

MINUTES

OF THE

MEETING OF THE

BOARD OF REGENTS

OF

THE TEXAS A&M UNIVERSITY SYSTEM

HELD IN

COLLEGE STATION, TEXAS

March 25-26, 2004

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March 25-26, 2004**

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**MINUTES OF THE
MEETING OF THE BOARD OF REGENTS
March 25-26, 2004**

CONVENE - THURSDAY, MARCH 25

Mr. Lowry Mays, Chairman, convened a regular meeting of the Board of Regents of The Texas A&M University System (TAMUS) at 3:03 p.m., on Thursday, March 25, 2004, 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
Dr. Wendy Gramm
Mr. Bill Jones
Mr. R.H. (Steve) Stevens, Jr.
Mr. John D. White
Dr. Susan Rudd Wynn

The following member of the Board was not present:

Mr. Lionel Sosa

INVOCATION

Mr. Mays called on Mr. Pablo Rodriguez, a senior communications major at TAMU and the vice president of diversity for the Student Government Association, who presented the invocation.

CHANCELLOR'S REMARKS

Dr. Benton Cocanougher, Interim Chancellor, said that in December 2003, Prairie View A&M University (PVAMU), Texas A&M University-Corpus Christi (TAMU-CC) and West Texas A&M University (WTAMU) received the Texas Higher Education Coordinating Board's (THECB) Star Award.

Dr. Cocanougher said that the TAMUS Health Science Center (HSC) hosted the South Texas Center Building Dedication in McAllen, Texas, on January 12. He said the center will provide laboratories, offices, classrooms and conference areas to enhance health profession education, recruit students into health professions, conduct outreach programs to disadvantaged populations in the region and perform research on health issues specific to the Lower Rio Grande Valley.

Dr. Cocanougher said that a groundbreaking ceremony for PVAMU's College of Nursing was held at the Texas Medical Center in Houston on January 15. He said the ceremony was very well attended and was scheduled for completion in July 2005.

Dr. Cocanougher said that the search for the new Vice Chancellor and Dean of Agriculture and Life Sciences was in progress. He reported that Tarleton State University (TSU) received a \$5.8 million research contract from the U.S. Department of Agriculture (USDA) to conduct data warehousing and data mining research.

Dr. Cocanougher said that the Chancellor's Century Council had a very successful meeting on the campus of Texas A&M International University (TAMIU) and thanked Dr. Ray Keck, President of TAMIU, and his staff for their hospitality.

INTRODUCTIONS

Mr. Mays called on Dr. Rinaldo Z. Juárez, President of Texas A&M University-Kingsville (TAMU-K), who introduced Dr. Indra K. Reddy, the new Dean of the Irma Rangel School of Pharmacy.

Mr. Mays called on Dr. Robert Gates, President of TAMU, who introduced and expressed appreciation to Ms. Jeanette Phariss. He said Ms. Pharris recently retired from TAMU after serving the university for almost 35 years.

LEGAL BRIEFING ON REQUIREMENT FOR PUBLIC HEARINGS BY THE BOARD ON INCREASES IN DESIGNATED TUITION

Mr. Mays called on Mr. Delmar Cain, General Counsel, for a legal briefing on the requirement for public hearings by the Board. Mr. Cain said the Texas Education Code sets out requirements and guidance for boards in determining the amounts of student tuition, fees and charges which may be collected by institutions. He said those fees and tuition which require Board approval are listed in detail in Agenda Item 10. Mr. Cain said that Item 10 includes a special type of tuition referred to as "designated tuition." He said this one type of tuition requires special treatment by the Board. Mr. Cain said Article 54.0513 of the Texas Education Code authorizes the Board to charge a student designated tuition in an amount that the Board considers necessary for the effective operation of the institution.

Mr. Cain said in order for the Board to approve this type of tuition for an institution for an amount that is greater than the amount charged by the institution in the 1996-97 academic year, the Board is required to hold a "public hearing." He said the purpose of the public hearing is to give students or the public an opportunity to comment on the proposed increase. Mr. Cain said the Board is not required to have a public hearing before acting on any other types of fees or tuition.

Mr. Cain said the Board has chosen to do more than the law requires. He said that in order to give students a better opportunity to comment on the proposed increases, each institution seeking to increase the designated tuition must hold a hearing

on campus. He said this permits students to comment without having to travel to the Board meeting. Mr. Cain said that the hearing held on campus does not satisfy the technical requirements of the law that the Board hold a public hearing. He said when the Board holds a public hearing on increasing the designated tuition above the amount in the 1996-97 academic year, it does so as a part of its meeting with a quorum present.

Mr. Cain said that as a part of the public hearing, it is appropriate for the President or his designee to report on the hearing or meetings held on campus. He said in addition, anyone else wanting to comment on the proposed increase in designated tuition for that institution should be given an opportunity to comment.

Mr. Cain said the Board may set a reasonable limit on the length of the hearing and on the time for each speaker. He said this hearing only pertains to designated tuition. He said the appropriate method to conduct the hearing was for the Chairman to announce that the Board is now proceeding with the public hearing for the particular university and recognize the President to discuss the hearing held on the campus. He said the Chairman should then give the public an opportunity to discuss the designated tuition at that institution. Mr. Cain said the Chairman should then close the public hearing for that institution and proceed to the next institution until the Board has held a public hearing for each institution desiring to raise designated tuition above the level it charged in the 1996-97 school year.

Mr. Cain said that after the public hearings, the Board will have fulfilled the legal requirement to vote on the proposed increases in designated tuition in Agenda Item 10.

PUBLIC HEARINGS ON PROPOSED INCREASES IN DESIGNATED TUITION

Mr. Mays said that the Board would proceed with conducting the public hearings on proposed increases in designated tuition. He announced that persons wishing to make public comment on a proposed increase in designated tuition at one of the institutions, should sign in on the sheet(s) outside the meeting room. He said the Board would hold a hearing for each of the nine institutions seeking an increase in designated tuition. Mr. Mays said that in addition to hearing from each president, the Board would hear up to 20 minutes of public comment on each institution's proposal. In consideration of these time restraints, he asked that the comments be kept brief and that those making comments avoid repetitive comments.

Prairie View A&M University

Mr. Mays called on Dr. George Wright, President of PVAMU. Dr. Wright said the public hearing for PVAMU was conducted on the evening of February 3, 2004. He said 45 people attended including approximately 25 students. He added that all of the student leaders were present. Dr. Wright said presentations made by university officials lasted about 50 minutes and were followed by a 30 to 35 minute question and answer period. He said a number of handouts were distributed to attendees including a document entitled "The History of Designated Tuition at Public Universities in Texas." Dr. Wright said that he also distributed a copy of a letter that he had sent to all students,

faculty, staff and alumni of PVAMU, dated December 5, 2003, entitled “Tuition, Fees and the Future of the University.” He said in the letter he explained in great detail why he recommended a designated tuition increase of \$10 per semester credit hour (SCH), from \$36 to \$46, effective fall 2004. Dr. Wright said that before the public hearing was held, he met with a wide range of student groups to inform them of the need to increase designated tuition and to receive their input. He said this increase means that costs for a student currently enrolled for 12 SCHs would increase from \$432 to \$552, or \$120 per semester, or \$240 per year.

Dr. Wright said the Board previously authorized PVAMU to increase tuition to \$40/SCH, but they did not do so at the time. He said PVAMU has not increased designated tuition for two years. Dr. Wright said they are projecting that the \$10 increase would result in \$2 million for PVAMU to be used for: 1) Sustaining merit salary increases for faculty and staff. He said that PVAMU had instituted a 4 percent merit pay increase for faculty and staff and sustaining this would cost \$1.1 million of the \$2 million. 2) Upgrading classrooms and labs by buying new furniture and equipment and making repairs at an estimated cost of \$400,000. Dr. Wright said they also would need to retire some short-term debt at an estimated cost of \$500,000. Mr. Mays asked if there were any questions of Dr. Wright. There were none.

