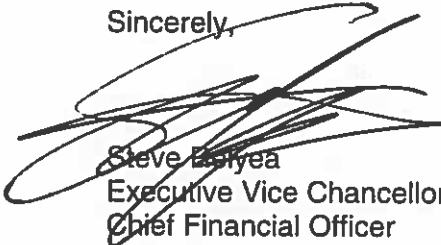
CSU campuses. The total amount needed for the projects included in the 2020-2021 Capital Outlay Program is slightly over \$2.7 billion.

We plan to fund projects in the Academic Projects List from several sources: including 1) The Trustees have endorsed the Public Preschool, K-12, and College Health and Safety Bond Act to provide funds to address critical infrastructure 2) our 2020/2021 operating budget request includes a \$75 million increase to support facilities renewal, renovation and limited growth to provide quality access capital outlay. If approved, and included in our budget, these funds could yield approximately \$1.1 billion in systemwide revenue bonds to fund projects in the Five-Year Plan 3) our operating budget request also includes one-time funding of \$500 million for deferred maintenance needs and 4) we continue to encourage campuses to use designated maintenance and capital reserves to co-fund project costs, typically a 10% contribution.

As required by the Education Code, funding for these projects will be structured so that not more than 12 percent of the CSU's General Fund support appropriation, less the amount of the appropriation that is required to fund general obligation bond payments and State Public Works Board rental payments, will be used for debt service and pay-as-you-go capital outlay projects.

Thank you for your continued support. Should you have any questions about this report, please contact Paul Gannoe, Chief of Facilities Planning at (562) 951-4146.

Sincerely,



Steve Bolyea
Executive Vice Chancellor and
Chief Financial Officer

SR:PG

Full report posted to <https://www.calstate.edu/legislativereports/>

c: Members, California State Legislature

Sally Lukenbill, Principal Program Budget Analyst, Department of Finance

Paul Steenhausen, Principal Fiscal and Policy Analyst, Legislative Analyst's Office

Timothy P. White, Chancellor, California State University

Loren J. Blanchard, Executive Vice Chancellor, Academic and Student Affairs

Garrett Ashley, Vice Chancellor, University Relations and Advancement

Kathleen Chavira, Assistant Vice Chancellor, Advocacy and State Relations

Ryan Storm, Assistant Vice Chancellor, Budget

Elvyra F. San Juan, Assistant Vice Chancellor, Capital Planning, Design and Construction

Paul Gannoe, Chief of Facilities Planning