

**Second Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 10-0281.01 Esther van Mourik

SENATE BILL 10-164

SENATE SPONSORSHIP

Kopp, Newell, Johnston, Scheffel, White

HOUSE SPONSORSHIP

Stephens, Roberts, King S.

Senate Committees
State, Veterans & Military Affairs

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF EFFICIENCIES IN STATE GOVERNMENT.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

The bill requires the legislative audit committee to appoint a task force (LAC task force) to review executive branch departments and make recommendations related to the executive branch departments' programs in order to identify redundancies, abuse, fraud, and cost savings and to specify other efficiency measures. The LAC task force must report to the legislative audit committee by August 5, 2011, and the legislative audit committee must then recommend to the general assembly such legislation

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

1 (5) "LAC TASK FORCE" MEANS THE TASK FORCE CREATED IN
2 SECTION 24-2.5-102 (1).

3 (6) "LEGISLATIVE AUDIT COMMITTEE" MEANS THE LEGISLATIVE
4 AUDIT COMMITTEE CREATED IN SECTION 2-3-101, C.R.S.

5 (7) "PROGRAM" MEANS A STATE GOVERNMENT MANAGED
6 PROGRAM WITH ALLOCATED STAFF AND RESOURCES THAT PROVIDES
7 SERVICES OR PERFORMS FUNCTIONS PURSUANT TO EITHER FEDERAL LAW
8 OR REGULATIONS OR THE STATE CONSTITUTION, STATUTES, OR
9 REGULATIONS.

10 (8) "REGULATORY SYSTEM" MEANS THE STATUTORY SYSTEM FOR
11 RULE-MAKING BY EXECUTIVE BRANCH DEPARTMENTS AS SPECIFIED IN
12 ARTICLE 4 OF THIS TITLE, INCLUDING ALL RULES CURRENTLY
13 PROMULGATED AND PUBLISHED IN THE CODE OF COLORADO REGULATIONS.

14 (9) "SMALL OR MEDIUM BUSINESS LEADER" MEANS A SUCCESSFUL
15 BUSINESS OWNER GENERALLY RECOGNIZED IN THE BUSINESS COMMUNITY
16 WITH UP TO FIVE HUNDRED EMPLOYEES.

17 **24-2.5-102. Creating efficiencies in state executive**
18 **departments.** (1) NO LATER THAN JULY 1, 2010, THE LEGISLATIVE AUDIT
19 COMMITTEE SHALL APPOINT A BIPARTISAN TASK FORCE TO REVIEW THE
20 STATE'S EXECUTIVE BRANCH DEPARTMENTS. THE LAC TASK FORCE SHALL
21 CONSIST OF TWELVE MEMBERS, SIX FROM EACH MAJOR POLITICAL PARTY.
22 THE LAC TASK FORCE SHALL CONSIST OF:

- 23 (a) TWO INDUSTRY LEADERS;
- 24 (b) TWO SMALL OR MEDIUM BUSINESS LEADERS;
- 25 (c) TWO MEMBERS FROM ORGANIZATIONS, INSTITUTES,
26 CORPORATIONS, OR GROUPS THAT CONDUCT RESEARCH AND ENGAGE IN
27 ADVOCACY IN AREAS SUCH AS BUSINESS POLICY OR THE ECONOMY;

1 (d) TWO FORMER EMPLOYEES OF THE STATE;

2 (e) TWO ACADEMICS FROM ANY PUBLIC OR PRIVATE, STATE, OR
3 LOCAL INSTITUTION OF HIGHER EDUCATION WITH EXPERTISE RELATED TO
4 PUBLIC ADMINISTRATION OR ORGANIZATIONAL CHANGE AND
5 MANAGEMENT; AND

6 (f) TWO PEOPLE WITH SIGNIFICANT PROJECT MANAGEMENT
7 EXPERIENCE.

8 (2) THE LAC TASK FORCE SHALL DESIGNATE ONE OF THE
9 INDUSTRY LEADERS AND ONE OF THE SMALL BUSINESS LEADERS AS CHAIR
10 AND VICE-CHAIR.

