

1996 SUNSET REVIEW

- *Colorado Municipal Bond Supervision Advisory Board*
- *Office of Regulatory Reform Advisory Committee*
- *Capitol Advisory Committee*
- *State Medical Assistance and Services Advisory Council*



Submitted by the
Colorado Department of
Regulatory Agencies
Office of Policy & Research

STATE OF COLORADO

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Roy Romer
Governor

October 15, 1996

Members of the General Assembly
c/o Doug Brown, Director
Office of Legislative Legal Services
State Capitol Building
Denver, Colorado 80203

Dear Members of the Colorado General Assembly:

The Colorado Department of Regulatory Agencies has completed the evaluation of the following advisory committees:

- the Colorado Municipal Bond Supervision Advisory Board;
- the Office of Regulatory Reform Advisory Committee;
- the Capitol Advisory Committee; and
- the State Medical Assistance and Services Advisory Council.

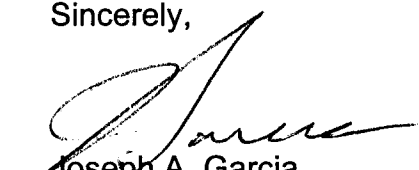
We are pleased to submit this written report, which will be the basis for my office's oral testimony during the 1997 legislative session. The report is submitted pursuant to Section 2-3-1203 (2)(b)(III), of the Colorado Revised Statutes, which states in part:

"The department of regulatory agencies shall conduct an analysis and evaluation of the performance of each division, board or agency or each function scheduled for termination under this section.

The department of regulatory agencies shall submit a report containing such analysis and evaluation to the office of legislative legal services by October 15 of the year preceding the date established for termination."

The report discusses the effectiveness of the committees in carrying out the intention of the statutes and makes a recommendation as to whether the above advisory committees should be continued.

Sincerely,



Joseph A. Garcia
Executive Director

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INTRODUCTION

The General Assembly has found that *“advisory bodies are beneficial to government since they help involve private citizens in the daily operations of government and provide the government with a system for utilizing the expertise of its citizens.”* (§2-3-1203, C.R.S.) In 1986, in order to assure that there was a method for systematic review of the committees, the General Assembly began placing repeal provisions in their authorizing statutes. This was done to determine whether committees had outlived their usefulness and whether they were performing the functions for which they were created.

All advisory bodies created after July 1, 1990, contain repeal provisions with a life not to exceed six years, and advisory bodies created after July 1, 1994, have repeal provisions not to exceed ten years. One year prior to the advisory committee's repeal date, they are required to submit to the Department of Regulatory Agencies:

- *names of the current members;*
- *all revenues and expenditures, including member expenses, per diem and travel expenses;*
- *dates of all meetings and number of members attending each meeting;*
- *a list of all advisory proposals made, indicating whether or not each proposal was acted on, implemented or enacted into statute; and*
- *reasons why the advisory committee should be continued.*

Based on the information provided and the reasons stated below for putting repeal provisions in the statutes, the Department of Regulatory Agencies has conducted an analysis and evaluation of the performance of the advisory committees scheduled to repeal on July 1, 1997.

- *Has the committee outlived its usefulness?*
- *Is the advisory committee performing the functions for which it was created?*

COLORADO MUNICIPAL BOND SUPERVISION ADVISORY BOARD

Mission and Make-Up In response to the numerous special districts that defaulted on their bond debts during the 1980's, and because the credit reputation of political subdivisions was of vital interest to its citizens, the General Assembly created the Colorado Municipal Bond Supervision Advisory Board. At the same time, the Securities Commissioner was granted the authority to regulate and monitor the issuance of municipal bonds of certain political subdivisions.

The Board was created to *“aid and advise the securities commissioner in connection with the commissioner’s duties under this article, including, but not limited to, development of policies, rules, orders, standards, guidelines, criteria, and procedures regarding the registration of bond issues, ordinances, and resolutions and applications for authorization to file federal bankruptcy petitions and assuring impartiality and freedom from political influence in such activities.”*

The Board is comprised of 17 members:

- three members of the General Assembly - current members are:
 - Representative Peggy Reeves
 - Representative Paul Schauer
 - Senator Mary Anne Tebedo
- one municipal securities broker-dealer
- one representative of a county
- one representative of a municipality
- one representative of a special district
- one representative of banks which act as indenture trustees for municipal bond offerings
- one bond counsel representative
- one real estate developer representative
- three members of the general public with experience in municipal financing as investors who are not associated with any of the other members or interests
- four owners of residential real property located in special districts who are not associated with any of the other members or interests

Non-legislative members of the Board are appointed by the Governor who takes into account representation of geographic areas, population concentrations, and ethnic communities of the state. These members serve four year terms.

