

STATE OF CALIFORNIA  
**Budget Change Proposal - Cover Sheet**  
 DF-46 (REV 08/15)

Fiscal Year 2016-2017	Business Unit BU_3930	Department Department of Pesticide Regulation	Priority No. 5
Budget Request Name 3930-005-BCP-DP-2016-GB		Program 3540_Pesticide Programs	Subprogram <b>354010_PESTICIDE REGISTRATION</b>

Budget Request Description  
 Reappropriation of Pesticide Registration Data Management System

Budget Request Summary

The Department of Pesticide Regulation requests a technical budget adjustment to the previously approved Pesticide Registration Data Management System (PRDMS) project (Project #3930-012) to shift \$1,579,000 in project funding from fiscal year 2015-16 to 2016-17. The 2015-16 PRDMS Budget Change Proposal requested \$123,000 in software licensing and \$1,456,000 in software customization to be available in 2015-16, but changes to the IT Project Approval Lifecycle led to additional reviews of the project's requirements before any funding could be encumbered against the System Integrator contract, the main contract for the PRDMS project. There is no change to the total funding requested for the project.

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed	
Does this BCP contain information technology (IT) components? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO	Date

For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the Department of Technology, or previously by the Department of Finance.

FSR  SPR Project No. 3930-012 Date: 01/2015

If proposal affects another department, does other department concur with proposal?  Yes  No  
 Attach comments of affected department, signed and dated by the department director or designee.

Prepared By <i>[Signature]</i>	Date 01.04.2016	Reviewed By <i>[Signature]</i>	Date 1-4-16
Department Director <i>[Signature]</i>	Date 01.05.2016	Agency Secretary <i>[Signature]</i>	Date 1/6/16

**Department of Finance Use Only**

Additional Review:  Capital Outlay  ITCU  FSCU  OSAE  CALSTARS  Dept. of Technology

BCP Type:  Policy  Workload Budget per Government Code 13308.05

PPBA	Original Signed By: Ellen Moratti	Date submitted to the Legislature 1/7/16
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## **A. Budget Request Summary**

The Department of Pesticide Regulation (DPR) requests a technical budget adjustment to the previously approved Pesticide Registration Data Management System (PRDMS) project (Project #3930-012) to shift \$1,579,000 in project funding from fiscal year 2015-16 to 2016-17. The 2015-16 PRDMS Budget Change Proposal (BCP) requested \$123,000 in software licensing and \$1,456,000 in software customization to be available in 2015-16, but changes to the IT Project Approval Lifecycle led to additional reviews of the project's requirements before any funding could be encumbered against the System Integrator contract, the main contract for the PRDMS project. There is no change to the total funding requested for the project.

## **B. Background/History**

PRDMS will become a fully integrated information management system to substantially improve the pesticide product and device registration process. Once completed, the system will offer online functionality and allow for online submission of registration-related materials and electronic payment. This system will enable DPR to more efficiently and effectively accept, evaluate, process, and manage pesticide product and device registration materials. The system will also enable the public, including medical professionals, poison control centers, and pesticide enforcement agencies, to quickly access copies of currently registered pesticide products and device labels in a timely manner, potentially limiting damage to human health and the environment.

During development of the Feasibility Study Report (FSR), it was anticipated the project would obtain Independent Verification and Validation (IV&V) services after a Design, Development, and Implementation (DD&I) vendor was selected and a contract was executed. However, around the time the FSR was approved, the California Department of Technology (CalTech) began reevaluating the IT project approval lifecycle and implemented changes that required more comprehensive and robust reviews of the project requirements, including the requirements to be included in the Request for Proposal (RFP).

The PRDMS FSR and the corresponding BCP were included in the 2015-16 Governor's Budget. On January 10, 2015, a FSR approval letter was provided by CalTech that provided a conditional approval of the project with the condition that an IV&V vendor would review and approve the requirements in the Request for Proposal (RFP) document. This required IV&V review of RFP requirements was not expected. The subsequent development and procurement of the IV&V vendor contract took several months with check-ins and collaboration with CalTech to determine how to proceed under new guidance. The IV&V vendor contract was executed on July 23, 2015. The IV&V vendor reviewed the requirements in the RFP document and provided a signoff of the requirements on August 26, 2015. The RFP was released on September 16, 2015.

The release of the RFP from the original target release date of February 2015 to September 2015 was an unexpected outcome.

## **C. State Level Considerations**

The California Environmental Protection Agency (CalEPA) mission is to restore, protect, and enhance the environment, to ensure public health, environmental quality, and economic vitality. DPR is one of six boards, departments, and offices (BDO's) under the authority of CalEPA. This request is consistent with DPR's strategic goals. Most specifically, DPR Strategic Goals: Goal 2 which focuses on advancing reduced-risk management systems; Goal 5 by continually improving performance, accountability, and organizational effectiveness and; Goal 6 by promoting an understanding and awareness of DPR programs, priorities, initiatives, and accomplishments through effective external communications, outreach, and public education. California's pesticide manufacturers, sellers, and users are all regulated by DPR and can be required to submit specific information on pesticide use, human health

and safety, environmental fate, environmental toxicology, etc. County agricultural commissioners act as local agents for DPR; collecting data, administering pesticide use permits, and enforcing pesticide sales and use regulations. DPR has authority to regulate pesticide sales, conditions of use, and implement problem-solving mitigation measures. This technical budget shift will allow DPR to continue to move forward and produce efficiencies within the Registration Program which are needed in order to more effectively and efficiently promote the proper and safe use of pesticides and devices, while protecting human health and the environment. The proposal is also a part of ongoing efforts to upgrade DPR information technology systems to make them more efficient and effective.

