REPORT OF THE
OFFICE OF THE AUDITOR GENERAL

UNIVERSITY OF CALIFORNIA
CALIFORNIA STATE UNIVERSITY AND COLLEGES
STATE-OWNED RESIDENCES PROVIDED TO
ADMINISTRATIVE OFFICIALS

JUNE 1975

TO THE
JOINT LEGISLATIVE AUDIT COMMITTEE

MEMBERS

Assembly
Bob Wilson, Chairman
Eugene A. Chappie
Mike Cullen
John Francis Foran

Senate
Anthony C. Beilenson
Clare L. Berryhill
George Deukmejian
James R. Mills
August 12, 1975

The Honorable Speaker of the Assembly  
The Honorable President pro Tempore of  
the Senate  
The Honorable Members of the Senate and the  
Assembly of the Legislature of California

Members of the Legislature:

I am today releasing the Auditor General's report on 22  
state-owned residences provided to administrative officials  
of the University of California and the California State  
University and Colleges.

The expressed purpose for all of the residences is to pro-  
vide official housing for the chief administrative officers  
of the universities and colleges.

A survey questionnaire was mailed to 33 universities and  
colleges throughout the country, with the intention of using  
the responses from them for a comparative study with the  
information obtained for the University of California and  
California State University and Colleges. However, because  
of incomplete responses, and a refusal on the part of some  
to reply, it was not possible to provide any meaningful  
comparisons. Therefore, this report is presented in inform-  
utional format only and contains no conclusions or recom-  
endations.

The Auditor General's report has cited the following pertinent  
data:
The Honorable Members of the Legislature of California
August 12, 1975
Page 2

The University of California provides a residence for the university president and vice president and for the chancellor of each of its nine campuses, and six provosts at the Santa Cruz campus or a total of 17 residences. The California State University and Colleges provide a residence for the system's chancellor and for the presidents of four of its 19 campuses or a total of five residences.

These 22 state-owned residences, having a recorded value, including furnishings, of approximately $3.5 million, were maintained by the state at a cost of approximately $294,000 in fiscal year 1973-74.

The state receives rental income, which amounted to $7,608 in fiscal year 1973-74, from the five administrators occupying the residences of California State University and Colleges. However, the 17 administrators occupying the residences of the University of California system are not charged any rental income.

If these 22 residences were rented on the open market, their estimated annual rental values would range from $2,904 to $50,808. Their total annual estimated rental value is $392,832.

It was not feasible to determine the extent to which these residences are used for official purposes as compared to personal purposes and therefore the estimated rental value refers both to personal and public areas of the residences.

The annual salaries of the 22 administrative officials ranged from $24,000 to $55,000 for 1973-74 and their annual entertainment allowances ranged from $1,000 to $15,000.

Fourteen of the 22 administrators were provided with either a transportation allowance or with an automobile for official business.

Descriptions and pictures of the 22 residences are contained in an appendix to this report.
The Honorable Members of the Legislature of California
August 12, 1975
Page 3

Written responses to the Auditor General's report received from the President of the University of California and the General Counsel of the California State University and Colleges are contained on pages 12 and 15, respectively.

Respectfully submitted,

[Signature]

BOB WILSON, Chairman
Jt. Legislative Audit Committee
June 10, 1975

Honorable Bob Wilson
Chairman, and Members of the
Joint Legislative Audit Committee
Room 4126, State Capitol
Sacramento, California 95814

Dear Mr. Chairman and Members:

Transmitted herewith is our report on a review of 22 state-owned residences provided to administrators of the University of California and the California State University and Colleges.

