

MINUTES

OF THE

MEETING OF THE

BOARD OF REGENTS

OF

THE TEXAS A&M UNIVERSITY SYSTEM

HELD IN

COLLEGE STATION, TEXAS

January 26-27, 2006

(Approved March 23-24, 2006)

TABLE OF CONTENTS

**MINUTES OF THE
MEETING OF THE BOARD OF REGENTS
January 26-27, 2006**

CONVENE – THURSDAY, JANUARY 26 1

**MINUTE ORDER 001-2006 (AGENDA ITEM 36) APPROVAL OF UPDATED
 COMMITTEE LIST, BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY
 SYSTEM 1**

**MINUTE ORDER 002-2006 (AGENDA ITEM 37) GRANTING OF THE DESIGNATION
 OF THE REGENTS PROFESSOR AWARDS AND THE REGENTS FELLOW SERVICE
 AWARDS FOR THE 2004-05 FISCAL YEAR, THE TEXAS A&M UNIVERSITY SYSTEM 2**

UPDATE ON PROPOSED MODIFIED USES OF THE MSC..... 3

RECESS TO EXECUTIVE SESSION 8

RECONVENE IN OPEN SESSION – FRIDAY, JANUARY 27 9

INVOCATION 9

CHAIRMAN’S REMARKS 9

UPDATE ON MSC MODIFICATIONS 10

CHANCELLOR’S REMARKS 10

A&M SYSTEM HISTORICALLY UNDERUTILIZED BUSINESSES REPORT 11

RECESS 13

RECONVENE 13

REPORT FROM THE COMMITTEE ON FINANCE 13

**MINUTE ORDER 003-2006 (AGENDA ITEM 1) ADOPTION OF THE FIRST
 SUPPLEMENTAL RESOLUTION FOR PERMANENT UNIVERSITY FUND (PUF)
 FLEXIBLE RATE NOTES, THE TEXAS A&M UNIVERSITY SYSTEM 14**

**MINUTE ORDER 004-2006 (AGENDA ITEM 2) APPROVAL OF AUTHORIZED
 REPRESENTATIVES FOR THE PERMANENT UNIVERSITY FUND AND DESIGNATED
 FINANCIAL OFFICERS FOR THE REVENUE FINANCING SYSTEM (RFS), THE
 TEXAS A&M UNIVERSITY SYSTEM 14**

**MINUTE ORDER 005-2006 (AGENDA ITEM 3) APPROVAL OF REVISIONS TO
 SYSTEM POLICY 23.02 (DEBT MANAGEMENT), THE TEXAS A&M UNIVERSITY
 SYSTEM 14**

**MINUTE ORDER 006-2006 (AGENDA ITEM 5) ADOPTION OF FISCAL YEAR 2007
 BUDGET GUIDELINES, THE TEXAS A&M UNIVERSITY SYSTEM 15**

**MINUTE ORDER 007-2006 (AGENDA ITEM 6) APPROVAL OF EXTENSION OF
 GROUP INSURANCE CONTRACTS, THE TEXAS A&M UNIVERSITY SYSTEM 15**

**MINUTE ORDER 008-2006 (AGENDA ITEM 7) ACCEPTANCE OF GIFTS,
 DONATIONS, GRANTS AND ENDOWMENTS, THE TEXAS A&M UNIVERSITY
 SYSTEM 15**

**MINUTE ORDER 009-2006 (AGENDA ITEM 8) AUTHORIZATION TO ESTABLISH A
 QUASI-ENDOWMENT ENTITLED “ARTHUR G. AND MARY E. OWEN ENDOWED
 PROFESSORSHIP QUASI-ENDOWMENT,” TEXAS A&M UNIVERSITY 16**

**MINUTE ORDER 010-2006 (AGENDA ITEM 9) AUTHORIZATION TO EXECUTE
 VIDEO BOARDS, FASCIA, SOUND AND CONTROL ROOM CONTRACTS FOR
 ATHLETIC FACILITIES WITH VARIOUS CORPORATE ENTITIES, TEXAS A&M
 UNIVERSITY 16**

MINUTE ORDER 011-2006 (AGENDA ITEM 10) AUTHORIZATION TO EXECUTE MULTI-MEDIA RIGHTS CONTRACTS WITH VARIOUS CORPORATE ENTITIES, TEXAS A&M UNIVERSITY..... 16

MINUTE ORDER 012-2006 (AGENDA ITEM 52) AUTHORIZATION FOR AN INCREASE IN CONTRACT CAP FOR THE PATENT LAW FIRM OF BAKER BOTTS, L.L.P., THE TEXAS A&M UNIVERSITY SYSTEM..... 17

MINUTE ORDER 013-2006 (AGENDA ITEM 53) AUTHORIZATION TO RATIFY THE SHAREHOLDERS AGREEMENT WITH TEXAS ENTEROSORBENTS, INC. (TESI), AUTHORIZATION TO SIGN AMENDED AND RESTATED SHAREHOLDERS AGREEMENT WITH TESI AND APPROVAL TO SELL A PORTION OF THE SYSTEM EQUITY POSITION BACK TO TESI, THE TEXAS A&M UNIVERSITY SYSTEM 17

REPORT FROM THE COMMITTEE ON BUILDINGS AND PHYSICAL PLANT 18

MINUTE ORDER 014-2006 (AGENDA ITEM 11) APPROVAL OF THE PROJECT SCOPE, PRELIMINARY DESIGN AND PROJECT BUDGET, APPROPRIATION FOR PRE-CONSTRUCTION SERVICES AND NAMING OF THE FACILITIES FOR THE MITCHELL PHYSICS BUILDINGS, TEXAS A&M UNIVERSITY 18

MINUTE ORDER 015-2006 (AGENDA ITEM 12) APPROVAL OF THE PROGRAM OF REQUIREMENTS (POR) AND PROJECT BUDGET, APPROPRIATION FOR DESIGN AND SELECTION OF THE ARCHITECT/ENGINEER (A/E) DESIGN FIRM FOR THE ANDERSON TRACK MODIFICATIONS, TEXAS A&M UNIVERSITY 19

MINUTE ORDER 016-2006 (AGENDA ITEM 13) APPROVAL OF THE PROGRAM OF REQUIREMENTS AND PROJECT BUDGET, APPROPRIATION FOR DESIGN AND AUTHORIZATION FOR THE ARCHITECT/ENGINEER DESIGN FIRM FOR THE INDOOR PRACTICE FACILITY, TEXAS A&M UNIVERSITY 20

MINUTE ORDER 017-2006 (AGENDA ITEM 14) APPROVAL OF THE REVISED PROJECT SCOPE AND PROJECT BUDGET FOR THE EASTERWOOD AIRPORT MCKENZIE TERMINAL APRON EXPANSION, TEXAS A&M UNIVERSITY 21

MINUTE ORDER 018-2006 (AGENDA ITEM 15) APPROVAL OF THE REVISED PROJECT SCOPE AND REVISED PROJECT BUDGET FOR THE NEW DINING HALL, TARLETON STATE UNIVERSITY 22

MINUTE ORDER 019-2006 (AGENDA ITEM 16) APPROVAL OF THE PROGRAM OF REQUIREMENTS AND PROJECT BUDGET, APPROPRIATION FOR DESIGN AND SELECTION OF THE ARCHITECT/ENGINEER DESIGN FIRM FOR THE EMERGENCY OPERATIONS TRAINING CENTER EXPANSION, BRAYTON FIRE TRAINING FIELD, TEXAS ENGINEERING EXTENSION SERVICE 22

MINUTE ORDER 020-2006 (AGENDA ITEM 17) APPROVAL OF THE REVISED PROJECT BUDGET AND APPROPRIATION FOR THE CLASSROOM BUILDING AND STRUCTURAL BURN TRAINING COMPLEX, BRAYTON FIRE TRAINING FIELD, TEXAS ENGINEERING EXTENSION SERVICE 23

MINUTE ORDER 021-2006 (AGENDA ITEM 18) NAMING OF THE “PRESTON GEREN AUDITORIUM,” TEXAS A&M UNIVERSITY 23

MINUTE ORDER 022-2006 (AGENDA ITEM 19) AUTHORIZATION FOR THE SALE OF LAND IN HUNT COUNTY, TEXAS A&M UNIVERSITY 23

MINUTE ORDER 023-2006 (AGENDA ITEM 20) AUTHORIZATION FOR THE PURCHASE OF LAND AND IMPROVEMENTS, HUNT COUNTY, TEXAS A&M UNIVERSITY-COMMERCE 24

MINUTE ORDER 024-2006 (AGENDA ITEM 21) AUTHORIZATION FOR OIL, GAS AND SULPHUR LEASE COVERING 62.963 MINERAL ACRES, MORE OR LESS, SITUATED IN DENTON COUNTY, TEXAS AGRICULTURAL EXPERIMENT STATION 24

MINUTE ORDER 025-2006 (AGENDA ITEM 22) AUTHORIZATION TO ENTER INTO A LONG-TERM LEASE OF SPACE WITH THE CITY OF GRANBURY, HOOD COUNTY, TEXAS FOREST SERVICE 25

MINUTE ORDER 026-2006 (AGENDA ITEM 23) AUTHORIZATION TO LEASE OFFICE SPACE IN THE WELLS FARGO PLAZA, BRAZOS COUNTY, TEXAS TRANSPORTATION INSTITUTE..... 25

REPORT FROM THE COMMITTEE ON ACADEMIC AND STUDENT AFFAIRS..... 25

MINUTE ORDER 027-2006 (AGENDA ITEM 24) APPROVAL OF A NEW MASTER OF SCIENCE DEGREE WITH A MAJOR IN KINESIOLOGY AND AUTHORIZATION TO REQUEST APPROVAL FROM THE TEXAS HIGHER EDUCATION COORDINATING BOARD, TEXAS A&M UNIVERSITY-CORPUS CHRISTI 26

MINUTE ORDER 028-2006 (AGENDA ITEM 25) APPROVAL OF REVISED 42-HOUR CORE CURRICULUM DEVELOPED IN ACCORDANCE WITH CRITERIA APPROVED BY THE TEXAS HIGHER EDUCATION COORDINATING BOARD, WEST TEXAS A&M UNIVERSITY 26

MINUTE ORDER 029-2006 (AGENDA ITEM 26) DISSOLUTION OF THE MOSHER INSTITUTE FOR INTERNATIONAL POLICY STUDIES, TEXAS A&M UNIVERSITY 26

MINUTE ORDER 030-2006 (REVISED AGENDA ITEM 27) ESTABLISHMENT OF THE CENTER FOR OBESITY RESEARCH AND PROGRAM EVALUATION WITHIN THE TEXAS AGRICULTURAL EXPERIMENT STATION, TEXAS COOPERATIVE EXTENSION AND TEXAS A&M UNIVERSITY AND AUTHORIZATION TO THE TEXAS AGRICULTURAL EXPERIMENT STATION VICE CHANCELLOR/DEAN/DIRECTOR TO APPOINT A CENTER DIRECTOR, TEXAS A&M UNIVERSITY 27

MINUTE ORDER 031-2006 (AGENDA ITEM 28) ESTABLISHMENT OF THE CENTER FOR LARGE-SCALE SCIENTIFIC SIMULATIONS, TEXAS A&M UNIVERSITY AND TEXAS ENGINEERING EXPERIMENT STATION 27

MINUTE ORDER 032-2006 (AGENDA ITEM 29) ESTABLISHMENT OF THE CENTER FOR ENERGY, ENVIRONMENT, AND TRANSPORTATION INNOVATION, TEXAS A&M UNIVERSITY AND TEXAS ENGINEERING EXPERIMENT STATION 28

MINUTE ORDER 033-2006 (AGENDA ITEM 30) ESTABLISHMENT OF THE HALLIBURTON CENTER FOR UNCONVENTIONAL RESOURCES, TEXAS A&M UNIVERSITY AND TEXAS ENGINEERING EXPERIMENT STATION 28

