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**BOARD OF REGENTS**

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Mary Ellen Roy  
William Clifford Smith  
Victor T. Stelly  
Harold M. Stokes  
Roland M. Touns  
James L. Klock, Student*

**FINANCE COMMITTEE MEETING**

**Wednesday, January 23, 2008**

The Finance Committee met on Wednesday, January 23, 2008 at 11:29 a.m. in the Louisiana Purchase Room of the Claiborne Building, 1201 North Third Street, Baton Rouge, Louisiana. Chair Scott Brame called the meeting to order. The roll was called, and a quorum was established.

**COMMITTEE MEMBERS PRESENT**

Scott Brame, Chair  
Artis Terrell, Jr., Vice Chair  
Richard D'Aquin  
W. Clinton Raspberry, Jr.  
Clifford Smith  
Victor Stelly  
Harold Stokes  
Roland Touns  
Andre' Coudrain, UL System  
Steve Smith, LCTC System  
Alvin Kimble, LSU System

**OTHER BOARD MEMBERS PRESENT**

Mary Ellen Roy  
Pat Strong  
Maurice Durbin  
Ingrid Labat  
Robert Bruno  
Robert Levy  
Donna Klein  
James Klock

**COMMITTEE MEMBERS ABSENT**

SU System Representative

**GUESTS PRESENT**

Appendix A

**STAFF MEMBERS PRESENT**

E. Joseph Savoie  
Donald J. Vandal  
Wendy Simoneaux

**REVIEW OF RECENT SREB AND OTHER COMPARATIVE****FINANCIAL DATA**

Mr. Vandal explained to the Committee that the staff relies upon the extensive data collection efforts of the Southern Regional Education Board (SREB) to analyze financial trends for universities and colleges within the southern region and in development of its funding recommendations for Louisiana universities and colleges. In part due to the extensiveness of the data collection by the SREB, there is a lag in the timeliness of the data such that FY 2006-2007 financial statistics from the SREB Data Exchange were released in December, 2007, mid-year of FY 2007-08 and just as the budget development process for FY 2008-2009 is beginning. Mr. Vandal then reviewed the latest SREB data and other recent financial information regarding the status of funding provided higher education throughout the nation.

Mr. Vandal also reminded the Committee that the Board had adopted in 2004 a tuition and fee policy in response to a legislative resolution, but that the policy was never ratified by a two-thirds vote of the legislature. Mr. Vandal informed the Committee that the policy would be updated to reflect current projections and brought to the Board in February for its renewed consideration.

**REVIEW OF REVISED INVESTMENT POLICY USE**

Mr. Vandal then reminded the Committee that in January, 2006, the Board of Regents approved a revised Statement of Investment Policy and Objectives making three significant changes to the Statement dealing with the inflation factor used to protect the corpus of the endowments, the allowable investment instruments, and the requirement for

audit assurances. One of the most significant changes was allowing investment within the 60% equity limitation of up to 10% in multi-strategy hedge funds of funds and up to 10% investment in publicly traded real estate investment trusts (REITS). Additionally, in January 2007, the Board approved additional revisions in the Statement of Investment Policy and Objectives in response Act. No. 856 of 2006 which authorized the investment in stock (equities) of State-funded permanently endowed funds of a public or private college or university. Revisions in the policy effectively allowed the 60% equity limitation to increase to a 74% equity allowance.

Mr. Vandal then shared the results of a survey conducted by staff in an effort to monitor the use and value of the modifications made to the policy. Mr. Vandal summarized the degree to which universities, colleges, and their foundations, have utilized the authority provided under the policy revisions.

### **LOUISIANA HEALTH SCIENCES CENTER - SHREVEPORT BUDGET ADJUSTMENT (BA-7)**

Mr. Vandal then provided the Committee with a budget adjustment request from the Louisiana Health Sciences Center - Shreveport which would provide for increased budget authority in self-generated, interagency-transfer, and federal funds that would be received as a result of a planned 22 medical surgical bed expansion as reflected in Appendix B.

After discussion, the Finance Committee took the following action:

**On motion of Regent Stokes, seconded by Regent Smith, the Finance Committee voted to unanimously recommend the Board approve the LSUHSC - Shreveport BA-7 as reflected in Appendix B.**

### **REPORT FROM DEPUTY COMMISSIONER**

Mr. Vandal then introduced three of the newest Board of Regents Finance and Administration Division employees, Mrs. Lori Parker, Assistant Commissioner for Budget Analysis, Mr. John Gates, Research Commercialization and Educational Enhancement Program Auditor, and Mr. Brian Criss, Postsecondary Education Auditor. Mr. Vandal also briefed the committee on several projects being undertaken in the Finance and Administration Division including continued work on the formula, and FY 2008-2009 funding negotiations with the Division of Administration.

### **ADJOURNMENT**

There being no further business to come before the Committee, the Finance Committee adjourned at 12:10 pm.

**GUESTS LIST****JANUARY 23, 2008****APPENDIX A**

Stuart Mills	LSU-S
Todd Barre	ULS
John Antolik	LSU System
Tom Armstrong	LSU A
Tolor E. White	SU System
Marty Fortner	SUSLA
Kassie Freeman	SU System
Jan Jackson	LCTCS
Walter T. Tillman, Jr.	SU System
Michael Ralph	SU System
Endas Vincent	SU System
Dennis R. McSeveney	UNO
Victor Ukpolo	SUNO
Akila M.Ali	SU BOS
Jim Eagan	Delgado
Jim Howell	LSU System
Steve Hilterbran	BRCC
Jerry Pinsel	BRCC
Gerald Williams	SUNO

