

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Revisions to the Board of Regents Policy Manual
Date: September 1, 2004

Recommended Actions:

Approve, as first reading, revisions to Chapter 7 – Business Procedures of the Board of Regents Policy Manual:

Executive Summary:

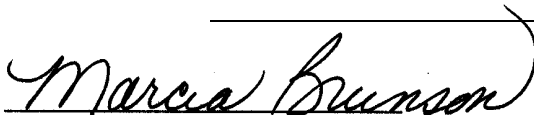
First Reading Revisions to Chapter VII – Business Procedures of the Policy Manual are presented for first reading.

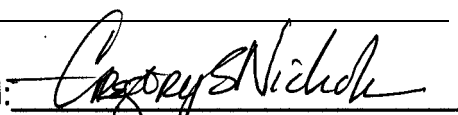
The Public Policy Task Force recommended that the Board adopt a clear and consistent definition of reallocation (Agenda Item 3). The proposed changes, consistent with this recommendation are included in 7.02A (6) and detailed in **Attachment A**.

Background:

Standard revision process takes two Board meetings Changes are proposed to the Policy Manual as a result of editorial review and Regent comments. The traditional revision process for substantive revisions involves initial review and comment by the institution and the Board (the “first reading”) and then providing final Board approval for publication at a subsequent Board meeting.

Revisions to the Policy Manual that have been approved by the Board to date are listed in **Attachment B**.


Marcia R. Brunson

Approved: 
Gregory S. Nichols

PROPOSED REVISION:

FIRST READING

VII. BUSINESS PROCEDURES

. . .

7.02 General Policies

A. Budgets

. . .

6. Reallocation Policy

The following represents the key components of the reallocation policy for FY 2005 through FY 2009:

a. Definition: Reallocation of institutional funds occurs when funds within the base budget of a defined university entity (presidential/vice presidential unit, college, academic or nonacademic department, division, program, or other unit) are removed by the dean, vice president, or president overseeing that entity and redirected to another entity or purpose. Funds so removed cannot be redirected back to that original entity or purpose within four years except under extraordinary circumstances and only then by increasing an equivalent reallocation amount for the current year. Reallocation may be made to support new strategic initiatives, to meet enrollment increases and the demand for new courses and services, to fund new but unavoidable or mandated cost increases, or to support any other initiatives important to the core functions of the university.

b. The Board will annually set a target dollar amount or percentage of expected reallocations for each institution. . . Institutions will report on a semi-annual basis to the Board on their actions relative to reallocations.

c. Examples of actions that are reallocations:

- Moving funds that supported a faculty position in the Department of Physics to support a new faculty position in the Department of Genetics, Development, and Cell Biology
- Moving funds that supported a faculty position in genetics to support a new faculty position in cell biology, all within the Department of Genetics, Development, and Cell Biology
- Moving funds from the budgets of all academic departments within a college to create an additional collegiate-wide professional position for information technology support.
- Moving funds from fuel and utility budgets because of additional efficiencies to fund new faculty positions in strategic disciplines.

Attachment A

- Moving funds from academic and other programs that are being eliminated or downsized to increase funding to academic programs of higher priority.
- Moving the support for a faculty position from the General Education Fund to a private grant or contract and using the GEF savings to cover the start-up costs for a new faculty hire.
- Moving funds from individual staff positions within Facilities Management to support unfunded and mandated collective bargaining staff salary and benefit increases.
- Moving funds from individual faculty or staff positions within a college to support more competitive faculty salaries within the college.

d. Examples of actions that are not reallocations:

- Movement of funds that supported a staff position in financial aid record keeping to funding for an automated software system to maintain the same records, but more efficiently
- Movement of funds that supported a P&S staff position to oversee freshmen chemistry labs to support a graduate student to oversee the same freshmen chemistry labs
- Movement of funds within an academic department from graduate student support to student hourly wages.
- Movement of funds from a lecturer position in Art and Design teaching drawing to a tenure-track position in the same department teaching drawing.

~~a. Each institution must reallocate at least 1.0% of its continuing base general fund budget for focused strategic initiatives.~~

~~b. Each initiative must be fully described, similar to initiatives requesting state appropriations or outside funding, and should address the following criteria:~~

~~1) Relationship of initiatives to institutional strategic plans.~~

~~2) Other proposed funding source requests, such as state appropriations or tuition, for similar or connected initiatives.~~

~~3) Benefits associated with initiatives to the institution and/or the state such as:~~

~~a) Desired outcomes of initiatives~~

~~b) Potential for enhancement of external funding (leveraging of resources)~~

~~c) Expected impact on the state's economic development~~

~~4) The institution is to describe results/progress of the initiatives funded by reallocations as part of the annual comprehensive fiscal report.~~

~~5)The institution would provide a summary, in general terms, from where the reallocated funding was accumulated for these initiatives.~~

The reallocation policy will be reviewed at least every five years.

