



**Legislative Audit Committee  
September 28, 2022  
Minutes**

The Legislative Audit Committee (LAC) convened a hearing on September 28, 2022, at 9:06 a.m. in the Legislative Services Building, Audit Hearing Room B. Senator Jim Smallwood called the meeting to order. Roll was called with the following members present:

**Committee Members**

Representative Rod Bockenfeld, Senator Jeff Bridges, Representative Hugh McKean (LAC temporary replacement for Representative Colin Larson), Representative Dafna Michaelson Jenet, Representative Dylan Roberts, Senator Rob Woodward, Senator Robert Rodriguez (Vice Chair), Senator 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; Dana Berry, Monica Bowers, Crystal Dorsey, Nina Frant, Greg Fugate, Lynn Obremski, Christian Olaya, Jenny Page

**Other Attendees**

Behavioral Health Administration

Summer Gathercole, Deputy Commissioner of Operations  
Andrew Rauch, BHA Chief of Staff

Brush School District RE-2(J)

Dr. Bill Wilson, Superintendent

Colorado Department of Education

Jennifer Okes, Chief Operating Officer, Division of School Finance and Operations

Department of Health Care Policy and Financing

Kim Bimestefer, Executive Director

Cristen Bates, Director, Office of Medicaid & CHP+ Behavioral Health Initiatives and Coverage

Department of Human Services

Michelle Barnes, Executive Director

Office of Legislative Legal Services

Ed DeCecco, Senior Attorney for Special Projects

Chelsea Princell, Staff Attorney (remote)

Department of Military and Veterans Affairs, Division of Veterans Affairs

Brigadier General Laura L. Clellan, The Adjutant General of Colorado and Executive Director,  
Department of Military and Veterans Affairs

David Callahan, Director, Division of Veterans Affairs

Patricia Hammon, Chair, Colorado Board of Veterans Affairs

Department of Regulatory Agencies

Gene Camp, Deputy Director, Fixed Utilities, Public Utilities Commission

Michael Nicoletti, Legislative Director, Department of Regulatory Agencies (remote)

Department of Revenue

Mark Ferrandino, Executive Director

West Grand School District 1-JT

Elizabeth Bauer, Superintendent

Martha Schake (Shockey), Director of Finance and Human Resources

9:07 a.m.

**Department of Military and Veterans Affairs, Veterans Services (Public Report). Performance Audit, September 2022**

Representative Michaelson Jenet made a motion to release the *Department of Military and Veterans Affairs, Veterans Services (Public Report). Performance Audit, September 2022*. Senator Rodriguez seconded the motion, and the motion passed unanimously.

Ms. Colin introduced self and staff.

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

OSA Staff presented an overview of the report.

Recommendations 1 and 2 were reviewed, discussed, and agreed to by the Department of Military and Veterans Affairs, Division of Veterans Services (Division).

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

Discussion ensued regarding the selection process for county veterans service officers (VSOs).

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

Discussion ensued regarding additional county services available to veterans, demand for services, uniformity of payments, cost of living adjustments, state and county contributions towards services, and allocation of resources.

Recommendation 6 was reviewed, discussed, and agreed to by the Division.

Discussion ensued regarding resource allocation, accreditation of VSOs, volunteer organization partnerships, and OSA tools available to encourage counties to provide requested data.

Recommendation 7 was reviewed, discussed, and agreed to by the Division.

Recommendation 8 was reviewed, discussed, and agreed to by the Colorado Board of Veterans Affairs.

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

10:29 a.m.

**Department of Military and Veterans Affairs, Veterans Services (Confidential Report), Performance Audit, September 2022**

Senator Rodriguez made a motion to conduct an Executive Session in accordance with Section 24-6-402(3)(a)(IV), C.R.S., to review *Department of Military and Veterans Affairs, Veterans Services (Confidential Report), Performance Audit, September 2022*. Representative McKean seconded the motion, and the motion passed unanimously.

10:41 a.m.

**Executive Session concluded**

10:43 a.m.

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

Representative Michaelson Jenet made a motion to release the *Department of Revenue, Division of Motor Vehicles, Driver License Services, Performance Audit, August 2022*. Senator Rodriguez seconded the motion, and the motion passed unanimously.

Ms. Colin introduced staff.

Mr. Ferrandino (*Department of Revenue*) introduced self.

OSA Staff presented an overview of the report.

