



Legislative Audit Committee October 16, 2023 Minutes

The Legislative Audit Committee (LAC) convened a hearing on October 16, 2023, at 9:02 a.m. in the Old Supreme Court Chambers. Senator Robert Rodriguez called the meeting to order. Roll was called with the following members present or excused:

Committee Members

Representative Ryan Armagost (LAC temporary replacement for Representative Lisa Frizell), Representative Andrew Boesenecker (remote), Representative Gabe Evans, Senator Rhonda Fields, Senator Rod Pelton (remote), Senator Kevin Van Winkle (excused), Senator Robert Rodriguez (Chair)

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, Crystal Dorsey, Gina Faulkner, Catherine Friday, Derek Johnson, Chris McClain, Lynn Obremski, Laura Russell, Kate Shiroff, Riley Staples, Heidi Wagner

Other Attendees

Colorado Department of Education

Amy Carman, Executive Director of School Finance and Grants

Colorado Lottery

Tom Seaver, Director

Nancy Bartosz, Controller

Department of Health Care Policy & Financing

Ralph Choate, Chief Operating Officer and Medicaid Operations Office Director

Rachel Reiter, Policy, Communications, and Administration Office Director

Antoinette Taranto, Chief Client Officer

Department of Regulatory Agencies, Public Utilities Commission

Erin O'Neill, Chief Economist

Department of Revenue, Division of Motor Vehicles

Rosalie Johnson, Senior Deputy Director, Motorist Services

Lori Daigle, Director, Driver License

Stephanie Fuentes, Operational Data Manager, Motorist Services - Data Office

Department of Military and Veterans Affairs

Brigadier General Laura Clellan, Adjutant General

Michael Bruno, Deputy Executive Director

David Callahan, Director, Division of Veterans Affairs

Eric Winterrowd, Veterans Services Supervisor, Division of Veterans Affairs

Parker White, Legislative Liaison and Public Information Officer

Eagle County RE-50 School District

Sandra Farrell, Chief Operations Officer

Elizabeth School District

Dan Snowberger, Superintendent

Englewood School District

Joanna Polzin, Superintendent

Mary Cooper, Executive Director of Budget and Finance

Great Outdoors Colorado (GOCO)

Jackie Miller, Executive Director

Patty Imhoff, GOCO Board Member

Christy Reeves, Controller

Meeker RE-1 School District

Chris Selle, Superintendent (Remote)

Other General Assembly Member

Dafna Michaelson Jenet, Colorado State Senator (Remote)

Eide Bailly LLP

Sara Kurtz, CPA, Partner

FORVIS, LLP

Christopher J. Telli, CPA, CIA, Partner

9:03 a.m.

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

Representative Armagost made a motion to release the *Department of Health Care Policy & Financing, Medicaid Correspondence, Performance Audit, September 2023*. Representative Evans seconded the motion, and the motion passed unanimously.

Ms. Colin introduced self and staff.

Mr. Choate (*Department of Health Care Policy and Financing*) introduced self and staff.

OSA Staff presented an overview of the audit.

Recommendation 1 was reviewed, discussed, and agreed to by the Department of Health Care Policy & Financing (Department).

Discussion ensued regarding duplication of letters, denial of benefits, instructions outlined in the letters, internal controls, and timeline for recommendation implementation.

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

Discussion ensued regarding the accuracy of information provided by vendors to recipients, oversight of vendors, prior authorizations, and timeline for recommendation implementation.

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

Discussion ensued regarding Department resource allocation and leadership, timeline for recommendation implementation, accuracy of coverage information provided to recipients, vendor communication training, and contracting standards.

10:14 a.m.

Colorado Lottery, Financial and Compliance Audit, June 30, 2023 and 2022

Representative Armagost made a motion to release the *Colorado Lottery, Financial and Compliance Audit, June 30, 2023 and 2022*. Representative Evans seconded the motion, and the motion passed unanimously.

Ms. Edwards introduced self and staff.

Mr. Seaver (*Colorado Lottery*) introduced self and staff.

Mr. Telli (*FORVIS, LLP*) presented an overview of the audit.

10:38 a.m.

State Board of the Great Outdoors Colorado Trust Fund, Financial and Compliance Audit, For the Years June 30, 2023 and 2022

Representative Armagost made a motion to release the *State Board of the Great Outdoors Colorado Trust Fund, Financial and Compliance Audit, For the Years June 30, 2023 and 2022*. Representative Evans seconded the motion, and the motion passed unanimously.

Ms. Edwards introduced staff.

Ms. Miller (*Great Outdoors Colorado*) introduced self, GOCO Board Member, and staff.

