

MINUTES

OF THE

MEETING OF THE

BOARD OF REGENTS

OF

THE TEXAS A&M UNIVERSITY SYSTEM

HELD IN

COLLEGE STATION, TEXAS

March 29-30, 2007

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**MINUTES OF THE
MEETING OF THE BOARD OF REGENTS
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(Secretary's Note: The Committee on Audit convened at 9:43 a.m. and adjourned at 10:51 a.m.)

CONVENE – THURSDAY, MARCH 29, 2007

Mr. John White, Chairman, convened a regular meeting of the Board of Regents of The Texas A&M University System (TAMUS) at 11:00 a.m., on Thursday, March 29, 2007, Board of Regents Meeting Room, 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
Mr. Lowry Mays
Mr. Erle Nye
Mr. Gene Stallings
Ms. Ida Clement Steen
Ms. Cassie Daniel, Student Regent

Mr. White announced that a quorum of the Board was present.

The following member of the Board joined the meeting after it was convened:

Dr. Wendy Gramm *(joined meeting at 12:45 p.m.)*

RECESS TO EXECUTIVE SESSION

Mr. White announced that the Board would recess to executive session to consider matters as provided in Chapter 551 of the Texas Government Code: Section 71, for consultation with System attorneys regarding legal matters or pending and/or contemplated litigation or settlement offers; Section 72, for deliberations regarding the purchase, exchange, lease or value of real; Section 73, for deliberations regarding negotiated contracts for prospective gifts or donations; and Section 74, for deliberations regarding personnel matters relating to appointment, employment, evaluation, reassignment, duties, discipline, or dismissal or to hear complaints against an officer or employee (including Items 35 through 37 and 39 through 42).

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 met in executive session from 11:00 a.m. until 2:35 p.m.)

RECONVENE BOARD MEETING IN OPEN SESSION

Mr. White reconvened the meeting at 3:05 p.m. and announced that a quorum of the Board was present. He said that the Board had met in executive session earlier that same day from 11:00 a.m. until 2:35 p.m. Mr. White said that in executive session, the Board considered Items 35 through 37 and Items 39 through 42 and would take action, as needed, on these items at the end of the meeting during the reports from the standing committees. Mr. White said that they had also conferred with the Chancellor, several System and university administrators and System attorneys on personnel, land and legal matters.

INVOCATION

Mr. White called on Josh Johnston, a senior Communications major at TAMU and a member of the Texas A&M Men's Basketball Team, who presented the invocation.

CHAIRMAN'S REMARKS

Mr. White said he wanted to give honor to Regent Lupe Fraga, as he would be receiving an award as a "Texas Legend" from the Houston Galleria Chamber of Commerce that same evening. Mr. White congratulated Mr. Fraga on behalf of the Board, noting that this was a well deserved award.

Mr. White reported on his and others' recent trip to Texas A&M University at Qatar (TAMUQ). He said it was a remarkable experience and pointed out that the A&M System, Texas A&M and the State of Texas were very well represented and received in Qatar. He said it was fascinating to see what they were doing in Qatar and their belief that, through education, they can bring stability to that part of the world, and beyond. Mr. White stated that it was a remarkable achievement for Texas A&M, this System and the State of Texas. He thanked Dr. David Prior, Executive Vice President and Provost at TAMU, for the work he has done towards the accomplishments at TAMUQ.

Mr. White announced that Dr. Prior would be taking a position at the University of Texas System (UTS) and stated that he would be missed, noting that Dr. Prior has been an incredible asset to the A&M System.

