

MEMORANDUM

To Board of Regents
From: Board Office
Subject: Revisions to Board of Regents Policy Manual
Date: January 4, 2003

Recommended Actions:

1. Approve for publication editorial changes to Board of Regents Policy Manual as follows:
 - §1.09: Affiliated Organizations (Attachment 1),
 - §7.04B: Lease Financing of Equipment and Facilities (Attachment 2),
 - §7.04C: Parietal Rules and Dormitories (Attachment 3),
 - **§7.05I**: Reporting (Attachment 4),
 - §7.07C: Policy on Competition with Private Enterprise (Attachment 5),
 - §8.06A: University Housing (Attachment 6); and
 2. Approve as a first reading, revisions to Board of Regents Policy Manual §1.03E: Governance Reports (Attachment 7A).
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Executive Summary:

<u>Policy Manual</u> under intensive review	The Board Office and Regent institutions have been in the process of reviewing the <u>Board of Regents Policy Manual (Policy Manual)</u> , formerly the <u>Procedural Guide</u> , for more than a year. The process has involved the Board reviewing proposed changes and additions at one meeting, commenting on the proposals, and allowing institutional comments to be incorporated prior to final approval for publication at a subsequent Board meeting.
Affiliated organiza- tions report Board Office	Proposed revisions in <u>Policy Manual</u> §1.09: Affiliated Organizations, directs the institutions to provide the report on their activities with the affiliated organizations to the Board Office. (Attachment 1)
Annual reports for lease financing and installment pur- chases eliminated	Proposed revisions in <u>Policy Manual</u> §7.04B(1&2): Lease Financing of Equipment and Facilities, removes an annual reporting requirement for master lease activity (to Banking Committee) and for installment purchases of \$50,000 or more (to Board). (Attachment 2)
Directors of student housing and dining services relieved of report preparation	Proposed revisions in <u>Policy Manual</u> §7.04C: Parietal Rules and Dormitories, removes from directors of student housing and dining services the necessity to assist in the preparation of an annual report to the Board. (Attachment 3)

No annual purchasing report	Proposed revisions in <u>Policy Manual §7.05I</u> : Reporting, removes the requirement to docket for the Board an annual report on purchasing. (Attachment 4)
Report competition with private enterprise to Board Office	Proposed revisions in <u>Policy Manual §7.07C</u> : Policy on Competition with Private Enterprise, directs the institutional annual reports on competition with private enterprise be filed with the Board Office. (Attachment 5)
Residence systems must have five year institutional plans	Proposed revisions in <u>Policy Manual §8.06A</u> : Residence System Reporting, require five year institutional plans for projected trends in total enrollment, housing design capacity, housing occupancy and occupancy ratios, capital renewal plans, and financial forecasts for the next decade. (Attachment 6)
New list of governance reports	Changes in the governance reports to be received by the Board are identified in Attachment 7A.

Strategic Plan:

Relates to quality, effectiveness, and efficiency	Revision of the <u>Policy Manual</u> is consistent with the Board of Regents current Strategic Plan, KRA 1.1.0.0, Quality. More specifically these proposals relate to KRA 4.0.0.0, Accountability, and particularly to Objective 4.2.0.0 – to improve the operational effectiveness and efficiency of the institutions.
FY 2004 – 2009 Strategic Plan	Four priorities for its 2004-2009 Strategic Plan were approved by the Board in July 2003. They are: #1 – quality education; #2 – discovery of new knowledge; #3 – needed service and promotion of economic growth; and #4 – public accountability. These proposed changes relate to public accountability for financial resources and acquiring and retaining quality staff to provide quality education.