Respectfully submitted,

Harvey M. Rose
Auditor General

Staff: Glen H. Merritt
Jerry L. Bassett
Phillips Baker
Merrill E. Tompkins
William DeFazio
Eugene T. Potter
Michael L. McGarity
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td>INFORMATION FOR THE LEGISLATURE</td>
<td></td>
</tr>
<tr>
<td>State-owned residences, having a recorded value, including furnishings,</td>
<td></td>
</tr>
<tr>
<td>having a recorded value, including furnishings, of approximately $3.5</td>
<td></td>
</tr>
<tr>
<td>million, are provided to 22 administrators of the University of</td>
<td></td>
</tr>
<tr>
<td>California and the California State University and Colleges. These</td>
<td>3</td>
</tr>
<tr>
<td>residences were maintained by the state at a cost of approximately $294,</td>
<td></td>
</tr>
<tr>
<td>000 in fiscal year 1973-74.</td>
<td></td>
</tr>
<tr>
<td>WRITTEN RESPONSES TO THE AUDITOR GENERAL'S REPORT</td>
<td></td>
</tr>
<tr>
<td>President, University of California</td>
<td>12</td>
</tr>
<tr>
<td>General Counsel, California State University and Colleges</td>
<td>15</td>
</tr>
<tr>
<td>APPENDIX</td>
<td></td>
</tr>
<tr>
<td>Descriptions and Pictures of the 22 Residences</td>
<td>10</td>
</tr>
</tbody>
</table>
INTRODUCTION

In response to a legislative request, we have obtained information on 22 state-owned residences provided to administrators of the University of California and the California State University and Colleges.

The expressed purpose for all of the residences is to provide official housing for the chief administrative officers of the universities or colleges. These residences are used for official functions of the university or college where located. The official functions include a variety of events. The number of such events held and the number of guests attending those functions vary considerably among the residences. It was not feasible to determine the extent to which these residences are used for official purposes as compared to personal purposes.

The University of California provides a residence for the university president and vice president and for the chancellor of each of its nine campuses and six provosts at the Santa Cruz campus. The California State University and Colleges provide a residence for the system's chancellor and for the presidents of four of its 19 campuses.

Information about housing provided for the officials of the University of California and the California State University and Colleges has been the subject of legislative budget hearings on several occasions. This report is presented specifically as information for the Legislature.
Office of the Auditor General

We mailed a survey questionnaire to 33 universities and colleges throughout the country, with the intention of using the responses from them for a comparative study with the information we obtained for the University of California and California State University and Colleges. However, because of incomplete responses, and a refusal on the part of some to reply, it was not possible to provide any meaningful comparisons. Therefore, our report is presented in informational format only and contains no conclusions or recommendations.

Descriptions and pictures of the 22 residences are contained in the appendix to this report.
STATE-OWNED RESIDENCES, HAVING A RECORDED VALUE, INCLUDING FURNISHINGS, OF APPROXIMATELY $3.5 MILLION, ARE PROVIDED TO 22 ADMINISTRATORS OF THE UNIVERSITY OF CALIFORNIA AND THE CALIFORNIA STATE UNIVERSITY AND COLLEGES. THESE RESIDENCES WERE MAINTAINED BY THE STATE AT A COST OF APPROXIMATELY $294,000 IN FISCAL YEAR 1973-74.

The state’s two systems of higher education provide housing for 22 administrative officials. The 22 residences provided have a total recorded value, including furnishings, of approximately $3.5 million as follows:

<table>
<thead>
<tr>
<th></th>
<th>University of California</th>
<th>California State University And Colleges</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residences</td>
<td>$2,535,901</td>
<td>$737,500</td>
<td>$3,273,401</td>
</tr>
<tr>
<td>Furnishings</td>
<td>195,754</td>
<td>30,062</td>
<td>225,816</td>
</tr>
<tr>
<td>Total</td>
<td>$2,731,655</td>
<td>$767,562</td>
<td>$3,499,217</td>
</tr>
</tbody>
</table>

(From Tables 1 and 3)

The state receives rental income from the administrators occupying the five residences of California State University and Colleges. However, the 17 officials of the University of California system who are provided housing by the university are not charged any rentals. Total rental of $7,608 was received from five officials of the California State University and Colleges during fiscal year 1973-74.
University of California

The Regents of the University of California have a formal policy of providing residences for the president and vice president of the university and for the chancellors of all the university's nine campuses at no rental costs to these administrators. Residences are also provided for the six college provosts at the university's Santa Cruz campus. The Santa Cruz campus uses an experimental approach where each college is a separate entity, and the majority of faculty and students live and work closely on a full-time basis.

The recorded value of these 17 residences, exclusive of land value, total $2,535,901 and, based on information provided to us, they were acquired through gifts and donations to the university. The university does not maintain records which reflect the market value of these residences. The residences are furnished to varying degrees, and with varying quality of furnishings, with some having art works and other items such as grand pianos. The furnishings provided have a recorded value of $195,754.

