



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