

Contact: Ann McCarthy

**REVISED ADDENDUM TO FY 2013 LEGISLATIVE REQUEST**

**Action Requested:** Approve the review of statutory requirements and authorize the State Relations Officers to seek changes in the Iowa Code that will provide the greatest tangible benefit to the Regents, state of Iowa, and its citizens.

**Executive Summary:** Regulatory relief seeks to review legislative language to simplify and streamline the governmental processes of the Board of Regents, and to allow the Board and its institutions to operate more efficiently and effectively while maintaining accountability.

**Background:** The last in-depth review of legislative language occurred in FY 2006.

Board office and institutional staff have undertaken a current review of past legislative actions to determine if code language should be amended to better accomplish the Regents' mission, if unnecessary burdens have been placed on the institutions, or if legislative requirements have led to outdated reporting. Specifically, the review addressed duplicative processed, outdated requirements, code changes and pursuit of alternative project delivery methods.

The following Iowa Code sections are proposed for elimination/amendment:

- **CODE SECTION 8D.10**, Reporting of Savings by State Agency: Recommend Elimination of Reporting for Regents.

Requires each state agency to provide an annual savings report identifying "savings" related to the use of the ICN for voice, data, and video needs. The universities have successfully negotiated better rates for these services with outside providers which would result in incremental costs (not savings) if ICN services were utilized. The Regents continue to receive a waiver (in accordance with 8D.9) from the Iowa Telecommunications and Technology Commission exempting them from using ICN services since better rates have been negotiated with an outside provider. There are no savings to report resulting from Regent ICN usage.

- **CODE SECTION 262.9, subsection 28**, Interest Rate for Delinquent Bills: Recommend Amendment as follows:

"Authorize the institutions of higher learning under the board to charge an interest rate, not to exceed the ~~prime~~ rate ~~plus six percent~~ established under the Consumer Credit Code, section 537.2201, on delinquent bills. ~~However, the board shall prohibit the institutions from charging interest on late tuition payments and room and board payments if financial aid payments to students enrolled in the institutions are delayed by the lending institution.~~"

Introduced in 1993, the institutions were to be limited to charging a reasonable market rate on delinquent bills. The Regent universities are already governed by the Iowa Consumer Credit Code 537.2201 which allows charging a reasonable market rate not to exceed 21%. The finance charge, calculated according to the actuarial method, may not exceed twenty-one percent per year on the unpaid balances of the amount financed.

The second sentence no longer applies as the Regent institutions are Direct Lending schools and do not participate in the Federal Family Education Loan Program (FFELP).

- **CODE SECTION 263.19**, UIHC Purchases. Recommend Amendment as follows:  
“Any purchase ~~in excess of ten thousand dollars,~~ of materials, appliances, instruments, or supplies by the University of Iowa hospitals and clinics, ~~when the price of the materials, appliances, instruments, or supplies to be purchased is subject to competition,~~ shall be made pursuant to open competitive quotations, and all contracts for such purchases shall be ~~in compliance with Board of Regents purchasing policies subject to chapter 72.~~”  
Making this purchasing code language consistent with overall Regent purchasing authority allows for more efficient and effective utilization of University and UIHC resources.
- **CODE SECTION 432.13**, Premium tax exemption - Hawk-i program - state employee benefits. Recommend Amendment as follows:  
“Premiums collected by participating insurers under chapter 514I are exempt from premium tax.  
Premiums received for benefits acquired on ~~behalf of state employees~~ by the department of administrative services ~~on behalf of state employees~~ pursuant to section 8A.402, subsection 1, ~~and Regent institutions pursuant to Chapter 262,~~ are exempt from premium tax.”  
This amendment provides more equitable treatment for payment of state taxes by state entities.
- **CODE SECTION 262.24, 262.25 and 262.26. Recommend consolidating three sections into one comprehensive reporting section.**
  - **Strike Code Section 262.24** Reports of Executive Officers  
“~~The executive officer of each of said institutions shall, on or before the first day of August of each even-numbered year, make a report to the board, setting forth such observations and recommendations as in the executive officer’s judgment are for the benefit of the institution, and also the executive officer’s recommendations of a budget for the several colleges and departments of the institution, in detail, and estimates of the amount of funds required therefor for the ensuing biennium.~~”
  - **Strike Code Section 262.25**, Reports of Secretarial Officers.
    1. ~~The secretarial officer shall, for the institution of which the officer acts as secretary (on or before August 1 of each year, report to the board in such detail and form as it may prescribe:~~
      - a. ~~The funds available each fiscal year from all sources for the erection, equipment, improvement, and repair of buildings.~~
      - b. ~~Interest on endowment and other funds, tuition, state appropriations, laboratory and janitor fees, donations, rents, and income from all sources affecting the annual income of the support funds of said institution.~~
      - c. ~~How the funds so received were expended, giving under separate heads the cost of instruction, administration, maintenance and equipment of departments, and the general expense of the institution.~~
      - d. ~~The number of professors, instructors, fellows, and tutors, and the number of students enrolled in each course during each year, stating separately the number of students attending short courses.~~
      - e. ~~The amount of unexpended balances of departments remaining in the hands of the treasurer, and the amounts undrawn from the state treasury on June 30 of each year.~~