Mr. Mays asked if there were any persons present who wished to comment on the proposed increase in designated tuition at PVAMU. There were none. Mr. Mays announced that the public hearing for the proposed increase in designated tuition at PVAMU was closed.

Tarleton State University

Mr. Mays called on Dr. Dennis McCabe, President of TSU. Dr. McCabe said that they held two meetings, one in Stephenville and the other in Killeen. He said the meeting in Stephenville was held on January 26, and 35 students attended. Dr. McCabe said the meeting in Killeen was held on January 27, and 12 students attended. He said the proposal by the administration was explained to the students and they were asked for their input, questions and concerns. Dr. McCabe said that students received the administration’s explanation favorably with many positive comments.

Dr. McCabe said that they would like to increase their designated tuition from \$46 to \$52. He said the primary reason was TSU’s growth. For example, this spring over last spring, TSU experienced a 7.9 percent increase in students. He said the increase has been steady, 5 to 6 percent per year, for the last five years. Dr. McCabe said that funds from the increase would be used for academic support, salaries and benefits for faculty and staff, merit increases, salary adjustments where they are required and needed, and for maintenance and operation costs. Mr. Mays asked if there were any questions of Dr. McCabe. There were none.

Mr. Mays asked if there were any persons present who wanted to comment on the proposed increase in designated tuition at TSU. There were none. Mr. Mays

announced that the public hearing for proposed increases in designated tuition at TSU was closed.

Texas A&M International University

Mr. Mays called on Dr. Ray Keck, President of TAMIU. Dr. Keck said that during the period between Thanksgiving and Christmas 2003, they first met with the student government association and other student leaders to discuss the administration's thoughts and to solicit their input before a campus-wide meeting was held. He said they shared with them reasons for an increase in tuition. Dr. Keck said that Laredo has enjoyed phenomenal growth in recent years, both in facilities and headcount. He said that in order to hire the necessary faculty and staff and provide increasing opportunities for scholarships, they felt it was imperative that they increase their designated tuition from \$35/SCH to \$46/SCH. He said the students' response was of course, that they would rather not have to pay more, but they understood the necessity. Dr. Keck said that on January 22, they held a public hearing for all students and provided them with the same information and explained that this money would go into enhancing faculty, staff and scholarships, and ensuring that all of these facilities were open and ready for the students. Mr. Mays asked if there were any questions of Dr. Keck. There were none.

Mr. Mays asked if there were any persons present who wished to comment on the proposed increase in designated tuition at TAMIU. There were none. Mr. Mays announced that the public hearing for increases in designated tuition for TAMIU was closed.

Texas A&M University

Mr. Mays called on Dr. Robert M. Gates, President of TAMU. Dr. Gates said they held three open forums for students during the last nine months on tuition increases. He said this was in addition to his meetings with student leaders. Dr. Gates said the first meeting was held on July 21, 2003, and focused on the \$9/SCH increase for the spring of 2004. He said they reviewed in detail for the students the financial situation at TAMU looking back ten years and the results of under-funding by the state throughout the 1990s. Dr. Gates said they showed the multi-year plan for an increase of 447 faculty, reviewed significant internal budget cuts and reallocations for the current fiscal year and reviewed the decision to keep the increase at mid-year this year which was considerably smaller than A&M's peers in the state at the request of student government and students. Dr. Gates said in that open forum he foreshadowed that there would be a significantly higher increase in the fall of 2004. He said that perhaps 40 students attended the first forum, because it was in the summer time, which in the past has been about average or a little high for these kinds of meetings. He said the second forum was held on September 22, 2003, and it basically repeated for students who were not available in July, what had been briefed at that time. Dr. Gates said that again they talked about the larger increase in tuition likely to come in the fall of 2004. He said there were perhaps 70 to 80 students present at that meeting. He said the third hearing was held on January 27, 2004, and it was specific to the \$19.50/SCH increase in designated tuition currently before the Board. Dr. Gates said approximately 120 to 130 students

attended that hearing. He said 95 percent of that increase would go for faculty expansion, for faculty salaries and retention and for the financial assistance set-aside. He said that the remainder would go for the library. Dr. Gates said at the hearings, particularly the one held in January, most of the students asked questions related to details of the presentation rather than the proposed increase itself. For example, they asked questions about the rationale for increasing tuition, why funding from the state had declined for the last 10 years, what the prospects are in the future and student financial aid. Dr. Gates said he pointed out that TAMU now has \$275 million per year in financial aid. He said they reallocated another \$8 million for that purpose in January and the tuition increase itself contains a set-aside of several million more dollars. He said about 70 percent of TAMU's students are on financial assistance. He said there were questions about the cost of the athletic program. Dr. Gates said that he assured the students that the athletic department is self-sufficient and receives no tuition, fees or general revenue with respect to intercollegiate athletics. He said that an international student asked what non-resident tuition would be. Dr. Gates responded that this tuition was set by the THECB. He said that most student opposition to the increase had been expressed outside of the public hearing process. Dr. Gates said that students have expressed broad concerns about such things as the required set-aside in financial assistance, the need for tuition increases at all and the effect of the increases on students. Dr. Gates said that a number of students had commented on the need to cut costs at the university. He said that the administration has responded that TAMU uniquely cut its own budget this fiscal year by over \$20 million to reallocate to higher priority needs. He said they also cut 250 staff positions. Dr. Gates said that the State Auditor continues to affirm that TAMU has the lowest administrative costs as a percentage of overall expenditures of any public university in the state. He said that they have just completed and announced the most far-reaching administrative restructuring at TAMU in several decades further to improve efficiency and cost-effectiveness. He said that no parent or student wants to see any increase in college costs. Dr. Gates said that he does not like the idea either. He said that because of a decade of under-funding at TAMU, the quality of the education and the academic standing of the university is at risk. He said the increase in tuition is an unwelcome necessity.

Mr. Mays asked if there were any questions for Dr. Gates.

Mr. Jones said he noticed on the list of expenses that deferred maintenance and equipment were listed. He suggested that the State of Texas is looking at companies that have the ability to reduce the equipment maintenance and service agreements. He said he knows that there is a Request for Proposal (RFP) submitted by the state for this type of equipment. He said he did not know if colleges and universities were covered by that RFP. He said if they were not, it might be something to look at that may save costs. Dr. Gates said they would look into that.

Mr. White questioned if during the discussions in the hearings, was there any mention of comparisons to peer universities, not only within the state, but also in other states. Dr. Gates responded in the affirmative. He said he would start with Texas and start with tuition increases that became effective with this semester in January of 2004. He said because the University of Texas (UT) has gone to a flat tuition, these are

extrapolations of what their increase would have been if it had been in per SCH terms. Dr. Gates said TAMU's increase in January was \$9. The UT increase at that point was \$24, Texas Tech's (TT) increase was \$10 and the University of Houston's (UH) increase was \$20. Dr. Gates said TAMU's increase for next fall is \$19.50. The UT increase will be about \$24 more. He said TT has announced a \$20 increase and UH has not announced a number. Dr. Gates said of all these universities, based on the available data, certainly with UT and TT, the total of TAMU's increases are somewhat smaller than TT and significantly smaller than UT. He said the annualized tuition effective next fall for TAMU, strictly tuition carrying 14 hours, would be \$3,430. He said at UT, with 14 SCHs, tuition would be \$4,024. Dr. Gates said for some of TAMU's peer universities at other states he has revenue per student generated by general revenue plus tuition and fees. He said if you look at TAMU, that figure plus the Available University Fund (AUF) is \$13,868. That is state appropriations, tuition and fees, and the AUF (revenue per student). He said at UT that number is \$13,575. Dr. Gates said TAMU's is slightly larger because it has a larger number of engineering and other technical courses, which get higher tuition. By comparison, the number at the University of Michigan at Ann Arbor is \$22,674; at the University of North Carolina, \$21,737; UCLA, \$24,009; University of California at San Diego, \$20,582; and, the University of Wisconsin at Madison, \$15,462. Mr. White asked if this information was presented during the hearings. Dr. Gates replied in the affirmative.

