



THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF THE STATE OF NEW YORK / ALBANY,
NY 12234

TO: The Honorable the Members of the Board of Regents

FROM: Valerie Grey

SUBJECT: Proposed Amendment of section 3.2 of the Rules of the Board of Regents, relating to the Committee on Audits/
Budget and Finance

DATE: February 25, 2011

AUTHORIZATION(S):

SUMMARY

Issue for Decision (Consent Agenda)

Should the Board of Regents adopt as a permanent rule the proposed amendment of section 3.2 of the Rules of the Board of Regents to establish the Committee on Audits/Budget and Finance as a standing committee of the Board of Regents?

Reasons for Consideration

Review of policy.

Proposed Handling

The proposed amendment will be presented to the Full Board for adoption as a permanent rule at the March Regents meeting. A second emergency adoption is also needed at the March meeting to ensure that the December emergency rule remains continuously in effect until the effective date of its adoption as a permanent rule. A Statement of the Facts and Circumstances Which Necessitate Emergency Action is attached.

Procedural History

The proposed amendment was adopted as an emergency rule at the December 2010 Regents meeting, effective December 21, 2010.

Background Information

The proposed amendment would establish a Regents standing committee on Audits/Budget and Finance so that the Board of Regents may more effectively meet its statutory responsibilities to determine the educational policies of the State, and oversee the State Education Department and other institutions in the University of the State of New York. Specifically, the Committee on Audits/Budget and Finance will assist the Board of Regents in carrying out its financial oversight responsibilities by ensuring accountability through centralizing review and discussion of fiscal and audit issues related to the State Education Department. The Committee will:

- review State and federal budget actions;
- review financial reports and all audits of the Department;
- recommend budget priorities for the upcoming State fiscal year and actions needed to achieve budget reductions and close structural deficits;
- review select audits of other institutions in the University of the State of New York which may require Department action and submit recommendations and reports to the Full Board, as appropriate; and
- provide oversight of the Department's Office of Audit Services.

A Notice of Proposed Rule Making concerning the proposed amendment was published in the State Register on December 29, 2010. Supporting materials are available upon request from the Secretary to the Board of Regents.

Recommendation

It is recommended that the Board of Regents take the following action:

VOTED: That subdivisions (a) and (d) of section 3.2 of the Rules of the Board of Regents be amended, as submitted, effective March 30, 2011, and it is further

VOTED: That subdivisions (a) and (d) of section 3.2 of the Rules of the Board of Regents be amended, as submitted, effective March 22, 2011, as an emergency rule upon a finding by the Board of Regents that such action is necessary for the preservation of the general welfare in order to ensure that the emergency rule adopted at the December 2010 Regents meeting remains continuously in effect until the effective date of its adoption as a permanent rule.

Timetable for Implementation

The proposed amendment was adopted as an emergency rule at the December 2010 Regents meeting, effective December 21, 2010, and will expire on March 21, 2011. If adopted at the March Regents meeting, the second emergency rule will become effective on March 22, 2011, and the permanent rule will become effective on March 30, 2011.

Attachment

PROPOSED AMENDMENT OF SECTION 3.2 OF THE RULES OF THE BOARD OF
REGENTS PURSUANT TO EDUCATION LAW SECTION 207, RELATING TO
STANDING COMMITTEES OF THE BOARD OF REGENTS
STATEMENT OF FACTS AND CIRCUMSTANCES WHICH NECESSITATE
EMERGENCY ADOPTION

The proposed amendment is necessary to establish a Regents standing committee on Audits/Budget and Finance so that the Board of Regents may more effectively meet its statutory responsibilities to determine the educational policies of the State, and oversee the State Education Department and other institutions in the University of the State of New York. Specifically, the Committee on Audits/Budget and Finance will assist the Board of Regents in carrying out its financial oversight responsibilities by ensuring accountability through centralizing review and discussion of fiscal and audit issues related to the State Education Department. The Committee will:

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- provide oversight of the Department's Office of Audit Services.

The proposed amendment was adopted as an emergency action at the December 13-14, 2010 Regents meeting. A Notice of Proposed Rule Making was published in the State Register on December 29, 2010.

The proposed amendment has now been adopted as a permanent rule at the March 7-8, 2011 Regents meeting. Pursuant to the State Administrative Procedure Act, the earliest the permanent rule may become effective is after its publication in the State Register on March 30, 2011. Since the December 2010 emergency adoption will expire on March 21, 2011, 90 days after its filing with the Department of State on December 21, 2010, there would be a lapse in the rule's effectiveness. Another emergency adoption is necessary for the preservation of the general welfare to ensure that the emergency rule adopted at the December 2010 Regents meeting remains continuously in effect until the effective date of its adoption as a permanent rule.

AMENDMENT OF THE RULES OF THE BOARD OF REGENTS

Pursuant to Education Law section 207

1. Subdivision (a) of section 3.2 of the Rules of the Board of Regents is amended, effective March 22, 2011, as follows:

(a) The chancellor shall appoint the following standing committees and designate the leadership of each committee:

- (1) Higher Education.
- (2) P-12 Education.
- (3) Cultural Education.
- (4) Ethics.
- (5) Professional Practice.
- (6) Adult Career and Continuing Education Services (ACCES).
- (7) Audits/Budget and Finance.

2. Subdivision (d) of section 3.2 of the Rules of the Board of Regents is amended, effective March 22, 2011, as follows:

(d) The functions of the standing committees shall include:

- (1) . . .
- (2) . . .
- (3) . . .
- (4) . . .
- (5) . . .
- (6) . . .

(7) Committee on Audits/Budget and Finance shall assist the Board of Regents in carrying out its financial oversight responsibilities by ensuring accountability through centralizing review and discussion of fiscal and audit issues related to the State Education Department. The Committee shall:

(i) review State and federal budget actions;

(ii) review financial reports and all audits of the Department;

(iii) recommend budget priorities for the upcoming State fiscal year and actions needed to achieve budget reductions and close structural deficits;

(iv) review select audits of other institutions in the University of the State of New York which may require Department action and submit recommendations and reports to the Full Board, as appropriate; and

(v) provide oversight of the Department's Office of Audit Services.

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