

Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

REDRAFT
3.14.14
Double underlining
denotes changes from
prior draft

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LLS NO. R14-0961.01 Esther van Mourik x4215

SENATE Joint Resolution

SENATE SPONSORSHIP

(None),

HOUSE SPONSORSHIP

(None),

SHORT TITLE: "Operating Budget Request Vs Capital Budget Request"

DEADLINES: File by: 17 APR 2014

SENATE JOINT RESOLUTION

101 CONCERNING CHANGES TO THE JOINT RULES OF THE SENATE AND THE
102 HOUSE OF REPRESENTATIVES, AND, IN CONNECTION
103 THEREWITH, ESTABLISHING RULES TO DIFFERENTIATE AN
104 OPERATING BUDGET REQUEST THAT IS REVIEWED BY THE JOINT
105 BUDGET COMMITTEE FROM A CAPITAL BUDGET REQUEST THAT
106 IS REVIEWED BY THE CAPITAL DEVELOPMENT COMMITTEE.

1 That in the Joint Rules of the Senate and the House of
2 Representatives, **add** Joint Rule No. 45 as follows:

3 **45. Classification of a Budget Request**

4 (a) THE OPERATING BUDGET GENERALLY INCLUDES ROUTINE EXPENSES

*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

1 RELATED TO DAY-TO-DAY OPERATIONS OF THE EXECUTIVE BRANCH,
2 INCLUDING ITEMS THAT REQUIRE ONGOING FUNDING LEVELS FROM
3 YEAR TO YEAR SUCH AS PERSONNEL, UTILITIES, AND PROGRAM
4 EXPENSES. THE OPERATING BUDGET ALSO INCLUDES ONGOING
5 COSTS ASSOCIATED WITH THE MAINTENANCE OF INFORMATION
6 TECHNOLOGY PROJECTS AND MAY INCLUDE FUNDING FOR THE
7 DEVELOPMENT OF SMALLER INFORMATION TECHNOLOGY PROJECTS.
8 CAPITAL OUTLAY IS INCLUDED IN THE OPERATING BUDGET AND
9 MAY BE USED FOR BUILDING AND EQUIPMENT REPAIR AND
10 RENOVATION ASSOCIATED WITH MAINTAINING EXISTING ASSETS
11 AND FOR CONSTRUCTION PROJECTS OF LIMITED SCOPE.

12 (b) THE CAPITAL BUDGET GENERALLY INCLUDES PROJECTS THAT
13 REQUIRE A LARGE AND TEMPORARY OUTLAY OF FUNDS FOR THE
14 ACQUISITION, CONSTRUCTION, RENOVATION, AND MAINTENANCE OF
15 CAPITAL ASSETS, INCLUDING BUT NOT LIMITED TO THE
16 DEVELOPMENT OF INFORMATION TECHNOLOGY SYSTEMS.

17 (c) COMMENCING WITH BUDGET REQUESTS FOR THE 2015-16 STATE
18 FISCAL YEAR AND EACH STATE FISCAL YEAR THEREAFTER, IN
19 ORDER TO FACILITATE THE INITIAL REVIEW OF EXECUTIVE BRANCH
20 BUDGET REQUESTS, THE FOLLOWING RULES APPLY IN
21 DIFFERENTIATING AN OPERATING BUDGET REQUEST THAT IS
22 REVIEWED BY THE JOINT BUDGET COMMITTEE FROM A CAPITAL
23 BUDGET REQUEST THAT IS REVIEWED BY THE CAPITAL
24 DEVELOPMENT COMMITTEE:

25 (1) *Capital construction - new construction and major*
26 *renovation.*

27 (A) *State-funded and cash-funded, except cash-funded*
28 *projects for state institutions of higher education:*
29 NEW CONSTRUCTION OR RENOVATION,
30 INCLUDING THE COST OF INITIAL DESIGN, THE TOTAL
31 COST OF WHICH IS MORE THAN \$500,000 IS
32 CLASSIFIED AS A CAPITAL BUDGET REQUEST. MINOR
33 CONSTRUCTION AND ROUTINE MAINTENANCE, BUT
34 NOT CONTROLLED MAINTENANCE, MUST BE
35 REQUESTED THROUGH THE OPERATING BUDGET.