Mr. Nye said that he felt the tension between increasing student costs and declining faculty salaries. He asked Dr. Gates to compare TAMU's faculty to other peer universities. Dr. Gates responded that the only peer information he had on faculty salaries was with UT. He said that at the beginning of the year, on average, the salaries for full professors at TAMU were about \$10,000 less than their peers at UT. He said the difference with associate professors was \$3,000 to \$4,000, and the difference was very small at the assistant professor level.

Mr. Stevens asked Dr. Gates to comment on faculty productivity and the number of hours or student/faculty ratio that would indicate productivity in the classroom. Dr. Gates responded that TAMU's student/faculty ratio is 22 to 1. At UT it is 18 to 1. He said that most of our peer universities had a ratio of 14 or 15 to 1. He said that TAMU would have to complete the entire hiring project of 450 to reach a ratio of 16 or 17 to 1. Dr. Gates said that based on information published in US News and World Report, of the top 130 universities in the country, TAMU has the lowest percentage of classes with under 20 students, around 18 percent. He said on the other side of the coin, the percentage of classes with over 50 students, at 33 percent, TAMU has the highest percentage of the top 130 universities in the U.S. Dr. Gates said this is what gets at the quality of education issues. We have enrollment limitations in a number of our majors because of the shortage of faculty. We have limitations in terms of sections and in terms of course selections. He said in terms of tenured, tenure-track faculty, teaching lower division classes, freshmen and sophomores, we are at about 26 or 27 percent. He said UT is about 10 percent higher than that, about 37 percent. Therefore, no matter how you slice it, the impact in terms of faculty availability, to help our students either in the classroom or out of the classroom, is significantly less than our peer research

universities. Mr. Stevens asked what percentage of the projected budget relates to faculty salaries and benefits. Dr. Gates responded approximately 80 percent.

Dr. Wynn expressed concerns about financial aid aspects and how current students and families would be affected by this tuition increase. She said she knows that a big part of this is being allocated towards financial aid. She asked from the individual family's perspective, is it too late for them to ask for that additional money for the fall. She asked how this is going to impact students abilities in terms of their time-line to be ready for August to get the extra financial aid that they might need without having to drop out. Dr. Gates responded that many scholarships are endowed such as the President's Endowed Scholarship. He said that the donation required establishing a presidential endowed scholarship for several years has been \$60,000. Now, the A&M Foundation is going back to the donors who are still living and asking them to raise the size of their endowed gift to \$80,000 to try to increase the amount of the scholarships that are available to the students. He said to the degree we possibly can, we do not want money left on the table in terms of financial assistance. He said clearly, there would be opportunities to see where we can adjust the assistance, if we can. Dr. Gates said we would not collect the extra money for the tuition set-aside until people pay their tuition bills in the fall. He said we do not have the money at this point. Dr. Gates said that TAMU would move quickly to make those additional resources available to students. Mr. Mays asked if there were further questions. There were none.

Mr. Mays called for comments from the public. The following individuals raised questions and commented on the proposed increase in designated tuition at TAMU:

- Ms. Natasha Croom (graduate student)
- Mr. Matthew Maddox (student speaking on behalf of Young Conservatives of Texas at TAMU)
- Mr. Scott Smith (student senator representing Off-Campus Students)
- Mr. Josh Peschel (president of the Graduate Student Council at TAMU)
- Mr. Ravi Karedla (graduate student in the Mechanical Engineering Department)
- Mr. Eric Schneider (graduate student in mechanical engineering)
- Ms. Marie Leonard (student representing the International Graduate Student Association)
- Ms. Sara Foley (junior journalism major)
- Mr. Justin Thompson (junior agricultural science major)
- Mr. Paul Cosby (sophomore)
- Ms. Alissa House (freshman)
- Ms. Kimberly Cunningham (senior)
- Mr. Matt Josefy (Student Body President)

Mr. Mays thanked the students for their comments. Mr. Mays announced that the public hearing for the proposed increase in designated tuition at TAMU was closed.

Texas A&M University-Commerce

Mr. Mays called on Dr. Keith McFarland, President of Texas A&M University-Commerce (TAMU-C). Dr. McFarland said they held a hearing on January 21. He said they advertised the meeting by list-serve, radio and the local newspaper. Dr. McFarland said that they had their best attendance in nearly six years with nine students and one parent. He said that during the hearing he expressed the needs of the university along with being sensitive to the financial challenges facing all students. Dr. McFarland said that they propose increasing tuition from \$43 to \$48/SCH. He said this would generate approximately \$940,000 that would primarily be used for new programs. Dr. McFarland said that as students at other institutions expressed that while they were not excited about the increase, they realized the necessity. He said that some students commented that they did not feel that the increase was enough. Mr. Mays asked if there were any questions for Dr. McFarland. There were none.

Mr. Mays asked if there were any persons present who wished to comment on the proposed increase in designated tuition at TAMU-C. There were none. Mr. Mays announced that the public hearing for the increase in designated tuition at TAMU-C was closed.

Texas A&M University-Corpus Christi

Mr. Mays called on Dr. Robert Furgason, President of TAMU-CC. Dr. Furgason said that they held a public hearing on January 27. He said the hearing was published in the student newspaper and they briefed the student leadership on the proposed increase prior to the hearing. He said the hearing itself was posted throughout the university in normal places like the libraries and the student center. He said about 20 students attended the hearing. Dr. Furgason said he briefed the students about the general situation with state appropriations. He said TAMU-CC came out of the last legislative session basically flat, even though they had a 19.5 percent increase in SCHs over that two-year period. He added that TAMU-CC is growing this year and anticipates growth next year. He said he outlined what the increase would be used to fund. He said \$5 would go into student financial aid. He said the bulk of this, 95 percent would go to students that have substantial financial aid needs and first generation college students. Dr. Furgason said another \$5 would go directly into new staff and faculty to meet the needs of TAMU-CC's growth. He said another \$5 would go into the salary structure to be current and competitive. He said the students had actually requested a \$1 increase for equipment. Mr. Mays asked if there were questions for Dr. Furgason. There were none.

Mr. Mays asked if there were any persons present who wanted to comment on the proposed increase in designated tuition at TAMU-CC. There were none. Mr. Mays announced that the public hearing for the increase in designated tuition at TAMU-CC was closed.

Texas A&M University at Galveston

Mr. Mays called on Mr. William C. Hearn, Interim Vice President and Chief Executive Officer of Texas A&M University at Galveston (TAMUG). Mr. Hearn said that they held a public hearing on January 29. He said they did quite a bit of publicity and six students attended. He said that a week prior to the hearing, he hosted a dinner for 47 student leaders regarding the request for the fee increase. He said that their students understood that the university had taken a \$1.3 million cut in appropriated funds through state budget cuts. Mr. Hearn said they were requesting an increase in designated tuition of \$19.50/SCH. He said this would earn them an estimated \$975,000. Mr. Mays asked if there were questions for Mr. Hearn. There were none.

Mr. Mays asked if there were any persons present who wished to comment on the proposed increase in designated tuition at TAMUG. There were none. Mr. Mays announced that the public hearing for the increase in designated tuition for TAMUG was closed.