Maintenance expenses for these 17 homes during 1973-74 were $267,905, of which $248,610 was from the state General Fund and $19,295 was from various endowment funds. For 1974-75, the Legislature refused to appropriate any state General Funds for maintenance of this housing. Therefore, all necessary maintenance would have to be paid from endowment funds.

Table 1 on page 8 presents information on the recorded value of these 17 residences and their furnishings, and maintenance expense for 1973-74. As
shown on Table 2 on page 9, if these residences were rented on the open market, their estimated annual rental values would range from $2,904 to $50,808. Such rental value refers both to the personal and public areas of the residences.

The annual salaries of the administrators occupying these residences range from $24,000 to $55,000 for the fiscal year 1973-74. In addition, the administrators occupying these residences received annual entertainment allowances ranging from $1,000 to $15,000. This information is shown in Table 2. The table also shows which officials are provided either with a transportation allowance or with an automobile.

California State University and Colleges

The Trustees of the California State University and Colleges provide residences for the chancellor and four of the system's 19 college presidents. The chancellor advised us that he has encouraged the presidents of the other colleges to actively seek gifts that could be used for suitable residences.

The five residences occupied by the State University and Colleges officials have a total estimated market value, established by the State Department of General Services, of $737,500. These residences were all acquired as gifts to the state, with the exception of the residence at the Chico campus. That residence was purchased by the State of California in 1945.

As shown on Table 3 on page 10, the state has provided some furnishings, with a total recorded value of $30,062, for the entertainment areas of all five of these residences. Included in the total are furnishings in the
chancellor's residence totaling $18,340. Those furnishings were donated to the California State University and Colleges Foundation for use in the chancellor's residence.

The nonpersonal furnishings are provided in order to accommodate entertaining a large number of guests at official functions held in the residences. Personal furnishings, as contrasted to those for entertainment areas, are generally provided by the occupants.

Maintenance expenses for these five residences were $26,226 for the 1973-74 fiscal year including both state and significant amounts of donated funds.

Table 3 presents information on the estimated market value of these five residences and the recorded value of their furnishings and maintenance expense for 1973-74. The occupants of these residences paid the state rentals ranging from $96 to $146 per month, totaling $7,608 for 1973-74. As shown on Table 4 on page 11, if these residences were rented on the open market, their estimated annual rental values would range from $8,400 to $45,000. Such rental value refers both to the personal and public areas of the residences.

The annual salaries of the administrators occupying these residences range from $40,320 to $55,000 for fiscal year 1973-74. In addition, the administrators occupying these residences received annual entertainment allowances from $1,638 to $7,600. This information is shown in Table 4. The table also shows that each official was provided a state-owned automobile.
Administration of Rental
Rates by the Board of Control

The State Board of Control has the responsibility for administering rates for most state-owned residences. However, those owned by the University of California are not subject to the board's control. The rates charged the officials occupying the residences of the California State University and Colleges have been determined by Board of Control rules. These current rental rates have been based primarily on the number of rooms in, and the location of, the residence.

The State Board of Control has recently established new procedures for determining a "Fair Monthly Market Rental Value" for all state-owned residences subject to the board's regulations. The "Fair Monthly Rental Value" is to be determined by a member of a nationally recognized appraisal organization or a licensed real estate broker. Rental rates so established will become effective October 1, 1975.

