



Legislative Audit Committee January 14, 2025 Minutes

The Legislative Audit Committee (LAC) convened a hearing on January 14, 2025, at 8:05 a.m. in the Old Supreme Court Chambers. Senator Lisa Frizell called the meeting to order. Roll was called with the following members present or excused:

Committee Members

Representative Max Brooks, Representative Jarvis Caldwell, Senator Lisa Frizell, Representative William Lindstedt, Senator Dafna Michaelson Jenet, Senator Rod Pelton, Senator Mike Weissman, Representative Jenny Willford

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

8:06 a.m.

Election of Chair

Representative Willford made a motion to nominate Representative Lindstedt as Chair. Senator Michaelson Jenet seconded the motion, and the motion passed unanimously.

8:08 a.m.

Election of Vice Chair

Representative Brooks made a motion to nominate Senator Frizell as Chair. Senator Pelton seconded the motion, and the motion passed unanimously.

Minutes

Senator Frizell made a motion to approve the *December 9, 2024, LAC hearing minutes*. Senator Michaelson Jenet seconded the motion, and the motion passed unanimously.

8:09 a.m.

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)(III), C.R.S., to review the *Required Communication to Those Charged with Governance* (a work paper of the Fiscal Year 2024 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.

8:14 a.m.

Executive Session concluded

8:15 a.m.

2025 Legislative Audit Committee Session Calendar

Auditor Hunter presented the *2025 Legislative Audit Committee Session Calendar*.

Senator Frizell made a motion to amend the LAC hearing dates to Wednesdays, as opposed to Tuesdays. Senator Michaelson Jenet seconded the motion.

Discussion ensued regarding a possible hearing room location change, and the possibility of cancelling the next LAC hearing.

A vote was conducted, and the motion passed unanimously.

8:19 a.m.

Reports Released Without a Hearing

Senator Frizell made a motion to release the *Reports Released Without a Hearing*. Senator Pelton seconded the motion, and the motion passed unanimously.

Ms. Edwards presented an overview of the reports.

Hearing adjourned at 8:21 a.m.

Minutes submitted by:

Jayne Watson

Executive Assistant, Office of the State Auditor



Legislative Audit Committee February 12, 2025 Minutes

The Legislative Audit Committee (LAC) convened a hearing on February 12, 2025, at 7:35 a.m. in the Legislative Services Building, Hearing Room B. 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 (arrived 8:09 a.m.), Senator Dafna Michaelson Jenet, Senator Rod Pelton, Senator Mike Weissman, Representative Jenny Willford (arrived 7:51 a.m.), Senator Lisa Frizell (arrived 7:40 a.m.), 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; Selome Negassa, Kate Shiroff

Other Attendees

Colorado Office of Economic Development and International Trade (OEDIT)

Jeff Kraft, Deputy Director, OEDIT and Director of Business Funding and Incentives
Che Sheehan, Enterprise Zone Program Manager

Department of Health Care Policy & Financing

Rachel Reiter; Policy, Communications & Administration (PCA) Office Director
Natalie Coulter, Director of Communications
Marivel Klueckman, Eligibility Division Director

Department of Human Services

Michelle Barnes, Executive Director

Erin Wester, Director, Office of Adult, Aging and Disability Services

Ryan Burmood, Director, Veterans Community Living Centers

MGT Impact Solutions, LLC

Ricardo Cepin, Director

7:35 a.m.

Department of Human Services, Colorado Veterans Community Living Centers, Performance Audit, February 2025

Senator Michaelson Jenet made a motion to release the *Department of Human Services, Colorado Veterans Community Living Centers, Performance Audit, February 2025*. Senator Pelton seconded the motion, and the motion passed unanimously.

Ms. Edwards introduced self, staff, and contractor

Ms. Barnes (*Department of Human Services*) introduced self and contractor

Mr. Cepin (*MGT LLC*) presented an overview of the audit

Recommendation 1 was reviewed, discussed, and agreed to by the Department of Human Services (Department).

Discussion ensued regarding factors affecting the Taxpayer's Bill of Rights (TABOR) enterprise status of the Colorado Veterans Community Living Centers (Centers), capacity of the Centers, and ratio of staff to residents.

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

Recommendation 3 was reviewed, discussed, and agreed to by the Department.

Discussion ensued regarding the agreement with the Colorado Workers for Innovative and New Solutions (COWINS) and its effect on staffing levels.

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

Discussion ensued regarding percentage of union employees.

8:12 a.m.

Minutes

Senator Frizell made a motion to approve the *January 14, 2025, LAC hearing minutes*. Senator Michaelson Jenet seconded the motion, and the motion passed unanimously.

8:13 a.m.

Colorado Office of Economic Development and International Trade, Enterprise Zone Annual Report, Fiscal Year 2023-2024

Michelle Colin introduced self and presented introductory remarks.

Mr. Kraft (*Colorado Office of Economic Development and International Trade*) introduced self and staff, and presented an overview of the report.

Mr. Sheehan (*Colorado Office of Economic Development and International Trade*) presented an overview of business funding by OEDIT.

8:28 a.m.

Department of Health Care Policy & Financing, Medicaid Correspondence, Performance Audit, September 2023, Status Report

Ms. Colin introduced staff.

Ms. Shiroff presented an overview of the report, noting that most recommendations were partially implemented.

Ms. Reiter (*Department of Health Care Policy & Financing*) introduced self and staff, and presented the status report.

Discussion ensued regarding how the Medicaid unwinding of COVID-19 flexibilities affected the Department of Health Care Policy & Financing's work in this area.

8:44 a.m.

Department of Personnel & Administration Regarding the State's Legislatively-Directed Contracting Goals Audit Request

Auditor Hunter presented an overview of the *Department of Personnel & Administration Regarding the State's Legislatively-Directed Contracting Goals Audit Request*.