Texas A&M University-Kingsville

Mr. Mays called on Dr. Rumaldo Z. Juárez, President of TAMU-K. Dr. Juárez said they were proposing an increase from \$40 to \$46/SCH. He said this would amount to an increase of approximately \$72/SCH per 12-hour class load. He said there were several reasons for this proposed increase. He said TAMU-K has had increases in enrollment averaging somewhere between 2.5 and 6 percent over the last couple of years. He said TAMU-K has experienced some decreases in state funding and faculty salaries are averaging \$3,000 to \$5,000 below its peer institutions. He stressed the need for faculty salary increases. Dr. Juárez said they held a hearing on January 22. He said the hearing was advertised through the appropriate on-campus media channels. He said approximately 50 students, including student leaders, university officials and staff, attended the hearing. He said the presentation was made by Mr. Steve Crandall, Vice President for Finance and Administration, who explained that the increase would be used to raise approximately \$1 million for increases in faculty and staff salaries, student scholarships and increases in departmental operations. Mr. Mays asked if there were any questions for Dr. Juárez. There were none.

Mr. Mays asked if there were any persons present who wanted to comment on the proposed increase in designated tuition at TAMU-K. There were none. Mr. Mays announced that the public hearing for increases in designated tuition at TAMU-K was closed.

The Texas A&M University System Health Science Center

Mr. Mays called on Dr. Nancy Dickey, President and Vice Chancellor for Health Affairs, TAMUS HSC. Dr. Dickey said hearings were held on two different dates. The hearings in College Station were held on February 3, and another hearing was held on February 26 with distance communication for students located in Temple, Houston and the Reynolds Building in College Station. She said a total of 13 students attended those

meetings. Dr. Dickey said that they also held a hearing at the Baylor College of Dentistry (BCD) on February 3, where eight students attended. Dr. Dickey said they presented issues regarding fee increases at the president's student advisory board meeting on January 30. She said they presented the need for the increases for issues of debt payment, construction and faculty hires that are needed. She said the levels of increase vary by school. Dr. Dickey said there was a substantial increase in designated tuition for the BCD largely because they do not qualify for the Permanent University Fund (PUF) or Higher Education Assistance Fund (HEAF) monies. She said their designated tuition dollars are for construction of either replacement or new facilities. She said this particular increase keeps them in a competitive stance with the other dental schools when they pay all their tuition and fees annually. Dr. Dickey said the increase for the medical school would also be substantial. She said that students were concerned but once they compared their increase with other schools, they seemed less concerned. Dr. Dickey said to summarize, at the conclusion of the discussions, no student wanted to pay increased fees. On the other hand, they recognized that having facilities and faculty to meet their needs unfortunately required some type of fee increases. Mr. Mays asked if there were questions of Dr. Dickey. There were none.

Mr. Mays asked if there were any persons present who wished to comment on the proposed increase in designated tuition for TAMUS HSC. There were none. Mr. Mays announced that the public hearing for the increase in designated tuition for the TAMUS HSC was closed.

Mr. Mays said that the Committee on Finance would consider the proposed increases in designated tuition during its discussion and vote on Item 10. He said that the Board would take action on this matter as part of the Board vote on Item 10.

(Secretary's Note: Public hearings were not required for Texas A&M University-Texarkana (TAMU-T) and West Texas A&M University (WTAMU) because they did not request increases in designated tuition.)

RECESS

Mr. Mays recessed the meeting at 4:23 p.m.

(Secretary's Note: The Committee on Finance convened at 4:24 p.m. and recessed at 4:59 p.m. The Committee on Buildings and Physical Plant convened at 5:00 p.m. and recessed at 5:25 p.m.)

RECONVENE - FRIDAY, MARCH 26

Mr. Mays reconvened the meeting on Friday, March 26, 2004, at 9:09 a.m. The following members of the Board were present:

Mr. Lowry Mays, Chairman
Mr. Erle Nye, Vice Chairman
Mr. Phil Adams
Dr. Wendy Gramm
Mr. Bill Jones
Mr. R.H. (Steve) Stevens, Jr.
Mr. John D. White
Dr. Susan Rudd Wynn

The following member of the Board was not present:

Mr. Lionel Sosa

RECESS

Mr. Mays recessed the meeting at 9:10 a.m.

(Secretary's Note: The Committee on Buildings and Physical Plant reconvened at 9:11 a.m. and adjourned at 9:44 a.m. The Committee on Finance reconvened at 9:45 a.m. and adjourned at 10:13 a.m. The Committee on Campus Art and Aesthetic Improvement met from 10:14 a.m. until 10:15 a.m. The Committee on Academic and Student Affairs met from 10:16 a.m. until 10:48 a.m. The Ad Hoc Policy Review Committee met from 10:49 a.m. until 10:52 a.m.)

RECONVENE

Mr. Mays reconvened the meeting at 10:53 a.m. He 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, March 25, and the morning of Friday, March 26, and considered and recommended approval of Items 1 through 10. The Board took action as set forth below:

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**MINUTE ORDER 03-2004 (AGENDA ITEM 01)**

**APPROVAL OF THE STILES FARM FOUNDATION 2004 BUDGET,  
TEXAS COOPERATIVE EXTENSION**

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

The operating budget for the Stiles Farm Foundation for calendar year 2004, a copy of which is attached to the official minutes as **Exhibit A**, is hereby approved.

**MINUTE ORDER 04-2004 (AGENDA ITEM 02)**

**AUTHORIZATION TO ESTABLISH A QUASI-ENDOWMENT  
NAMED THE "MARK M. CONROY ENDOWED SCHOLARSHIP,"  
TEXAS A&M UNIVERSITY**

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

Authority is hereby granted to the President of Texas A&M University to establish a quasi-endowment account to be named the "Mark M. Conroy Endowed Scholarship." The account will be created with proceeds received from the estate of Mark M. Conroy. Interest earnings from the quasi-endowment will be used to support scholarships for needy and deserving students from the San Antonio, Texas, area.

**MINUTE ORDER 05-2004 (AGENDA ITEM 03)**

**AUTHORIZATION TO ESTABLISH A QUASI-ENDOWMENT  
NAMED THE "BARBARA C. JOSLIN ENDOWED SCHOLARSHIP  
IN VETERINARY MEDICINE,"  
TEXAS A&M UNIVERSITY**

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

Authority is hereby granted to the President of Texas A&M University to establish a quasi-endowment account to be named the "Barbara C. Joslin Endowed Scholarship in Veterinary Medicine." The account will be created with proceeds received from the estate of Barbara C. Joslin. Interest earnings from the quasi-endowment will be used to support scholarships to offset tuition and fee costs for students working toward a Doctorate of Veterinary Medicine degree in their last year of the professional DVM program. In general, scholarships will be awarded to such students who would not otherwise financially be able to receive their DVM degree.

**MINUTE ORDER 06-2004 (AGENDA ITEM 04)**

**AUTHORIZATION TO EXECUTE AN AFFILIATION AGREEMENT  
WITH THE 12<sup>TH</sup> MAN FOUNDATION,  
TEXAS A&M UNIVERSITY**

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

The Board of Regents of The Texas A&M University System hereby grants, upon review by the Office of General Counsel for legal form and sufficiency, authority to the President of Texas A&M University, or his designee, to execute an affiliation agreement with the 12<sup>th</sup> Man Foundation.

**MINUTE ORDER 07-2004 (AGENDA ITEM 05)**

**AUTHORIZATION FOR AN INCREASE IN CONTRACT CAP  
FOR THE PATENT LAW FIRM OF BAKER BOTTS, L.L.P.,  
THE TEXAS A&M UNIVERSITY SYSTEM**

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

The Board of Regents of The Texas A&M University System requests that the Attorney General of Texas amend the contract with the law firm of Baker Botts, L.L.P. to increase the current cap amount of \$300,000 to a proposed cap of \$800,000 to provide patent prosecution legal services and associated expenses to The Texas A&M University System for FY 04.