Mr. White welcomed Ms. Cassie Daniel as the new 2007 Student Regent. He stated that she is a student from West Texas A&M University (WTAMU), a native of Hereford, Texas, and pursuing a bachelor's degree in political science. He noted that among the many things she has done, she serves as the president pro tempore of the WTAMU Student Senate and is the Chapter Chairman for the Young Conservatives of

Texas at WTAMU. Mr. White stated that Ms. Daniel has quite a list of achievements, but highlighted a few to include being a 2006 Ronald Reagan Future Leader Scholar, State Award recipient for Outstanding Chapter Chairman for the Young Conservatives of Texas, and is active in scouting. Mr. White said Ms. Daniel has won a number of awards, but generally she was someone who had achieved great things and he believed she would be a great addition to the Board. Mr. White stated that Ms. Daniel was appointed as Student Regent by Governor Perry on February 5, 2007.

Ms. Daniel said she was honored to serve with other individuals who have a great heart and a great passion for the System and those who really wanted to see the students succeed. She said she knew that working together with the university presidents and the students while bringing those opinions together, would help to make the A&M System the absolute best in Texas.

Mr. White introduced Ms. Darlene Levens who recently joined the Office of the Board of Regents as Assistant Executive Secretary to the Board.

Mr. White said that a few months ago he had asked the Board of Regents Office to take a look at possibly having a live video webcast of the Board meetings. Mr. White said this was being tested internally.

Mr. White said the Board had received a run of anonymous letters on various subjects. He said he was fascinated that people would think that it would be effective, because it was not. He stated that he has conflicting emotions about it: 1) Why don't people have the courage to sign the letter that they send to the Board so that they can defend and be accountable for their position? He said the conflicting part was: 2) Are there certain parts of the System where people believe that is the only way they are going to be heard and not have retaliation? Mr. White said he was conflicted because if it was the latter, there is a problem that we need to continue to work on. Mr. White noted that this is an open system and the Board encourages communication and encourages people to have the ability to speak up and to speak out. He said it was a worthy goal and the Board is sensitive to openness and accountability and what we do for the State of Texas.

Mr. White acknowledged the presence of Dr. Stanton Calvert, Vice Chancellor for Governmental Relations, after his recent accident and stated it was good to see him at the meeting.

CHANCELLOR'S REMARKS

Dr. Michael D. McKinney, Chancellor, stated that he, too, was especially glad to see that Dr. Calvert was back. Dr. McKinney commended Dr. Kemble Bennett, Vice Chancellor and Dean of Engineering at TAMU, for receiving the 2007 Distinguished Engineer Award by the College of Engineering at Texas Tech University.

Dr. McKinney reported on events that had transpired since the February Board meeting. He gave a report on A&M System Day in Washington, D.C. which was held February 5-6, 2007. Dr. McKinney said the purpose of the A&M System Day was to inform the policymakers, members of Congress, those who work in the agencies for the members of Congress and to say “thank you” for what they have done for us. He pointed out that it was also an opportunity to see if there were other areas where we could work with them in terms of research, contracts and supplying them with information. He gave highlights of the event and pointed out that they were impressed with the attendance, interest and interaction between the System and the members of Congress. Dr. McKinney reported that the System was well represented in Washington and that it was a very successful day.

Dr. McKinney reported that the A&M System was a part of an Annual Economic Impact Study that was done by Texas A&M. He stated that the study showed that Texas A&M, the A&M System and the A&M components that are based in Brazos County had a record \$2.7 billion impact in the Brazos County area during the calendar year 2006.

Dr. McKinney highlighted a recent meeting in Austin with the Chancellor’s Student Advisory Board (CSAB). He stated that they are a great group, that it was a successful meeting and that he felt it was informative and had assisted him in knowing what changes needed to be made.

Dr. McKinney reported that the Chancellor’s Century Council meeting was held at Texas A&M University-Corpus Christi (TAMU-CC). He said more than 150 attendees toured the Corpus Christi campus. Dr. McKinney said one of the highlights of the trip was participation in the dedication of a statue of the late State Representative Irma Rangel at the Irma Lerma Rangel College of Pharmacy at Texas A&M University-Kingsville (TAMU-K) with Dr. Nancy Dickey, Vice Chancellor and President of the Health Science Center (HSC), and some of her faculty. The dedication was followed by a tour of the Kingsville campus.

