



EXECUTIVE VICE PRESIDENT—
BUSINESS OPERATIONS

OFFICE OF THE PRESIDENT
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September 27, 2013

Greg Rogers
Assistant Program Budget Manager for Capital Outlay
Department of Finance
915 L Street, Floor 9
Sacramento, CA 95814

Dear Greg:

Under the provisions of Assembly Bill No. 94, the University of California submitted seven capital outlay projects totaling \$87,165,000 to be funded in the 2013-14 fiscal year. The bill provides the University with the authorization to pledge up to 15% of the state funds provided in its General Fund support budget, less a prescribed amount for: general obligation bond debt service, specified “pay-as-you-go” capital outlay, and State Public Works Board rental payments.

Based on long-term debt of \$87,165,000 amortized over 30 years at 7% interest¹, the estimated average annual debt service would be \$7,024,000 or approximately 0.30% of state General Funds support as follows:

For support.....	\$2,789,449,000
Debt service - Merced Classroom and Academic Support Office Building.....	(\$3,638,000)
Debt service - General obligation bonds	(\$200,385,000)
<u>State Public Works Board rental payments</u>	<u>(\$221,400,000)</u>
Total.....	\$2,364,026,000
Debt Service – 2013-14 UC Capital Outlay proposal	\$7,024,000
Pledge of state funds.....	(approx.) 0.30%

Your consideration and support of our 2013-14 Capital Outlay proposal is appreciated and I look forward to discussing this proposal with you. Please let me know if you have any questions and feel free to call me at 510-987-9101.

Sincerely,

Patrick J. Lenz
Vice President, Budget and Capital Resources

¹ The interest rate is a conservative estimate and is used for illustrative purposes only.

Capital Outlay Request 2013-14

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cc: Associate Vice President Wylie
Associate Vice President Obley
Executive Director Thomas
Director Bowen
Administrative Analyst Olmos
Mr. Stan Hiuga, Department of Finance