

STATE BOARD FOR COMMUNITY COLLEGES AND OCCUPATIONAL EDUCATION

**Work Session Agenda
Board Room
November 14, 2007
9:30 AM
CCCS - Lowry**

In our continuing effort to be the BEST community college system in the country, here is this month's Marvelous Motivation:

"The only way to discover the limits of the possible is to go beyond them into the impossible."
-Arthur C. Clarke

I. Discussion Items

- A. College Presentations – **15 min**
 - Outstanding Program, Barbara McDonnell, CCD
 - Outstanding Faculty, Tony Kinkel, PPCC
 - Outstanding Student, John Boyd, CNCC
- B. Auraria Legislation, Barbara McDonnell (Consent Agenda Item VI, A) – **30 min**
- C. CVA Distributions, Brian Jenkins, Jennifer Sobanet & Linda Bowman (Consent Agenda Item VI, B) – **5 min**
- D. Legislative Agenda, Moira Cullen and Jason Hopfer – **15 min**
- E. CAREER AND TECHNICAL STUDENT ORGANIZATIONS ANNUAL PRESENTATION: DECA, Future Business Leaders of America (FBLA), Family Career and Community Leaders of America (FCCLA), FFA, Health Occupation Students of America (HOSA), Phi Beta Lambda (PBL), SkillsUSA, Technical Student Association (TSA), Colorado Young Farmers Educational Association (CYFEA) - **11:00 in the Board Room – 1 hour**
- F. Internal Audit Vision, Charla McClintock – **30 min** (tabled in June)
- G. Budget Update, Mark Superka, **10 min**
- H. Information Technology Update, Julie Ouska – **15 min**
- I. Brainstorming Session

The annual CTSO presentation will begin at 11:00 a.m. and will be followed by lunch. Lunch will be served for Board Members, Presidents, CTSO Student Officers and staff, and Senior Staff. Any unfinished work session items will continue after the CTSO lunch.

STATE BOARD FOR COMMUNITY COLLEGES AND OCCUPATIONAL EDUCATION

November 14, 2007

TOPIC: Proposed Auraria Legislation

PRESENTED BY: Barbara McDonnell

EXPLANATION:

The Board of the Auraria Higher Education Center is proposing legislation to make clear that the Boards of the three higher education institutions at Auraria are authorized to purchase, lease, develop and construct facilities for their respective institutions at Auraria. However, the Boards shall have authority to dispose of a leasehold interest in property owned by AHEC only to another Auraria constituent institution or in connection with a sale and leaseback in which the Auraria institution will remain the ultimate user.

The legislation gives the institutional Boards authority to pledge student fees, auxiliary revenues, capital facilities fees and up to 10% of tuition moneys to AHEC to provide a source of repayment for revenue bonds incurred by AHEC to finance construction of an auxiliary facility, a complementary facility, or any other facility useful to the accomplishment of the missions of the constituent institutions.

A “complementary facility” is defined in the proposed legislation as a facility within the Auraria Higher Education Center which may provide funds for AHEC, provide occupational and educational opportunities consistent with the missions of the constituent institutions, or serve to better integrate AHEC with Downtown Denver. Complementary facilities may include retail, residential, and mixed-use facilities.

The Auraria Board is authorized to enter into ground leases with private entities to develop complementary facilities. The AHEC Board may not subordinate its interest in the land subject to the ground lease, but may enter into attornment and nondisturbance agreements with any party providing financing to the lessee.

AHEC is authorized to issue revenue bonds secured by a pledge of lease payments or other revenue from a complementary facility to raise funds for building and equipping any facility necessary or useful to the accomplishment of the mission of AHEC.

ATTACHMENT: Draft of Proposed Auraria Legislation

RECOMMENDATION:

Approval of the concept of the proposed legislation as presented to AHEC and each governing board of Auraria institutions.

[TITLE]

SECTION 1. Section 23-54-102(1)(a), Colorado Revised Statutes, is amended to read as follows:

23-54-102. Board of trustees – creation – members – powers – duties. (1) (a) Effective July 1, 2002, there is established the board of trustees for Metropolitan state college of Denver, referred to in this article as the “board of trustees”, which shall consist of eleven members and shall be the governing authority for Metropolitan state college of Denver. The board of trustees created by this subsection (1) shall be, and is hereby declared to be, a body corporate and, as such and by the names designated in this section may:

(I) Acquire, BY PURCHASE OR LEASE, and hold property for the use of Metropolitan state college of Denver, DEVELOP AND CONSTRUCT FACILITIES UPON SUCH PROPERTY, AND DISPOSE OF SUCH PROPERTY, LEASEHOLD INTERESTS AND FACILITIES; EXCEPT THAT THE BOARD OF TRUSTEES SHALL HAVE THE AUTHORITY TO DISPOSE OF A LEASEHOLD INTEREST IN PROPERTY OWNED BY THE AURARIA HIGHER EDUCATION CENTER ONLY TO A CONSTITUENT INSTITUTION, AS DEFINED IN SECTION 23-70-105, COLORADO REVISED STATUTES, OR IN CONNECTION WITH A SALE AND LEASEBACK OR OTHER FORM OF TRANSACTION IN WHICH METROPOLITAN STATE COLLEGE OF DENVER WILL REMAIN THE ULTIMATE USER OF THE PROPERTY;

(II) Be a party to all suites and contracts;

(III) Do all things necessary to carry out the provisions of this article in like manner as municipal corporations of this state, including but not limited to the power to demand, receive, hold, and use for the best interests of Metropolitan state college of Denver such money, lands, or other property as may be donated or devised to of for the college; AND

(IV) WITHOUT LIMITING THE SCOPE OF THE AUTHORITY GRANTED ABOVE, THE BOARD OF TRUSTEES MAY, BY RESOLUTION:, AUTHORIZE REVENUE BONDS AND ENTER INTO OTHER LAWFUL FINANCIAL TRANSACTIONS FOR THE PURPOSE OF RAISING FUNDS FOR CONSTRUCTING OR OTHERWISE ACQUIRING AND EQUIPPING ANY FACILITY OR FACILITIES NECESSARY OR USEFUL TO THE ACCOMPLISHMENT OF THE MISSION OF THE COLLEGE.

(V) TRANSFER, ASSIGN OR PLEDGE PORTIONS OF ITS STUDENT FEES, AUXILIARY REVENUES, CAPITAL FACILITIES FEES AND UP TO TEN PERCENT OF TUITION MONEYS TO THE AURARIA HIGHER EDUCATION CENTER TO PROVIDE A SOURCE OF REPAYMENT FOR REVENUE BONDS OR OTHER LOANS OR FINANCIAL OBLIGATIONS INCURRED BY THE CENTER TO FINANCE CONSTRUCTION OF AN AUXILIARY FACILITY, AS DEFINED IN SECTION 23-5-101.5(2)(a), COLORADO REVISED STATUTES, A COMPLEMENTARY FACILITY, AS DEFINED IN SECTION 23-70-105.5(1), COLORADO REVISED STATUTES, ANY OTHER FACILITY NECESSARY OR USEFUL TO THE ACCOMPLISHMENT OF THE MISSION OF THE COLLEGE, OR THE INFRASTRUCTURE NECESSARY TO SUPPORT ANY OF THE FOREGOING TYPES OF FACILITIES.

SECTION 2. Article 20 of Title 23, Colorado Revised Statutes is amended by the addition of a new section 139 to read as follows:

23-20-139. AURARIA CAMPUS. (1) IN ADDITION TO ALL POWERS GRANTED TO IT BY THE CONSTITUTION OR OTHER STATUTES, WITH RESPECT TO THE AURARIA HIGHER EDUCATION CENTER, THE BOARD OF REGENTS SHALL HAVE THE POWER TO:

(a) ACQUIRE, BY PURCHASE OR LEASE, AND HOLD PROPERTY FOR THE USE OF THE UNIVERSITY OF COLORADO AT DENVER AND HEALTH SCIENCES CENTER, DEVELOP AND CONSTRUCT FACILITIES UPON SUCH PROPERTY, AND DISPOSE OF SUCH PROPERTY, LEASEHOLD INTERESTS AND FACILITIES; EXCEPT THAT THE BOARD OF REGENTS SHALL HAVE THE AUTHORITY TO DISPOSE OF A LEASEHOLD INTEREST IN PROPERTY OWNED BY THE AURARIA HIGHER EDUCATION CENTER ONLY TO A CONSTITUENT INSTITUTION, AS DEFINED IN SECTION 23-70-105, COLORADO REVISED STATUTES, OR IN CONNECTION WITH A SALE AND LEASEBACK OR OTHER FORM OF TRANSACTION IN WHICH THE UNIVERSITY OF COLORADO AT DENVER AND HEALTH SCIENCES CENTER WILL REMAIN THE ULTIMATE USER OF THE PROPERTY.

