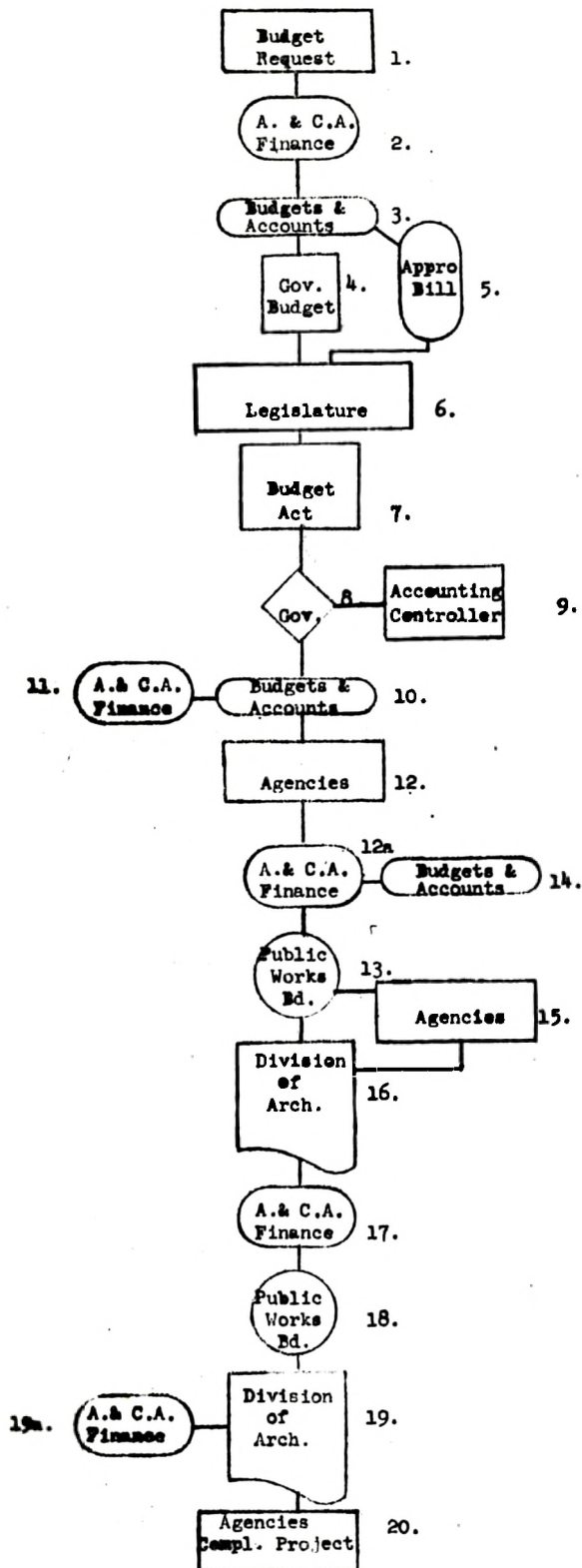


**EXHIBIT II**  
**MAJOR STEPS IN CALIFORNIA STATE CAPITAL OUTLAY PROCESS**



1. Budget requests are prepared by the agencies.
2. Requests are reviewed by the Director of Finance through his architectural and construction advisor. Revisions are made up or down or request is deferred. Cost estimates are furnished by the Division of Architecture. Under proposed procedure for the 1953-54 Budget, all major capital outlay budget items will be based upon preliminary plans furnished by the Division of Architecture.
- 3., 4., & 5. Budget requests, as approved by the Director of Finance, are placed in the Governor's Budget and appropriations bill by the Division of Budgets and Accounts, Department of Finance.
6. Governor's Budget and appropriations bill are sent to the Legislature. The appropriations bill is introduced in both Houses by the chairman of their respective fiscal committees. Amendments are made in the bill by either House and the final bill is approved.
7. After above approval, it is sent to the Governor for signature.
8. The Governor may veto or delete or reduce portions of the Act. After the Governor's approval, it is cited as the Budget Act of the year.
9. The Controller establishes accounts for the various items in the Budget Act by funds and agency.
10. The Department of Finance, Division of Budgets and Accounts, forwards copies of the Budget Act to the agencies accompanied by a booklet containing a list of legislative and executive changes that may have been made in items of appropriation before enactment into law.
11. The architectural and construction advisor is notified by the Division of Budgets and Accounts of the changes and items allowed for each agency.
12. & 12a. The agency then requests the Director of Finance to submit minor and major capital outlay projects to the Public Works Board.
- 13., 14., & 15. The Director of Finance and the Public Works Board reviews and approves any or all items for programming. Upon favorable review, items under \$20,000 are allowed to be done by the agency subject to release by the Division of Architecture.
16. The Department of Public Works, Division of Architecture, prepares preliminary plans for each major project and then submits these plans to the Director of Finance for his consideration.
17. The Director of Finance may approve or disapprove the preliminary plans submitted or recommend changes. When the plans comply, they are presented for approval to the Public Works Board. (Sec. 7.5, Budget Act 1952)
18. The Public Works Board may approve or disapprove. Upon approval, the Director of Finance allows transfer of funds to the Division of Architecture for working drawings and construction.
19. The Division of Architecture prepares working drawings and advertises for bids; awards the contract; supervises construction to completion.
  - (a) The Director of Finance through his architectural and construction advisor checks working drawings for conformity to previously approved preliminary plans. (Sec. 7.5, Budget Act of 1952)
20. The Division of Architecture presents the completed project to the agency for occupancy.