



**Legislative Audit Committee
December 12, 2022
Minutes**

The Legislative Audit Committee (LAC) convened a hearing on December 12, 2022, at 9:01 a.m. in the Colorado State Capitol, Old Supreme Court Chambers. Senator Jim Smallwood called the meeting to order. Roll was called with the following members present:

Committee Members

Senator Rhonda Fields (arrived 9:02 a.m.), Representative Colin Larson, Representative Dafna Michaelson Jenet, Representative Kim Ransom, Representative Dylan Roberts, Senator Rob Woodward, Senator Robert Rodriguez (Vice Chair) (arrived 10:51 a.m.), Jim Smallwood (Chair)

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

OSA

Kerri L. Hunter, State Auditor; Michelle Colin, Deputy State Auditor; Marisa Edwards, Deputy State Auditor; Greg Fugate, Derek Johnson, Jenny Page, Kate Shiroff, Riley Staples, Heidi Wagner

Other Attendees

Colorado Department of Education

Katy Anthes, Ph.D., Commissioner of Education
Alyssa Pearson, Deputy Commissioner

Colorado Department of Public Health and Environment

Trisha Oeth, Director of Environmental Health and Protection
Steve McCannon, Mobile Sources Program Director, Air Pollution Control Division

Department of Labor & Employment

Daniel Chase, Chief of Staff

Phil Spesshardt, Director, Division of Unemployment Insurance

Department of Public Safety

Stan Hilkey, Executive Director

Kevin Klein, Division of Homeland Security & Emergency Management Director

Mike Morgan, Division of Fire Prevention & Control Director

Office of Legislative Legal Services

Ed DeCecco, Senior Attorney for Special Projects

Office of State Planning and Budgeting

Lauren Larson, Executive Director

Sherry Wolfe, Deputy Director of Programs

Jonathan Bray, Controller, Office of the Governor

Public Utilities Commission

Gene Camp, Deputy Director for Fixed Utilities

de la Torre Klausmeier Consulting (dKC)

Rob Klausmeier, Owner

Human Resources Research Organization (HumRRO)

Harold Doran, Ed.D., Vice President

Monica Gribben, Ph.D., Senior Staff Scientist and Project Director

Arthur Thacker, Ph.D., Principal Scientist

Trinity Consulting

James Lyons, Principal Consultant

9:02 a.m.

Evaluation of Colorado's K–12 Education Accountability System, November 2022

Representative Michaelson Jenet made a motion to release the *Evaluation of Colorado's K–12 Education Accountability System, November 2022*. Representative Larson seconded the motion, and the motion passed unanimously.

Ms. Colin introduced self, staff, and contractor.

Dr. Anthes (*Colorado Department of Education*) introduced self and staff.

Human Resources Research Organization (HumRRO) staff presented an overview of the evaluation.

Discussion ensued regarding evaluation of students with disabilities, free and reduced meal programs, graduation rates, educator use of data for student level instruction, school district response levels to survey and the limitations of voluntary participation, and factors affecting student achievement levels.

10:45 a.m.

Department of Public Safety, Governor's Office of State Planning and Budgeting, The Disaster Emergency Fund, Performance Audit, December 2022

Representative Michaelson Jenet made a motion to release the *Department of Public Safety, Governor's Office of State Planning and Budgeting, The Disaster Emergency Fund, Performance Audit, December 2022*. Representative Larson seconded the motion, and the motion passed unanimously.

Ms. Colin introduced self and staff.

Mr. Hilkey (*Department of Public Safety*) introduced self and staff.

Ms. Larson (*Office of State Planning and Budgeting*) introduced self and staff.

OSA Staff presented an overview of the audit.

Recommendation 1 was reviewed, discussed, and agreed to by the Department of Public Safety.

Discussion ensued regarding disaster funding timetables.

Recommendation 2 was reviewed, discussed, and agreed to by the Office of State Planning and Budgeting.

Discussion ensued regarding disaster funding forecasts, reporting relationship with JBC, and quality control processes.

11:37 a.m.

Department of Public Health and Environment, Automobile Inspection and Readjustment Program, Performance Evaluation, November 2022

Senator Rodriguez made a motion to release the *Department of Public Health and Environment, Automobile Inspection and Readjustment Program, Performance Evaluation, November 2022*. Representative Michaelson Jenet seconded the motion, and the motion passed unanimously.

Ms. Colin introduced staff and contractors.

Ms. Oeth (*Colorado Department of Public Health*) introduced self and staff.

de la Torre Klausmeier Consulting (dKC) and Trinity Consulting Staff presented an overview of the evaluation.