(b) WITHOUT LIMITING THE SCOPE OF THE AUTHORITY GRANTED ABOVE, THE BOARD OF REGENTS MAY, BY RESOLUTION, AUTHORIZE REVENUE BONDS AND ENTER INTO OTHER LAWFUL FINANCIAL TRANSACTIONS FOR THE PURPOSE OF RAISING FUNDS FOR CONSTRUCTING OR OTHERWISE ACQUIRING AND EQUIPPING ANY FACILITY OR FACILITIES NECESSARY OR USEFUL TO THE ACCOMPLISHMENT OF THE MISSION OF THE UNIVERSITY OF COLORADO AT DENVER AND HEALTH SCIENCES CENTER.

(c) TRANSFER, ASSIGN OR PLEDGE PORTIONS OF ITS STUDENT FEES, AUXILIARY REVENUES, CAPITAL FACILITIES FEES AND UP TO TEN PERCENT OF TUITION MONEYS, IN EACH CASE DERIVED FROM THE UNIVERSITY OF COLORADO AT DENVER AND HEALTH SCIENCES CENTER, TO THE AURARIA HIGHER EDUCATION CENTER TO PROVIDE A SOURCE OF REPAYMENT FOR REVENUE BONDS OR OTHER LOANS OR FINANCIAL OBLIGATIONS INCURRED BY THE CENTER TO FINANCE CONSTRUCTION OF AN AUXILIARY FACILITY, AS DEFINED IN SECTION 23-5-101.5(2)(a), COLORADO REVISED STATUTES, A COMPLEMENTARY FACILITY, AS DEFINED IN SECTION 23-70-105.5(1), COLORADO REVISED STATUTES, ANY OTHER FACILITY NECESSARY OR USEFUL TO THE ACCOMPLISHMENT OF THE MISSION OF THE UNIVERSITY OF COLORADO AT DENVER AND HEALTH SCIENCES CENTER, OR THE INFRASTRUCTURE NECESSARY TO SUPPORT ANY OF THE FOREGOING TYPES OF FACILITIES.

SECTION 3. Part 2 of Article 60 of Title 23, Colorado Revised Statutes is amended by the addition of a new section 211 to read as follows:

23-60-211. AURARIA CAMPUS. (1) IN ADDITION TO ALL POWERS GRANTED TO IT BY OTHER STATUTES, WITH RESPECT TO THE AURARIA HIGHER EDUCATION CENTER, THE BOARD SHALL HAVE THE POWER TO:

(a) ACQUIRE, BY PURCHASE OR LEASE, AND HOLD PROPERTY FOR THE USE OF COMMUNITY COLLEGE OF DENVER, DEVELOP AND CONSTRUCT FACILITIES UPON SUCH PROPERTY, AND DISPOSE OF SUCH PROPERTY, LEASEHOLD INTERESTS AND FACILITIES; EXCEPT THAT THE BOARD SHALL HAVE THE AUTHORITY TO DISPOSE OF A LEASEHOLD INTEREST IN PROPERTY OWNED BY THE AURARIA HIGHER EDUCATION CENTER ONLY TO A CONSTITUENT INSTITUTION, AS DEFINED IN SECTION 23-70-105, COLORADO REVISED STATUTES, OR IN CONNECTION WITH A SALE AND LEASEBACK OR OTHER FORM OF TRANSACTION IN WHICH COMMUNITY COLLEGE OF DENVER WILL REMAIN THE ULTIMATE USER OF THE PROPERTY.

(b) WITHOUT LIMITING THE SCOPE OF THE AUTHORITY GRANTED ABOVE, THE BOARD MAY, BY RESOLUTION, AUTHORIZE REVENUE BONDS AND ENTER INTO OTHER LAWFUL FINANCIAL TRANSACTIONS FOR THE PURPOSE OF RAISING FUNDS FOR CONSTRUCTING OR OTHERWISE ACQUIRING AND EQUIPPING ANY FACILITY OR FACILITIES NECESSARY OR USEFUL TO THE ACCOMPLISHMENT OF THE MISSION OF COMMUNITY COLLEGE OF DENVER.

(c) TRANSFER, ASSIGN OR PLEDGE PORTIONS OF ITS STUDENT FEES, AUXILIARY REVENUES, CAPITAL FACILITIES FEES AND UP TO TEN PERCENT OF TUITION MONEYS, IN EACH CASE DERIVED FROM COMMUNITY COLLEGE OF DENVER, TO THE AURARIA HIGHER EDUCATION CENTER TO PROVIDE A SOURCE OF REPAYMENT FOR REVENUE BONDS OR OTHER LOANS OR FINANCIAL OBLIGATIONS INCURRED BY THE CENTER TO FINANCE CONSTRUCTION OF AN AUXILIARY FACILITY, AS DEFINED IN SECTION 23-5-101.5(2)(a), COLORADO REVISED STATUTES, A COMPLEMENTARY FACILITY, AS DEFINED IN SECTION 23-70-105.5(1), COLORADO REVISED STATUTES, ANY OTHER FACILITY NECESSARY OR USEFUL TO THE ACCOMPLISHMENT OF THE MISSION OF COMMUNITY COLLEGE OF DENVER, OR THE INFRASTRUCTURE NECESSARY TO SUPPORT ANY OF THE FOREGOING TYPES OF FACILITIES.

SECTION 4. Section 23-70-101, Colorado Revised Statutes, is amended to read as follows:

23-70-101. Legislative declaration. (1) The general assembly hereby finds and declares that this article is necessary to:

(a) Provide for the coordination of the planning and construction of a multiinstitutional higher education complex located in the city and county of Denver on land designated therefor and on land now occupied by the university of Colorado at Denver, collectively known as the Auraria higher education center and referred to in this article as the “center”;

(b) Provide for the land, physical plant, and facilities necessary to accommodate and house Metropolitan state college of Denver, the university of Colorado at Denver, and the community

college of Denver, Auraria campus, referred to in this article as the “constituent institutions”, at and within the center;

(c) Facilitate the execution and performance of the constitutional and statutory responsibilities of the governing boards of the constituent institutions;

(d) Establish a new board to plan, construct, maintain, and manage the land and physical facilities of the center and perform the duties and exercise the powers otherwise set forth in this article;

(e) Provide a system for facilitating cooperation among the constituent institutions, their governing boards, and the governing board created by this article; AND

(f) FACILITATE THE DEVELOPMENT IN CONJUNCTION WITH THE PRIVATE SECTOR OF FACILITIES AT AND WITHIN THE CENTER FOR THE PURPOSES OF PROVIDING FUNDS TO THE CENTER, PROVIDING OCCUPATIONAL AND EDUCATIONAL OPPORTUNITIES CONSISTENT WITH THE MISSION OF THE CONSTITUENT INSTITUTIONS AND INTEGRATING THE CENTER WITH DOWNTOWN DENVER.

SECTION 5. Section 23-70-105, Colorado Revised Statutes, is amended to read as follows:

23-70-105. General powers of the Auraria board. (1) The Auraria board is a body corporate by the name and style of the board of directors of the Auraria higher education center and, as such and by its said name, has the power to:

(a) Sue or be sued to the extent permitted by law;

(b) Contract or be contracted with;

(c) Acquire, hold, lease as lessor or lessee, or dispose of property, both real and personal, including, without limitation, the power to lease real property within the center to a constituent institution;

(d) Lease, which shall not be unreasonably withheld, on a cost basis real property within the center to a constituent institution to facilitate the development of educational facilities by the constituent institutions. Cost basis for a lease to a constituent institution shall include only the actual costs of completing the lease transaction;

(e) Have a common seal which it may change and alter at its pleasure;

(f) Elect officers of the board, appoint a chairman, and promulgate bylaws and rules of procedure to govern the transaction of its business as provided in this article;

(g) Employ, within funds appropriated for such purpose or otherwise made available therefore, such employees as are necessary to perform the functions and carry out the duties of the Auraria board, including an executive vice-president for administration who shall be the chief executive officer for operations at the Auraria campus;

(h) Assess, after approval of the governing boards of the constituent institutions, a special student fee, which may be pledged as provided in section 23-70-108 and shall be collected as prescribed by the Auraria board; AND

(i) DO ALL THINGS NECESSARY TO CARRY OUT THE PROVISIONS OF THIS ARTICLE IN LIKE MANNER AS MUNICIPAL CORPORATIONS OF THIS STATE, INCLUDING BUT NOT LIMITED TO THE POWER TO APPROVE THE CREATION OF SPECIAL DISTRICTS WHOLLY CONTAINED WITHIN THE BOUNDARIES OF THE CENTER IN ACCORDANCE WITH SECTION 32-1-204.5.

