

STATE OF COLORADO

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TO: Controllers and Chief Financial Officers of State Departments
 and Higher Education Institutions

FROM: Clifford W. Hall 
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DATE: November 30, 1998

SUBJECT: *Policy on Preparing And Submitting Requests for Interim Spending Authority
 Under the House Bill 98-1331 Process.*

Background

House Bill 98-1331 establishes a process to provide appropriation authority to state agencies because of unforeseen circumstances when the General Assembly is not in session. Specifically, the law authorizes the State Controller's Office (SCO) to allow agency overexpenditures when approved by the Office of State Planning and Budgeting (OSPB), the Capital Development Committee (CDC), and the Joint Budget Committee (JBC) in anticipation of an approved supplemental appropriation. The law further authorizes the state controller to restrict an agency's spending authority in the following year when a supplemental appropriation is not approved by the General Assembly. This process is to be used only in emergency situations.

Process For Submitting Requests

Non Capital Construction Requests

1. Requests for interim spending authority should be consistent with all statutory provisions applicable to the program, function, or purpose for which the request is made, including the provisions of appropriation acts. This means that the request should conform with or address existing statutes, long bill line items, the need for new long bill line items, and any related revenue source annotations associated with the original appropriation. All relevant documentation supporting the request should be included with the submission. Department staff should involve related contacts at OSPB, JBC, and the SCO as they prepare requests so each of the central oversight agencies are aware of the request and can provide input into its preparation.
2. Once complete, requests for interim spending authority should be submitted to OSPB for review and approval. A copy should also be submitted to the SCO at the same time. Once approved by OSPB, the requests will be forwarded from OSPB to the JBC for review and approval. Requests for interim spending authority submitted by the Departments of Law,

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Treasury, State, the Judicial department, and the Legislature may be submitted directly to the JBC for review and approval.

3. A request must be approved, in whole or in part by a majority vote of the JBC. If approved, a written confirmation will be sent to the state controller notifying approval of the request or portion thereof. The approval is to include certification that the JBC intends to introduce a supplemental appropriation to cover the request during the fiscal year in which the request occurred.
4. The SCO will review and approve all requests for interim spending authority based on the following factors:
 - a. Nature of the unforeseen circumstances and verification that an overexpenditure will result if the request is not approved before a supplemental bill is passed.
 - b. Compliance of the request with all relevant statutes, including existing appropriations acts.
 - c. Approval by the required central oversight agencies (OSPB, CDC, and JBC).

Should a request be denied, the submitting agency may resubmit a revised request.

5. Upon approval the SCO will notify the agency and request submission of appropriations documents. A spending authority indicator of "03" should be used since the request will ultimately be approved by the General Assembly as a supplemental appropriation.

Capital Construction Requests

For requests including capital construction, steps 1 and 2 in the previous section should be followed (CDC and State Buildings staff should be included in discussions as appropriate). However, once approved by OSPB, all capital construction requests will be submitted to the CDC for review and approval. Requests for the Departments of Law, Treasury, State, the Judicial department, and the Legislature may be submitted directly to the CDC for review and approval. Once approved by the CDC, the request will be forwarded to the JBC and steps 3 and 4 from the previous section will be followed.

Follow-up and Final Resolution

The SCO will keep a log of all approved HB 98-1331 requests throughout the fiscal year. A report detailing all approved requests will be provided to OSPB and the JBC periodically throughout the year. During the legislative session, SCO staff will review all requests to ensure they are included and approved as part of the supplemental process.

If an interim request is not approved as part of the supplemental process, appropriation documents will be processed reversing the interim spending authority (also processed with a spending authority indicator "03"). Any overexpenditure resulting from this reversal will be addressed through the normal overexpenditure/transfer process established by the SCO (refer to Chapter 3 Section 2 of the Open/Close Instructions for a discussion on this process).

Overexpenditures also include instances where a supplemental appropriation is approved; however, a deficit fund balance exists at year end due to under earning of revenues.

Once all supplemental bills have been approved, a final report will be provided to the OSPB, CDC and JBC summarizing the status of all of the HB 98-1331 requests submitted throughout the year.

This policy is effective immediately.

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