11 (3) THE LAC TASK FORCE SHALL MEET WITHIN THIRTY DAYS
12 AFTER THE LEGISLATIVE AUDIT COMMITTEE APPOINTS THE MEMBERS AND
13 SHALL MEET ADDITIONALLY AS CONVENED BY THE CHAIR.

14 (4) THE DUTIES OF THE LAC TASK FORCE ARE TO DETERMINE A
15 LIST OF CORE FUNCTIONS OF STATE GOVERNMENT, INCLUDING THOSE
16 FUNCTIONS THAT ARE FEDERALLY MANDATED. AFTER SUCH
17 DETERMINATION OF CORE FUNCTIONS, THE LAC TASK FORCE SHALL
18 DETERMINE WHICH OF THE CORE FUNCTIONS WOULD BE BETTER MANAGED
19 BY THE STATE OR BY THE PRIVATE OR NONPROFIT SECTOR. AFTER SUCH
20 DETERMINATION, THE LAC TASK FORCE SHALL REVIEW THE EXECUTIVE
21 BRANCH DEPARTMENTS AND AGENCIES TO:

22 (a) IDENTIFY PROGRAMS THAT ARE IN EXISTENCE THAT ARE NOT
23 PART OF A CORE FUNCTION OF STATE GOVERNMENT AND SHOULD
24 THEREFORE BE ELIMINATED OR PHASED OUT;

25 (b) IDENTIFY ANY DUPLICATION OF PROGRAMS, RECOMMEND THE
26 BEST APPROACH FOR ELIMINATION OF ANY DUPLICATION, IDENTIFY
27 SPECIFIC POSITIONS THAT SHOULD BE ELIMINATED IN A RECOMMENDED

1 PERIOD, AND RECOMMEND ANY COMBINATION OR ELIMINATION OF WORK
2 UNITS, DIVISIONS, DEPARTMENTS, BOARDS, OR COMMISSIONS. THE LAC
3 TASK FORCE'S GOAL SHALL BE TO IDENTIFY COST SAVINGS AND MEASURES
4 TO DOWNSIZE EXISTING BUREAUCRACIES. TO IDENTIFY SUCH
5 DUPLICATION, THE LAC TASK FORCE SHALL DETERMINE WHETHER:

6 (I) THERE IS AN OVERLAP OF DUTIES WITH THE FEDERAL
7 GOVERNMENT AND WHETHER THE STATE NEEDS TO REQUEST FEDERAL
8 WAIVERS IN ORDER TO PLACE MORE OF THE IMPLEMENTATION OR
9 DECISION-MAKING REQUIREMENTS AT THE STATE LEVEL;

10 (II) THERE IS AN OVERLAP OF DUTIES WITH ANY LOCAL
11 GOVERNMENT ENTITY;

12 (III) ANOTHER PROGRAM PRODUCES WORK OUTPUT IN THE SAME
13 OR SIMILAR AREA; AND

14 (IV) SAVINGS CAN BE REALIZED BY ELIMINATING THE
15 REDUNDANCY IN EITHER DIRECT OR INDIRECT SUPPORT COSTS.

16 (c) MAKE RECOMMENDATIONS REGARDING THE FEASIBILITY OF
17 THE ADOPTION OF A POLICY TO REDUCE THE NUMBER OF NONEXEMPT
18 STATE EMPLOYEES SUBJECT TO THE PERSONNEL SYSTEM AS SPECIFIED IN
19 SECTION 13 (2) OF ARTICLE XII OF THE STATE CONSTITUTION THROUGH
20 ATTRITION, SUCH AS THROUGH RESIGNATION OR RETIREMENT, AS OPPOSED
21 TO GENERAL LAY-OFFS; AND

22 (d) IDENTIFY THROUGH TESTIMONY AND OTHER AVAILABLE DATA
23 AREAS OF POSSIBLE WASTE, ABUSE, OR FRAUD, INCLUDING BUT NOT
24 LIMITED TO THE ABUSE BY UNAUTHORIZED PERSONS ACCESSING STATE
25 GOVERNMENT SERVICES THROUGH MEANS OF IDENTITY FRAUD, THAT MAY
26 BE OCCURRING IN THE STATE'S EXECUTIVE BRANCH DEPARTMENTS.