SECTION 6. Article 70 of Title 23 is amended by the addition of a new section 105.5 to read as follows:

23-70-105.5. PUBLIC-PRIVATE DEVELOPMENTS. (1) “COMPLEMENTARY FACILITY” MEANS A FACILITY AT AND WITHIN THE CENTER WHICH MAY PROVIDE FUNDS FOR THE CENTER, PROVIDE OCCUPATIONAL AND EDUCATIONAL OPPORTUNITIES CONSISTENT WITH THE RESPECTIVE MISSIONS OF THE CONSTITUENT INSTITUTIONS OR SERVE TO BETTER INTEGRATE THE CENTER WITH DOWNTOWN DENVER, INCLUDING, WITHOUT LIMITATION, AN OFFICE, RETAIL, RESIDENTIAL OR MIXED-USE FACILITY.

(2) THE AURARIA BOARD SHALL HAVE THE POWER AND AUTHORITY TO DEVELOP, CONSTRUCT, HOLD, LEASE OR DISPOSE OF COMPLEMENTARY FACILITIES, AND TO FACILITATE THE DEVELOPMENT AND CONSTRUCTION OF COMPLEMENTARY FACILITIES BY ENTERING INTO LEASES OR OTHER CONTRACTUAL ARRANGEMENTS WITH PRIVATE PERSONS OR ENTITIES.

(3) THE AURARIA BOARD SHALL HAVE THE SAME POWERS WITH RESPECT TO A COMPLEMENTARY FACILITY AS IT HAS WITH RESPECT TO AUXILIARY FACILITIES UNDER THIS ARTICLE AND UNDER ARTICLE 5 OF THIS TITLE 23.

(4) WITHOUT LIMITING OTHER POWERS GRANTED TO THE AURARIA BOARD IN THIS ARTICLE, THE AURARIA BOARD SHALL HAVE THE POWER AND AUTHORITY TO ENTER INTO ONE OR MORE GROUND LEASES FOR PORTIONS OF THE CENTER WITH PRIVATE PERSONS OR ENTITIES, PROVIDED THAT THE LESSEE IS REQUIRED TO DEVELOP A COMPLEMENTARY FACILITY UPON THE LEASED PREMISES. THE AURARIA BOARD SHALL NOT SUBORDINATE ITS INTEREST IN LAND SUBJECT TO SUCH A GROUND LEASE, BUT MAY ENTER INTO ATTORNMENT AND NONDISTURBANCE AGREEMENTS WITH ANY PARTY PROVIDING FINANCING TO THE LESSEE.

(5) ANY FUNDS DERIVED FROM A COMPLEMENTARY FACILITY SHALL BE DEVOTED FIRST TO PAYMENT OF ANY DEBT SERVICE ON BONDS THAT ARE SECURED BY SUCH FUNDS AND ALL EXPENSES CONNECTED WITH SUCH COMPLEMENTARY FACILITY AND THEN TO FURTHERING THE MISSION OF THE AURARIA BOARD AND THE CENTER, INCLUDING, WITHOUT LIMITATION, SUCH FUNDS AS MAY BE APPLIED PURSUANT TO SUBSECTION (3) ABOVE. SUCH FUNDS ARE HEREBY CONTINUOUSLY APPROPRIATED TO THE AURARIA BOARD AND SHALL REMAIN IN THE CONTROL OF THE AURARIA BOARD AND SHALL NOT BE TRANSFERRED OR REVERT TO THE GENERAL FUND OF THE STATE AT THE END OF ANY FISCAL YEAR.

SECTION 7. Section 23-70-107, Colorado Revised Statutes, is amended by the addition of a subsection (3) to read as follows:

(3) THE AURARIA BOARD, BY RESOLUTION, MAY ISSUE REVENUE BONDS SECURED BY A PLEDGE OF LEASE PAYMENTS OR ANY OTHER REVENUE DERIVED FROM A COMPLEMENTARY FACILITY OR GROUP OF COMPLEMENTARY FACILITIES FOR THE PURPOSE OF RAISING FUNDS FOR CONSTRUCTING OR OTHERWISE ACQUIRING AND EQUIPPING ANY FACILITY OR FACILITIES NECESSARY OR USEFUL TO THE ACCOMPLISHMENT OF THE MISSION OF THE AURARIA BOARD AND THE CENTER. BONDS ISSUED PURSUANT TO THIS SUBSECTION (3) SHALL BE PAYABLE

ONLY FROM REVENUES GENERATED BY THE LEASE PAYMENTS OR COMPLEMENTARY FACILITY OR GROUP OF COMPLEMENTARY FACILITIES SUBJECT TO THE PLEDGE. SUCH BONDS SHALL BE ISSUED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 23-70-108 (2).

STATE BOARD FOR COMMUNITY COLLEGES AND OCCUPATIONAL EDUCATION

November 14, 2007

TOPIC: Approval of Colorado Vocational Act Distribution for
Fiscal Year 2007-2008

PRESENTED BY: Brian Jenkins, Career and Technical Education Grants Manager
Jennifer Sobanet, Associate VP for Compliance and Technical Support
Linda Bowman, VP for Academic and Student Services

EXPLANATION:

The Colorado Vocational Act provides state funding for secondary career and technical education programs throughout the state. The amount of money each school district receives is determined by formula, with vocational costs and enrollments and the district's per pupil operating revenue as the main components. The Board is asked to approve the distribution of the Fiscal Year 2007-08 appropriation, including any adjustments for over or underpayments in the preceding fiscal year as specified by statute.

State statute provides for funding as school districts expend funds for career and technical programs. This approach requires the districts to provide estimated figures for costs and enrollments at the beginning of the school year. Funding for the year, provided in quarterly payments to the districts, is based on those estimated figures. State statute then mandates that districts will provide actual cost and enrollment figures at the end of the school year. Any difference in funding that results from a comparison of what each district received based on its estimate to what it should have received based on its actual figures is added to or subtracted from the first quarterly payment of the next year. If the school district has been overpaid to the extent that they will not be able to pay the balance off from the current year quarterly payments, an invoice is generated and mailed, due upon receipt.

There is one other significant provision in the statute. It states that if the Legislature does not appropriate sufficient funds to fully fund the Act, then the amount each district receives is reduced by a calculated "proration percentage" so that what is distributed equals the appropriated amount based on school district estimates. For Fiscal Year 2007-08, each school district received approximately 98 percent of what it could have received if the Act had been fully funded. This will change when finals are used to calculate the funding formula.

Attached is the list of all secondary school districts that participate in the program and their payments, based on estimated costs and enrollments, for Fiscal Year 2007-08.

ATTACHMENT: Colorado Vocational Act Participant Listing

RECOMMENDATION:

Staff recommends that the State Board for Community Colleges and Occupational Education approve the attached distribution of Colorado Vocational Act funds.