The University of California officials occupying state-owned residences are not subject to Board of Control rate regulations, and these officials pay no rent for the state-owned housing occupied. A rental value for these residences is recognized by the university for computation of retirement benefits by the occupants of these residences. The recognized rental values have no correlation to the actual value of the residences and are set at a flat rate of $6,000 annually for all occupants, except for the provosts at Santa Cruz. The rates for those provosts are $2,400 annually.
<table>
<thead>
<tr>
<th>Occupant's Title Location of Residence</th>
<th>Recorded Value of Residences(^{(1)})</th>
<th>Recorded Value of Furnishings</th>
<th>Total Recorded Values</th>
<th>Annual Maintenance Expenses(^{(2)})</th>
</tr>
</thead>
<tbody>
<tr>
<td>President, Kensington</td>
<td>$423,405</td>
<td>$32,576</td>
<td>$455,981</td>
<td>$39,919</td>
</tr>
<tr>
<td>Vice President, Berkeley</td>
<td>105,054</td>
<td>4,074</td>
<td>109,128</td>
<td>15,032</td>
</tr>
<tr>
<td>Chancellor, Berkeley</td>
<td>229,420</td>
<td>17,103</td>
<td>246,523</td>
<td>55,112</td>
</tr>
<tr>
<td>Chancellor, Davis</td>
<td>134,685</td>
<td>9,083</td>
<td>143,768</td>
<td>15,088</td>
</tr>
<tr>
<td>Chancellor, Irvine</td>
<td>77,906</td>
<td>11,676</td>
<td>89,582</td>
<td>16,584</td>
</tr>
<tr>
<td>Chancellor, Los Angeles</td>
<td>119,518</td>
<td>34,705</td>
<td>154,223</td>
<td>50,434</td>
</tr>
<tr>
<td>Chancellor, Riverside</td>
<td>98,097</td>
<td>10,124</td>
<td>108,221</td>
<td>9,908</td>
</tr>
<tr>
<td>Chancellor, San Diego</td>
<td>265,548</td>
<td>19,380</td>
<td>284,928</td>
<td>20,944</td>
</tr>
<tr>
<td>Chancellor, San Francisco</td>
<td>236,415</td>
<td>10,325</td>
<td>246,740</td>
<td>7,153</td>
</tr>
<tr>
<td>Chancellor, Santa Barbara</td>
<td>160,880</td>
<td>17,320</td>
<td>178,200</td>
<td>15,261</td>
</tr>
<tr>
<td>Chancellor, Santa Cruz</td>
<td>172,656</td>
<td>4,483</td>
<td>177,139</td>
<td>9,995</td>
</tr>
<tr>
<td>Provosts, Santa Cruz:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cowell College</td>
<td>81,574</td>
<td>2,811</td>
<td>84,385</td>
<td>3,320</td>
</tr>
<tr>
<td>Crown College</td>
<td>54,467</td>
<td>9,852</td>
<td>64,319</td>
<td>1,807</td>
</tr>
<tr>
<td>Kresge College</td>
<td>126,458</td>
<td>3,515</td>
<td>129,973</td>
<td>1,102</td>
</tr>
<tr>
<td>Merrill College</td>
<td>156,770</td>
<td>2,665</td>
<td>159,435</td>
<td>1,928</td>
</tr>
<tr>
<td>Stevenson College</td>
<td>68,878</td>
<td>5,734</td>
<td>74,612</td>
<td>3,134</td>
</tr>
<tr>
<td>College V</td>
<td>24,170</td>
<td>328</td>
<td>24,498</td>
<td>1,184</td>
</tr>
</tbody>
</table>

Total $2,535,901 $195,754 $2,731,655 $267,905

\(^{(1)}\) Based on information provided to us, these residences were acquired through gifts and donations to the university. These amounts do not include any value for land.

