

STATE BOARD FOR COMMUNITY COLLEGES AND OCCUPATIONAL EDUCATION

SYSTEMWIDE REVENUE BONDS

BP 4-21

APPROVED: May 1, 1992
EFFECTIVE: May 1, 1992
REPEALED: September 14, 2000
READOPTED: August 25, 2001

REFERENCES: CCHE Policies

ISSUED BY:

Joe D. May, System President

Policy Statement

The Board will issue revenue bonds payable from the Net Revenues of the Auxiliary Facilities of the Community College and Occupational Education System pursuant to the authority granted to the Board by §23-60-202(1)(b) and Title 23, Article 71, Part 7, Colorado Revised Statutes.

Eligible

The president of a college may propose a Project to be funded through the issuance of such revenue bonds to the Board. The Project may be the acquisition, by purchase, construction, or otherwise, the improvement, or the equipment, or any combination thereof, of any Auxiliary Facility, and any other building, structure, or land necessary or desirable for use in connection with the college. The cost of the Project may include, in the Board's discretion, all incidental costs pertaining to the Project and the financing thereof, including, without limitation, contingencies and the capitalization with proceeds of bonds of operation and maintenance expenses appertaining to facilities to be acquired and interest on the bonds for any period not exceeding the period estimated by the Board to effect the Project plus one year, of any discount on the bonds and of any reserves for payment of principal of and interest on the bonds. The Net Revenues projected to be derived from the Auxiliary Facilities of the college for the first full fiscal year of operation of the Project shall be (based upon projections approved by the Board) sufficient to pay an amount of at least one hundred fifty percent of the combined average annual principal and interest requirements on the bonds to be issued for the Project and on the bonds, if any, issued to finance any of the Auxiliary Facilities of the college.

Definitions

"Net Revenues" shall mean all Pledged Revenues after deduction of Operation and Maintenance Expenses.

"Pledged Revenues" shall mean the moneys pledged wholly or in part for the payment of bonds issued under this policy and, subject to any existing pledges or other contractual limitations, may include, at the Board's discretion, any grants, appropriations, or other donations from the United States or its agencies or from any other donor, except the State or its agencies or political subdivisions, and income or moneys derived from the Auxiliary Facilities, including without limitation student fees and other fees, rates, and charges appertaining thereto and for the development thereof. "Pledged Revenues" does not include income or moneys derived in connection with any of the following:

1. Any tuition charges and registration fees;
2. The levy of any general (*ad valorem*) property taxes; or
3. Any grants, appropriations, or other donations from the State, its agencies, or its political subdivisions.

"Operation and Maintenance Expenses" shall mean such reasonable and necessary current expenses of the system, paid or accrued, of operating, maintaining, and repairing the Auxiliary Facilities, as may be determined by the Board, and the term may include, at the Board's option, except as limited by contract or otherwise limited by law, without limiting the generality of the foregoing:

1. Legal and overhead expenses of the various system departments directly related and reasonably allocable to the administration of the Auxiliary Facilities;
2. Fidelity bond and insurance premiums appertaining to the Auxiliary Facilities or a reasonably allocable share of a premium of any blanket bond or policy pertaining to the Auxiliary Facilities;
3. The reasonable charges of any paying agent or depository bank appertaining to any bonds issued by a district or appertaining to any Auxiliary Facilities;
4. Contractual services, professional services, salaries, administrative expenses, and costs of labor appertaining to Auxiliary Facilities;
5. The costs incurred by the system in the collection of all or any part of the Pledged Revenues, including without limitation revenues appertaining to any Auxiliary Facilities;
6. Any costs of utility services furnished to the Auxiliary Facilities by the system or otherwise.

"Operation and Maintenance Expenses" does not include:

1. Any allowance for depreciation;

2. Any costs of reconstruction, improvements, extensions, or betterments;
3. Any accumulation of reserves for capital replacements;
4. Any reserves for operation, maintenance, or repair of any Auxiliary Facilities;
5. Any allowance for the redemption of any bonds evidencing a loan or other obligations, or the payment of and interest thereon;
6. Any liabilities incurred in the acquisition or improvement of any properties comprising any project or any existing Auxiliary Facilities, or any combination thereof; or
7. Any other ground of legal liability not based on contract.

"Auxiliary Facilities" shall mean dormitories, apartments, and other housing facilities; cafeterias, dining halls, and other food service facilities; student union and other student activities facilities; store or other facilities for the sale or lease of books, stationery, student supplies, faculty supplies, office supplies, and like material; theater, gymnasium, fieldhouse, stadium, arena, and other recreation or athletic facilities for use in part by spectators or otherwise; land and any structures, other facilities, or improvements thereof used or available to use for the parking of vehicles used for the transportation by land or air of persons to or from such land and any improvements thereon; properties providing heat or any other utility furnished by a system to any Auxiliary Facilities on a campus; services, contracts, investments, and other miscellaneous unrestricted sources of income not designated in this policy, whether presently realized or to be realized, and accounted for in a miscellaneous sales and services fund or account.

Procedures

The System President shall promulgate procedures as necessary to implement this policy.