RECORD NUMBER	COUNTY NAME	DISTRICT NUMBER	DISTRICT NAME	FORMULA STATE SUPPORT FY07-08	PRORATED STATE SUPPORT FY07-08 (97%)
1	ADAMS	1	MAPLETON	64,019	62,802
2	ADAMS	12	EASTLAKE	1,058,884	1,038,766
3	ADAMS	14	COMMERCE CITY	199,845	196,048
4	ADAMS	27J	BRIGHTON	341,041	334,562
5	ADAMS	29J	BENNET	0	0
6	ADAMS	31J	STRASBURG	675	662
7	ADAMS	50	WESTMINSTER	287,024	281,571
8	ALAMOSA	RE 11J	ALAMOSA	60,476	59,327
9	ALAMOSA	RE 22J	SANGRE DE CRISTO	64,468	63,243
10	ARAPAHOE	1	ENGLEWOOD	0	0
11	ARAPAHOE	2	SHERIDAN	47,899	46,989
12	ARAPAHOE	5	CHERRY CREEK	1,697,116	1,664,872
13	ARAPAHOE	6	LITTLETON	302,578	296,829
14	ARAPAHOE	26J	DEER TRAIL	0	0
15	ARAPAHOE	28J	AURORA	1,782,687	1,748,818
16	ARAPAHOE	32J	BYERS	17,802	17,464
17	ARCHULETA	50JT	PAGOSA SPRINGS	36,004	35,320
18	BACA	RE 1	WALSH	32,726	32,104
19	BACA	RE 3	PRITCHETT	19,132	18,768
20	BACA	RE 4	SPRINGFIELD	0	0
21	BACA	RE 5	VILAS	34,045	33,399
22	BACA	RE 6	CAMPO	0	0
23	BENT	RE 1	LAS ANIMAS	22,181	21,760
24	BENT	RE 2	MC CLAVE	41,727	40,934
25	BOULDER	RE 1J	ST. VRAIN VALLEY	690,609	677,488
26	BOULDER	RE 2J	BOULDER VALLEY	1,136,574	1,114,980
27	CHAFFEE	RE 32J	SALIDA	7,547	7,404
28	CHEYENNE	R 1	KIT CARSON	14,499	14,224
29	CHEYENNE CLEAR	R 2	CHEYENNE WELLS	50,234	49,280
30	CREEK	RE 1	IDAHO SPRINGS	0	0
31	CONEJOS	RE 1	LA JARA	178,760	175,363
32	CONEJOS	RE 6J	SANFORD	8,707	8,542
33	CONEJOS	RE 10	ANTONITO CENTENNIAL/SAN	15,584	15,288
34	COSTILLA	R 1	LUIS	16,901	16,580
35	COSTILLA	R 30	SIERRA GRANDE	19,130	18,767
36	CROWLEY	RE 1J	ORDWAY	36,346	35,656
37	CUSTER	C 1	WESTCLIFFE	40,588	39,817
38	DELTA	50 J	DELTA	120,787	118,492
				FORMULA STATE SUPPORT FY07-08	PRORATED STATE SUPPORT FY07-08 (97%)
39	DENVER	1	DENVER	676,539	663,686

40	DOLORES	RE 2	DOLORES COUNTY	24,231	23,770
41	DOUGLAS	RE 1	CASTLE ROCK	0	0
42	EAGLE	RE 50J	EAGLE	57,883	56,783
47	ELBERT	C 1	ELIZABETH	88,387	86,708
43	ELBERT	C 2	KIOWA	0	0
44	ELBERT	100J	SIMLA (BIG SANDY)	0	0
45	ELBERT	200	ELBERT	0	0
46	ELBERT	300	AGATE	10,143	9,950
48	EL PASO	RJ 1	CALHAN	34,591	33,933
49	EL PASO	2	HARRISON	180,438	177,010
50	EL PASO	3	SECURITY	41,911	41,114
51	EL PASO	8	FOUNTAIN	56,955	55,873
52	EL PASO	11	COLORADO SPRINGS CHEYENNE	379,225	372,020
53	EL PASO	12	MOUNTIAN	9,754	9,569
54	EL PASO	14	MANITOU SPRINGS	15,593	15,296
55	EL PASO	20	USAF ACADEMY	443,292	434,870
56	EL PASO	22	ELLICOTT	31,422	30,825
57	EL PASO	23	PEYTON	8,934	8,764
58	EL PASO	28	HANOVER	0	0
59	EL PASO	38	MONUMENT	0	0
60	EL PASO	49	FALCON	253,083	248,275
61	EL PASO	54	YODER	0	0
62	EL PASO	60JT	RUSH	0	0
63	FREMONT	RE 1	CANON CITY	102,666	100,715
64	FREMONT	RE 2J	FLORENCE	36,237	35,549
65	GARFIELD	RE 1J	GLENWOOD SPRINGS	68,249	66,952
66	GARFIELD	RE 2	RIFLE	94,402	92,608
67	GARFIELD	16	GRAND VALLEY	27,573	27,049
68	GILPIN	RE 1	BLACK HAWK	0	0
69	GRAND	1 J	KREMMLING	13,332	13,079
70	GRAND	2	GRANBY	113,723	111,563
71	GUNNISON	RE 1J	GUNNISON	11,770	11,546
72	HUERFANO	RE 1	WALSENBURG	17,491	17,159
73	HUERFANO	RE 2	LA VETA	34,243	33,593
74	JACKSON	R 1	WALDEN	33,697	33,057
75	JEFFERSON	R 1	LAKEWOOD	5,162,025	5,063,951
76	KIOWA	RE 1	EADS	0	0
81	KIT CARSON	C 20	ARRIBA-FLAGER	37,116	36,410
77	KIT CARSON	R 23	SEIBERT	1,498	1,469

PRORATED
STATE
SUPPORT
FY07-08
(97%)

FORMULA
STATE
SUPPORT
FY07-08

RECORD NUMBER	COUNTY NAME	DISTRICT NUMBER	DISTRICT NAME	FORMULA STATE SUPPORT FY07-08	PRORATED STATE SUPPORT FY07-08 (97%)
78	KIT CARSON	R 4	STRATTON	0	0
79	KIT CARSON	R 5	BETHUNE	0	0
80	KIT CARSON	R 6J	BURLINGTON	38,381	37,651
82	LAKE	R 1	LEADVILLE	27,630	27,105
83	LA PLATA	9R	DURANGO	72,373	70,998
84	LA PLATA	10 JT	BAYFIELD	27,860	27,331
85	LA PLATA	11 JT	IGNACIO	0	0

86	LARIMER	R 1	POUDRE	683,088	670,109
87	LARIMER	R 2	LOVELAND	361,385	354,519
88	LARIMER	R 3	ESTES PARK	0	0
89	LAS ANIMAS	1	TRINIDAD	0	0
90	LAS ANIMAS	2	WESTON	0	0
91	LAS ANIMAS	RE 3	HOEHNE	52,705	51,704
92	LAS ANIMAS	RE 6	AGUILAR	9,215	9,040
93	LAS ANIMAS	RE 82	BRANSON	30,662	30,079
94	LAS ANIMAS	RE 88	KIM	21,027	20,627
97	LINCOLN	C 113	GENOA-HUGO	22,431	22,005
96	LINCOLN	RE 4J	LIMON	0	0
95	LINCOLN	RE 23	KARVAL	23,303	22,860
98	LOGAN	RE 1	STERLING	174,940	171,617
99	LOGAN	RE 3	FRENCHMAN	8,888	8,720
100	LOGAN	RE 4	MERINO	37,968	37,246
101	LOGAN	RE 5	PEETZ	27,379	26,858
102	MESA	49JT	DE BEQUE	0	0
104	MESA	50	COLBRAN	22,577	22,148
			MESA COUNTY		
103	MESA	51	VALLEY	896,610	879,575
105	MINERAL	RE 1	CREEDE	12,092	11,862
106	MOFFAT	RE 1	CRAIG	20,009	19,629
107	MONTEZUMA	RE 1	CORTEZ	42,854	42,039
108	MONTEZUMA	RE 4A	DOLORES	14,813	14,532
109	MONTEZUMA	RE 6	MANCOS	0	0
110	MONTROSE	RE 1	MONTROSE	105,245	103,246
111	MONTROSE	RE 2	NATURITA	0	0
112	MORGAN	RE 2J	BRUSH	56,903	55,822
113	MORGAN	RE 3	FORT MORGAN	47,172	46,276
114	MORGAN	RE20J	WELDONA	41,584	40,794
115	MORGAN	RE 50	WIGGINS	39,724	38,970
116	OTERO	R 1	LA JUNTA	75,071	73,644
117	OTERO	R 2	ROCKY FORD	33,351	32,717
118	OTERO	R 3J	MANZANOLA	4,157	4,078

PRORATED
STATE
SUPPORT
FY07-08
(97%)

FORMULA
STATE
SUPPORT
FY07-08

RECORD NUMBER	COUNTY NAME	DISTRICT NUMBER	DISTRICT NAME	FORMULA STATE SUPPORT FY07-08	PRORATED STATE SUPPORT FY07-08 (97%)
119	OTERO	R 4J	FOWLER	24,389	23,925
120	OTERO	31	CHERAW	58,439	57,329
121	OTERO	33	SWINK	31,383	30,787
122	OURAY	R 1	OURAY	9,446	9,266
123	OURAY	R 2	RIDGEWAY	0	0
124	PARK	RE 1	BAILEY	25,318	24,837
125	PARK	RE 2	FAIR PLAY	5,295	5,195
127	PHILLIPS	RE 2J	HAXTUN	49,967	49,018
126	PHILLIPS	RE 1J	HOLYOKE	31,868	31,262
128	PITKIN	RE 1	ASPEN	11,395	11,178
129	PROWERS	RE 1	GRANADA	11,483	11,265
130	PROWERS	RE 2	LAMAR	4,350	4,267
131	PROWERS	RE 3	HOLLY	22,095	21,675

