



## Office of the State Auditor

Kerri L. Hunter, CPA, CFE  
State Auditor

### Legislative Audit Committee

August 11, 2025

### Minutes

The Legislative Audit Committee (LAC) convened on August 11, 2025, at 9:03 a.m. in the Old Supreme Court Chambers. Representative William Lindstedt called the meeting to order. Roll was called with the following members present or excused:

#### Committee Members

Representative Max Brooks, Representative Jarvis Caldwell, Senator Rod Pelton (arrived 9:09 a.m.), Senator Dylan Roberts (temporary replacement for Senator Dafna Michaelson Jenet) (remote), Senator Mike Weissman, Representative Jenny Willford (remote), Senator Lisa Frizell, Representative William Lindstedt

The following Office of the State Auditor (OSA) staff attended:

#### OSA

Kerri L. Hunter, State Auditor; Michelle Colin, Deputy State Auditor; Marisa Edwards, Deputy State Auditor; Dana Berry, Monica Bowers, Crystal Dorsey, Matt Devlin, Samuel Greenidge, Vickie Heller, Cindi Radke, Lily Welborn

#### Other Attendees

##### Cheiron, Inc.

Bill Hallmark, Consulting Actuary, Project Lead  
Anne Harper, Consulting Actuary, Project Co-Lead  
Jake Libauskus, Consulting Actuary, Project Manager

##### CliftonLarsonAllen LLP

Sean Walker, Principal  
Brittany Smith, Manager (Remote)

**Colorado Public Employees' Retirement Association (PERA)**

Andrew Roth, Chief Executive Officer/Executive Director (Remote)

Sarah Wager, Deputy Executive Director (Remote)

Amy McGarrity, Chief Investment Officer/Chief Operating Officer

Patrick Lane, Chief Benefits Officer

Michael Steppat, Director of Public & Government Affairs

**Colorado State University System**

Brandon Bernier, Vice President for IT & Chief Information Officer

Dr. Cassandra Moseley, Vice President for Research

Dr. Steven Lovaas, Chief Information Security Officer

**Department of Public Health and Environment**

Erick Scheminske, Chief Operating Officer

Elaine McManis, Director, Health Facilities and Emergency Medical Services Division

Christine McGroarty, Fiscal and Administrative Services Branch Chief, Health Facilities and Emergency Medical Services Division

**Segal (PERA contracted actuarial firm)**

Brad Ramirez, Vice President and Actuary

Matthew Strom, Senior Vice President and Actuary (Remote)

Melissa Krumholz, Vice President and Actuary

9:04 a.m.

**Department of Public Health and Environment, Health Facilities and Emergency Medical Services Division, Health Facility Licensing Program and Cash Funds, Public Report, Performance Audit, July 2025**

Representative Brooks made a motion to release the Department of Public Health and Environment, Health Facilities and Emergency Medical Services Division, Health Facility Licensing Program and Cash Funds, Public Report, Performance Audit, July 2025. Senator Weissman seconded the motion, and the motion passed unanimously.

Ms. Colin introduced self and staff.

Mr. Scheminske (Department of Public Health and Environment) introduced self and staff. OSA staff presented an overview of the audit and recommendations.

Recommendation 1 reviewed, discussed, and agreed to by the Department.

Discussion ensued regarding issues affecting the hiring process.

Recommendation 2 reviewed, discussed, and agreed to by the Department.

Recommendation 3 reviewed and discussed, with sections A and B agreed to by the Department while section C was partially agreed to by the Department.

Discussion ensued regarding requirements necessitating an in-person investigation of a facility, the role of routine surveys, number of staff in place to conduct facility surveys, process for investigating complaints, role of the ombudsperson, efficiency of ombudsmen system, and compliance with statutory requirements.

Recommendation 4 reviewed, discussed, and agreed to by the Department.

10:04 a.m.

**Department of Public Health and Environment, Health Facilities and Emergency Medical Services Division, Health Facility Licensing Program and Cash Funds, Confidential Report, Performance Audit, July 2025**

Senator Frizell made a motion to conduct an Executive Session in accordance with Section 24-6-402(3)(a)(IV), C.R.S., to review the Department of Public Health and Environment, Health Facilities and Emergency Medical Services Division, Health Facility Licensing Program and Cash Funds, Confidential Report, Performance Audit, July 2025. Senator Pelton seconded the motion, and the motion passed unanimously.

10:21 a.m.

**Executive Session concluded**

10:25 a.m.