The Governor appoints one legislative member, another legislator is appointed by the Speaker of the House and one is appointed by the President of the Senate. No more than two legislative members may be of the same major political party. These members serve two year terms or for as long as they are in office, whichever is less.

Meetings and Expenditures

The advisory board must meet at least quarterly, with one meeting designated for the purpose of electing a chairperson. The members do not receive compensation for their participation other than actual expenses that are incurred, which are reimbursed from the Division of Securities Cash Fund.

From July 1994 through June 1996, the Advisory Board has met 8 times with 6 subcommittees meeting an additional 17 times. In total, it has incurred \$2,116.50 in travel, supply, lunch, postage, copying and postage costs. Please see the table showing the meeting schedule with the numbers of attendees on the following page.

Date of Meeting	Type	Members	Staff	Guests
June 17, 1996	Full	9	4	1
June 14, 1996	Sub	3	2	
March 12, 1996	Full	10	4	1
March 8, 1996	Sub	4	4	
February 9, 1996	Sub	5	1	1
January 12, 1996	Sub	4	2	1
January 5, 1996	Sub	4	3	6
December 19, 1995	Full	14	4	1
December 8, 1995	Sub	6	2	2
October 20, 1995	Sub	4	2	
September 29, 1995	Sub	4	4	3
September 22, 1995	Sub	4	2	1
June 29, 1995	Full	7	4	
January 13, 1995	Full	11	4	2
November 16, 1994	Sub	3	2	1
October 25, 1994	Full	12	3	1
September 19, 1994	Full	6	3	2
August 2, 1994	Sub	3	2	
August 2, 1994	Sub	4	2	
August 2, 1994	Sub	4	2	
July 12, 1994	Sub	3	2	
July 12, 1994	Sub	4	2	
July 12, 1994	Sub	4	2	
July 12, 1994	Sub	6	2	

**Advisory Board
Accomplishments**

The Board has formed various subcommittees since its inception. Following is a summary of their purposes and accomplishments.

Exemptions Subcommittee

This subcommittee examined each of the statutory exemptions found in §11-59-110(1), C.R.S., and made recommendations to the Securities Commissioner for rules to clarify terms or calculations used in determining if an exemption applies. As a result of their meetings, two rules were promulgated which help guide the Securities Commissioner in the application of exemptions. Their mission was accomplished and the subcommittee was terminated on June 29, 1995.

Definitions and Guidelines for Use of Bond Reserve Funds Subcommittee

This subcommittee was formed to propose a definition of bond reserve funds as used in §11-59-104(6)(a), C.R.S., and to provide the Commissioner with criteria for implementation and administration of the use of bond reserve funds for bond payments. The definition was developed, along with guidelines for the Commissioner to apply before giving his written consent for the budgeting of the use of bond reserve funds.

During the 1994 legislative session, the Colorado Municipal Bond Supervision Act was amended. Bonds which were exempt under §11-59-110(1), C.R.S., are now exempt under sections §11-59-104 and §11-59-106, C.R.S. According to information submitted, the subcommittee developed a method for the Commissioner to effectuate the intent that all districts that have bonds with a statutory exemption from registration, regardless of issue date, are exempt from the provisions of section 104 of the Securities Act. This subcommittee was terminated on June 29, 1995.

Currently, there are four **active** subcommittees:

Registration Criteria Subcommittee

The purpose of this subcommittee is to develop guidelines and standards for registration of bonds under the Colorado Municipal Bond Supervision Act. The subcommittee is focusing on:

- Preparing specific evaluation criteria for internal use by the Division of Securities in registering revenue bonds in excess of \$2 million; and
- Determining appropriate standards that bonds should meet in order to provide adequate protection to investors and taxpayers. (These recommendations will then be submitted to the full Advisory Board and the Commissioner in a format similar to guidelines used by the North American Securities Administrators Association.)

This subcommittee may also recommend minimum requirements for documents to be filed with a request for registration, minimum requirements for secondary market disclosure of registered issues, and flexible registration guidelines.

Non-Standard Applicant Response Subcommittee

In cooperation with the aforementioned subcommittee, this subcommittee reviews cases in which financing arrangements have unique features. This subcommittee makes recommendations to the Commissioner regarding investor and taxpayer security. These cases are referred to this subcommittee by the staff of the Division. Some of their accomplishments include reviewing complexities of financial arrangements related to:

- master and sub-districts;
- revenue bonds in excess of \$2 million; and
- districts creating and/or using instrumentalities.