132	PROWERS	RE 13JT	WILEY	19,187	18,823
133	PUEBLO	60	PUEBLO (CITY)	98,839	96,962
134	PUEBLO	70	PUEBLO (RURAL)	43,775	42,943
135	RIO BLANCO	RE 1	MEEKER	13,740	13,479
136	RIO BLANCO	RE 4	RANGELY	0	0
137	RIO GRANDE	C 7	DEL NORTE	25,133	24,655
138	RIO GRANDE	C 8	MONTE VISTA	10,100	9,908
139	RIO GRANDE	R 33J	SARGENT	23,167	22,726
140	ROUTT	RE 1	HAYDEN STEAMBOAT	0	0
141	ROUTT	RE 2	SPRINGS	110,931	108,824
142	ROUTT	RE 3J	OAK CREEK	25,098	24,621
143	SAGUACHE	RE 1	SAGUACHE	0	0
144	SAGUACHE	2	MOFFAT	14,139	13,870
145	SAGUACHE	26JT	CENTER	24,381	23,918
147	SAN MIGUEL	R 1	TELLURIDE	16,086	15,781
146	SAN MIGUEL	R 2J	NORWOOD	0	0
148	SEDGEWICK	RE 1	JULESBURG	1,060	1,040
149	SEDGEWICK	RE 3	PLATTE VALLEY	0	0
150	SUMMIT	RE 1	FRISCO	0	0
151	TELLER	RE 1	CRIPPLE CREEK	7,936	7,786
152	TELLER	RE 2	WOODLAND PARK	49,270	48,333
153	WASHINGTON	R 1	AKRON	29,688	29,124
154	WASHINGTON	R 2	ANTON (ARICKAREE)	43,955	43,120
155	WASHINGTON	R 3	OTIS	39,931	39,172
156	WASHINGTON	101	LONE STAR	0	0
157	WASHINGTON	104	WOODLIN	25,290	24,809
158	WELD	RE 1	GILCREST	97,637	95,782

PRORATED

RECORD NUMBER	COUNTY NAME	DISTRICT NUMBER	DISTRICT NAME	FORMULA STATE SUPPORT FY07-08	STATE SUPPORT FY07-08 (97%)
159	WELD	RE 2	EATON	37,510	36,797
160	WELD	RE 3	KEENESBURG	111,114	109,002
161	WELD	RE 4	WINDSOR	74,850	73,428
162	WELD	RE 5J	JOHNSTOWN	18,199	17,854
163	WELD	6	GREELEY	415,020	407,135
164	WELD	RE 7	KERSEY	75,606	74,170
165	WELD	RE 8	FORT LUPTON	52,460	51,463
166	WELD	RE 9	AULT	0	0
167	WELD	RE 10J	BRIGGSDALE	18,819	18,461
168	WELD	RE 11J	NEW RAYMER	41,045	40,265
169	WELD	RE 12	GROVER	26,070	25,575
170	WELD		CENTENNIAL BOCES	74,527	73,111
171	YUMA	RJ 1	YUMA	48,190	47,275
172	YUMA	RJ 2	WRAY	48,634	47,710
173	YUMA	RJ 3	IDALIA	16,327	16,016
174	YUMA	RJ4	LIBERTY	11,531	11,312
TOTAL				21,619,064	21,208,319

STATE BOARD FOR COMMUNITY COLLEGES AND OCCUPATIONAL EDUCATION

November 14, 2007

TOPIC: AUDIT COMMITTEE POLICIES AND INTERNAL AUDIT VISION

PRESENTED BY: Patty Erjavec, Audit Committee Chair
Charla McClintock, Director of Internal Audit

EXPLANATION:

The Audit Committee, a sub-committee of the Board, has been charged with directing the Internal Audit Department, including evaluation of resources necessary to fulfill the Audit Committee's responsibilities.

The attached policies and procedures were approved as part of the consent agenda at the June 13, 2007 board meeting. Policies and procedures were updated, to address the Audit Committee structure, the Audit Committee charge and mission, and incorporated duties for the Audit Committee Chair as well as updated the reporting structure for internal audit.

The presentation will provide an overview of the changes and present the recommendations of staff resources necessary to fulfill the mission of the department.

ATTACHMENTS: BP 2-10, Board Committee Structure, revised
BP 3-71, Whistleblower Policy, revised
BP 7-01, new Audit Committee Charter
Internal Audit Department Charter and Mission

Attachment 1 – Revised BP 2-10

(Note: Additions are bolded and italicized. Deletions have been struck through.)

STATE BOARD OF COMMUNITY COLLEGES AND OCCUPATIONAL EDUCATION

BOARD COMMITTEE STRUCTURE

BP 2-10

APPROVED: August 25,2001

EFFECTIVE: August 25, 2001

REVISED: April 10, 2003

REVISED: June 11, 2003

REVISED: June 13, 2007

REFERENCES:

ISSUED BY:

Dr. Nancy McCallin, System President

Policy Statement

A committee is a Board committee only if its existence and charge come from the Board, regardless of whether Board members sit on the committee. The System President and/or his or her designee will serve as a non-voting member of each committee.

Board Committees

1. Budget and Operations Committee:
 - a. Purpose: To review the various areas of legal responsibility, as set forth by statute or rule, assigned to the Board. These areas range from the annual budget and prioritizing capital projects to instructional program approval to appointment of college advisory council members. The Committee will conduct these reviews to ensure that Board policies and priorities are followed and will recommend final actions to the Board. The Committee will work in conjunction with the other two Board committees to implement the policies and plans they establish.
 - b. Charge: To assure that the Board satisfies its statutory duties and monitors the System and college compliance with laws and Board policies and directives.

c. Composition: To be appointed by the Chair.

2. External Initiatives Committee:

a. Purpose: To be a policy development and proactive working group established by the Board. This committee will support and promote the community college system by developing policies to ensure that the Board accomplishes its role and mission as defined by statute. Additionally, this committee will address SBCCOE linkages with the public, including:

i. How can the SBCCOE assure the people of Colorado that CCCS is carrying out its role and accomplishing its mission as defined by statute?

ii. How can the SBCCOE assure itself that the role and mission as defined by statute continue to be the will of the people of Colorado?

Specific areas of policy to be addressed include: development of the annual legislative agenda; policy development in workforce development, economic development, rural development, K-12; development of policy related to the role of the advisory committees; and policy related to partnering capacity of community colleges. The committee will work in conjunction with the other two Board committees for implementation of the policies established through the external initiatives committee.

b. Charge: To define goals, objectives, and action items and submit them to the SBCCOE for adoption.

c. Composition: To be appointed by the Chair.

3. Strategic Initiatives Committee:

a. Purpose: To be a policy development and proactive working group established by the SBCCOE to position the system for a successful future. This committee will support and promote the community college system's agility and responsiveness to economic change by developing strategies and designing innovations to achieve the vision and mission of CCCS. This committee will guide and monitor policies related to strategic planning, innovative programs and services, the budget formula, academic master plans, program plans, leadership development, professional development, employee recognition, and diversity.

b. Objectives: To define the goals, objectives, and action items and submit them to the SBCCOE for adoption.

c. Composition: To be appointed by the Chair.

4. Audit Committee

- a. Purpose: The Audit Committee is to assist the Board in fulfilling its fiduciary responsibilities **System-wide** as they relate to ~~accounting policies and reporting practices; the System internal controls; the effectiveness of standards of ethical business conduct; and the sufficiency of auditing relative thereto.~~

Fiduciary responsibilities include assessing risk and addressing matters including financial statement reporting, internal controls, compliance with applicable laws, regulations and Board policies, as well as System Office and College policies and procedures.

- b. Charge: ~~To exercise policy oversight of audits of the System; to recommend for the Board approval of all responses to audit findings and recommendations; and to assure that the Board's fiduciary responsibilities are being met.~~

- a. ***Review and evaluate the effectiveness of the CCCS' process for assessing significant risks or exposures and the steps management has taken to monitor and control such risks;***
- b. ***Review and evaluate the effectiveness of the CCCS' processes related to financial reporting;***
- c. ***Provide oversight on the matters involving the CCCS' code of conduct and ethics policies;***
- d. ***Review and evaluate the effectiveness of the CCCS' implementation and operation of structures designed to prevent and detect instances of misuse, abuse, or misappropriation of resources and inappropriate personnel activity, including fraud and supervisory misconduct, financial or other;***
- e. ***To review and monitor all audits, reviews and investigations, whether internal or external, for the CCCS;***
- f. ***To exercise oversight of the Concerns Hotline, as well as disposition of issues submitted;***
- g. ***To oversee the Internal Audit function including annual evaluation of the director; appraisal of the organizational structure of the department, adequacy of resources, qualifications and independence of the internal audit director and staff;***
- h. ***To review other matters that may come to the Board or Committee's attention, as deemed appropriate by the Committee;***
- i. ***Receive information from legal counsel on claims and potential claims against the CCCS;***
- j. ***Establish procedures as necessary to accomplish responsibilities noted in this policy;***
- k. ***Report activities and present recommendations to the Board.***

- c. Composition:
 - a. To be appointed by the Chair for terms of two years and may be reappointed;
 - b. *The Committee shall consist of at least three Board members;***
 - c. *At least one member shall qualify as a financial expert as defined in the Audit Committee charter.***

Procedures

The System President shall promulgate such procedures as may be needed to implement this policy.

