

MINUTES

OF THE

MEETING OF THE

BOARD OF REGENTS

OF

THE TEXAS A&M UNIVERSITY SYSTEM

HELD IN

COLLEGE STATION, TEXAS

MARCH 22-23, 2001

(Approved May 24-25, 2001, Minute Order 104-2001)

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March 22-23, 2001**

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*MINUTES OF THE
MEETING OF THE BOARD OF REGENTS
March 22-23, 2001*

CONVENE BOARD MEETING - MARCH 22, 2001

A regular meeting of the Board of Regents of The Texas A&M University System was convened by Mr. Don Powell, Chairman of the Board of Regents, at 8:45 a.m., on Thursday, March 22, 2001, in the Board Meeting Room, Board of Regents Annex, on the campus of Texas A&M University, College Station, Texas. The following members of the Board were present:

Mr. Don Powell, Chairman
Mr. Fredrick D. McClure, Vice Chairman
Mr. Robert H. Allen
Ms. Anne Armstrong
Dr. Dionel E. Avilés
Mr. Erle Nye
Mr. Lionel Sosa
Mr. R.H. (Steve) Stevens, Jr.
Dr. Susan Rudd Wynn

CONVENE IN CLOSED SESSION

At 8:45 a.m., Mr. Powell announced that the Board would convene in closed session to consider matters as permitted by Chapter 551 of the Texas Government Code: 551.071, for consultation with System attorneys on pending and proposed litigation and matters recognized as attorney/client confidential and privileged; 551.072, for discussion regarding the acquisition, lease, exchange, disposition and value of real estate including Items 11 through 13; 551.073, for discussion of negotiated contracts for prospective gifts or donations; and 551.074, for discussion of matters involving the appointment, employment, evaluation, reassignment, duties, discipline or dismissal or to hear complaints or charges against an officer or employee.

Mr. Powell said in accordance with the law, no final action, decision or vote with regard to any matter considered in the closed meeting would be made or taken.

RECONVENE IN OPEN SESSION

Mr. Powell reconvened the meeting in open session at 12:15 p.m., and immediately recessed the meeting. Mr. Powell reconvened the meeting at 1:35 p.m., in Room 292, Memorial Student Center, on the campus of Texas A&M University, and asked Mr. McClure, Vice Chairman of the Board, to conduct the meeting. Mr. McClure said the Board met in closed session from 8:45 a.m. to 12:15 p.m.

INVOCATION

The invocation was presented by Mr. Forrest Lane, student body president of Texas A&M University (TAMU), majoring in political science.

CHAIRMAN'S REMARKS

Mr. Powell gave no remarks.

CHANCELLOR'S REMARKS

Mr. Howard D. Graves, Chancellor of The Texas A&M University System (TAMUS), welcomed everyone and commented on what a great job everyone was doing. He said that it was an exciting time, about half way through the legislative session. He commented on the visit that Senator Kay Bailey Hutchison had made to the TAMU campus on February 24. He stated that Senator Hutchison had the opportunity to visit the following sites: Emergency Service Training Field, Disaster City, Bush School and Library, Texas Transportation Institute, Gilchrist Building, Offshore Technology Research Center, Ocean Drilling Program, Borlaug Crop Biotechnology Center and Southern Crop Improvement Center. He said she received good reports on the great research that is going on and was excited about it. Mr. Graves said she was also excited about what is going on throughout the System, both in research and education. Mr. Graves stated that it was a tremendous visit and they looked forward to her return.

Mr. Graves added that Senator Hutchison was really "hot" on TAMUS getting a greater share of federal research funds. He said that she was going to call together another education summit for April 5, where she will challenge all the systems to work together more closely to gather a greater portion of the federal research budget. In closing, Mr. Graves congratulated everyone involved with the Senator's visit and stated that it was beneficial to all.

Mr. McClure thanked the Chancellor for his report.

UPDATE ON TEXAS A&M UNIVERSITY

Mr. McClure called on Dr. Ray Bowen, President of TAMU, to present this report. Dr. Bowen welcomed the Board. He started his report discussing an exhibit at Cushing Library entitled "In Fulfillment of a Dream." Next, he went through a series of videos showing several recent events on the campus. Dr. Bowen presented an enrollment summary. He discussed TAMU's admissions process, including a new program with Blinn College where students will be allowed to "dual enroll" starting next fall.

Dr. Bowen discussed the development program including the Bright Chair Matching Program and the Vision 2020 Chair Program. He talked about the 12th Man Foundation's fund raising campaign. He then highlighted current issues including a report on several dean searches; faculty issues, including pay differences as compared to other institutions; legislative issues including the tuition bill that was filed, faculty and staff compensation, tuition revenue

bond authority and a request for an emergency appropriation to assist with the increase in cost for utilities. Dr. Bowen discussed TAMU's funding problems in trying to drop the student/faculty ratio and increase salaries for faculty. He said TAMU is falling behind relative to where he wants it to be.

Mr. McClure asked if there were any questions. Mr. Allen asked what sort of a program could be pursued to find solutions for TAMU's funding problems. Dr. Bowen said that was a hard question. He said that he thought there had to be dialogue in the top circles of the state, the policymakers, and have them understand the future of higher education in Texas, have them look at national benchmarking, and understand exactly where we are going and what the route will be, and ask them to translate that into economic opportunity and the increase of quality of life in our state. Mr. Allen said that clearly the taxpayers are going to have to fund a majority of this, either directly or indirectly. Secondly, he said the students that are paying the bills are going to have to fund some of it. Additionally, the assets that are available now may need to be managed differently than they are now. He said the Permanent University Fund (PUF) is managed in a very appropriate and conservative way now, but maybe somehow that needs to be managed differently. Dr. Bowen said that if more people could conclude the magnitude of the problem, steps could be taken to actually do what it takes to make a certain set of institutions nationally prominent and competitive for the long term. In general, he thought that it would still be necessary to go back to the people paying tuition and those paying taxes. He said that the University of Texas' proposition that they have argued in the last two sessions, of variable tuition, is a huge piece of the answer.

Ms. Armstrong asked about the presentation that Dr. Bowen had made before the legislature and wanted to know to whom the presentation was made. Dr. Bowen said that it was made to the Legislative Budget Board staff. He said he previously had conversations in private with some of the members. He also said that it is "out of culture" to believe that TAMU is poorly funded. The legislative discussions are usually what can they do to take money away as opposed to what they can do to give more money.

Mr. Allen said perhaps TAMU could embark upon a public education program, and possibly, cooperatively with the University of Texas. Dr. Bowen said he thought an initial goal could be a corporate-driven activity, sort of paralleling the Perry Commission. Mr. Allen said it seemed necessary to go to Austin with solutions and not just problems.

REPORT ON UTILITY COSTS AND CONSERVATIONS

Mr. McClure called on Mr. Tom Kale, Vice Chancellor for Business Services, to present a report on Utility Costs and Conservations.

Mr. Kale stated that following a brief update on the rising cost of utilities for the System, he would ask Mr. Charles Sippial, Vice President for Administration at TAMU, to present a report on the effects that cost increases are having on TAMU. Mr. Kale said that the utility costs for FY 2001 were estimated to be 33 percent higher than for the Year 2000. He said that equates to about \$14.3 million systemwide. He said that since appropriations from the legislature occur every two years, it would have been impossible for the legislature to foresee the current increases in gas prices. He said, fortunately, seven of the System's institutions or components could cover

the increases with their existing appropriations; however, there are four components that face expenses that exceed the appropriations they received from the legislature. He said that a formal request has been made to the legislature for some relief for these institutions in the amount of \$13.5 million. A request has also been made to the legislature to adjust the formula for the next biennium to cover these increased costs. Mr. Kale discussed a report that described what each institution was doing to implement cost savings and initiatives.

Mr. Kale invited Mr. Sippial to discuss TAMU's financial situation. Mr. Sippial said that TAMU efficiently provides for nearly all of its utility needs, utility production and distribution. He said he would discuss the impact of the rise in natural gas prices over the past 12 months on the TAMU's utility budget and operation. He said his report would include TAMU and the System agencies and The Texas A&M University System Health Science Center (TAMUSHSC) that are located in College Station.

Mr. Sippial said TAMU utilities include steam, domestic cold and hot water for drinking, bathing and irrigating the campus, compressed air, hot water for heating campus buildings and chilled water for cooling campus buildings. He said TAMU also treats sanitary wastewater generated on campus and produces about two-thirds of the university's total electrical power requirements. He said about two-thirds of the university's natural gas consumption is used in the production of electricity. The remaining one-third is used to make steam that is subsequently used to produce many of the other utilities previously mentioned. Mr. Sippial said to begin to understand the magnitude of the natural gas price volatility and its effects on the university, you have to begin with a picture of the market stability that existed from FY 1996 to FY 1999. He said the price during that time was pretty stable, but as the last portion of FY 2000 was approached, gas prices started to climb until they peaked in January 2001 at nearly \$9.00 per unit. Mr. Sippial said the budgets were prepared based on leading industry projections. He said the natural gas budget for FY 2001 is \$15.5 million and that will likely fall short by \$15.4 million in actual expenses. Mr. Sippial said the current estimated average gas cost of \$5.61 is built on seven months of actual price information. At the present actual gas cost projection, an unsupplemented university utility budget will be depleted around the first of May. He said the projected shortfall for 2001 in the education and general (E&G) area is \$10.8 million and in the non-E&G area, it is \$4.6 million.