Discussion ensued regarding the amount of time required to determine the scope of the audit.

Senator Frizell made a motion to approve preliminary research time on the *Department of Personnel & Administration Regarding the State's Legislatively-Directed Contracting Goals Audit Request*. Senator Weissman seconded the motion, and the motion passed unanimously.

8:48 a.m.

OSA Fiscal Year 2026 Proposed Budget

Auditor Hunter presented an overview of the budget.

Comments were made regarding appreciation for OSA's acknowledgment of this year's budget constraints and maintenance of a flat budget request for Fiscal Year 2026.

Senator Frizell made a motion to approve the *OSA Fiscal Year 2026 Proposed Budget* with authorization to make any changes as prescribed by the Executive Committee or the Joint Budget Committee. Senator Weissman seconded the motion, and the motion passed unanimously.

8:54 a.m.

Additional Discussion

Auditor Hunter discussed the upcoming Joint LAC/Joint Budget Committee hearing scheduled for February 26, 2025.

Hearing adjourned at 8:55 a.m.

Minutes submitted by:

Jayne Watson

Executive Assistant, Office of the State Auditor



Legislative Audit Committee February 26, 2025 Minutes

The Legislative Audit Committee (LAC) convened a hearing on February 26, 2025, at 8:31 a.m. in the Old State Library, Room 271. 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 Dafna Michaelson Jenet, Senator Rod Pelton, Senator Mike Weissman, Representative Jenny Willford, 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; Laura Russell

Other Attendees

Department of Revenue

Heidi Humphreys, Executive Director

Department of Revenue, Marijuana Enforcement Division

Dominique Mendiola, Senior Director

Kyle Lambert, Deputy Senior Director

8:31 a.m.

Minutes

Senator Michaelson Jenet made a motion to approve the *February 12, 2025, LAC hearing minutes*. Senator Frizell seconded the motion, and the motion passed unanimously.

8:32 a.m.

Department of Revenue, Marijuana Enforcement Division, Performance Audit, July 2023, Status Report

Ms. Colin introduced staff.

Ms. Russell presented an overview of the report, noting that most of the recommendations were implemented, with one partially implemented.

Ms. Humphreys (*Department of Revenue*) introduced self and staff.

Mr. Lambert (*Department of Revenue, Marijuana Enforcement Division*) presented the status report.

Discussion ensued regarding safety and quality of products sold in Colorado, timeline for evaluating contaminated products, role of the Marijuana Enforcement Division's (MED) working group in developing safety and compliance measures, coordination with the Attorney General's Office utilizing the consumer protection authority, and factors that could limit the Division's enforcement actions.

8:51 a.m.

Audit Request of the Department of Revenue's Marijuana Enforcement Division Related to its Enforcement of Consumer Protection Standards

Auditor Hunter presented an overview of the *Audit Request of the Department of Revenue's Marijuana Enforcement Division Related to its Enforcement of Consumer Protection Standards*.

Discussion ensued regarding whether the request was duplicative work for the Office of the State Auditor.

Senator Pelton made a motion to approve preliminary research time on the *Audit Request of the Department of Revenue's Marijuana Enforcement Division Related to its Enforcement of Consumer Protection Standards Audit Request*. Senator Frizell seconded the motion. A roll call vote was conducted, and the motion passed 5 - 3. The results were as follows:

Representative Brooks – Yes

Representative Caldwell – Yes

Senator Michaelson Jenet – Yes

Senator Pelton – Yes

Senator Weissman – No

Representative Willford – No

Senator Frizell – Yes

Representative Lindstedt - No

8:54 a.m.

Audit Request of Cell Phone Usage and Costs within Colorado State Agencies

Auditor Hunter presented an overview of the *Audit Request of Cell Phone Usage and Costs within Colorado State Agencies*.

Senator Frizell made a motion to approve preliminary research time on the *Audit Request of Cell Phone Usage and Costs within Colorado State Agencies*. Senator Pelton seconded the motion, and the motion passed unanimously.

8:55 a.m.

Audit Request of the Colorado Bureau of Investigation's (CBI) Forensic Services Section at the Colorado Department of Public Safety

Auditor Hunter presented an overview of the *Audit Request of the Colorado Bureau of Investigation's (CBI) Forensic Services Section at the Colorado Department of Public Safety*.

Senator Frizell made a motion to approve preliminary research time on the *Audit Request of the Colorado Bureau of Investigation's (CBI) Forensic Services Section at the Colorado Department of Public Safety*. Representative Willford seconded the motion, and the motion passed unanimously.

8:56 a.m.

Reports Released Without a Hearing

Senator Frizell made a motion to release the *Reports Released Without a Hearing*. Senator Pelton seconded the motion, and the motion passed unanimously.

Ms. Edwards presented an overview of the reports.

Hearing adjourned at 8:58 a.m.

Minutes submitted by:

Jayne Watson

Executive Assistant, Office of the State Auditor



Legislative Audit Committee
March 12, 2025
Minutes

The Legislative Audit Committee (LAC) convened a hearing on March 12, 2025, at 7:34 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 Dafna Michaelson Jenet, Senator Rod Pelton, Senator Mike Weissman, Representative Jenny Willford (excused), 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; Crystal Dorsey, Rhiannon Ferguson, Selome Negassa, Maya Rosochacova

Other Attendees

Department of Higher Education

Dr. Angie Paccione, Executive Director
Zach Cartaya, Chief Financial Officer

Office of the State Controller

Robert Jaros, State Controller
Jeffrey Kahn, Director, Financial Reporting & Analysis

7:34 a.m.

State of Colorado, Statewide Single Audit, Fiscal Year Ended June 30, 2024

Senator Frizell made a motion to release the *State of Colorado, Statewide Single Audit, Fiscal Year Ended June 30, 2024*. Senator Michaelson Jenet seconded the motion, and the motion passed unanimously.

