

MINUTES

OF THE

MEETING OF THE

BOARD OF REGENTS

OF

THE TEXAS A&M UNIVERSITY SYSTEM

HELD IN

COLLEGE STATION, TEXAS

June 5-6, 2003

(Approved July 24-25, 2003, Minute Order 151-2003)

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**MINUTES OF THE
MEETING OF THE BOARD OF REGENTS
June 5-6, 2003**

CONVENE BOARD MEETING - THURSDAY, JUNE 5

Mr. Lowry Mays, Chairman of the Board of Regents, convened a regular meeting of the Board of Regents of The Texas A&M University System (TAMUS) at 10:08 a.m., on Thursday, June 5, 2003, in Room 292 of the Memorial Student Center (MSC), on the campus of Texas A&M University (TAMU), College Station, Texas. The following members of the Board were present:

Mr. Lowry Mays, Chairman
Mr. Erle Nye, Vice Chairman
Mr. Phil Adams
Ms. Anne Armstrong
Dr. Wendy Gramm
Mr. Lionel Sosa
Mr. R.H. (Steve) Stevens, Jr.
Mr. John D. White

The following member of the Board was not present:

Dr. Susan Rudd Wynn (*joined meeting at 2:35 p.m.*)

INVOCATION

Mr. Mays called on Mr. Matt Josefy, newly elected Student Body President at TAMU, an accounting major from Midland, Texas, who presented the invocation.

CHAIRMAN'S REMARKS

Mr. Mays said that he was very happy to be the new Chairman of the Board. He said that Mr. Nye had done an outstanding job as Chairman during the past two years. Mr. Mays said that he and Mr. Nye shared some of the same leadership styles and he hoped that they could continue to take the System to new levels.

Mr. Mays announced the new committee assignments and said that he was excited about the new committee assignments.

The Board took action as set forth below:

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MINUTE ORDER 86-2003 (AGENDA ITEM 24)

**APPROVAL OF 2003-2005 COMMITTEE ASSIGNMENTS  
AND SPECIAL APPOINTMENTS,  
BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM**

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

The standing committees, special committees and special appointments for 2003-2005, shown as follows, are hereby approved.

STANDING COMMITTEES

COMMITTEE ON AUDIT

R.H. Stevens, Jr., Chair  
Wendy Gramm  
Lionel Sosa  
Susan Rudd Wynn  
Lowry Mays (*ex-officio, non-voting*)

COMMITTEE ON FINANCE

Phil Adams, Chair  
Anne Armstrong  
Erle Nye  
John White  
Lowry Mays (*ex-officio, non-voting*)

COMMITTEE ON ACADEMIC AND  
STUDENT AFFAIRS

Wendy Gramm, Chair  
Anne Armstrong  
Lionel Sosa  
Susan Rudd Wynn  
Lowry Mays (*ex-officio, non-voting*)

COMMITTEE ON BUILDINGS AND  
PHYSICAL PLANT

Erle Nye, Chair  
Phil Adams  
R.H. Stevens, Jr.  
John White  
Lowry Mays (*ex-officio, non-voting*)

AD HOC COMMITTEES

POLICY REVIEW COMMITTEE

John White, Chair  
Erle Nye  
R.H. Stevens, Jr.  
Susan Rudd Wynn

PRESIDENTIAL LIBRARY COMMITTEE

Lowry Mays, Chair  
Phil Adams  
Erle Nye

PUBLIC POLICY AND PLANNING COMMITTEE

Lowry Mays, Chair  
Phil Adams  
Erle Nye  
R.H. Stevens, Jr.

SPECIAL COMMITTEES

CAMPUS ART AND AESTHETIC IMPROVEMENT

Wendy Gramm, Chair  
Lionel Sosa  
R.H. Stevens, Jr.

COMMITTEE ON EDUCATIONAL ACCESS

Lionel Sosa, Chair  
Wendy Gramm  
Erle Nye  
Susan Rudd Wynn

COMMITTEE ON HEALTH AFFAIRS

Susan Rudd Wynn, Chair  
Phil Adams  
Wendy Gramm

HEALTH SCIENCE CENTER REVIEW

R.H. Stevens, Jr., Chair  
Phil Adams  
Susan Rudd Wynn

SPECIAL APPOINTMENTS

TAMU Association of Former Students

John White

Texas A&M Foundation

Erle Nye

Texas A&M Research Foundation

Phil Adams

12<sup>th</sup> Man Foundation

Phil Adams

PVAMU Development Foundation

R.H. Stevens, Jr.

Bill and Irma Runyon Art Collection Committee

Wendy Gramm

Texas Growth Fund Board

John White

Board for Lease for University Lands

R.H. Stevens, Jr.

Ex Cmte of the Panhandle Plains Historical Museum

Phil Adams  
Lionel Sosa

Texas Higher Education Coordinating Board

Wendy Gramm  
Erle Nye

TAMU Center for Humanities Res. Dev. Council

Wendy Gramm

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Mr. Mays called on Mr. Howard Graves, Chancellor of TAMUS, for remarks.

CHANCELLOR'S REMARKS

Mr. Graves introduced Dr. Michael Kemp, Vice President and Chief Executive Officer (CEO), Texas A&M University at Galveston (TAMUG), who described a rescue operation performed by the crew and cadets of the *Texas Clipper II*, 100 miles off the coast of Jacksonville, Florida.

Mr. Graves thanked everyone present for the leadership that had been provided to the System and to each institution and agency during the legislative session. He said

he continues to visit the various campuses and looked forward to visiting the campus of Texas A&M University at Commerce (TAMU-C) for the July 24-25, Board meeting.

