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Mary Ellen Roy Vice Chair

Charlotte Bollinger Secretary

James E. Purcell Commissioner of Higher Education



BOARD OF REGENTS

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Harold M. Stokes
Joseph C. Wiley
Demetrius D. Sumner, Student

FINANCE COMMITTEE REPORT Thursday, May 26, 2011

The Finance Committee of the Board of Regents met at 10:30 a.m. on Thursday, May 26, 2011, in the Louisiana Purchase Room, Claiborne Building, 1201 North Third Street, Baton Rouge, Louisiana. Committee Chair Rasberry called the meeting to order.

Committee Members Present

W. Clinton Rasberry, Jr., Chair Donna Klein, Vice Chair Scott Ballard Robert Bruno Maurice Durbin Joseph Farr Mary Ellen Roy Roger Oge', LCTC System Walter Guidry, SU System Edward Sibille, UL System

Guests

Appendix A

Staff Members Present

Jim Purcell Todd Barre` Barbara Goodson Lori Parker

Other Board Members Present

Ed Antie Charlotte Bollinger Chris Gorman Robert Levy Harold Stokes Demetrius Sumner Joseph Wiley

Committee Members Absent

LSU System

Louisiana: Looking at its Past and Preparing for its Future by Dr. Jim Richardson, John Rhea Alumni Professor of Economics; Director, LSU A&M's Public Administration Institute; and Member of the Louisiana Revenue Estimating Conference

Dr. Bill Richardson, John Rhea Alumni Professor of Economics; Director, LSU A&M's Public Administration Institute; and Member of the Louisiana Revenue Estimating Conference, presented a Power Point entitled *Louisiana: Looking at its Past and Preparing for its Future*.

He outlined how past and present fiscal crises have impacted Louisiana and how the state typically comes out stronger.

Consideration of an Extension of the Temporary Revisions of the Investment Policies

Mr. Todd Barre', Deputy Commissioner for Finance and Administration, said that in January 2010, the Board of Regents revised Section B.2 of the Louisiana Board of Regents Endowed Chair, Endowed Professorship, and Endowed Scholarship Programs Statement of Investment Policy and Objectives as follows:

Based on unprecedented market condition experiences in both U.S. and global financial markets over the last few fiscal years, to be effective July 1, 2011 and terminating June 30, 2012:

Annual spending of up to 5% of the market value of Program Assets averaged on a consistent basis for the 5 most recent trust fund years is allowed, provided that the market value of the Program Assets at the end of the most recent fiscal trust fund year exceeds the original corpus of the endowment by an amount at least equal to the amount to be spent in the next fiscal trust fund year for which a spending allocation is made. When the current market value of Program Assets is below the original corpus of the endowment, no spending is allowed.

Mr. Barre' said a consideration of an extension for one fiscal year of this temporary relief provision would be recommended based upon findings from a survey and review on the market value of endowed professorships and chairs, and review of the status of investment standing conducted by Board of Regents' staff.

On motion by Regent Klein and second by Regent Farr, the Finance Committee approved the one fiscal year extension of the temporary relief provision.

Status Update on the FY 2011-12 Postsecondary Education Operating Budget

Deputy Commissioner Barre' provided a status update on where the FY 2011-12 Postsecondary Education Operating Budget stands in the legislative process.

Adjournment

With no further business to come before the committee, the meeting was adjourned at 11:20 a.m.

Appendix A

Guest List for May 26, 2011 for Board of Regents' Committee meetings

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Mary Ann Coleman LAICU Lisa Abney Northwestern Kevin Appleton Southern University James Robinson ALFS/LSUE Mike Gargano LSU System SuJuan Boutte LOSFA Ken Rea LA Tech Ellen Cook ULL Monty Sullivan **LCTCS** Tammy Bourg Southeastern Brad O'Hara **UL System** Jane Cassidy LSU Laynie Barrilleaux Nicholls Walter Tillman, Jr. **SUS** Jan Waguespack AT&T

John Mines UNO, COSBP Woody Oge LCTCS
Mark Legendre LSU Ag Center

Julie Falgoust Univ. of LA Foundation

Gina Dugas LSU Foundation Rick Bateman LCTCS-Sowela

Charles Richard
ULL
Brad Clark
ULL
Gail Reeve
LSU
Brady Smith
BRCC
Moneque Cross
Joel Tholine
LSU
Erica Sherrard
ULL
ULL
ULL
ULSU
ULSU
ULSystem

Victor Ukpolo SUNO