OREGON STATE BOARD OF HIGHER EDUCATION
STANDING COMMITTEE ON FINANCE AND ADMINISTRATION
FEBRUARY 4, 2011

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OSBHE Finance and Administration Committee

February 4, 2011
ASRC 515, Portland State University

Minutes

Committee members included Chair Kirk Schueler and Directors Lynda Ciuffetti, Allyn Ford, and Brian Fox.

Chancellor’s staff present included Chancellor George Pernsteiner, Vice Chancellor Jay Kenton, Controller Michael Green, Doug Botkin, Di Saunders, Patricia Snopkowski, Marcia Stuart, and Charles Triplett.

Campus personnel present included: Presidents Bob Davies (EOU) and Chris Maples (OIT); Vice Presidents Lindsay Desrochers (PSU), Frances Dyke (UO), Mark McCambridge (OSU), Craig Morris (SOU), Mark Weiss (WOU), and Mary Ann Zemke (OIT).

Others present included: Michael Mueller (State Treasurer’s Office), Bill McGee (DAS BAM),

1. **CALL TO ORDER**
Chair Schueler called the meeting to order at 8:00 a.m.

2. **ACTION ITEMS**
   a. **OUS, Report on Investments – As of December 31, 2010**

   Chair Schueler called upon Controller Michael Green and Director of Treasury Operations Karen Levear to present the investment report for the second quarter of Fiscal Year 2011.

   During the report, Mr. Mike Mueller provided an update from the State Treasurer’s Office. Schueler asked if there was a benchmark for the hedge markets; Mueller affirmed that there is a benchmark for the BlackRock activity

   **Action:** Following the presentation, Chair Schueler called for a motion to accept the Investment Report as of December 31, 2010; Directors Brian Fox made the motion and Allyn Ford seconded. Motion carried.

   b. **OUS, Managerial Reporting – Quarterly Management Report**

   Chair Schueler called upon Controller Green to present the quarterly management reports for the second quarter concerning the financial activity of the OUS current unrestricted and auxiliary enterprises funds.
Action: Following the report, Director Lynda Ciuffetti made the motion to accept the Quarterly Management Report for December 31, 2010, and Brian Fox seconded. Motion Carried.

c. OUS, 2010 Annual Financial Report

Controller Green then introduced Mr. Scott Simpson and Ms. Amanda Bridges, Moss Adams, LLP, who presented their 2010 financial audit report.

Action: Following discussion, Director Allyn Ford made a motion to accept the 2010 Annual Financial Report and Director Brian Fox seconded; motion carried.

Chair Schueler thanked Controller Green, Simpson, and Bridges. Mr. Green subsequently expressed his appreciation for his staff’s excellent work—in particular, Paul Bartlett, Diana Barkelew, and Mary Gaffney.

d. OUS, Internal Audit Progress Report

Chair Schueler called upon Director Patricia Snopkowski who presented the Internal Audit (IAD) progress report.

Action: Following discussion, Schueler called for a motion to approve the Internal Audit 2010 Final Progress Report and 2011 Annual Audit Plan; Directors Brian Fox and Lynda Ciuffetti made and seconded the motion. Motion carried.

3. Further Business

Chair Schueler called upon Vice Chancellor Jay Kenton to provide details on the recently released Governor’s 2011-2013 recommended budget. With the further erosion in state revenues, several concerns were raised concerning potential additional budget reductions.

President Bob Davies, Eastern Oregon University, provided an update on his administration’s plan to address budget shortfalls.

4. Adjournment

With no further discussion, Chair Schueler adjourned the meeting at 10:04 a.m.