\(^{(2)}\) Primarily from the state General Fund.
<table>
<thead>
<tr>
<th>Administrator's Title And Location of Residence</th>
<th>Salary</th>
<th>Entertainment Allowance</th>
<th>Estimated Rental Value of Residence (1)</th>
<th>Transportation Allowance Or Automobile Provided</th>
</tr>
</thead>
<tbody>
<tr>
<td>President, Kensington</td>
<td>$55,000</td>
<td>$15,000</td>
<td>$50,808</td>
<td>yes</td>
</tr>
<tr>
<td>Vice President, Berkeley</td>
<td>48,000</td>
<td>10,000</td>
<td>12,612</td>
<td>yes</td>
</tr>
<tr>
<td>Chancellor, Berkeley</td>
<td>49,000</td>
<td>15,000</td>
<td>27,528</td>
<td>yes</td>
</tr>
<tr>
<td>Chancellor, Davis</td>
<td>47,000</td>
<td>10,000</td>
<td>16,164</td>
<td>yes</td>
</tr>
<tr>
<td>Chancellor, Irvine</td>
<td>47,000</td>
<td>7,500</td>
<td>9,348</td>
<td>no</td>
</tr>
<tr>
<td>Chancellor, Los Angeles</td>
<td>49,000</td>
<td>13,000</td>
<td>14,340</td>
<td>yes</td>
</tr>
<tr>
<td>Chancellor, Riverside</td>
<td>47,000</td>
<td>9,000</td>
<td>11,772</td>
<td>yes</td>
</tr>
<tr>
<td>Chancellor, San Diego</td>
<td>47,000</td>
<td>10,000</td>
<td>31,860</td>
<td>yes</td>
</tr>
<tr>
<td>Chancellor, San Francisco</td>
<td>48,300</td>
<td>9,000</td>
<td>28,368(2)</td>
<td>yes</td>
</tr>
<tr>
<td>Chancellor, Santa Barbara</td>
<td>47,000</td>
<td>10,000</td>
<td>19,308</td>
<td>yes</td>
</tr>
<tr>
<td>Chancellor, Santa Cruz</td>
<td>47,000</td>
<td>7,500</td>
<td>20,724</td>
<td>no</td>
</tr>
<tr>
<td>Provosts, Santa Cruz:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cowell College</td>
<td>28,500</td>
<td>1,500</td>
<td>9,792</td>
<td>no</td>
</tr>
<tr>
<td>Crown College</td>
<td>24,000</td>
<td>1,230</td>
<td>6,540</td>
<td>no</td>
</tr>
<tr>
<td>Kresge College</td>
<td>32,000</td>
<td>1,500</td>
<td>15,180</td>
<td>no</td>
</tr>
<tr>
<td>Merrill College</td>
<td>28,000</td>
<td>1,500</td>
<td>18,816</td>
<td>no</td>
</tr>
<tr>
<td>Stevenson College</td>
<td>35,000</td>
<td>1,500</td>
<td>8,268</td>
<td>no</td>
</tr>
<tr>
<td>College V</td>
<td>24,170</td>
<td>1,000</td>
<td>2,904</td>
<td>no</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$702,970</strong></td>
<td><strong>$124,230</strong></td>
<td><strong>$304,332</strong></td>
<td></td>
</tr>
</tbody>
</table>

(1) Rental value estimated at one percent per month on recorded value of residences as shown in Table 1 refers both to personal and public areas of the residences.

(2) This residence was not occupied by the chancellor. The chancellor received a housing allowance of $6,000 as part of his annual salary.
Office of the Auditor General

Table 3
California State University
and Colleges Residences
1973-74

<table>
<thead>
<tr>
<th>Occupant's Title</th>
<th>Estimated Market Value(1)</th>
<th>Recorded Value of Furnishings</th>
<th>Total Values</th>
<th>Annual Maintenance Expenses(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chancellor, Los Angeles</td>
<td>$375,000</td>
<td>$18,340 (3)</td>
<td>$393,340</td>
<td>$9,717</td>
</tr>
<tr>
<td>President, Chico</td>
<td>80,000</td>
<td>541</td>
<td>80,541</td>
<td>3,732</td>
</tr>
<tr>
<td>President, Fresno</td>
<td>122,500</td>
<td>794</td>
<td>123,294</td>
<td>6,062</td>
</tr>
<tr>
<td>President, Cal Poly Pomona</td>
<td>70,000*</td>
<td>595</td>
<td>70,595</td>
<td>4,050</td>
</tr>
<tr>
<td>President, Cal Poly San Luis Obispo</td>
<td>90,000</td>
<td>9,792</td>
<td>99,792</td>
<td>2,665</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$737,500</strong></td>
<td><strong>$30,062</strong></td>
<td><strong>$767,562</strong></td>
<td><strong>$26,226</strong></td>
</tr>
</tbody>
</table>

(1) Estimated market values as established by the Department of General Services. Residences acquired as gifts with the exception of Chico.

(2) Provided from both state General Fund and from donations.

(3) Acquired by donations and gifts to the California State University and Colleges Foundation.