MINUTE ORDER 034-2006 (AGENDA ITEM 31) ESTABLISHMENT OF THE CHEVRON CENTER FOR WELL CONSTRUCTION AND PRODUCTION, TEXAS A&M UNIVERSITY AND TEXAS ENGINEERING EXPERIMENT STATION 28

MINUTE ORDER 035-2006 (AGENDA ITEM 32) ESTABLISHMENT OF THE SCHLUMBERGER CENTER FOR RESERVOIR DESCRIPTION AND DYNAMICS, TEXAS A&M UNIVERSITY AND TEXAS ENGINEERING EXPERIMENT STATION 29

MINUTE ORDER 036-2006 (AGENDA ITEM 33) ESTABLISHMENT OF THE CENTER FOR INTERNATIONAL INTELLIGENT TRANSPORTATION RESEARCH IN EL PASO, TEXAS, TEXAS TRANSPORTATION INSTITUTE 29

MINUTE ORDER 037-2006 (AGENDA ITEM 34) APPROVAL TO INCREASE THE CLASS SIZE AND CAMPUS EXPANSION, THE TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER..... 29

REPORT FROM THE COMMITTEE ON AD HOC POLICY REVIEW..... 30

MINUTE ORDER 038-2006 (AGENDA ITEM 35) APPROVAL TO REVISE SYSTEM POLICY 01.02 (*DEFINITIONS*), AND MAKE CORRESPONDING NON-SUBSTANTIVE WORDING REVISIONS IN VARIOUS SYSTEM POLICIES, THE TEXAS A&M UNIVERSITY SYSTEM 30

REPORT FROM THE COMMITTEE ON AUDIT 30

OTHER ITEMS 31

MINUTE ORDER 039-2006 (AGENDA ITEM 38) ADOPTION OF A RESOLUTION HONORING MR. DELMAR L. CAIN AND CONFERRING THE TITLE OF GENERAL COUNSEL EMERITUS, THE TEXAS A&M UNIVERSITY SYSTEM 31

MINUTE ORDER 040-2006 (AGENDA ITEM 39) ADOPTION OF A RESOLUTION HONORING DR. RUSSELL C. LONG AND CONFERRING THE TITLE OF PRESIDENT EMERITUS OF WEST TEXAS A&M UNIVERSITY, THE TEXAS A&M UNIVERSITY SYSTEM 33

MINUTE ORDER 041-2006 (AGENDA ITEM 40) CONFIRMATION OF APPOINTMENT AND COMMISSIONING OF PEACE OFFICERS, THE TEXAS A&M UNIVERSITY SYSTEM 35

MINUTE ORDER 042-2006 (AGENDA ITEM 41) GRANTING OF THE TITLE OF EMERITUS/EMERITA, THE TEXAS A&M UNIVERSITY SYSTEM 35

MINUTE ORDER 043-2006 (AGENDA ITEM 42) APPROVAL OF ACADEMIC TENURE, THE TEXAS A&M UNIVERSITY SYSTEM 36

MINUTE ORDER 044-2006 (AGENDA ITEM 43) GRANTING OF FACULTY DEVELOPMENT LEAVE FOR FISCAL YEAR 2006, PRAIRIE VIEW A&M UNIVERSITY 36

MINUTE ORDER 045-2006 (AGENDA ITEM 44) APPOINTMENT OF CHRISTOPHER S. CAHILL '84 TO THE TEXAS A&M UNIVERSITY AT GALVESTON BOARD OF VISITORS, TEXAS A&M UNIVERSITY 37

MINUTE ORDER 046-2006 (AGENDA ITEM 45) APPOINTMENT OF VICTOR R. PIERSON TO THE TEXAS A&M UNIVERSITY AT GALVESTON BOARD OF VISITORS, TEXAS A&M UNIVERSITY 37

MINUTE ORDER 047-2006 (AGENDA ITEM 46) GRANTING OF FACULTY DEVELOPMENT LEAVE FOR FISCAL YEAR 2007, TEXAS A&M UNIVERSITY-KINGSVILLE 37

MINUTE ORDER 048-2006 (AGENDA ITEM 47) APPROVAL FOR DR. ALLISON R. FICHT, A SYSTEM EMPLOYEE, TO SERVE AS AN OFFICER, EMPLOYEE AND BOARD MEMBER OF A BUSINESS ENTITY LICENSING TECHNOLOGY FROM THE TEXAS A&M UNIVERSITY SYSTEM, THE TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER..... 38

MINUTE ORDER 049-2006 (AGENDA ITEM 48) APPROVAL OF DR. MAGNUS HÖÖK, A SYSTEM EMPLOYEE, TO SERVE AS AN OFFICER, EMPLOYEE AND BOARD MEMBER OF A BUSINESS ENTITY LICENSING TECHNOLOGY FROM THE TEXAS A&M UNIVERSITY SYSTEM, THE TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER 38

MINUTE ORDER 050-2006 (AGENDA ITEM 49) APPROVAL OF MINUTES OF THE DECEMBER 1-2, 2005, REGULAR MEETING, BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM..... 39

MINUTE ORDER 051-2006 (AGENDA ITEM 50) APPOINTMENT OF DR. RODERICK E. MCCALLUM AS THE VICE PRESIDENT FOR ACADEMIC AFFAIRS, THE TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER 39

MINUTE ORDER 052-2006 (AGENDA ITEM 51) NAMING OF DR. J. PATRICK O'BRIEN AS THE FINALIST FOR THE POSITION OF PRESIDENT OF WEST TEXAS A&M UNIVERSITY, THE TEXAS A&M UNIVERSITY SYSTEM 41

OTHER BUSINESS 42

ADJOURNMENT 42

**MINUTES OF THE
MEETING OF THE BOARD OF REGENTS
January 26-27, 2006**

CONVENE – THURSDAY, JANUARY 26

Mr. John White, Chairman, convened a regular meeting of the Board of Regents of The Texas A&M University System (TAMUS) at 8:30 a.m., on Thursday, January 26, 2006, Board of Regents Meeting Room, Memorial Student Center (MSC), Texas A&M University (TAMU), College Station, Texas. The following members of the Board were present:

Mr. John White, Chairman
Mr. Bill Jones, Vice Chairman
Mr. Phil Adams
Mr. Lupe Fraga
Dr. Wendy Gramm
Mr. Erle Nye
Mr. Gene Stallings

The following members of the Board were not present when the meeting was convened:

Mr. Lowry Mays (*joined the meeting on Friday, January 27*)
Ms. Ida Clement Steen (*joined the meeting at 4:00 pm, the same day*)

Mr. White announced that a quorum of the Board was present and presented Item 36. The Board took action as set forth below:

~~~~~

**MINUTE ORDER 001-2006 (AGENDA ITEM 36)**

**APPROVAL OF UPDATED COMMITTEE LIST,  
BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM**

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

The standing committees, special committees and special appointments for 2006-2007, a copy of which is attached to the official minutes as **Exhibit A**, are hereby approved.

~~~~~

Mr. White called on Dr. Bob McTeer, Chancellor, who presented Item 37.