Investor Rights Subcommittee

The focus of this subcommittee is to advise the Commissioner with respect to the creation of rules and regulations and recommend changes to the statutes.

Due to the recently amended U.S. Securities and Exchange Commission ("SEC") Rule 15c2-12, the subcommittee has discussed enhanced secondary market disclosures which are now mandated. Other topics that this subcommittee has been discussing include:

- state based information depositories (which are provided for in rule) by examining depositories in other states;
- the viability of a depository in Colorado; and
- alternate local providers of municipal bond information.

Secondary Market and Political Contributions Subcommittee

The mission of this subcommittee is to review and analyze changes to rules concerning municipal bonds at the national level, and to determine the adequacy of those changes at the state level, especially with regard to special districts.

In 1994, this subcommittee drafted a letter to the Securities Exchange Commission (SEC) with regard to their Rule 15c2-12, which made municipalities, on an annual basis, update the market disclosure regarding their bonds. The subcommittee continued to observe the SEC's actions and the eventual promulgation of the amendments to that rule. The SEC frequently cites the Advisory Board's comment letter in its order that promulgates the final amendments to Rule 15c2-12. Currently, the subcommittee's focus is to follow any changes that may be proposed to the Tower Amendment of the Securities Exchange Act of 1934 (15USCA §78o-4(d)(1)-(2)).

**Reasons for
Continuing the
Advisory Board**

Fourteen letters of support were submitted from securities attorneys as well as the Colorado Municipal Bond Dealers Association. These letters support the continuation of the Colorado Municipal Bond Advisory Board because of the valuable input and insight they offer as to the impact upon the municipal bond industry. Additionally, at the Advisory Board's June 17, 1996 meeting, it was unanimously agreed upon by the members that the Board should be continued for the following reasons:

"The Board members represent municipal bond dealers, special districts, bank indenture trustees, real estate developers, bond counsel, municipal bond investors, the Colorado General Assembly, and the general public."

"The Board provides a good forum for the varied constituencies to voice their issues and concerns. In this manner, many viewpoints can be put forth that have not previously been addressed."

"The Board has the support of the various constituencies . . ."

“The Board provides an excellent resource to the Securities Commissioner. The input that the Board has had during the last 2 1/2 years has been invaluable. The Board has assisted in drafting several rules that the Securities Commissioner has promulgated.”

Analysis

The Securities Commissioner is charged with developing information and recommendations for the General Assembly in connection with the Colorado Municipal Bond Supervision Act, and the Advisory Board has been instrumental in aiding the Commissioner in promulgating rules and considering issues relevant to this area. This Board has formed various subcommittees which have addressed a variety of issues. When the subcommittees fulfill their missions, they are terminated.

This advisory board has been very active both in full meetings and subcommittee meetings. They have incurred a very low cost to the state while providing the state with input from several interest groups. This board is expected to continue to provide valuable advise to the Securities Commissioner.

Recommendation

The General Assembly should continue the Colorado Municipal Bond Supervision Advisory Board.

OFFICE OF REGULATORY REFORM ADVISORY COMMITTEE

Mission and Make-Up Pursuant to §24-34-904(1)(I)(1), C.R.S., the Office of Regulatory Reform (ORR) is required *“to appoint an advisory committee to assist in the performance of its duties.”*

The Office of Regulatory Reform's duties include:

- Providing comprehensive information on the federal, state, and local requirements necessary to begin a business and to make this information available to the public;
- Developing master application procedures to expedite the permitting process;
- Assisting applicants in obtaining timely permit review;
- Consolidating required hearings when feasible and advantageous;
- Convening preapplication conferences during the early stages of the applicant's business planning;
- Encouraging and facilitating the participation of federal, state, and local government agencies in permit coordination;
- Holding hearings, or having the Advisory Committee hold hearings, to elicit public comment on business regulation;
- Conducting reviews of permit requirements and of the need by the state to require such permits and to use such reviews to prepare recommendations for appropriate agencies;
- Conducting reviews of business paperwork requirements and eliminating unnecessary forms, combining duplicate forms, and simplifying language therein;

- Annually reporting to the general assembly on the cost-effectiveness of the office and making recommendations to the general assembly and the governor concerning:
 - elimination of unnecessary and antiquated permit requirements;
 - consolidation of duplicative permit requirements;
 - simplification of permit application procedures;
 - expedition of time-consuming agency reviews and approval procedures; and
 - other improvements in the permitting process.
- Impartially reviewing evidence, analyze and evaluate proposals, and report in writing to the General Assembly whether mandatory continuing education would likely protect the public served by the practitioners.