The Board of Regents, 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, L.L.P. in exchange for legal services and associated expenses in the area of patent prosecution for FY 04.

**MINUTE ORDER 08-2004 (AGENDA ITEM 06)**

**ACCEPTANCE OF REPORT OF APPROPRIATIONS BY THE CHANCELLOR,  
THE TEXAS A&M UNIVERSITY SYSTEM**

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

The following report of appropriations by the Chancellor is hereby accepted:

| <u>Member</u> | <u>Amount</u> | <u>Project Name &amp; Source of Funds</u>                                                   |
|---------------|---------------|---------------------------------------------------------------------------------------------|
| SAGO          | \$100,000     | FY 2004 Contractual Agreement for Chancellor Emeritus Graves Special Mineral Income Fund 96 |
| TAMU-Commerce | \$100,000*    | May Debt Service for Dormitory Fire Safety Equipment Project Revenue Financing System Bonds |

\*To the extent this appropriation is an obligation of the Revenue Financing System, and 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 the financial obligations of the Board relating to the Revenue Financing System and that the Participants, on whose behalf the Bonds are to be issued, possess the financial capacity to satisfy their Direct Obligations.

**MINUTE ORDER 09-2004 (AGENDA ITEM 07)**

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

On motion of Mr. Adams, seconded by Mr. White 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 components of The Texas A&M University System concerned as shown on Gifts, Donations, Grants, and Endowments List No. 04-03, a copy of which is attached to the official minutes as **Exhibit B**.

**MINUTE ORDER 10-2004 (AGENDA ITEM 08)**

**ADOPTION OF FISCAL YEAR 2005 BUDGET GUIDELINES,  
THE TEXAS A&M UNIVERSITY SYSTEM**

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

The Texas A&M University System guidelines for the FY 2005 operating budgets, attached to the official minutes as **Exhibit C**, are hereby adopted.

**MINUTE ORDER 11-2004 (AGENDA ITEM 09)**

**APPROVAL OF NEW AND AMENDED FIELD TRIP FEES FOR  
THE ACADEMIC INSTITUTIONS,  
THE TEXAS A&M UNIVERSITY SYSTEM**

On motion of Mr. Adams, seconded by Mr. White 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 of The Texas A&M University System, as shown on **Exhibit D** and attached to the official minutes, are hereby confirmed.

**MINUTE ORDER 12-2004 (AGENDA ITEM 10)**

**APPROVAL OF NEW, INCREASED AND DECREASED TUITION AND FEES  
FOR THE ACADEMIC INSTITUTIONS AND THE HEALTH SCIENCE CENTER,  
THE TEXAS A&M UNIVERSITY SYSTEM**

On motion of Mr. Adams, seconded by Mr. White 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 of Regents of The Texas A&M University System has also held a public hearing to receive input from students, as well as from 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, recommendations, and referendums 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 E and F** and attached to the official minutes, is approved to be effective with the Fall 2004 semester, unless otherwise noted.

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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 on Thursday, March 25, and Friday, March 26, and considered and recommended approval of Item 11, pertaining to naming of facilities; Items 12, 13, 14 and 15, pertaining to construction; and, Item 16, pertaining to real estate. He said the following Architect/Engineer design team selections were recommended by the Committee:

1. The design team formed by O'Neill Conrad Oppelt Architects. Inc., of San Antonio, Texas, for design of the Classroom Building and Structural Burn Training Complex at Brayton Fire Training Field, Texas Engineering Extension Service, College Station, Texas
2. The design team formed by F&S Partners, Inc., of Dallas, Texas, for design of the Kinesiology Facilities at Texas A&M International University

The Board took action as set forth below:

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**MINUTE ORDER 13-2004 (AGENDA ITEM 11)**

**NAMING OF THE  
"JAMES J. CAIN '51 BUILDING,"  
TEXAS A&M UNIVERSITY**

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

The Engineering Physics Building on the campus of Texas A&M University is hereby named the "James J. Cain '51 Building."

**MINUTE ORDER 14-2004 (AGENDA ITEM 12)**

**APPROVAL OF THE PROGRAM OF REQUIREMENTS AND  
APPROPRIATION FOR DESIGN FOR THE WASTEWATER SYSTEM  
UPGRADE-BRAYTON FIRE TRAINING FIELD,  
TEXAS ENGINEERING EXTENSION SERVICE**

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

The program of requirements for the Wastewater System Upgrade, Phase 1, Brayton Fire Training Field, Texas Engineering Extension Service, College Station, Texas, is approved.

The amount of \$1,420,000 is appropriated from Account No. 981001 Reserve for Program Allocations for design of the Wastewater System Upgrade, Phase 1, Brayton Fire Training Field, Texas Engineering Extension Service, College Station, Texas.

The Board of Regents of The Texas A&M University System (Board) 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 15-2004 (AGENDA ITEM 13)**

**APPROVAL OF THE PROGRAM OF REQUIREMENTS,  
APPROPRIATION FOR DESIGN AND SELECTION OF THE  
ARCHITECT/ENGINEER DESIGN TEAM FOR THE CLASSROOM  
BUILDING AND STRUCTURAL BURN TRAINING COMPLEX,  
TEXAS ENGINEERING EXTENSION SERVICE**

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

The program of requirements for the Classroom Building and Structural Burn Training Complex, Texas Engineering Extension Service, College Station, Texas, is approved.

Supplementing a previous appropriation of \$20,000, the amount of \$441,000 is appropriated from Account No. 981001 Reserve for Program Allocations for design of the Classroom Building and Structural Burn Training Complex, Texas Engineering Extension Service, College Station, Texas.

The firm of O'Neill Conrad Oppelt Architects, Inc. of San Antonio, Texas, is selected as the firm ranked first to head the architect/engineer design team for the Classroom Building and Structural Burn Training Complex, Texas Engineering Extension Service, College Station, Texas.

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, a copy of which is attached to the official minutes as **Exhibit G**, until an agreement for a design contract is reached.

The Board of Regents of The Texas A&M University System (Board) 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 16-2004 (AGENDA ITEM 14)**

**APPROVAL OF THE PROGRAM OF REQUIREMENTS,  
AND APPROPRIATION FOR DESIGN FOR THE  
TASK FORCE 1 HANGARS AT TEXAS A&M UNIVERSITY,  
TEXAS A&M UNIVERSITY AND TEXAS ENGINEERING EXTENSION SERVICE**

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

The program of requirements for the Task Force 1 Hangars at Texas A&M University is approved.

Supplementing a previous appropriation of \$15,000, the amount of \$140,000 is appropriated from Account No. 02-030002 Airport Operations Reserve for design of the Task Force 1 Hangars at Texas A&M University.

The award of the construction contract is contingent upon the finalization of the intrasystem agreement between Texas A&M University and the Texas Engineering Extension Service.



**MINUTE ORDER 17-2004 (AGENDA ITEM 15)**

**APPROVAL OF THE PROGRAM OF REQUIREMENTS,  
APPROPRIATION FOR DESIGN AND SELECTION OF THE  
ARCHITECT/ENGINEER DESIGN TEAM FOR THE KINESIOLOGY FACILITIES,  
TEXAS A&M INTERNATIONAL UNIVERSITY**

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

The program of requirements for the Kinesiology Facilities at Texas A&M International University is approved.

Supplementing a previous appropriation of \$20,000, the amount of \$950,000 is appropriated from Account No. 530071 Lamar Bruni Vergara Gift and \$42,000 is appropriated from Account No. 530050 Transportation Services Gift for design of the Kinesiology Facilities at Texas A&M International University.