Mr. Nye moved approval of Item 37. He said that he was enthusiastic about this program and that the awardees that he has met over the years were remarkable people who demonstrate the quality of the A&M System's institutions. Mr. Nye said that he was pleased that Mr. White had moved the celebration from a luncheon to a dinner because he felt that it gave the award the substance it deserves. The Board took action as set forth below:

~~~~~

**MINUTE ORDER 002-2006 (AGENDA ITEM 37)**

**GRANTING OF THE DESIGNATION OF THE  
REGENTS PROFESSOR AWARDS AND THE  
REGENTS FELLOW SERVICE AWARDS  
FOR THE 2004-05 FISCAL YEAR,  
THE TEXAS A&M UNIVERSITY SYSTEM**

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

The Board of Regents of The Texas A&M University System hereby grants the designation of "Regents Professor" for 2004-05 to the following 12 faculty members, effective January 26, 2006:

- Dr. Diljit Chatha, *Prairie View A&M University*
- Dr. Martha Loudder, *Texas A&M University*
- Dr. Christopher Mathewson, *Texas A&M University*
- Dr. William Seitz, *Texas A&M University at Galveston*
- Dr. Wayne Linek, *Texas A&M University-Commerce*
- Dr. Dorothy McClellan, *Texas A&M University-Corpus Christi*
- Dr. Paul Hageman, *Texas A&M University-Kingsville*
- Dr. Doris Davis, *Texas A&M University-Texarkana*
- Dr. Stephen Safe, *The Texas A&M University System Health Science Center*
- Dr. John Wright, *The Texas A&M University System Health Science Center*
- Dr. Jeffrey Savell, *Texas Agricultural Experiment Station*
- Dr. Jay Humphrey, *Texas Engineering Experiment Station*

The Board of Regents of The Texas A&M University System hereby grants the designation of "Regents Fellow" for 2004-05 to the following six agency service, extension, and research professionals, effective January 26, 2006:

- Dr. Tzachi Samocha, *Texas Agricultural Experiment Station*
- Mr. Harvey Buehring, *Texas Cooperative Extension*
- Dr. Robert Robinson, *Texas Cooperative Extension*
- Mr. Daniel Gray, *Texas Engineering Extension Service*
- Ms. Sue Shahan, *Texas Engineering Extension Service*
- Dr. Dan Turner, *Texas Engineering Experiment Station*



~\*~

**UPDATE ON PROPOSED MODIFIED USES OF THE MSC**

Mr. White called on Dr. Robert Gates, President of TAMU, who gave an update on the proposed modified uses of the MSC.

Dr. Gates said that at the last meeting the Board asked for an update on what the university was looking at in terms of the options for the MSC Hotel. He briefly reviewed the current situation. Dr. Gates said that there are three types of rooms and six suites (formed out of four individual rooms). He said that they have three suites that are currently under contract and one that has a lapsed contract, but is still being utilized as though it were under contract. He said that there are six deluxe rooms (formed from two standard rooms) and 34 standard rooms. Dr. Gates said that the hotel originally had 70 rooms. Mr. Nye asked if the deluxe rooms were located to the west or east of the glass doors. Dr. Gates said that he did not know. Ms. Heather Eden, Manager of the MSC Hotel, responded that four of the rooms are located to the west of the glass doors, two are located at the end of the hall near the front desk and the rest were next to the suites. Mr. Nye asked if there were any standard rooms to the west of the glass doors. Ms. Eden responded in the negative, she said that they were either deluxe rooms or suites. Mr. Adams asked if the three originally contracted rooms included the Richardson Suite.

Dr. Gates reviewed uses of the rooms for special events such as Commencement, Parents' Weekend and home football games. He said the occupancy rate on an annual average over the last five years for the suites was 14 to 18 percent and 41 to 47 percent for standard rooms. He said that there has been a deficit for the last 14 years, approximately a \$1 million loss. Dr. Gates said that a student fee had subsidized this deficit.

Dr. Gates said that the hotel opened in the early 1950s at a time when there was extremely limited local hotel space. He said that the Aggieland Inn, the university-owned hotel, closed in 1950 once the MSC was available to houseguests. He said that the Aggieland Hotel was later converted to office space and other uses before it was eventually torn down. Dr. Gates said that the Aggieland Inn was built to neither make nor lose money, but rather as an accommodation for people who found it inconvenient to stay in Bryan while conducting business at the college. He said that there has been significant expansion in the number of local hotels, especially during the past five years with the addition of over 900 rooms. Dr. Gates said that room rates of the 21 hotels in the local area were in the ballpark of the rates of the MSC's standard room rate of \$55 to \$110.

Dr. Gates said that they propose to permanently retain the six suites and convert all six deluxe rooms and 34 standard rooms to student meeting space. He said that no offices would be formed from any of the hotel space with the idea being to create 40 small group meeting rooms. Dr. Gates said that there is a need for additional meeting space because of growth in student body size since the completion of Rudder Tower from 18,000 to 45,000 and the extraordinary growth in student organizations from 250 in 1980

to 786 to date. He said that the last major increase in student meeting space was the completion of Rudder Tower in 1973. Dr. Gates said that while the 1992 expansion of the MSC and construction of the John J. Koldus Building added some space, other space has been lost over the years. He said the bottom line is there has been no significant growth in student meeting space since 1973, although enrollment and student demand has increased dramatically. He said that one of their concerns is that student groups, because of the lack of meeting space, are increasingly meeting off campus, eroding campus spirit and atmosphere.

Dr. Gates said that they looked at three options. The first is to upgrade and repair the current space with an estimated cost of \$350,000. He said that they have assumed a community average occupancy of 60 percent with the average room rate of \$75 for a standard room, \$90 for a deluxe room and \$125 for a suite. He said that if occupancy did increase to the community average the hotel would just about break even. However, when the cost of renovations is factored in, the hotel cannot financially support the cost of even modest financially conservative cosmetic upgrades. He said that the hotel industry standard for new renovation is five to ten years depending on the class of the hotel, so at a minimum, much of the \$350,000 expense would have to be repeated again in five years or so. Dr. Gates said this raises three questions: If we are not currently generating enough money to break even, what source of funding would we use to pay for the upgrades and is this the right way to use university resources. He questioned that given the number of hotels and rooms in the local area, should the university be in the hotel business.

Dr. Gates said that the second option would be to complete the current contracts on the three suites, maintain the three un-contracted suites as is and eventually maintain all six suites permanently after the contracts expire for use by special university guests and former students. He said that those who have paid for their suites would continue to have priority access for their use even after their contracts ran out. He said that the balance of the rooms would be converted to student meeting space.

Dr. Gates said that the third option would be to try to persuade former students and others to pay for the conversion of the remaining 34 standard rooms into new suites and deluxe rooms. He said that donors would need to fund the construction plus a prorated share of the operational costs. He said that donors would not have exclusive access. Mr. Nye asked what rights donors would have. Dr. Gates said that they would have the right to rent the rooms and he would elaborate later in his report. He said that upgrade cost projections for the existing 40 rooms would yield either 16 deluxe rooms at a conversion cost of \$50,000 each or 10 suites at a cost of \$100,000 each. He said that a minimum of \$800,000 to \$1 million would be required for the conversion.

Dr. Gates briefly discussed current contracts. Mr. Nye observed that the situation is what it is and nobody would do it again this way and he did not think that we need to consider anything of this nature going forward. He said that it made sense when they did it but circumstances have changed and we are going to play out the contracts. He said that he thinks that the university's use of those rooms has been beneficial, but the idea of

them having exclusive use and essentially making it difficult for anyone else to use it is not satisfactory. Mr. Nye said that based on his logic, he is going to set all of this aside and will think of what needs to be done to move forward. Mr. Jones asked Mr. Nye if what he means is that if they look at this option; look at it in terms of executing contracts under different terms. Dr. Gates said that once these contracts are completed, it was their intention that these donors would still have priority access to these suites on a paid basis, but would not control other access to these suites.

Mr. Stallings presented another option. He said that many people come to the campus on football weekends, and if we make the assumption that someone can buy one of these rooms for \$250,000, they would have access to that room on football weekends only and the hotel would manage the room for other events. He asked if this option had been considered. Dr. Gates responded in the negative. Mr. Stallings said that he thinks that they could find 40 people who would pay the money for a place to stay the night before and after the game, close to the stadium. He said that at other times of the year the hotel could rent the room.

Mr. Nye asked Dr. Gates to continue with his options. Dr. Gates said that if a donor paid for the conversion they would have to have 84 percent occupancy of the suite at the rate of \$200 per night to break even. He said that if a donor did not pay for the conversion, and we put the money up front, it would require 95 percent occupancy. Mr. Jones asked if this was assuming the contracts are as they are now. Dr. Gates responded in the negative, this would be a contract where the donor could not control availability of the suite for rental. Mr. Jones asked if that amount changes, would we require more from the donor. Dr. Gates said that if you took a significantly larger amount of money that would create some kind of an endowment. Mr. Nye said that it is important to remember that part of the motivation is to get meeting space.

Dr. Gates said that their conclusion is, can we find donors at this level, and if we find them, is this what we want them to donate to at the university and is this our highest priority. He said that rooms in the hotel are typically not full even on the busiest weekends of the year. Dr. Gates said that even with the conversion and upgrades there are a number of consumer deficiencies in the hotel that he and others feel will affect the occupancy rates and the willingness to pay a significantly higher room charge such as the aging condition of the facility, no convenient parking, no dedicated food service or complimentary breakfast, no room service, no high speed internet, no bar or lounge and there is no elevator to the second floor. Dr. Gates said that their recommendation is that we maintain the six suites and he was willing to consider a different model in terms of what we do with those suites after the contracts have expired. Mr. Nye asked if when the contract runs out for the original donors, is it the intent to continue to allow them exclusive use even though the contract does not allow it. Dr. Gates responded not exclusive use but they would have priority use as a good gesture. Mr. Nye asked if they could use the suite as long as they are willing to pay. Dr. Gates responded that the donors would get first dibs. Mr. Nye asked if they would receive 30 days notice and would have to tell the hotel in advance. Dr. Gates responded in the affirmative. Dr. Gates said that three of the six suites are available now and there would be six after the contracts expire

and those who paid for the suites would continue to receive priority access. He said that we would make the suites available to special university guests and former students, and convert the remaining rooms to student meeting rooms, which is one of the primary purposes of this change. Dr. Gates said that he was willing to consider other options and would follow the guidance of the Board. Mr. Nye asked Dr. Gates to repeat the three options. Dr. Gates said the first option is to free up what we have now, \$350,000 cosmetic changes. The second option is the recommendation to maintain the six suites indefinitely, permanently, convert the remaining 40 rooms into student meeting space. The third option is to try, in essence, to sell the hotel rooms to former students at a level that would generate enough money to at least break even, but that option would leave the need for student meeting spaces unmet.

Mr. Nye said that, while he was sensitive to the need for student meeting space, he was a little uncomfortable with just having six suites. He said this seems to cut the special rooms too short. He asked if Dr. Gates would consider converting all the rooms to student meeting rooms except the six suites and the four deluxe rooms (behind the glass door), take the four and offer them to former students for \$100,000 each. He said that the extra \$50,000 could be used to amortize some of the operating costs. Dr. Gates responded in the affirmative. Mr. Nye said that he feels this option makes more sense and gives a little more flexibility in terms of the special use rooms for special guests visiting the campus. He said that we have some limitations with the existing three suites because we do not have full use of them. He said that maybe the people who donate \$100,000 for the four rooms would also agree to decorate them. Mr. Nye said that this would mean six suites, four semi-suites (behind the glass door), and the remainder could be converted to nice student meeting rooms. Mr. Adams asked if there would be 40 meeting rooms. Dr. Gates responded that there would be 34 meeting rooms. Mr. Adams asked where the students have been meeting and said that he was not comfortable doing away with the hotel. He said that he appreciates that we do not like to lose \$50,000 a year, but he feels that we have not explored privatization as an option. Mr. Nye responded that the current meeting rooms are located on the first floor, in the hallway past the Board Office. Dr. Gates responded that there were other meeting rooms on the second floor of the MSC, Rudder Tower and in Koldus. Dr. Gramm asked if Dr. Gates could give them a sense of the occupancy rates of meeting rooms in Rudder Tower. She said that the way she understands it is that they are used all the time with more than one organization sharing space. Dr. Gates responded that his impression is that the current meeting space is completely booked. He gave an example that he planned to have a public meeting on what we will be doing about tuition in the fall the following week but cannot get a room until late February. Dr. Dean Bresciani, Vice President for Student Affairs, said that the rooms are booked months in advance and the problem we are now facing is that more and more student organizations are actually meeting off campus. Mr. Jones asked where the students meet off campus. Mr. Jim Carlson, Student Body President, said that his observation from his conversations with students is that apartment complexes in the surrounding community are creating meeting spaces and this is where many of the organizations are meeting. He said that it is very difficult to book a room on campus. He said that their biggest concern is that they do everything they can to get as many students in the building and use it for its purpose as a memorial student center.

Mr. Jones asked if Mr. Carlson knew any student organizations that were actually meeting off campus. Mr. Carlson responded the Muster Committee and Big Event. Mr. Jones asked if these organizations are charged. Mr. Carlson responded that he did not think so.

Mr. Jones said that maybe we are thinking too small about the issue. He said that one of the ideas he has had is that this may be an opportunity to accomplish both. He said that he feels that offers should be made to former students to not only cover costs, but also to have enough money to accomplish the building of another facility for student use. He said it is a merging of the idea of the suites in the stadium, with the idea of being able to stay in the MSC, plus some extra money for building student meeting space. He said that this is important because the MSC is everybody's place on campus. He said for the students the MSC is a place to hold meetings, hangout and check mail. He said that it is also the place where former students go, where everybody meets. He said he wanted to come up with ideas of using it together. He said perhaps we ought to look at the option of converting rooms into deluxe rooms, but making it a fundraising effort, both to accommodate the former students and to provide the space for students. Mr. Nye asked if Mr. Jones really wanted to have another fundraiser. He said that there is only so much money out there among former students. Mr. Jones said that he feels it is an option that should be considered. Mr. Nye said that we have six major campaigns going on and at least two of those will not go forward simply because we do not have, in the opinion of the experts, the capacity on the current basis to do the fundraising. He said that he does think there are a half dozen former students who may participate, but he does not think there are 20, and if they can give \$1 million would we prefer they give it for this reason. Mr. Jones said that they would only need 12 donors, because this is the number of rooms that would be available. Mr. Nye said that if we are going to start a major fundraiser to build a new hotel, he is all for it. He said that we currently have a facility that is marginal at best in terms of accommodations and to Aggies that grew up here or attended the university it is special. He said that the fact that they do not have internet access, a lounge or other accommodations is okay because we love it. He said that he thinks that there are some financing schemes where you could build a new hotel where you do not drain the funds that otherwise might go for an indoor athletic facility, band hall or new academic buildings. Mr. Nye said that if we want to accommodate former students, let us keep some premium space to meet the apparent demand. He said he thinks that we can accommodate both needs, but if we want to build a hotel, let us go to the scheme that has been advanced, that was advanced at the University of Texas, and let us build a hotel and make it for those folks who are willing to put up money and want to be on campus. We could provide some parking, internet service, etc., but let us give the students some of this space for their meetings.