Recommendations 1 and 2 were reviewed, discussed, and agreed to by the Department of Revenue.

Discussion ensued regarding security of personal data collected via online services, usage of the myColorado app, and the Division of Motor Vehicles approval rating.

11:16 a.m.

**Colorado Department of Education, Colorado School Districts, Fiscal Health Analysis, Fiscal Years 2019-2021, Informational Report, September 2022**

Representative Michaelson Jenet made a motion to release the *Colorado Department of Education, Colorado School Districts, Fiscal Health Analysis, Fiscal Years 2019-2021, Informational Report, September 2022*. Representative McKean seconded the motion, and the motion passed unanimously.

Ms. Edwards introduced self and staff.

Dr. Wilson (*Brush School District RE-2(J)*) introduced self.

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

Ms. Bauer and Ms. Schake (*West Grand School District 1-JT*) introduced themselves.

OSA staff presented an overview of the report.

Brush School District RE-2(J) discussed their response.

West Grand School District 1-JT discussed their response.

Discussion ensued regard West Grand School District's grant revocation, and staff retention through the passage of the mil levy override.

12:01 p.m.

**Minutes**

Senator Rodriguez made a motion to approve the August 9, 2022, LAC hearing minutes. Representative McKean seconded the motion, and the motion passed unanimously.

12:01 p.m.

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

Ms. Colin introduced staff.

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

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

Representative Roberts made a motion to have staff work with Legislative Legal Services to prepare a bill draft. Representative Michaelson Jenet seconded the motion. A roll call vote was conducted, and the motion passed 5 – 3. The results were as follows:

Representative Bockenfeld – No

Senator Bridges – Yes

Representative McKean – No

Representative Michaelson Jenet – Yes

Senator Roberts – Yes

Senator Woodward – No  
Senator Rodriguez – Yes  
Senator Smallwood – Yes

12:08 p.m.

### **Follow-Up Discussion Regarding Behavioral Health Audit**

Ms. Bimestefer (*Department of Health Care Policy and Financing*), Ms. Barnes (*Department of Human Services*), and Ms. Gathercole (*Behavioral Health Administration*) were introduced.

Auditor Hunter presented an overview of the previously approved Behavioral Health Care Audit request.

Ms. Bimestefer presented an overview of the letter presented to the Committee.

Representative Michaelson Jenet made a motion to delay the audit. Representative McKean seconded the motion. A roll call vote was conducted, and the motion passed 6 - 2. The results were as follows:

Representative Bockenfeld – Yes  
Senator Bridges – Yes  
Representative McKean – Yes  
Representative Michaelson Jenet – Yes  
Senator Roberts – No  
Senator Woodward – Yes  
Senator Rodriguez – No  
Senator Smallwood – Yes

12:24 p.m.

### **Behavioral Health Care Services Legislation**

Ms. Colin presented an overview of the legislation request and an overview of the bill draft.

Ms. Bimestefer (*Department of Health Care Policy and Financing*) introduced staff.

Discussion ensued regarding the Office of the State Auditor's authority to audit private entities, information received from regional accountable entities (RAEs), data available to the OSA from the Department of Health Care Policy and Financing (HCPF), and tracking of HCPF funding.

Senator Rodriguez made a motion to move the bill draft to bill paper. As there was no second, the motion was no longer considered to be before the Committee.

12:46 p.m.

**Office of the Governor Audit Request**

Auditor Hunter presented an overview of the audit request.

Representative Bockenfeld made a motion to approve the requested preliminary research time. Representative McKean seconded the motion. A roll call vote was conducted, and the motion failed on a tie vote. The results were as follow:

Representative Bockenfeld – Yes

Senator Bridges – No

Representative McKean – Yes

Representative Michaelson Jenet – No

Senator Roberts – No

Senator Woodward – Yes

Senator Rodriguez – No

Senator Smallwood – Yes

1:03 p.m.

**Colorado Office of the State Auditor, Fiscal Year 2022 Annual Report**

Mr. Fugate introduced self and presented an overview of the report.

1:06 p.m.

**Required Communication to Those Charged with Governance**

Representative Michaelson Jenet 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*. Senator Bridges seconded the motion, and the motion passed unanimously.

1:11 p.m.

**Executive Session concluded**

**Hearing adjourned at 1:12 p.m.**

Minutes submitted by:

Jayne Watson

Executive Assistant, Office of the State Auditor