Attachment 2 – Revised BP 3-71

(Note: Additions are bolded and italicized. Deletions have been struck through.)

STATE BOARD FOR COMMUNITY COLLEGES AND OCCUPATIONAL EDUCATION

WHISTLEBLOWER PROTECTION POLICY

BP 3-71

APPROVED: February 9, 2005

EFFECTIVE: February 9, 2005

REVISED: June 13, 2007

REFERENCES:

C.R.S. 24-50.5-101 *et seq.*

ISSUED BY:

Dr. Nancy McCallin, System President

Policy Statement

Colorado Community College System employees have an obligation to conduct the System's business in an ethical manner and in compliance with law and statute. CCCS employees are encouraged to disclose information on actions of the System or its employees, contractors, or agents that are not in the public interest.

Scope

This policy applies to all employees of the State Board for Community Colleges and Occupational Education throughout the State.

Procedure for Disclosure of Information

This policy applies to information regarding any action, policy, regulation, practice or procedure of CCCS or its employees, contractors or agents that is unethical, illegal or contrary to public interest, including but not limited to the misuse, misappropriation, or misreporting of CCCS funds or its physical assets, questionable auditing or accounting practices, abuse of authority, or mismanagement.

Unless such information is provided in response to a subpoena or other legal process from a law enforcement agency or governmental body, information covered by this Policy must first be provided (1) using the CCCS Concerns Hotline (303-307-3926) or (2) in writing, which may be anonymous, to the CCCS Vice President for Legal Affairs, System Office Director of Human Resources, ***or the Director of Internal Audit***. The Vice President for Legal Affairs, the Director of Human Resources ***or the Director of Internal Audit, as***

appropriate, shall be responsible for addressing information provided and recommending action to the System President. All matters will be reported to the Audit Committee and the System President. If the matter reported is material (considered to place CCCS at risk, financial or otherwise, or involving a college president or senior management), or otherwise deemed significant, it shall be reported to the Chair of the State Board for Community Colleges and Occupational Education.

If an employee reports such information to his or her supervisor or appointing authority, the supervisor or appointing authority shall refer the employee to this policy and direct the employee to follow the process stated in this policy.

Retaliation Prohibited

Except as provided below, no disciplinary action shall be threatened, initiated or administered against a CCCS employee on account of the employee's disclosure of information or on account of the employee's providing information in response to a subpoena or other legal process. This shall not apply to:

- (1) An employee who discloses information that he or she knows to be false or who discloses information with disregard for the truth or falsity thereof;
- (2) An employee who discloses information which is confidential under any provision of law; or
- (3) An employee who discloses information (except in response to legal process) without first having made a good faith effort to provide the information using the CCCS Concerns Hotline or in writing to the Vice President for Legal Affairs, the Director of Human Resources, **or the Director of Internal Audit**, or by notifying his or her supervisor or appointing authority if the supervisor or appointing authority did not refer the employee to the process stated in this policy;

"Disciplinary action " means any direct or indirect form of discipline or penalty, including but not limited to dismissal, demotion, transfer, reassignment, suspension, corrective action, reprimand, admonishment, unsatisfactory or below standard performance evaluation, reduction in force, or withholding of work, or the threat of such discipline or penalty.

Filing a Retaliation Complaint

A retaliation complaint may be filed in writing with the CCCS Vice President for Legal Affairs or the System Office Director of Human Resources. A retaliation claim must be filed within 45 days of the employee's discovery of the disciplinary action. If there is more than one instance of retaliation, the complaint must be filed within 30 days of the most recent alleged disciplinary action.

The complaint will be investigated by the Vice President for Legal Affairs, who shall report the results of the investigation to the System President and the Chair of the State Board within 30 days of receipt of the complaint. The Chair of the State Board will convene a meeting of the Board Executive Committee for the purposes of a hearing within 30 days of receipt of the report of the Vice President for Legal Affairs.

The Chair of the Board may request any documentation or verbal statements by employees as may be reasonably required for appropriate fact finding. The employee filing the complaint may, at the time of the hearing, present his or her complaint to the Executive Committee in person.

If the Executive Committee determines that retaliation has occurred, the System President will provide that information to the full Board. The Executive Committee's determination is final and binding. The System President will assure that appropriate remedial action is taken with respect to the employee against whom retaliation has occurred and that appropriate disciplinary action is taken against the employee(s) found to have retaliated.

Attachment 3 – New BP 7-01

STATE BOARD OF COMMUNITY COLLEGES AND OCCUPATIONAL EDUCATION

AUDIT COMMITTEE CHARTER

BP 7-01

APPROVED: June 13, 2007

EFFECTIVE: July 1, 2007

REFERENCES:

Board Policy 2-10, Board Committee Structure

ISSUED BY:

Dr. Nancy McCallin, System President

Policy Statement

The Audit Committee (“Committee”) is a subcommittee of the State Board for Community Colleges and Occupational Education (“Board”). Board Policy 2-10 defines the purpose of the Committee, which is to assist the Board in fulfilling its fiduciary responsibilities System-wide.

Fiduciary responsibilities include assessing risk and addressing matters including financial statement reporting, internal controls, compliance with applicable laws, regulations and Board policies, as well as System and College policies and procedures. These responsibilities are to include fraud prevention and detection.

Organization and Qualifications

- a. The Committee shall be appointed by the Chairman of the Board for a term of two years and may be reappointed.
- b. The Committee shall consist of at least three Board members.
- c. At least one member of the Committee shall meet the qualifications of a financial expert, as defined in this policy.
- d. The Chairman of the Board shall appoint one of the members of the Committee as Chairman. The Committee Chairman shall meet qualifications of a financial expert and shall perform the role as defined in this policy.

Financial Expert

To be considered a financial expert, an individual should possess the following.

- a. an understanding of GAAP and financial statements;
- b. the ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves;
- c. experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Colorado Community College System's ("System") financial statements, or experience actively supervising one or more persons engaged in such activities;
- d. an understanding of internal controls; and
- e. an understanding of audit committee functions.

These attributes may be acquired in one or more of four ways:

- a. education and experience as a principal financial officer, principal accounting officer, controller, public accountant or auditor, or experience in one or more positions that involve the performance of similar functions;
- b. experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions;
- c. experience overseeing or assessing the performance of public accountants with respect to the preparation, auditing or evaluation of financial statements;
- d. other experience relevant to audits, investigations or financial operations.

In the event that the Board does not have a member who meets the qualifications of a financial expert as defined, this shall not nullify the authority, activities or actions of the Audit Committee.

Authority

The Committee has the authority to conduct or authorize investigations System-wide through the establishment and operation of an Internal Audit Department. To allow for independent analysis and investigation, the Committee shall have unrestricted access to members of management and relevant information, such as books, records, facilities, property and personnel, in any format, electronic or other, as the information may exist. Audits or investigations may occur without notice. If circumstances require, System property or information relevant to the investigation may be removed from use during the investigation. The Committee may retain independent counsel, accountants, or others to assist it in the conduct of any audit or investigation.

The Board delegates to the Committee Chairman the following authority.

- a. The authority to approve all human resources actions related to the Director of Internal Audit. All actions taken on the Director of Internal Audit should include input from the Committee, the Chairman of the Board and the System President. All human resources actions shall follow the policies and procedures of the System.

- b. With the approval of the Committee, the ability to establish procedures and delegate duties as necessary to conduct the effective and efficient operation of the function.