* Residence value only. Value of land unknown.
### Table 4
California State University and Colleges
Annual Salary, Estimated Rental Value Of Residence, and Entertainment Allowance For Administrators Occupying State-Owned Residences 1973-74

<table>
<thead>
<tr>
<th>Administrator's Title And Location of Residence</th>
<th>Entertainment Salary</th>
<th>Entertainment Allowance</th>
<th>Estimated Rental Value of Residence (1)</th>
<th>Automobile Provided</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chancellor, Los Angeles</td>
<td>$55,000</td>
<td>$4,757</td>
<td>$45,000</td>
<td>yes</td>
</tr>
<tr>
<td>President, Chico</td>
<td>40,320</td>
<td>7,600</td>
<td>9,600</td>
<td>yes</td>
</tr>
<tr>
<td>President, Fresno</td>
<td>42,336</td>
<td>4,180</td>
<td>14,700</td>
<td>yes</td>
</tr>
<tr>
<td>President, Cal Poly Pomona</td>
<td>44,448</td>
<td>1,638</td>
<td>8,400</td>
<td>yes</td>
</tr>
<tr>
<td>President, Cal Poly San Luis Obispo</td>
<td>44,448</td>
<td>3,303</td>
<td>10,800</td>
<td>yes</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$226,552</strong></td>
<td><strong>$21,478</strong></td>
<td><strong>$88,500</strong></td>
<td>100%</td>
</tr>
</tbody>
</table>

(1) Rental value estimated at one percent per month on market value as shown in Table 3 refers both to personal and public areas of the residences.
June 6, 1975

The Honorable Harvey Rose  
Auditor General of California  
1100 K Building, Room 400  
Sacramento, California 95814

Dear Mr. Rose:

I appreciated the chance to discuss with your staff the draft report on State-owned residences. We had a good meeting, the draft is fair, straightforward, and informative, and I am satisfied that the final report will serve a useful purpose. It has been a pleasure to work with you and your staff.

Mr. Tompkins mentioned that comments from the University on the draft would be welcome if forthcoming within three days, and I would like to take advantage of this opportunity. There are a few areas which could be made more clear from our point of view.

The concluding sentence of paragraph two on the first page states that, "It was not feasible to determine the extent to which these residences are used for official purposes as compared to personal purposes." In a literal sense, this is of course true, for there never can be a strict demarcation line between the official and the personal, in the houses or in the officers who live in them, for that matter. Yet it might be useful here or somewhere in the report to indicate the magnitude of official use. For example, in the six years that Mrs. Hitch and I have lived in Blake House, the President's official residence, we have entertained there some 8,000 people. With their closer relationship to faculty and students, the Chancellors have run up even more impressive statistics, e.g., Chancellor Bowker at Berkeley annually entertains about 4,000 people in his home.

Page two of the draft report refers to the unsatisfactory response of other colleges and universities to a survey questionnaire. This is lamentable but not entirely unexpected, for we had the same experience a few years ago when we asked
for similar information: institutions simply are very reluctant to part with detailed information of this kind. In terms of policy, however, it should be noted that our provisions are very similar to those extended by the great majority of colleges and universities across the country. Significantly, each of the eight institutions with which we compare salaries and benefits offers an official residence for its chief executive. Even though strict comparisons are not possible, I suggest that the final report would be more fully descriptive of the situation if it included a statement to the effect that The Regents' policies in this regard are by no means unusual, that indeed they reflect common practice among peer institutions throughout the nation.

The lead paragraph on page 4 refers to the "residences... provided for the six college provosts at the University's Santa Cruz campus." Taken at face value, this implies there are only six provosts, when actually there are eight; I thought I should make this clear for the record. Oakes College (College 7) is under construction, and in the interim the Provost is provided, rent-free to him, an unfurnished apartment in married student housing quarters. He receives no other benefits. The state has provided no construction money for College 8, but it is hoped that eventually it will be completed and will include a provost's official residence--provided, as is the case with other Santa Cruz Provosts' Houses, from gift funds. In the meantime, the Provost lives in his own private home and receives no housing benefits whatsoever.