Dr. McKinney reported that on February 23, 2007, the Office of Technology Commercialization had a patent and awards luncheon in recognition of individuals around the A&M System that were issued patent awards within the last year. He stated that 21 patent awards were presented to individuals employed within the A&M System. Dr. McKinney said that it was a well designed and well deserved recognition.

Dr. McKinney said he had visited eleven A&M System campuses or agency headquarters since coming on board with TAMUS. He commented on his amazement of the “hidden jewels” scattered throughout the A&M System.

Dr. McKinney commented on the Systemwide recruiting brochure and thanked Ms. Terri Parker, Director of Communications, and Dr. MacGregor Stephenson, Associate Vice Chancellor for Student Affairs, for their fine work on this project.

LEGISLATIVE UPDATE

Mr. White stated that he has had so much positive feedback on the systemwide approach. He said a meeting had been held with all the agency heads and university presidents to talk about the Political Action Committee that was off and running. He said it was all about collaboration. He pointed out that every time the A&M System acts as a system, it helped all of us and it was a powerful message. Mr. White called on Dr. Calvert for the legislative update.

Dr. Calvert said that the format was the same that had been used in the last several reports, but he pointed out that the qualifier for everything he said was “as of today.” He said since the report was prepared, things have changed and some of the material he brought with him to the meeting was already outdated. Dr. Calvert advised that the scorecard was to give a report on where we stand with respect to the agenda that was brought to the Board in September. He pointed out that, as before, we have divided the agenda items into three categories: higher education issues, A&M System issues and institution or agency specific items.

Dr. Calvert reported on the higher education issues first. He pointed out that when he brought forward this format previously, we had no accomplishments to reflect regarding any of these items; yet today there were quite a few of those with both House and Senate Committee action and a number of others where one chamber or the other had acted. Dr. Calvert said he was concerned about the items that have not yet been done, but he wanted to recognize what the legislature has already done for higher education, which he reiterated was subject to change. He stated that the legislature had restored the 10% reductions that we were faced with when we submitted our request. He also noted that they have funded the new student growth in both the academic institutions and the health-related institutions. Dr. Calvert said the legislature has also funded the debt service for all the Tuition Revenue Bonds (TRBs), both old and new. He noted that, of all those bonds that were approved about a year ago, the legislature has funded the debt service on every one of them.

Mr. White asked if the approvals included Prairie View A&M University (PVAMU). Dr. Calvert answered that it did not include PVAMU, noting that PVAMU was not included among those that were approved last year. He stated however, that a bill has been filed to authorize the TRBs for PVAMU, conditional on the authorization bill passing to also fund the debt service. Dr. Calvert pointed out that it was a long way from passage, but he stated that it has good support and we were in a good position on the bill for PVAMU. He said they funded small increases in the health-related formulas: the Senate was about \$40 million and the House was about \$50 million. Dr. Calvert said student financial aid has been funded at about \$130 million in the Senate Finance Committee and about \$150 million on the House side. He noted that these were significant improvements in student financial aid. Reporting on the Higher Education Fund (HEF), Dr. Calvert stated that we have six universities that are not eligible for capital funding in the Permanent University Fund (PUF) and they are in the HEF. He

noted that \$175 million had been added to the HEF. He said the two committees have already agreed upon funding between \$630 million (on the low side) and about \$660 million (on the high side) for higher education.

Dr. Calvert said that with respect to our own particular issues, which included some that were still outstanding, PVAMU's main issues going into the session were to try to achieve continuation of funding for the programs that were begun under the state's previous agreement with the Office of Civil Rights (OCR). He said those were now being referred to as the "Program Implementation Funds" in order to make good on the commitments that the state made to PVAMU and the commitments that PVAMU has made to its students, to the Board and to itself. He said we have some reconciliation to do in conference, but pointed out that we were on the board with that funding in both the House and the Senate.