Mr. Stallings said that if you give \$200,000 to the band hall, you might receive a plaque, but if you give \$200,000 to the university and they stay seven weekends out of a year you will have access to a room, some people might want to do that. Mr. Nye responded that he is one of the ones who would do it. He said that there is a financing scheme available to build a hotel on campus that Mr. Adams knows of and the University of Texas is currently doing. Dr. Gramm questioned if it is the university's mission to

compete with the private sector if we choose this route. Mr. Jones said if nothing else, we have established that we should save this issue for further discussion.

Mr. White said that one of his concerns is whether the front desk will stay open and if so in what capacity. He said this needs to be wrapped into the final recommendation, whether it is an extension of the information desk at Rudder Tower, we need a physical presence in the MSC. He said that this is not a policy matter for the Board to ultimately resolve, this is a matter for the administration and is on the agenda because it is an emotional issue. Mr. White said he thinks there is a middle ground. He said he did not think that they have looked at the options fully. He asked that Mr. Nye, Mr. Jones and Mr. Stallings continue to work with Dr. Gates to resolve this issue. Mr. Nye suggested that they have another meeting. Dr. Gates responded in the affirmative and said that he needs to move on this issue because it has been in limbo for several months. Mr. Fraga said that he wants to go on record as favoring the students' need for meeting rooms.

*(Secretary's Note: See Dr. Gates' report on page 10.)*

### **RECESS TO EXECUTIVE SESSION**

At 9:15 a.m., Mr. White announced that the Board would convene in executive session to consider matters as provided in Chapter 551 of the Texas Government Code: 551.071, for consultation with System attorneys regarding legal matters or pending and/or contemplated litigation or settlement offers; 551.072, for deliberations regarding the purchase, exchange, lease or value of real property; 551.073, for deliberations regarding negotiated contracts for prospective gifts or donations; 551.074, for deliberations regarding personnel matters relating to appointment, employment, evaluation, reassignment, duties, discipline, or dismissal or to hear complaints or charges against an officer or employee.

Mr. White said that 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.

*(Secretary's Note: The Board adjourned its executive session at 2:30 p.m., the same day. The Committee on Audit convened at 2:33 p.m. and adjourned at 3:45 p.m.)*

*(Secretary's Note: Mrs. Steen joined the meeting at 4:00 p.m.)*

*(Secretary's Note: The Committee on Academic and Student Affairs convened at 4:17 p.m. and adjourned at 5:28 p.m.)*

**RECONVENE IN OPEN SESSION – FRIDAY, JANUARY 27**

Mr. White reconvened the meeting on Friday, January 27, 2006, at 8:14 a.m., in Room 292 of the MSC. The following members of the Board were present:

Mr. John White, Chairman  
Mr. Bill Jones, Vice Chairman  
Mr. Phil Adams  
Mr. Lupe Fraga  
Dr. Wendy Gramm  
Mr. Lowry Mays  
Mr. Erle Nye  
Mr. Gene Stallings  
Ms. Ida Clement Steen

Mr. White announced that the Board met in executive session on Thursday, January 26, from 9:17 a.m. until 2:31 p.m. He said that in executive session the Board considered Items 19 through 23, 50 and 51. Mr. White said that they would vote on these items at the end of the meeting during the reports from the standing committees. He said that they had also conferred with the Chancellor, several System administrators, and attorneys on personnel, land and legal matters.

**INVOCATION**

Mr. White called on Mr. Joshua Owen, the Corps Chaplain, a senior at TAMU, majoring in English, who presented the invocation.

**CHAIRMAN'S REMARKS**

Mr. White thanked everyone who attended the Regents Award Dinner the previous evening. He said that it was a very nice ceremony and underscored the importance of the awards and the superb work being done around the System.

Mr. White commented on the use of laptops by several of the Regents. He said that last year, after becoming Chairman, he spoke to the staff about getting into the electronic age after watching them send out approximately 60 three-ring binders of materials for Board meetings. He said the formatting and the presentation was excellent. He thanked members of the Board Office staff, Adrienne Watson and Jackie Bell, for putting the electronic books together, and members of the Chancellor's Office, Janet Smalley and Carolyn Krenek, for helping with coordinating the effort. He said from a communications standpoint, this would make a huge difference. He encouraged everyone to bring their own laptops, if they wished.

Mr. White recognized and welcomed Mr. Guy Diedrich, newly appointed Vice Chancellor for Technology and Commercialization. He said that this position was intended to be the personification of collaboration around the System.

Mr. White called on Dr. Gates to report on a plan to meet the expectations regarding the MSC for all concerned.

### **UPDATE ON MSC MODIFICATIONS**

Dr. Gates reported that an arrangement had been reached where the MSC Hotel would reopen for 120 days. He said that during that 120-day period, they would offer deluxe rooms that would be comprised of two standard rooms for \$250,000 (\$50,000 to cover conversion costs, \$200,000 would be a tax-deductible gift to the MSC to be used for student purposes). Dr. Gates said that after 120 days, the space that was not sold would be converted to student meeting areas.

Mr. Nye asked if the persons who have rights to use the room would still pay the daily room rate. Dr. Gates responded in the affirmative. He said that those who purchase the rooms would do so for a period of 15 years.

### **CHANCELLOR'S REMARKS**

Dr. McTeer said that in 2004, Governor Rick Perry gave \$10 million from the Texas Enterprise Fund to support a higher education statewide network and high-performance computing project. He said that \$7.2 million was allocated to build a fiber optic network connecting 14 cities and 25 universities named the Lone Star Education and Research Network. Dr. McTeer said that this project enhances our ability to deliver high bandwidth distance learning and applications and allows our researchers to connect their laboratories to collaborators at other universities. He said that they have upgraded this network to high definition status.

Dr. McTeer reported that the Texas A&M University-Kingsville (TAMU-K) Faculty Senate's revised constitution and bylaws had been sent to the faculty. He said that the constitutional task force would be getting ballots to the faculty to vote on the revised documents by February 7 and hoped to have the votes tallied by February 10. Dr. McTeer said that after this, they would go forward with electing a new faculty senate.

Dr. McTeer said that recently he visited with deans and the administration of West Texas A&M University (WTAMU) and Texas A&M University-Commerce (TAMU-C). He said that WTAMU was eagerly awaiting the outcome of the presidential search. Dr. McTeer commended Dr. Brian Chapman, Provost and Vice President for Academic Affairs, for doing an excellent job as acting president and the hard work of the search committee consisting of faculty, staff and community leaders.

Dr. McTeer said that TAMU-C had moved into their new science building. He said that a formal dedication would take place on April 4, 2006. Dr. McTeer said that Dr. Keith McFarland, President of TAMU-C, was doing an excellent job.

Dr. McTeer said that the Texas Forest Service (TFS) had responded to 469 wild fires that had destroyed nearly 22,000 acres of land. He said that 317 homes as well as many lives had been saved. Dr. McTeer said that Texas Cooperative Extension (TCE) deployed its statewide network of county agents to conduct a survey on behalf of TFS



and the Governor's Division of Emergency Management on the readiness status of more than 1,800 local fire and emergency service departments.

Dr. McTeer reported that the Prairie View A&M University (PVAMU) Marching Storm band would be competing in the Battle of the Bands in Atlanta, Georgia.

Dr. Nancy Dickey, President and Vice Chancellor for Health Affairs, presented the Board with a paperweight that represented the "new mark" for the Health Science Center (HSC).

**A&M SYSTEM HISTORICALLY UNDERUTILIZED BUSINESSES REPORT**

Mr. Jim Fletcher, Vice Chancellor for Administration, reported that the System had record performance results in which they came out number 2 in terms of systems of higher education with over \$115 million going to HUB vendors. He said that this represented a 22.71 percent performance, which exceeded the state average of 13.8 percent and the higher education average of 17 percent. Mr. Fletcher said that more importantly for the System, nine of our 20 institutions were in the top 25 list that the state publishes. He said that in the top 9, the A&M System had Tarleton State University (TSU), the Texas Transportation Institute (TTI), TAMU-K, Texas A&M University-Corpus Christi (TAMU-CC), TCE, TAMUS HSC, TAMU-C and TAMU. He said that Texas A&M International University (TAMIU) was the top performer in the state out of 120 universities. Mr. Fletcher said that progress was broad-based with significant performance and performance improvements registered by all system institutions.

Mr. Fletcher said that in response to questions previously asked by Mr. Nye about the factors that led to this success, Senate Bill 178 set a legislative model for HUB success. He said that in his opinion, it was not possible to legislate economic success. He said that the achievement of economic success requires a business model, business principles, and dedication on the part of the vendors. Mr. Fletcher said that the business management philosophy that undergirds our HUB program is seen primarily as a business program managed on business principles that have important social implications. He said that clearly helping HUB vendors is good business for not only TAMUS and the HUB vendor community; it is good for the great State of Texas.

Mr. Fletcher said that the core concept behind the program was line management responsibility. He said that we have enjoyed strong commitment from Chancellor Graves, Interim Chancellor Cocanougher, Chancellor McTeer and Mr. James Hooton, Executive Vice Chancellor for Finance, and the component chief executive officers (CEOs). He said that by law we have 18 HUB coordinators at each of the institutions and the System who were responsible for providing staff assistance to line management in implementing this program. Mr. Fletcher said that the fundamental responsibility and accountability is with the CEOs. He said that our philosophy and plan set clear objectives for what we want to do by having monthly progress reports. He said that we also do compliance assessments, a form of internal audit self check list, to make sure our programs are following statutory and other guidelines.

Mr. Fletcher said that rather than use the term affirmative action, that was sometimes misunderstood, he preferred the term affirmative access. He said that our business model was codified in their HUB Performance Improvement Plan (HPIP). He said that we focused on the aspects of guaranteeing equal access, equal opportunity and ensuring that resources are coordinated to do so. Mr. Fletcher said that because of state statutory guidelines, we also engage in outreach efforts to minority and women owned business organizations. He said that we provide on an informal basis an annual progress report to key legislators.

Mr. Fletcher said that when he joined the System in 2001, he was greeted with the results of an audit that the state auditors had done of 19 state agencies where they concluded that there were problems with HUB program administration. He said that in response, one of the first actions we initiated was an internal self-assessment. Mr. Fletcher said that this led to the HPIP. He said that this ensures that we have an organization in place at the System and each of the components that is consistent with legislative guidelines and facilitates our business model. He said that the mission is that we want to achieve excellence and do so with a philosophy of affirmative access. He said that CEO accountability was reinforced by monthly reports and continual assessments. Mr. Fletcher said that at the same time, we work collaboratively with the institutions to ensure that the outreach efforts are well coordinated and are useful.

Mr. Fletcher then referred to a power point presentation, a copy of which is on file in the Office of the Board of Regents.

Mr. Fletcher said that a significant proportion of our HUB success and most of the success throughout the State has been in the Anglo, female category. He said that progress has been made in terms of African American HUB vendors with hopes that with our HUB Diversity Initiatives we will do better. He said in terms of Hispanic participation, we are currently above the state average and ranked number 2 in systems of higher education. Mr. Jones asked if this was based upon dollar value or the number of participants. Mr. Fletcher responded that the number was based on percentage of participation or the dollar value. He said that our performance has surpassed the UT System. Mr. Jones asked how our performance compared to UT on the African American and Hispanic groups. Mr. Fletcher said that our performance is lower by approximately 60 percent in terms of African American performance and 30 percent in terms of Hispanic performance. He said that the number 1 performer in both categories currently was Texas Tech. Mr. Nye commented that it was hazardous to judge a one-year basis on the placement of one big contract. He also said that there are opportunities to make judgments about what qualifies and what does not. He said that we have made significant improvements. Mr. Nye said this information was important in how the System is viewed around the State. Mr. Fletcher said they spend a lot of time not only making sure that our numbers are good and solid, but also that all of our programs are analyzed for legal sufficiency.

Mr. Fletcher said that the new HUB Diversity Initiative would further improve our overall progress. He asked Dr. Ray Keck, President of TAMIU, to express what the

CEO commitment meant to him. Dr. Keck said that Dr. Elizabeth Martinez, Associate Vice President for Administration, and Ms. Laura Ray, Director for Purchasing and Support Services, absorbed this initiative into the work they were already doing. Mr. Nye congratulated them for making great strides forward in a business-like fashion. Mr. Fraga said that he was personally acquainted with the program. He said that you have to have outreach to make the program work because people are not just going to come in and visit you without being welcomed. He said that you truly have to believe in the program; otherwise, it becomes lip service and does not work. Mr. Fraga said that he knew personally of instances where some of the programs became shams where they were used to advance personal agendas without the commitment to the program. He said that from personal experience, TAMU and the System are sincere about their commitment to this program.

Mr. Fletcher introduced members of the HUB team and thanked them for their support of the program, Dr. Arturo Alonzo, Chair of the System-wide HUB Council, HUB coordinators and advisory staff.

Mr. Nye thanked Mr. Fletcher. He said that he had been working with Mr. Tim Donathen, Executive Director of Facilities Planning and Construction, to make a breakthrough in the area of construction services to make sure that qualified vendors are welcomed.

**RECESS**

Mr. White recessed the meeting at 8:50 am.

*(Secretary's Note: The Committee on Finance convened at 8:51 am and adjourned at 10:03 am. The Committee on Buildings and Physical Plant convened at 10:04 am and adjourned at 10:52 am. The Committee on Ad Hoc Policy Review convened at 10:53 am and adjourned at 10:56 am.)*

**RECONVENE**

Mr. White reconvened the meeting at 10:57 a.m. He said that no requests had been received in the Board Office to provide public testimony at this Board meeting.

Mr. White 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 met earlier the same day and considered and approved Items 1 through 3, 5 through 10, 52 and 53 (*Item 4 was withdrawn prior to the meeting*). The Board took action as set forth below:

~~~~~

**MINUTE ORDER 003-2006 (AGENDA ITEM 1)**

**ADOPTION OF THE FIRST SUPPLEMENTAL RESOLUTION FOR  
PERMANENT UNIVERSITY FUND (PUF) FLEXIBLE RATE NOTES,  
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 First Supplemental Resolution amending the authorization amount and the authorized representatives for the Board of Regents of The Texas A&M University System Permanent University Fund Flexible Rate Notes in substantially the form of **Exhibit B**, a copy of which is attached to the official minutes, is hereby adopted and the Associate Vice Chancellor and Treasurer or other Authorized Representative is hereby authorized to take such actions as are necessary to accomplish the purposes of the resolution in accordance with the provisions of the resolution.

**MINUTE ORDER 004-2006 (AGENDA ITEM 2)**

**APPROVAL OF AUTHORIZED REPRESENTATIVES FOR THE  
PERMANENT UNIVERSITY FUND AND DESIGNATED FINANCIAL  
OFFICERS FOR THE REVENUE FINANCING SYSTEM (RFS),  
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 Chancellor, the Deputy Chancellor, the Executive Vice Chancellor for Finance, the Vice Chancellor for Business Services, the Associate Vice Chancellor and Treasurer, the Associate Vice Chancellor for Budgets and Accounting, the Director of Financial Planning, and the Director of Treasury Services are designated as authorized representatives for The Texas A&M University System Permanent University Fund and designated financial officers for the Revenue Financing System. In addition, each of said authorized representatives is also authorized to issue instructions and take other actions on behalf of the Board under the Restatement and Amendment No. 1 to the Trust Agreement dated October 29, 1992, between the Board and the State Treasurer.

**MINUTE ORDER 005-2006 (AGENDA ITEM 3)**

**APPROVAL OF REVISIONS TO  
SYSTEM POLICY 23.02 (DEBT MANAGEMENT),  
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:

Revisions to System Policy 23.02 (*Debt Management*), as shown in **Exhibit C**, a copy of which is attached to the official minutes, are approved and effective immediately.

**MINUTE ORDER 006-2006 (AGENDA ITEM 5)**

**ADOPTION OF FISCAL YEAR 2007 BUDGET GUIDELINES,  
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 Texas A&M University System guidelines for the FY 2007 operating budgets, a copy of which is attached to the official minutes as **Exhibit D**, are hereby adopted.

**MINUTE ORDER 007-2006 (AGENDA ITEM 6)**

**APPROVAL OF EXTENSION OF GROUP INSURANCE CONTRACTS,  
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:

In accordance with System Policy 25.07 (*Contract Administration*), the Board of Regents of The Texas A&M University System approves a one-year extension of the insurance contracts for the Long-Term Disability, Accidental Death & Dismemberment, Long-Term Care, Vision and Tax Saver Spending Account employee benefit insurance plans administered by The Texas A&M University System.

**MINUTE ORDER 008-2006 (AGENDA ITEM 7)**

**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 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. 06-03, a copy of which is attached to the official minutes as **Exhibit E**.

**MINUTE ORDER 009-2006 (AGENDA ITEM 8)**

**AUTHORIZATION TO ESTABLISH A QUASI-ENDOWMENT ENTITLED  
“ARTHUR G. AND MARY E. OWEN  
ENDOWED PROFESSORSHIP QUASI-ENDOWMENT,”  
TEXAS A&M UNIVERSITY**

On motion of Mr. Adams, seconded by Mr. Nye 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 to be called the “Arthur G. and Mary E. Owen Endowed Professorship Quasi-Endowment.” The account will be created with a transfer from the Owen Endowed Chair income account 510405. Endowment earnings from the quasi-endowment will be used to support the professorship.

**MINUTE ORDER 010-2006 (AGENDA ITEM 9)**

**AUTHORIZATION TO EXECUTE VIDEO BOARDS, FASCIA,  
SOUND AND CONTROL ROOM CONTRACTS FOR  
ATHLETIC FACILITIES WITH VARIOUS CORPORATE ENTITIES,  
TEXAS A&M UNIVERSITY**

On motion of Mr. Adams, seconded by Mr. Nye 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 Video Boards, Fascia, Sound and Control Room Contracts for Athletic Facilities with various corporate entities.

**MINUTE ORDER 011-2006 (AGENDA ITEM 10)**

**AUTHORIZATION TO EXECUTE MULTI-MEDIA RIGHTS  
CONTRACTS WITH VARIOUS CORPORATE ENTITIES,  
TEXAS A&M UNIVERSITY**

On motion of Mr. Adams, seconded by Mr. Nye 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 Multi-Media-Rights contracts with various corporate entities.

**MINUTE ORDER 012-2006 (AGENDA ITEM 52)**

**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. Nye 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 \$800,000 to a proposed cap of \$940,000 to provide patent prosecution legal services and associated expenses to The Texas A&M University System for FY 2004.

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 \$940,000 with the law firm of Baker Botts, L.L.P., in exchange for legal services and associated expenses in the area of patent prosecution for FY 2004.

**MINUTE ORDER 013-2006 (AGENDA ITEM 53)**

**AUTHORIZATION TO RATIFY THE SHAREHOLDERS AGREEMENT  
WITH TEXAS ENTEROSORBENTS, INC. (TESI), AUTHORIZATION TO  
SIGN AMENDED AND RESTATED SHAREHOLDERS AGREEMENT WITH  
TESI AND APPROVAL TO SELL A PORTION OF THE  
SYSTEM EQUITY POSITION BACK TO TESI,  
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 (TAMUS) ratifies the existing shareholders agreement between The Texas A&M University System and Texas EnteroSorbents, Inc., a copy of which is attached to the official minutes as **Exhibit F**, and authorizes the acceptance of equity in Texas EnteroSorbents, Inc. (TESI); authorizes the Chancellor of The Texas A&M University System to sign on behalf of the Board of Regents for the System the Amended and Restated Shareholders Agreement for Texas EnteroSorbents, Inc., a copy of which is attached to the official minutes as **Exhibit G**, on approval for legal sufficiency by the Office of General Counsel; and authorizes the Chancellor to execute, on behalf of the Board of Regents for the System, all documents required in the purchase, sale, assignment, transfer and management of TAMUS' interests in Texas EnteroSorbents, Inc. including execution of the Repurchase Agreement between Texas EnteroSorbents Inc. and The Texas A&M University System subject to approval for legal sufficiency by the Office of General Counsel.

~~~~~

Mr. White 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, reported that the Committee met earlier the same day and considered and approved Items 11 through 23. The Board took action as set forth below:

~~~~~

**MINUTE ORDER 014-2006 (AGENDA ITEM 11)**

**APPROVAL OF THE PROJECT SCOPE, PRELIMINARY DESIGN AND  
PROJECT BUDGET, APPROPRIATION FOR PRE-CONSTRUCTION  
SERVICES AND NAMING OF THE FACILITIES FOR  
THE MITCHELL PHYSICS BUILDINGS,  
TEXAS A&M UNIVERSITY**

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

The project scope and preliminary design for the Mitchell Physics Buildings at Texas A&M University is approved.

The project budget of \$57,000,000 for the Mitchell Physics Buildings at Texas A&M University is approved.

Supplementing a previous appropriation of \$25,000, the amount of \$1,075,000 is appropriated from Account No. 809005 Unappropriated Plant Funds - Local is for design of the Mitchell Physics Buildings at Texas A&M University.

Based on the approval of preliminary design for this project, the gift in the amount of \$10,000,000, from George P. and Cynthia Mitchell toward the construction of the Mitchell Physics Buildings, is hereby acknowledged and appropriated to this project.

The first building, containing approximately 37,100 gross square feet, is hereby named the George P. and Cynthia W. Mitchell Institute for Fundamental Physics and Astronomy.

The second building, containing approximately 116,400 gross square feet, is hereby named the George P. Mitchell Physics Building.



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).

In accordance with the donor agreement, all gifts received for this project from Mr. and Mrs. George P. Mitchell are hereby appropriated and a like amount of previous appropriations of Revenue Financing System Debt Proceeds are reverted.

**MINUTE ORDER 015-2006 (AGENDA ITEM 12)**

**APPROVAL OF THE PROGRAM OF REQUIREMENTS (POR) AND  
PROJECT BUDGET, APPROPRIATION FOR DESIGN AND SELECTION OF  
THE ARCHITECT/ENGINEER (A/E) DESIGN FIRM FOR THE  
ANDERSON TRACK MODIFICATIONS,  
TEXAS A&M UNIVERSITY**

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

The program of requirements for the Anderson Track Modifications at Texas A&M University is approved.

The project budget of \$4,860,000 for the Anderson Track Modifications at Texas A&M University is approved.

Supplementing a previous appropriation of \$20,000, the amount of \$473,000 is appropriated from Account No. 300090 Stadium Revenue Fund for design of the Anderson Track Modifications at Texas A&M University.

The firm of SHW Group, LLP, of Dallas, Texas, is selected as the firm ranked first to head the architect/engineer design team for the Anderson Track Modifications at Texas A&M 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 is issued, possess the financial capacity to satisfy their Direct Obligations.

Any gifts received for this project are hereby appropriated and previous appropriations are reverted first from Revenue Financing System Debt Proceeds (Stadium Revenue Fund) and, if sufficient gifts are received, secondly previous appropriations from the Stadium Revenue Fund will be reverted.

**MINUTE ORDER 016-2006 (AGENDA ITEM 13)**

**APPROVAL OF THE PROGRAM OF REQUIREMENTS AND  
PROJECT BUDGET, APPROPRIATION FOR DESIGN AND  
AUTHORIZATION FOR THE ARCHITECT/ENGINEER  
DESIGN FIRM FOR THE INDOOR PRACTICE FACILITY,  
TEXAS A&M UNIVERSITY**

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

The program of requirements for the Indoor Practice Facility at Texas A&M University is approved.

The project budget of \$20,000,000 for the Indoor Practice Facility at Texas A&M University is approved.

Supplementing a previous appropriation of \$25,000, the amount of \$1,620,000 is appropriated from Account No. 02-030009 Stadium Revenue Fund for design of the Indoor Practice Facility at Texas A&M University.

Exceptions to the Campus Master Plan for the increased height and use of alternate exterior construction materials for this facility as recommended by President Gates are approved.

The firm of O'Connell Robertson and Associates of Austin, Texas, is authorized to provide A/E design services as the architect/engineer design team for the Indoor Practice Facility at Texas A&M University.

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.

Any gifts received for this project are hereby appropriated and previous appropriations are reverted first from Revenue Financing System Debt Proceeds (Stadium Revenue Fund) and, if sufficient gifts are received, secondly previous appropriations from the Stadium Revenue Fund will be reverted.

**MINUTE ORDER 017-2006 (AGENDA ITEM 14)**

**APPROVAL OF THE REVISED PROJECT SCOPE  
AND PROJECT BUDGET FOR THE EASTERWOOD AIRPORT  
MCKENZIE TERMINAL APRON EXPANSION,  
TEXAS A&M UNIVERSITY**

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

The revised project scope for the Easterwood Airport McKenzie Terminal Apron Expansion (FAA#23) at Texas A&M University is approved.

The revised project budget of \$2,105,000 for the Easterwood Airport McKenzie Terminal Apron Expansion (FAA #23) at Texas A&M University is approved.

The portion of the Airport Operations account is for interim funding pending receipt of the FY 2007 FAA Entitlement Grant. When received, the FAA Grant is hereby appropriated and a like amount of previous Airport Operations appropriations are reverted.

**MINUTE ORDER 018-2006 (AGENDA ITEM 15)**

**APPROVAL OF THE REVISED PROJECT SCOPE AND  
REVISED PROJECT BUDGET FOR THE NEW DINING HALL,  
TARLETON STATE UNIVERSITY**

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

The revised project scope for the New Dining Hall at Tarleton State University is approved.