Mr. Sippial said there has been an aggressive energy management program in place since 1992. He said during that time, a comprehensive energy management plan was developed. Part of that plan included aggressive use of the LOANStar Program for low cost energy retrofit projects. Mr. Sippial said currently TAMU projects a \$15.4 million shortfall in E&G and non-E&G; however, the projected shortfall has ranged from \$20 million to \$12 million. He said the variation is determined by the future month prices shown on the New York Mercantile Exchange. Mr. Sippial said they have been watching the market variations carefully and anticipating how to pay the bill on the various scenarios. He said the magnitude of the shortfall influences the difficulty in identifying the additional funds that will be needed. Mr. Sippial said he saw two fundamental approaches applicable to both the E&G and non-E&G accounts. They are additional funding and revenue and spending reductions. He said on the E&G side, the legislature has been approached for supplemental appropriations. Mr. Sippial said, based on their response, there may be a need to supplement that with selective program reductions. On the non-E&G side, Mr. Sippial said he expected non-E&G people to raise their share of the shortfall through a

combination of rate increases and spending reductions. He said that it would be premature to discuss the specific areas of the program reductions until there was a response from the legislature. Mr. Sippial asked for questions.

Mr. Allen said that he thought Mr. Sippial would see gas prices lower than what he had indicated. Mr. Sippial agreed; however, he said the price of gas over an extended period of time was showing a slight increase. He said that he did not know what the impact would be of the four percent reduction with OPEC fuel and other things that are happening or the hot weather. Mr. Allen said that it was going to be a problem definitely but perhaps not to the magnitude that Mr. Sippial was projecting.

Mr. Nye said the problem that he saw was that storage is not being refilled. He said storage has been pulled down nationwide. He said that there would clearly be problems this summer, particularly if it is a hot summer, but that Texas would probably be all right. Mr. Nye added that Texas prices would be influenced by situations nationwide.

Dr. Bowen said that he thought the implicit message in this discussion is that there is a huge problem; the bills have to be paid. He said that the Board might hear that they were doing some reallocation, but at the end of the day, utilities have to be provided.

There were no further questions.

RECESS

Mr. McClure recessed the Board meeting at 2:55 p.m.

(Secretary's Note: The Committee on Finance convened at 2:56 p.m. and recessed at 3:14 p.m.)

RECONVENE

Mr. McClure reconvened the meeting of the Board at 3:15 p.m. He said as required by Section 54.0513, Paragraph (f) of the Texas Education Code, he would call for a public hearing to receive input from students and presidents regarding proposed increases in designated tuition for the following institutions: Tarleton State University (TSU), Texas A&M University-Corpus Christi (TAMU-CC), Texas A&M University-Kingsville (TAMU-K), West Texas A&M University (WTAMU) and Prairie View A&M University (PVAMU). Mr. McClure called on each university president and asked if any students wanted to speak on this subject. Dr. Charles Hines, President of PVAMU, asked if any of his students were present. There being none present, Dr. Hines said the students did not like the increase. Mr. McClure asked if there was anyone present in the room that wished to make comments or ask questions. There were no further questions or comments.

(Secretary's Note: Mr. McClure reconvened the Board's public hearing later in the day to receive testimony from PVAMU students.)

RECESS

Mr. McClure recessed the Board meeting at 3:17 p.m.

(Secretary's Note: The Committee on Finance reconvened at 3:18 p.m., recessed at 3:22 p.m., reconvened at 3:27 p.m. and recessed at 3:45 p.m.)

RECONVENE

Mr. McClure reconvened the Board meeting at 3:46 p.m. He said he would reconvene the public hearing to receive input from students on proposed increases in designated tuition due to the fact that some of the students did not arrive in time to provide testimony to the Board. Mr. McClure called on Mr. Desmond Thomas, PVAMU Student Body President, and Mr. Shandon Neal, PVAMU Senator for External Affairs, who provided testimony regarding their opposition to the increase in fees at PVAMU.

Dr. Hines responded, stating that he supported the students providing testimony on this issue. He said many of the fees being increased have not reached what could be charged. Dr. Hines said he would be sure that the students have the support materials (for increases in fees) that they need. Dr. Hines said he believes the increases will provide the level of support needed at PVAMU. He said he understood the students' frustration and he applauded their involvement in this process.

Mr. Allen asked if these increases were necessary because of increased costs, inflation, and/or improvement of quality of services. Dr. Hines explained that to provide the support needed for PVAMU, and to provide a first-class environment, fees have to be raised. He said there is no other source of revenue. Dr. Hines explained that until recently, most of PVAMU's Available University Fund (AUF) monies have gone to operating expenses. He said this is a function of an absence of resources that he believes will be corrected with the influence of the OCR commitment and the support of the Board. Mr. Allen asked if the students perceive that the services are better now than when they first enrolled. Mr. Neal responded that services have increased dramatically. He said their concern is when increases are undefined, or there is a rumor that the increase is to tear down buildings or redevelop areas - increases not pertaining to academia.

Dr. Hines said some of the fees would be used to tear down buildings and dormitories that are not needed. He said they are making room for other buildings that will be constructed, or tearing down buildings that are safety and security hazards.

Mr. McClure said the money would also be used to enhance student programs. Mr. McClure asked if there was a mechanism in place within student government, to gain input from students in terms of programming on campus, where students can speak with a collective voice. Mr. Neal replied in the affirmative -- student activities.

Dr. Wynn said at TAMU there has been a committee within student government that has actually decided where student fees go. Dr. Hines said they have that.

Dr. Avilés said he saw where \$963,000 would go to the capital program. He asked if that included demolition. Dr. Hines replied in the affirmative. He said some of that would be used in the student center operations.

Mr. McClure thanked the students for their attendance and asked if there was any more input. There was none.

RECESS

Mr. McClure recessed the Board meeting at 4:05 p.m.

(Secretary's Note: The meeting of the Committee on Finance was reconvened at 4:06 p.m. and adjourned at 4:14 p.m. The Committee on Buildings and Physical Plant met from 4:15 to 4:21 p.m.)

RECONVENE - MARCH 23, 2001

(Secretary's Note: The Committee on Academic and Students Affairs held a meeting from 9:12 a.m. to 9:42 a.m.)

Mr. McClure reconvened the meeting of the Board of Regents at 9:43 a.m., Friday, March 23, 2001. The following members of the Board were present:

Mr. Don Powell, Chairman
Mr. Frederick D. McClure, Vice Chairman
Mr. Robert H. Allen
Ms. Anne Armstrong
Dr. Dionel E. Avilés
Mr. Erle Nye
Mr. Lionel Sosa
Mr. R.H. (Steve) Stevens
Dr. Susan Rudd Wynn

UPDATE ON THE 77TH LEGISLATIVE SESSION

Mr. McClure called on Dr. Stanton Calvert, Vice Chancellor for Governmental Relations, to present this update. Dr. Calvert opened with an expression of appreciation to Mr. Powell, Mr. Graves and Dr. Gaston. He also recognized the governmental relations team. Dr. Calvert said that he would cover five issues including session issues, fiscal size up, the higher education budget, legislation and TAMUS bills (a copy of Dr. Calvert's report is on file in the Office of the Board of Regents).

Dr. Calvert discussed the session issues, which included redistricting, health care costs, state employee pay raises and rural/transportation/border issues. He said the state employee pay raise was a big issue. It was big with the state auditor as it led to a report on state employee turnover that has been imprinted on the minds of most members of the legislature as a "must accomplish" issue. Dr. Calvert said the System intended, and has so far been successful, to seek

equal treatment for higher education employees (other than faculty who will be handled in a different way).

The second issue discussed was fiscal size up for the state as a whole. Dr. Calvert stated that two years ago, the state had around \$5.7 billion additional revenue over the 1998-1999 biennium for allocation. He said higher education had fared quite well. Dr. Calvert said that right now, for the 2002-03 biennium, the estimated additional amount for new expenditures was about \$300 million. He said it is possible that there will be additional revenues possible from the \$1 billion built into public education. He added that the Comptroller's current position is that she will not estimate additional new funds in a spring 2001 updated revenue estimate. Dr. Calvert said there might be new funding for FY 2002-03, but not the \$1 billion increase for higher education that was received last session.

The third issue discussed was the higher education budget. Dr. Calvert said that the current services budget for all state government included some significant improvements for higher education. He said for higher education there was an increase of \$126 million in general revenue including \$41 million for university enrollment growth, \$4 million for TAMUSHSC dental education and \$81 million for TEXAS grants. Dr. Calvert said most importantly of all, the legislature added \$255 million for higher education employee health insurance. Dr. Calvert showed a slide comparing the current status of appropriations between the House and the Senate. He said that both the House and the Senate have agreed on a \$25 million increase for both PVAMU and Texas Southern University (TSU). Dr. Calvert said Article XI is "the Wish List." He added that very little of what is in Article XI will be funded, but it does allow every institution and all the members to keep their items in play. Dr. Calvert said another issue of importance to higher education was the resolution of the mission enhancement/research enhancement issue. He said it is quite complicated and there are differences on each side. Dr. Calvert discussed TAMUS issues. He said these issues are really equity issues, which gives the same place in the formula that every other institution of similar nature, or program of similar nature, receives. He discussed agency infrastructure, TAMU DVM HRI formula rate and natural gas cost increases.

