

SAM - BUDGETING

MINOR CAPITAL OUTLAY

6807

(Revised 5/1998)

Minor capital outlay is any project under \$250,000 (except an acquisition project) which is scheduled in the Budget Act specifically under the heading “minors.” However, Resources Agency capital outlay projects of up to \$500,000 may be proposed as minor projects with the concurrence of DOF (Public Contract Code [10108.5](#)). The \$250,000 limit does not apply to district agricultural associations or the State Lands Commission.

Important budgeting points include:

1. Per Section 3.00 of the Budget Act, the term *minor projects* includes planning, working drawings, construction, improvements, and equipment projects not specifically set forth in the budget schedule. It does not include any acquisition project, regardless of amount.
2. Minor projects are generally scheduled together as a single “project” and must be labeled as “minors” in the client department’s capital outlay Budget Act item. Any project not scheduled specifically as a minor project, regardless of amount, is a major project. (The decision on how to propose scheduling the project rests with DOF.)
3. DGS may delegate the authority to client departments to carry out a minor project directly, pursuant to the Public Contract Code Section 10808 and 10808.5.
4. Per Section 2.00 of the Budget Act, the period of appropriation availability for minor projects is one year, followed by a two-year liquidation period. (Major projects, on the other hand, have a three-year appropriation availability.)
5. A minor project is not subject to PWB oversight, and by practice PWB does not augment projects which are not subject to its approval processes.
6. DOF may increase the approved amount of a minor capital outlay project through a redirection within the minor program if the project is not scheduled individually and the amount of the increase does not result in a project of over \$250,000. Substitution of minor projects is permissible with DOF concurrence, provided the project being replaced is not scheduled individually. Substitutions are based on critical need.
7. Minor projects may be subject to the California Environmental Quality Act (CEQA) as described in Section 6850.
8. Minor capital outlay proposals are due to DOF by July 1 of each fiscal year. Each proposed project must be submitted in the format for major projects outlined in Section 6818.

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9. Reappropriation of minor projects is not generally permitted. Minor projects should therefore be projects where all funds can be encumbered in one year.
10. It is not permissible to "piecemeal" larger projects through several minor projects.

Minor projects created through Section 6.00 of the Budget Act: As described in Section 6806, a minor project may be created for *alteration of a state facility* using support funds, subject to DOF approval when the total project amount is between \$35,000 and \$250,000. When DOF approval is required, the request must be accompanied with all the information required in a COBCP (Section 6818). The request must be submitted at least 60 days in advance of proposed project implementation (30 days for DOF to review the request and notify the Legislature; 30 days for the Legislature's review), and no later than April 30 of each year. (Submit copies of the request to *both* the DOF support analyst and the Capital Outlay Unit, along with any related Form 22 for transfer of funds to DGS' Architecture Revolving Fund.)