The firm of F&S Partners, Inc. of Dallas, Texas, is selected as the firm ranked first to head the architect/engineer design team for the Kinesiology Facilities at Texas A&M International University.

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, a copy of which is attached to the official minutes as **Exhibit H**, until an agreement for a design contract is reached.

The Board of Regents of The Texas A&M University System (Board) 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 issued, possess the financial capacity to satisfy their Direct Obligations.

**MINUTE ORDER 18-2004 (AGENDA ITEM 16)**

**AUTHORIZATION TO EXTEND LEASE OF SPACE FROM  
CENTRAL TEXAS COLLEGE IN KILLEEN, TEXAS, FOR  
THE BENEFIT OF TARLETON STATE UNIVERSITY-CENTRAL 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 adopted:

The Interim Chancellor of The Texas A&M University System, or his designee, following legal review from the Office of General Counsel, is authorized to exercise The Texas A&M University System's option to extend, negotiate and execute all documents required to lease, and to provide service to, the building that Tarleton State University-Central Texas is now occupying on the campus of Central Texas College located in Killeen, Texas. The term of the option to be exercised will be five (5) years. Rental consideration to be paid by Tarleton State University-Central Texas during the term is \$25,000 per month, which will be adjusted thereafter on an annual basis pursuant to the lease agreement.

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Mr. Mays called on Dr. Gramm to present the report from the Special Committee on Campus Art and Aesthetic Improvement.

**REPORT FROM THE SPECIAL COMMITTEE ON CAMPUS ART
AND AESTHETIC IMPROVEMENT**

Dr. Gramm, Chairman of the Special Committee on Campus Art and Aesthetic Improvement, reported that the Committee met earlier the same day, and considered and recommended approval of Item 17. The Board took action as set forth below:

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**MINUTE ORDER 19-2004 (AGENDA ITEM 17)**

**AUTHORIZATION FOR THE ACCEPTANCE AND PLACEMENT OF A  
STONE MONUMENT AT THE ENTRANCE OF  
HARRINGTON HALL - CORPS DORM 11,  
TEXAS A&M UNIVERSITY**

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

The President of Texas A&M University is hereby authorized to approve the acceptance and placement of a stone monument commemorating all Texas Aggie Band Directors on the Texas A&M University campus. The location for the monument will be at the entrance of Harrington Hall - Corps Dorm 11. This monument is a gift to Texas A&M University.

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

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

Dr. Gramm, Chairman of the Committee on Academic and Student Affairs, reported that the Committee met earlier the same day and considered and recommended approval of Items 18 through 25. The Board took action as set forth below:

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MINUTE ORDER 20-2004 (AGENDA ITEM 18)

**ESTABLISHMENT OF THE
TEXAS DATA MINING RESEARCH INSTITUTE
WITHIN THE DIVISION OF ACADEMIC AFFAIRS,
TARLETON STATE UNIVERSITY**

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

The Texas Data Mining Research Institute is hereby established as an administrative unit of Tarleton State University within the Division of Academic Affairs, effective April 1, 2004. The President of Tarleton State University is hereby authorized to appoint an Executive Director of the Texas Data Mining Research Institute.

MINUTE ORDER 21-2004 (AGENDA ITEM 19)

**AUTHORIZATION TO OFFER THE
MASTER OF BUSINESS ADMINISTRATION DEGREE PROGRAM
VIA THE INTERNET (THE MBA ONLINE),
TARLETON STATE UNIVERSITY**

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

Having complied with all of the requirements of the Texas Higher Education Coordinating Board, Tarleton State University is hereby authorized to offer the Master of Business Administration degree program via the Internet (the MBA Online), effective Fall 2004, as documented in **Exhibit I**, a copy of which is attached to the official minutes.

The Board of Regents of The Texas A&M University System finds that the program offering authorized by this minute order is within the role, scope and capacity of the institution and will benefit students.

MINUTE ORDER 22-2004 (AGENDA ITEM 20)

AUTHORIZATION TO EXPAND THE TABLE OF PROGRAMS TO INCLUDE PLANNING AUTHORITY AND APPROVE AN ASSOCIATE IN APPLIED SCIENCE DEGREE PROGRAM AND AN ADVANCED TECHNICAL CERTIFICATE IN MEDICAL LABORATORY TECHNOLOGY, AND AUTHORIZATION TO REQUEST APPROVAL FROM THE TEXAS HIGHER EDUCATION COORDINATING BOARD, TARLETON STATE UNIVERSITY

On motion of Dr. Gramm, 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 Tarleton State University's request to expand its Table of Programs planning authority and to offer an Associate in Applied Science degree program and an Advanced Technical Certificate in Medical Laboratory Technology.

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

MINUTE ORDER 23-2004 (AGENDA ITEM 21)

AUTHORIZATION TO EXPAND THE TABLE OF PROGRAMS TO INCLUDE PLANNING AUTHORITY AND APPROVE AN ASSOCIATE IN APPLIED SCIENCE DEGREE PROGRAM AND AN ADVANCED TECHNICAL CERTIFICATE IN HISTOTECHNOLOGY, AND AUTHORIZATION TO REQUEST APPROVAL FROM THE TEXAS HIGHER EDUCATION COORDINATING BOARD, TARLETON STATE UNIVERSITY

On motion of Dr. Gramm, 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 Tarleton State University's request to expand its Table of Programs' planning authority and to offer an Associate in Applied Science degree program and an Advanced Technical Certificate in Histotechnology.

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

MINUTE ORDER 24-2004 (AGENDA ITEM 22)

**APPROVAL OF ADMINISTRATIVE CHANGE TO
REORGANIZE THE DEPARTMENT OF MODERN AND
CLASSICAL LANGUAGES AND AUTHORIZATION TO
REQUEST APPROVAL FROM THE
TEXAS HIGHER EDUCATION COORDINATING BOARD,
TEXAS A&M UNIVERSITY**

On motion of Dr. Gramm, 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 reorganization of the Department of Modern and Classical Languages into two new departments: a Department of Hispanic Studies and a Department of European and Classical Languages and Cultures.

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

MINUTE ORDER 25-2004 (AGENDA ITEM 23)

**APPROVAL OF FISCAL YEAR 2005 HOLIDAY SCHEDULE,
TEXAS A&M UNIVERSITY AT QATAR**

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

The holiday schedule for the members of the faculty and staff of Texas A&M University at Qatar for the fiscal year ending August 31, 2005, shall be as follows:

<u>Holiday</u>	<u>Number of Days</u>	<u>Dates</u>
Faculty/Staff Holiday (Fall Eid Al Fater Holiday)	3	November 14 -16, 2004 (Sunday-Tuesday)
Faculty/Staff Holiday (Christmas/New Years Holidays)	4	December 26-29, 2004 (Sunday-Wednesday)
Faculty/Staff Holiday (Martin Luther King, Jr. Holiday)	1	January 20, 2005 (Thursday)
Faculty/Staff Holiday Eid Al Adha Holiday	3	January 23-25, 2005 (Sunday-Tuesday)
Faculty/Staff Holiday (Independence Day)	1	July 3, 2005 (Sunday)

In addition, the Chancellor is hereby authorized to modify the holiday schedule when such a change is deemed to be in the public interest.

MINUTE ORDER 26-2004 (AGENDA ITEM 24)

**AUTHORIZATION TO CHANGE UNDERGRADUATE
ADMISSIONS STANDARDS IN FALL 2005,
TEXAS A&M UNIVERSITY-KINGSVILLE**

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

Texas A&M University-Kingsville is hereby authorized to change undergraduate admissions standards for the freshman class matriculating in Fall 2005 and to broadly disseminate these changes immediately following the March 25-26, 2004, meeting. These changes are outlined in **Exhibit J**, a copy of which is attached to the official minutes.