POLICY AFTER REVISION:

. . .

7.02 General Policies

A. Budgets

. . .

6. Reallocation Policy

The following represents the key components of the reallocation policy for FY 2005 through FY 2009:

- a. Definition: Reallocation of institutional funds occurs when funds within the base budget of a defined university entity (presidential/vice presidential unit, college, academic or nonacademic department, division, program, or other unit) are removed by the dean, vice president, or president overseeing that entity and redirected to another entity or purpose. Funds so removed cannot be redirected back to that original entity or purpose within four years except under extraordinary circumstances and only then by increasing an equivalent reallocation amount for the current year. Reallocation may be made to support new strategic initiatives, to meet enrollment increases and the demand for new courses and services, to fund new but unavoidable or mandated cost increases, or to support any other initiatives important to the core functions of the university.
- b. The Board will annually set a target dollar amount or percentage of expected reallocations for each institution. . Institutions will report on a semi-annual basis to the Board on their actions relative to reallocations.
- c. **Examples of actions that are reallocations:**
 - Moving funds that supported a faculty position in the Department of Physics to support a new faculty position in the Department of Genetics, Development, and Cell Biology
 - Moving funds that supported a faculty position in genetics to support a new faculty position in cell biology, all within the Department of Genetics, Development, and Cell Biology

- Moving funds from the budgets of all academic departments within a college to create an additional collegiate-wide professional position for information technology support.
 - Moving funds from fuel and utility budgets because of additional efficiencies to fund new faculty positions in strategic disciplines.
 - Moving funds from academic and other programs that are being eliminated or downsized to increase funding to academic programs of higher priority.
 - Moving the support for a faculty position from the General Education Fund to a private grant or contract and using the GEF savings to cover the start-up costs for a new faculty hire.
 - Moving funds from individual staff positions within Facilities Management to support unfunded and mandated collective bargaining staff salary and benefit increases.
 - Moving funds from individual faculty or staff positions within a college to support more competitive faculty salaries within the college.
- d. **Examples of actions that are not reallocations:**
- Movement of funds that supported a staff position in financial aid record keeping to funding for an automated software system to maintain the same records, but more efficiently
 - Movement of funds that supported a P&S staff position to oversee freshmen chemistry labs to support a graduate student to oversee the same freshmen chemistry labs
 - Movement of funds within an academic department from graduate student support to student hourly wages.
 - Movement of funds from a lecturer position in Art and Design teaching drawing to a tenure-track position in the same department teaching drawing.

The reallocation policy will be reviewed at least every five years.

Board approved revisions of sections of the Policy Manual

- Chapter V. Equal Opportunity, in January 2002.
- Chapter II. Meetings and Chapter IV: Personnel, in March 2002.
- Chapter IV. Personnel -- §4.04: Appointment of Presidents, Superintendents, and Executive Director and §4.11: Employment and Supervision of Immediate Family Members, in April 2002.
- Chapter III. Board Office, in April 2002.
- Chapter VI. Academic Policies and Procedures (with the exception of §§6.03 and 6.04), in April 2002.
- Chapter I. Board of Regents, in May 2002.
- Chapter VI. Academic Policies and Procedures, §§6.03 and 6.04, in May 2002.
- Chapter VIII. Charges and Fees, in May 2002.
- Chapter IV. Personnel -- §4.37: Regent Employees Representing the Board of Regents and the Regent Enterprise, and §4.38: Regent Employees Serving on State Committees as Regent Employees, in June 2002.
- Chapter I. Board of Regents -- §1.07(A)(2)(b) (amended to include a community college president as a representative on the Committee on Educational Coordination), in June 2002.
- Chapter VII. Business Procedures -- §7.04: Purchasing, in July 2002.
- Chapter IV. Personnel -- §4.39: Conflict of Interest of Public Officers and Employees – Gifts, §4.40: Conflict of Interest – Duty of Loyalty, and §4.41: Inclement Weather, in January 2003.
- Chapter VII. Business Procedures -- §7.01: Authority, §7.02: General Practices, §7.04: Financing, §7.06: Risk Management, §7.07: Compliance and Reporting, and §7.08: Audits, in January 2003.
- Chapter IX. Property and Facilities -- §9.03: Register of Capital Improvement Business Transactions, §9.04: Permission to Proceed with Project Planning, §9.05: Program Statement, §9.06: Project Descriptions and Budgets, §9.07: Consultant Agreements and Amendments, §9.08: Construction Contracts and Change Orders, §9.09: Acceptance of Completed Construction Contracts, and §9.10: Final Reports, in January 2003.
- Chapter I. Board of Regents -- § 1.03: Report of Special Schools Advisory Committees; §1.04, subsections C and E; and §1.06I: Regent Advisory Committees on Iowa School for the Deaf and Iowa Braille and Sight Saving School, in April 2003.
- Chapter IV. Personnel -- §4.42: Interinstitutional Staff Sharing, in April 2003.
- Chapter VI. Academic Policies and Procedures -- §6.05: Academic Review and Program Approval and subsection 6.05B(3), in April 2003.
- Chapter IX. Property and Facilities -- §9.07: Consultant Agreements and Amendments, in April 2003.
- Chapter I. Board of Regents -- §1.03: Governance, subsection E: Governance Reports – Banking Committee, in May 2003.
- Chapter I. Board of Regents -- §1.05: Board of Regents Committee, in May 2003.
- Chapter VII. Business Procedures -- §7.09: Printing, in July 2003.
- Chapter VII. Business Procedures -- §7.02: General Policies, A. Budgets, 6. Reallocation, in October 2003.

