

**TOPIC: LINDA CRNIC INSTITUTE 501(C)(3)**

**PREPARED BY: DAVID SKAGGS**

**I. SUMMARY**

Pursuant to statutory requirement, the University of Colorado seeks Commission approval for the creation of a new nonprofit corporation to be qualified under section 501(C)(3) of the Internal Revenue Code to accept and manage a substantial gift from the Anna and John J. Sie Foundation (AJSF) for the creation of the Linda Crnic Institute for research and clinical practice concerning Down syndrome.

**II. BACKGROUND**

Background information is provided in the letter from President Bruce Benson included as Attachment A. The University Board of Regents has adopted a resolution approving the creation of the Institute under the terms of the proposed gift from the AJSF, which require the creation of a separate nonprofit entity to manage the funds and the program of research and clinical activity. Under Colorado law, Commission approval is a prerequisite to the creation of a nonprofit corporation by and under the control of a state institution of higher education.

**III. STAFF ANALYSIS**

Department staff have reviewed the request and supporting documentation submitted by the University of Colorado (available for review at the Department's offices), which describe the purposes and legal authorities pertinent to the proposed Institute and its management under the primary control of the University of Colorado and believes this is an appropriate request for the Commission to approve of the creation of the nonprofit corporation that would advance worthy public purposes consistent with the role and mission of the University of Colorado Denver - Health Sciences Center.

**IV. STAFF RECOMMENDATION**

That the Commission approve the University of Colorado request to create a new nonprofit corporation for the purposes of accepting gifts and managing the research and clinical activities of the proposed Linda Crnic Institute.

**V. STATUTORY AUTHORITY**

Colorado Revised Statutes 24-1-107.5(3).

Attachment A



**University of Colorado**  
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October 16, 2008

Mr. David Skaggs  
Executive Director  
Colorado Commission on Higher Education  
1560 Broadway, Suite 1600  
Denver, CO 80202

Re: CCHE Approval of the Linda Crnic Institute as a Colorado Nonprofit  
Limited Liability Company

Dear Mr. Skaggs:

On behalf of the University of Colorado, I am requesting that the Colorado Commission on Higher Education ("CCHE") approve the creation of the Linda Crnic Institute for Down syndrome research, an academic unit within the School of Medicine of the University of Colorado Denver ("UC Denver"), as a Colorado nonprofit Limited Liability Corporation ("LLC"). Assuming that such approval is granted by CCHE, the University of Colorado will move forward with applying for LLC status from the Colorado Secretary of State.

This world class academic institute will consist of three (3) institutional members, UC Denver, the University of Colorado at Boulder ("UCB"), and The Children's Hospital ("TCH"). The goal and mission of the Linda Crnic Institute is the creation of the pre-eminent global institute dedicated exclusively to the eradication of the ill effects associated with Down syndrome. The creation of the Linda Crnic Institute is due to a generous gift from the Anna and John Sie Foundation ("AJSF"). As a term of this gift, AJSF has requested, and the Board of Regents of the University of Colorado has agreed, to seek nonprofit LLC status for the Linda Crnic Institute. AJSF believes that nonprofit LLC status will: 1) assist in obtaining federal, state and private funding; 2) provide for "branding" opportunities not otherwise available to each of the member institutions; and, 3) present an identity separate and distinct from that of its member institutions.

Pursuant to C.R.S. 24-1-107.5(3), CCHE approval is required in order for the University of Colorado to create a nonprofit entity over which it has control. Under the express terms of the bylaws for the Linda Crnic Institute, it will be managed by the three institutional members, but will be ultimately controlled by the University of Colorado, with majority supervision exercised by UC Denver. The documents creating the Linda Crnic Institute also very clearly provide that the Linda Crnic Institute must abide by all state laws, regulations and fiscal rules. Therefore, fiscal oversight for the Linda Crnic Institute will be no different than if it were a department or division within UC Denver.

David Skaggs  
October 16, 2008  
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On August 21, 2008, the Board of Regents of the University of Colorado approved the establishment of the Linda Crnic Institute as an academic unit and authorized the request for CCHE approval of the Linda Crnic Institute as a Colorado nonprofit LLC. Attached you will find various documents which were approved by the Board of Regents at its August 21, 2008, meeting and which outline in greater detail the structure of the Linda Crnic Institute as well as the support provided by AJSF.

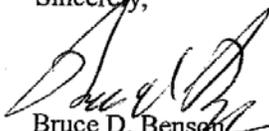
Attached are the following:

- 1) The August 21, 2008, Board of Regent item approving the creation of the Linda Crnic Institute, including a "Statement of Information" which sets forth the background for the creation of this institute, as well as the sources of financial support;
- 2) The Executive Summary of the material terms of this arrangement which was attached to the Board of Regent item;
- 3) An organizational diagram of the Linda Crnic Institute which was attached to the Board of Regent item;
- 4) The program plan for the Linda Crnic Institute which was included with the Board of Regent item;
- 5) The Bylaws for the Linda Crnic Institute which was included with the Board of Regent item;
- 6) A 10-year financial plan for the Linda Crnic Institute which was included with Board of Regent item; and

It is a pleasure to be part of this very exciting project which has the potential to further build on the reputation of the University of Colorado as a national and world leader in medical research. The collaboration between these three outstanding institutions with a common goal of eradicating the ill effects of Down syndrome is unparalleled. The success of Linda Crnic Institute will not only benefit the three member institutions, but also the citizens of the state of Colorado and the country.

I appreciate your consideration of this matter. If you should have any questions, please do not hesitate to contact M. Roy Wilson, MD, MS, Chancellor of UC Denver.

Sincerely,



Bruce D. Benson  
President

Attachments