The first full paragraph on page five, which refers to Table 2 (page 9), and Table 2 itself provide a possibly misleading impression of total compensation of University officers. For example, entertainment allowances are mentioned and listed cheek-by-jowl with annual salaries, as if they were different only in degree, rather than kind. Actually, the entertainment allowances--we call them contingency funds--are not in any way personal funds. Rather, they are strictly accountable monies for use only in legitimate University business and entertainment. Detailed records are kept of their expenditure which clearly indicate the official purposes to which they are put.
Similarly, the provision of an automobile or transportation allowance covers only the business or institutional expenses of automobile travel which are properly charged to the University and not to the individual. Commuting mileage or any other personal mileage is reported as taxable income at the rate of fifteen cents per mile. Incidentally, the last column of Table 2 could be interpreted as indicating that the Chancellors at Irvine and Santa Cruz are not compensated for their University auto travel, and that is not the case. They are not assigned University cars--hence the "no" in the column--but they are reimbursed for all official mileage travelled in their personal vehicles.

I already have mentioned the difficulty of separating personal and official uses of the residences, but wherever the line is drawn it surely would reduce the estimated rental value of a residence to the individual (see column 3, Table 2). In the larger houses, the amount of space used for living purposes is but a fraction of the total space involved; many of the rooms are used almost solely for public events and so have little or no rental value to the occupants. * * *1/

* * *1/

I hope my comments are useful in the preparation of the final report. If I can supply you with any other information, please let me know.

Yours sincerely,

Charles J. Hitch

I/ Comments deleted refer to items shown in draft report but not included in this report.
June 5, 1975

Mr. Merrill E. Tompkins
Office of the Auditor General
925 "L" Street, Room 757
Sacramento, California 95814

Re: Presidential Housing; Our File No. L74-2511

Dear Merrill:

Pursuant to our meeting yesterday, I am enclosing the comments we have regarding the draft report of the Auditor General concerning the University of California, The California State University and Colleges and the residences occupied by the state officials.

As mentioned by Chancellor Dumke, Executive Vice Chancellor Harmon and others at the meeting, the report was very complete and comprehensive. The following comments, I think, only go to augment that completeness and correct certain items which could possibly be misconstrued, and in one circumstance, a statement which is technically not legally correct:

* * * 1/

1/ See comment 1/ on page 14.
3. On page 6, the sentence "In addition, the administrators occupying these residences received annual entertainment allowances from $1,638 to $7,600." To be legally accurate and also to convey the correct impression, the phrase "entertainment allowances" is more correctly stated as "community relations expenses" and we would suggest that that phrase which is used in Title 2 of the California Administrative Code be used.

4. see comment 1/ on page 14.
agreement with the term used in Title 2 of the California Administrative Code which is "community relations expense."

7. Under Table 4, the amount shown in connection with the Chancellor's residence in Los Angeles for entertainment allowance is $4,757. Here, again, we do not know the composition of your figure, but our records indicate that during 1973-74, $2,948 was expended for community relations funds from The California State University and Colleges Foundation, a non-state entity.

Thank you for meeting with us on June 2. We believe the points mentioned above are only an improvement of what is already a very complete and informative report.

Sincerely,

Mayer Chapman
General Counsel

cc. Dr. Glenn S. Dumke
    Mr. Harry Harmon
    Mr. D. Dale Hanner
    Mr. George Merrill
DESCRIPTIONS AND PICTURES
OF THE 22 RESIDENCES
University of California
Residence for President

Built in 1928, the university renovated this residence from 1967 through 1969 at a cost of $287,575. The three-story structure has three bedrooms and three baths, and an area of 12,434 square feet. The 21-room house is in Kensington, approximately three miles from the Berkeley campus. The 10-acre site is used as an outdoor teaching and research laboratory by the university's Department of Landscape Architecture.
University of California
Residence for Vice President

Built in 1928, this two-story structure has six bedrooms and six baths, and an approximate area of 8,120 square feet. The 14-room house is located about one mile from the Berkeley campus. The .36-acre lot includes a fully landscaped yard with flower and shrubbery gardens.
University of California, Berkeley
Residence for Chancellor

Built around 1900, this four-story structure has six bedrooms and 10 baths, and an approximate area of 19,000 square feet. The 27-room house is located on the campus. The two and one-half-acre lot includes a garden area with lawns, flower beds, and a greenhouse.
University of California, Davis
Residence for Chancellor