Ms. Edwards introduced self and staff.

Mr. Jaros (Office of the State Controller) introduced self and staff.

Ms. Edwards presented opening comments.

7:40 a.m.

State of Colorado, Annual Comprehensive Financial Report, For the Fiscal Year Ended June 30, 2024

Mr. Jaros (*Office of the State Controller*) presented opening comments and an overview of the Annual Comprehensive Financial Report.

7:49 a.m.

State of Colorado, Statewide Single Audit, Fiscal Year Ended June 30, 2024

OSA Staff presented an overview of the Statewide Single Audit Report and two selected recommendations.

Recommendation 2024-021 was reviewed, discussed, and agreed to by the Office of the State Controller (OSC).

Dr. Paccione (*Department of Higher Education*) and Mr. Cartaya (*Department of Higher Education*) introduced themselves.

Recommendation 2024-011 was reviewed, discussed, and agreed to by the Department of Higher Education (Department).

Discussion ensued regarding the Department's plans to implement the recommendation, staff turnover, and the OSA process for following up on the status of outstanding recommendations.

8:32 a.m.

Minutes

Senator Frizell made a motion to approve the *February 26, 2025, LAC hearing minutes*. Senator Michaelson Jenet seconded the motion, and the motion passed unanimously.

Audit Request of the Department of Personnel & Administration Regarding Colorado's Service-Disabled Veteran Owned Small Business Contracting Goal

Ms. Colin presented an overview of the OSA research related to Representative Marshall's request for an audit of the Department of Personnel & Administration Regarding Colorado's Service-Disabled Veteran Owned Small Business Contracting Goal.

Senator Frizell made a motion to approve the *Audit Request of the Department of Personnel & Administration Regarding Colorado's Service-Disabled Veteran Owned Small Business Contracting Goal*. Representative Brooks seconded the motion, and the motion passed unanimously.

8:36 a.m.

Audit Request of the Colorado Energy Office

Auditor Hunter presented an overview of an *Audit Request of the Colorado Energy Office* submitted by Senator Rod Pelton.

Discussion ensued regarding the choice to focus on the Colorado Energy Office.

Senator Frizell made a motion to approve preliminary research time on the *Audit Request of the Colorado Energy Office*. Representative Brooks seconded the motion, and the motion passed unanimously.

8:38 a.m.

Proposed 2025 LAC Interim Calendar

Auditor Hunter presented the *Proposed 2025 LAC Interim Calendar* to the Committee and asked the members to review it and submit any changes prior to the March 26, 2025, LAC hearing.

Hearing adjourned at 8:40 a.m.

Minutes submitted by:

Jayne Watson

Executive Assistant, Office of the State Auditor



Legislative Audit Committee
March 26, 2025
Minutes

The Legislative Audit Committee (LAC) convened a hearing on March 26, 2025, at 7:20 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 Dafna Michaelson Jenet, Senator Rod Pelton, Senator Mike Weissman, Representative Jenny Willford, 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; Matt Devlin, Ferminia Hebert

Other Attendees

Colorado Bureau of Investigation
Chris Schaefer, Director

Department of Labor and Employment
Darcy Kennedy, Deputy Executive Director and Chief Financial Officer
Paulina Delora, Controller
Tracy Marshall, Family Medical Leave Insurance (FAMLI) Director
Phil Spesshardt, Unemployment Insurance (UI) Director

Judicial Department

Steven Vasconcellos, State Court Administrator

Jason Bergbower, Acting Director of Information Technology Services

Scott Sutherland, Manager of Information Security

Eide Bailly LLP

Anders Erickson, Principal

Matt Solomon, Manager

7:21 a.m.

State of Colorado, Statewide Single Audit, Fiscal Year Ended June 30, 2024

Ms. Edwards introduced self and staff.

Ms. Kennedy (Department of Labor and Employment) introduced self and staff.

Ms. Hebert presented the findings and recommendations.

Recommendation 2024-017 was reviewed, discussed, and agreed to by the Department of Labor and Employment (Department).

Discussion ensued regarding funds collected by employers from employees but not yet submitted to the Department and the method for obtaining those uncollected funds.

Recommendation 2024-046 was reviewed, discussed, and agreed to by the Department.

Discussion ensued regarding the Department's process for remediating over- and under-payments submitted to the unemployment fund, ability of the Department to return overpayments to employers, recognizing the Department for the work completed over the past few years, and payment plans for smaller employers.

7:51 a.m.

Judicial Department, Cybersecurity Resiliency Public Report, Performance Audit, March 2025

Senator Michaelson Jenet made a motion to release the Judicial Department, Cybersecurity Resiliency Public Report, Performance Audit, March 2025. Senator Frizell seconded the motion, and the motion passed unanimously.

Mr. Devlin introduced self, staff, and contractor.

Mr. Vasconcellos (Judicial Department) introduced self and staff.

Mr. Erickson (Eide Bailly, LLP) presented overview of audit and recommendation.

Recommendation 1 was reviewed, discussed, and agreed to by the Judicial Department (Department).

Discussion ensued regarding adherence to Colorado Information Security Policies (CISPs).

8:04 a.m.

Judicial Department, Cybersecurity Resiliency Confidential Report, Performance Audit, March 2025

Senator Pelton made a motion to conduct an Executive Session to review the Judicial Department, Cybersecurity Resiliency Confidential Report, Performance Audit, March 2025. Legal counsel had advised that under Section 24-6-402 (3)(a)(IV), C.R.S., discussion on specialized details of security investigations, such as this report, may be conducted in executive session. Senator Frizell seconded the motion, and the motion passed unanimously.

8:46 a.m.