Mr. Graves said that we should be thankful for the budget outcome from the recent legislative session compared to what was anticipated in January. Mr. Mays said the budget outcome was better than we expected, and he gave everyone credit for that outcome. He said in a recent national publication, it was mentioned that Arizona State University was going to increase its tuition 40 percent, the University of California was going to increase its tuition 27 percent, and the University of Virginia was going to increase its tuition 20 percent.

RECESS

Mr. Mays recessed the meeting at 10:19 a.m.

(Secretary's Note: The Committee on Finance met from 10:20 a.m. to 10:44 a.m. and the Committee on Academic and Student Affairs met from 10:45 a.m. to 11:25 a.m.).

RECONVENE AND SPECIAL PRESENTATION

Mr. Mays reconvened the meeting at 11:26 a.m. He asked Dr. Robert Gates, President of TAMU, to present Item 25, a resolution honoring Dr. J. Malon Southerland. Dr. Gates read the resolution, and the Board took action as set forth below:

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**MINUTE ORDER 87-2003 (AGENDA ITEM 25)**

**ADOPTION OF A RESOLUTION HONORING  
DR. J. MALON SOUTHERLAND  
AS VICE PRESIDENT EMERITUS FOR STUDENT AFFAIRS,  
TEXAS A&M UNIVERSITY**

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

Whereas, Dr. Southerland has served the Texas A&M University Division of Student Affairs with distinction for more than 35 years, including nearly ten years of service as the Vice President for Student Affairs; and

Whereas, Dr. Southerland's many University leadership roles have included serving as Assistant to the President of Texas A&M University and as the University's first director of Cooperative Education; and



Whereas, Dr. Southerland's many Division leadership roles have included serving as Assistant Vice President for Student Services, Associate Vice President for Student Services, Interim Director of Student Financial Aid, Interim Commandant of the Corps of Cadets, and Interim Director of Student Health Services; and

Whereas, Dr. Southerland was responsible for changing the name of the Division of Student Services to the Division of Student Affairs so that the name would better reflect the multiple missions of the Division; and

Whereas, as Vice President for Student Affairs, Dr. Southerland possessed the vision to further improve the quality of student life on campus by creating the Critical Incident Response Team, creating the Department of Student Life Studies, assuming responsibility for all operational and financial aspects of Residence Life, and embracing the addition of Special Event Facilities and University Art Collections and Exhibitions to the Division of Student Affairs; and

Whereas, Dr. Southerland's legendary ability to promote and defend his vision of student development at Texas A&M directly contributed to the impressive growth of the Division in terms of resources, finances, and facilities; and

Whereas, Dr. Southerland's talents in program building enabled him to create or spearhead several innovative programs such as the Corps of Cadets Leadership Program and university-wide leadership initiatives; and

Whereas, Dr. Southerland worked tirelessly to establish and expand the Aggie Leader Scholarship program, which is now re-named the J. Malon Southerland '65 Aggie Leader Scholarship Program as a lasting tribute to his dedication to student involvement and leadership; and

Whereas, Dr. Southerland's policy of delegating significant responsibilities was part of his deliberate efforts to create opportunities for staff to develop their own organizational and administrative abilities; and

Whereas, Dr. Southerland has maintained this strong devotion to the continuing professional development of his staff, enabling Vice President administrative staff, Directors, and other Division members to assume leadership roles in multiple national and regional organizations; and

Whereas, Dr. Southerland has demonstrated a remarkable ability to celebrate student successes in unique and special ways through open forums, student luncheons, student leader dinners, and other events; and

Whereas, in the spirit of always treating the Aggie family as his own, Dr. Southerland used his on-campus residence to host countless meetings of students, student organizations, Aggie Mothers' Clubs, and various other groups of faculty, staff, and friends of Texas A&M; and

Whereas, exemplifying his personal goal of providing unprecedented student access to the top administration of the University, Dr. Southerland made it a priority to visit each Fish Camp every summer for the last ten years to personally welcome incoming students to Texas A&M; and

Whereas, in addition to his considerable administrative responsibilities, Dr. Southerland has acted as mentor, counselor, parent figure, career advisor and friend to countless Aggie students and staff during his Division tenure; and

Whereas, Dr. Southerland was honored in March 2003, by the National Association of Student Personnel Administrators with the Scott Goodnight Award For Outstanding Performance as a Dean, one of the most prestigious awards in the student affairs profession; and

Whereas, Dr. Southerland's visionary leadership, forthright nature, and uncompromising integrity brought out the best of those around him and significantly enhanced growth and development opportunities for the more than 250,000 students who have attended Texas A&M during his tenure; now, therefore, be it

Resolved, that the students, former students, parents, faculty, staff, and administration of Texas A&M University express their enduring appreciation for the leadership Dr. J. Malon Southerland has provided to the Texas A&M University Division of Student Affairs by conferring upon him the title Vice President Emeritus for Student Affairs, to be effective upon his retirement; and, be it, further

Resolved, that this resolution be spread upon the minutes, and copies thereof, signed by the Chairman of the Board of Regents, be presented to Dr. J. Malon Southerland, and to the archives of Texas A&M University, as a permanent expression of the esteem in which he is held.

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Mr. Mays presented a framed resolution to Dr. Southerland. Dr. Southerland thanked his mentors, friends, students and professionals, who through a lifetime at TAMU, have helped him.

RECESS

Mr. Mays recessed the meeting at 11:35 a.m.

(Secretary's Note: The Board recessed for lunch. A signing ceremony celebrating the establishment of the South Texas Joint Enrollment Program was held at 1:00 p.m.)

CONVENE IN CLOSED SESSION

At 1:42 p.m., Mr. Mays announced that the Board would convene in closed session to consider matters as permitted by Chapter 551 of the Texas Government Code: 55.071 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; 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. Mays 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.