Dr. Calvert said that, regarding the Galveston issue, both the Finance and House Appropriations were done, barring something going amiss. He said it should not be a conference issue, but should be carried forward. He said the Pharmacy School is the same way with \$11 million for both current students and the students in the upcoming biennium funded. Reporting on the College of Medicine expansion, Dr. Calvert noted that the Finance Committee just added the expansion yesterday. He said the Senate put \$10 million in real money (Article III money) and another \$10 million in their "seriously wished for, hoped for or going to try to do," making a total of between \$36 million (on the low side) and \$46 million (on the high side) of A&M specific items. He pointed out that the scorecard shows which items are pending and have been funded by one chamber and not the other. He said he really dealt only with the ones funded in some measure by both committees.

Dr. Calvert reported on formulas, stating that he had not mentioned it because it had not been done in both chambers. He said the Senate had added \$100 million to enhance the academic formulas, the House took another approach which he said was a good approach, but it was a new formula to encourage and "incentivize" institutions to be more competitive both nationally and internationally through research, innovation and breakthroughs in knowledge. Dr. Calvert said the House has come up with an innovative formula where they put about \$50-\$60 million into it and swept about an equal amount from primarily TAMU, University of Texas, Tech and Houston and then lesser amounts from the other institutions. It is then put together and redistributed according to a formula based upon research expenditures. He said the result was that it preserved the current level of funding that Texas A&M has had in the last two sessions for Faculty Reinvestment, which was in a new category for encouraging research and other breakthroughs to make Texas more competitive. He said the University of Texas at Austin is helping to address a variance in funding between the two flagships that existed previously. He noted that this does not completely solve it, but it went a long way toward solving it. He said a very important part is that every other academic institution shares in that \$110-\$120 million that is available now for competitiveness.

Dr. Calvert reported that the Faculty Reinvestment final installment for Texas A&M was definitely not finalized yet, but they were working on it. He stated that pay raises were still important and still an emphasis but a big issue and a tough goal. He reiterated that pay raises would be a tough goal both for State employees and institutions of higher education. He said the institution-specific request was virtually none; meaning that virtually none has been approved yet in either the House or the Senate because it was a little early for those.

Mr. White clarified that what Dr. Calvert was saying is that our system was no different than the other systems. Dr. Calvert answered in the affirmative. He said there was around \$10 million for both the System Center in Killeen and the System Center in San Antonio for which we are seeking operational funding. He stated there has been a good bit of interest in changing the threshold requirements to trigger the eligibility for TRBs and provide the debt service to go with that; however, TRBs without the operational funding to increase the enrollment and provide the programs for the students in those two locations was questionable at best. He said that we needed the operational funding and if we got that, then we needed the facilities and space to house the students and the programs. He pointed out that we have been on the route before of getting facilities before we got operational funding and that presented a difficult situation.

Mr. White said that since the last Board meeting, when a location was selected in San Antonio, there has been a lot of interest in that community in helping us and watching what we are doing. He said as a community they are keenly interested -- and not that Central Texas is not interested -- but there seems to be a lot of demand for movement in San Antonio. Dr. Calvert said the San Antonio area enjoys the representation of four senators and all four are committed to this institution that will be Texas A&M University-San Antonio. He said the House members were supportive of this university, pointing out that he has not talked to every one of them. He agreed with Mr. White that it was important to get the energy focused to make good on the support that's out there, but the residual support was very strong. Dr. Calvert said this was the same for Killeen as well. Mr. White commented that he did not mean to indicate it was not, but since the site selection in San Antonio they seemed to be very eager. Dr. Calvert replied that getting funding for new institutions was a "pretty steep hill," noting that we have to work very hard to get that operational funding.