The revised budget of \$11,675,000 for the New Dining Hall at Tarleton State University is approved.

**MINUTE ORDER 019-2006 (AGENDA ITEM 16)**

**APPROVAL OF THE PROGRAM OF REQUIREMENTS AND PROJECT  
BUDGET, APPROPRIATION FOR DESIGN AND SELECTION OF THE  
ARCHITECT/ENGINEER DESIGN FIRM FOR THE  
EMERGENCY OPERATIONS TRAINING CENTER EXPANSION,  
BRAYTON FIRE TRAINING FIELD,  
TEXAS ENGINEERING EXTENSION SERVICE**

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

The program of requirements for the Emergency Operations Training Center Expansion, Brayton Fire Training Field, Texas Engineering Extension Service, College Station, Texas is approved.

The project budget of \$4,400,000 for the Emergency Operations Training Center Expansion, Brayton Fire Training Field, Texas Engineering Extension Service, College Station, Texas is approved.

Supplementing a previous appropriation of \$25,000, the amount of \$309,000 is appropriated from Account No. 740101 Capital Investment Reserve for design of the Emergency Operations Training Center Expansion, Brayton Fire Training Field, Texas Engineering Extension Service, College Station, Texas.

The firm of Patterson Architects of Bryan, Texas, is selected as the firm ranked first to head the architect/engineer design team for the Emergency Operations Training Center Expansion, Brayton Fire Training Field, 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 I**, until an agreement for a design contract is reached.

**MINUTE ORDER 020-2006 (AGENDA ITEM 17)**

**APPROVAL OF THE REVISED PROJECT BUDGET AND APPROPRIATION  
FOR THE CLASSROOM BUILDING AND STRUCTURAL BURN  
TRAINING COMPLEX, BRAYTON FIRE TRAINING FIELD,  
TEXAS ENGINEERING EXTENSION SERVICE**

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

The proposed project budget of \$6,349,600 for the Classroom Building and Structural Burn Training Complex, Brayton Fire Training Field, Texas Engineering Extension Service at College Station, Texas, is approved.

Supplementing a previous appropriation of \$4,879,436, the amount of \$1,470,164 is appropriated from Account No. 09-981001 Reserve for Program Allocations for the award of a contract change for the Structural Burn Training Facility for the Classroom Building and Structural Burn Training Complex, Brayton Fire Training Field, Texas Engineering Extension Service at College Station, Texas.

**MINUTE ORDER 021-2006 (AGENDA ITEM 18)**

**NAMING OF THE  
“PRESTON GEREN AUDITORIUM,”  
TEXAS A&M UNIVERSITY**

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

The Auditorium in the Langford Architecture Building, Room ARCB102, on the campus of Texas A&M University is hereby named the “Preston Geren Auditorium.”

**MINUTE ORDER 022-2006 (AGENDA ITEM 19)**

**AUTHORIZATION FOR THE SALE OF LAND IN HUNT COUNTY,  
TEXAS A&M UNIVERSITY**

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

The Chancellor of The Texas A&M University System, or his designee, following approval by the Office of General Counsel, is authorized to take all steps necessary to sell the surface estate of a tract of land containing approximately 9.802 acres, more or less, out of the William H. Hopkins Survey, Abstract No. 407, Greenville, Hunt County, Texas. Consideration for this sale will be \$78,416, less necessary closing costs.

**MINUTE ORDER 023-2006 (AGENDA ITEM 20)**

**AUTHORIZATION FOR THE PURCHASE  
OF LAND AND IMPROVEMENTS, HUNT COUNTY,  
TEXAS A&M UNIVERSITY-COMMERCE**

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

The Chancellor of The Texas A&M University System, or his designee, following approval for legal sufficiency by the Office of General Counsel, is authorized to present information and documents as requested by the Texas Higher Education Coordinating Board for the purchase approval process and to execute all documents necessary to purchase the land and improvements located at 2001 and 2003 Live Oak Street in the City of Commerce, Texas. The purchase price of \$175,000, plus closing costs, is hereby approved.

**MINUTE ORDER 024-2006 (AGENDA ITEM 21)**

**AUTHORIZATION FOR OIL, GAS AND SULPHUR LEASE  
COVERING 62.963 MINERAL ACRES, MORE OR LESS,  
SITUATED IN DENTON COUNTY,  
TEXAS AGRICULTURAL EXPERIMENT STATION**

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

The Chancellor of The Texas A&M University System, or his designee, following approval for legal sufficiency by the Office of General Counsel, is authorized to execute an Oil, Gas and Sulphur Lease with Hollis R. Sullivan, Inc. and to perform other acts necessary in connection with the Lease as required by law and Board policy. The Lease will cover 62.963 net mineral acres, more or less, located in the R. Whitlock Survey, Abstract No. 1403 in Denton County, Texas, with a primary term of three years, and which allows commencement of exploration at any point during such term. The bonus to be paid for this Lease will be \$155 per mineral acre, equating to \$9,759.27 and the royalty rate will be 25 percent.

**MINUTE ORDER 025-2006 (AGENDA ITEM 22)**

**AUTHORIZATION TO ENTER INTO A LONG-TERM LEASE OF SPACE  
WITH THE CITY OF GRANBURY, HOOD COUNTY,  
TEXAS FOREST SERVICE**

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

The Chancellor of The Texas A&M University System, or his designee, following approval for legal sufficiency by the Office of General Counsel, is authorized to negotiate and take all steps necessary to enter into a long-term lease agreement with the City of Granbury for the lease of 5,000 square feet of space located at 450 Howard Clemons Road, Granbury, Hood County, Texas. The lease will expire on March 31, 2013. Rental consideration to be paid to the City of Granbury is \$937.50 per month.

**MINUTE ORDER 026-2006 (AGENDA ITEM 23)**

**AUTHORIZATION TO LEASE OFFICE SPACE IN THE  
WELLS FARGO PLAZA, BRAZOS COUNTY,  
TEXAS TRANSPORTATION INSTITUTE**

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

The Chancellor of The Texas A&M University System, or his designee, following approval for legal sufficiency by the Office of General Counsel, is authorized to take all steps necessary to lease from Clearleaf Hills, Ltd., 15,808 square feet of office space in the Wells Fargo Plaza located at 3000 Briarcrest Drive, Bryan, Texas, for the Texas Transportation Institute. The primary term of the lease will be three years, commencing March 15, 2006 and expiring on March 14, 2009, with the rental rate being \$18.00 per square foot per year. The total estimated base rental for this lease is \$853,632.

~~~~~

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

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

Dr. Gramm, Chairman of the Committee on Academic and Student Affairs, said that the Committee met on Thursday, January 26, and considered and approved Items 24 through 34. The Board took action as set forth below:

~~~~~

**MINUTE ORDER 027-2006 (AGENDA ITEM 24)**

**APPROVAL OF A NEW MASTER OF SCIENCE DEGREE WITH A MAJOR IN KINESIOLOGY 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. Jones and by a unanimous vote, the following minute order was adopted:

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

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 have been met.

**MINUTE ORDER 028-2006 (AGENDA ITEM 25)**

**APPROVAL OF REVISED 42-HOUR CORE CURRICULUM DEVELOPED IN ACCORDANCE WITH CRITERIA APPROVED BY THE TEXAS HIGHER EDUCATION COORDINATING BOARD, WEST TEXAS A&M UNIVERSITY**

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

The Board of Regents of The Texas A&M University System approves the revised 42-hour core curriculum requirement for West Texas A&M University, as outlined in **Exhibit J**, a copy of which is attached to the official minutes, effective with the fall semester 2006.

**MINUTE ORDER 029-2006 (AGENDA ITEM 26)**

**DISSOLUTION OF THE MOSHER INSTITUTE FOR INTERNATIONAL POLICY STUDIES, TEXAS A&M UNIVERSITY**

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

The Mosher Institute for International Policy Studies, established at Texas A&M University by Board Minute Order 24-88, is hereby dissolved as of June 30, 2005.



**MINUTE ORDER 030-2006 (REVISED AGENDA ITEM 27)**

**ESTABLISHMENT OF THE CENTER FOR OBESITY RESEARCH  
AND PROGRAM EVALUATION WITHIN THE  
TEXAS AGRICULTURAL EXPERIMENT STATION,  
TEXAS COOPERATIVE EXTENSION AND  
TEXAS A&M UNIVERSITY AND AUTHORIZATION TO THE  
TEXAS AGRICULTURAL EXPERIMENT STATION VICE  
CHANCELLOR/DEAN/DIRECTOR TO APPOINT A CENTER DIRECTOR,  
TEXAS A&M UNIVERSITY**

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

The Center for Obesity Research and Program Evaluation is hereby established within the Texas Agricultural Experiment Station, Texas Cooperative Extension and Texas A&M University. The Center will be administratively located within the Texas Agricultural Experiment Station.

Except as provided herein, the Vice Chancellor/Dean/Director of the Texas Agricultural Experiment Station or his/her designee is hereby authorized to appoint the Center Director, with concurrence of the President of Texas A&M University and the Director of Texas Cooperative Extension. The President of Texas A&M University is authorized to appoint the initial Center Director.

**MINUTE ORDER 031-2006 (AGENDA ITEM 28)**

**ESTABLISHMENT OF THE  
CENTER FOR LARGE-SCALE SCIENTIFIC SIMULATIONS,  
TEXAS A&M UNIVERSITY AND  
TEXAS ENGINEERING EXPERIMENT STATION**

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

The Center for Large-Scale Scientific Simulations, a joint Texas A&M University (TAMU) and Texas Engineering Experiment Station (TEES) Center, is hereby established, reporting to the Dean of the College of Engineering and Director of TEES and the TAMU Vice President for Research.

**MINUTE ORDER 032-2006 (AGENDA ITEM 29)**

**ESTABLISHMENT OF THE  
CENTER FOR ENERGY, ENVIRONMENT, AND  
TRANSPORTATION INNOVATION,  
TEXAS A&M UNIVERSITY AND  
TEXAS ENGINEERING EXPERIMENT STATION**

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

The Center for Energy, Environment, and Transportation Innovation, a joint Texas A&M University (TAMU) and Texas Engineering Experiment Station (TEES) Center within the Crisman Institute for Petroleum Research, is hereby established, reporting through the Director of the Crisman Institute for Petroleum Research to the Dean of the College of Engineering and Director of TEES.

**MINUTE ORDER 033-2006 (AGENDA ITEM 30)**

**ESTABLISHMENT OF THE  
HALLIBURTON CENTER FOR UNCONVENTIONAL RESOURCES,  
TEXAS A&M UNIVERSITY AND  
TEXAS ENGINEERING EXPERIMENT STATION**

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

The Halliburton Center for Unconventional Resources, a joint Texas A&M University (TAMU) and Texas Engineering Experiment Station (TEES) Center within the Crisman Institute for Petroleum Research, is hereby established, reporting through the Director of the Crisman Institute for Petroleum Research to the Dean of the College of Engineering and Director of TEES.

**MINUTE ORDER 034-2006 (AGENDA ITEM 31)**

**ESTABLISHMENT OF THE  
CHEVRON CENTER FOR WELL CONSTRUCTION AND PRODUCTION,  
TEXAS A&M UNIVERSITY AND  
TEXAS ENGINEERING EXPERIMENT STATION**

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

The Chevron Center for Well Construction and Production, a joint Texas A&M University (TAMU) and Texas Engineering Experiment Station (TEES) Center within the Crisman Institute for Petroleum Research, is hereby established reporting through the Director of the Crisman Institute for Petroleum Research to the Dean of the College of Engineering and Director of TEES.

**MINUTE ORDER 035-2006 (AGENDA ITEM 32)**

**ESTABLISHMENT OF THE  
SCHLUMBERGER CENTER FOR RESERVOIR  
DESCRIPTION AND DYNAMICS,  
TEXAS A&M UNIVERSITY AND  
TEXAS ENGINEERING EXPERIMENT STATION**

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

The Schlumberger Center for Reservoir Description and Dynamics, a joint Texas A&M University (TAMU) and Texas Engineering Experiment Station (TEES) Center within the Crisman Institute for Petroleum Research, is hereby established, reporting through the Director of the Crisman Institute for Petroleum Research to the Dean of the College of Engineering and Director of TEES.