Background:

<u>Policy Manual</u> being revised	Previous revisions of the <u>Policy Manual</u> approved by the Board are catalogued in Attachment 8.
Editorial review underway	The Board Office and the Regent institutions are in the process of reviewing for consistency the <u>Policy Manual</u> revisions that have already been approved and are proposing editorial changes. Changes proposed for <u>Policy Manual</u> sections as a result of the editorial review with the institutions and Regent comments are as follows:
Affiliated organizations report to Board Office rather than Board	<ul style="list-style-type: none">• §1.09: Affiliated Organizations – institutions will annually report their activities with affiliated organizations to the Board Office rather than to the Board. Irregularities or significant issues arising from the reports will be brought to the Board’s attention.(Attachment 1).

- No annual report on lease financing and installment purchasing • §7.04B(1&2): Lease Financing of Equipment and Facilities – institutions will no longer provide an annual report to the Banking Committee on master lease activity. The requirement to report drawdowns on the master leases as they occur is considered sufficient reporting. A report to the Board on installment purchase agreements is no longer required as a part of the Annual Purchasing Report. The purchase agreements are concluded within Board Policy and delegated to the institutional chief business officers. (Attachment 2)
- Directors of student housing and dining services no longer assist in annual report • §7.04C: Parietal Rules and Dormitories – removes the requirement that directors of student housing and dining services assist in the preparation of an annual report on their interactions concerning institutional policies, practices, and procedures, and on trends in occupancy by class, sex, and age. (Attachment 3)
- Annual report on purchasing not docketed • ~~§7.05~~: Reporting – removes the requirement to docket for Board information an annual report on institutional purchasing received by the Board Office. (Attachment 4)
- Report on competition with private enterprise to Board Office • §7.07C: Policy on Competition with Private Enterprise – changes the receiver of the report on institutional activities which may compete with private enterprise from the Board to the Board Office. (Attachment 5)
- Five year planning projections for university housing • §8.06A: University Housing – changes the requirement for planning projections from a ten year time period to a five year time period. (Attachment 6)
- List of governance reports modified • §1.03E: Governance Reports – modifies the list of governance reports received by the Board based on Board and institutional consultation. Attachment 7A shows proposed modifications. Attachment 7B shows the list of governance reports as they will appear if this modification is approved.

Some proposals made by the institutions were not consistent with the Board Office's understanding of the Board's intent. Those items will be brought forward when inconsistencies are resolved.

Analysis:

Edits proposed this month are the result of institutional comments and Board Office review.


Charles Wright

Approved: 
Gregory S. Nichols

1.09 Affiliated Organizations

Affiliated organizations comprise a wide variety of special activities and interests intended to support the mission of the Regent institutions (Iowa Code § 262.9(8)). Annually, each Regent institution is directed to report to the Board Office on its activities with affiliated organizations. Any irregularities or significant issues arising in connection with affiliated organizations should be brought to the Board's attention immediately.

7.04 Financing

A. Mortgages and Loans

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B. Lease Financing of Equipment and Facilities

1. Upon the recommendation of the chief business officer of an institution the executive director may execute lease agreements on behalf of the institution with a third-party leasing agent with which the Board has approved master lease documents and when outstanding leasing is within dollar allocation amounts set by the Board.
 - a.
 - Master lease drawdowns shall be reported to the Board's Banking Committee at its next meeting following the drawdown.
 - ~~b. Annual reports on outstanding master lease activity shall be made to the Banking Committee.~~
2. Vendor installment purchase agreements may be executed by the chief business officer of an institution under the delegated purchasing authority as outline in Section 7.05, Purchasing , subject to the provisions below:
 - a. Vendor installment purchase agreements with a total value of greater than \$250,000 for the universities and \$25,000 for the special schools shall be approved by the executive director and reported to the Banking Committee at its next meeting following the agreement date.
 - b. All vendor installment purchase agreements of \$50,000 or more shall be reported to the legislative fiscal bureau as required by Iowa Code § 8.46. ~~and to the Board in the Annual Purchasing Report.~~
 - c. Vendor installment purchase agreements shall meet all other standards pertaining to purchasing, including obtaining cash price quotes, and shall be evaluated against the relative economics of a cash purchase, the Board's Master Lease Agreement and other third-party leases.
3. True leases of equipment where ultimate ownership of the equipment is not intended, other than through the future exercise of an option to purchase, may be executed by the chief business officer or designee of an institution under the delegated purchasing authority.