The fourth issue Dr. Calvert discussed was items of legislation. Dr. Calvert said that he would briefly address some major bills affecting all of higher education, the most important being the continuation of stair step tuition. He said that the statutory set tuition had been increased at a \$2 per year rate since 1985, a gradual, modest increase. When looking at the formula funding rate for institutions, the only real increases to higher education have been through tuition increases and fees. Dr. Calvert said that there is a constant tension between the necessity to keep up the quality of the programs and the desire to keep costs to students low. He said that those increases have not been able to keep up with other state's increases; so they are trying to get the stair step tuition increased. Other items of legislation included the Mission Enhancement/Texas Excellence Fund, a series of post-Hopwood bills and deregulation. He said fundamentally, the post-Hopwood bills were meant to extend the concept that was incorporated into the top ten percent bill to graduates in professional programs. The bottom line is that they intend to lessen the weight of standardized tests and incorporate other factors to graduate.

Dr. Calvert reported on TAMUS bills. Rep. Fred Brown and Senator Steve Ogden had a bill on TAMUS Recreation Sports Fee and TAMUS student center complex fee. He said there

were several bills of importance to PVAMU. The PVAMU Ag match bill will ensure that PVAMU can keep up its obligations to continue to receive federal monies. He said the PVAMU mission bill was part of the Office of Civil Rights (OCR) issues resolution. The Telford Bill relates to Texas A&M University-Texarkana (TAMU-T), which acknowledges a much closer relationship with the Texarkana Community College. He then discussed the mandatory venue bill, the technology transfer bill, Texas Transportation Institute (TTI) Center for Transportation Safety, eminent domain and the life sciences collaborative initiative. Dr. Calvert said the OCR concerns have been addressed extensively by the legislature, both in funding and in mission clarification and legislation.

Dr. Wynn asked if the House Higher Education Committee had approved the concept of a pharmacy school at Kingsville. Dr. Calvert said that the school of pharmacy would be a part of TAMU-K. He said there would be an opportunity for collaboration with the TAMUSHSC. Dr. Calvert assured the Board that President Cisneros had been closely involved in this and strongly supported it. Ms. Armstrong asked if Mr. Graves was aware of this. Mr. Graves stated that he knew it had been going on for some time and had discussed it with Rep. Irma Rangel, Chairman of the House Higher Education Committee. Dr. Calvert added that the intention was to get it out of the House and send it over to the Senate side where Senator Carlos Truan would pick it up.

Ms. Armstrong asked if there was a process in place for liaison with the Committee on Academic and Student Affairs. Dr. Calvert asked if she meant with respect to new initiatives. Ms. Armstrong replied in the affirmative. Dr. Calvert said if a system institution initiated one, then the structure itself dictated the manner in which the liaison occurred, either at the board or committee level. Ms. Armstrong said that she still thought that there should be communication with the Committee on Academic and Student Affairs. She felt that something had been dropped and asked Mr. McClure if he would like for Mr. Graves and herself, as Chairman of the Committee on Academic and Student Affairs, to get together and decide how they might communicate when these things occur. Mr. McClure agreed. Ms. Armstrong said that she was happy with the results and that they would fix the process. Dr. Calvert said that Chairman Irma Rangel had been consistent in requiring programmatically related issues to go through the usual procedures at the Texas Higher Education Coordinating Board (THECB). Mr. Graves said that Dr. Leo Sayavedra, Vice Chancellor for Academic and Student Affairs, had also been talking with Chairman Rangel on a regular basis. Dr. Sayavedra explained the process with the THECB. Ms. Armstrong said that there needed to be a process in which there was a direct source to the THECB, to be in the loop. She added that Dr. Wynn, as Chairman of the Special Committee on Health Affairs, should also have been informed of this.

There were no further questions.

UPDATE ON TEXAS LIFE SCIENCES COLLABORATIVE

Mr. McClure asked Dr. Walter Wendler, Vice Chancellor for Planning and System Integration, to present an update on the Texas Life Sciences Collaborative.

Ms. Armstrong said that she wanted to commend Dr. Wendler for "carrying the ball on this." She also thanked Mr. Graves for putting in the time that he spent. She said that the System

has been involved for more than a year now and it keeps growing. She believed that the growth has been extremely favorable; however, it has presented organizational problems. Ms. Armstrong said recently, Dr. Wendler developed a formula that will embrace and include all of the elements. She said that she and Dr. Wendler had a meeting with the Southeast group in Houston, a major group to commercialize some of the aspects of the medical centers there. Ms. Armstrong said Dallas seems to be coming forth with something of their own. There has also been an organization led by Dr. Tom Kowalski of business interests in the state that have biotech life sciences interests. They are studying how to pull these together and how to get the Governor behind this, which is crucial to make it a truly statewide effort. Ms. Armstrong stated that it has been a dynamic process, and asked Dr. Wendler to continue his presentation and inform the Board of the progress.

Dr. Wendler thanked Ms. Armstrong and began his presentation with a look at the mission and goal position relative to the integrative plan. He said that Mr. Graves has put a lot of energy into the planning process. Dr. Wendler said that the vision statement of the integrative plan allows the Texas Life Sciences Collaborative, as a strategic element that has grown out of this work, to actually support this integrative planning process. He then read a few sentences from the vision statement as follows: "The Texas A&M University System and its members will be leaders in making Texas higher education institutions and systems among the best in the nation by 2020... The Texas A&M University System will be a servant leader and a partner in the transformation of Texas to a higher level of excellence by providing the educational opportunities that allow individuals to succeed and the state to prosper through the creation of knowledge and human capital." Dr. Wendler said he thought this plan was a strategic step in one facet of that vision, which is getting the educational institutions, business and industry to work together on issues that benefit the whole state, and that has been the goal all along.

Dr. Wendler reminded the Board about the strategic purposes and informed them that he has an updated plan to be distributed that had been essentially approved by the task force. He said the plan had been modified quite a bit from earlier versions and commented that the updated plan is one in which representatives from the other systems and private institutions in the state have agreed to.

Dr. Wendler said that over the past month he had met with Ms. Armstrong, a group from the task force, and on a few occasions, with the THECB. He said that initially for the first 10 or 12 months, there was not an attempt to have this parallel in the existing programs in Texas. Dr. Wendler said that now, there is an excellent seed research program out of the THECB called the Advanced Research Program and Advanced Technology Program (ARPATP). These programs are presently funded at \$60 million per biennium. Dr. Wendler said that they are probably one of the most successful state-driven research funding programs in the United States. He said that people in Washington who understand what is going on in various states, constantly talk about the quality of this program. He said there are a couple of challenges to it, one being some limitations about how the funding can be utilized. Dr. Wendler said the funding gets spread out in a way that ends up being very thin across a large number of institutions. He said it is very good in supporting young scientists and the early ideation process in the research and discovery programs, but does not provide the sort of capital that is required for major scientific enterprise. He said that the Advance Technology Program is basically the same thing.

Dr. Wendler said that proposing a similar kind of program for the life sciences that would be administered through the THEBC was what allowed the agreement with the other institutions. He said that this was a very important step in the process of gaining support from the other institutions in the state because it took the program out of what was frequently referred to as an "Aggie program." Dr. Wendler said this is not a Texas A&M program -- this is a state program. He said that TAMUS is trying to provide leadership for this program, because in the end, it is good for Texas, it is good for science in Texas, and is going to be good for TAMUS. Dr. Wendler said that this structure allowed the type of agreement that was absolutely essential. He said that this agreement was one suggested by the Governor in conversations throughout this process. Dr. Wendler said Governor Perry was very interested in making sure that the educational institutions in the state, the higher education enterprise, was supportive of this program. Dr. Wendler said at this stage, they are suggesting that all of the peer review for the Texas Life Science Collaborative funding be outsourced outside of Texas to an organization that would be able to be impartial and as well informed as possible as to what the key issues are in the life science enterprise. He said the Washington Advisory Group, which is a sterling group of scientists and authorities in the scientific community, has been identified for that task. Dr. Wendler said that we have a proposal from them to actually administer the peer review process, which he thought would provide the best scientific thinking and attract the attention of the best scientists to the state.

Dr. Wendler addressed the numerous other initiatives around the state. He said that there seems to be a lot of interest in the life science issues. Over the course of the last month and half, he had met with principals involved from the key initiatives that at first glance appeared to be something other than mutually supportive, that they appeared to be in competition for similar types of funds. He said now they have come to an agreement that includes the Southeast Texas Biotechnology Park and the Texas Healthcare and Bioscience Institute (THBI) programs and a series of programs in which legislation is pending. This three-part approach looks at people and ideas. Dr. Wendler said the process issues take a tremendously long time to market. Dr. Wendler said that THBI is diligently trying to find ways to stimulate more creative and efficient ways of testing and getting the products to the market. He said that then the whole issue of the place of technology parks, that technology parks could be created around the state which would allow the best academic science and the best science of industry to come together for the commercialization and technology transfer, could be solved.

