

Contact: Mark Braun

2006 LEGISLATIVE AGENDA

Action Requested:

Consider adopting the following recommendations for statutory changes to forward for consideration by the Governor and the General Assembly.

Executive Summary:

The Board has determined that the Regent enterprise be a key example of an efficiently managed governmental entity in the state of Iowa. In 2005, the Board worked to provide flexibility for the institutions by advocating for the elimination of statutory obstacles that impeded the utilization of best practices and hindered continual improvement.

Below are the suggested statutory changes to pursue during the 2006 legislative session:

Mandatory direct deposit of paychecks

Starting on July 1, 2005, employers' may require direct deposit of a new hire's paycheck. That has been interpreted to mean that once an employee has received at least one paycheck, they are no longer considered a new hire and they may elect to receive a paper check from that point forward. Exploring a statutory change to allow an employer to require direct deposit for all employees, current employees and new hires, would facilitate implementation of best practices.

Eliminate requirement to post electronic competitive bids on separate targeted small business website

Since the inception of targeted small business (TSB) legislation, the three Regent universities are required to post all competitive bids to the targeted small business website. The requirement to post bids separately to this website is not producing any new targeted small business contracts. The effort of posting to this site is manual and requires additional resources to manage this process as well as documenting compliance. Given that all competitive bids are now required by Iowa law to be posted electronically to a state website, the benefit to being required to post bids to this specific TSB website is negligible. A link could be provided on one website to another to avoid duplication.

Eliminate requirement that leases be approved by the Board of Regents by roll call vote and permit the Board to delegate leasing authority except for major transactions

Delegation of leasing authority by category and/or dollar threshold would be a significant step in improving the efficiency of the leasing process and would have a major impact on the ability of the institutions to serve their constituents more promptly and effectively. In particular, the institutions' role in economic development would be greatly enhanced through this increased flexibility. In many instances, time is of the essence for start-up companies in the business/industry sector.

Change the targeted small business reporting requirement from a quarterly report to an annual report.

This reporting requirement consumes roughly 25-30 hours per quarter of a purchasing resource. The procurement goal of purchasing 10% from TSB vendors is unreasonable given the low numbers of TSB vendors. The diminishing numbers of TSB vendors suggests that the value of participating in this program is of low value. To continue to provide a report that consistently shows these goals were not reached seems inefficient and ineffective.

Exempt the Board of Regents from paying a tax on health insurance premiums for benefits on behalf of state employees.

This would provide the Board of Regents with the same benefit as central state agencies. The central state agencies were provided the tax exemption in 1999.

Model Procurement Code (as presented to the legislative oversight committee)

The proposed code would establish a statewide entity to govern all state and local government purchasing within the state. If such legislative language were proposed, it is recommended that the Board oppose it because the code would seriously erode the Board's governing authority and its ability to utilize best practices and obtain greater efficiencies and cost savings.

Any other statutory changes that would promote efficiencies or best practices.

Previously Adopted Recommendations (September 2005)

Last year, the Governor altered Iowa's budgeting approach to fund the state's highest priorities with the first dollars in the state's budget. Buying teams act as advisers to the Governor, who will ultimately make decisions regarding budget recommendations. For FY 2007, the buying teams are aligned with the seven legislative budget subcommittees; Education, Health and Human Services, Economic Development, Justice, Agriculture and Natural Resources, Capitals, and Administration and Regulation. The Board of Regents provides services that are "purchased" by the state in education, health and human services, economic development and capitals.

Regent Operating Appropriations Requests

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| Higher Education ¹ | \$ 611,482,911 |
| Higher Education Special Purpose ¹ | \$ 25,895,562 |
| Special Education | \$ 14,305,786 |
| Economic Development | \$ 2,971,853 |

¹ \$90,000 adjustment to incorporate MHEC appropriation as Special Purpose

IowaCares (former Indigent Patient Care Program UIHC) Appropriation

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| Requested through Department of Human Services | \$ 27,284,584 |
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| Capital Appropriations Request (one-time funding) | \$25,000,000 |
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