Mr. Nye commented that he was aware that our friends in Austin have concerns about the Top 10 Percent rule and asked if there had been any action around that. Dr. Calvert responded in the affirmative noting there have been around thirty bills that have been filed relating to Top 10 Percent and around the same number related to tuition. He said only one of the Top 10 Percent bills has been heard in committee and speculated that it probably will be the vehicle bill.

Mr. White asked if Dr. Calvert expected action on this bill. Dr. Calvert responded in the affirmative that he definitely thought there would be action on the Top 10 Percent rule.

Dr. Calvert gave thanks to those that had filled in the gaps while he was out and stated that he rendered it with appreciation and respect for what this group has done. Mr. White agreed that we have assembled a great group of people and they are serving the System well.

Mr. White asked Dr. McKinney if this completed his report. Dr. McKinney said it did, but he asked to talk about the System centers and stressed their importance. He said there was a lot of talk about changing the threshold from 1,000 to 1,500, but if we do not get the operating funds, then we are not going to grow. He said we would have to talk again about the projection of how long we think it would take us to get to 1,500, if we do not get the operating funds. He pointed out that he did not want to underemphasize the importance of that outstanding issue. Mr. White agreed.

Mr. Nye asked Dr. McKinney how many students were needed before we could get the funding. Dr. McKinney responded that currently to get the TRBs, they have to have 1,500 full-time equivalents, counted the way that they were currently counting. He said there have been proposals to change the way they counted and to change the number. He said indications are that the legislature as a whole was not interested in changing the way they count.

Mr. Nye asked about the standard for University of North Texas. Dr. McKinney replied that it was the same and that was part of the issue, noting that if they change it for one, then they would have to change it for all. He said it does not matter to us because if we do not get the funds, we are not going to recommend that it be independent even if it is at 1,000, because it is not self-sustaining.

Mr. White pointed out that the “whip saw” comes if we hit that trigger and do not have operating funds.

Dr. McKinney stated that would put us back to the same place we were with the Pharmacy School, noting that right now in San Antonio we have a beautiful site for the campus. He stated that we are in the process of building a foundation for scholarship money, but if we do not get operating capital to increase the course offerings, we can not run it.

Mr. White asked if there was anything else before moving forward with the public hearings on proposed increases and designated tuition. He said he was aware there was continuing debate about deregulation of tuition and said that he attended a meeting of all the chairmen of all the systems in Texas, noting that at the meeting they talked about tuition. He said it was interesting that the approach we started taking two years ago after deregulation, where we looked to the presidents to come to the Board with alternatives depending on what the legislature did, was a process that was now being emulated by all the other systems. He said he was pleased to report that the process has been well received by the legislature. Mr. White said he thought it was important and the Board appreciated all the work that the presidents and chief financial officers (CFOs) and

everyone around the System have put into this issue that affects every student that attends one of our universities.

PUBLIC HEARINGS ON PROPOSED INCREASES IN DESIGNATED TUITION

Mr. White announced that the governing board is required by the Texas Education Code, Section 54.0513(f) to hold a public hearing to increase designated tuition beyond the amount charged as the building use fee in the past academic years. Similarly, Section 54.507(e) provides that an increase of less than 10% in group hospital fees may be imposed only after a public hearing by the Board that is open for student comment. He said the group hospital fees that have been proposed involve less than a 10% increase. Mr. White stated that Ms. B. J. Crain, Associate Vice Chancellor for Budgets and Accounting, was available to comment if there were any questions on the group hospital fee issue.

Mr. White announced that the Board would proceed with conducting the public hearings on proposed increases in designated tuition and group hospital fees. He said that persons wishing to make public comment on these proposed increases should sign in on the sheets outside the meeting room. He said that the Board would hold a hearing for each of the eleven institutions seeking an increase in designated tuition. Mr. White said that in addition to hearing from each president, the Board would hear up to two minutes of public comment on each institution's proposal.

Mr. White said that after the hearings on designated tuition, the Board would conduct hearings on proposed increases in the group hospital fees for four institutions.

