



CHAIR, ACADEMIC SENATE
RIVERSIDE DIVISION
UNIVERSITY COLLEGE BUILDING, RM 225

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January 14, 2009

Mary Croughan
Professor, Obstetrics, Gynecology, and Reproductive Sciences
Chair, UC Systemwide Academic Senate
1111 Franklin St., 12th Floor
Oakland, CA 94607

Dear Mary:

RE: STATUS OF THE DEVELOPMENT OF A NEW CAPITAL FUNDING STRATEGY

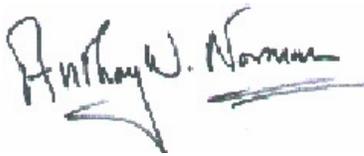
The proposed "Item J" regarding a revenue bond to finance seismic upgrades and other construction projects at UC has been reviewed by the appropriate committees and below are the comments received. The Committee on Planning and Budget had several serious concerns about this proposal as outlined below:

1. The need for seismic upgrades and other similar construction projects varies substantially across the campuses (Display 2, p. 4) and, thus, the campuses will benefit differentially from this bond. However, the bond carries a debt load and it is unclear how this debt will be distributed across the campuses. The proposal should make clear how the debt will be distributed across the campuses as well as explicitly describe whether campuses that obtain little overall benefit from the bond will be responsible for the same debt load as campuses that obtain great benefit from the bond. If the campuses will be expected to share responsibility for the debt in a roughly equivalent fashion, the reasons for this financial arrangement should be explained. It is critical that UCR know what its share of the debt load might be before this proposal enacted.
2. There is some suggestion that the bond may affect academic programs, but this impact is not made clear. More information about the consequences of this measure for the academic programs is needed. Furthermore, given that UCR is supported by state funds at a higher rate than several of our sister campuses, it is imperative to know how this bond will impact the academic programs at UCR.
3. It is not clear if this state funding will impact the start up of the medical school at UCR. Display 4 on p. 7 shows that the Health Sciences GO bond will occur in the years 2011-2012, which is later than the previously proposed beginning of the medical school construction. We were informed by VC Gretchen Bolar that the Health Sciences GO was a possibility for 2010.

Additionally, the Committee on Physical Planning Resources wanted to know whether the two UC's requiring the most work, i.e., UCLA and UCB, will also proportionately incur most of the costs; or if the costs will be spread out evenly across the UC's. This issue was not properly addressed in the report. The potential impact to our already strained budget situation was also quite vague. The committee would like to see more specifics in terms of how colleges, departments, faculty and students will be affected by this if non-state and state funding for this task dries up.

The committee observed that the \$2 billion revenue bond would be acted upon in January. However, how each campus will absorb the debt will be visited later in March, which is a real concern. The document was somewhat confusing in these regards. The need was clearly justified, but where the money will come from and how is it going to get distributed, especially during these financially challenging times was not clearly laid out. UCR has completed or is in the process of completing their seismic upgrades. If this is funded through a bond, it can potentially impact the rest of the funds that the state distributes to UCR. As such while we fully support such seismic studies, we would like to have an assurance that this will not disproportionately (financially) affect UCR.

Sincerely yours,

A handwritten signature in black ink that reads "Anthony W. Norman". The signature is written in a cursive style with a horizontal line underneath the name.

Anthony W. Norman
Distinguished Professor of Biochemistry and
Biomedical Sciences; and
Chair of the Riverside Division

CC: Martha Kendall Winnacker, Executive Director of the Academic Senate
Sellyna Ehlers, Director of UCR Academic Senate office