**D. Justification**

Due to the unexpected IV&V review requirements, more comprehensive review of the RFP documents, and an expanded timeline for the procurement process, DPR will need to shift \$1,579,000 originally appropriated in 2015-16 to 2016-17. The \$1,579,000 includes \$123,000 for software licensing and \$1,456,000 for software customization from the System Integrator vendor.

<b>Fiscal Year</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Total</b>
<b>Current Funding Plan</b>	\$1,958,000	\$1,961,000	\$400,000	\$163,000	\$4,483,000
<b>Proposed Funding Plan</b>	\$379,000	\$3,541,000	\$400,000	\$163,000	\$4,483,000
<b>Change to Funding Plan</b>	-\$1,579,000	+\$1,579,000	\$0	\$0	\$0

Project funding in the original plan to be expended in 2015-16 (and to not be shifted into 2016-17) includes funding for the IV&V contractor (\$265,000), CalTech project oversight (\$113,000), and minor telecommunications operating expenses (\$1,000).

DPR is expected to submit a Special Project Report (SPR) once a System Integrator vendor is selected. Submitting an SPR at that time will allow DPR to incorporate the selected vendor’s proposed implementation timeline and incorporate any additional changes and requirements to the IT project approval lifecycle.

**E. Outcomes and Accountability**

Given the new timeline for the PRDMS project, a shift of resources from 2015-16 to 2016-17 is necessary to fund the System Integrator contract and purchase software. The previous six outcomes for PRDMS are still on track once the System Integrator is selected: improve data collection and integration and develop electronic validation processes to ensure the accuracy, quality and completeness of registrant submissions; provide access to electronic product labels anytime and anywhere through the use of the internet/intranet; increase throughput while decreasing time and effort to process registration submissions; establish measurable process performance targets and accountability as a best practice; improve registration, communication, and staff coordination processes; and centralize (electronically) registrant company profile information, pesticide label data, scientific studies data, and support documents.

**F. Analysis of All Feasible Alternatives**

**1. Do nothing**

Pros:

- No technical budget adjustment required.

Cons:

- Project funding plan will not align with the funding needs of the project.
- DPR will continue to struggle to meet mandated timeframes impacting both the general public and pesticide product stakeholders.
- Interested and qualified bidders may shy away from bidding on a project that is not fully funded.

- DPR will not be able to enter into a contract with a software customizer for the full value as presented in the FSR.
- The general public and emergency responders will continue to lack access to electronic pesticide labels which has potential safety ramifications.
- The Legislature will have less oversight over the project.

**2. Delay fund shift until Special Project Report (SPR) is completed and request fund shift in 2017-18 budget.**

Pros:

- DPR will have more accurate information on funding needs once a system integrator is selected.

Cons:

- DPR will be entering into a contract with the selected vendor with approval for only half of the required funding to carry out the project.
- Interested and qualified bidders may shy away from bidding on a project that is not fully funded.
- The State will be in a disadvantaged position to negotiate terms of the contract if DPR cannot guarantee that the project is fully funded.
- The Legislature will have less oversight over the project.

**3. Shift \$1,579,000 in project funding from 2015-16 to 2016-17**

Pros:

- The PRDMS project will be fully funded.
- Interested and qualified bidders will bid on the project knowing the project is fully funded.
- The PRDMS project will continue towards achieving its goals of providing better access of information to first responders and the public.
- The PRDMS project will continue towards achieving its goals of meeting mandated timeframes to evaluate, review, or register pesticide products.

Cons:

- Requires a technical budget adjustment.

**G. Implementation Plan**

The following is a schedule of revised and critical project milestones.

Date	Project Milestone
July, 2015 August, 2016	System integrator, Independent Verification & Validation, and Independent Project Oversight Contractor contracts executed.
December, 2015 December, 2016	Project initiation and planning phase completed.
April, 2016 April, 2017	Application requirements specifications and design specifications completed.
May, 2017 May, 2018	Application developed and tested.
June, 2017 June, 2018	Implementation completed.

**H. Supplemental Information** (*Describe special resources and provide details to support costs including , appropriate back up.*)

**I. Recommendation**

DPR recommends approval of Alternative Number 3. A technical budget adjustment is the most practical solution given the new timeline. No resources have been spent that do not meet the requirements of the current timeline. DPR has released the Request for Proposal on September 16, 2015 for the software customizer. The approval of this BCP will allow the PRDMS project to move forward with the new schedule and include all requirements and objectives that have been approved by CalTech.

## BCP Fiscal Detail Sheet

BCP Title: Reappropriation of Pesticide Registration Data Management System

DP Name: 3930-005-BCP-DP-2016-GB

### Budget Request Summary

FY16

	CY	BY	BY+1	BY+2	BY+3	BY+4
Operating Expenses and Equipment						
5340 - Consulting and Professional Services -	-1,456	1,456	0	0	0	0
5346 - Information Technology	-123	123	0	0	0	0
<b>Total Operating Expenses and Equipment</b>	<b>-\$1,579</b>	<b>\$1,579</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Budget Request</b>	<b>-\$1,579</b>	<b>\$1,579</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### Fund Summary

Fund Source - State Operations						
0106 - Department of Pesticide Regulation Fund	-1,579	1,579	0	0	0	0
<b>Total State Operations Expenditures</b>	<b>-\$1,579</b>	<b>\$1,579</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total All Funds</b>	<b>-\$1,579</b>	<b>\$1,579</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### Program Summary

Program Funding						
3540010 - Pesticide Registration	-1,579	1,579	0	0	0	0
<b>Total All Programs</b>	<b>-\$1,579</b>	<b>\$1,579</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>