The Office of Regulatory Reform's statute does not specify membership or term limits for members of the Advisory Committee. The current Committee was appointed by the previous ORR director, and has served the office for more than three consecutive years.

The Committee is comprised of various business representatives who, in addition to managing their individual firms, also represent various councils and chambers throughout Colorado. They include:

- Aurora Chamber of Commerce;
- Black Chamber of Commerce;
- Boulder Chamber of Commerce;
- Denver Chamber of Commerce;
- Hispanic Chamber of Commerce;
- Small Business Development Centers in eastern Colorado;
- Colorado Retail Council;
- Colorado Association of Commerce and Industry;
- West Chamber of Commerce;
- Metro North Chamber of Commerce;
- Pueblo Chamber of Commerce; and
- East Central Council of Governments.

The Advisory Committee's mission is to *"create a climate in which small business can succeed and contribute to the economic well being of the State of Colorado."* This mission is to be accomplished by *"assisting ORR in its small business assistance, advocacy and certification by providing small business input into rules and regulations, acting as a resource to staff in the small business community on the small business issues and acting as the initial decision maker in government competition hearings."*

Pursuant to §24-113-103, C.R.S., the Advisory Committee is required to hear cases in which small businesses have claimed unfair competition by state agencies. Although the Committee has no enforcement authority in cases where they find unfair competition, it is required to send a letter to the agency stating its findings. Additionally, the Advisory Committee is statutorily required to review and approve projects, studies, and procedures which the Office of Regulatory Reform wishes to carry out using non-state monies such as those received from the Regional Transportation District and the Denver Water Board. (§24-34-905(2), C.R.S.)

Meetings and Expenditures

The Office of Regulatory Reform Advisory Committee has met 8 times since July, 1995. The following are dates of meetings and number of members present (from minutes that were submitted by ORR):

<i>Date of Meeting</i>	<i>Number of Members in Attendance</i>
July 1995	9
August 1995	10
September 1995	11
October 1995	8
November 1995	9
December 1995	9
January 1996	8
April 1996	10

Members do not receive per diem, travel, or other compensation for serving on this Committee. The Advisory Committee normally holds meetings from 11:00 a.m. to 2:00 p.m., with ORR providing lunch. Other than lunch expenses for the 6 meetings in 1995 and the 2 meetings in 1996, totaling \$834.00, the Advisory Committee has incurred no expenses.

Committee Accomplishments and Goals

Accomplishments of this Advisory Committee may best be gathered by examining the reasons for continuing the Advisory Committee submitted by the ORR, by reviewing minutes of Advisory Committee meetings and by discussion with Advisory Committee members.

ORR identified the following accomplishments within its reason for continuing the Committee:

1. Assisting in acquisition of equipment to facilitate the legislative fax network;
2. Participation in the 1994 Small Business Statehouse Conference; and
3. Presentation of issues to the business community.

Following is information obtained from minutes of meetings of the Advisory Committee:

In 1995, the Advisory Committee held a continuous quality improvement workshop to develop their goals and objectives. A review of minutes from the December 13, 1995 meeting indicates that the following goals and objectives were adopted:

- Ensure continued support of the functions of the ORR by taking a proactive role in the possible streamlining of all state economic development offices;
- Facilitate the awareness and use of the unfair competition resources of the Advisory Committee;
- Ensure small business interests are represented in the formulation of legislation, rules and regulations, and the Regulatory Reform Task Force;
- Be a communication link between the ORR and small business, including the Chambers of Commerce, associations and other affiliations;
- Facilitate the awareness and use of the ORR by the small business community; and
- Support ORR in becoming the national leader for DBE certification and registration.

Other items addressed at meetings include:

- upcoming meetings, seminars, and conferences which affect small businesses;
- handouts, flyers and informational packets were distributed to the members and they were asked to present this information to their organizations and respective Chambers of Commerce;

- Advisory Committee members were informed that the Business-Start-Up Kit was available on the World-Wide Web. Additionally, forms from the Occupational Safety and Health Administration, Department of Labor and Employment, and Department of Revenue are also available on line;
- Members were updated on the activities of the ORR, including the Clean Air Ombudsman and the Regulatory Reform Task Force;
- Members were asked to participate on a business task force which was charged with submitting a report to the JBC concerning Alternative Dispute Resolution. (*The committee felt that a Whitehouse Conference delegate would be best to serve on that task force.*); and
- Two members volunteered to give presentations on the Advisory Committee and what it does at the Rural Development Council Service meeting in September 1995. (*One member gave a presentation at that conference.*)

Although the Committee members were solicited on a couple of occasions for input regarding Clean Air Ombudsman task force issues, conversations with the ORR staff and a review of their minutes do not reflect that input had been given.