Built in 1937, this residence has five bedrooms and three baths, and an area of 4,270 square feet. A guest house, built in 1969, has an area of 1,172 square feet. The two houses, located in a residential area of Davis known as College Park, contain a total of 13 rooms. The .94-acre lot has numerous shade trees, large lawns, flowers, and shrubs, and the back yard has a large barbeque area.
University of California, Irvine
Residence for Chancellor

Built in 1964, this one-story structure has four bedrooms and four baths, and an area of 5,062 square feet. The 15-room house is located off-campus in Newport Beach on a .4-acre lot which is landscaped with a courtyard, lawn, and various kinds of shrubbery.
University of California, Los Angeles
Residence for Chancellor

Built in 1930 of Italian Romanesque architecture, this two-story structure has four bedrooms and four and one-half baths, and an area of 8,906 square feet. The 32-room house is contiguous to the campus with its front entrance on a residential street. The 1-3/4-acre lot has a heated and filtered swimming pool, a large lawn area, botanical garden, rose garden, and a circular driveway.
University of California, Riverside
Residence for Chancellor

Built in 1959, this partial two-story structure has four bedrooms and seven baths, and an approximate area of 7,000 square feet. The 19-room house is located off-campus in a residential area of Riverside. The .51-acre lot has a swimming pool, two patios, a landscaped lawn, and a rose garden.
University of California, San Diego
Residence for Chancellor

Built in 1952, this one-story Spanish ranch-style structure has four bedrooms and four baths, and an approximate area of 8,800 square feet. The 18-room house is located off-campus in a residential area of LaJolla, overlooking the Pacific Coast. The 6.85-acre lot is landscaped with lawns, native geranium, roses, olive, torry pine, and coral trees. The entrance is a tile patio enclosed by adobe walls.

Front View

Rear View
University of California, San Francisco
Residence for Chancellor

Built in 1966, this single-story structure was altered and refurbished in 1970. It has six bedrooms and five and one-half baths, and an approximate area of 4,730 square feet. The 17-room house is located in the Mount Sutro area of the campus. The one and one-half-acre lot includes a courtyard with trees, shrubs, and plant life native to the area.

* Residence is not occupied by the Chancellor pursuant to special permission by the Regents.
University of California, Santa Barbara
Residence for Chancellor

Built in 1965, this single-story residence has four bedrooms and four baths, and an area of 3,983 square feet. A separate guest house was built in 1969. The 12-room house is on campus, and has a scenic rear view of the Pacific Ocean. The yard area is mostly lawn with some trees and shrubs.
University of California, Santa Cruz
Residence for Chancellor

Built in 1967, this single-story ranch-style house has five bedrooms and four and one-half baths, and an area of 7,999 square feet. The 13-room house is on campus, overlooking the Pacific Coast. The grounds are landscaped to blend with the natural growth of the area, with large oaks shading a bricked courtyard.

Front View

Rear View
University of California, Santa Cruz
Residence for Provost, Cowell College

Built in 1966, this two-story residence has four bedrooms, and a total area of 5,341 square feet. The 11-room house is landscaped and is located on campus.
University of California, Santa Cruz
Residence for Provost, Crown College

Built in 1968, this two-story house has three bedrooms, two and one-half baths, and an area of 4,100 square feet. The natural landscape setting for the 10-room house has a variety of trees, bushes, and shrubs.
University of California, Santa Cruz
Residence for Provost, Kresge College

Built in 1974, this three-story house is attached to a college building. It has four bedrooms, two and one-half baths, and an area of 3,737 square feet. Trees and native grass surround the 10-room residence.
University of California, Santa Cruz  
Residence for Provost, Merrill College

Built in 1970, this three-story Spanish-style house has four bedrooms, two and one-half baths, and an approximate area of 4,640 square feet. The 11-room house is landscaped with numerous evergreen trees and bushes typical of the surrounding area.
University of California, Santa Cruz
Residence for Provost, Stevenson College

Built in 1967, this three-story house has three bedrooms, two and one-half baths, and an approximate area of 3,762 square feet. The nine-room house is in a natural setting on campus.
University of California, Santa Cruz
Residence for Provost, College V

Built in 1870, this single-story ranch-style house is part of the original campus. It was renovated in 1969. It has three bedrooms, two baths, and an area of 2,583 square feet. The eight-room house, located on campus, is landscaped with lawn, flowers, and shrubs.