

Second Regular Session
Seventieth General Assembly
STATE OF COLORADO

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 16-0446.01 Bob Lackner x4350

SENATE BILL 16-038

SENATE SPONSORSHIP

Aguilar, Newell, Guzman, Heath, Hodge, Kerr, Merrifield, Steadman, Todd, Kefalas,
Ulibarri

HOUSE SPONSORSHIP

Young, Esgar, Ginal, Landgraf, Lontine, McCann, Tyler

Senate Committees

State, Veterans, & Military Affairs
Finance

House Committees

A BILL FOR AN ACT

101 **CONCERNING MEASURES TO PROMOTE THE TRANSPARENCY OF**
102 **COMMUNITY-CENTERED BOARDS, AND, IN CONNECTION**
103 **THEREWITH, MAKING CERTAIN COMMUNITY-CENTERED BOARDS**
104 **SUBJECT TO PERFORMANCE AUDITS UNDERTAKEN BY THE STATE**
105 **AUDITOR AND MAKING ALL COMMUNITY-CENTERED BOARDS**
106 **SUBJECT TO THE "COLORADO LOCAL GOVERNMENT AUDIT**
107 **LAW".**

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>.)

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.

SENATE
Amended 2nd Reading
April 19, 2016

Section 2 of the bill makes all writings made, maintained, or kept by a community-centered board (CCB) that receives more than 75% of its funding on an annual basis from the federal, the state, or a local government or from any combination of such governmental entities subject to public inspection as a "public record" under "Colorado Open Records Act".

Section 3 of the bill requires the state auditor, at least once every 5 years or more frequently at the state auditor's discretion, to conduct or cause to be conducted a performance audit of each CCB that receives more than 75% of its funding on an annual basis from federal, state, or local government, or from any combination of such governmental entities, to determine whether such CCB is effectively and efficiently fulfilling its statutory obligations. A CCB becomes subject to the audit requirement when the CCB initially satisfies the 75% funding requirement for any one year regardless of whether or not the funding level decreases below 75% in any subsequent year. Section 3 of the bill further requires the state auditor to submit a written report and recommendations on each audit conducted and to present the report and recommendations to the legislative audit committee. The cost of any performance audit undertaken is imposed on the CCB.

Section 2 of the bill also makes each CCB subject to the requirements of the "Colorado Local Government Audit Law".

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds, determines, and declares that:

4 (a) By means of the safeguards specified in part 2 of article 10 of
5 title 25.5, Colorado Revised Statutes, and other provisions of law, the
6 state of Colorado has assumed the duty of providing persons with
7 intellectual and developmental disabilities, among the most vulnerable
8 populations in the state, with improved and lengthened life expectancy.

9 (b) The state of Colorado acknowledges that it takes significant
10 public resources to meet the needs of persons with intellectual and
11 developmental disabilities so as to live full, meaningful lives participating
12 actively in the community.

1 (c) The state demands that the community-centered boards
2 empowered under part 2 of article 10 of title 25.5, Colorado Revised
3 Statutes, be prudent and efficient stewards of the public moneys entrusted
4 to them by requiring transparency with respect to the manner in which
5 these moneys are spent.

6 (d) Such transparency will give the public confidence that funding
7 the community-centered boards is a wise and prudent use of the state's
8 resources, thereby justifying the transfer of additional public resources to
9 these organizations as needed to support persons with intellectual and
10 developmental disabilities.

11 (2) By enacting Senate Bill 16-038, enacted in 2016, the general
12 assembly intends that the community-centered boards largely supported
13 by public resources be subject to transparency in connection with their
14 use of public resources to the greatest extent possible. The ability of the
15 state auditor to undertake performance audits of certain
16 community-centered boards, and subjecting all community-centered
17 boards to the "Colorado Local Government Audit Law", will have the
18 effect of promoting public transparency in connection with the use by
19 these entities of significant public resources. The general assembly further
20 intends that Senate Bill 16-038, enacted in 2016, be construed as liberally
21 as possible to promote the policy objectives specified in this section.