As part of this review, Committee members were interviewed regarding a variety of subjects including the overall usefulness of the Committee. Members were somewhat divided in their response. Four of the 12 members recommended termination of the Committee. Most reported that the Committee was more effective in the past than now.

**Reasons for
Continuing the
Advisory Committee**

The following reasons were submitted by the ORR in support of the continuation of the Office of Regulatory Reform Advisory Committee:

"The Advisory Committee of the Office of Regulatory Reform was created in response to 24-34-904 (1), C.R.S. According to this statute, the director of the Office of Regulatory Reform is to appoint an advisory committee to assist in the performance of its duties. The committee also serves as the authoritative body for addressing unfair competition issues throughout state government."

"The Committee has been instrumental in accomplishing monumental tasks for the Office of Regulatory Reform. Some examples include the influence of the Committee in acquiring for ORR's use, the equipment necessary to begin and sustain the legislative fax network. The Committee also propelled the Legislature to provide necessary funds for the phone and customer service systems needed to further the ability to provide beginning small businesses, in and outside of Colorado, information in a timely and efficient manner."

"The committee has and continues to be a major resource for the Office of Regulatory Reform. In an office where FTEs are a rare commodity, and individual responsibilities of the staff continue to increase, the Committee has filled the gap. They are willing to host hearings in their geographical regions, organize meetings and provide much needed information to the office on a completely volunteer basis."

"This Committee played a major role in the success of the Small Business Statehouse Conference.(1994) It was during this conference that the legislative fax network became an issue, and later a reality. Therefore, without budgeted funds to undertake such an endeavor, the Committee successfully identified the need, provided the rationale, and successfully lobbied for the funds."

"In addition, and more importantly than all the above, the Committee provides one primary service which the Office of Regulatory Reform considers invaluable . . . their ability and flexibility to present the issues to the small business community. It places ORR in a precarious position, at best, to assume it can or should rally the small business community for or against an issue presented by another state agency. At best, this could be considered lobbying; at worst, coercion. Both are implied prohibitions. The Committee is not constrained by such political and bureaucratic barriers. These individuals are intimately aware of the issues and legislation affecting the small business community and can, by virtue of their representation, reach large segments with recommendations for action. This same representation affords the Office opportunities to address various issues potentially impacting them."

"The Corporation for Enterprise Development published its Development Report Card for 1996 on July 11. Colorado received straight A's in Economic Performance overall, and in addition the study concluded that Colorado was second in the increase in new company formations and sixth in new business job growth. While the study did not specify what percentage of this growth was through small business development, it is safe to say it was significant. It is therefore, extremely important for these businesses to be represented in state government and have the voice of ORR leadership at the capitol and the Advisory Committee members in the community."

"All of this describes the necessity of the Committee. However, it is possible for fewer individuals to serve as active members to achieve these accomplishments. It is also possible for ORR to be as effective by appointing special committees or as-needed committees to accomplish the goals and objectives of the office."

"Unfair competition is an important but rarely argued issue before the Committee. When this issue arises, a special committee could be appointed to address it."

Analysis

The Office of Regulatory Reform Advisory Committee was established to assist the Office of Regulatory Reform in the performance of its duties. However, without submission of a listing of proposals and their status, this review relies upon the minutes of the meetings and Office of Regulatory Reform Annual Reports.

Prior to 1994, the Advisory Committee members hosted 10 hearings prior to the Statehouse conference to elicit comments on business regulations. These hearings were held in conjunction with small business development centers and the various chambers of commerce. There have been no hearings held within the last two years.

The goals adopted at the last meeting of the Committee closely mirror the statutory duties of the Office of Regulatory Reform. Additionally, a review of the minutes from the last two years reveal that the Committee had not advised the ORR on rules, regulations, legislation, or any of the other of the various duties of the ORR. Prior to FY 1994/95, the Committee was very active in the rule review process of ORR.

It is very important that small businesses throughout Colorado are informed about changes in rules, regulations and laws that will affect them. As mentioned earlier in this review, Committee members are asked to take back information to their respective chambers and disseminate via newsletter, announcements, etc. However, there is no indication that this has been accomplished.