Executive Session concluded

Minutes

Representative Caldwell made a motion to approve the March 12, 2025, LAC hearing minutes. Senator Frizell seconded the motion, and the motion passed unanimously.

Audit Request of the Department of Revenue's Marijuana Enforcement Division Related to its Enforcement of Consumer Protection Standards

Ms. Colin presented an overview of the OSA research related to a request for an audit of the Department of Revenue's Marijuana Enforcement Division Related to its Enforcement of Consumer Protection Standards submitted by Senators Byron Pelton and Rod Pelton.

Senator Frizell made a motion to approve the Audit Request of the Department of Revenue's Marijuana Enforcement Division Related to its Enforcement of Consumer Protection Standards. Senator Michaelson Jenet seconded the motion. A roll call vote was conducted, and the motion passed 6-2. The results were as follows:

Representative Brooks - Yes
Representative Caldwell - Yes
Senator Michaelson Jenet - Yes
Senator Pelton - Yes
Senator Weissman - No
Representative Willford - Yes
Senator Frizell - Yes
Representative Lindstedt – No

8:50 a.m.

Audit Request of Cell Phone Usage and Costs within Colorado State Agencies

Ms. Colin presented an overview of the OSA research related to a request for an audit of Cell Phone Usage and Costs within Colorado State Agencies submitted by Senator Byron Pelton.

Senator Frizell made a motion to approve the Audit Request of Cell Phone Usage and Costs within Colorado State Agencies. Senator Michaelson Jenet seconded the motion. A roll call vote was conducted, and the motion passed unanimously. The results were as follows:

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

8:52 a.m.

Audit Request of the Colorado Bureau of Investigation's (CBI) Forensic Services Section at the Colorado Department of Public Safety

Ms. Colin presented an overview of the OSA research related to a request for an audit of the Colorado Bureau of Investigation's (CBI) Forensic Services Section at the Colorado Department of Public Safety submitted by Representatives Lindstedt and Willford.

Chris Schaefer (Colorado Bureau of Investigation) introduced self and presented additional comments regarding the audit request.

Senator Frizell made a motion to approve the Audit Request of the Colorado Bureau of Investigation's (CBI) Forensic Services Section at the Colorado Department of Public Safety. Representative Willford seconded the motion. A roll call vote was conducted, and the motion passed unanimously. The results were as follows:

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

8:56 a.m.

Audit Request of the Department of Local Affairs Related to its Oversight of Colorado Metropolitan Districts

Auditor Hunter presented an overview of the Audit Request of the Department of Local Affairs Related to its Oversight of Colorado Metropolitan Districts submitted by Senator Weissman.

Senator Frizell made a motion to approve preliminary research time for the Audit Request of the Department of Local Affairs Related to its Oversight of Colorado Metropolitan Districts. Senator Weissman seconded the motion. A roll call vote was conducted, and the motion passed unanimously. The results were as follows:

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

8:57 a.m.

Proposed 2025 LAC Interim Calendar

Senator Frizell made a motion to approve the Proposed 2025 Interim Calendar. Senator Michaelson Jenet seconded the motion, and the motion passed unanimously.

8:58 a.m.

Reports Released Without a Hearing

Senator Frizell made a motion to release the Reports Released Without a Hearing. Senator Michaelson Jenet seconded the motion, and the motion passed unanimously

Ms. Edwards presented an overview of the reports.

Additional Discussion

Discussion ensued regarding the Audit Request of the Department of Revenue's Marijuana Enforcement Division Related to its Enforcement of Consumer Protection Standards and the pending lawsuit's potential effect on the audit.

Hearing adjourned at 9:00 a.m.

Minutes submitted by:

Jayne Watson

Executive Assistant, Office of the State Auditor



Office of the State Auditor

Kerri L. Hunter, CPA, CFE
State Auditor

Legislative Audit Committee

June 16, 2025

Minutes

The Legislative Audit Committee (LAC) convened on June 16, 2025, at 8:34 a.m. in the Old Supreme Court Chambers. Representative William Lindstedt called the meeting to order. Roll call conducted with the following members present or excused:

Committee Members

Representative Max Brooks, Representative Jarvis Caldwell, Senator Rod Pelton, Senator Dylan Roberts (temporary replacement for Senator Dafna Michaelson Jenet) (remote), Senator Mike Weissman, Representative Jenny Willford (remote and in-person), 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; Duygu Day, Crystal Dorsey, Rhianna Hruska, Derek Johnson, Hudson Marsh, Trey Standley, Heidi Wagner, Stefanie Winzeler

Other Attendees

Colorado Division of Reclamation, Mining, and Safety

Dan Gibbs, Executive Director, Department of Natural Resources
Michael Cunningham, Director of Division of Reclamation, Mining, and Safety
Jeff Graves, Director of Inactive Mine Reclamation Program
Rachael Nickless, Mine Subsidence Protection Program Administrator and Senior Project Manager

Department of Corrections

Andre Stancil, Executive Director
Ashley Clark, Director of Finance and Administration

Johnson Lambert LLP

Sarah McConnell, Partner

Kevin Vikander, Manager

Joint Budget Committee

(in attendance for the Evaluation of Colorado Department of Corrections, Budgeting Practices, May 2025, presentation)

Senator Jeff Bridges, Chair

Representative Shannon Bird, Vice Chair

Senator Judy Amabile, Member

Senator Barbara Kirkmeyer, Member

Representative Rick Taggart, Member

Craig Harper, Staff Director

Justin Brakke, Principal Legislative Budget & Policy Analyst

PFM Group Consulting LLC

Sarah Schirmer, Managing Director

Pinnacol Assurance

John O'Donnell, CEO and President

Kathy Kranz, CFO and Vice President

Jesus Salazar, Board Vice Chair and Audit Committee Chair

Regional Transportation District

Jack Kroll, Executive Manager, RTD Board Office

John McKay, Executive Business Partner, RTD Executive Office

8:35 a.m.

