

SB 15-225 – State Historical Society Governance
 Senators Holbert and Neville and Representatives Ryden and Saine
 April 15, 2015

History Colorado and the Department of Higher Education Urge Your Support on SB 225

Purpose

SB 15-225, State Historical Society Governance legislation implements an audit recommendation contained in the Performance Audit of History Colorado released by the Legislative Audit Committee (LAC) in July 2014.

- The legislation creates a 9 member board that takes effect on July 1, 2015. The board is transferred to the Department of Higher Education by a Type I transfer. The Governor appoints 5 members to the board with Senate confirmation and 4 additional members are selected by the current board and names are submitted to the Governor for approval and appointment and include Senate confirmation. Currently, board members are elected by members of the Society at the annual meeting.
- Board members are required to possess skills in state financial, legal and regulatory expertise required to oversee the state historical society and shall consider both geographical and cultural diversity of the 9 members.
- Members appointed to the board have the authority to act on behalf of the board prior to Senate confirmation.
- The bill establishes the Director's Council of the State Historical Society to advise the board. Members of the Council are elected by members of the Historical Society.

Background

- The History Colorado Performance Audit contained the following recommendations:
 1. Implement a cost allocation plan in accordance with the state fiscal rules;
 2. Strengthen internal controls over official function expenditures;
 3. Strengthen internal controls over procurement cards;
 4. Improve financial reporting processes;
 5. Strengthen internal controls over accounting transactions; and
 6. Reassess its governance and organizational structure.
- History Colorado implemented the first five recommendations and collaborated with the Executive Branch agencies (Department of Higher Education, Governor's Office and OSPB staff) to assess the governance and organizational structure issue that culminated in the introduction of SB 225. The LAC voted unanimously to sponsor SB 15-225.
- The governance audit recommendation stated " History Colorado management and its Board of Directors should (a) work with the Department of Higher Education to assess its current structure and, if necessary, develop an appropriate governance and organizational structure that balances its needs as a non-profit corporation with that of a state agency, and achieves its organizational objectives and obligations; and (b) work with the General Assembly to develop legislation to incorporate any changes to its governance and organization structure as a result of implementation of part (a) into the State statutes, if necessary. History Colorado and the Department of Higher Education agreed to implement this recommendation by July 1, 2015.

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