One of the primary functions of this Committee is to conduct hearings on Private Enterprise Competition (§24-113-103, C.R.S.) and State Agency Competition (§24-113-105, C.R.S.). However, there have been no cases heard in the last 6 years. There were 2 cases which were heard by the Committee prior to 1990. If the Committee were to find an instance of unfair competition, they are only authorized to inform the agency by letter of their findings. There is no enforcement authority in statute.

Another duty of this Committee is to approve all projects, studies or procedures the Office of Regulatory Reform wishes to undertake using **non-state monies**. Since FY 1994, approximately \$56,500 in such funds has been received by the Office of Regulatory Reform. A review of the minutes from the last two years shows that the Committee was not approached for approval of any projects. This money has always been spent on the production of the Small Business Start-Up Kit.

Although the original intent of the General Assembly when creating this Committee is commendable, the burden of proving that this Committee is vital in carrying out the Office's duties has not been met. In order to inform small businesses of needed information, the ORR could compile a listing of chambers and organizations and send the information out or place necessary information on the Internet.

Recommendation

The General Assembly should allow the Office of Regulatory Reform Advisory Committee, pursuant to §24-34-904(I)(I), C.R.S., to sunset on July 1, 1997.

CAPITOL ADVISORY COMMITTEE

Mission and Make-Up

In 1991, the state Capitol Advisory Committee (CAC) was created to *"ensure the historic character and architectural integrity of the capitol building and grounds be preserved and promoted. Because of the rose onyx, marble, granite, gold, oak woodwork and brass fixtures and trim, it is the intent of the general assembly to provide for special procedures to be followed in any project affecting such items"*. (§24-82-108, C.R.S.)

The CAC is comprised of 9 volunteers:

- two members appointed by the Speaker of the House of Representatives;
- two members appointed by the President of the Senate;
- three members appointed by the Governor, one of which must be an architect who is knowledgeable about the historic and architectural integrity of the state capitol building;
- the President of the State Historical Society or designee who serves ex officio for as long as he/she holds that office; and
- the Executive Director of the Department of Personnel or designee who also serves ex officio for as long as he/she holds that office.

Members serve 2 year terms, and are required to meet at least 3 times per year, one meeting of which is designated as the annual meeting, at which a Chair is elected to a one year term. There is currently one vacancy. The current members are:

- Senator Dottie Wham;
- Representative Tony Grampsas;
- Ms. Suzanne Leary-Allen;
- Ms. Lee Bahrych;
- Ms. Betty Chronic;
- Mr. Jim Hartmann; and
- Ms. Carol Coover-Clark.

The CAC is able to call upon staff of Legislative Council and the Department of Personnel for assistance in carrying out their duties. No alterations to the state capitol and grounds, including corridors, rotundas, lobbies, entrance ways, stairways, restrooms, porticos, steps, and elevators, can be initiated without first being reviewed by the CAC and without approval of the Capitol Development Committee. The Department of Personnel has the authority to perform emergency repairs when the safety of persons or the well-being of the building would be jeopardized by a delay. Additionally, all proposals concerning the use of state driveways must also be reviewed by the CAC.

The CAC does not have the responsibility of reviewing proposals concerning the outer office of the executive suite and the areas used for office space, legislative chambers, or legislative committee meeting rooms, unless it affects the rose onyx, marble, granite, gold, oak woodwork and brass fixtures and trim.

Authority and Responsibility

The CAC reviews the proposals and submits a written report with recommendations to the Capitol Development Committee (CDC). The CDC was established in statute and consists of six members of the General Assembly. If the proposal is accepted by the CDC, it then goes to the Governor for approval.

Also, the CAC is charged with maintaining an inventory of all furniture that is original to the state capitol building. It reports to the CDC on damaged pieces of furniture and recommends which ones should be restored or renovated.

The CAC is also mandated to formulate a plan which would "*promote and preserve the original and historic elements of the state capitol building*". This plan was to include the production of publications on the history of the state capitol and memorabilia to be sold to the public. This plan was presented to the CDC in 1991.

Revenues and Expenditures

Although the members of the CAC do not receive per diem and have not incurred any travel expenses since the Committee's inception, the CAC generates revenue. In 1993, a special account, located in the public buildings trust fund was created. Members of the CAC are allowed to receive gifts, grants and donations for the purpose of promoting historic interest in the state capitol and for producing money to enhance preservation of original and historic elements of the building. Although to date this has not happened, the State Treasurer would credit the account in the amount of the donation.