Evaluation of Colorado Department of Corrections, Budgeting Practices, May 2025

Senator Frizell made a motion to release the Evaluation of Colorado Department of Corrections, Budgeting Practices, May 2025. Senator Weissman seconded the motion, and the motion passed unanimously.

Ms. Colin introduced self, staff, and contractor.

Mr. Stancil (Department of Corrections) introduced self and staff.

Sarah Schirmer (PFM Group Consulting LLC) presented an overview of the evaluation and recommendations.

Chapter 1 presented.

Discussion ensued regarding how organizational changes affected the Department of Corrections (Department) processes.

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

Discussion ensued regarding how changes to the Department's budget process may have affected the past budget requests, balancing fiscal constraints against predictability of staff and inmate populations, process for implementing the recommendations, methodology employed for the jail backlog supplemental request to the Joint Budget Committee (JBC), and funding for private beds.

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

Discussion ensued regarding the amount of time required to implement the recommendation, and future technology requirements.

Recommendation 3 reviewed, discussed, and agreed to by the Department.

Discussion ensued regarding the cost of maintaining beds versus providing behavioral health treatment, outstanding lawsuits, cost of implementing recommendation, analysis of recruitment and retention trends, and issues driving vacancies among clinical and behavioral health staff.

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

Discussion ensued regarding the time required to implement the recommendation, and the possibility of moving up the implementation date.

Recommendation 5 reviewed, discussed, and agreed to by the Department.

Discussion ensued regarding the time required to implement the recommendation, and the Governor's Office review of the Department's budget requests.

Recommendation 6 reviewed, discussed, and agreed to by the Department.

Discussion ensued regarding changes instituted to ensure the accuracy of cash fund budgets in reflecting operational needs, and improvements to clarity surrounding inmate-generated revenue used for the inmates' benefit.

Recommendation 7 reviewed, discussed, and agreed to by the Department.

Recommendation 8 reviewed, discussed, and agreed to by the Department.

Discussion ensued regarding fees for medical care.

Recommendation 9 reviewed, discussed, and agreed to by the Department.

10:18 a.m.

Department of Natural Resources; Division of Reclamation, Mining, and Safety; Mine Subsidence Protection Program, Performance Audit, May 2025

Representative Willford made a motion to release the Department of Natural Resources, Division of Reclamation, Mining, and Safety, Mine Subsidence Protection Program, Performance Audit, May 2025. Senator Pelton seconded the motion, and the motion passed unanimously.

Ms. Colin introduced staff.

Mr. Gibbs (Department of Natural Resources) introduced self and staff.

OSA staff presented an overview of the audit and recommendations.

Recommendation 1 reviewed, discussed, and agreed to by the Division of Reclamation, Mining, and Safety (Division).

Discussion ensued regarding the role of the Mine Land Reclamation Board, as well as the Board's meeting schedule.

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

Discussion ensued regarding distribution of program information to homeowners, marketing costs, rulemaking regarding responsiveness to claims, educating homeowners about the program's availability, and participation rates.

10:53 a.m.

Pinnacol Assurance, Audited Statutory Financial Statements and Supplementary Information, Years ended December 31, 2024 and 2023, with Report of Independent Auditors

Senator Frizell made a motion to release the Pinnacol Assurance, Audited Statutory Financial Statements and Supplementary Information, Years ended December 31, 2024 and 2023, with Report of Independent Auditors. Representative Willford seconded the motion, and the motion passed unanimously.

Ms. Edwards introduced self, staff, and contractor.

Mr. Salazar (Pinnacol Assurance) introduced self and staff.

Johnson Lambert LLP staff presented an overview of the audit.

Discussion ensued regarding surpluses, reserves for unpaid losses, payment of claims not budgeted for, benefit ratios, and recognition of Pinnacol's work with the agricultural and energy industries.

11:23 a.m.

Minutes

Senator Frizell made a motion to approve the March 26, 2025, LAC hearing minutes. Representative Brooks seconded the motion, and the motion passed unanimously.

11:24 a.m.

Regional Transportation District, Fiscal Governance, Performance Audit, July 2024, Status Report

Ms. Colin introduced staff.

Ms. Day presented an overview of the report, noting that the Regional Transportation District (RTD) implemented most of the recommendations.

Mr. Kroll (RTD) introduced self and Mr. McKay, and presented the RTD Board's portion of the status report, noting that the Board implemented four of the seven recommendations, with the remaining recommendations implemented by the end of the year.

Mr. McKay (RTD) presented the RTD Management's portion of the status report, noting that they implemented 10 of the 14 recommendations, with the remaining recommendations implemented by the end of the first half of next year.

11:28 a.m.

Audit Request of the Colorado Energy Office

Ms. Colin presented an overview of the OSA research related to Senator Pelton's request for an audit of the Colorado Energy Office.

Discussion ensued regarding the Colorado Energy Office's increased responsibilities, implementation of federal programs, and current expenditures.

Senator Pelton made a motion to approve the audit of the Colorado Energy Office. Senator Frizell seconded the motion. Roll call vote conducted, and the motion failed 4 - 3, with one excused (audit approval requires a majority vote of all LAC members, not just those present). The results were as follows:

Representative Brooks – Yes
Representative Caldwell – Yes
Senator Pelton – Yes
Senator Roberts - Excused
Senator Weissman – No
Representative Willford – No

Senator Frizell – Yes

Representative Lindstedt – No

11:34 a.m.

Audit Request of the Department of Local Affairs Related to its Oversight of Colorado Metropolitan Districts

Ms. Colin presented an overview of the OSA research related to Senator Weissman’s request for an audit of the Department of Local Affairs Related to its Oversight of Colorado Metropolitan Districts.

