

STATE BOARD FOR TECHNICAL AND COMPREHENSIVE EDUCATION

PROCEDURE

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TITLE: HIGHER EDUCATION EFFICIENCY
AND ADMINISTRATIVE POLICIES ACT
OF 2011

**POLICY
REFERENCE NUMBER:** 7-1-101

**DIVISION OF
RESPONSIBILITY:** FINANCE

DATE OF LAST REVISION: February 23, 2016

Vice President for Finance

Executive Director

The State Board for Technical and Comprehensive will authorize individual colleges to administer certain administrative efficiency provisions as provided for in the Higher Education Efficiency and Administrative Policies Act of 2011.

The following provisions in the Higher Education Efficiency and Administrative Policies Act of 2011 are subject to the level of authority matrix found in Appendix 1:

- Permanent Improvements
- Procurement
- Leasing

All other provisions will be authorized in full in the approval authorization letter from the State Board.

Application: Individual colleges may submit an application letter to the State Board to request the administrative efficiency provisions. The application letter should be from the Area Commission Chairman and President requesting the authority level (Appendix 1) for administrative efficiency provisions and certifying the following:

- Implementation of the Higher Education Efficiency and Administrative Policies Act will be in accordance with all provisions as found in the Act and the college has the necessary staff to ensure compliance.

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- College has received an unqualified audit opinion for the last two years and the audit statements been filed with the State in a timely manner.
- College has maintained at least a 30 day working capital reserve for the past two fiscal years.
- College has operated with a positive financial position for the past two years.
- College has included acceptable written explanation and proposed remedy for any significant finding in its current year audited financial statements. Subsequent year audited financial statements do not indicate recurrence of same finding.
- College ensures that transparency reporting will be in place by date in the Act.

An application letter is only required for individual colleges that are seeking authorization for tier level two (2) or three (3).

State Board Review: The State Board staff will review the individual college application letter and documentation and make recommendations for level of authorization per the Authority Level Matrix in Appendix 1 to the State Board. The State Board shall review and approve the recommendation level.

Authorization: The State Board staff will prepare an authorization letter after the State Board approval detailing each individual college's authorization. Individual colleges will be responsible for ensuring compliance with the Act and with the authority granted in the authorization letter.

State Board Oversight: The advisory board, in consultation with the State Board staff, will provide oversight for the Higher Education Efficiency and Administrative Act of 2011 after State Board authorization approval. This will include providing technical assistance and guidance as needed.

The State Board staff will also ensure that all certification assurances continue to be met on an annual basis through the review of the individual college's financial statements. In the event, that certification assurances are not met, the individual college may risk the loss of the authorization provisions of the Higher Education Efficiency and Administrative Policies Act of 2011.

The advisory board, in consultation with the State Board staff, will develop any reports as needed in order to comply with the Act. All reports must be submitted timely and accurately to the General Assembly. The reports must be distributed to the State Board and Presidents for review prior to submission to the General Assembly.

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Appendix 1 Authority Level Matrix

HEEPA 2011 Authority Level 1: Level 2: Level 3:

Permanent Improvements:

Acquisition of Land	\$250,000 with JBRC Staff Approval			\$250,000 with JBRC Staff Approval
Acquisition of Building and Other Structure	\$250,000 with JBRC Staff Approval			\$250,000 with JBRC Staff Approval
Existing Facilities - Renovation, repair, maintenance, alteration or demolition	\$ 1,000,000.00	\$ 500,000.00	\$ 750,000.00	\$ 1,000,000.00
Capital Lease Purchase of facility acquisition or construction	\$ 1,000,000.00	\$ 500,000.00	\$ 750,000.00	\$ 1,000,000.00
Capital Equipment	\$ 1,000,000.00	\$ 500,000.00	\$ 750,000.00	\$ 1,000,000.00

Procurement:

Additional Procurement Authority	up to \$50,000 additional authority	\$ -	up to \$25,000 additional authority	up to \$50,000 additional authority
Small Purchase Procurements	\$ 10,000.00	\$ 2,500.00	\$ 7,500.00	\$ 10,000.00
Indefinite Delivery Contracts				
<u>Construction</u>				
Limit - Total	\$ 1,000,000.00	\$ 750,000.00	\$ 900,000.00	\$ 1,000,000.00
Limit - Individual	\$ 250,000.00	\$ 100,000.00	\$ 200,000.00	\$ 250,000.00
<u>Architectural and Engineering</u>				
Limit - Total	\$ 500,000.00	\$ 300,000.00	\$ 400,000.00	\$ 500,000.00
Limit - Individual	\$ 250,000.00	\$ 100,000.00	\$ 200,000.00	\$ 200,000.00
<u>Small Architectural and Engineering</u>				
Limit - Total	\$ 150,000.00	\$ 75,000.00	\$ 100,000.00	\$ 150,000.00
Limit - Individual	\$ 75,000.00	\$ 25,000.00	\$ 50,000.00	\$ 50,000.00
Cooperative Purchasing	Exemption with Costs Savings			Exemption with Costs Savings

Leasing:

Small Lease Agreements	\$ 100,000.00	\$ 25,000.00	\$ 75,000.00	\$ 100,000.00
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