Dr. Wendler said that there is an agreement that has been hard to achieve but it is a powerful message. As a result, Governor Perry is working on a meeting of principals from these organizations and a few others to come together and fashion a statewide plan that is sensitive to the many important initiatives that are occurring across the state. He said that Governor Perry's intention is to craft an approach that addresses the many opportunities in Texas and he is waiting to find out when the Governor would like to have this meeting. He said Governor Perry has been very supportive.

Dr. Avilés asked about the Southeast Texas deal. Dr. Wendler said that they have recently signed off through the Office of General Counsel on an agreement to be supportive of that enterprise. However, they were very cautious about the Southeast Texas deal, the Southeast Texas Biotech Park, for another reason.

Mr. Graves said that TAMUS wanted to be part of the efforts but would accept no liabilities and would not contribute any money to it, but would like to be considered a partner insofar as TAMUS would support their efforts and they would support ours. He said that the System's efforts are really to establish a research program and it is understood that research needs size. Theirs would be one of the sites that TAMUS would support. Dr. Wendler said that if Dallas came up with a site, or someone else came up with a site as well, then those sites could also be part of the deal.

Dr. Wynn asked where the Institute of Biosciences and Technology (IBT) falls in that discussion. Mr. Graves said that IBT is part of the overall of Houston, Texas Medical Center, and as much as IBT can, he would want it to be part of that.

Mr. Allen directed a comment to Mr. Graves stating that it was his understanding that they are looking for the legislature to provide some \$20 million. Mr. Graves answered that they are coming at the legislature from an economic development standpoint; it is not education money, that would be a different \$20 million package from what TAMUS is looking at. TAMUS is looking at a research fund that the Governor is talking about and would like to have a reasonable slice. Mr. Graves said that a request for \$2 million in planning figures has been made. Mr. Allen asked how Mr. Graves assessed their chances of getting the \$20 million. Mr. Graves answered that he did not know; however, it certainly would not be from education.

Ms. Armstrong commented that she thought Senator Rodney Ellis was interested in this. Dr. Calvert answered that it was a little early to say, depending on how it is funded, that becomes the issue. He said that if it is funded on an extended time basis, chances are pretty good; but if it takes current funds, they are going to have difficulties.

Mr. Graves said that he thought there might be an opportunity to move to a new level of involvement at the next meeting with the Governor. He said that the Governor really wants to pull together this whole community now to talk about where we might go from there. Dr. Wendler will be working with Mr. John Opperman of the Governor's staff. Mr. Graves said interested parties were not only the Biotech Park people, but also the industry government collaboration people.

Mr. Allen said that it might be of some interest that Baylor is taking the same position with regard to the Southeast Texas research. Mr. Graves said that we want to be cautiously involved. It was reported that Dr. Jim Patrick, Vice President for Research at Baylor, likes the idea of rigorous peer review.

There were no further questions.

**REPORT ON THE PLANNING FOR A COMPREHENSIVE DEVELOPMENT
CAMPAIGN AT TEXAS A&M UNIVERSITY**

Mr. McClure called on Dr. Bowen to present this report.

Dr. Bowen introduced Dr. Ed Davis, President of the A&M Foundation, Mr. Jim Palincsar, and Mr. Henry Nemcik. He said they were three individuals greatly involved with the work that has been done. Dr. Bowen recalled that the "Capture the Spirit Campaign" amounted to the largest public university campaign. It was a six-year campaign and had a \$500 million goal. That goal was exceeded by \$137 million, with the help of a large number of individual gifts (\$450,000) and 75 gifts of \$1 million or more. Dr. Bowen said that it has recently been decided that it is time to start thinking about having another campaign. The "Capture the Spirit Campaign" ended in 1996. The capital campaign represents a partnership between TAMU and the A&M Foundation. He said that there have been discussions regarding this campaign for almost a year and a half. A campus campaign planning committee has been meeting monthly since November of 1999. Dr. Bowen said membership on that committee is a broad base of faculty, students, administration and representatives of the Association of Former Students, 12th Man Foundation, and a strong role of the A&M Foundation. Dr. Bowen said the purpose is very simple, to plan the next campaign. There have been a wide range of topics including assessment of needs with relationship of this campaign, to vision for the institution as described in the Vision 2020 program, and planning for a feasibility study.

Dr. Bowen went on to say that a feasibility study had been conducted utilizing the services of Marts & Lundy, Inc., a consulting organization that had assisted in the last campaign. Dr. Bowen, Dr. Davis and Dr. Bob Walker, Vice President for Development, conducted 25 top leadership meetings, and Marts & Lundy, Inc., in conjunction with the development foundation staff, conducted another 120 interviews consisting of a broad-based kind of discussion regarding attitudes about the university, attainability of goals, would they involve themselves in the campaign and should A&M proceed. He said the feedback is a long report, but the bottom line is very positive. It is very supportive of the goals, realizing that it may be difficult to obtain those goals; however, the bottom line, should A&M proceed, the answer is yes, 84 percent.

Dr. Bowen said that in all of the campus campaign planning committee discussions, they try to use the Vision 2020 goal reports and its 12 aspirations as a framework for the conversations. He said that they asked the individuals that they spoke with to rank those aspirations in terms of what they visualize to be important issues. Then they looked at how they ranked the top two of these. Dr. Bowen said of all of the aspirations that describe the Vision 2020 goal, if it is not the highest priority of the individual, it was the second highest priority, with some variation towards the bottom of the list. He said that what he hoped to achieve at the university was resonating strongly within the community.

Dr. Bowen said that the purpose of his presentation was to seek permission to proceed with the campaign. He then described the different phases of the campaign. Dr. Bowen said it would be his obligation to provide status reports on a regular basis.

The Board took action as set forth below:

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**MINUTE ORDER 36-2001 (AGENDA ITEM 24)**

**AUTHORIZATION TO IMPLEMENT A  
COMPREHENSIVE CAPITAL CAMPAIGN,  
TEXAS A&M UNIVERSITY**

On motion of Mr. Allen, seconded by Dr. Wynn and by a unanimous vote, the following minute order was adopted:

The President of Texas A&M University is authorized to implement a comprehensive campaign for Texas A&M University with the Texas A&M Foundation serving as the principal support organization to manage the campaign. Status reports will be provided to the Board of Regents on a regular basis.

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Mr. McClure called on Mr. Nye for the report of the Committee on Finance.

REPORT FROM THE COMMITTEE ON FINANCE

Mr. Nye, Chairman of the Committee on Finance, said the Committee had met the day before and received reports and considered ten matters, including a schedule of tuition and other fee increases for all of the System institutions. He commented that the Committee recessed its meeting to accommodate a public hearing to receive comments on the proposed tuition and fee increases where a number of students including some of the student body officers from PVAMU appeared and made a number of thoughtful comments regarding their concerns. It was noted that there is a good relationship between the administration and the students, that there have been a number of improvements achieved at PVAMU, and that those improvements, in fact, have incurred due costs, and at least a portion of those costs, must be borne by the students. Mr. Nye also stated that the raise in fees and tuition increase at PVAMU fall within the mid-range of the System institutions, and after deliberations, the Committee voted to approve the proposed schedule of fees and tuition changes for all of the institutions. He also asked the record to reflect that he was not present in the room, did not participate in the discussion, or in any way take action on Item 2. Mr. Nye said the Committee recommended approval of Items 1 through 9 and 36.

The Board took action as set forth below:

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**MINUTE ORDER 37-2001 (AGENDA ITEM 1)**

**APPROVAL OF THE OPERATING BUDGET FOR  
THE STILES FARM FOUNDATION FOR CALENDAR YEAR 2001,  
STILES FARM FOUNDATION**

On motion of Mr. Nye, seconded by Ms. Armstrong and by a unanimous vote, the following minute order was adopted:

The operating budget for the Stiles Farm Foundation for calendar year 2001, attached to the official minutes as **Exhibit A**, is hereby approved.

**MINUTE ORDER 38-2001 (AGENDA ITEM 2)**

**APPROVAL OF THE EXECUTION OF CONTRACTUAL  
DOCUMENTS WITH TXU AND DELEGATION OF AUTHORITY  
TO THE PRESIDENT TO EXECUTE CONTRACTS,  
TEXAS A&M UNIVERSITY-COMMERCE**

On motion of Nye, seconded by Ms. Armstrong and by a unanimous vote, the following minute order was adopted:

The Board of Regents of The Texas A&M University System approves the execution of contractual documents between TXU and Texas A&M University-Commerce for the purchase of transmission and distribution equipment and facilities located on the campus of Texas A&M University-Commerce and the lease of space on poles owned by TXU.

The President of Texas A&M University-Commerce is authorized to execute any necessary documents on behalf of the Board of Regents of The Texas A&M University System.

*(Secretary's Note: During the Committee discussion and vote on this item, Mr. Nye was not present in the room, did not participate in the discussion, and did not vote on this item.)*

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MINUTE ORDER 39-2001 (AGENDA ITEM 3)

**ACCEPTANCE OF GIFTS, DONATIONS,
GRANTS AND ENDOWMENTS,
THE TEXAS A&M UNIVERSITY SYSTEM**

On motion of Mr. Nye, seconded by Ms. Armstrong and by a unanimous vote, the following minute order was adopted:

The Board of Regents of The Texas A&M University System hereby accepts the gifts, donations, grants, and endowments made to the Members of The Texas A&M University System concerned as shown on Gifts, Donations, Grants, and Endowments List No. 00-01-04, a copy of which is attached to the official minutes as **Exhibit B**.