27 (5) (a) THE LAC TASK FORCE SHALL REPORT IN WRITING TO THE

1 LEGISLATIVE AUDIT COMMITTEE NO LATER THAN AUGUST 5, 2011,
2 REGARDING ITS FINDINGS, RECOMMENDATIONS, AND ESTIMATED COST
3 SAVINGS RELATED TO ITS DUTIES SPECIFIED IN SUBSECTION (4) OF THIS
4 SECTION.

5 (b) NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE
6 CONTRARY, THE LEGISLATIVE AUDIT COMMITTEE SHALL CONSIDER ALL
7 RECOMMENDATIONS, FINDINGS, AND ESTIMATED COST SAVINGS MADE BY
8 THE LAC TASK FORCE AND SHALL RECOMMEND TO THE GENERAL
9 ASSEMBLY SUCH LEGISLATION REGARDING THE FINDINGS,
10 RECOMMENDATIONS, AND ESTIMATED COST SAVINGS OF THE TASK FORCE
11 AS MAY BE NECESSARY.

12 (6) THE MEMBERS OF THE LAC TASK FORCE SHALL SERVE
13 WITHOUT COMPENSATION BUT SHALL BE REIMBURSED FOR ALL NECESSARY
14 AND ACTUAL EXPENSES INCURRED IN THE PERFORMANCE OF THEIR DUTIES.

15 (7) (a) THE DIRECTOR OF RESEARCH OF THE LEGISLATIVE COUNCIL,
16 THE DIRECTOR OF THE OFFICE OF LEGISLATIVE LEGAL SERVICES, AND THE
17 STATE AUDITOR SHALL MAKE AVAILABLE THE STAFF OF THE LEGISLATIVE
18 COUNCIL, THE OFFICE OF LEGISLATIVE LEGAL SERVICES, AND THE OFFICE
19 OF THE STATE AUDITOR TO ASSIST THE LAC TASK FORCE IN CARRYING OUT
20 ITS DUTIES UNDER THIS SECTION. IN ADDITION, THE LAC TASK FORCE MAY
21 ACCEPT STAFF SUPPORT FROM PUBLIC AND PRIVATE ENTITIES.

22 (b) ALL EXPENDITURES INCURRED FOR THE DIRECT OR INDIRECT
23 COSTS OF CARRYING OUT THE DUTIES OF THE LAC TASK FORCE PURSUANT
24 TO THIS SECTION SHALL BE SUBJECT TO APPROVAL BY THE CHAIRPERSON
25 OF THE LEGISLATIVE COUNCIL AND PAID BY VOUCHERS AND WARRANTS TO
26 BE DRAWN AS PROVIDED BY LAW FROM MONEYS ALLOCATED TO THE
27 LEGISLATIVE COUNCIL FOR LEGISLATIVE STUDIES FROM APPROPRIATIONS

1 MADE BY THE GENERAL ASSEMBLY.

2 (c) FOR THE PURPOSES OF CARRYING OUT THE DUTIES OF THE LAC
3 TASK FORCE PURSUANT TO THIS SECTION, THE LEGISLATIVE COUNCIL MAY
4 ACCEPT AND EXPEND FEDERAL MONEYS, GRANTS, GIFTS, DONATIONS,
5 SERVICES, AND IN-KIND DONATIONS FROM ANY PUBLIC OR PRIVATE ENTITY
6 FOR ANY DIRECT OR INDIRECT COSTS ASSOCIATED WITH THE DUTIES OF THE
7 LAC TASK FORCE. ALL PUBLIC AND PRIVATE MONEYS DONATED OR
8 AWARDED PURSUANT TO THIS PARAGRAPH (c) SHALL BE CONTINUOUSLY
9 APPROPRIATED FOR THE IMPLEMENTATION OF THIS SECTION.