(Secretary's Note: The Board met in closed session from 1:44 p.m. until 4:40 p.m., in Room 205 of the MSC.)

(Secretary's Note: Dr. Wynn joined the meeting at 2:35 p.m.)

RECONVENE – FRIDAY, JUNE 6

(Secretary's Note: The Board continued its closed session meeting at 7:33 a.m. and adjourned its closed session meeting at 8:45 a.m. The Committee on Audit met from 8:50 a.m. until 9:25 a.m., in Room 205 of the MSC.)

(Secretary's Note: The Committee on Buildings and Physical Plant met from 9:30 a.m. until 10:35 a.m., in Room 292 of the MSC.)

Mr. Mays reconvened the meeting on Friday, June 6, 2003, at 10:36 a.m., in Room 292 of the MSC. The following members of the Board were present:

- Mr. Lowry Mays, Chairman
- Mr. Erle Nye, Vice Chairman
- Mr. Phil Adams
- Ms. Anne Armstrong
- Dr. Wendy Gramm
- Mr. Lionel Sosa
- Mr. R.H. (Steve) Stevens, Jr.
- Mr. John D. White
- Dr. Susan Rudd Wynn

Mr. Mays announced that the Board had met in closed session on Thursday, June 5, from 1:44 p.m. to 4:40 p.m. and again on Friday, June 6, from 7:33 a.m. to 8:45 a.m.

Mr. Mays called on Dr. Kemp who presented a short video that had been taken by the Coast Guard showing the rescue mission by the crew of the *Texas Clipper II* on June 1.

Mr. Mays called on Dr. Stanton Calvert, Vice Chancellor for Governmental Relations, to give a report on the recent legislative session.

Mr. Graves recognized the members of the System's governmental relations team who were present in the meeting room.

PRELIMINARY REPORT ON THE LEGISLATIVE SESSION

Dr. Calvert reported that in this session more than any other in memory, the Governor, Lieutenant Governor, Speaker, Sen. Steve Ogden and Rep. Fred Brown were directly involved and were keys to our success. He said that the Board, the Chancellor and university presidents and virtually all of the key staff members of the presidents and several external supporters were also involved. Dr. Calvert commented on a personal note that everyone who has the honor of representing the institutions and agencies of the System, do so with a profound awareness that they have a responsibility to live up to the standards that are set by the Board and the institutions that make up the System.

Dr. Calvert said that up until June 22, bills were still in the hands of the Governor and were subject to veto. He said that the budget had not yet been certified and the Comptroller had indicated that it was going to be a slow and arduous review on her part. Dr. Calvert said there were other possible reductions. He added that the data that would be presented was general revenue (GR) data only, except where indicated.

Dr. Calvert said that in January, all of the institutions and agencies were asked to reduce their funding by seven percent. He said that they did so. He said that going into the final resolution of the budget that literally occurred during the last possible hours of the weekend when the budget had to be reported from conference, the outstanding, unresolved issue was higher education. He said at that point they were looking at a 12.5 percent reduction on one side and approximately 3 percent on the other side. Dr. Calvert said thanks to work by System employees, and especially Sen. Ogden who chaired the group on higher education, and Rep. Brown, who served on the House side -- higher education ended up in good shape under the circumstances with a 1.3 percent cut for academics, 7.5 percent cut of GR for agencies, 1.5 percent cut for all funds and approximately 2.7 percent cut for health-related fields. Dr. Calvert said that a quote from Rep. Heflin set the tone for the whole session, "the leadership of the legislature vowed to pass an appropriations bill within existing revenue and without tax increases." Dr. Calvert said they accomplished their goal and deserve great credit for doing so and preserving funding for the most vital services which are health and human services and education. Dr. Calvert said that some other state agencies received cuts in the 13 to 15 percent range.

Dr. Calvert referred to his report, a copy of which is on file in the Office of the Board of Regents. First, he discussed major outcomes for TAMUS: 1) tuition deregulation; 2) funding equity for TAMU; 3) funding equity for Baylor College of Dentistry (BCD); 4) Employee Retirement System (ERS) study and permissive entry into ERS group benefits programs; 5) one fund for research development, distributed on performance; 6) authorization for TAMU San Antonio; 7) authorization for TAMU Central Texas; 8) authorization for lower division courses at Texas A&M University-Texarkana (TAMU-T); 9) undergraduate medical academy at Prairie View A&M University (PVAMU); 10) Tuition Revenue Bond (TRB) authorization to complete the Texas A&M International University (TAMIU) campus; 11) athletic fee bills for PVAMU, Texas A&M University at Corpus Christi (TAMU-CC) and Texas A&M University at Kingsville (TAMU-K); 12) unexpended balances for PVAMU's Office of Civil Rights (OCR) funding; 13) venue; and 14) mineral leases of small parcels.

Next, Dr. Calvert discussed process outcomes for TAMUS: 1) maintained estimated appropriation for the Special Mineral Fund (SMF); 2) restored environmental research special item at West Texas A&M University (WTAMU); 3) clarified TRB language for TAMU-C to allow new construction; 4) shifted funding for the Jeffersonian Model to program development at TAMU-T; 5) addressed attempt to require us to remit all "excess" other Education and General (E&G) to the state; 6) permissibility for continuing to fund health insurance for graduate students; 7) fended off the Texas Department of Information Resources (DIR) attempt to include higher education under e-procurement and the program management office; 8) confidentiality of information relating to sale of real property until a deed has been issued and the transaction completed; 9) softened language on Comptroller's performance review to allow only the Governor, Legislative Budget Board (LBB), or the governing body of the institution to initiate a review.