Mr. White said anyone in the room that wanted to make public comment needed to sign up as a means of registration and to make sure that the Board was aware of their desire to speak.

Mr. White called on Dr. George Wright, President of PVAMU.

Mr. Stallings said he has been reading primarily about Texas A&M and it said "as required by statute." He commented that if he was a student going to Texas A&M and "as required by statute, a portion of this increase would be set aside for financial aid for undergraduate and graduate students..." He said "in the words of a student," here I am having a hard time making that payment and now I've got to set aside some money for a graduate student to go to school? Mr. Stallings asked what statute was that. Mr. White answered that the institution sets aside the money but, if Mr. Stallings was asking if a student who pays tuition also was funding financial aid, the answer was "yes." Mr. Stallings reiterated that it says "by statute." Mr. White answered that Mr. Stallings was correct. Mr. Stallings questioned what statute it was. Mr. White answered that he would have to defer to Mr. Mike Godfrey, General Counsel, to get a copy of the statute to him.

Mr. Nye said that the theory was that there were a certain number of students at this trigger point when you raise that tuition; they simply can not make it; therefore, you try to funnel some money back to the institution to those who are at the tipping point. He stated that some people have a relatively easy way to pay the additional tuition, some others are mildly impacted and some others are critically impacted and it was a redistribution of some of the increase with the hope that you would avoid getting those folks who are just at the tipping point – could not make it. Mr. Stallings said they still have to pay it. Mr. Nye answered that they do pay it, but if it was covered in a scholarship, it did not matter so much if somebody else was paying part of the increase. He reiterated that it was just redistribution.

Mr. Jones commented that we could not only charge the students who could afford to pay and increase the amount in tuition in order to fund scholarships for those students who could not pay. He said you have to charge everybody the same amount and then those students who could not otherwise pay would hopefully qualify for scholarship monies that you could get that the other students are paying. He agreed with Mr. Stallings that it did not make a whole lot of sense, but if we are going to raise it, we need to raise it for everybody.

Prairie View A&M University

Mr. White asked Dr. Wright to include in his comments the process and conclusions of the hearing held at Prairie View.

Dr. Wright reported that over the last six years, substantial resources have been invested by the State, the A&M System and PVAMU. He said four academic buildings were planned, constructed and completed all on time and under budget. He reported that a dozen doctoral, masters and undergraduate programs were planned, and then approved through the Texas Higher Education Coordinating Board (THECB). Dr. Wright said that faculty members were hired and students were recruited. He said the campus had been enhanced through the establishment of an energy savings program and the program and construction of a robust IT network was being completed. Dr. Wright reported that additionally, the university began its first ever capital campaign and has reached two-thirds of its goal. He commented that they were extremely grateful for everyone's belief and support. He said this year PVAMU was at a very critical financial turning point. He stated that the Texas Commitment to the OCR Priority Plan would end on August 31, 2007, resulting in a possible loss of \$12.5 million per year for the university unless the state legislature agreed to continue the funding in some form. Dr. Wright said he had been working diligently with legislators, governmental relations staff members and others to see that this funding continues until they have grown their enrollment to a self-sustaining level without sacrificing program quality. In addition, internally they are working together to open new avenues of student service and programming so that their enrollment growths can be achieved. Dr. Wright said that he was very thankful for the strong support of Chancellor McKinney regarding the continuation of OCR funds. Dr. Wright stated that since their appropriations have yet to be finalized by the legislature, he came with two designated tuition ranges – a \$0 to \$18/semester credit hour