MINUTE ORDER 40-2001 (AGENDA ITEM 4)

**AUTHORIZATION FOR THE CHANCELLOR TO APPROPRIATE
THE BALANCE OF REVENUE FINANCING SYSTEM BONDS
FOR THE PAYMENT OF THE MAY DEBT SERVICE,
THE TEXAS A&M UNIVERSITY SYSTEM**

On motion of Mr. Nye, seconded by Ms. Armstrong and by a unanimous vote, the following minute order was adopted:

The Chancellor of The Texas A&M University System is authorized to appropriate the balance of Revenue Financing System Bonds, Series 1993B - Account 083551 (up to \$325,000) for the payment of the May debt service.

MINUTE ORDER 41-2001 (AGENDA ITEM 5)

**APPROVAL OF NEW SYSTEM POLICY 09.05
(FINANCIAL DISCLOSURE ON OFFICIAL SYSTEM WEB SITES),
THE TEXAS A&M UNIVERSITY SYSTEM**

On motion of Mr. Nye, seconded by Ms. Armstrong and by a unanimous vote, the following minute order was adopted:

System Policy 09.05 (*Financial Disclosure on Official System Web Sites*) as described in **Exhibit C**, a copy of which is attached to the official minutes, is approved to be effective immediately.

MINUTE ORDER 42-2001 (AGENDA ITEM 6)

**ADOPTION OF A RESOLUTION AUTHORIZING
REVENUE FINANCING SYSTEM BONDS, SERIES 2001A AND 2001B;
PROVIDE ADDITIONAL FUNDS TO MEET FINANCING
REQUIREMENTS FOR SCHEDULED IMPROVEMENTS; AND
REFUND REVENUE FINANCING SYSTEM BONDS,
SERIES 1990B, 1990C, 1991C AND 1995,
THE TEXAS A&M UNIVERSITY SYSTEM**

On motion of Mr. Nye, seconded by Ms. Armstrong and by a unanimous vote, the following minute order was adopted:

The resolution authorizing the Board of Regents of The Texas A&M University System Revenue Financing System Bonds, Series 2001A and 2001B in substantially the form of **Exhibit D**, a copy of which is attached to the official minutes, is hereby adopted and the Vice Chancellor for Business Services or the Associate Vice Chancellor and Treasurer is hereby authorized to take such actions as are necessary to accomplish the purposes of the resolution including those relating to the pricing, sale, and delivery of the Bonds, all in accordance with the provisions of the resolution and to submit an application to the Texas Bond Review Board relating to the Revenue Financing System Bonds.

MINUTE ORDER 43-2001 (AGENDA ITEM 7)

**ADOPTION OF AMENDED AND RESTATED
RESOLUTION FOR PERMANENT UNIVERSITY
FUND FLEXIBLE RATE NOTES,
THE TEXAS A&M UNIVERSITY SYSTEM**

On motion of Mr. Nye, seconded by Ms. Armstrong and by a unanimous vote, the following minute order was adopted:

The Amended and Restated Resolution for Permanent University Fund Flexible Rate Notes, substantially in the form of **Exhibit E**, a copy of which is attached to the official minutes, is adopted and shall be effective immediately.

MINUTE ORDER 44-2001 (AGENDA ITEM 8)

**APPROVAL OF NEW, INCREASED AND
DECREASED TUITION AND FEES,
THE TEXAS A&M UNIVERSITY SYSTEM**

On motion of Mr. Nye, seconded by Ms. Armstrong and by a unanimous vote, the following minute order was adopted:

In accordance with Section 54.0513, Texas Education Code, and System Policy 26.02, Approval of Student Fees, public hearings were held at each campus recommending increases in designated tuition. The Board has also held a public hearing to receive input from students as well as the presidents of the academic institutions and the health science center concerning such proposed increases, according to the requirements of Section 54.0513(f), Texas Education Code.

All hearings and recommendations required by law for increases in other student fees have been properly conducted and reported to the Board in accordance with the Texas Education Code.

The request for new, increased, and decreased tuition and fees for the academic institutions and the health science center of The Texas A&M University System, as shown on **Exhibits F and G**, copies of which are attached to the official minutes, is approved to be effective with the Fall 2001 semester.

MINUTE ORDER 45-2001 (AGENDA ITEM 9)

**CONFIRMATION OF FIELD TRIP FEES,
THE TEXAS A&M UNIVERSITY SYSTEM**

On motion of Mr. Nye, seconded by Ms. Armstrong and by a unanimous vote, the following minute order was adopted:

In accordance with System Policy 26.02, Approval of Student Fees, new and amended field trip fees for the academic institutions and the Health Science Center of The Texas A&M University System as shown on **Exhibit H**, a copy of which is attached to the official minutes, are hereby confirmed.

MINUTE ORDER 46-2001 (AGENDA ITEM 36)

**AUTHORIZATION TO EXECUTE A CONTRACT
WITH KOLAR MARKETING & ADVERTISING,
TEXAS A&M UNIVERSITY-COMMERCE**

On motion of Mr. Nye, seconded by Ms. Armstrong and by a unanimous vote, the following minute order was adopted:

The President of Texas A&M—Commerce is hereby authorized to execute a contract with Kolar Marketing & Advertising for producing advertising publications and conducting a marketing campaign for a total cost not to exceed \$400,000 upon approval of the Chancellor, Vice Chancellor for Business Affairs and the General Counsel.

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Mr. McClure called on Dr. Avilès to present the report from the Committee on Buildings and Physical Plant.

***REPORT FROM THE COMMITTEE ON BUILDINGS AND PHYSICAL PLANT***

Dr. Avilès, Chairman of the Committee on Buildings and Physical Plant, said the Committee met the day before, received reports, considered Items 11, 12 and 13 and recommended approval of Items 12 and 13, pertaining to real estate. Item 11 was deferred for further consideration. Item 10 was withdrawn prior to the meeting. There were no other items pertaining to construction on the agenda.

Dr. Avilès said the following actions were taken by the Chancellor, pursuant to System Policy 51.04 on construction projects since the last regular meeting of the Board of Regents.

- 1) Construction contract for the Fine Arts Building at Texas A&M International University to Don Krueger Construction Co., of Victoria, Texas, in the amount of \$14,239,132.00.

- 2) The construction phase design-build contract for asbestos abatement, demolition and site infrastructure for the new student center at PVAMU awarded to Garza Bomberger/Bartlett, Cocke, L.L.C. of San Antonio, Texas, in the amount of 754,936.00.

The Board took action as set forth below:

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MINUTE ORDER 47-2001 (AGENDA ITEM 12)

**AUTHORIZATION TO EXECUTE OIL, GAS
AND SULPHUR LEASE, BRAZOS COUNTY, TEXAS,
THE TEXAS A&M UNIVERSITY SYSTEM**

On motion of Dr. Wynn, seconded by Mr. Stevens and by a unanimous vote, the following minute order was adopted:

A satisfactory bid has been received for the lease of oil, gas and sulphur in 580.13 acres of land, more or less. The lease is awarded to RME, a subsidiary of Anadarko Petroleum Corporation, the highest bidder at the auction sale held in Room 524, John B. Connally Building, at 10:00 a.m., January 9, 2001. The winning bid consisted of a total bonus of \$116,026.00, amounting to \$200.00 per mineral acre and 25 percent royalty to be paid to the mineral owners of the subject property. The land leased is described as:

580.13 acres of land, more or less, out of the Stephen Jones Survey, Abstract No. 27, and the John H. Jones Survey, Abstract No. 26, Brazos County, Texas.

Upon receipt of one hundred percent (100%) of the bonus payment by RME, in the form of a cashier's or certified check, and pursuant to the laws of the State of Texas, the Chancellor of The Texas A&M University System, or his designee, is authorized to execute the lease and to perform other acts necessary in connection with the lease as required by law.

MINUTE ORDER 48-2001 (AGENDA ITEM 13)

**AUTHORIZATION TO PURCHASE LAND,
ERATH COUNTY, TEXAS,
THE TEXAS A&M UNIVERSITY SYSTEM**

On motion of Dr. Wynn, seconded by Mr. Stevens and by a unanimous vote, the following minute order was adopted:

The Chancellor of The Texas A&M University System, or his designee, following favorable recommendation by the System Real Estate Office and legal review by the Office of General Counsel, is authorized to execute all documents necessary to purchase the land located at 1551 West Washington Street, described as Lots 9, and 10 and part of Lot 11, Block 29, Park Place Addition to the City of Stephenville, being more particularly described in Volume 292, Page 413, and Volume 410, Page 51, Deed Records of Erath County, Texas. The purchase price of \$122,000.00, plus closing costs, is appropriated from Account No. 023001, styled "Designated Tuition" to Account No. 818300, styled "Land Acquisition – Local Fund" for payment.

By approval of this minute order, the Board certifies the requirements of the Texas Higher Education Coordinating Board rules have been met and authorizes the Chancellor, or his designee, to take all steps necessary to communicate this certification to the Texas Higher Education Coordinating Board.

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Mr. McClure called on Ms. Armstrong to present the report on the Committee on Academic and Student Affairs.

**REPORT FROM THE COMMITTEE ON ACADEMIC AND STUDENT AFFAIRS**

Ms. Armstrong, Chairman of the Committee said they met earlier in the day and considered and approved Items 14 through 22.