Dr. Calvert discussed the following ongoing issues for TAMUS: 1) no funding for the Rangel School of Pharmacy; 2) no equity funding for agencies infrastructure; 3) no equity funding for TAMUG; 4) no equity funding for TAMU's College of Veterinary Medicine; and 5) health insurance funding for higher education employees. Dr. Calvert said that notwithstanding the good and fair treatment from the legislature, we still have budget issues throughout our institutions.

Dr. Calvert said that there would probably be a special legislative session at the end of June or first of July. He said the major interim issues include public school finance/tax restructuring, top 10 percent admissions, government reorganization and redistricting. He said there would be multiple higher education studies including a review of university systems. Dr. Calvert then discussed HB 3015 (designated tuition)

Dr. Calvert gave a brief overview of the general appropriations act. He said that since World War II, this was the first time that the state reduced GR expenditures from one biennium to the next. He said the increase in all funds was thanks to last hour help from the federal government. He referred to the total for all academics for TAMUS, which showed that bottom line, there was no change. There was a total reduction for all general academics of 1.3 percent. He added that the 10.3 percent increase for PVAMU

includes \$5.3 million in unexpended balances from FY 03 for the OCR priority plan. Dr. Calvert then discussed GR and the research and service agencies. He said that our agencies did not fair well in GR. Dr. Gates pointed out that the reductions for the agencies will have some real implications for TAMU. Dr. Calvert said that there was a GR decrease for all health-relateds of \$51.2 million from the 2002-03 biennium, or 2.74 percent. He said TAMUSHSC received less than a 1 percent reduction. Dr. Calvert then discussed higher education group insurance and said our goal is to ensure that our employee's benefits are the strongest, most secure possible. Dr. Calvert discussed TRBs and said we will be able to service the debt on our authorized TRBs until FY 2006. He said the debt service requirements will increase substantially in the 2006-07 biennium due to deferring principal.

Dr. Calvert then discussed across-the-board reductions. He said there is a contingency that directs the LBB and the Governor, by October 1, to determine the final allocation of reductions. Dr. Calvert then discussed the real estate reduction rider. He said it directs a \$97 million reduction to the institutions and agencies of higher education that have property.

Mr. Mays said that he knew everyone understood the difficult process Dr. Calvert and his team faced during the legislative session and thanked them for the outcome.

Mr. Mays called on Mr. Tom Kale, Vice Chancellor for Business Services, to discuss directors and officers' liability insurance.

**REPORT ON THE STATUS OF
DIRECTORS AND OFFICERS LIABILITY INSURANCE**

Mr. Kale called on Mr. Kevin McGinnis, System Director of Risk Management. A copy of this report is on file in the Office of the Board of Regents. Mr. McGinnis said the insurance market had been difficult over the past several years and this had been reflected in our Director and Officer (D&O) premiums. He said he wanted to discuss the possibility of self-insurance for the System's D&O insurance. Mr. McGinnis said the state liability for the conduct of a public servant provides indemnification if damages are based on an act or omission by the person in the course and scope of the person's office or employment, except a willful or wrongful act or an act of gross negligence. He said this applies to the Board and all employees. He said there is a separate statute that covers volunteers. Mr. McGinnis said our policy provides financial protection in the event the Board, employees and volunteers are sued in conjunction with the performance of their duties as they relate to the System. He said this includes employment practices liability which involves harassment and discrimination suits. Mr. McGinnis said that historically claims in excess of the deductible have not exceeded the premiums paid. Mr. McGinnis said the deductible for coverage for regents and all employees has been \$100,000 per individual, \$300,000 per occurrence with a policy limit of \$7,500,000. He said the premium was \$72,000. Mr. McGinnis said that when it was time to renew in October 2002, the first thing that was proposed was an increase in the deductible to \$1,000,000 per occurrence, a policy limit of \$7,500,000, and the premium

would cost \$450,000. He said that they worked with the underwriters to get a policy that they felt would cover the people they needed to cover while they look for self-insurance. So the 2002 policy purchased covers the Board and all employees. The deductible is \$1,000,000 per occurrence. The policy limit is \$5,000,000 with a sublimit of \$2,500,000 on Employee Practice Liability Insurance (EPLI) claims, and the premium is \$200,000.

Mr. McGinnis said that many institutions are looking at self-insurance. He said Tillinghast-Towers Perrin has been solicited to assist with an actuarial study on self-insurance. He said that Tillinghast-Towers Perrin anticipates that their work will take four weeks. Mr. Mays asked who our present carrier is. Mr. McGinnis responded AIG. After further discussion, Mr. Mays asked for an update at the July meeting, if the study has been completed.

Mr. Mays called on Mr. Adams to present the report from the Committee on Finance.

REPORT FROM THE COMMITTEE ON FINANCE

Mr. Adams, Chairman of the Committee on Finance, reported that the Committee had met on Thursday, and considered and recommended approval of Items 1 through 5 (*Item 6 was withdrawn prior to the meeting*). The Board took action as set forth below:

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**MINUTE ORDER 88-2003 (AGENDA ITEM 01)**

**AUTHORIZATION FOR  
TEXAS A&M UNIVERSITY-CORPUS CHRISTI TO SERVE  
AS THE LEAD INSTITUTION AND FISCAL AGENT  
FOR THE STATEWIDE SCT SOFTWARE AND RESOURCE  
ADMINISTRATION CORPORATION CONTRACT FOR  
HIGHER EDUCATION SOFTWARE,  
TEXAS A&M UNIVERSITY-CORPUS CHRISTI**

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

Texas A&M University-Corpus Christi is authorized to serve as the lead institution and fiscal agent of the statewide SCT Software and Resource Administration Corporation contract for higher education software.

