



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
Subcommittee on Audits/Budget and Finance

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: December 2, 2010

STRATEGIC GOAL: Goal 5

AUTHORIZATION(S):

SUMMARY

Issues for Decision

Should the Board of Regents amend section 3.2 of the Rules of the Board of Regents as an emergency action 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 Subcommittee on Audits/Budget and Finance for recommendation and to the Full Board for adoption as an emergency action at the December 2010 Regents meeting. A Statement of the Facts and Circumstances Which Necessitate Emergency Action is attached.

Procedural History

N/A

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 will be published in the State Register on December 22, 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 December 21, 2010, as an emergency action, upon a finding by the Board of Regents that such action is necessary for the preservation of the general welfare in order to immediately establish the Committee on Audits/Budget and Finance, so that the Committee may efficiently and expeditiously assume its duties beginning with the next succeeding Regents meetings, and thereby assist the Board of Regents to efficiently and effectively meet its statutory responsibilities.

Timetable for Implementation

If adopted at the December Regents meeting, the amendment will become effective as an emergency rule on December 21, 2010 and will remain in effect for 90 days. It is anticipated that the proposed amendment will be presented for adoption as a

permanent rule at the March 2011 Regents meeting, after publication of the Notice of Proposed Rule Making in the State Register and expiration of the 45-day public comment period for agency rule makings prescribed in the State Administrative Procedure Act.

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:

- 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.

Because the Board of Regents meets at scheduled intervals, the earliest the proposed amendment could be presented for regular adoption, after publication of a

Notice of Proposed Rule Making in the State Register and expiration of the 45-day public comment period prescribed in the State Administrative Procedure Act, is at the March 7-8, 2011 meeting of the Board of Regents. If adopted at the March Regents meeting, the earliest the amendment could become effective is March 30, 2011. However, in addition to the March 7-8, 2011 meeting, Regents meetings are also scheduled for January 10-11, 2011 and February 7-8, 2011.

Emergency action to adopt the proposed amendment is necessary for the preservation of the general welfare in order to immediately establish the Committee on Audits/Budget and Finance, so that the Committee may efficiently and expeditiously assume its duties beginning with the next succeeding Regents meetings, and thereby assist the Board of Regents to efficiently and effectively meet its statutory responsibilities.

It is anticipated that the proposed amendment will be presented for permanent adoption at the March 2011 Regents meeting, which is the first scheduled meeting after expiration of the 45-day public comment period prescribed in the State Administrative Procedure Act.

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 December 21, 2010, 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 Education and Workforce Development.

(7) Audits/Budget and Finance.

2. Subdivision (d) of section 3.2 of the Rules of the Board of Regents is amended, effective December 21, 2010, 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.