Duties of the Chair

The Committee Chairman shall lead the Committee in the fulfillment of its mission. The Committee Chairman shall:

- a. Provide the Board with reports on the activities of the Internal Audit department at least quarterly;
- b. Ensure the Audit Committee is provided adequate training to fulfill its role;
- c. Present the budget for the Internal Audit Department to the Board for approval annually as well as any budget overages;
- d. Periodically cause the Committee to review the Audit Committee and Internal Audit Department Charter;
- e. Call Audit Committee meetings and approve agendas;
- f. Be apprised of significant details of audits and investigations in progress;
- g. Shall report whistleblower complaints as necessary to the Chairman of the Board, in compliance with Board Policy 3-71.
- h. Approve personnel actions related to the Director of Internal Audit; including appointment, performance evaluations, pay increases, and any disciplinary action taken, including termination.
- i. Review monthly progress towards the annual audit plan.

With the approval of the Committee, the Committee Chairman may establish procedures necessary to perform these duties as well as delegate duties as necessary for the efficient operation of the department.

General

While the audit committee has the responsibilities and powers set forth in this Charter, it is not the Committee's duty to plan or conduct audits or to determine that the System's financial statements are complete, accurate, and in accordance with generally accepted accounting principles. Management is responsible for the preparation, presentation and integrity of the System's financial statements and for the appropriateness of the accounting principles and reporting policies used. The independent auditors are responsible for auditing the System's financial statements.

In meeting its responsibilities, the Committee shall perform duties to include those noted within the following areas.

Meetings

- a. The Committee shall meet four times per year or more frequently as circumstances require.
- b. The Committee may include in its meetings members of management, representatives of the external auditors, members of the internal audit team and any other personnel employed or retained by the Colorado Community College System.

- c. The Committee will periodically meet with members of management in separate executive sessions, as allowed by statute, to discuss any matters that the Committee believes should be addressed privately, without the presence of other management.

Financial, Compliance and Operational

- a. Report Committee actions to the Board with recommendations, as the Committee may deem appropriate.
- b. Receive advance notice of all audits, reviews, and internal audit investigations whether internal or external for the System office and all colleges, regardless of the source of funding for the activity reviewed. This review may occur via verbal or written report as accepted by the Committee.
- c. Review the results of all audits, reviews, and investigations whether internal or external for the System office and all colleges, regardless of the source of funding for the activity reviewed. This review may occur via verbal or written report as accepted by the Committee.
- d. Review any matters involving a conflict of interest or matters involving a breach of ethics if they involve personnel at a management level within the System.
- e. Approve procedures for the receipt, retention and treatment of complaints received by the System through any means regarding accounting, internal accounting controls or auditing matters; including procedures for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters. Also matters related to misuse, abuse or misappropriation of resources and inappropriate personnel activity including alleged fraud and supervisory misconduct, financial or other.
- f. Review, on a periodic basis, summary information documenting complaints submitted relating to accounting, internal controls, misuse, abuse or misappropriation of resources and inappropriate personnel activity regardless of action taken or outcome of such action.
- g. Review facts related to any fraud or misconduct committed by employees or senior management of the system office or of the colleges.
- h. Review and evaluate the effectiveness of the System's process for assessing significant risks or exposures and the steps management has taken to monitor and control such risks
- i. Inquire of management, internal audit and the external auditor about risks facing the System.
- j. Review significant findings related to any audit, including management's response, and the timetable for implementation of a correction.
- k. Review summary findings from all completed audits and the status of implementing related recommendations until implementation is complete.
- l. Review periodically and update the Committee's formal charter.
- m. Periodically review the internal audit department charter and evaluate the audit scope and role of internal audit.
- n. Provide oversight of the Director of Internal Audit and the activities of the internal audit department.
- o. Review and appraise the organization structure of the internal audit department; as well

- as the adequacy of resources, qualifications and independence of the staff members.
- p. Approve all department reports related to audits or investigations, as well as related information, prior to release.
 - q. Ensure the adequacy of procedures to protect confidentiality of information obtained through the activities of the internal audit department.
 - r. Review results of peer reviews conducted on department activities.
 - s. Review annual audit plans.
 - t. Review any changes required in the planned scope of their audit plan.
 - u. Periodically review Committee effectiveness.

Compliance with Laws and Regulations

- a. Periodically evaluate with legal counsel the process for determining risks and exposure from asserted and unasserted litigation and claims from noncompliance with laws and regulations to determine its effectiveness.
- b. Periodically review status of open litigation or risks and known claims that have not yet been asserted.

Financial Reporting

Review with management and the independent auditor at the completion of the annual audit:

- a. The annual financial statements, management's discussion and analysis, related footnotes, compliance report, findings and auditors' report.
- b. All alternative treatments of financial information that have been discussed with management.
- c. Critical accounting policies and practices in place.
- d. All significant written communications between the auditor and management such as management letter comments and the schedule of unadjusted differences.
- e. Any significant changes required in the independent accountant's audit plan.
- f. Other matters related to conduct, which should be communicated to the Committee under generally accepted auditing standards.

External Audit

- a. Review the scope and approach of the annual audit with the independent accountants.
- b. Assess the external auditor's process for identifying and responding to key audit and internal control risks.
- c. The external auditor shall have direct access to the Committee, and shall meet privately

- without members of management present at least once during the course of the audit.
- d. Receive communication directly from the external auditor regarding any matters that arose during the course of their audit.

Compliance with Codes of Ethical Conduct

- a. Provide policy oversight regarding the conflict of interest and code of conduct policies and related procedures.
- b. Review and monitor the administration of and compliance with, the code of conduct, conflict of interest policies and the Foreign Corrupt Practices Act.

Other Responsibilities

Report regularly to the full board any issues that arise with respect to:

- a. The quality or integrity of the System's financial statements, not to duplicate communications and activities reported through the external audit;
- b. The System's compliance with legal or regulatory requirements;
- c. The performance and independence of the System's external auditors;
- d. The performance of the internal audit function;
- e. Any other matters in the Committee's performance of its duties that the Committee views important to present to the full Board.

Attachment 4 – Internal Audit Charter and Mission

COLORADO COMMUNITY COLLEGE SYSTEM

AUDIT COMMITTEE PROCEDURE

CHARTER AND MISSION STATEMENT

Date: July 1, 2007

Reference:

Board Policy 2-10, Board Committee Structure
Board Policy 7-01, Audit Committee Charter
State Controller's Office Fiscal Rule 1-8

Application:

This policy applies System-wide.

Basis:

Rule 1-8 of the State of Colorado Fiscal Rules requires the State Board for Community Colleges and Occupations Educations (the "Board") to implement internal accounting and administrative controls, which reasonably assure financial transactions, are accurate, reliable, and conform to State Fiscal Rules. The Board has charged the Colorado Community College System (the "System") President with this responsibility.

In fulfillment of that requirement, Board Policy 2-10 establishes the Audit Committee to assist the Board in fulfilling its fiduciary responsibilities System-wide. Fiduciary responsibilities include assessing risk and addressing matters including financial statement reporting, internal controls, compliance with applicable laws, regulations and Board policies, as well as System and College policies and procedures. The internal audit department is established to assist the Audit Committee in carrying out this responsibility.

Mission:

The Department of Internal Audit is established within the Colorado Community College System to independently examine and evaluate the activities of the thirteen colleges, the system office and Colorado school districts that participate in the Colorado Vocational Act. The objectives of the Department of Internal Audit are to assist the Audit Committee and the college system in the effective discharge of their responsibilities by furnishing them with analysis, appraisals, recommendations, counsel, and information concerning the activities audited and to promote effective systems of fraud prevention, internal control and a culture of ethical conduct.

Procedure:

Role of Internal Audit Department:

The Department of Internal Audit is established by the Board. The Director of Internal Audit ("Director") shall be appointed by and shall report functionally to the Audit Committee Chairman ("Committee Chair") and administratively to the President of the Community College System.

The functional reporting responsibility requires that the Director provide information directly to and take direction from the Committee Chair and the Committee. This includes but is not limited to such items as department strategy, goals, and on going performance reporting. Communications should be of sufficient substance to allow the Committee to fulfill their responsibilities under the Audit Committee Charter, BP7-01.

Administrative reporting includes matters related to budget and management accounting, procedural human resource administration, administration of the organization's internal policies and procedures such as expense approvals, leave approvals, office space, etc.

Authorization:

The Audit Committee delegates to the Director of Internal Audit the following authority.

The Director may conduct, or cause to be conducted, audits, reviews, and investigations for any matter that, in the Director's professional judgment, may pose a risk the System. All investigations will be reported to the Committee Chair prior to the initiation of fieldwork. Should the Committee Chair be unreachable, the Director will contact at least one other Audit Committee member prior to initiation of fieldwork. The Committee Chair will be notified as soon as is practicable. Audits shall be approved during the annual plan process; any significant deviation shall be reported to the Audit Committee Chair. The Director shall be held accountable to the Audit Committee for deployment of resources and effective use of the same.