**MINUTE ORDER 89-2003 (AGENDA ITEM 02)**

**APPROVAL OF THERMAL ENERGY COOPERATIVE (TECO)  
PROPOSED SERVICE CONTRACT AMENDMENT AND EXTENSION,  
AMENDED AND RESTATED MEMBERSHIP AGREEMENT,  
AMENDMENT TO EXTEND TERM OF 1991 EASEMENT  
AND THE ASSIGNMENT AND EXTENSION OF THE  
TERM OF THE 1997 EASEMENT AGREEMENT,  
THE TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER**

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

The Board of Regents of The Texas A&M University System approves the proposed Thermal Energy Cooperative Service Contract Amendment and Extension, Amended and Restated Membership Agreement, Amendment to Extend Term of 1991 Easement, and the Assignment and Extension of the Term of the 1997 Easement Agreement. The Board of Regents further approves Amendment No. 1 to the Contract for Chilled Water and Steam Service which changes the Buyer from The Texas A&M University System to The Texas A&M University System Health Science Center and Amendment No. 2 to the Contract for Chilled Water and Steam Service providing for extension of the term of the contract, termination fee clauses and the assignment of the Contract for Chilled Water and Steam Service to the Texas Medical Center Central Heating and Cooling Service Corporation. Copies are attached to the official minutes as **Exhibit A**.

**MINUTE ORDER 90-2003 (AGENDA ITEM 03)**

**AUTHORIZATION TO REQUEST AN INCREASE  
IN CONTRACT CAP FOR THE  
PATENT LAW FIRM OF BAKER BOTTS, LLP,  
THE TEXAS A&M UNIVERSITY SYSTEM**

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

The Board of Regents of The Texas A&M University System requests the Attorney General of Texas to amend the contract with the law firm of Baker Botts, LLP from the current cap amount of \$300,000 to a proposed cap of \$800,000 to provide patent prosecution legal services to The Texas A&M University System for Fiscal Year 2003; and the Board of Regents of The Texas A&M University System, subject to approval by the Attorney General of Texas, authorizes The Texas A&M University System to expend up to \$800,000 with the law firm of Baker and Botts, LLP in exchange for legal services in the area of patent prosecution for fiscal year 2003.



**MINUTE ORDER 91-2003 (AGENDA ITEM 04)**

**DELEGATION OF AUTHORITY TO NEGOTIATE AND  
APPROVE THE BEST VALUE CONTRACT TO PROVIDE  
RETAIL ELECTRIC SERVICE TO CERTAIN MEMBERS OF  
THE TEXAS A&M UNIVERSITY SYSTEM,  
THE TEXAS A&M UNIVERSITY SYSTEM**

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

The Board of Regents of The Texas A&M University System delegates contracting authority to the Chancellor to negotiate and approve the best value contract to provide retail electric services for the A&M System based on the RFP selection process and the recommendation of the Vice Chancellor of Business Services. Due to the competitive nature of the contract negotiations for retail electric services, this delegation will allow the A&M System to negotiate a contract which will provide the best value to the participating Members and will also allow adequate time to facilitate the necessary activities to ensure a smooth transition.

**MINUTE ORDER 92-2003 (AGENDA ITEM 05)**

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

On motion of Mr. Adams, seconded by Mr. Nye 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. 02-03-05, attached to the official minutes as **Exhibit B**.

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Mr. Mays called on Mr. Nye to present the report from the Committee on Buildings and Physical Plant.

REPORT FROM THE COMMITTEE ON BUILDINGS AND PHYSICAL PLANT

Mr. Nye, Chairman of the Committee on Buildings and Physical Plant, said the Committee met earlier the same day, and approved Items 7 through 12, as presented.

Mr. Nye said the following Architect/Engineer Design Team selection was recommended for the Board's approval:

- 1) The design team formed by Ford, Powell & Carson, Inc., of San Antonio, Texas, is selected to design the Wildlife Interpretive Center at Texas A&M University-Kingsville.

The Board took action as set forth below:

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**MINUTE ORDER 93-2003 (AGENDA ITEM 07)**

**APPROVAL OF THE STATEMENT OF WORK  
AND DETAILED DESIGN FOR  
EASTERWOOD AIRPORT WEST SIDE DEVELOPMENT (FAA#20),  
TEXAS A&M UNIVERSITY**

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

The statement of work for Easterwood Airport West Side Development (FAA#20) at Texas A&M University, is approved.

Supplementing a previous appropriation of \$10,000, the amount of \$200,000 is appropriated from Account No. 030002 Airport Operations for design of Easterwood Airport West Side Development (FAA #20) at Texas A&M University.

**MINUTE ORDER 94-2003 (AGENDA ITEM 08)**

**APPROVAL OF THE PROGRAM OF REQUIREMENTS AND  
APPROPRIATION FOR PRE-CONSTRUCTION SERVICES  
FOR THE DESIGN-BUILD STUDENT HOUSING,  
TARLETON STATE UNIVERSITY**

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

The program of requirements for the Design-Build Student Housing at Tarleton State University is approved.

The Chancellor is hereby authorized to select the Design-Build Team to design and construct this project.

Supplementing a previous appropriation of \$15,000, the amount of \$445,000 is appropriated from Account No. 304100 Housing System Reserve for design-build pre-construction services for the Design-Build Student Housing at Tarleton State University.

As required by Section 5(a) of the Master Resolution of the Revenue Financing System, the Board hereby determines that it will have sufficient funds to meet the financial obligations of The Texas A&M University System, including sufficient Pledged Revenue to satisfy the Annual Debt Service Requirements of the Revenue Financing System and to meet all financial obligations of the Board relating to the Revenue Financing System and that the Participants, on whose behalf the debt is issued, possess the financial capacity to satisfy their Direct Obligations.