7.04 Financing

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C. Parietal Rules and Dormitories

1. Students may choose to live in university residence halls, university apartments, fraternities, sororities, or off-campus housing. .
2. When and if a requirement for a parietal rule requiring students to live in university housing is needed, in the university's judgment, to carry out the responsibility of the Board under its bond covenants to assure maximum occupancy of the dormitories, the university shall first present a recommendation to the Board.
3. If the above parietal rule for any of the three Regent universities is to be invoked, the Board will publish notice before any enforcement of the parietal rule.
4. The Board encourages the directors of student housing and dining services to meet regularly to exchange information and to discuss policies, practices, and procedures and for the three universities to prepare appropriate information that will enable analysis trends in occupancy by class, sex, and age. ~~and assist in the preparation of an annual report to the Board.~~
5. The Board covenants and agrees that, so long as any of the bonds (dormitory) shall remain outstanding, it will continuously operate and maintain the system; will adopt such rules and regulations for occupancy, including parietal rules, as will assure maximum occupancy of the buildings; and will fix, maintain, revise and adjust from time to time such rates, rents, fees, and charges for the use of said system as will provide revenues sufficient at all times to pay the reasonable cost of operating and maintaining the system and to provide and maintain the "Dormitory Revenue Bond Sinking Fund" and the required reserve therefore; that it will not permit any free use of the system; and that it will collect and account for and apply the rents, profits, income, and revenues in accordance with [its bond resolutions].

7.05 Purchasing

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I. Reporting

An annual report on purchasing, including purchases from Regent employees, shall be submitted by each institution to the Board Office. ~~A joint report shall be docketed for Board information annually.~~

7.07 Compliance and Reporting

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C. Policy on Competition with Private Enterprise

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- 5. Annually, a report will be provided to the Board Office of institutional activities which may compete with private enterprises, including any formal complaints related to competition with private enterprise, during the past calendar year.

8.06 University Housing

Students may choose to live in available university residence halls, university apartments, fraternities, sororities, or off-campus housing.

The Board encourages the directors of the university residence systems to meet regularly to exchange information and to discuss policies, practices, and procedures.

A. Residence System Reporting

Prior to the approval of changes in room and board rates, the universities are to provide the following to the Board:

- Annual reports that provide detailed information on various aspects of the residence systems for the previous fiscal year and include the most current residence system information such as enrollments, occupancy, and financial and bonding data.
- ~~Ten-~~ Five year plans that provide projected trends in total enrollment, housing design capacity, housing occupancy, and occupancy ratios, capital renewal plans, and financial forecasts for the next decade.

1.03 Governance

.....(Note: Comments within parenthesis identify information that will be reported elsewhere.)

E. Governance Reports

The Board of Regents considers a number of governance reports throughout the course of the year. Items with an asterisk (*) behind them are received by the Board but generally are not docketed for discussion. Typically they list below indicates the subject matter of a report to be considered by the Board though the name of the actual report may vary from the list. The reports include:

Periodic:

Appropriations, Requests, Preliminary and Final
Budget Adjustments –Current Year
Capital Program, Preliminary and Final
~~Institutional Strategic Plans, Preliminary and Final, Review of~~
Legislative Program
Legislative Session Reports, including Governor’s Budget
Miscellaneous Fees and Charges, Preliminary and Final
Operating Budgets, Preliminary and Final
Parking Fees, Preliminary and Final
Residence System Rates, Preliminary and Final
Tuition Policies and Rates, Preliminary and Final
UIHC to Board of Regents as Hospital Trustees

Annual:

