

Nebraska State College System



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June 7, 2012

Elizabeth M. Murphy
Secretary
Securities & Exchange Commission
100 F Street, N.E.
Washington, DC 20549-1090

RE: Registration of Municipal Advisors under Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act

Dear Ms. Murphy:

As the Chancellor of the Nebraska State College System (NSCS), I would like to express my concern regarding the definition of “municipal advisor” in the Dodd-Frank Wall Street Reform and Consumer Protection Act and the omission of language exempting appointed board members from having to register as municipal advisors, see 76 Fed. Reg. 824, 834 (Jan. 6, 2011). I am concerned that the proposed definition of “municipal advisor” could be construed to include appointed trustees, such as those governing the NSCS.

The NSCS is a constitutionally created entity and its governing Board of Trustees (Board) was established through Nebraska Statute. The Board’s duties and powers are clearly identified in statute and a review clearly indicates that the NSCS Board is responsible for making decisions affecting all aspects of system governance. Trustees have a responsibility to be well-informed, and as such, may seek advice. However, they are decision makers – not advisors.

The Governor of Nebraska, subject to the approval of the State Legislature, appoints six individuals residing within the State of Nebraska to serve as trustees for the NSCS. The Governor also annually appoints a non-voting student trustee from each of the three NSCS institutions. The Nebraska Commissioner of Education serves as an ex-officio member of the Board. NSCS Board members are not compensated for their service. They are volunteer appointees who devote their time, experience, and expertise to serving the public good.

Prior to legislative approval, appointees appear before the legislature’s education committee to answer questions regarding the NSCS and Board membership, e.g., the role the trustees play while serving the NSCS and/or serving the greater good and not their own interests. The student trustees, during their orientation session, also discuss the role they have of representing all the colleges and not only their home institutions. The NSCS Trustees are accountable to the citizens of Nebraska and they owe a fiduciary duty to the Nebraska State College System. They are not “municipal advisors.”

Excluding appointed trustees from the definition of “municipal advisor” is critical to the on-going control of public state colleges and universities, including the NSCS, who, as previously stated, is governed by appointed trustees. Requiring these appointed board members to register with the Securities and Exchange Commission will hinder their capacity to make decisions and will, I suggest, ultimately reduce the number of qualified individuals willing to serve our colleges in this capacity.

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I urge you to modify the proposed rule in order to exclude appointed governing board members from the definition of "municipal advisor."

Sincerely,

A handwritten signature in black ink that reads "Stan Carpenter". The signature is written in a cursive style with a large, prominent "S" at the beginning.

Stan Carpenter
Chancellor