Ms. Kurtz (*Eide Bailly LLP*) presented an overview of the audit

10:56 a.m.

Colorado Department of Education, Colorado School Districts, Fiscal Health Analysis, Fiscal Years 2020-2022, Informational Report, September 2023

Representative Armagost made a motion to release the *Colorado Department of Education, Colorado School Districts, Fiscal Health Analysis, Fiscal Years 2020-2022, Informational Report, September 2023*. Representative Evans seconded the motion, and the motion passed unanimously.

Ms. Edwards introduced staff.

Ms. Carman (*Colorado Department of Education*) introduced self.

Ms. Farrell (*Eagle County RE-50 School District*) introduced self.

Mr. Snowberger (*Elizabeth School District*) introduced self.

Ms. Polzin (*Englewood School District*) introduced self and staff.

Mr. Selle (*Meeke RE-1 School District*) introduced self.

OSA Staff presented an overview of the report.

Eagle County RE-50 School District discussed their response.

Discussion ensued regarding key factors related to district missing its benchmark.

Elizabeth School District discussed their response.

Englewood School District discussed their response.

Meeke RE-1 School District discussed their response.

11:45 a.m.

Minutes

Representative Armagost made a motion to approve the August 7, 2023, LAC hearing minutes. Senator Fields seconded the motion, and the motion passed unanimously.

Public Utilities Commission, Consideration of Best Value Employment Metrics in Electric Utility Resource Acquisition, Performance Audit, July 2022, Status Report

Ms. Colin introduced staff.

Mr. Johnson presented an overview of the report.

Ms. O'Neill (*Public Utilities Commission*) introduced self and presented the status report.

11:51 a.m.

Department of Revenue, Division of Motor Vehicles, Driver License Services, Performance Audit, August 2022, Status Report

Ms. Colin introduced staff.

Ms. Russell presented an overview of the report, noting that all recommendations were fully implemented.

Ms. Johnson (*Division of Motor Vehicles*) introduced self and presented the status report.

11:55 a.m.

Veterans Services Legislation

Ms. Colin introduced self and presented an overview of the potential legislation.

Brigadier General Clellan (*Department of Military and Veterans Affairs*) introduced self.

Department of Military and Veterans Affairs Staff introduced themselves and answered questions.

Discussion ensued regarding counties that have accredited Veterans Service Officers (VSOs), the process for combining resources across counties if legislative requirements could not be met, counties that would need to aggregate resources to meet the 1000-hour requirement, federal requirements, and distance to travel to VSOs if resources were combined.

Representative Armagost made a motion to have staff work with Legislative Legal Services to prepare a bill draft. Representative Evans seconded the motion. A roll call vote was conducted, and the motion passed 6 – 0, with one excused. The results were as follows:

Representative Armagost – Yes

Representative Boesenecker – Yes

Representative Evans – Yes

Senator Fields – Yes

Senator Pelton – Yes

Senator Van Winkle – Excused

Senator Rodriguez – Yes

12:04 p.m.

State of Colorado’s System for Transferring College Credits Audit Request

Ms. Colin presented an overview of the OSA research regarding the audit request of the State of Colorado’s system for transferring college credits.

Senator Rodriguez presented additional background on the request.

OSA Staff answered questions.

Discussion ensued regarding concurrent enrollment credits.

Representative Armagost made a motion to approve the audit request. Senator Fields seconded the motion. A roll call vote was conducted, and the motion passed 6 – 0, with one excused. The results were as follows:

Representative Armagost – Yes

Representative Boesenecker – Yes

Representative Evans – Yes

Senator Fields – Yes

Senator Pelton – Yes

Senator Van Winkle – Excused

Senator Rodriguez – Yes

12:10 p.m.

Required Communication to Those Charged with Governance

Representative Armagost 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 2023 Statewide Audit that is required to be kept confidential per Section 2-3-103(3), C.R.S.). Representative Evans seconded the motion, and the motion passed unanimously.

12:17 p.m.

Executive Session concluded

12:18 p.m.

Proposed 2024 Session Calendar

The Committee was asked to review the Proposed 2024 LAC Session Calendar and submit any changes prior to the December 11, 2023, LAC hearing.

12:19 p.m.

Report Released Without a Hearing

Representative Armagost made a motion to release the *Report Released Without a Hearing*. Senator Fields seconded the motion, and the motion passed unanimously

Ms. Edwards presented an overview of the report.

Hearing adjourned at 12:20 p.m.

Minutes submitted by:

Jayne Watson

Executive Assistant, Office of the State Auditor