

REVISION TO POLICY MANUAL – MILEAGE/MEALS

Action Requested: Give final approval to revisions to the Board of Regents Policy Manual, Section 7.05F.

Executive Summary: Revisions modifying the reimbursement rate for mileage and meals in Section 7.05F of the Board's Policy Manual were presented as a first reading to the Board at its June 2005 meeting.

MILEAGE: These revisions tie the mileage reimbursement from a set amount for a privately owned vehicle (POV) (\$.31 per mile) to the rate established by the federal government. As of January 1, 2005, the federal reimbursement rate is \$.405.

- The maximum rate for government fleet vehicle (GFV) would change from \$.25 per mile to the current federal rate of \$.285. This is the rate paid to employees when a government-owned vehicle is available, and they drive a personal car.
- The Regent institutions estimate a total FY 2006 budget impact of \$485,628 for increased mileage reimbursement. Iowa State University would see the greatest impact with more than half of the increased cost. This is predominately due to the University's outreach mission since Extension employees incur significant mileage expense.
- The federal reimbursement rates are consistent with peer universities.

MEALS: The Policy Manual revisions also include an increase in the amount allowable for reimbursement for meals. The maximum daily amount for reimbursement would be increased from \$26 per day (\$5, \$7, and \$14 for each of the three meals) to \$31 per day (\$6, \$9, and \$16) for in-state travel. Meal would continue to be reimbursed based upon actual costs. Out-of-state meal reimbursement is unchanged from \$40 per day (\$8, \$12, and \$20).

For the Board's information, the Board Office was recently notified that the state revised its mileage reimbursement rate. Previously, reimbursement for mileage if a state vehicle was available was \$.22 per mile. If a state vehicle was not available, the reimbursement rate was \$.29 per mile. Effective July 1, the reimbursement rate regardless of availability of state vehicle will be \$.34 per mile.

The revisions presented for final approval are unchanged from those presented in June.

The full text of the revisions will be included in the Board's exhibit book available at the Board meeting and will be available on the Board's website as an attachment to this memorandum.