22

== ==

23 **SECTION 2.** In Colorado Revised Statutes, 25.5-10-209, **add** (4)
24 and (5) as follows:

25 **25.5-10-209. Community-centered boards - designation -**
26 **purchase of services and supports by community-centered boards -**
27 **performance audits - Colorado local government audit law.** (4) **THE**

1 STATE AUDITOR SHALL CONDUCT OR CAUSE TO BE CONDUCTED A
2 PERFORMANCE AUDIT OF EACH COMMUNITY-CENTERED BOARD THAT
3 RECEIVES MORE THAN SEVENTY-FIVE PERCENT OF ITS FUNDING ON AN
4 ANNUAL BASIS FROM THE FEDERAL, THE STATE, OR A LOCAL GOVERNMENT
5 OR FROM ANY COMBINATION OF SUCH GOVERNMENTAL ENTITIES TO
6 DETERMINE WHETHER SUCH BOARD IS EFFECTIVELY AND EFFICIENTLY
7 FULFILLING ITS STATUTORY OBLIGATIONS. A COMMUNITY-CENTERED
8 BOARD BECOMES SUBJECT TO THE AUDIT REQUIREMENT UNDER THIS
9 SUBSECTION (4) AT SUCH TIME AS THE BOARD INITIALLY SATISFIES THE
10 SEVENTY-FIVE PERCENT FUNDING REQUIREMENT FOR ANY ONE YEAR
11 REGARDLESS OF WHETHER OR NOT THE FUNDING LEVEL DECREASES BELOW
12 SEVENTY-FIVE PERCENT IN ANY SUBSEQUENT YEAR. ANY PERFORMANCE
13 AUDIT THAT IS REQUIRED TO BE CONDUCTED UNDER THIS SUBSECTION (4)
14 MUST BE COMPLETED IN THE FIRST FIVE YEAR PERIOD FOLLOWING THE
15 EFFECTIVE DATE OF THIS SECTION AS AMENDED. THEREAFTER, A
16 PERFORMANCE AUDIT MAY BE CONDUCTED OF A COMMUNITY-CENTERED
17 BOARD DESCRIBED IN THIS SUBSECTION (4) IF REQUESTED BY THE STATE
18 AUDITOR IN THE EXERCISE OF HIS OR HER DISCRETION. THE STATE
19 AUDITOR SHALL SUBMIT A WRITTEN REPORT AND RECOMMENDATIONS ON
20 EACH AUDIT CONDUCTED UNDER THIS SUBSECTION (4) AND SHALL PRESENT
21 THE REPORT AND RECOMMENDATIONS TO THE LEGISLATIVE AUDIT
22 COMMITTEE CREATED IN SECTION 2-3-101 (1), C.R.S. THE STATE AUDITOR
23 SHALL PAY THE COSTS OF ANY PERFORMANCE AUDIT CONDUCTED
24 PURSUANT TO THIS SECTION.

25 (5) EACH COMMUNITY-CENTERED BOARD IS SUBJECT TO THE
26 REQUIREMENTS OF THE "COLORADO LOCAL GOVERNMENT AUDIT LAW",
27 PART 6 OF ARTICLE 1 OF TITLE 29, C.R.S.

1 **SECTION 3. Act subject to petition - effective date.** This act
2 takes effect at 12:01 a.m. on the day following the expiration of the
3 ninety-day period after final adjournment of the general assembly (August
4 10, 2016, if adjournment sine die is on May 11, 2016); except that, if a
5 referendum petition is filed pursuant to section 1 (3) of article V of the
6 state constitution against this act or an item, section, or part of this act
7 within such period, then the act, item, section, or part will not take effect
8 unless approved by the people at the general election to be held in
9 November 2016 and, in such case, will take effect on the date of the
10 official declaration of the vote thereon by the governor.