- Chapter I. Board of Regents - §1.06E: Economic Development and Technology Transfer, in October 2003.
- Chapter III. Board Office -- §3.03: Responsibilities of the Executive Director and Board Office, emeritus status for Board Office staff, in November 2003.
- Chapter IV. Personnel -- §4.16: Holidays, in December 2003.
- Chapter IV. Personnel -- §4.31: Drug-Free Environment and Controlled Substances, Subsection C, in December 2003.
- Chapter VI. Academic Policies and Procedures -- §6.05: Academic Review and Program Approval, in December 2003.
- Chapter V. Equal Opportunity -- §5.06: Affirmative Action Committee, in December 2003.
- Chapter VII. Business Procedures -- §7.09: Printing, Subsection D-4, in December 2003.
- Chapter I. Board of Regents -- §1.09, Affiliated Organizations, in January 2004.
- Chapter VII Business Procedures -- §7.04B, Master lease drawdowns, in January, 2004.
- Chapter VII Business Procedures --§7.04C, Assistance in reporting, in January, 2004.
- Chapter VII Business Procedures -- §7.04I, Purchasing report, in January, 2004.
- Chapter VIII Fees and Charges -- §8.06A, Residence system reporting, in January, 2004
- Chapter I Board of Regents -- §1.03E, Governance Reports, in February 2004
- Chapter I Board of Regents -- §1.02, Strategic Plan, in April, 2004
- Chapter I Board of Regents -- §1.01C, Orientation of Board Members, in May, 2004
- Chapter IV. Personnel -- §4.40: Conflict of Interest, in May, 2004.
- Chapter I Board of Regents -- §1.04, Board Officers, in May, 2004
- Chapter I Board of Regents -- §1.05, Board of Regents Committees, in May, 2004
- Chapter I Board of Regents -- §1.06, Interinstitutional Committees, in May, 2004
- Chapter I Board of Regents -- §1.07, Special Committees, in May, 2004
- Chapter VII Business Procedures – A number of non-substantive editorial corrections were implemented to ensure that the Policy Manual conformed to the revisions in the Board’s committee structure (e.g., “Banking Committee” references were removed or revised) in May, 2004
- Chapter I Board of Regents -- §1.05b, Board Committee responsibilities, in June, 2004
- Chapter I Board of Regents -- §1.05d, Standing Committees of the Board, in June, 2004
- Chapter VI. Academic Policies and Procedures -- §6.01: Admissions Requirements (application fees), in June, 2004.
- Chapter VI. Academic Policies and Procedures -- §6.20: Admission Requirements (Iowa Braille and Sight Saving School) Approval, in June, 2004.
- Chapter VII Business Procedures -- §7.05B.12, Definition of “movable equipment, in January, 2004.
- Chapter 1 Board of Regents -- §1.02 Strategic Plan, August 24, 2004.
- Chapter 3 Board Office -- §3.01 Board Office Statement of Mission, August 24, 2004.
- Chapter 3 Board Office -- §3.03 Responsibilities of the Executive Director and the Board Office, August 24, 2004.