The Board took action as set forth below:

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MINUTE ORDER 49-2001 (AGENDA ITEM 14)

**APPROVAL OF FACULTY WORKLOAD
RULES FOR SYSTEM UNIVERSITIES AND
THE HEALTH SCIENCE CENTER,
THE TEXAS A&M UNIVERSITY SYSTEM**

On motion of Ms. Armstrong, seconded by Mr. Stevens and by a unanimous vote, the following minute order was adopted:

The Faculty Workload Rules for each university and the health science center as described in **Exhibit I**, attached to the official minutes, are approved to be effective immediately.

MINUTE ORDER 50-2001 (AGENDA ITEM 15)

APPROVAL OF THE ESTABLISHMENT OF A NEW DEGREE PROGRAM LEADING TO A B.S. DEGREE WITH A MAJOR IN CONSTRUCTION SCIENCE AND THE EXPANSION OF THE TABLE OF PROGRAMS FOR A BACCALAUREATE PROGRAM IN CONSTRUCTION SCIENCE, AND AUTHORIZATION TO SUBMIT THE NEW DEGREE PROGRAM AND TABLE OF PROGRAMS TO THE TEXAS HIGHER EDUCATION COORDINATING BOARD FOR APPROVAL, PRAIRIE VIEW A&M UNIVERSITY

On motion of Ms. Armstrong, seconded by Mr. Stevens and by a unanimous vote, the following minute order was adopted:

The Board of Regents of The Texas A&M University System approves the establishment of a new degree program at Prairie View A&M University leading to a Bachelor of Science Degree with a major in Construction Science and the expansion of the Table of Programs for a baccalaureate program in Construction Science.

The Board also authorizes the President to submit this new degree program and Table of Programs expansion request to the Texas Higher Education Coordinating Board for approval and hereby certifies that all applicable criteria of the Coordinating Board for this proposal have been met.

MINUTE ORDER 51-2001 (AGENDA ITEM 16)

APPROVAL OF THE ESTABLISHMENT OF NEW MASTER OF ARTS PROGRAM IN COMPARATIVE LITERATURE AND CULTURE AND AUTHORIZATION TO SUBMIT NEW DEGREE PROGRAM TO THE TEXAS HIGHER EDUCATION COORDINATING BOARD FOR APPROVAL, TEXAS A&M UNIVERSITY

On motion of Ms. Armstrong, seconded by Mr. Stevens and by a unanimous vote, the following minute order was adopted:

The Board of Regents of The Texas A&M University System approves the establishment of a new degree program at Texas A&M University, the Master of Arts Program in Comparative Literature and Culture.

The Board also authorizes the President of Texas A&M University to submit this new degree program to the Texas Higher Education Coordinating Board for approval and hereby certifies that all applicable criteria of the Coordinating Board for this proposal have been met.

MINUTE ORDER 52-2001 (AGENDA ITEM 17)

**ESTABLISHMENT OF THE
INSTITUTE FOR QUANTUM STUDIES,
TEXAS A&M UNIVERSITY**

On motion of Ms. Armstrong, seconded by Mr. Stevens and by a unanimous vote, the following minute order was adopted:

The Institute for Quantum Studies is established to support educational training programs and strengthen basic research programs, which will accelerate the discovery of new knowledge in the area of quantum studies and their impact on science and engineering. Particular emphasis will be given to new quantum computation schemes, which involve exponentially faster computation capability, faster searches of databases, and enhanced new approaches to quantum dense coding, and quantum cryptography; and the utilization of new advances in quantum optic and quantum electronics which make possible ultra fast data processing and new analog to digital device systems. The Institute will serve as an organizational unit of Texas A&M University.

MINUTE ORDER 53-2001 (AGENDA ITEM 18)

**APPROVAL OF THE ESTABLISHMENT OF A NEW
DEGREE PROGRAM LEADING TO AN M.S. DEGREE
IN ADULT EDUCATION AND AUTHORIZATION TO
SUBMIT THE NEW DEGREE PROGRAM TO THE
TEXAS HIGHER EDUCATION COORDINATING BOARD FOR APPROVAL,
TEXAS A&M UNIVERSITY-TEXARKANA**

On motion of Ms. Armstrong, seconded by Mr. Stevens and by a unanimous vote, the following minute order was adopted:

The Board of Regents of The Texas A&M University System approves the establishment of a new degree program at Texas A&M University-Texarkana leading to a Master of Science Degree in Adult Education.

The Board also authorizes the President to submit the new degree program to the Texas Higher Education Coordinating Board for approval and hereby certifies that all applicable criteria of the Coordinating Board for this proposal have been met.

MINUTE ORDER 54-2001 (AGENDA ITEM 19)

**APPROVAL OF CONCEPT PAPER FOR THE ESTABLISHMENT
OF THE CENTER FOR EARTH AND ENVIRONMENTAL STUDIES,
TEXAS A&M INTERNATIONAL UNIVERSITY**

On motion of Ms. Armstrong, seconded by Mr. Stevens and by a unanimous vote, the following minute order was adopted:

The concept paper for the establishment of the Center for Earth and Environmental Studies, a copy of which is attached to the official minutes as **Exhibit J**, is hereby approved.

MINUTE ORDER 55-2001 (AGENDA ITEM 20)

**ESTABLISHMENT OF THE
CENTER FOR AGRIBUSINESS EXCELLENCE,
TARLETON STATE UNIVERSITY**

On motion of Ms. Armstrong, seconded by Mr. Stevens and by a unanimous vote, the following minute order was adopted:

The Center for Agribusiness Excellence, as outlined in **Exhibit K**, is hereby established as an organizational part of Tarleton State University that is administered within the Division of Academic Affairs, effective March 23, 2001. The President of Tarleton State University is hereby authorized to appoint a Director of the Center for Agribusiness Excellence.

MINUTE ORDER 56-2001 (AGENDA ITEM 21)

**APPROVAL OF THE INSTITUTIONAL PLAN FOR
DISTANCE EDUCATION AND OFF-CAMPUS INSTRUCTION
AND AUTHORIZATION TO SUBMIT PLAN TO THE
TEXAS HIGHER EDUCATION COORDINATING BOARD FOR APPROVAL,
WEST TEXAS A&M UNIVERSITY**

On motion of Ms. Armstrong, seconded by Mr. Stevens and by a unanimous vote, the following minute order was adopted:

The Board of Regents of The Texas A&M University System approves the Institutional Plan for Distance Education and Off-Campus Instruction for West Texas A&M University, as contained in **Exhibit L**, attached to the official minutes.

The Board also authorizes the President to submit this Institutional Plan for Distance Education and Off-Campus Instruction to the Texas Higher Education Coordinating Board for approval.

MINUTE ORDER 57-2001 (AGENDA ITEM 22)

**APPROVAL OF ESTABLISHMENT OF A NEW DEGREE PROGRAM
LEADING TO A DOCTOR OF PUBLIC HEALTH DEGREE AND
AUTHORIZATION TO SUBMIT THE NEW DEGREE PROGRAM
TO THE TEXAS HIGHER EDUCATION COORDINATING BOARD FOR APPROVAL,
THE TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER**

On motion of Ms. Armstrong, seconded by Mr. Stevens and by a unanimous vote, the following minute order was adopted:

The Board of Regents of The Texas A&M University System approves the establishment of a new degree program at The Texas A&M University System Health Science Center leading to a Doctor in Public Health Degree.

The Board also authorizes the President of the A&M System Health Science Center to submit this new degree program to the Texas Higher Education Coordinating Board for approval.

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Mr. McClure called on Mr. Allen, Chairman of the Committee on Audit to present Item 23.

**REPORT FROM THE COMMITTEE ON AUDIT**

Mr. Allen said the Committee met earlier in the month and considered and approved the audit report prepared by the Office of System Internal Audit. He said that both first and second quarter reports were considered; however, second quarter reports were considered in greater detail. Mr. Allen complimented the Office of System Internal Audit and the management of Ms. Cathy Smock, Chief Auditor, and proposed the idea that the audit reports be approved by the full Board after approval by the Committee, perhaps in the form of a resolution. Mr. Allen recommended approval of Item 23.

The Board took action as set forth below:

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MINUTE ORDER 58-2001 (AGENDA ITEM 23)

**APPROVAL OF PROPOSED 2002 AUDIT PLAN,
THE TEXAS A&M UNIVERSITY SYSTEM**

On motion of Mr. Allen, seconded by Mr. Sosa and by a unanimous vote, the following minute order was adopted:

The Board of Regents of The Texas A&M University System hereby approves the System Internal Audit Plan for Fiscal Year 2002, a copy of which is attached to the official minutes as **Exhibit M**.

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**OTHER ITEMS**

Mr. McClure called on Mr. Graves to present Item 25.

Mr. Graves presented Item 25, Approval of New System Policy 11.08 (*Posthumous Degrees*), and recommended it for approval. Following Mr. Graves' proposal, Dr. Avilès said that

he thought there was going to be a uniform policy for all universities. Mr. Graves responded that it depends on how precise the Board wanted the uniform policy to be. He said that it seemed to him that what ought to be done is allow the president of each university to make a decision as to whom is qualified to receive the degree. Mr. Graves said that he could re-word the policy and make it a uniform policy; however, he has already laid out basic criteria that he thought ought to be considered. Mr. Graves said he would go back and re-write the policy.

