

December 1, 2020

The Honorable Holly Mitchell, Chair
Senate Budget and Fiscal Review Committee
State Capitol, Room 5019
Sacramento, CA 95814

The Honorable Philip Y. Ting, Chair
Assembly Budget Committee
State Capitol, Room 6026
Sacramento, CA 95814

The Honorable Richard D. Roth, Chair
Senate Budget Subcommittee No. 1 on Education
State Capitol, Room 5019
Sacramento, CA 95814

Lisa Qing
Legislative Analyst's Office
925 L Street, Suite 1000
Sacramento, CA 95814

The Honorable Kevin McCarty, Chair
Assembly Budget Subcommittee No. 2 on Education Finance
State Capitol, Room 2136
Sacramento, CA 95814

RE: California State University 2021/2022 through 2025/2026 Multi-Year Plan

This letter is to provide a copy of the California State University (CSU) 2021/2022 through 2025/2026 Multi-Year Plan as required by EDC 67501 and the final 2021/2022 Capital Outlay Program report as required by EDC 89772 (a)(3). At their November 2020 meeting, the Board of Trustees approved the Multi-Year Plan, which contains the 2021/2022 Capital Outlay Program.

For your convenience, we have provided the Legislative Analyst's Office with an electronic copy of the Multi-Year Plan and the Capital Outlay Budget Change Proposals. You can access the Multi-Year Plan at:

<https://www2.calstate.edu/csu-system/doing-business-with-the-csu/capital-planning-design-construction/Pages/cpdc-resource-library.aspx?&FilterField1=Title&FilterValue1=Multi-Year%20Plan&FilterOp1=Contains>.

- The Multi-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 Multi-Year Plan is slightly over \$23.4 billion, with over \$16.8 billion for academic facilities and approximately \$6.6 billion for self-support facilities.

CSU Campuses

Bakersfield
Channel Islands
Chico
Dominguez Hills
East Bay

Fresno
Fullerton
Humboldt
Long Beach
Los Angeles
Maritime Academy

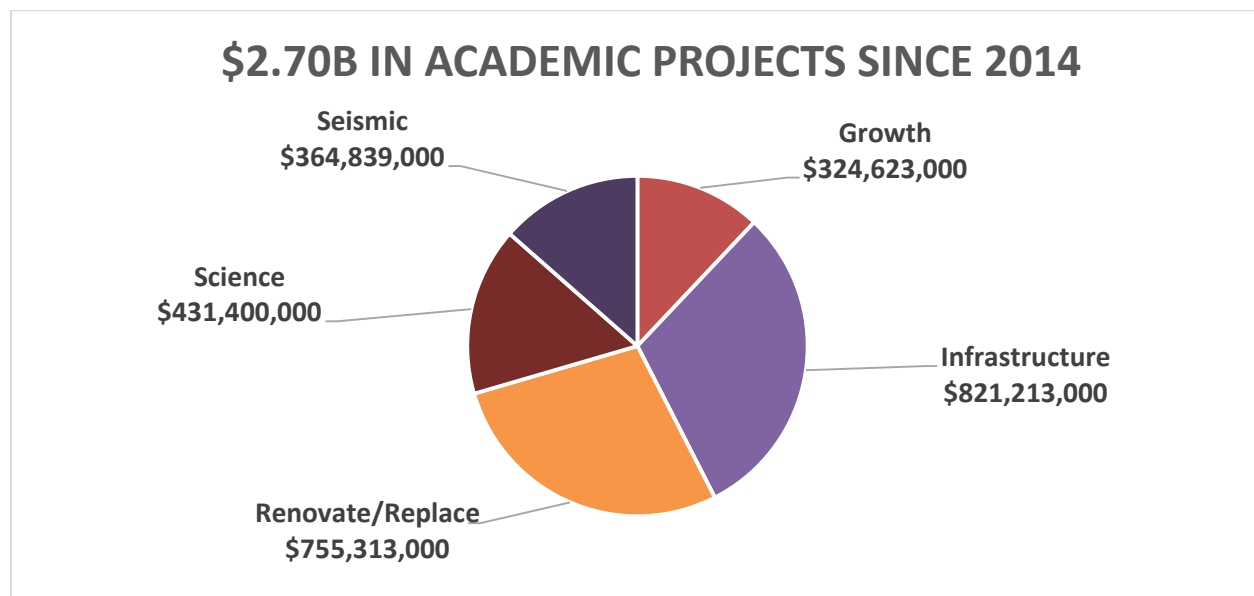
Monterey Bay
Northridge
Pomona
Sacramento
San Bernardino
San Diego

San Francisco
San José
San Luis Obispo
San Marcos
Sonoma
Stanislaus

- The 2021/2022 Capital Outlay Program consists of 24 projects, including projects in our academic program and our self-support program. The statewide program for Infrastructure Improvements will fund individual projects at all CSU campuses. The total amount needed for the projects included in the 2021/2022 Capital Outlay Program is slightly over \$2.875 billion.

We plan to fund projects in the Academic Projects List from several sources. Our 2021/2022 operating budget request includes a \$50 million increase to support facilities renewal, renovation, and limited growth to provide quality access capital outlay, and if approved and included in our budget, these funds could yield approximately \$900 million in systemwide revenue bonds to fund projects in the Multi-Year Plan.

Since 2014, CSU has focused our capital program on investing in our existing facilities, with limited funds spent on growth. The chart below illustrates the different areas on which we have focused including seismic strengthening, science facilities, renovation and renewal of outdated facilities, critical infrastructure and infrastructure improvements, and growth, with growth accounting for approximately 14 percent of our outlay.



As in the past we will encourage campuses to use designated reserves to fund some project costs as their budgets permit. We will also continue to use investment earnings as they are available to fund smaller deferred maintenance and capital improvement projects. Focusing on resiliency, we will also continue to pursue grant opportunities and any available partnerships.

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 Elvyra F. San Juan, Assistant Vice Chancellor, Capital Planning, Design and Construction at (562) 233-2889 or Paul Gannoe, Chief of Planning and Design at (562) 619-0597.

Sincerely,


Steven Relyea (Dec 1, 2020 12:08 PST)

Steve Relyea
Executive Vice Chancellor and
Chief Financial Officer

SR:PG:mc

Full report posted to <https://www.calstate.edu/legislative-reports/>.

c: Members, California State Legislature
Sally Lukenbill, Assistant Program Budget Manager, Department of Finance
Timothy P. White, Chancellor, California State University
Loren J. Blanchard, Executive Vice Chancellor, Academic and Student Affairs, CSU Office of the
Chancellor
Garrett Ashley, Vice Chancellor, University Relations and Advancement, CSU Office of the
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