- ~~2. The report for the Iowa state university of science and technology shall also show the receipts of the experiment station from all sources for each fiscal year, and how the same were expended."~~
- **Revise Code Section 262.26** Report of Board. Recommend revising the subsection "The board shall ~~cause to have collected data annually from the regent institutions in such detail and form as it shall determine is needed to perform its governance responsibilities, including detailed information on institutional programs, revenues, and expenditures. The board shall provide information and reports for the governor and general assembly including annual appropriation requests deemed necessary and proper to be made for the support of the several institutions and for the extraordinary and special expenditures for buildings, betterments and other improvements~~ biennially, at the time provided by law, report to the governor and the legislature such facts, observations, and conclusions respecting each of such institutions as in the judgment of the board should be considered by the legislature. Such report shall contain an itemized account of the receipts and expenditures of the board, and also the reports made to the board by the executive officers of the several institutions or a summary thereof, and shall submit budgets for biennial appropriations deemed necessary and proper to be made for the support of the several institutions and for the extraordinary and special expenditures for buildings, betterments, and other improvements."
  - **CODE SECTION 266.39F, subsection 3b**, Iowa State University Sale of Dairy Breeding Research Farm. Recommend striking the subsection as transaction occurred and it is obsolete.  
"By December 15 annually, the state board of regents shall submit a report of the activities and costs of the sale of any property in accordance with subsection 1, including but not limited to the use of any proceeds from the sale of the property and the environmental cleanup costs for any proposed sale in accordance with this section, to the general assembly in accordance with section 7A.11A, and to the legislative services agency, until such time as the sale of the property is complete and the proceeds have been expended by the university, at which time the state board of regents shall submit a final report on the sale of the property and use of the proceeds to the general assembly in accordance with section 7A.11A and to the legislative services agency."

State Relations Officers will work with the Board Office and institutional staff to prepare the proposed changes for the 2012 General Assembly, and continue to seek regulatory relief measures that will potentially save taxpayer dollars and provide greater efficiencies in the operation of a variety of Regent responsibilities and services, bringing any additional proposals to the Board.

Attachment – listing of report requirements

ANNUAL LEGISLATIVE REPORTS REQUIRED BY IOWA CODE OR IOWA ACTS

Report	Annual or One-Time	Submitted to:	Code of Iowa and/or Iowa Acts	Type of Report
Annual Report on College Bound and IMAGES Programs	Annual	General Assembly	<a href="#">262.92</a> <a href="#">262.93</a> <a href="#">261.101 -</a> <a href="#">261.105</a>	Programmatic
Annual Report on Minority and Women Educators Enhancement Program	Annual	General Assembly	<a href="#">262.82</a> <a href="#">262.93</a>	Programmatic
Annual Report on Affirmative Action, Diversity, and Multicultural Accomplishments (include funding)	Annual	General Assembly	<a href="#">19B.5</a>	Programmatic
Progress of Regents Institutions on Tech Transfer and Economic Development	Annual	Secretary of Senate and Chief Clerk of the House of Representatives  Legislative Services Agency	SF 517 §§14 and 60 (2011 Acts)	Programmatic
Patents and Licenses (including foundations)	Annual	General Assembly	<a href="#">262B.3</a>	Programmatic
ICN Savings	Annual	General Assembly	<a href="#">8D.10</a>	Programmatic
CHEEC (Center for Health Effects of Environmental Contamination (SUI))	Annual	Legislative Council of the General Assembly (send only to Glen Dickinson at LSA)	<a href="#">263.17</a> (4b)	Programmatic
ISU Leopold Center	Annual	General Assembly	<a href="#">266.39</a>	Programmatic
ISU Energy Center	Annual	General Assembly	<a href="#">266.39C</a>	Programmatic
Beginning Farm Center (ISU)	Annual	General Assembly	<a href="#">266.39E</a>	Programmatic
Outstanding Obligations	Annual	Department Of Management Legislative Services Agency	<a href="#">8.33</a>	Financial