Discussion ensued regarding the Department of Local Affairs’ oversight authority.

Senator Weissman made a motion to approve the audit of the Department of Local Affairs Related to its Oversight of Colorado Metropolitan Districts. Representative Willford seconded the motion. Roll call vote conducted, 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

11:38 a.m.

Audit Request of the Colorado Bureau of Investigation’s (CBI) Forensic Services Section of the Colorado Department of Public Safety (Revised Memo)

Ms. Colin presented an overview of the OSA’s research on how the OSA proposed to revise the scope of work due to concerns with some of the originally planned work possibly affecting the ongoing criminal case. This was related to Representative Lindstedt’s and Representative Willford’s request for an audit of the Colorado Bureau of Investigation’s (CBI) Forensic Services Section of the Colorado Department of Public Safety.

Discussion ensued regarding the scope of the audit request.

Senator Frizell made a motion to approve the audit of the Colorado Bureau of Investigation’s (CBI) Forensic Services Section of the Colorado Department of Public Safety with the scope as amended by staff. Representative Willford seconded the motion. Roll call vote conducted, and the motion passed 7 – 0, with one excused. The results were as follows:

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

Hearing adjourned at 11:44 a.m.

Minutes submitted by:

Jayne Watson

Executive Assistant, Office of the State Auditor



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



Office of the State Auditor

Kerri L. Hunter, CPA, CFE
State Auditor

Legislative Audit Committee

October 20, 2025

Minutes

The Legislative Audit Committee (LAC) convened on October 20, 2025, at 9:01 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 Lindsay Gilchrist (temporary replacement for Representative Jenny Willford), Representative Dusty Johnson, Senator Dafna Michaelson Jenet, (remote), Senator Rod Pelton, Senator Mike Weissman, 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; Crystal Dorsey, Nina Frant, Catherine Friday, Bianca Garcia, Chris McClain, Lynn Obremski, Jenny Page, Zachary Robertson, Isaiah Rodriguez, Maya Rosochacova, Laura Russell, Kate Shiroff, Stefanie Winzeler

Other Attendees

Colorado Commission on Higher Education

Jennifer Walmer, Chair

Colorado Department of Education

Jennifer Okes, Chief School Operations Officer

Corey Evans, School Finance Executive Director

Colorado Lottery

Tom Seaver, Director (remote)

Erin Garcia, Controller (remote)

Cristi Gannon, Accountant

Connect for Health Colorado

Mr. Kevin Patterson, Chief Executive Officer

Mr. Brian Braun, Chief Financial Officer

Ms. Nina Schwartz, Chief Policy and External Affairs Officer

Department of Agriculture

Hollis Glenn, Deputy Commissioner of Operations

Mark Gallegos, Division Director, Inspection and Consumer Services

Department of Higher Education

Dr. Angie Paccione, Executive Director

Carl Einhaus, Chief Student Success and Academic Affairs Officer

Brad Griffith, Senior Director of Academic Pathways and Innovation

Elizabeth School District

Dan Snowberger, Superintendent

Ellicott 22 School District

Chris Smith, Superintendent

Forvis Mazars, LLP

Christopher Telli, Partner

Anna Thigpen, Director

Office of the State Controller

Robert Jaros, State Controller

Jeffrey Kahn, Director of Financial Reporting & Analysis

9:02 a.m.

Colorado Commission on Higher Education, Department of Higher Education, Higher Education Transfer Credits, Performance Audit, September 2025

Senator Frizell made a motion to release the Colorado Commission on Higher Education, Department of Higher Education, Higher Education Transfer Credits, Performance Audit, September 2025. Senator Weissman seconded the motion, and the motion passed unanimously.

Ms. Colin introduced self and staff.

Ms. Walmer (Colorado Commission on Higher Education) introduced self.

Mr. Einhaus and Mr. Griffith (Department of Higher Education) introduced themselves.
Dr. Paccione (Department of Higher Education) introduced self.
OSA staff presented an overview of the audit and recommendations.

Recommendation 1 was reviewed, discussed, and agreed to by the Department of Higher Education (Department).

Recommendation 2 was reviewed, discussed, and agreed to by the Colorado Commission of Higher Education (Commission).

Discussion ensued regarding membership composition and tasks of the transfer sub-committee, curriculum alignment policy, costs associated with transferring transcripts between institutions, and timeline for transcript submissions.

Recommendation 3 was reviewed, discussed, and agreed to by the Commission.

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

Recommendation 5 was reviewed, discussed, and agreed to by the Commission.

Recommendations 6 and 7 were reviewed, discussed, and agreed to by the Department.

Discussion ensued regarding acceptance of Joint Services Transcripts (JST), communication between college boards regarding JSTs, tightening of policies through administrative or legislative action, communication between higher education institutions and the Department of Military & Veterans Affairs, policy regarding students returning to active duty, and recovery of data lost during data incident.

10:01 a.m.

Connect for Health Colorado, Performance Audit, September 2025

Senator Frizell made a motion to release the Connect for Health Colorado, Performance Audit, September 2025. Senator Weissman seconded the motion, and the motion passed unanimously.

Ms. Colin introduced staff.

Mr. Patterson (Connect for Health Colorado) introduced self and staff, and presented opening comments.

OSA staff presented an overview of the audit and recommendations.

Recommendation 1 was reviewed, discussed, and agreed to by Connect for Health Colorado (Connect for Health).

Discussion ensued regarding documentation of sponsorship requests from political entities, the positive outcome of the audit's findings, and schedule for implementation of recommendations.

Recommendation 2 was reviewed, discussed, and agreed to by Connect for Health.

Discussion ensued regarding documentation of credit card usage.