The Board of Regents of The Texas A&M University System reasonably expects to incur debt in one or more obligations for this project, and all or a portion of the proceeds received from the sale of such obligations is reasonably expected to be used to reimburse the account(s) for amounts previously appropriated and/or expended from such account(s).

**MINUTE ORDER 95-2003 (AGENDA ITEM 09)**

**APPROVAL OF THE PROGRAM OF REQUIREMENTS,  
APPROPRIATION FOR DESIGN AND SELECTION OF THE  
ARCHITECT/ENGINEER DESIGN TEAM FOR THE  
WILDLIFE INTERPRETIVE CENTER,  
TEXAS A&M UNIVERSITY-KINGSVILLE**

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

The program of requirements for the Wildlife Interpretive Center at Texas A&M University-Kingsville is approved.

The amount of \$103,000 is appropriated from Account No. 463900, Kleberg Wildlife Research Institute, for design of the Wildlife Interpretive Center.

The firm of Ford, Powell & Carson, Inc., San Antonio, Texas, is selected as the firm ranked first to head the architect/engineer design team for the Wildlife Interpretive Center at Texas A&M University-Kingsville.

Authorization is granted to begin negotiations with this firm. If negotiations are unsuccessful with this firm, authorization is granted to terminate those negotiations and begin negotiations with the firm next in order of ranking as listed on the Recommendation of Ranked Order, attached to the official minutes as **Exhibit C**, until an agreement for a design contract is reached.

Authorization is granted to Texas A&M University-Kingsville to manage and administer the design and construction and to award all necessary contracts for this project in accordance with The Texas A&M University System policies, System Construction Procedures Manual and the Instruction to Architects and Engineers for the Preparation of Contract Documents.

**MINUTE ORDER 96-2003 (AGENDA ITEM 10)**

**APPROVAL OF THE NEW SITE, SCOPE ADJUSTMENT AND  
BUDGET ADJUSTMENT FOR THE RESIDENCE LIFE  
AND STUDENT SERVICES BUILDING,  
TEXAS A&M UNIVERSITY**

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

The project scope adjustment and budget adjustment of \$13,206,381 for the Residence Life and Student Services Building at Texas A&M University is approved.

The changed site location for the Residence Life and Student Services Building at Texas A&M University is approved.

The Board of Regents of The Texas A&M University System reasonably expects to incur debt in one or more obligations for this project, and all or a portion of the proceeds received from the sale of such obligations is reasonably expected to be used to reimburse the account(s) for amounts previously appropriated and/or expended from such account(s).

As required by Section 5(a) of the Master Resolution of the Revenue Financing System, the Board hereby determines that it will have sufficient funds to meet the financial obligations of The Texas A&M University System, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Revenue Financing System and to meet all financial obligations of the Board relating to the Revenue Financing System and that the Participants, on whose behalf the debt is issued, possess the financial capacity to satisfy their Direct Obligations.

**MINUTE ORDER 97-2003 (AGENDA ITEM 11)**

**AUTHORIZATION TO LEASE SPACE WITHIN THE  
PRIME BANK PLAZA BUILDING IN SPRING, TEXAS,  
THE TEXAS A&M UNIVERSITY SYSTEM**

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

The Chancellor of The Texas A&M University System, or his designee, following legal review from the Office of General Counsel is authorized to negotiate and execute all documents required to lease approximately 13,721 of net rentable area from Green Coast Enterprises, Inc., in the Prime Bank Plaza Building located at 16000 Stuebner-Airline Road, Spring, Texas. The primary term of the lease will be five (5) years, with an option by Prairie View A&M University to renew for an additional three (3) year term on terms and conditions mutually agreeable to the owner and the Chancellor, or his designee. Consideration to be paid by Prairie View A&M University during the primary term is \$12.60 per net rentable square foot, per year, which equates to approximately \$172,885 per year.

**MINUTE ORDER 98-2003 (AGENDA ITEM 12)**

**NAMING OF THE  
"LAMAR BRUNI VEGARA MEMORIAL GARDEN,"  
TEXAS A&M INTERNATIONAL UNIVERSITY**

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

The large field on the campus of Texas A&M International University adjacent to the Student Center is hereby named the "Lamar Bruni Vegara Memorial Garden."

**MINUTE ORDER 99-2003 (AGENDA ITEM 12)**

**NAMING OF THE  
"SYDNEY AND J.L. HUFFINES INSTITUTE FOR  
SPORTS MEDICINE AND HUMAN PERFORMANCE,"  
TEXAS A&M UNIVERSITY**

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

The Institute for Sports Medicine and Human Performance on the campus of Texas A&M University is hereby named the "Sydney and J.L. Huffines Institute for Sports Medicine and Human Performance."

**MINUTE ORDER 100-2003 (AGENDA ITEM 12)**

**NAMING OF THE  
"IRMA RANGEL SCHOOL OF PHARMACY,"  
TEXAS A&M UNIVERSITY-KINGSVILLE**

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

The School of Pharmacy on the campus of Texas A&M University-Kingsville is hereby named the "Irma Rangel School of Pharmacy."

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Mr. Mays called on Dr. Gramm to present the report from the Committee for Academic and Student Affairs.