Affiliated Organizations*
~~Capital Program~~ (Reported periodically, above)
~~Child Care~~
Comprehensive Fiscal Report for Previous Year
Comprehensive Compensation Report
~~Deferred Maintenance~~ (Combined with Facilities Report)
Designated Tuitions and Fees, Allocation of
Distance Education Report
Diversity, Annual Report of (includes Affirmative Action Employment,
Targeted Small Business, Regents Minority and Women
Educators Enhancement Program)
Economic Development, Report on
~~Educational Relations, Committee Report on~~
Facilities Report
~~Faculty Productivity~~ Activity Report
~~Faculty Resignations, Report on~~ (Combined with another report)
~~Faculty Tenure~~ (Combined with another report)
Fall Enrollment Report – Parts I & II
~~Family Practice Residency Program, Report on~~
~~Fire and Environmental Safety~~ (Combined with Facilities Report)
~~Fringe Benefits~~ (Combined with Comprehensive Compensation Report)
Graduation and Retention Rates

Institutional Reports on Academic Program Review/Student Outcomes
Assessment

Institutional Roads Program

~~Internal Audit Plans (Reported to Banking Committee)~~

~~International Agreements, Report on~~

~~Libraries, Report of~~

~~Performance Indicators, Report on (Combined with Strategic Plan)~~

~~Phased and Early Retirement Programs, Annual Report on (Combined
with another report)~~

Competition with Private Enterprise (*)

~~Professional & Scientific (P & S) Pay Plans, Operation of (Combined with
Comprehensive Compensation Report)~~

Professional Development Assignments, Report on

Professional Development Assignments, Request for

Purchasing (*)

Regents Merit System Report

~~Regional Study Centers, Report on (Combined with Distance Education)~~

~~Registrars and Admissions Officers, Report of~~

Residence Systems, Annual Report, Ten Five-Year Plan, and Preliminary
Budget

~~Salary Report (Combined with Comprehensive Compensation Report)~~

~~Spring Enrollment Report~~

Student Financial Aid Report

~~Technology Transfer (Combined with Economic Development)~~

Biennial:

~~Cooperation/Collaboration, Report on~~

~~Faculty Consulting Activities~~

~~Radio Stations, Reports on~~

Unit Cost Study

Banking Committee:

External Investment Fund Manager Reviews

Internal and External Audit Reports

Internal Audit Plans

Investment and Cash Management

~~Annual Master Lease Report~~

1.03 Governance
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Periodic:

- Appropriations, Requests, Preliminary and Final
- Budget Adjustments –Current Year
- Capital Program, Preliminary and Final
- Strategic Plans
- Legislative Program
- Legislative Session Reports, including Governor’s Budget
- Miscellaneous Fees and Charges, Preliminary and Final
- Operating Budgets, Preliminary and Final
- Parking Fees, Preliminary and Final
- Residence System Rates, Preliminary and Final
- Tuition Policies and Rates, Preliminary and Final
- UIHC to Board of Regents as Hospital Trustees

Annual:

- Affiliated Organizations*
- Comprehensive Fiscal Report for Previous Year
- Comprehensive Compensation Report
- Designated Tuitions and Fees, Allocation of
- Distance Education Report
- Diversity, Annual Report of (includes Affirmative Action Employment, Targeted Small Business, Regents Minority and Women Educators Enhancement Program)
- Economic Development, Report on
- Facilities Report
- Faculty Activity Report
- Fall Enrollment Report – Parts I & II
- Graduation and Retention Rates
- Institutional Reports on Academic Program Review/Student Outcomes Assessment
- Institutional Roads Program
- Competition with Private Enterprise*
- Professional Development Assignments, Report on
- Professional Development Assignments, Request for Purchasing*
- Regents Merit System Report

Residence Systems, Five-Year Plan, and Preliminary Budget
Student Financial Aid Report

Biennial:

Unit Cost Study

Banking Committee:

Internal and External Audit Reports
Internal Audit Plans
Investment and Cash Management

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.