10 **24-2.5-103. Creating efficiencies in the state regulatory system.**

11 (1) NO LATER THAN JULY 1, 2010, THE COMMITTEE ON LEGAL SERVICES
12 SHALL APPOINT A BIPARTISAN TASK FORCE TO STUDY THE STATE'S
13 REGULATORY SYSTEM. THE COLS TASK FORCE SHALL CONSIST OF
14 TWELVE MEMBERS, SIX FROM EACH MAJOR POLITICAL PARTY. THE COLS
15 TASK FORCE SHALL CONSIST OF:

16 (a) TWO INDUSTRY LEADERS;

17 (b) TWO SMALL OR MEDIUM BUSINESS LEADERS;

18 (c) TWO MEMBERS FROM ORGANIZATIONS, INSTITUTES,
19 CORPORATIONS, OR GROUPS THAT CONDUCT RESEARCH AND ENGAGE IN
20 ADVOCACY IN AREAS SUCH AS BUSINESS POLICY OR THE ECONOMY;

21 (d) TWO FORMER EMPLOYEES OF THE STATE;

22 (e) TWO ACADEMICS FROM ANY PUBLIC OR PRIVATE, STATE OR
23 LOCAL INSTITUTION OF HIGHER EDUCATION WHO HAVE EXPERIENCE
24 RELATED TO PUBLIC ADMINISTRATION OR ORGANIZATIONAL CHANGE AND
25 MANAGEMENT; AND

26 (f) TWO PEOPLE WITH SIGNIFICANT PROJECT MANAGEMENT
27 EXPERIENCE.

1 (2) THE COLS TASK FORCE SHALL DESIGNATE ONE OF THE
2 INDUSTRY LEADERS AND ONE OF THE SMALL BUSINESS LEADERS AS CHAIR
3 AND VICE-CHAIR.

4 (3) THE COLS TASK FORCE SHALL MEET WITHIN THIRTY DAYS
5 AFTER THE COMMITTEE ON LEGAL SERVICES APPOINTS THE MEMBERS AND
6 SHALL MEET ADDITIONALLY AS CONVENED BY THE CHAIR.

7 (4) THE DUTIES OF THE COLS TASK FORCE ARE TO REVIEW THE
8 STATE'S REGULATORY SYSTEM AND DETERMINE:

9 (a) WHETHER THE CURRENT SYSTEM CREATES A REGULATORY
10 ADVANTAGE TO ONE SEGMENT OF AN INDUSTRY AT THE EXPENSE OF
11 ANOTHER;

12 (b) WHETHER ECONOMIC CONDITIONS MERIT A DOWNSIZING OF THE
13 REGULATORY BODY WITH RESULTING REDUCTION OF FINANCIAL
14 COMPLIANCE COSTS;

15 (c) WHETHER A PARTICULAR REGULATED INDUSTRY IS REGULATED
16 IN AN OUTMODED FORM OF REGULATION THAT IS NO LONGER ADVISABLE;

17 (d) WHETHER CURRENTLY REGULATED INDUSTRIES ARE
18 REGULATED BY OTHER MEANS, INCLUDING BUT NOT LIMITED TO FEDERAL
19 REGULATORY SYSTEMS;

20 (e) WHETHER CONTINUED REGULATION OF THE REGULATED
21 INDUSTRY IS JUSTIFIED, OR WHETHER THERE ARE ADEQUATE
22 MARKETPLACE SOLUTIONS TO ALLOW FOR THE REMOVAL OF CURRENT
23 REGULATIONS, THEREBY RESULTING IN COST SAVINGS;

24 (f) WHETHER THE CURRENT SYSTEM REGULATES FEWER
25 BUSINESSES THAN IT DID IN THE 2007-08 STATE FISCAL YEAR; AND

26 (g) WHETHER CREDIBLE TESTIMONY BY REGULATED INDUSTRIES
27 SUGGESTS THAT COMPLIANCE COSTS COULD BE REDUCED OR ELIMINATED

1 AT NO RISK TO THE PUBLIC WELFARE OR ENVIRONMENT AND AT NO RISK OF
2 CREATING OR PROTECTING A MONOPOLY.

3 (5) (a) (I) THE COLS TASK FORCE SHALL REPORT IN WRITING TO
4 THE COMMITTEE ON LEGAL SERVICES NO LATER THAN AUGUST 5, 2011,
5 REGARDING ITS FINDINGS, RECOMMENDATIONS, AND ESTIMATED COST
6 SAVINGS RELATED TO ITS DUTIES SPECIFIED IN SUBSECTION (4) OF THIS
7 SECTION.