In the performance of audits, reviews and investigations, with stringent accountabilities of safekeeping and confidentiality, the Department of Internal Audit shall have unrestricted access to all organizational activities, records, property, and personnel. Records may be accessed whether electronic or in other formats, with or without advance notification.

In the supervision of staff, the Director shall have the authority to hire, evaluate and terminate employees within the policies and procedures of System Human Resources. Vacation, sick leave and other leave shall be approved by the Director.

In the operation of the Internal Audit Department, the Director shall have the authority to approve purchases within the policies, procedures and authorization limits of the System office.

To ensure the independence and objectivity of the internal audit function, the Department of Internal Audit shall have no direct responsibility or authority for activities or operations that may be audited or reviewed.

Operations:

The Director of Internal Audit shall:

- Be qualified for the position by, in addition to experience requirements, maintaining appropriate licensure;
- Maintain independence and adhere to the standards of ethical and professional conduct;
- Provide the Committee Chair with assistance as necessary in the completion of the Committee Chair's responsibilities;
- Provide the Committee Chair reports at least monthly on the progress and activities of the department;
- Provide the System President with reports on the progress and activities of the department;
- Prepare an annual risk assessment and audit plan;
- Identify resources necessary to conduct planned activities and notify the Committee when those resources are not available internally;
- Receive notice of all audits and investigations in advance, if possible;
- Receive results of all audits and investigations;
- Monitor the System Concerns Hotline;
- Identify and plan for audits and investigations as deemed appropriate or necessary;
- Notify the Committee Chair and management of the outcome of internal audit activities;
- Notify the Committee Chair of any disputes with management during audits or investigations;
- Develop department policies and procedures for the operation of the audit function;
- Be responsible for the day-to-day operations of the internal audit department, including allocation of resources, operating within budget, and other duties as assigned or included in the Director's position description.

The Director may delegate tasks to appropriate internal audit staff as necessary to ensure the efficient operation of the department.

Audit Standards, Scope and Reporting:

The Department of Internal Audit derives its scope from the charge assigned to the Audit Committee in BP 7-01. The Department assists the Committee in achieving its mission through its activities.

The Department will conduct its activities in accordance with applicable standards for the professional practice of internal auditing. The scope of internal auditing includes assessing risk and addressing matters including financial statement reporting, internal controls, compliance with applicable laws, regulations and Board policies, as well as System and College policies and procedures. These responsibilities are to include fraud prevention and detection. Activities are to include, but are not limited to the following.

- Review the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information;
- Review the system's established procedures to ensure compliance with applicable policies, plans, procedures, laws and regulations and determine compliance;
- Review the means of safeguarding assets and, as appropriate, verify the existence of such assets;
- Review and appraise the economy and efficiency with which resources are employed;
- Review operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned;
- Perform special reviews and investigations as necessary;
- Perform fraud prevention and detection activities as necessary;
- Use a risk based approach in developing an annual audit plan for audit coverage that fulfills the responsibility of the Department of Internal Audit;
- Coordinate and interact with external auditors in the accomplishment of the Department mission;
- In order to meet the standards of the Institute of Internal Audit, the department will seek Peer Reviews after establishing a fully-functional department, at the latest for fiscal year 2012.

At the conclusion of each audit, the Department of Internal Audit will issue a report to which the responsible college, system office, or school district administration will respond. The Department of Internal Audit may conduct follow-up reviews to ascertain the status of actions taken with regard to the recommendation(s).

STATE BOARD FOR COMMUNITY COLLEGES AND OCCUPATIONAL EDUCATION

November 14, 2007

TOPIC: Update on the Governor's FY 2008-09 Budget Request

PRESENTED BY: Mark Superka, Budget Director

EXPLANATION:

On November 1, 2007, the Office of State Planning and Budgeting (OSPB) released the Executive Branch's operating and capital budget requests for FY 2008-09.

Higher Education Operating Funding

In terms of operating funding, the OSPB requested \$59.5 million in additional General Fund for higher education. Highlights of the higher education request include:

- \$48.5 million for governing boards in the form of COF stipends and FFS contracts;
- \$7.3 million for need-based financial aid;
- \$1.7 million for work-study funding; and
- \$0.8 million for pre-collegiate programs and scholarships.

At this point in time, the OSPB has not specified the allocation among the governing boards of the \$48.5 million in requested operating funding. The Department of Higher Education is currently working with the governing board CFOs and Presidents to develop an allocation model for the funding. The Department of Higher Education has indicated that it would like to take an allocation proposal to the Commission in the December time frame. Also to be decided is the Department of Higher Education request related to tuition spending authority for FY 2008-09.

Capital Construction

The Colorado Commission on Higher Education considered all of the governing boards' capital requests and narrowed the list down to the 32 higher education projects that they submitted to the Capital Development Committee. Of these projects, CCCS has four requests on the Commission-submitted list:

- PCC—Academic Learning Center
- CNCC—Craig Academic Building
- FRCC/Westminster—One-Stop Student Service Center
- RRCC—Construction Trades/Industry Science Building

In the early January 2008 time frame, the CDC will hear testimony from our colleges on all of the projects (including the four Commission-submitted list above and the remainder of the CCCS Board-approved projects) submitted to the CCHE.

AHEC also has two requests contained within the original Commission-approved capital list, including the AHEC—Science Building and the AHEC—South Classroom Building. AHEC will present these projects to the CDC.

For the November 1 request, the OSPB merged the Commission-approved capital list with the State Agency-Approved list to submit a combined list to the Capital Development Committee. On the OSPB request list, CCCS has one project (PCC-Academic Learning Center) and AHEC has one project (AHEC-Science Building). The AHEC—Science Building request was reduced by approximately \$25 million in FY 2008-09.

The OSPB capital list also includes funding for Level 1 and a portion of Level 2 controlled maintenance. The CCCS controlled maintenance projects eligible for Level 1 and Level 2 funding will be released by the Office of the State Architect in late December or early January.

**Information Technology Updates
SBCCOE Meeting
November 14, 2007**

Banner 7.4 Upgrade

The upgrade to Banner 7.4 is proceeding according to plan. Baseline 7.4 implementation was completed and our CCCS modified version of Banner was received from SunGard HE as promised on October 15th. That version is in place and preliminary testing found no major issues. Banner 7.4 was turned over to functional user testing on November 1st. The key functional user groups, Student, Financial Aid, Student Accounts Receivable and Human Resources (Faculty Management Module) have all prepared test plans and are executing those test plans now. We have internal test plans for our jobs, interfaces and other IT executed processes. We have engaged Dan Summers from Delta Initiative to assist in the test plan development and execution as well as to track defects and their resolution. Conversion to 7.4 in Production is planned for December 21 through 23rd.

Banner Finance and Human Resource/Payroll Implementation

The Banner Finance and HR implementation is also proceeding according to plan. The Chart of Accounts conversion is in the final testing phases and the functional team leads have resumed their project meetings. HR continues to test their processes and the conversion of the dual data entry environment. We are on track to bring up some HR functions in the spring – end of February/early March. Payroll and Finance will be live July 1, 2008. The first live payroll will be run in August, 2008.

Metrics

We continue to develop our ability to capture and track the metrics discussed at the last Board meeting. Programming is in progress to capture Multiple PIDM (person records). There have been no unplanned outages of Banner since the start of the Fall term. We recently increased our bandwidth to 105 MB to handle increasing using of Blackboard Vista and other internet-based learning tools. However, we need to anticipate constant increases to our bandwidth requirements. A network accelerator pilot at Pikes Peak Community College was very successful in consolidating network traffic and will be rolled out to other colleges as funding permits. However this does not allow us to reduce bandwidth, but may allow us to increase bandwidth more slowly.

Project Management Office (PMO)

I have identified the participants for the PMO and they have all accepted the invitation to join the group. We in the process of scheduling our first meeting to review the draft organizational charter for the group. The PMO will assist IT in aligning IT activities with strategic and business initiatives for the system and the colleges.

Other Projects

Other initiatives that we are working on include a pilot program for student email and an emergency notification system. Windows Live through Microsoft has been selected and we will begin implementation of the pilot schools in late November/ early December. The pilot schools are Pikes

Peak, Red Rocks and Pueblo. The email will interface with Banner and allow faculty to email students, including entire classes through Banner Self Service. A communication plan is being developed for students and faculty.

Several schools are piloting an emergency notification system provided by EdConnect. This system allows students, staff and faculty to receive emergency notification to their cell phones or email.