REPORT FROM THE COMMITTEE ON ACADEMIC AND STUDENT AFFAIRS

Dr. Gramm, Chairman of the Committee on Academic and Student Affairs, reported that the Committee had met on Thursday and approved Items 13 through 22. The Board took action as set forth below:

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**MINUTE ORDER 101-2003 (AGENDA ITEM 13)**

**AUTHORIZATION FOR THE CLOSURE OF THREE  
AGRICULTURAL EXPERIMENT SUBSTATIONS IN THE  
COUNTIES OF BRAZORIA, KNOX AND LAVACA,  
TEXAS AGRICULTURAL EXPERIMENT STATION**

On motion of Dr. Gramm, seconded by Mr. Sosa and by a unanimous vote, the following minute order was approved:

The Chancellor of The Texas A&M University System, or his designee, following notification by the Texas Agricultural Experiment Station to proceed, and approval by the Office of General Counsel, is authorized to execute all documents necessary to close the Experiment Substations located in Brazoria, Knox and Lavaca Counties, Texas. Such closures may be made independently from each other, and may be made at any point in time prior to December 31, 2003.

**MINUTE ORDER 102-2003 (AGENDA ITEM 14)**

**APPROVAL OF THE DISSOLUTION OF THE  
INSTITUTE FOR EQUINE SCIENCE AND TECHNOLOGY,  
TEXAS A&M UNIVERSITY**

On motion of Dr. Gramm, seconded by Mr. Sosa and by a unanimous vote, the following minute order was approved:

The Institute for Equine Science and Technology, established by Minute Order 266-89, is hereby dissolved as of May 23, 2003.

**MINUTE ORDER 103-2003 (AGENDA ITEM 15)**

**APPROVAL OF THE DISSOLUTION OF THE  
INSTITUTE OF AGRICULTURE, INDUSTRY AND  
NATURAL RESOURCES OF TEXAS AND THE SOUTHWEST,  
TEXAS A&M UNIVERSITY**

On motion of Dr. Gramm, seconded by Mr. Sosa and by a unanimous vote, the following minute order was approved:

The Institute of Agriculture, Industry, and Natural Resources of Texas and the Southwest, established by Minute Order 54-46, is hereby dissolved as of May 23, 2003.

**MINUTE ORDER 104-2003 (AGENDA ITEM 16)**

**APPROVAL OF THE DISSOLUTION OF  
THE CENTER FOR TROPICAL ANIMAL HEALTH,  
TEXAS A&M UNIVERSITY**

On motion of Dr. Gramm, seconded by Mr. Sosa and by a unanimous vote, the following minute order was approved:

The Institute of Tropical Veterinary Medicine, established by Minute Order 31-66, and subsequently amended by Minute Order 204-79, to reflect a name change as the Center for Tropical Animal Health, is hereby dissolved as of May 23, 2003.

**MINUTE ORDER 105-2003 (AGENDA ITEM 17)**

**APPROVAL OF A NEW BACHELOR OF ARTS DEGREE IN  
ECONOMICS AND AUTHORIZATION TO REQUEST APPROVAL  
FROM THE TEXAS HIGHER EDUCATION COORDINATING BOARD,  
TEXAS A&M UNIVERSITY-CORPUS CHRISTI**

On motion of Dr. Gramm, seconded by Mr. Sosa and by a unanimous vote, the following minute order was approved:

The Board of Regents of The Texas A&M University System approves the establishment of a new degree program at Texas A&M University-Corpus Christi leading to a Bachelor of Arts Degree in Economics.

The Board also authorizes the President 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. A copy of the program review outline is attached to the official minutes as **Exhibit D**.

**MINUTE ORDER 106-2003 (AGENDA ITEM 18)**

**APPROVAL OF A NEW BACHELOR OF SCIENCE DEGREE WITH A  
MAJOR IN BIOMEDICAL SCIENCES AND AUTHORIZATION  
TO REQUEST APPROVAL FROM THE  
TEXAS HIGHER EDUCATION COORDINATING BOARD,  
TEXAS A&M UNIVERSITY-CORPUS CHRISTI**

On motion of Dr. Gramm, seconded by Mr. Sosa and by a unanimous vote, the following minute order was approved:

The Board of Regents of The Texas A&M University System approves the establishment of a new degree program at Texas A&M University-Corpus Christi leading to a Bachelor of Science Degree with a major in Biomedical Sciences.

The Board also authorizes the President 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. A copy of the program review outline is attached to the official minutes as **Exhibit E**.

**MINUTE ORDER 107-2003 (AGENDA ITEM 19)**

**APPROVAL OF NEW BACHELOR OF ARTS DEGREE PROGRAMS IN  
ART AND IN ART WITH ALL-LEVEL CERTIFICATION  
AND AUTHORIZATION TO REQUEST APPROVAL FROM THE  
TEXAS HIGHER EDUCATION COORDINATING BOARD,  
TEXAS A&M INTERNATIONAL UNIVERSITY**

On motion of Dr. Gramm, seconded by Mr. Sosa and by a unanimous vote, the following minute order was approved:

The Board of Regents of The Texas A&M University System approves the establishment of new Bachelor of Arts degree programs in Art and in Art with All-Level Certification.

The Board also authorizes the President of Texas A&M International 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 have been met. A copy of the program review outline (revised) is attached to the official minutes as **Exhibit F**.



**MINUTE ORDER 108-2003 (AGENDA ITEM 20)**

**APPROVAL OF CONCEPT PAPER TO ESTABLISH THE  
TEXAS DATA MINING RESEARCH INSTITUTE,  
TARLETON STATE UNIVERSITY**

On motion of Dr. Gramm, seconded by Mr. Sosa and by a unanimous vote, the concept paper to establish the Texas Data Mining Research Institute at Tarleton State University was approved, a copy of which is attached to the official minutes as **Exhibit G**.