Recommendation 3 was reviewed, discussed, and agreed to by Connect for Health.

Discussion ensued regarding the length of the Chief Financial Officer's employment service.

10:42 a.m.

Colorado Department of Education, Colorado School Districts Fiscal Health Analysis, Fiscal Years 2022-2024, Informational Report, September 2025

Senator Frizell made a motion to release the Colorado Department of Education, Colorado School Districts Fiscal Health Analysis, Fiscal Years 2022-2024, Informational Report, September 2025. Senator Pelton seconded the motion, and the motion passed unanimously.

Ms. Edwards introduced self and staff.

Ms. Okes (Colorado Department of Education) introduced self and staff.

Mr. Snowberger (Elizabeth School District) introduced self.

Mr. Smith (Ellicott 22 School District) introduced self.

OSA staff presented an overview of the analysis.

Elizabeth School District discussed their response.

Discussion ensued regarding the flat mill levy, cost per special needs student, potential effect of eliminating averaging, and special needs students moving out of metro districts into the Elizabeth School District.

Ellicott 22 School District discussed their response.

Discussion ensued regarding decreases in student enrollment and staff recruitment.

11:34 a.m.

Colorado Lottery, Financial and Compliance Audit, June 30, 2025 and 2024

Senator Frizell made a motion to release the Colorado Lottery, Financial and Compliance Audit, June 30, 2025 and 2024. Representative Johnson seconded the motion, and the motion passed unanimously.

Ms. Edwards introduced staff and contractor.

Ms. Garcia (Colorado Lottery) introduced self and staff.

Forvis Mazars, LLP staff presented an overview of the audit.

11:49 a.m.

Schedule of TABOR Revenue, Fiscal Year 2025, Performance Audit, September 2025

Senator Frizell made a motion to release the Schedule of TABOR Revenue, Fiscal Year 2025, Performance Audit, September 2025. Senator Weissman seconded the motion, and the motion passed unanimously.

Ms. Edwards introduced self and staff.

Mr. Jaros (Office of the State Controller) introduced self and staff.

OSA staff presented an overview of the audit.

12:05 p.m.

Minutes

Senator Frizell made a motion to approve the August 11, 2025, LAC hearing minutes. Senator Pelton seconded the motion, and the motion passed unanimously.

12:06 p.m.

Department of Agriculture, Measurement Standards Program, Performance Audit, September 2024, Status Report

Ms. Colin introduced self and staff.

Ms. Russell presented an overview of the audit, noting that eight recommendations were fully implemented and three were partially implemented.

Mr. Glenn introduced self and staff, and stated he was available to answer any questions.

12:08 p.m.

Department of Regulatory Agencies, Colorado Civil Rights Commission and Civil Rights Division, Performance Audit, September 2024, Status Report

Ms. Colin introduced staff.

Ms. Shiroff presented an overview of the audit, and presented the status report.

Discussion ensued regarding the timeline for addressing the outstanding recommendation.

12:11 p.m.

School Capital Construction Potential Legislation

Ms. Colin introduced staff.

Ms. Dorsey presented an overview of the potential legislation.

Senator Frizell made a motion to move the bill draft to bill paper, with permission to make technical changes. Senator Weissman seconded the motion. A roll call vote was conducted, and the motion passed 8-0. The results were as follows:

Representative Brooks – Yes
Representative Gilchrist - Yes
Representative Johnson – Yes
Senator Pelton – Yes
Senator Roberts – Yes
Senator Weissman – Yes
Senator Frizell – Yes
Representative Lindstedt - Yes

The legislation will start in the House. House prime sponsors were Representative Johnson and Representative Lindstedt. Senate prime sponsors were Senator Frizell and Senator Weissman. Senate co-sponsor was Senator Michaelson Jenet.

12:15 p.m.

Fraud Hotline Potential Legislation

Ms. Colin presented an overview of the potential legislation.
Senator Weismann presented additional comments regarding the legislation.

Senator Weissman made a motion to move the bill draft to bill paper, with permission to make technical changes. Representative Gilchrist seconded the motion. A roll call vote was conducted, and the motion passed 8-0. The results were as follows:

Representative Brooks – Yes
Representative Gilchrist - Yes
Representative Johnson – Yes
Senator Pelton – Yes
Senator Roberts – Yes
Senator Weissman – Yes
Senator Frizell – Yes
Representative Lindstedt – Yes

The legislation will start in the Senate. Senate prime sponsors were Senator Weissman and Senator Frizell. House prime sponsors were Representative Brooks and Representative Lindstedt. Senate co-sponsor was Senator Michaelson Jenet.

12:19 p.m.

Colorado Office of the State Auditor, Fiscal Year 2025 Annual Report

Ms. Page presented an overview of the report.

Auditor Hunter recognized staff.

Senator Pelton recognized the OSA for its award for the 2022 performance audit of Veterans Services.

12:28 p.m.

Proposed 2026 Session Calendar

Auditor Hunter presented an overview of the Proposed 2026 Session Calendar, and requested that members submit any changes prior to the December 8, 2025, LAC hearing.

Discussion ensued regarding the potential of Tuesday hearings.

12:21 p.m.

Reports Released Without a Hearing

Senator Frizell made a motion to release the Reports Released Without a Hearing. Senator Pelton seconded the motion, and the motion passed unanimously.

Ms. Edwards presented an overview of the reports.

Discussion ensued regarding the legislative history for reviewing special districts created on or after 1991.

Hearing adjourned at 12:34 p.m.

