



State of Tennessee

David H. Lillard, Jr., State Treasurer

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Treasurer Lillard Praises Investment Performance of Chairs of Excellence Trust Fund

At a time when state dollars are declining as a percentage of overall funding for higher education, the Chairs of Excellence Trust earned over \$56 million during the last two years to fund endowed chairs of excellence at Tennessee colleges and universities.

The Department of Treasury is responsible for managing the assets of the COE Trust. Investment income exceeded \$34 million for the fiscal year that ended June 30. For the prior fiscal year that ended June 30, 2010, investment income was more than \$22 million.

The COE Trust was created by the Tennessee General Assembly at the recommendation of then-Gov. Lamar Alexander in 1984. The program is used to attract top academic talent to all of the state's four-year colleges and universities, as well as the University of Tennessee Space Institute.

The initial funding of the program was provided through contributions made by private donors and matching amounts by the state, which were used to create individual Chairs of Excellence.

Since the program began, there have been 99 chairs created. The COE Trust had \$242.6 million in assets as of June 30. Since the program's inception, accumulated income from investments has been \$272.5 million – with more than 20 percent of that total accumulated over the last two fiscal years.

“I am very pleased with the responsible way in which our staff has managed the assets of the Chairs of Excellence Trust,” Treasurer David H. Lillard, Jr. said. “During one of the most difficult economic times many of us have experienced, this fund continues to have strong investment earnings. That is important because the Chairs of Excellence program helps our state's colleges and universities attract regionally- and nationally-known experts in a wide variety of academic fields. These experts provide our students with instruction and academic programs that would otherwise be unavailable.”

The Trustees of the Chairs of Excellence Trust met last month to review the investment performance of the Trust and to authorize more than \$8.8 million for spending to fund the 99 chairs at the various Board of Regents and University of Tennessee institutions for the current academic year.