**Colorado Public Employees' Retirement Association, Hybrid Defined Benefit Plan Study, July 2025**

Senator Weissman made a motion to release the Colorado Public Employees' Retirement Association, Hybrid Defined Benefit Plan Study, July 2025. Representative Caldwell seconded the motion, and the motion passed unanimously.

Ms. Colin introduced staff and OSA contractor (Cheiron, Inc.).

Mr. Roth (Colorado Public Employees' Retirement Association) introduced self and staff. Cheiron, Inc. staff presented an overview of the study.

11:24 a.m.

**Public Employees' Retirement Association of Colorado (PERA) Reports:**

- **Public Employees' Retirement Association of Colorado Annual Comprehensive Financial Report, For the Year Ended December 31, 2024**
- **Public Employees' Retirement Association of Colorado Financial Audit, Year Ended December 31, 2024**

Senator Frizell made a motion to release the Public Employees' Retirement Association of Colorado, Financial Audit, Year Ended December 31, 2024. Senator Pelton seconded the motion, and the motion passed unanimously.

Ms. Edwards introduced self and contractor (CliftonLarsonAllen LLP).

Mr. Roth (Colorado Public Employees' Retirement Association) introduced self, staff, and PERA contracted actuaries (Segal).

CliftonLarsonAllen LLP staff presented an overview of the PERA Annual Comprehensive Financial Report and PERA Financial Audit.

PERA staff presented an overview of the Public Employees' Retirement Association of Colorado Annual Comprehensive Financial Report, For the Year Ended December 31, 2024, investment performance, and legislation.

Segal staff presented an overview of the actuarial report on retirement and health plans.

12:27 p.m.

#### **Minutes**

Senator Frizell made a motion to approve the June 16, 2025, LAC hearing minutes. Senator Pelton seconded the motion, and the motion passed unanimously.

#### **2025 Potential Legislation Discussion**

Ms. Colin presented an overview of the legislation process, and introduced staff.

Ms. Dorsey presented an overview of the statutory requirement for the OSA to conduct an annual examination of public school capital construction funds, with a request for the LAC to sponsor legislation to change the review to be at the State Auditor's discretion.

Senator Weissman made a motion to have staff work with Legislative Legal Services to prepare a bill draft. Senator Frizell seconded the motion, and the motion passed unanimously. The results were as follows:

Representative Brooks – Yes

Representative Caldwell – Yes

Senator Pelton – Yes

Senator Roberts – Yes

Senator Weissman – Yes

Representative Willford – Yes

Senator Frizell – Yes

Representative Lindstedt - Yes

Senator Weismann presented a request to amend the OSA's fraud hotline statute to specify that turning over materials in compliance with a fraud hotline investigation does not, in of itself, constitute a waiver of attorney-client privilege.

Senator Weismann made a motion to have staff prepare a bill draft. Representative Willford seconded the motion, and the motion passed unanimously. The results were as follows:

Representative Brooks – Yes  
Representative Caldwell – Yes  
Senator Pelton – Yes  
Senator Roberts – Yes  
Senator Weissman – Yes  
Representative Willford – Yes  
Senator Frizell – Yes  
Representative Lindstedt - Yes

11:28 a.m.

**Colorado State University System, Evaluation of Cybersecurity Maturity Model Certification (CMMC), Readiness, Public Report, May 2024, Status Report**

Mr. Bernier (Colorado State University System) introduced self and staff.

Mr. Devlin introduced self and staff.

Ms. Radke presented an overview of the report, noting that the Colorado State University System (CSU) implemented or partially implemented the public recommendations.

Mr. Bernier presented the status report.

Discussion ensued regarding CSU's budget.

12:48 p.m.

**Colorado State University System, Evaluation of Cybersecurity Maturity Model Certification (CMMC), Readiness, Confidential Report, May 2024, Status Report**

**Required Communication to Those Charged with Governance**

Senator Frizell made a motion to conduct an Executive Session in accordance with Section 24-6-402(3)(a)(IV) and (III), C.R.S., to review the Colorado State University System Evaluation of Cybersecurity Maturity Model Certification (CMMC) Readiness Confidential Report, May 2024 Status Report, and a discussion of specialized details in that report, and the Required Communication to Those Charged with Governance (a work paper of the Fiscal Year 2025 Statewide Audit that is required to be kept confidential per Section 2-3-103(3), C.R.S.). Senator Pelton seconded the motion, and the motion passed unanimously.

12:58 p.m.

**Executive Session Concluded**

**Hearing adjourned at 1:00 p.m.**

Minutes submitted by:

Jayne Watson

Executive Assistant, Office of the State Auditor