MINUTE ORDER 27-2004 (AGENDA ITEM 25)

**APPROVAL OF CONCEPT PAPER FOR THE ESTABLISHMENT
OF THE JO RANDEL CENTER FOR THE
PRESERVATION OF PANHANDLE HERITAGE,
WEST TEXAS A&M UNIVERSITY**

On motion of Dr. Gramm, seconded by Mr. Nye and by a unanimous vote, the concept paper to establish the Jo Randel Center for the Preservation of Panhandle Heritage at West Texas A&M University was approved, a copy of which is attached to the official minutes as **Exhibit K**.

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Mr. Mays called on Mr. White to present the report on the Ad Hoc Policy Review Committee.

**REPORT FROM THE AD HOC POLICY REVIEW COMMITTEE**

Mr. White, Chairman of the Ad Hoc Policy Review Committee, reported that the Committee had met earlier the same day, and considered and recommended approval of Items 26 and 27. The Board took action as set forth below:

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MINUTE ORDER 28-2004 (AGENDA ITEM 26)

**APPROVAL OF PROPOSED MODIFICATION TO
SYSTEM POLICY 34.06 (APPOINTMENT, COMMISSIONING AND
AUTHORITY OF PEACE OFFICERS),
THE TEXAS A&M UNIVERSITY SYSTEM**

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

System Policy 34.06 (*Appointment, Commissioning and Authority of Peace Officers*), as described in **Exhibit L** attached to the official minutes, is modified effective immediately.

MINUTE ORDER 29-2004 (AGENDA ITEM 27)

**APPROVAL OF PROPOSED MODIFICATIONS TO
SYSTEM POLICY 02.06 (DIRECTORS OF COMPONENT AGENCIES),
SYSTEM POLICY 11.01 (COOPERATION AMONG THE TEXAS A&M UNIVERSITY
SYSTEM INSTITUTIONS),
SYSTEM POLICY 17.02 (PATENTS), AND
SYSTEM POLICY 41.01 (REAL PROPERTY GIFT AND BEQUEST ACCEPTANCE),
THE TEXAS A&M UNIVERSITY SYSTEM**

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

System Policy 02.06 (*Directors of Component Agencies*), System Policy 11.01 (*Cooperation Among TAMUS Institutions*), System Policy 17.02 (*Patents*), and System Policy 41.01 (*Real Property Gift and Bequest Acceptance*), as described in **Exhibit M** attached to the official minutes, are modified effective immediately.

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

**REPORT FROM THE COMMITTEE ON AUDIT**

Mr. Stevens, Chairman of the Committee on Audit, reported that the Committee met on Thursday, March 25. He said that they reviewed audits accomplished during the last two quarters. He said that in addition they followed up on matters outstanding on four audits completed prior to the quarter. Mr. Stevens said that they reviewed the audit tracking system and received a presentation on the financial statements for the System

**OTHER ITEMS**

Mr. Mays called on Dr. Long who presented Item 28. The Board took action as set forth below:

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MINUTE ORDER 30-2004 (AGENDA ITEM 28)

**ADOPTION OF A RESOLUTION EXPRESSING APPRECIATION
TO THE 2003-04 HORSE JUDGING TEAM,
WEST TEXAS A&M UNIVERSITY**

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

Whereas, the West Texas A&M University Horse Judging Team has excelled in skill and mastery in horse judging; and

Whereas, it was Reserve High Team at the All-American Quarter Horse Congress in Columbus, Ohio, October 17, 2003; and

Whereas, it won a rare first place sweep in every team category: halter, performance and reasons, and brought home the championship trophy at the American Quarter Horse Association World Championship in Oklahoma City, Oklahoma, November 19, 2003; and

Whereas, it capped its season with a first place triumph at the National Reining Horse Association Championship in Oklahoma City, Oklahoma, December 4 and 5, 2003; and

Whereas, the work and encouragement of the team's coach, Dr. John Pipkin, resulted in the team's outstanding accomplishments in bringing national recognition to the University; now, therefore, be it

Resolved, that we, the members of the Board of Regents of The Texas A&M University System, express our heartfelt congratulations to all the members of the West Texas A&M University Horse Judging Team for their contributions to West Texas A&M University; 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, and be presented to each member of the team and to the Archives of West Texas A&M University as a permanent mark of this Board's appreciation and gratitude to all these individuals for a job well done.

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Mr. Mays called on Dr. Cocanougher who presented Items 29 through 33. The Board took action as set forth below:

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MINUTE ORDER 31-2004 (AGENDA ITEM 29)

**CONFIRMATION OF THE
APPOINTMENT AND COMMISSIONING OF PEACE OFFICERS,
THE TEXAS A&M UNIVERSITY SYSTEM**

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

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**, attached to the official minutes.

MINUTE ORDER 32-2004 (AGENDA ITEM 30)

**CONFIRMATION OF THE
APPOINTMENT AND COMMISSIONING OF
MATTHEW W. SATTERWHITE AS A PEACE OFFICER,
TEXAS FOREST SERVICE**

On motion of Mr. Nye, 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 hereby confirms the appointment of and commissions the Texas Forest Service employee, Matthew W. Satterwhite, as a peace officer.

MINUTE ORDER 33-2004 (AGENDA ITEM 31-A)

**APPROVAL OF FACULTY DEVELOPMENT LEAVE
FOR FISCAL YEAR 05,
TARLETON STATE UNIVERSITY**

On motion of Mr. Nye, 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, in accordance with System Policy 31.03, System Regulation 12.99.01 and Sections 51.101-108 of the Texas Education Code, authorizes faculty development leave to the faculty members as set forth on the attached **Exhibit O**, Faculty Development Leave List FY 2005, Tarleton State University.

MINUTE ORDER 34-2004 (AGENDA ITEM 31-B)

**APPROVAL OF FACULTY DEVELOPMENT LEAVE
FOR FISCAL YEAR 05,
TEXAS A&M UNIVERSITY**

On motion of Mr. Nye, 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, in accordance with System Policy 31.03, System Regulation 12.99.01 and Sections 51.101-108 of the Texas Education Code, authorizes faculty development leave to the faculty members as set forth on the attached **Exhibit P**, Faculty Development Leave List FY 05, Texas A&M University.

MINUTE ORDER 35-2004 (AGENDA ITEM 31-C)

**APPROVAL OF FACULTY DEVELOPMENT LEAVE
FOR FISCAL YEAR 2005,
TEXAS A&M UNIVERSITY-COMMERCE**

On motion of Mr. Nye, 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, in accordance with System Policy 31.03, System Regulation 12.99.01 and Sections 51.101-108 of the Texas Education Code, authorizes faculty development leave to the faculty members as set forth on the attached **Exhibit Q**, Faculty Development Leave List FY 05, Texas A&M University-Commerce.

MINUTE ORDER 36-2004 (AGENDA ITEM 32)

**GRANTING OF THE TITLE OF EMERITUS/EMERITA,
THE TEXAS A&M UNIVERSITY SYSTEM**

On motion of Mr. Nye, seconded by Mr. Stevens 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 of The Texas A&M University System hereby confirms the recommendation of the Chancellor, and confers the title of "Emeritus/Emerita" upon individuals as shown in Emeritus Title List No. 03-04-03, a copy of which is attached to the official minutes as **Exhibit R**, and grants all rights and privileges of this title.

MINUTE ORDER 37-2004 (AGENDA ITEM 33)

**APPROVAL OF ACADEMIC TENURE,
THE TEXAS A&M UNIVERSITY SYSTEM**

On motion of Mr. Nye, 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, in accordance with System Policy 12.01 (*Academic Freedom, Responsibility and Tenure*), hereby authorizes the granting of tenure to the following faculty members as set in Tenure List No. 03-04-03, a copy of which is attached to the official minutes as **Exhibit S**.

