

*Artis L. Terrell, Jr.*  
*Chair*

*Robert W. Levy*  
*Vice Chair*

*Mary Ellen Roy*  
*Secretary*

*Sally Clausen*  
*Commissioner of*  
*Higher Education*



*Charlotte A. Bollinger*  
*Scott O. Brame*  
*Robert J. Bruno*  
*Richard E. D'Aquin*  
*Maurice C. Durbin*  
*Donna G. Klein*  
*Ingrid T. Labat*  
*W. Clinton Rasberry, Jr.*  
*Victor T. Stelly*  
*Harold M. Stokes*  
*Roland M. Toups*  
*Joseph C. Wiley*  
*Marc A. Guichard, Student*

**BOARD OF REGENTS**

*P. O. Box 3677*  
*Baton Rouge, LA 70821-3677*  
*Phone (225) 342-4253, FAX (225) 342-9318*  
[www.regents.state.la.us](http://www.regents.state.la.us)

**FINANCE COMMITTEE REPORT**  
**Wednesday, January 27, 2010**

The Finance Committee met on Wednesday, January 27, 2010, at 9:53 a.m. in the Claiborne Building, Louisiana Purchase Room, in Baton Rouge, Louisiana. Committee Chair Brame called the meeting to order. The roll was called and a quorum was established.

**Committee Members Present**

Scott Brame, Chair  
Victor Stelly, Vice Chair  
Richard D'Aquin  
Ingrid Labat  
W. Clinton Rasberry, Jr.  
Mary Ellen Roy  
Harold Stokes

**Staff Members Present**

Wendy Simoneaux  
Donald Vandal  
Carolyn Blanchard

**Other Board Members Present**

Robert Bruno  
Charlotte Bollinger  
Maurice Durbin  
Marc Guichard  
Roland M. Toups  
Artis L. Terrell, Jr.  
Joseph Wiley

**Committee Members Absent**

**Guests**

Appendix A

CONSIDERATION OF AN EXTENSION OF THE TEMPORARY REVISIONS OF THE INVESTMENT POLICY

Regent Brame noted that in March, 2009, based on unprecedented market conditions in both the U.S. and global financial markets, the Board of Regents temporarily revised Section B.2 (Spending Policy) of the Louisiana Board of Regents Endowed Chair, Endowed Professorship, and Endowed Scholarship Programs Statement of Investment Policy and Objectives effective July 1, 2008 and terminating on June 30, 2010 to read as follows:

***B.2. 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. However, the amount of annual spending allowed above for the Endowed Scholarship may be divided among multiple recipients, provided that each student receives at least \$1,000 per year at 4 year institutions or at least \$500 per year at 2 year institutions.***

He then stated that in light of the fact that the financial markets have been improving, but are still in a state of recovery, the Board of Regents Investment Policy Advisory Committee (IPAC) has requested consideration of an extension of this temporary relief provision until June 30, 2011.

Mr. Brame then introduced Mrs. Wendy Simoneaux, Associate Commissioner for Finance and Administration to share with the Board the results of a recent survey which identified the financial status of the Board of Regent's Endowed Chairs and Professorships. Mrs. Simoneaux stated that of the 2,507 Chairs and Professorships included in the survey, 42% or 1,046 had estimated market values that met the Board of Regent's unrevised spending policy, 927 or 37% had estimated market values that would prohibit spending without the revised spending policy, and 534 or 21% had estimated market values that would prohibit spending regardless of the action taken to extend the temporary revision.

After further discussion,

**On motion of Regent Rasberry, seconded by Regent Stelly, the Board of Regents as a Committee of the Whole voted unanimously to approve the recommendation of the Finance Committee to extend the temporary revision of Section B.2 of the Louisiana Board of Regents Endowed Chair, Endowed Professorship, and Endowed Scholarship Programs Statement of Investment Policy and Objectives to June 30, 2011.**

#### CONSIDERATION OF BUDGET ADJUSTMENT (BA-7's) REQUEST

Mr. Vandal next introduced Southern University System BA-7 Number 3 which he said was approved earlier by the Southern University System. He mentioned that this BA-7 would provide for increases in spending authority for the Southern University Law Center due to an increase in self-generated revenues and for the Southern University Agricultural Research and Extension Center due to an increase in federal funds.

After further discussion,

**On motion of Regent Rasberry, seconded by Regent D'Aquin, the Board of Regents as a Committee of the Whole voted unanimously to approve the recommendation of the Finance Committee to approve BA-7 Number 3 previously approved by the Southern University System which would provide for an increase in spending authority for the Southern University Law Center, due to an increase in self-generated revenues (\$659,795), and an increase in spending authority for the Southern University Agricultural Research and Extension Center due to an increase in federal funds (\$343,541).**

#### REPORT FROM DEPUTY COMMISSIONER

Mr. Vandal stated that the Staff were awaiting the release of the Governor's Executive Budget for FY 2010-2011 which must be sent to the Joint Legislative Committee on the Budget 60 days prior to the Legislative Session.

#### ADJOURNMENT

There being no further business to come before the Committee, Chair Brame declared the meeting adjourned at 10:06 a.m.