(SCH) range that they would hold to if the OCR funds were continued in some form; and a second proposal – a \$0 to \$66/SCH range, in the unlikely event that the funds were not continued at all. He said in each instance, he planned to increase designated tuition only to the point required to balance their budget. For instance, he has held off approving virtually all of the new fees that the deans and others asked him to consider because they wanted Prairie View to remain as accessible financially as it can be. He said he had explained this to the faculty, staff and students during their campus public hearing on January 25, 2007. Dr. Wright said the hearing was attended by 91 individuals who listened to him and their CFO, Ms. Mary Lee Hodge, explain Prairie View's financial situation. He said at the end of the presentation, they took a wide range of questions. He said there were questions about the AUF distribution between TAMU and PVAMU, the bill that focuses on the cost of books, the process of setting out-of-state tuition, how they would be increasing campus services, the impact of fee increases on enrollment and whether they were looking to freeze tuition. He stated that there was a comment made about their campus' theater equipment. He noted that while all those who spoke agreed that they did not want to increase tuition or fees further, there were students who stated that they understood that it might be necessary and unavoidable. Dr. Wright reiterated that assuming that the OCR funds were continued at near the current level, they would only increase designated tuition to the level necessary to balance their budget. He added that they were going to do more than that. Dr. Wright said they would internally reallocate funds to achieve a number of necessary objectives. Dr. Wright said they wanted to replace the formula funding decline not covered by the hold harmless appropriation. He said that right now because of their enrollment decline that PVAMU, under the best case scenario, would be budgeted at 97% of their current budget. He stated that they realize they needed to take a cut to make that work. He said they needed to have funds for the maintenance contract for the nursing building at the Texas Medical Center. He said there were some estimated cost increases in insurance, in TTVN, IT, SAGO and utilities, so some of the increase would go toward that. Dr. Wright stated that they were into the first phase of a staff equity adjustment program. He said they wanted to put some of the funds in that and were committed to meeting the need in northwest Houston for off-site programs from their main campus and, like other institutions, they have critical staffing needs. He said if this was approved, they would have a 3% salary increase for a merit program. He reiterated that the Chancellor has emphasized that not everyone across-the-board would receive 3%, but it would be a 3% pool. Dr. Wright said he sincerely appreciated the support for PVAMU.

Mr. Nye commented that he was a big fan of Dr. Wright's and that he really appreciated the remarkable job that Dr. Wright and his faculty and administration have done at PVAMU. He said that he could read between the lines that he could not get too excited about \$66 increases, but he did read into what Dr. Wright said that maybe a \$12, \$13, \$14 or \$15 increase on an \$80 base might be possible. He said looking at the percentages, that was a big percentage. Mr. Nye said he was aware there are probably some students that are at that tipping point at PVAMU and we are anxious to get more of those students at PVAMU and to bring more students out of northern Houston. Mr. Nye said he wanted to do everything he could to help. He said this goes for all the institutions -- that at some point, those levels of increases are unacceptable. He pointed out that these

are big percentage increases. Mr. Nye asked Dr. Wright that with inflation being at 3%, how long we could anticipate double digit increases in tuition. He asked Dr. Wright if we would be back here in two years talking about the same level of 20% or maybe an 18% increase.

Dr. Wright said he wished that he could disagree with some of Mr. Nye's comments but he could not. He said that they did not want to increase designated tuition and that they would go a step further. He added that no matter where they came in, they were going to take a budget cut to prevent them from having to increase things even more. Dr. Wright said they felt like the pay increase issue was something that they would have to do and this time they wanted to include top level administrators. He said at PVAMU on several occasions they have held the line and made sure that the top level received a much lower pay increase because they were concerned about the people making \$20,000 to \$25,000, not the group \$75,000 and above. He pointed out that they have worked with their legislative group and felt they have the support where people understood the issue at PVAMU and the fact that they have reached a limit on what they can do. He said the key that he tries to emphasize is "reallocation" to make their programs work with the budget cuts that they have to do.

Mr. Nye commented that he thought that was very courageous.

Dr. Wright said they had to do those two things because they were beyond being able to increase much. He agreed with Mr. Nye's "reading between the lines," noting that the Chancellor has "gone out on a limb" and said that we did not have to worry about that second scenario – the \$0 to \$66, but even a \$10 increase at this point and time would be quite a lot.