**MINUTE ORDER 109-2003 (AGENDA ITEM 21)**

**ESTABLISHMENT OF THE  
RURAL AND COMMUNITY HEALTH INSTITUTE,  
THE TEXAS A&M UNIVERSITY HEALTH SCIENCE CENTER**

On motion of Dr. Gramm, seconded by Mr. Sosa and by a unanimous vote, the following minute order was approved:

The Rural and Community Health Institute is hereby established as an organizational part of The Texas A&M University System Health Science Center that is administered within the Office of the President, effective June 1, 2003. A copy of the proposal is attached to the official minutes as **Exhibit H**.

**MINUTE ORDER 110-2003 (AGENDA ITEM 22)**

**ESTABLISHMENT OF THE CENTER FOR RESEARCH EVALUATION  
AND ADVANCEMENT OF TEACHER EDUCATION,  
THE TEXAS A&M UNIVERSITY SYSTEM**

On motion of Dr. Gramm, seconded by Mr. Sosa and by a unanimous vote, the following minute order was approved:

The Center for Research, Evaluation and Advancement of Teacher Education (CREATE) is hereby established as an organizational unit of The Texas A&M University System that is administered within The Texas Collaborative for Excellence in Teacher Education, effective June 5, 2003. A copy of the executive summary is attached to the official minutes as **Exhibit I**.

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Mr. Mays called on Mr. Stevens to present the report on the Committee on Audit.

REPORT FROM THE COMMITTEE ON AUDIT

Mr. Stevens, Chairman of the Committee on Audit, reported that the Committee met earlier the same day and approved Item 23. The Board took action as set forth below:

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**MINUTE ORDER 111-2003 (AGENDA ITEM 23)**

**APPROVAL OF SYSTEM INTERNAL AUDIT PLAN FOR FISCAL YEAR 2004,  
THE TEXAS A&M UNIVERSITY SYSTEM**

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

The Board of Regents of The Texas A&M University System hereby approves the System Internal Audit Plan for Fiscal Year 2004, attached to the official minutes as **Exhibit J**.

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OTHER ITEMS

Mr. Mays called on Mr. Graves to present Items 26 through 29. The Board took action as set forth below:

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**MINUTE ORDER 112-2003 (AGENDA ITEM 26)**

**APPROVAL OF FACULTY DEVELOPMENT LEAVE FOR FISCAL YEAR 2004,  
TARLETON STATE UNIVERSITY**

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

The Board of Regents of The Texas A&M University System, in accordance with System Policy 31.03 and Sections 51.101-108 of the Texas Education Code, authorizes faculty development leave to the faculty member as set forth on the attached Faculty Development Leave List FY 04, Tarleton State University, a copy of which attached to the official minutes as **Exhibit K**.

**MINUTE ORDER 113-2003 (AGENDA ITEM 27)**

**APPROVAL OF ACADEMIC TENURE,  
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 approved:

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. 02-03-05, a copy of which is attached to the official minutes as **Exhibit L**.

**MINUTE ORDER 114-2003 (AGENDA ITEM 28)**

**GRANTING OF THE TITLE OF EMERITUS/EMERITA,  
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 approved:

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. 02-03-05, a copy of which is attached to the official minutes as **Exhibit M**, and grants all rights and privileges of this title.

**MINUTE ORDER 115-2003 (AGENDA ITEM 29)**

**CONFIRMATION OF APPOINTMENT AND  
COMMISSIONING OF PEACE OFFICERS,  
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 approved:

In accordance with System Policy 34.06 (*Appointment, Commissioning and Authority of Peace Officers*), the Board of Regents of The Texas A&M University System hereby confirms the appointment and commissioning of peace officers by the Presidents of the respective components of The Texas A&M University System, as reflected in **Exhibit N**, a copy of which is attached to the official minutes.

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Mr. Mays presented Item 30. The Board took action as set forth below:

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**MINUTE ORDER 116-2003 (AGENDA ITEM 30)**

**APPROVAL OF MINUTES OF THE  
MARCH 27-28, 2003, REGULAR 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 approved:

The Minutes of the Regular Meeting of the Board of Regents of The Texas A&M University System held on March 27-28, 2003, in College Station, Texas, are hereby approved.

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Mr. Mays called on Mr. Adams to present Item 31. The Board took action as set forth below:

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**MINUTE ORDER 117-2003 (AGENDA ITEM 31)**

**NAMING OF  
MR. ROBERT L. (LANNY) SMITH  
AS THE FINALIST FOR THE POSITION OF DIRECTOR OF  
THE TEXAS ENGINEERING EXTENSION SERVICE,  
THE TEXAS A&M UNIVERSITY SYSTEM**

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

Mr. Robert L. (Lanny) Smith is hereby named the finalist for the position of Director of the Texas Engineering Extension Service. As required by state law, final action will be taken after the 21-day notice is given.

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Mr. Mays called on Mr. Adams to present Item 32. The Board took action as set forth below:

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**MINUTE ORDER 118-2003 (AGENDA ITEM 32)**

**NAMING OF  
DR. GEORGE C. WRIGHT  
AS THE FINALIST FOR THE POSITION OF  
PRESIDENT OF PRAIRIE VIEW A&M UNIVERSITY,  
THE TEXAS A&M UNIVERSITY SYSTEM**

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

Dr. George C. Wright is hereby named the finalist for the position of President of Prairie View A&M University. As required by state law, final action will be taken after the 21-day notice is given.

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OTHER BUSINESS

Mr. Mays announced that the next regular Board of Regents meeting would be held on July 23-24, 2003, on the campus of Texas A&M University-Commerce, Commerce, Texas. Dr. McFarland commented that they are looking forward to having everyone on their campus.

ADJOURNMENT

There being no further business, Mr. Mays adjourned the meeting at 11:25 a.m. Friday, June 6, 2003.

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

VBS:jb