**MINUTE ORDER 036-2006 (AGENDA ITEM 33)**

**ESTABLISHMENT OF THE  
CENTER FOR INTERNATIONAL INTELLIGENT TRANSPORTATION  
RESEARCH IN EL PASO, TEXAS,  
TEXAS TRANSPORTATION INSTITUTE**

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

The Center for International Intelligent Transportation Research in El Paso, Texas, is hereby established as an organizational unit of the Texas Transportation Institute.

**MINUTE ORDER 037-2006 (AGENDA ITEM 34)**

**APPROVAL TO INCREASE THE CLASS SIZE AND CAMPUS EXPANSION,  
THE TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER**

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

The Board of Regents of The Texas A&M University System hereby grants authority to the President of The Texas A&M University System Health Science Center to incrementally increase the College of Medicine class size from 80 students per class to 200 students per class beginning fall 2007 and amend the current pre-clinical and clinical education model for the College of Medicine to establish an additional pre-clinical teaching site and clinical teaching sites as appropriate to accommodate the requested class size expansion, subject to adequacy of available funding.

~~~~~

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

REPORT FROM THE COMMITTEE ON AD HOC POLICY REVIEW

Mr. Stallings, Chairman of the Committee on Ad Hoc Policy Review, said that the Committee met earlier the same day and considered and approved Items 3 (*also considered by the Committee on Finance*) and 35. The Board took action as set forth below:

~~~~~

**MINUTE ORDER 038-2006 (AGENDA ITEM 35)**

**APPROVAL TO REVISE SYSTEM POLICY 01.02 (*DEFINITIONS*),  
AND MAKE CORRESPONDING NON-SUBSTANTIVE WORDING  
REVISIONS IN VARIOUS SYSTEM POLICIES,  
THE TEXAS A&M UNIVERSITY SYSTEM**

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

Request to revise System Policy 01.02 (*Definitions*), and make non-substantive wording revisions to System Policies as identified in the briefing sheet and as described in **Exhibit K**, a copy of which is attached to the official minutes, is approved and the responsibility for implementing the revisions is assigned to the System Policy Office.

~~~~~

Mr. White called on Mr. Jones to present the report from the Committee on Audit.

REPORT FROM THE COMMITTEE ON AUDIT

Mr. Jones, Chairman of the Committee on Audit, said that the Committee met on Thursday, January 26. He said that they received a presentation on Enterprise Risk Management in which all of the members were evaluated and are encouraged to stay ahead of the curve ball in managing our risks and in managing their opportunities. He said his view of the Audit Committee is not as a punitive policeman, but instead an

opportunity to improve. He said the Committee wants to help the members to improve as best we can and by whatever methods we can.

OTHER ITEMS

Mr. White presented Items 38 and 39. The Board took action as set forth below:

~~~~~

**MINUTE ORDER 039-2006 (AGENDA ITEM 38)**

**ADOPTION OF A RESOLUTION HONORING  
MR. DELMAR L. CAIN  
AND CONFERRING THE TITLE OF GENERAL COUNSEL EMERITUS,  
THE TEXAS A&M UNIVERSITY SYSTEM**

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

Whereas, Mr. Delmar L. Cain received a bachelor of arts degree in philosophy from Baylor University in 1964, and a law degree from the University of Texas Law School in 1967; and

Whereas, he was admitted to the State of Texas Bar in 1967 and to the Texas Board of Legal Specialization in Civil Trial Law in 1986; and

Whereas, he is licensed by the Supreme Court of Texas and admitted to practice in the U.S. District Court, Western District of Texas, and the U.S. Fifth Circuit Court of Appeals; and

Whereas, Mr. Cain is also certified by the Texas Board of Legal Specialization in the practice of civil trial law; and

Whereas, he served as a special agent with the Federal Bureau of Investigation from 1967 to 1971, and was in private practice with the firms of Autry, Goggan & Cain and Goggan & Cain from 1971 to 1978; and

Whereas, he was an Assistant District Attorney with the Office of Special Crimes in the Travis County District Attorney's Office from 1978 to 1980; and

Whereas, Mr. Cain then was employed for 16 years by the Office of the Attorney General of Texas, first as Assistant Attorney General in the Transportation Division from 1980 to 1988, and then as Chief of the Tort Litigation Division from 1988 to 1996; and

Whereas, he joined The Texas A&M University System as General Counsel in September 1996; and

Whereas, he was active in the National Association of College and University Attorneys and the Texas Association of State University Attorneys; and

Whereas, Mr. Cain has worked tirelessly to protect the interests of the A&M System regarding liability issues, both in the courtroom and in the Texas Legislature; and

Whereas, he was responsible for improving the relationship between the A&M System and the Office of the Attorney General, an effort that has resulted in greater cooperation and mutual assistance in litigation and other related matters; and

Whereas, Mr. Cain has provided exceptional leadership and guidance on a wide array of legal topics during a time of unprecedented growth and progress for the A&M System; and

Whereas, Mr. Cain is highly respected across the A&M System and by his fellow higher education attorneys throughout the State of Texas; now, therefore, be it

Resolved, that the Board of Regents of The Texas A&M University System gratefully recognizes the leadership and service of Mr. Delmar L. Cain as General Counsel for The Texas A&M University System; and, be it, further

Resolved, that the Board of Regents of The Texas A&M University System expresses its appreciation for Mr. Cain's dedicated service to The Texas A&M University System by conferring upon him the title of General Counsel Emeritus; and, be it, further

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

~~~~~

Mr. Nye personally thanked Mr. Cain for his years of service and wished him well.

Mr. Cain responded that the job of General Counsel was not always easy and sometimes you earn your stripes by telling people "no." He said that on the other hand if you are too willing to say "yes" you earn another kind of stripe. Mr. Cain said that nine years ago he was given a great honor and he has appreciated the honor to represent the people of the State of Texas, the Board and the fine institutions that are part of the System. He said that he did not attend A&M but he found it an educational value for him to come and to learn about the System. He thanked the Board for allowing him to serve in the position of General Counsel.

Mr. White presented Item 39 and the Board took action as set forth below:

~~~~~

**MINUTE ORDER 040-2006 (AGENDA ITEM 39)**

**ADOPTION OF A RESOLUTION HONORING  
DR. RUSSELL C. LONG  
AND CONFERRING THE TITLE OF PRESIDENT EMERITUS  
OF WEST TEXAS A&M UNIVERSITY,  
THE TEXAS A&M UNIVERSITY SYSTEM**

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

Whereas, Dr. Russell C. Long was born and reared in the West Texas town of Van Horn and received a bachelor's degree from Sul Ross State University in 1965, a master's degree from New Mexico State University in 1967 and a doctoral degree from Texas A&M University in 1977; and

Whereas, his academic accomplishments were recognized when he was named the outstanding graduate in English for the Silver Anniversary of Texas A&M's College of Liberal Arts in 1995 and a Distinguished Alumnus of Sul Ross State University in 2000; and

Whereas, he began his academic career at Schreiner College as an associate professor of English literature in 1967, then in 1969 went to Tarleton State University, where he was awarded professor status in 1983, served as assistant vice president for academic affairs from 1987 to 1989 and chaired the Department of English and Languages; and

Whereas, he received the Distinguished Faculty award from Tarleton State University in 2001; and

Whereas, Dr. Long became provost and vice president for academic affairs at West Texas A&M University in June 1992, and was appointed interim president in August 1994; and

Whereas, on April 18, 1995, following a nationwide search, The Texas A&M University System Board of Regents unanimously named him the University's ninth president; and

Whereas, during his 11 years as president, Dr. Long provided leadership for 11 new master's degree programs and seven new bachelor's degree programs; and

Whereas, he also introduced the University's first doctoral program in agriculture; and

Whereas, he was instrumental in the establishment of the University's Honors Program and distance education program; and

Whereas, during his presidency, the Buff and Lady Buff athletic teams have won 18 Lone Star Conference championships and have made 27 NCAA Division II tournament appearances; and

Whereas, Dr. Long also oversaw significant campus improvements and building renovations, as well as the privatization of McCaslin Hall and the leasing of University land for the city's first franchise hotel; and

Whereas, under his direction, the campus has added \$92 million in building improvements, including construction of the new First United Bank Center and the University's most ambitious new project to date, a \$30 million Fine Arts Complex scheduled for completion in fall 2006; and

Whereas, under Dr. Long's leadership, enrollment has increased 10 percent, to nearly 7,300, and Hispanic and African-American enrollment has increased 50 percent, to 1,302; and

Whereas, the University's endowment has increased 341 percent, to more than \$39.5 million; and research funding has increased more than 1,325 percent, to approximately \$16 million per year; and

Whereas, under his leadership, financial aid to students increased almost 130 percent; and

Whereas, faculty salaries increased by more than 40 percent during his presidency; and

Whereas, Dr. Long was instrumental in developing the goals of the University's Centennial Vision effort to deliver exceptional undergraduate and graduate degree programs by the University's centennial anniversary in 2010; and

Whereas, during Dr. Long's time as president, the University established more than 400 collaborations with public and private partners in the region; and

Whereas, Dr. Long has published numerous scholarly articles and has held various offices in professional organizations, including serving as a commissioner for the Southern Association of Colleges and Schools, president of the Association of Texas Colleges and Universities and president-elect of the Council of Public University Presidents and Chancellors; and

Whereas, he also has served on the boards of charitable and civic organizations, including the Coffee Memorial Blood Center, Harrington Cancer Center, Amarillo Chamber of Commerce, Harrington Regional Medical Center and ACE (Achievement through Commitment to Education); now, therefore, be it



Resolved, that the Board of Regents of The Texas A&M University System expresses its appreciation for Dr. Long’s tireless service to West Texas A&M University by conferring upon him the title of President Emeritus; and, be it, further

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

~~~~~

Mr. White called on Dr. McTeer to present Items 40 through 48. The Board took action as set forth below:

~~~~~

**MINUTE ORDER 041-2006 (AGENDA ITEM 40)**

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

On motion of Mr. Jones, seconded by Mr. Nye 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 hereby confirms the appointment and commissioning of peace officers by the Presidents of the respective components of The Texas A&M University System, as shown in **Exhibit L**, a copy of which is attached to the official minutes.

**MINUTE ORDER 042-2006 (AGENDA ITEM 41)**

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

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

In recognition of long and distinguished service to The Texas A&M University System, the Board of Regents hereby confirms the recommendation of the Chancellor, and confers the title of “Emeritus/Emerita” upon individuals as shown in **Exhibit M**, a copy of which is attached to the official minutes, Emeritus Title List No. 06-03, and grants all rights and privileges of this title.

**MINUTE ORDER 043-2006 (AGENDA ITEM 42)**

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

On motion of Mr. Jones, 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, 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 forth in **Exhibit N**, a copy of which is attached to the official minutes, Tenure List No. 06-03.

~~~~~

Mr. Jones asked if the number of tenure candidates at WTAMU was an unusually high number or just an accumulation over a period of time. Dr. Chapman responded that in the 1970s they hired a number of faculty members who retired about five years ago, so they had an influx of new faculty that were now eligible for tenure. He said that they will not have this many faculty members, at one time, up for tenure for the next couple of years.

Dr. Gramm commented that she looked at all the tenure resumes.

~~~~~

**MINUTE ORDER 044-2006 (AGENDA ITEM 43)**

**GRANTING OF FACULTY DEVELOPMENT LEAVE  
FOR FISCAL YEAR 2006,  
PRAIRIE VIEW A&M UNIVERSITY**

On motion of Mr. Jones, 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, in accordance with System Policy 31.03 and System Regulation 12.99.01, authorizes faculty development leave to the faculty members as shown in **Exhibit O**, a copy of which is attached to the official minutes as Faculty Development Leave List FY 2006, Spring and Summer Semesters, Prairie View A&M University.