36 (B) *Cash-funded projects for state institutions of*
37 *higher education:* SUCH REQUESTS ARE MADE

1 PURSUANT TO SECTION 23-1-106, COLORADO
2 REVISED STATUTES.

3 (2) **Capital construction - capital renewal.** CAPITAL RENEWAL
4 PROJECTS ARE CLASSIFIED AND PRIORITIZED AS CAPITAL
5 BUDGET REQUESTS. PROGRAM PLANNING REQUIREMENTS
6 ARE WAIVED FOR CAPITAL RENEWAL PROJECTS. _____

7 (3) **Capital construction - controlled maintenance.**
8 CORRECTIVE REPAIRS OR REPLACEMENT INCLUDING
9 IMPROVEMENTS FOR HEALTH, LIFE SAFETY, AND CODE
10 REQUIREMENTS, USED FOR EXISTING REAL PROPERTY,
11 INCLUDING BUT NOT LIMITED TO HEATING, COOLING, WATER
12 AND SEWER, ROOFS, OR SIDEWALKS, AT OR NEAR THE END
13 OF THEIR USEFUL LIFE THE TOTAL COST OF WHICH IS MORE
14 THAN \$15,000 BUT LESS THAN \$2 MILLION IN STATE FUNDS,
15 ARE CAPITAL BUDGET REQUESTS. SUCH CAPITAL BUDGET
16 REQUESTS ARE PRIORITIZED INTO GROUPS (LEVEL 1, LEVEL
17 2, LEVEL 3) BY THE OFFICE OF THE STATE ARCHITECT.

18 (4) **Capital construction - information technology.** AN
19 INFORMATION TECHNOLOGY PROJECT, THE TOTAL COST OF
20 WHICH EXCEEDS \$500,000, REGARDLESS OF THE SOURCE OF
21 FUNDS, IS CLASSIFIED AS A CAPITAL BUDGET REQUEST.
22 SMALLER INFORMATION TECHNOLOGY PROJECTS AND
23 FUNDING FOR MODIFICATIONS TO EXISTING SYSTEMS, SUCH
24 AS IMPROVEMENTS TO AN INFORMATION TECHNOLOGY
25 SYSTEM THAT IS ACTIVELY USED BY A STATE AGENCY AND
26 FOR WHICH ONGOING MAINTENANCE AND OPERATING COSTS
27 ARE FUNDED THROUGH THE OPERATING BUDGET, MUST BE
28 REQUESTED THROUGH THE OPERATING BUDGET. THE JOINT
29 TECHNOLOGY COMMITTEE SHALL REVIEW ALL CAPITAL
30 BUDGET REQUESTS FOR INFORMATION TECHNOLOGY. THE
31 JOINT TECHNOLOGY COMMITTEE SHALL REVIEW ANY
32 OPERATING BUDGET REQUESTS FOR INFORMATION
33 TECHNOLOGY THAT THE JOINT BUDGET COMMITTEE
34 FORWARDS TO THE JOINT TECHNOLOGY COMMITTEE FOR
35 REVIEW.

36
37 (5) **Operating budget - capital outlay.** MINOR CONSTRUCTION,
38 RENOVATION, OR ROUTINE MAINTENANCE, AND SMALLER
39 INFORMATION TECHNOLOGY PROJECTS AS DESCRIBED IN

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PARAGRAPH (4) OF THIS SUBSECTION (c), MAY BE REQUESTED AND PAID FROM THE OPERATING BUDGET. THIS DOES NOT INCLUDE CAPITAL CONSTRUCTION, CONTROLLED MAINTENANCE, OR CAPITAL RENEWAL.

(d) NOTWITHSTANDING THIS JOINT RULE, IF THE CAPITAL DEVELOPMENT COMMITTEE OR THE JOINT BUDGET COMMITTEE DETERMINES THAT A PARTICULAR REQUEST WOULD BE MORE APPROPRIATELY REVIEWED BY THE OTHER COMMITTEE, IT MAY REFER THE REQUEST TO THE OTHER COMMITTEE AT ITS DISCRETION.

(e) NOTWITHSTANDING THIS JOINT RULE, A BUDGET REQUEST, REGARDLESS OF THE SOURCE OF FUNDS OR TOTAL REQUEST AMOUNT, TO MAKE LOCAL GRANT AWARDS FOR CONSTRUCTION PROJECTS IS CLASSIFIED AS AN OPERATING BUDGET REQUEST.

(f) **Definitions.** AS USED IN THIS JOINT RULE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) "CAPITAL CONSTRUCTION", "CAPITAL RENEWAL", "CONTROLLED MAINTENANCE", "INFORMATION TECHNOLOGY", "REAL PROPERTY", "STATE AGENCY", AND "STATE INSTITUTIONS OF HIGHER EDUCATION" HAVE THE SAME MEANING SET FORTH IN SECTION 24-30-1301, COLORADO REVISED STATUTES.

(2) "CAPITAL OUTLAY" HAS THE SAME MEANING SET FORTH IN SECTION 24-75-112 (1), COLORADO REVISED STATUTES.