Revenue generated by the sale of publications and memorabilia is also deposited in the public buildings trust fund, which currently has a balance of approximately \$24,000. It may be used to produce publications or memorabilia, restore furniture, or reconstruct or redecorate the Capitol and grounds. This account is continuously appropriated to the Committee so that it may carry out its mandated functions.

Attendance at Meetings

Although the CAC is required to meet only three times annually, it has met on 61 occasions in the last five years. Additionally, various subcommittees have been established from its membership which met approximately 20 additional times. At all of the CAC's meetings, a quorum was present.

Proposals and Their Status

During the period of 1992-1994, the CAC deliberated on modifications to public areas of the Capitol in response to the Americans with Disabilities Act (ADA). The Committee drafted a transition plan which framed the final decision-making of the General Assembly.

Other accomplishments of the CAC include:

- restoration of Capitol exterior windows;
- remodeling of the ground level public restrooms;
- regilding the dome;
- enhancing the interior of the observation deck;
- reconstructing and relocating the tour guide desk;
- identifying new locations for additional benches in public corridors;
- securing a portrait of President Clinton, coordinating a public ceremony of dedication;
- removal of old display cases and planning for the construction of new, ADA accommodating display cases on the first floor of the capitol;
- developing criteria for acceptance of objects of art or memorials and a separate criteria for temporary displays. Criteria has been reviewed and accepted by the Capitol Development Committee;
- relocating the tour bus parking from the Capitol grounds to Grant Street in recognition of growing pedestrian safety issues;
- replacing exterior lights with historically accurate fixtures;
- implementing specific phases of the Capitol Landscape Master Plan; and
- redesigned and enhanced the east lawn of the capitol by the addition of two memorial pods. (Each pod is capable of displaying eight memorial plaques.)

From 1991 to 1994, the CAC met to develop a fire safety plan for the Capitol. The first phase of the project, a subcommittee review of various fire safety options, received funding during the 1992 legislative session. A project architect assisted in this phase which resulted in a recommendation to fund the second phase. In 1994, phase two began which entailed the CAC reviewing the options and making recommendations to the Capitol Development Committee, the Governor and the Executive Committee of Legislative Council. To date, the Legislature has not made a final decision on this matter.

As mandated, the CAC has:

- established contact with all agencies of state government to establish a listing of furniture that was once found in the Capitol and located furniture in private hands; and

- developed criteria for special events that are to be held in the state capital building as well as on the capitol grounds. Events have been held on September 18, 1996 and October 23, 1996, dedicating new memorials on the East Lawn.

**Reasons for
Continuation of the
Committee**

The State Capitol Advisory Committee submitted four reasons why the Committee should be continued. They are as follows:

- *"The advisory committee continues to serve as an effective agent and liaison of the General Assembly. The committee is committed to spending the time necessary to assist in implementing the board policy decisions made by the General Assembly as well as making recommendations upon proposals offered by citizens and citizen groups. The fact that the advisory committee has met some 61 times since its inception in 1991 is an indication of the workload carried by the group as well as a measure of the work others would have shouldered if the advisory committee had not been established."*
- *"If called upon to advise, the committee can be a valuable resource to decision-making and implementation of a plan to accommodate the Capitol to a fire safety system. The committee has already spent a considerable amount of time on the various options offered for implementing a plan and has encouraged the continued examination of other improvements, including historic restoration, that could be made to the building in conjunction with the fire safety changes."*

- *"In addition to assisting with more comprehensive changes to the building, the advisory committee can be instrumental in overseeing smaller improvements. For example, the committee needs to continue its dialogue with the management of the Capitol cafeteria with a goal of improving all facets of that operation. The committee also needs to continue its efforts to enhance the first floor of the Capitol including the installation of new display cases, identification of an area for temporary exhibits, and coordination of existing historical materials presently on display."*
- *"The CAC needs to give attention in 1996 and 1997 to the next phase of the Landscape Master Plan, namely relandscaping the Capitol's west lawn. The committee should continue to be available to lend its guidance and make recommendations on this important Capitol grounds issue."*

Analysis

The CAC has met the burden to show that the Committee performs the functions for which it was created and does so in the most cost-effective manner. It has completed over 12 projects; has generated revenue used to promote the state capitol; and has incurred no expenses since its inception. The Committee has established high-quality products which depict the history of the Capitol to be sold as memorabilia. It is instrumental in obtaining revenues and renovating furniture which is original to the State Capitol.

The number of meetings, including subcommittee meetings demonstrates that the members are committed to fulfilling the purposes of the Capitol Advisory Committee.

Recommendation

The General Assembly should allow the State Capitol Advisory Committee to continue.