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Mr. Mays presented Items 34 and 38. The Board took action as set forth below:

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MINUTE ORDER 38-2004 (AGENDA ITEM 34)

**APPROVAL OF MINUTES OF THE
DECEMBER 4-5, 2003, REGULAR BOARD MEETING,
BOARD OF REGENTS, THE TEXAS A&M UNIVERSITY SYSTEM**

On motion of Dr. Gramm, seconded by Mr. Nye 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 on December 4-5, 2003, in College Station, Texas, are hereby approved.

MINUTE ORDER 39-2004 (AGENDA ITEM 38)

**RE-ELECTION OF
H.C. (DULIE) BELL, FRANK DENIUS AND JOHN MOBLEY TO SERVE
AS OUTSIDE DIRECTORS OF THE
HERMAN F. HEEP AND MINNIE BELLE HEEP
TEXAS A&M UNIVERSITY FOUNDATION,
BOARD OF REGENTS,
THE TEXAS A&M UNIVERSITY SYSTEM**

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

Effective immediately, H.C. (Dulie) Bell, Frank W. Denius and John Mobley are hereby re-elected to serve two-year terms as directors of the Herman F. Heep and Minnie Belle Heep Texas A&M University Foundation Board of Directors.

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**SPECIAL PRESENTATIONS**

Mr. Mays presented a framed resolution to Dr. Long expressing appreciation to WTAMU's 2003-04 horse judging team.

Mr. Mays recognized Mrs. Gracie Graves and members of her family. She was presented a framed resolution in honor of Chancellor Emeritus Howard D. Graves.

**OTHER BUSINESS**

Mr. Mays announced that the next regular meeting of the Board of Regents would be held on May 27-28, 2004, on the campus of TAMU.

Mr. Mays asked if there was any additional business to be presented before the Board.

Mr. Lee Alcorn, President of the Coalition for the Advancement of Civil Rights, from Dallas, asked to address the Board. Mr. Alcorn said he was concerned about the position Dr. Gates had taken regarding not considering race for admission. He said that he was displeased after looking at recent information saying that approximately 850 African American students are enrolled at TAMU. He said that he was concerned about the priorities of TAMU. Mr. Alcorn said that he felt that more energy and effort seemed to be placed on the athletic department. He said that the student body does not reflect the diversity of the state. He said that Dr. Gates visited Dallas, Texas, and asked them to trust that he would improve the number of African American students. Mr. Alcorn said that he has not seen any improvement in the numbers. He asked the Board to take a more assertive effort in improving these numbers. Mr. Alcorn also said that he was concerned about being able to reach members of the Board. He said that he feels that

time should be set aside on the agenda to allow citizens to address the Board with their concerns.

Mr. Mays thanked Mr. Alcorn for bringing his concerns to the Board. He said that Dr. Gates has assured the Board that he had just begun an extensive program to address those concerns. Mr. Mays said that the Board expects the program to be successful in increasing diversity at TAMU. Mr. Nye encouraged Mr. Alcorn to correspond with the Board by letter and said they would respond. He said that it was tough to allow time for public comments. Mr. Nye said that he believed that Dr. Gates was a man of his word and would deliver a substantial increase in minority enrollment and retention, and he has put the money behind it. He said he thinks we are going to see major progress, the early data on admits for minority students is very positive. He said he thinks there will be some real progress at TAMU. He said that was the Board's intent and desire. He said that hopefully the next benchmark would be the admissions. Ultimately, it is how many do we get on the campus. He said we are admitting many more minority students, both Hispanic/Latino, African American and others. He said the numbers look very good. He said the next time that we could judge this is how many actually come on the campus. He encouraged Mr. Alcorn to speak in minority communities about the fact that TAMU was an open institution and that it does want to be representative of the state. He said he thought Mr. Alcorn could influence many public opinions for people to apply, and if they are admitted to come to TAMU.

Mr. Alcorn introduced Mr. Darren Reagan, President of Black State Employees, from Dallas. Mr. Reagan said that they not only wanted to share their concerns, but also offer their assistance in increasing the number of African American students who attend TAMU. He said that he would like to see the proposal on how TAMU plans to recruit minority students.

Mr. Cain interjected that since Mr. Alcorn and Mr. Reagan were not on the agenda, and not published, the Board should not engage in discussion until their concerns were placed on the agenda. Mr. Nye said he understood that the Board could not act or express a preference.

Mr. Nye said that based on data, TAMU has admitted a much higher percentage of minority students than had actually enrolled at TAMU. He said that after talking with those students many expressed that finance was a consideration. He said that TAMU had put substantial financial resources behind scholarships to attract students who traditionally have not had access to TAMU. Mr. Nye said that is going to make a difference and encouraged Mr. Reagan to take a look at the results. Mr. Reagan thanked the Board for giving them an opportunity to speak.

**RECESS**

Mr. Mays recessed the meeting at 11:29 a.m.

**CONVENE IN EXECUTIVE SESSION**

*(Secretary's Note: The executive session meeting was moved to the Board Meeting Room.)*

At 1:01 p.m., Mr. Mays announced that the Board would meet in executive 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 of matters involving the purchase, exchange, lease, or value of real property and for discussion of matters involving negotiated contracts for prospective gifts or donations; 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 executive session would be made or taken.

**RECONVENE IN OPEN SESSION**

Mr. Mays reconvened the meeting in open session at 4:19 p.m. He announced that the Board had met in executive session from 1:03 p.m. until 4:18 p.m.

Mr. Mays presented Items 35, 36 and 37. The Board took action as set forth below:

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MINUTE ORDER 40-2004 (AGENDA ITEM 35)

**AUTHORIZATION TO EXECUTE EMPLOYMENT CONTRACT
AND CONTRACT FOR SERVICES WITH THE HEAD FOOTBALL COACH,
PRAIRIE VIEW A&M UNIVERSITY**

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

Authority is hereby granted, upon review for legal form and sufficiency by the Office of General Counsel, to the President of Prairie View A&M University to execute an employment contract and contract for services with Prairie View A&M University's Head Football Coach, Henry C. Frazier III.

MINUTE ORDER 41-2004 (AGENDA ITEM 36)

**AUTHORIZATION TO EXECUTE EMPLOYMENT CONTRACTS WITH
THE HEAD WOMEN'S BASKETBALL COACH,
HEAD BASEBALL COACH, ASSISTANT COACH (FOOTBALL),
DIRECTOR OF FOOTBALL OPERATIONS, AND
FOOTBALL DEFENSIVE COORDINATOR,
TEXAS A&M UNIVERSITY**

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

Authority is hereby granted, upon review for legal form and sufficiency by the Office of General Counsel, to the President of Texas A&M University to execute employment contracts with the following persons:

- Gary Blair - Head Women's Basketball Coach;
- Mark Johnson - Head Baseball Coach;
- Leslie J. Koenning, Jr. - Assistant Coach, Football;
- Charley North - Director of Football Operations;
- Carl W. Torbush, Jr. - Football Defensive Coordinator.

MINUTE ORDER 42-2004 (AGENDA ITEM 37)

**AUTHORIZATION TO EXECUTE A RESIGNATION AGREEMENT
WITH COACH MELVIN WATKINS,
TEXAS A&M UNIVERSITY**

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

Authority is hereby granted, upon review for legal form and sufficiency by the Office of General Counsel, to the President of Texas A&M University to execute a resignation agreement with Melvin Watkins.

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**ADJOURN**

There being no further business, Mr. Mays adjourned the regular meeting at 4:20 p.m., Friday, March 26, 2004.

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

VBS:jb