CAPITALIZED ASSETS: WHO DOES WHAT **6805**
(New 5/98)

The client department, the State Public Works Board (PWB), the Department of Finance (DOF), the Department of General Services (DGS), the Pooled Money Investment Board (PMIB), and the State Treasurer's Office (STO) all may perform key roles in carrying out an infrastructure program.

1. The **client department** manages the programs for which infrastructure acquisition, construction or improvement is a supporting activity. The department identifies program needs in a strategic plan, determines the related infrastructure requirements, prepares a five-year capitalized assets plan, prepares individual capital outlay budget change proposals, works with DOF and DGS to budget and implement the plan, and may work with PMIB and STO to provide interim and long-term financing for the project. At all stages of a capital outlay project or a capitalized lease project, the client department is responsible for justifying program needs, keeping the project within scope and cost, and meeting administrative requirements set forth in statute and SAM. Some departments have the authority to design and construct projects, exclusive of the control or oversight of DOF, PWB and/or DGS.

2. **DOF** reviews capital outlay budget change proposals (COBCPs) for inclusion in the *Governor's Budget*, reviews legislation proposing capital outlay projects and capitalized leases, has authority to adjust the scope of projects subject to legislative reporting requirements, chairs and provides staff to PWB in that board's oversight of project implementation, and has delegated authority from PWB to carry out certain of the board's tasks. DOF also participates in bond sales activities for capital outlay and capitalized lease projects.

3. **PWB** acquires property for the state, must approve the preliminary plans for capital projects, may set reasonable conditions for any project, and may issue debt instruments and authorize interim financing to construct facilities. PWB ensures that projects remain within legislatively approved scope and cost and are carried out with speed and diligence. The board has authority to augment projects by up to 20 percent, subject to legislative notification requirements and may terminate projects. In addition, the board holds the power of eminent domain (condemnation authority) for most projects. An overview of PWB's role and responsibilities is presented in SAM Section 6842.

4. **DGS** has broad authority for real property acquisition, sales, statewide property inventory, and energy efficiency services for state and K-14 school facilities. Its services are offered on a reimbursable basis. DGS determines whether departments are capable of carrying out minor projects directly. DGS is also staff to PWB for property acquisition and energy efficiency contracts.

5. **PMIB** has the authority to grant requests for Pooled Money Investment Account loans for projects needing interim financing before bonds are sold. Additional information on PMIB's processes is provided in Section 6878.

6. **STO** is the state's official agent for the sale of debt instruments. STO chairs PMIB and sits as a member on PWB. In addition, STO provides (or makes arrangements for) trust services for debt issuances. As agent for sale, STO holds the exclusive right to select financing teams for issuances. STO's agent-for-sale role includes all debt financings of joint powers authorities, regardless of whether the state is a member of the authority. Additional information on STO's role is provided in Sections 6870–6888.