Recommendation 1 was reviewed, discussed, and agreed to by the Colorado Department of Public Health (Department).

Discussion ensued regarding the differences between pre- and post-pandemic testing, including time requirements and costs of tests.

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

Discussion ensued regarding expanding the program to El Paso County, and the timeline for implementing recommendation.

12:17 p.m.

Annual Report: Status of Audit Recommendations Not Fully Implemented, as of June 30, 2022, Informational Report, November 2022

Representative Michaelson Jenet made a motion to release the *Annual Report: Status of Audit Recommendations Not Fully Implemented, as of June 30, 2022, Informational Report, November 2022*. Senator Rodriguez seconded the motion, and the motion passed unanimously.

Ms. Page introduced self and presented an overview of the report.

Discussion ensued regarding average number of recommendations not implemented over the last twelve years, and inclusion of departments' plans for addressing material deficiencies.

12:31 p.m.

Minutes

Senator Rodriguez made a motion to approve the November 14, 2022, LAC hearing minutes. Representative Michaelson Jenet seconded the motion, and the motion passed unanimously.

12:32 p.m.

Preliminary Investigation Results on State Employee Protection Act Report

Ms. Colin introduced staff.

Mr. Johnson presented an overview of the investigation.

12:35 p.m.

Public Utilities Commission's Oversight of Best Value Employment Metrics Potential Legislation

Ms. Colin introduced staff.

Mr. Camp (*Public Utilities Commission*) introduced self.

Mr. Johnson presented a summary of the audit finding, recommendations related to the proposed legislation, and an overview of the proposed legislation.

Senator Rodriguez made a motion to move the bill draft to bill paper. Representative Michaelson Jenet seconded the motion. A roll call vote was conducted, and the motion passed unanimously. The results were as follows:

Senator Fields – Yes

Representative Larson - Yes

Representative Michaelson Jenet – Yes

Representative Ransom – Yes

Representative Roberts - Yes

Senator Woodward – Yes

Senator Rodriguez – Yes

Senator Smallwood – Yes

Prime sponsor was Senator Rodriguez. Additional sponsors and co-sponsors will be discussed at the January 17, 2023, LAC hearing.

12:44 p.m.

Department of Labor and Employment, Unemployment Insurance Benefits (Public Report), Performance Audit, November 2021, Status Report

Ms. Colin introduced staff.

Ms. Page presented an overview of the report, noting that seven recommendations were fully implemented, one was no longer applicable, and the Department of Labor and Employment (Department) was working to implement the other six.

Mr. Chase (*Department of Labor and Employment*) introduced self, staff, and presented the status report.

Discussion ensued regarding referrals for prosecution in instances of fraud.

12:54 p.m.

Department of Labor and Employment, Unemployment Insurance Benefits (Confidential Report), Performance Audit, November 2021, Status Report

Representative Michaelson Jenet 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 Labor and Employment, Unemployment Insurance Benefits (Confidential Report), Performance Audit, November 2021, Status Report*. Senator Rodriguez seconded the motion, and the motion passed unanimously.

1:12 p.m.

Executive Session concluded

1:13 p.m.

Colorado Department of Corrections Victim Services Unit Audit Request

Auditor Hunter presented an overview of the audit request.

Senator Fields presented additional background on the audit request.

Senator Fields made a motion to approve the requested preliminary research time. Senator Rodriguez seconded the motion. A roll call vote was conducted, and the motion passed 6 - 0, with two excused.

The results were as follow:

Senator Fields – Yes

Representative Larson - Yes
Representative Michaelson Jenet – Excused
Representative Ransom – Yes
Representative Roberts - Yes
Senator Woodward – Excused
Senator Rodriguez – Yes
Senator Smallwood - Yes

1:17 p.m.

Proposed 2023 Session Calendar

Senator Rodriguez made a motion to approve the *Proposed 2023 Session Calendar*. Representative Larson seconded the motion, and the motion passed unanimously.

1:18 p.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 House Republican.

Discussion ensued regarding delaying the vote for the Vice Chair, and contacting the Minority Leader in regard to the LAC rules.

1:21 p.m.

Reports Released Without a Hearing

Senator Rodriguez made a motion to release the *Reports Released Without a Hearing*. Representative Larson seconded the motion, and the motion passed unanimously.

Ms. Edwards presented an overview of the reports.

1:24 p.m.

Passing of the Gavel

Senator Smallwood, as outgoing Chair, passed the ceremonial gavel to Senator Rodriguez, incoming Chair.

Hearing adjourned at 1:26 p.m.

Minutes submitted by:

Jayne Watson

Executive Assistant, Office of the State Auditor