Minutes submitted by:

Jayne Watson

Executive Assistant, Office of the State Auditor



Office of the State Auditor

Kerri L. Hunter, CPA, CFE
State Auditor

Legislative Audit Committee December 8, 2025 Minutes

The Legislative Audit Committee (LAC) convened on December 8, 2025, at 9:04 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, Senator Nick Hinrichsen (temporary replacement for Senator Dafna Michaelson Jenet), Representative Dusty Johnson, Senator Rod Pelton (arrived 9:05 a.m.), Senator Mike Weissman, Representative Jenny Willford (arrived 9:07 a.m.), 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; Crystal Dorsey, Derek Johnson, Dante LoCicero, Shaun Mitsky, Laura Russell, Pooja Tulsian

Other Attendees

Department of Natural Resources

Dan Gibbs, Department of Natural Resources, Executive Director
Julie Murphy, Energy and Carbon Management Commission, Director

Department of Public Health and Environment

Stefanie Shoup, Deputy Director of Regulatory Affairs, Air Pollution Control Division

Department of Revenue

Brendon Reese, Senior Director of Taxation
Josh Pens, Director of Tax Policy

Eide Bailly LLP

Paul Kane, Partner

Ryan Stryker, Senior Audit Associate

Office of the State Controller

Bob Jaros, State Controller

Jeffrey Kahn, Director of Financial Reporting & Analysis

State Fair Authority

Andrea Wiesenmeyer, General Manager

9:04 a.m.

**Department of Natural Resources, Department of Public Health and Environment,
Department of Revenue, Oil and Gas Reporting: Production, Emissions, and Severance
Taxes, Performance Audit, November 2025**

Senator Frizell made a motion to release the Department of Natural Resources, Department of Public Health and Environment, Department of Revenue, Oil and Gas Reporting: Production, Emissions, and Severance Taxes, Performance Audit, November 2025. Senator Pelton seconded the motion, and the motion passed unanimously.

Mr. Gibbs (Department of Natural Resources) introduced self and staff.

Ms. Colin introduced self and staff.

Ms. Shoup (Department of Public Health and Environment) introduced self and staff.

Mr. Reese (Department of Revenue) introduced self and staff.

OSA staff presented an overview of the audit and recommendations.

OSA staff presented an overview of Chapters 1 and 2.

Discussion ensued regarding severance tax filing methods, and a review of the regulatory framework.

Recommendations 1 and 2 were reviewed, discussed, and agreed to by the Department of Natural Resources (Department).

Discussion ensued regarding alignment of emissions reporting data systems.

Recommendation 3 was reviewed, discussed, and agreed to by the Department.

Discussion ensued regarding collection of conservation levies, and the timeline for implementation of recommendations.

Recommendation 4 was reviewed, discussed, and agreed to by the Department of Public Health and Environment (CDPHE).

Discussion ensued regarding the Greenhouse Gas Inventory Report.

Recommendation 5 was reviewed, discussed, and agreed to by CDPHE.

Discussion ensued regarding the rulemaking timeline, and opportunities for stakeholder feedback.

10:15 a.m.

Colorado State Fair Authority, Financial and Compliance Audit, Fiscal Years Ended June 30, 2025 and 2024

Senator Frizell made a motion to release the Colorado State Fair Authority, Financial and Compliance Audit, Fiscal Years Ended June 30, 2025 and 2024. Representative Willford seconded the motion, and the motion passed unanimously.

Ms. Edwards introduced self, staff, and contractor.

Ms. Wiesenmeyer (Colorado State Fair Authority) introduced self and staff.

Mr. Kane (Eide Bailly LLP) presented an overview of the audit and recommendations.

Recommendations 1 and 2 were reviewed, discussed, and agreed to by the Colorado State Fair Authority.

10:32 a.m.

State of Colorado, Cash Funds Uncommitted Reserves, Fiscal Year Ended June 30, 2025, Performance Audit, November 2025

Senator Frizell made a motion to release the State of Colorado, Cash Funds Uncommitted Reserves, Fiscal Year Ended June 30, 2025, Performance Audit, November 2025. Senator Pelton seconded the motion, and the motion passed unanimously.

Mr. Edwards introduced staff.

Mr. Jaros (Office of the State Controller) introduced self and staff.

Ms. Dorsey presented an overview of the audit.

Discussion ensued regarding the definition of a spending authority restriction placed on a department.

10:49 a.m.

Annual Report: Status of Audit Recommendations Not Fully Implemented as of June 30, 2025, Informational Report, November 2025

Senator Frizell made a motion to release the Annual Report: Status of Audit Recommendations Not Fully Implemented as of June 30, 2025, Informational Report, November 2025. Representative Johnson seconded the motion, and the motion passed unanimously.

Ms. Colin introduced staff.

Ms. Tulsian presented an overview of the report.

10:59 a.m.

Minutes

Senator Frizell made a motion to approve the October 20, 2025, LAC hearing minutes.

Representative Johnson seconded the motion, and the motion passed unanimously.

Proposed 2026 Session Calendar

Auditor Hunter presented an overview of the Proposed 2026 Session Calendar.

Senator Frizell made a motion to approve the Proposed 2026 Session Calendar. Senator Pelton seconded the motion, and the motion passed unanimously.

11:01 a.m.

Procedures for January Election of Vice Chair

Auditor Hunter presented the Procedures for January Election of Vice Chair. The next Vice Chair will be a Senate Democrat.

11:02 a.m.

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)(III), C.R.S., for a discussion of 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.

11:11 a.m.

Executive Session Concluded

11:13 a.m.

Reports Released Without a Hearing

Senator Frizell made a motion to release the Reports Released Without a Hearing. Senator Pelton seconded the motion, and the motion passed unanimously.

Ms. Edwards presented an overview of the reports.

11:14 a.m.

Passing of the Gavel

Representative Lindstedt, as outgoing Chair, passed the ceremonial gavel to Senator Frizell, incoming Chair.

Hearing adjourned at 11:16 a.m.

Minutes submitted by:

Jayne Watson

Executive Assistant, Office of the State Auditor