Dr. Avilès said that he would like to see a more uniform policy. Dr. Bowen said that at TAMU this has been an issue of great discussion for many years. He said it has evolved almost to a level of maturity where it is almost locked in. He thought all of the campuses have evolved under certain different historical and cultural pasts, and the kind of sensitivities and issues that they have responded to historically are hard to abandon. Dr. Bowen said a uniform policy that would treat everyone the same, he thought, would create hardship in the institutions. He said that TAMU's size and tendency to sort of dominate the discussion might really disadvantage another institution that has an entirely different history, a different way of reacting to these tragedies. He said that he celebrated what the System had done in coming up with guidelines, broad criteria, that basically says that they have to be accountable and explain why they are doing it. Dr. Bowen said he would be a voice for softening the idea of having one policy that was highly prescriptive.

Dr. Avilès said that he understood, but had a problem when a freshman receives a degree. Dr. Bowen said that did not happen at TAMU, but an institution with a different circumstance might feel that is an appropriate thing to do. Mr. Graves said that he would work on some words and cautioned that he believed that if too precise criteria were developed, he feared the Board would constantly be working on a request for an exception to the rule.

Mr. Stevens said that he agreed that each one of these institutions has a very different cultural bias. He said that he liked the idea of each president having some authority, as long as they are within those guidelines, develop their own procedures and processes. He asked that as the policy is developed they keep in mind that the different cultures should be recognized and that this should be a policy as opposed to actually getting involved in who is awarded a degree.

Mr. Nye said that maybe the policy could describe the gravity of the circumstance that warrants granting a degree. He agreed with Dr. Avilès that at least there be some minimum requirement around granting a degree. He said this policy does not represent that -- surely there is some way to fit a policy in between.

Mr. Graves said that he could do that. Mr. Allen then said that he thought whatever it is ought to be fairly "broad brushed." He said sort of create a paradigm that everybody could fit into, yet give the CEOs great latitude in coming before the Board and making their request.

Mr. McClure stated that Item 25 would be deferred. He asked Dr. Charles Jennett, President of Texas A&M International University (TAMIU), to present Item 26.

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MINUTE ORDER 59-2001 (AGENDA ITEM 26)

**AUTHORIZATION TO AWARD AN HONORARY DOCTOR
OF ARTS DEGREE TO ALTAGRACIA AZIOS GARCIA,
TEXAS A&M INTERNATIONAL UNIVERSITY**

On motion of Mr. Powell, seconded by Dr. Wynn and by a unanimous vote, the following minute order was adopted:

Texas A&M International University is authorized to award an Honorary Doctor of Arts Degree to Altagracia Azios Garcia, whose excellence in the field of the arts exemplifies the mission and scope of the University and who has provided meritorious and outstanding service to the University, the State of Texas and to humanity at large.

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Mr. McClure asked Dr. Bowen to present Items 27 through 32. The Board took the following action:

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MINUTE ORDER 60-2001 (AGENDA ITEM 27)

**AUTHORIZATION TO AWARD AN HONORARY DOCTOR
OF LETTERS DEGREE TO PERRY L. ADKISSON,
TEXAS A&M UNIVERSITY**

On motion of Mr. Powell, seconded by Dr. Wynn and by a unanimous vote, the following minute order was adopted:

Texas A&M University is authorized to award an honorary Doctor of Letters degree to Perry L. Adkisson.

MINUTE ORDER 61-2001 (AGENDA ITEM 28)

**AUTHORIZATION TO AWARD AN HONORARY DOCTOR
OF LETTERS DEGREE TO NORMAN HACKERMAN,
TEXAS A&M UNIVERSITY**

On motion of Mr. Nye, seconded by Dr. Wynn and by a unanimous vote, the following minute order was adopted:

Texas A&M University is authorized to award an honorary Doctor of Letters degree to Norman Hackerman.

MINUTE ORDER 62-2001 (AGENDA ITEM 29)

**ADOPTION OF A RESOLUTION HONORING DONALD L. ENGELAGE
AND CONFERRING THE TITLE OF EXECUTIVE
DIRECTOR OF STUDENT FINANCIAL AID EMERITUS,
TEXAS A&M UNIVERSITY**

On motion of Mr. Stevens, seconded by Mr. Nye and by a unanimous vote, the following minute order was adopted:

Whereas, Donald L. Engelage served the Texas A&M University Department of Student Financial Aid for more than 15 years; and

Whereas, prior to joining the Department of Student Financial Aid, Mr. Engelage completed an exemplary aviation career in the United States Air Force, attaining the rank of Lieutenant Colonel, receiving, among other honors, the Distinguished Flying Cross for heroic service in Vietnam, and retiring as Chief of the Aircraft Test Division at Headquarters of the Strategic Air Command; and

Whereas, Mr. Engelage subsequently received a Master's degree in Counseling and Guidance from the University of Nebraska at Omaha and began a second career in higher education; and

Whereas, Mr. Engelage joined the Texas A&M family in 1985 as Assistant Director of Student Financial Aid and, on the strength of his management skills and leadership abilities, was selected in 1988 as the Director of Student Financial Aid and subsequently promoted in 1997 to Executive Director of Student Financial Aid; and

Whereas, from his 1988 appointment as Director until his retirement, the total number of students annually enrolled in Texas A&M University grew from 39,163 to 44,026 and the total volume of financial aid increased from \$101 million to more than \$232 million; and

Whereas, during the intervening twelve years, Mr. Engelage provided considerable guidance to one of the most complex administrative units on the Texas A&M University campus, assuming responsibility for the overall leadership and coordination of all grant, loan, student employment and university scholarship programs for undergraduate, graduate and professional students attending Texas A&M University; and

Whereas, under Mr. Engelage's guidance, the Department of Student Financial Aid enacted several innovative student financial aid programs, including financial aid counseling, budget planning and debt management services for students, a comprehensive scholarship program that incorporated leadership, service positions and work experience into the selection process, and establishment of an Athletic Financial Aid Coordinator position; and

Whereas, under Mr. Engelage's guidance, the Department of Student Financial Aid also assumed responsibility for administering more than 3,000 scholarship accounts held by the Association of Former Students, the Texas A&M Foundation and Financial Management Services, as well as responsibility for Federal financial aid funds disbursed to students at Texas A&M University at Galveston; and

Whereas, through his positive leadership and administrative abilities, Mr. Engelage developed one of the most notable and highly regarded student financial aid departments in the nation; and

Whereas, Mr. Engelage's significant career accomplishments provide strong evidence of his compassion, energy, creativity, innovative spirit and service-oriented professional dedication to Texas A&M University and its students; now, therefore, be it

Resolved, that the Board of Regents of The Texas A&M University System expresses its appreciation for Mr. Donald L. Engelage's service to Texas A&M University by conferring upon him the title "Executive Director of Student Financial Aid Emeritus," to be effective with Board Members' approval of this honor; and, be it, further

Resolved, that this resolution be spread upon the minutes, with official copies thereof signed by the Chairman of the Board of Regents, and presented to Mr. Donald L. Engelage as an expression of appreciation for his leadership and dedication to Texas A&M University.

MINUTE ORDER 63-2001 (AGENDA ITEM 30)

**ADOPTION OF A RESOLUTION HONORING
A. BENTON COCANOUGH
AND CONFERRING THE TITLE OF DEAN EMERITUS OF THE
LOWRY MAYS COLLEGE AND GRADUATE SCHOOL OF BUSINESS,
TEXAS A&M UNIVERSITY**

On motion of Mr. Allen, seconded by Mr. Stevens and by a unanimous vote, the following minute order was adopted:

Whereas, Dr. A. Benton Cocanougher has served Texas A&M University with distinction in administrative roles for 14 years; and

Whereas, Dr. Cocanougher earned the B.B.A., M.B.A. and Ph.D. degrees from The University of Texas at Austin; and

Whereas, Dr. Cocanougher faithfully served his country as a Lieutenant in the United States Army; and

Whereas, Dr. Cocanougher served with distinction as a faculty member at The University of Texas at Austin, the University of Southern California and Southern Methodist University; and

Whereas, prior to joining Texas A&M University, Dr. Cocanougher served in several important administrative roles at the University of Houston, including Dean of the College of Business Administration and as Provost; and

Whereas, during his academic career, Dr. Cocanougher has compiled an enviable record of high-quality articles that have benefited both the theory and the practice of the field of marketing; and

Whereas, during his tenure as Dean of the Lowry Mays College and Graduate School of Business, the undergraduate and graduate programs in business administration have significantly grown in stature and are today recognized as among the best in the world; and

Whereas, during his tenure as Dean, the endowment of the Lowry Mays College and Graduate School of Business has grown from less than \$10 million in 1987 to more than \$78 million; and

Whereas, Dr. Cocanougher has served with distinction on numerous external boards and advisory groups; and

Whereas, Dr. Cocanougher served as Interim Senior Vice President and Provost at Texas A&M University; and

Whereas, Dr. Cocanougher has consistently demonstrated positive and effective leadership, exceptional administrative ability and the highest personal integrity; and

Whereas, Dr. Cocanougher's significant career accomplishments provide clear and indisputable evidence of his dedication and commitment to the advancement of the multiple missions of Texas A&M University, as well as its students, faculty, staff, alumni and other stakeholders; now, therefore, be it

Resolved, that the Board of Regents of The Texas A&M University System express its appreciation for Dr. Cocanougher's service to Texas A&M University by conferring upon him the title of "Dean Emeritus," to be effective on the day of his departure from the role of Dean; and, be it, further

Resolved, that this resolution be spread upon the minutes, with official copies thereof signed by the Chairman of the Board of Regents, and presented to Dr. A. Benton Cocanougher as an expression of appreciation for his leadership and dedication to Texas A&M University.