**MINUTE ORDER 045-2006 (AGENDA ITEM 44)**

**APPOINTMENT OF  
CHRISTOPHER S. CAHILL '84  
TO THE TEXAS A&M UNIVERSITY AT GALVESTON BOARD OF VISITORS,  
TEXAS A&M UNIVERSITY**

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

Effective January 1, 2006, Mr. Christopher S. Cahill '84 is hereby appointed to the Texas A&M University at Galveston Board of Visitors for a term of three years.

**MINUTE ORDER 046-2006 (AGENDA ITEM 45)**

**APPOINTMENT OF  
VICTOR R. PIERSON  
TO THE TEXAS A&M UNIVERSITY AT GALVESTON BOARD OF VISITORS,  
TEXAS A&M UNIVERSITY**

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

Effective January 1, 2006, Mr. Victor R. Pierson is hereby appointed to the Texas A&M University at Galveston Board of Visitors for a term of three years.

**MINUTE ORDER 047-2006 (AGENDA ITEM 46)**

**GRANTING OF FACULTY DEVELOPMENT LEAVE  
FOR FISCAL YEAR 2007,  
TEXAS A&M UNIVERSITY-KINGSVILLE**

On motion of Mr. Jones, 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, in accordance with System Policy 31.03 and System Regulation 12.99.01, authorizes faculty development leave to the faculty members as shown in **Exhibit P**, a copy of which is attached to the official minutes as, Faculty Development Leave List FY 2007, Texas A&M University-Kingsville.

**MINUTE ORDER 048-2006 (AGENDA ITEM 47)**

**APPROVAL FOR DR. ALLISON R. FICHT,  
A SYSTEM EMPLOYEE, TO SERVE AS AN OFFICER,  
EMPLOYEE AND BOARD MEMBER OF A BUSINESS ENTITY LICENSING  
TECHNOLOGY FROM THE TEXAS A&M UNIVERSITY SYSTEM,  
THE TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER**

On motion of Mr. Jones, 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 approves Dr. Allison R. Ficht, Professor in the Department of Medical Biochemistry and Medicine Genetics of the College of Medicine, The Texas A&M University System Health Science Center, and Director of the Center for Microencapsulation and Drug Delivery, to serve as an officer, employee and member of the board of directors of NanoRelease Technologies, LLC, a business entity that has an agreement with The Texas A&M University System relating to the research, development, licensing, or exploitation of intellectual property conceived, created, discovered, invented and developed by Dr. Ficht.

**MINUTE ORDER 049-2006 (AGENDA ITEM 48)**

**APPROVAL OF DR. MAGNUS HÖÖK,  
A SYSTEM EMPLOYEE, TO SERVE AS AN OFFICER,  
EMPLOYEE AND BOARD MEMBER OF A BUSINESS ENTITY LICENSING  
TECHNOLOGY FROM THE TEXAS A&M UNIVERSITY SYSTEM,  
THE TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER**

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

The Board of Regents hereby approves Dr. Magnus Höök, Neva and Westley West Professor and Director of the Center for Extracellular Matrix Biology of the Institute of Biosciences and Technology, The Texas A&M University System Health Science Center, to serve as an officer, CartOste, a business entity that has an agreement with The Texas A&M University System relating to the research, development, licensing, or exploitation of intellectual property conceived, created, discovered, invented and developed by Dr. Höök.

~~~~~

Mr. White presented Item 49. Mr. Nye commented that page 26 of the minutes reflected the Board's approval for the Chancellor to negotiate with the Texas A&M Research Foundation. He said that he had made a fairly significant comment at the meeting regarding the resolution and he asked that his comments then and his comments

the day before run with the record on this matter and asked the Chancellor to recognize that.

Mr. Nye also said that he had hoped to get a report on the potential developments of the property where graduate student housing is located and asked that at some point Dr. Gates and his staff present a status report on where we stand on that project. Mr. White said that before the meeting he and Dr. Gates talked about this matter and felt that it was premature to bring the matter forward at this time. He said Mr. Nye's comments were duly noted. Mr. Nye said he moved approval with those two comments.

The Board took action as set forth below:

~~~~~

**MINUTE ORDER 050-2006 (AGENDA ITEM 49)**

**APPROVAL OF MINUTES OF THE  
DECEMBER 1-2, 2005, REGULAR MEETING,  
BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM**

On motion of Mr. Nye with the inclusion of his comments shown on pages 38 and 39, seconded by Mr. Jones and by a unanimous vote, the following minute order was adopted:

The Minutes of the December 1-2, 2005, Regular Board Meeting, held in Stephenville, Texas, are approved.

~~~~~

Mr. White called on Dr. McTeer to present Item 50. The Board took action as set forth below:

~~~~~

**MINUTE ORDER 051-2006 (AGENDA ITEM 50)**

**APPOINTMENT OF  
DR. RODERICK E. MCCALLUM  
AS THE VICE PRESIDENT FOR ACADEMIC AFFAIRS,  
THE TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER**

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

Effective January 27, 2006, Dr. Roderick E. McCallum is hereby offered the appointment of Vice President for Academic Affairs, The Texas A&M University System Health Science Center, at an initial salary of \$242,574.

~~~~~

Dr. Dickey recognized Dr. McCallum. She said that he will be a key member of her staff who has served for some time with the College of Medicine.

Dr. McCallum thanked the Board for the opportunity to serve.

Mr. White presented Item 51. Mr. Jones thanked the Selection Committee on behalf of the Board. He said that the Committee consisted of 18 members and they worked hard. He said that it was a very difficult decision for the committee and they brought three candidates to the Board. Mr. Jones said that after each candidate was interviewed and after much deliberation and due consideration, they felt they had found three good candidates. He said that unfortunately they have to pick one. Mr. Jones recommended Dr. Pat O'Brien as the sole finalist for the position of President of WTAMU.

Mr. Jones said that Dr. O'Brien is currently the Dean of the College of Business Administration at Loyola University in New Orleans and a the Professor of Economics. Before going to Loyola, he held the position of Dean at Jacksonville State University, head of the Department of Economics at the University of Alaska Fairbanks and Visiting Associate Professor of Agricultural Economics at Auburn University. He was born in Oakridge, Tennessee. He received his Bachelor of Science in Economics and his Master's in Agricultural Economics from Auburn University and his Ph.D. in Economics from Oklahoma State University. He has been dean at Loyola for 10 years; served on the university's strategic planning committee, listed in the *US News and World Report* as one of the best undergraduate business programs in the country three of the last five years, the *Princeton Review* sited it as one of the best business programs. Mr. Jones said Dr. O'Brien is also a prolific fundraiser. Under his leadership at Loyola, the College of Business Administration increased its' endowment from \$1.6 million to \$9.7 million and increased the number of endowed chairs and professorships from two to 17. In 2004, the College of Business at Loyola was ranked seventh in the nation by the *Princeton Review* for providing opportunities to minority students. Mr. Jones said he is also a public servant. He is a commissioner on the Louisiana Health Care Commission, serves on the board of directors for the World Trade Center in New Orleans and serves on the executive committee of the New Orleans Chamber of Commerce.

Mr. Jones said that days after Hurricane Katrina, Dr. O'Brien recreated their graduate study program in the Business School on the internet and moved their classroom online. Mr. Jones said that he believes that Dr. O'Brien will be a great asset to West Texas.

Mr. Jones recommended that Dr. Pat O'Brien be named the finalist for the position of President of WTAMU. He said that as required by state law, final action would be taken after 21 days. Mr. Nye seconded the motion and commented that this was a good group and he shared Mr. Jones' appreciative comments about the search committee and the hard work of everyone at WTAMU who helped bring the candidates

forward. He said that Dr. O'Brien was an extremely capable person and they understand that he does not know WTAMU as well as others but they believe that he has the potential to do great things. Mr. Nye said that Dr. O'Brien is very committed, bright, quick, a good manager, experienced, and has raised a lot of money in the past. He said that having said that, they had other candidates and certainly, he would not want the opportunity to pass without saying how highly they regarded Dr. Bill Perry. He said that Dr. Perry has a great record, has done tremendous things at TAMU, and was a very formidable candidate. He said that they all struggled between what he considered to be two really great candidates. Mr. Nye said that they selected Dr. O'Brien for a variety of substantial reasons, but that should not reflect adversely on Dr. Perry, because he feels that he is very capable of running a university and he hoped his name would come forward again. He said that the one good thing about this decision is that it does keep Dr. Perry in the administration of Dr. Gates. Mr. Nye commented that Dr. Perry knew more about WTAMU than Dr. O'Brien, but on balance, he was very strong for Dr. O'Brien. He said that the Board was very mindful of communications they heard from Canyon and West Texas and took particular knowledge and note of former students of WTAMU and elected officials. Mr. Nye said that they tried to arrive at a decision that would serve the best interest of the institution, understanding that everyone has a different view as to who should take these important jobs. He said that WTAMU is a very important university in the System and the Board wants to support it in every way that it can. He said he thought Dr. O'Brien was the right man and he seconded the motion that Mr. Jones had made.

Dr. Gramm thanked the people at WTAMU for the time and effort they put into this process and spending the time to really look at the candidates. She thanked Dr. Sayavedra, his assistant Shauna King, and the office staff at WTAMU for coordinating this effort. Dr. Gramm said that they did have very good candidates, and Dr. Perry in particular, captured the hearts of the Board.

The Board took action as set forth below:

~~~~~

**MINUTE ORDER 052-2006 (AGENDA ITEM 51)**

**NAMING OF  
DR. J. PATRICK O'BRIEN AS THE FINALIST  
FOR THE POSITION OF PRESIDENT OF WEST TEXAS A&M UNIVERSITY,  
THE TEXAS A&M UNIVERSITY SYSTEM**

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

Dr. J. Patrick O'Brien is hereby named as the finalist for the position of President of West Texas A&M University. As required by state law, final action will be taken after the 21-day notice is given.

~~~~~

Mr. White commented that it was a difficult choice and they spent a great deal of time and thoughtful approach.

OTHER BUSINESS

Mr. White announced that the next regular meeting was scheduled for March 23-24, 2006, on the campus of Texas A&M University. He mentioned that at the invitation of Mr. Robert L. Smith, Director of TEEEX, the May 25-26, 2006, Board meeting would be held at the Emergency Operations Training Center (EOTC) located on the Brayton Fire Field, adjacent to Disaster City, in College Station. Mr. White said that this might be the first time the Board has met at an agency.

Mr. White thanked Dr. Dennis McCabe, President of TSU, for doing an exceptional job of hosting the December Board Meeting. Dr. McCabe commented that grass fires near TSU were severe. He thanked Mr. Jim Hull, Director of the Texas Forest Service (TFS), for his service to the people of Texas.

Mr. White asked Mr. Hull to discuss what TFS is doing. Mr. Hull said that 2005 was a severe fire season for Texas. He said that on January 1, 2006, we burned more in one day than we did in the entire year of 2005. He said that all of the drought indices in the State are running, at this time of the year, at higher levels than we have ever seen on record even in August and September. Mr. Hull said that recent rainfall was good for the eastern third of the State. He said that since Christmas, we have seen three fatalities because of wild fire. He said that within his 40-year career he has never seen a fatality because of wild fire in Texas. Mr. Hull said that 344 homes were burned. He said that the way they are dealing with this issue is that they have 72 firefighters and 57 bulldozers to protect the entire state. He said that they have mobilized almost 1,300 firefighters from across the nation, 99 helicopters and air-tankers, 130 additional bulldozers and over 50 pumpers. Mr. Hull said that presently, they are able to keep up with the situation to keep further disasters from occurring. He said that in Texas, two and one-half communities burned to the ground. He said that we have to position the State to take more responsibility for dealing with these kinds of disasters instead of renting resources from other states.

ADJOURNMENT

There being no further business, Mr. White asked for a motion to adjourn. On motion of Mr. Nye, seconded by Mr. Jones and by a unanimous vote, the meeting was adjourned at 11:30 a.m.

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

VBS:jb