8 (II) THE ESTIMATED COST SAVINGS SHALL INCLUDE AN ANALYSIS
9 OF SAVINGS TO THE REGULATORY AGENCIES AS WELL AS TO THE
10 REGULATED INDUSTRIES. THE COST SAVINGS TO REGULATED INDUSTRIES
11 SHALL INCLUDE AN ANALYSIS OF BOTH ESTIMATED SAVINGS OF DIRECT
12 COSTS SUCH AS REGULATORY FEES AS WELL AS INDIRECT COMPLIANCE
13 COSTS FOR THE REGULATED INDUSTRY.

14 (b) NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE
15 CONTRARY, THE COMMITTEE ON LEGAL SERVICES SHALL CONSIDER ALL
16 RECOMMENDATIONS, FINDINGS, AND ESTIMATED COST SAVINGS MADE BY
17 THE COLS TASK FORCE AND SHALL RECOMMEND TO THE GENERAL
18 ASSEMBLY SUCH LEGISLATION REGARDING THE FINDINGS,
19 RECOMMENDATIONS, AND ESTIMATED COST SAVINGS OF THE COLS TASK
20 FORCE AS MAY BE NECESSARY.

21 (6) THE MEMBERS OF THE COLS TASK FORCE SHALL SERVE
22 WITHOUT COMPENSATION BUT SHALL BE REIMBURSED FOR ALL NECESSARY
23 AND ACTUAL EXPENSES INCURRED IN THE PERFORMANCE OF THEIR DUTIES.

24 (7) (a) THE DIRECTOR OF RESEARCH OF THE LEGISLATIVE COUNCIL,
25 THE DIRECTOR OF THE OFFICE OF LEGISLATIVE LEGAL SERVICES, AND THE
26 STATE AUDITOR SHALL MAKE AVAILABLE THE STAFF OF THE LEGISLATIVE
27 COUNCIL, THE OFFICE OF LEGISLATIVE LEGAL SERVICES, AND THE OFFICE

1 OF THE STATE AUDITOR TO ASSIST THE COLS TASK FORCE IN CARRYING
2 OUT ITS DUTIES UNDER THIS SECTION. IN ADDITION, THE COLS TASK
3 FORCE MAY ACCEPT STAFF SUPPORT FROM PUBLIC AND PRIVATE ENTITIES.

4 (b) ALL EXPENDITURES INCURRED FOR THE DIRECT OR INDIRECT
5 COSTS OF CARRYING OUT THE DUTIES OF THE COLS TASK FORCE
6 PURSUANT TO THIS SECTION SHALL BE SUBJECT TO APPROVAL BY THE
7 CHAIRPERSON OF THE LEGISLATIVE COUNCIL AND PAID BY VOUCHERS AND
8 WARRANTS TO BE DRAWN AS PROVIDED BY LAW FROM MONEYS
9 ALLOCATED TO THE LEGISLATIVE COUNCIL FOR LEGISLATIVE STUDIES
10 FROM APPROPRIATIONS MADE BY THE GENERAL ASSEMBLY.

11 (c) FOR THE PURPOSES OF CARRYING OUT THE DUTIES OF THE
12 COLS TASK FORCE PURSUANT TO THIS SECTION, THE LEGISLATIVE
13 COUNCIL MAY ACCEPT AND EXPEND FEDERAL MONEYS, GRANTS, GIFTS,
14 DONATIONS, SERVICES, AND IN-KIND DONATIONS FROM ANY PUBLIC OR
15 PRIVATE ENTITY FOR ANY DIRECT OR INDIRECT COSTS ASSOCIATED WITH
16 THE DUTIES OF THE COLS TASK FORCE. ALL PUBLIC AND PRIVATE
17 MONEYS DONATED OR AWARDED PURSUANT TO THIS PARAGRAPH (c)
18 SHALL BE CONTINUOUSLY APPROPRIATED FOR THE IMPLEMENTATION OF
19 THIS SECTION.

20 **SECTION 3. Safety clause.** The general assembly hereby finds,
21 determines, and declares that this act is necessary for the immediate
22 preservation of the public peace, health, and safety.