STATE MEDICAL ASSISTANCE AND SERVICES ADVISORY COUNCIL

Creation, Mission and Make-Up

The State Medical Assistance and Services Advisory Council was created in response to the enactment of CFR §431.12 (Code of Federal Regulations) in order to secure Medicaid funding. In summary, this section mandates that a medical care advisory committee be established to advise the Medicaid agency director about health and medical care services. The federal regulations also require that staffing and financial arrangements be met in order for the members to make participation possible and that they may make effective recommendations. Federal financial participation (FFP) is also made available at 50 percent in expenditures for the committee's activities.

The federal regulation also sets standards for appointing members. The committee must include:

- *“board certified physicians and other representatives of the health professions who are familiar with the medical needs of low-income population groups and with the resources available and required for their care;*
- *members of consumer groups, including Medicaid recipients, and consumer organizations such as labor unions, cooperatives, consumer-sponsored prepaid group practice plans, and others; and*
- *the director of the public welfare department or the public health department, whichever does not head the Medicaid agency.”*

The regulation also directs that the agency director, or a higher state authority, must appoint members on a rotating and continuous basis and that they must have the opportunity to participate in policy development and program administration.

In response to the federal regulation, §26-4-108, C.R.S., further defined the required membership of this council. The sixteen member council must include:

- two members who are doctors of medicine licensed in this state;
- one doctor of osteopathy licensed in this state;
- one dentist licensed in this state;
- one optometrist licensed in this state;
- one owner or operator of a licensed nursing facility in this state;
- one member who represents licensed hospitals in this state;
- one pharmacist licensed in this state;
- one professional nurse licensed in this state;
- one member who has provided home health care services for three years;
- three members who are not associated with the areas of medical services to represent the public; and
- the remaining members may represent any other area of medical services not specifically enumerated in the statute, but are not limited thereto.

Ex officio members include the Executive Directors of the State Department and the Department of Health Care Policy and Financing. Members are appointed by the Governor and receive no compensation other than actual expenses which are incurred in the performance of their duties. The mission of the Council is *“to advise the state department on the provision of health and medical care services to recipients.”*

Meetings and Expenditures

Although there is no statutory minimum on the number of meetings which this Council is to hold per year, this Council has met at least eighteen times since July, 1994.

	1994	1995	1996
Total Meetings	4	8	12 scheduled
7-20-94	N/A		
9-21-94	N/A		
10-19-94 (4 absent)	11		
11-16-94 (5 absent)	10		
3-15-95 (5 absent)		8	
4-19-95 (4 absent)		9	
5-17-95 (6 absent)		7	
6-21-95 (2 absent)		11	
8-16-95 (4 absent)		8	
9-20-95 (3 absent)		9	
10-18-95 (3 absent)		9	
11-15-95 (4 absent)		7	
1-17-96 (<i>no minutes</i>)			
2-21-96 (3 absent)			7
3-20-96 (6 absent)			6
4-17-96 (2 absent)			10
5-15-96 (5 absent)			7
6-19-96 (4 absent)			9

During the last two fiscal years, this Council has incurred a total of \$3,311.53 in in-state travel, per diem, and official function costs.

Council Accomplishments

The Council meets monthly and has provided invaluable input on rules and policies prior to action by the Medicaid Services Board. The Council has addressed a wide variety of national and state issues concerning Medicaid. A monthly legislative update is also given by a representative of Legislative Council on pending state and national legislation affecting Medicaid funding.

**Reasons for
Continuing the
Advisory Council**

The Office of Medical Assistance in the Department of Health Care Policy and Finance submitted the following in support of continuation of the council:

“The current advisory council is constituted of expert representatives from medicine, osteopathy, nursing, hospitals, and nursing homes. There is also a Medicaid consumer on this committee. We are currently recruiting for a pharmacist.

The Council is familiar with the complexity of the Medicaid program and very much aware of the large share of the Colorado state budget that is required to provide for this program. The members generally review rules/policies prior to State Medical Services Board action. This council brings real knowledge and experience to the Medicaid program. This is a valuable resource and asset to Medicaid.”

Analysis

The primary reason to continue this Council is because federal regulations require it in order to attain state Medicaid funding. Nonetheless, the Council has been committed to its duties and has fulfilled its functions. The members are diverse and knowledgeable about the complexity of the Medicaid program and bring a wide variety of knowledge to the Council. They are able to provide the State Medical Assistance Board with input necessary in carrying out its duties. This Council provides an important link between state, medical provider and recipient communities.

Recommendation

The General Assembly should allow the State Medical Assistance and Services Advisory Council to continue.