

STATE OF CALIFORNIA
CAPITAL OUTLAY
BUDGET CHANGE PROPOSAL (COBCP)
COVER PAGE (REV 06/15)

DEPARTMENT OF FINANCE
915 L Street
Sacramento, CA 95814
IMS Mail Code: A15

BUDGET YEAR 2016-17

BUSINESS UNIT: 9860 COBCP NO. 1 PRIORITY: 1 PROJECT ID: 0000668

DEPARTMENT: Capital Outlay Planning and Studies Funding

PROJECT TITLE: Statewide Planning and Studies

TOTAL REQUEST (DOLLARS IN THOUSANDS): \$1,000 MAJOR/MINOR: Major

PHASE(S) TO BE FUNDED: S PROJ CAT: _____ CCCI/EPI: _____

SUMMARY OF PROPOSAL:

This proposal requests \$1 million General Fund in Budget Year 2016-17 for funds to be allocated by the Department of Finance to state agencies for the development of design and cost information for new capital outlay projects.

HAS A BUDGET PACKAGE BEEN COMPLETED? (Existing/Needed/Not Needed): Not Needed

REQUIRES LEGISLATION (Y/N): N IF YES, LIST CODE SECTIONS: _____

REQUIRES PROVISIONAL LANGUAGE (Y/N) N

IMPACT ON SUPPORT BUDGET: ONE-TIME COSTS (Y/N): N FUTURE COSTS (Y/N): N

FUTURE SAVINGS (Y/N): N REVENUE (Y/N): N

DOES THE PROPOSAL AFFECT ANOTHER DEPARTMENT (Y/N): N IF YES, ATTACH COMMENTS OF AFFECTED DEPARTMENT SIGNED BY ITS DIRECTOR OR DESIGNEE.

SIGNATURE APPROVALS:

Chris K. Duffy 01/04/16
PREPARED BY _____ DATE _____ REVIEWED BY _____ DATE _____

DEPARTMENT DIRECTOR _____ DATE _____ AGENCY SECRETARY _____ DATE _____

DOF ANALYST USE

DOF ISSUE # _____ PROGRAM CAT: _____ PROJECT CAT: _____ BUDG PACK STATUS: _____
ADDED REVIEW: SUPPORT: _____ OCIO: _____ FSCU/ITCU: _____ OSAE: _____ CALSTARS: _____

PPSA: Original Signed by: Stephen Benson DATE SUBMITTED TO LEGISLATURE 1/7/16

A. PURPOSE OF THE PROJECT:

These funds will be used to develop refined design, cost, and schedule information (budget packages or studies) for new capital outlay projects. This helps ensure total project costs are more accurate, funding levels are appropriate, and the project scopes are feasible. More accurate funding information also provides decision makers with a better understanding of total project costs to ensure the proposed solution is cost-effective.

B. RELATIONSHIP TO THE STRATEGIC PLAN:

Providing this funding is consistent with promoting responsible resource allocation by ensuring projects receive the appropriate level of funding and that funding isn't requested until a project has been properly vetted.

C. ALTERNATIVES:

Alternative #1: Provide \$1 million General Fund for planning and study packages to state agencies for projects to be included in future Governor's Budgets or Five-Year Plans. Planning and study funding help ensure projects are not overfunded, which would tie up state funds until the project is complete. Additionally, it helps ensure projects are not underfunded, possibly creating delays and driving project cost increases.

Alternative #2: Provide a lesser amount of funds for planning and study packages. Based on the need identified by departments in the Five-Year Plan, a lesser amount may not sufficiently meet the need for new project budget packages. A lesser amount would allow fewer budget packages to be completed and would hinder the state's ability to identify the most critical and prepared projects to move forward.

Alternative #3: Utilize conceptual cost estimates based on other similar projects. Departments could base project funding requests on similar projects. This solution could end up over dedicating state funds for projects, which is an inefficient use of state funds. Additionally, departments may under-estimate project costs and requests for additional funding could cause delays, thereby, increasing project costs.