MINUTE ORDER 64-2001 (AGENDA ITEM 31)

**ADOPTION OF A RESOLUTION RECOGNIZING THE
OUTSTANDING DEDICATION AND SERVICE OF MR. CARROLL W. PHILLIPS
AS A TRUSTEE OF THE TEXAS A&M FOUNDATION,
TEXAS A&M UNIVERSITY**

On motion of Dr. Wynn, seconded by Mr. Nye and by a unanimous vote, the following minute order was adopted:

Whereas, Carroll W. Phillips, a member of the Class of 1954, has served Texas A&M University with honor and distinction in a variety of capacities; and earned a bachelor's degree in accounting from Texas A&M University, where he was an Opportunity Award scholar, a Ross Volunteer and member of the Phi Kappa Phi Scholastic Fraternity and Memorial Student Center Council; and

Whereas, Mr. Phillips served for two years as a lieutenant in the U.S. Air Force; and received his CPA license in 1959; and

Whereas, Mr. Phillips is a business leader of exceptional ability; and served as Vice Chairman of Coopers & Lybrand, a leading international accounting and auditing, tax and consulting firm; and served for more than 20 years as the firm's Houston managing partner, producing a record of remarkable business growth and development; and

Whereas, Mr. Phillips served his profession in many roles over the years, including a term as president of the 30,000-member Texas Society of Certified Public Accountants; and served his community and church through numerous hours given to organizations such as the Houston Symphony Orchestra, Houston Grand Opera, United Way, Chapelwood United Methodist Church and Texas Southern University; and

Whereas, Mr. Phillips has served selflessly as a member of Texas A&M University's President's Council, Private Enterprise Research Center board of directors, Chancellor's Century Council and Mays College Development Council; and has helped educate new generations of business leaders by lecturing at Texas A&M and Rice University; and has given a pillar at the Jon L. Hagler Center and has supported numerous other programs, including the President's Council, Eternal Aggie Band Endowment, and a professorship, fellowship and excellence fund in the Department of Accounting; and

Whereas, Mr. Phillips has served in key leadership positions with the Vision 2020 Initiative, 12th Man Foundation and "Capturing the Spirit" Campaign; and also served on the Board of Trustees of the Texas A&M Foundation from 1994-2001, serving as Chairman in 1997-98; and

Whereas, Mr. Phillips was instrumental in guiding the Texas A&M Foundation during the \$637 million "Capturing the Spirit" Campaign and construction of the Jon L. Hagler Center; and is a member of University Associates; now, therefore, be it

Resolved, that the Board of Regents of The Texas A&M University System gratefully recognizes the outstanding dedication and service of Mr. Phillips as a Trustee of the Texas A&M Foundation and his lifelong efforts to maintain the margin of excellence that defines Texas A&M University and the Texas A&M Foundation; and, be it, further

Resolved, that this resolution be spread upon the minutes, with official copies thereof signed by the Chairman of the Board of Regents of The Texas A&M University System, and presented to Mr. Phillips, and to the archives of Texas A&M University, as an expression of appreciation and respect for Mr. Carroll W. Phillips '54.

MINUTE ORDER 65-2001 (AGENDA ITEM 32)

**AUTHORIZATION FOR FACULTY DEVELOPMENT LEAVE,
TEXAS A&M UNIVERSITY**

On motion of Mr. Powell, seconded by Mr. Allen and by a unanimous vote, the following minute order was adopted:

The Board of Regents of The Texas A&M University System, in accordance with System Policy 31.03 and Section 51.101 of the Texas Education Code, authorizes faculty development leave to the faculty members as set forth on Faculty Development Leave List FY 02, Texas A&M University, a copy of which is attached to the official minutes as **Exhibit N**.

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Mr. McClure asked Mr. Graves to present Items 33 and 34. The Board took action as follows:

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MINUTE ORDER 66-2001 (AGENDA ITEM 33)

**GRANTING OF ACADEMIC TENURE,
THE TEXAS A&M UNIVERISTY SYSTEM**

On motion of Mr. Nye, seconded by Dr. Wynn and by a unanimous vote, the following minute order was adopted:

The Board of Regents of The Texas A&M University System, in accordance with System Policy 12.01 on academic freedom, responsibility and tenure, hereby authorizes the granting of tenure to the following faculty members as set forth on Tenure List No. 00-01-04, a copy of which is attached to the official minutes as **Exhibit O**.

MINUTE ORDER 67-2001 (AGENDA ITEM 34)

**GRANTING OF EMERITUS TITLES,
THE TEXAS A&M UNIVERSITY SYSTEM**

On motion of Mr. Nye, seconded by Dr. Wynn and by a unanimous vote, the following minute order was adopted:

In recognition of long and distinguished service to The Texas A&M University System, the Board of Regents hereby confirms the recommendation of the Chancellor, and confers the title of "Emeritus/Emerita" upon individuals as shown on Emeritus Title List No. 00-01-04, a copy of which is attached to the official minutes as **Exhibit P**, and grants all rights and privileges of this title.

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Mr. McClure presented Item 35 and the Board took action as set forth below:

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MINUTE ORDER 68-2001 (AGENDA ITEM 35)

**APPROVAL OF MINUTES OF THE JANUARY 25-26, 2001,
REGULAR MEETING AND THE JANUARY 16, 2001 SPECIAL MEETING,
BOARD OF REGENTS, THE TEXAS A&M UNIVERSITY SYSTEM**

On motion of Mr. Nye, seconded by Dr. Wynn and by a unanimous vote, the following minute order was adopted:

The Minutes of the Regular Meeting of the Board of Regents of The Texas A&M University System held in Galveston, Texas, on January 25-26, 2001, are hereby approved.

The Minutes of the Special Meeting of the Board of Regents of The Texas A&M University System held in College Station, Texas, on January 16, 2001, are hereby approved.

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Mr. McClure called on Dr. Robert Furguson, President of Texas A&M University-Corpus Christi, to present Item 37. The Board took action as follows:

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MINUTE ORDER 69-2001 (AGENDA ITEM 37)

**ADOPTION OF A RESOLUTION RECOGNIZING THE
ACHIEVEMENTS OF THE ETHICS TEAM,
TEXAS A&M UNIVERSITY-CORPUS CHRISTI**

On motion of Ms. Armstrong, seconded by Dr. Wynn and by a unanimous vote, the following minute order was adopted:

Whereas, the 2000-2001 Texas A&M University-Corpus Christi Ethics Team participated in the regional ethics bowl in November 2000, preparing them for competition at the national level; and

Whereas, the students on the team - Jeremy Cook, Daniel Davila, Amanda Hallock, Mike Mayfield, Jeffrey Snyder and Catherine Ward - then spent five weeks of exhaustive preparation for the national ethics bowl, researching various ethical principles and practices; and

Whereas, the team's organizers and coaches, Drs. Andy Piker and Stefan Sencerz, spent many hours developing the students' competency levels in the areas of intelligibility, depth, focus and judgment; and

Whereas, the 2000-2001 Texas A&M University-Corpus Christi Ethics Team competed in Ethics Bowl 2001 in Cincinnati, Ohio, the national ethics bowl competition held in conjunction with the annual meeting of The Association for Practical and Professional Ethics, a competition involving over thirty universities from across the United States; and

Whereas, members of the A&M-Corpus Christi team exhibited an outstanding ability to address difficult ethical issues and to formulate and state their positions logically and consistently; and

Whereas, Jeremy Cook, Daniel Davila, Amanda Hallock, Mike Mayfield, Jeffrey Snyder and Catherine Ward were able to think on their feet and hold up under the pressure of six rounds and 14 hours of rigorous competition; and

Whereas, at 11 p.m. on Thursday, March 1, the 2000-2001 Texas A&M University-Corpus Christi Ethics Team became the national champions, winning first place in The Seventh Intercollegiate Ethics Bowl 2001, bringing national recognition to the University; now, therefore, be it

Resolved, that the members of the Board of Regents of The Texas A&M University System, meeting on this 23rd day of March 2001 at College Station, Texas, express our heartfelt congratulations to all members of the Texas A&M University-Corpus Christi Ethics Team 2001 and the coaches for their contributions to Texas A&M University-Corpus Christi and The Texas A&M University System; and, be it, further

Resolved, that this resolution be spread among the minutes, and copies thereof, signed by the Chairman of the Board of Regents, be presented to each member of the team and to the Archives of Texas A&M University-Corpus Christi, as a permanent mark of this Board's appreciation and gratitude to all these individuals for a job well done.

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***ADJOURNMENT***

There being no further business, Mr. McClure adjourned the meeting at 11:10 a.m., Friday, March 23, 2001.

Vickie Burt Spillers  
Executive Secretary to the Board of Regents  
The Texas A&M University System

VBS:bg