ANNUAL LEGISLATIVE REPORTS REQUIRED BY IOWA CODE OR IOWA ACTS

Report	Annual or One-Time	Submitted to:	Code of Iowa and/or Iowa Acts	Type of Report
Outstanding Bond Obligations	Annual	Treasurer of Iowa (forms and directions come from Treasurer's office prior to the due date)	<a href="#">12.1</a>	Financial
Art in State Office Buildings	Annual	Department of Cultural Affairs	<a href="#">304A.10</a>	Programmatic
Matching Funds for IPRT (ISU)	Annual	Joint Appropriations Subcommittee on Economic Development  Legislative Services Agency	SF 517 §§11 and 57 (2011 Acts)	Programmatic
UIHC Audited Financials to General Assembly	Annual	General Assembly	<a href="#">263A.13</a> a9amended by SF 2376 §27 – 2010 Acts)	Programmatic
Annual Report on Substance Abuse	Annual	Governor's Alliance on Substance Abuse (forms and directions come from the substance abuse coordinator)	<a href="#">080E</a>	Programmatic
Grow Iowa Values Fund (money to Regent universities)	Annual	Governor General Assembly Department of Economic Development Legislative Services Agency	<a href="#">15G.111</a>	Programmatic
Report of Capital Expenditures	Annual	Department of Management Legislative Services Agency	<a href="#">12.88</a> <a href="#">12.88A</a> <a href="#">I_JOBS</a> funding	Financial
Targeted Small Business Purchases and Goals	Annual	Director of Economic Development	<a href="#">262.34A(3)</a> <a href="#">73.16(2)</a>	Programmatic
Efficiencies and Reduction Report	Annual	General Assembly	Annual appropriation legislation	Programmatic

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Report	Annual or One-Time	Submitted to:	Code of Iowa and/or Iowa Acts	Type of Report
Span of Control	Annual	Governor and General Assembly	<a href="#">262.9C</a>	Programmatic
Cooperative Purchasing Plan	Annual	Governor and General Assembly	<a href="#">262.9B</a>	Programmatic
Local Food and Farm Plan (Leopold Center)	Annual	Governor and General Assembly	<a href="#">267A.7</a>	Programmatic
Articulation Agreements (jointly with Department of Education and Liaison Advisory committee)	Annual	General Assembly	<a href="#">262.9(33(i))</a>	Programmatic
Investments in Sudan/Iran	Annual/ Quarterly	General Assembly (and post on-line)	<a href="#">12F.5</a>	Programmatic
Expenditures and Enrollment	Annual	General Assembly	<a href="#">262.9(35)</a>	Programmatic
Agency Fees	Annual	Legislative Services Agency	SF 2088 §25 – 2010 Acts	Programmatic
Professional Leave Assignments and Results	Annual	None given	HF 45 §17	Programmatic
Contract and Training Costs	Semi-annual	Legislative Service Agency	Annual appropriation legislation	Financial
DOM Financial Reports	Monthly	DOM/LSA	Annual appropriation legislation	Financial
Gifts and Grants	Monthly/ Quarterly	DOM	<a href="#">8.7, 8.9 &amp; 8.44</a>	Financial
Payroll Census Reports	Monthly	DOM/DED/DAS	unknown	Financial
E-85 Usage Reports	Quarterly	Regents agreed to report	<a href="#">8A.362</a>	Programmatic

ANNUAL LEGISLATIVE REPORTS REQUIRED BY IOWA CODE OR IOWA ACTS

<b>Report</b>	<b>Annual or One-Time</b>	<b>Submitted to:</b>	<b>Code of Iowa and/or Iowa Acts</b>	<b>Type of Report</b>
Fire Safety reports	Annual	General Assembly	<a href="#">262.33A</a>	Programmatic
Education Coordination	Unknown	Unknown	<a href="#">262.9(27)</a>	Programmatic
Receipts and Disbursements	Annual	Board of Regents	<a href="#">262.23</a>	Financial
Budgets	Annual	Board of Regents/DOM/LSA	<a href="#">262.24</a> and <a href="#">8</a>	Financial
Secretarial Reports	Annual	Board of Regents	<a href="#">262.25</a>	Programmatic & Financial