D. RECOMMENDED SOLUTION:

1. Alternative #1: Provide funding for the planning and study of state capital outlay projects to ensure accurate cost and scope information is included in proposals for future Governor's Budgets and Five-year Plans. Although the state has started relatively few new projects in the past few years because of funding constraints, additional investments will be needed in the next few years. The proposed funding level will allow for the most critical studies to be funded in Budget Year.

2. Detail scope description.

This appropriation will fund the development of budget packages for capital outlay projects statewide.

3. Basis for cost information.

The 2016-17 request is based on previous Budget Act appropriations for capital outlay planning and studies. Budget packages typically range from \$60,000 to \$80,000 per project and extensive studies range from \$150,000 to \$200,000. The requested funding would allow budget packages or studies for approximately 6 to 13 projects to be completed during the 2016-17 Fiscal Year. While it is difficult to meaningfully predict the nature of the budget packages or studies needed, given the significant amount of capital

outlay need identified in the 2016 Five-Year Infrastructure Plan, the proposed funding level should begin to address this need. Projects will be selected on the basis of criticality.

4. Factors/benefits for recommended solution other than the least expensive alternative.

The development of accurate budget packages is important to the proposal and approval of capital outlay projects. These budget packages identify the initial cost estimate and define the scope of the project.

5. Complete description of impact on support budget.

There is no impact on the support budget if this request is approved.

6. Identify and explain any project risks.

There are no risks identified with this proposal.

7. List requested interdepartmental coordination and/or special project approval.

Pursuant to the provisional language included in the Budget Act, any expenditure from the appropriation requested by this proposal must be approved by the Department of Finance.

E. CONSISTENCY WITH GOVERNMENT CODE SECTION 65041.1:

1. *Does the recommended solution (project) promote infill development by rehabilitating existing infrastructure and how? Explain.*

The recommended alternative provides an opportunity for infill development of existing infrastructure to be considered while assessing all viable construction locations.

2. *Does the project improve the protection of environmental and agricultural resources by protecting and preserving the state's most valuable natural resources? Explain.*

It is always an essential tenant of planning to protect the precious and finite environmental and agricultural resources of the state. Statewide planning and studies funding allows for the protection of our most valuable natural resources to be measured in considering the project.

3. *Does the project encourage efficient development patterns by ensuring that infrastructure associated with development, other than infill, support efficient use of land and is appropriately planned for growth? Explain.*

Statewide planning and studies funding will yield a well-thought-out development pattern through methodical planning and studying of proposed projects ultimately ensuring efficient use of land and appropriate planning for growth.

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CAPITAL OUTLAY BUDGET CHANGE PROPOSAL (COBCP)		Proj ID:	0000668
FISCAL DETAIL WORKSHEET		BU/Entity:	9860
Department Title:	Capital Outlay Planning and Studies Funding	Program ID:	7815
Project Title:	Statewide Planning and Studies	COBCP #:	1
Program Category:		Priority:	1
Program Subcategory:		M/AM:	MA

Identify all items which fit into the categories listed below. Attach a detailed list if funding is included in this request. Provide descriptions and summary estimates for items for which you plan to request funding in the future. When possible, identify funding needs by fiscal year (BY+1 through BY+4).

PROJECT RELATED COSTS	COST	TOTAL
AGENCY RETAINED:		
TOTAL AGENCY RETAINED		0
GROUP 2 EQUIPMENT		
TOTAL GROUP2 EQUIPMENT		0
IMPACT ON SUPPORT BUDGET	COST	TOTAL
ONE-TIME COSTS		
TOTAL SUPPORT ONE-TIME COSTS		0
ANNUAL ONGOING FUTURE COSTS		
TOTAL SUPPORT ANNUAL COSTS		0
ANNUAL ONGOING FUTURE SAVINGS		
TOTAL SUPPORT ANNUAL SAVINGS		0
ANNUAL ONGOING FUTURE REVENUE		
TOTAL SUPPORT ANNUAL REVENUE		0

STATE OF CALIFORNIA		Budget Year 2016-17	
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