Mr. Nye noted that Dr. Wright had mentioned AUF distribution between TAMU and PVAMU. He said that he had understood that a while back we had a study that would have substantially redistributed AUF funds and he understood that it had been pulled. Mr. Nye asked if there has been a redistribution of AUF in the last couple years between TAMU and PVAMU. Dr. Wright said he would attempt to answer the question although he said his financial person was there and she could probably explain the number a little better.

Mr. Nye said he was wondering if there was an impact on the budget and asked Dr. McKinney if he knew. Dr. McKinney suggested having others answer that question.

Ms. Mary Lee Hodge, Vice President for Business Affairs at PVAMU, stated that they have been held constant by the System. She noted that they get \$12,143,000 a year from an AUF allocation and the System. In relation to their rising costs that number has held constant. She said the methodology for the allocation was changed with the previous Executive Vice Chancellor for Finance, noting that now the allocation will be based on first, it comes off for debt service at the System level and then some of the System costs would come off. She said in the allocation in the future, they have a letter that will be based on the pro-rata portion based on weighted-student credit hour

production. She said it has been a little problematic for PVAMU, but they understood the methodology and will do everything they can to grow their programs.

Mr. Nye asked if that has the effect of smaller amounts of funds coming to Prairie View. Ms. Hodge said the System has given them a “hold harmless” letter and so the allocation to PVAMU will remain at \$12,143,000 for next year.

Mr. Nye said to Ms. Hodge that he heard her say the “methodology” in principle was okay and it’s just the application to this current situation. Ms. Hodge said the previous allocation method approved by the Board was based on a pro-rata portion of the general appropriation with some things not included, but it was generally based on the general appropriation by the legislature. She said that methodology was reviewed and it was determined that the feeling at the System level at that time was that weighted student credit hours was a more rational base. She said they had done a number of analyses on that. She pointed out that there were probably people who could answer their analysis a little better than she could. Mr. Jones asked who at the System office could answer questions about their analyses. Ms. Hodge said they were presented the results of their analysis and told this was the new methodology. Mr. Jones asked if that was contrary to what the Board had previously approved. Ms. Hodge said she thought the Board approved the budget every year, so in effect; they were approving the allocation method when they approved the budget for the System. Dr. McKinney said that was one of the things they were looking at very seriously. He said it was not just the allocation of the AUF, but the allocation of the AUF between the System, TAMU, PVAMU and some of the assessments that we have around the System. Dr. McKinney said he would recommend a change in the allocation formula and would recommend a clearer methodology – one that was more easily understood and one that they would notice if it changed. He said he was committed to doing that, noting that they have been working on it trying to hold both places harmless, not to take money away that they received last year. He said the AUF funds are increasing and not decreasing. Dr. McKinney said it makes it very hard for them to budget if they can’t even get within \$1 million of what it was they were going to get. Ms. Hodge said to please understand that they have been very open about the process they have gone through and they have shared that with them.

Mr. Nye said he was fine with that and he appreciated it and openness was good but, participation was better. Mr. Nye said he wanted to make the point that he was one for allocation and purity in allocation and being theoretically accurate are things we should strive for and try to get causation related to impacts. He stated that he was all for that, but when going to a new method to make sure that, in the transition, people are not unduly impacted from the old faulty system to the new theoretically perfect system; therefore there needs to be some transitional consideration. Ms. Hodge acknowledged her appreciation to Mr. Nye.

Mr. Nye said the Chancellor was working really hard to make the System operations efficient and productive. He said we have a great group of people, but there were always ways to make it better. He asked what the increases have been for the last couple of years in SAGO costs. Ms. Hodge stated that they have had an increase;

however, they were told at the CFO meeting that there would not be an increase. Ms. Hodge expressed their appreciation for that.

Dr. McKinney stated that they were looking at costs and would not waste their money or our money. He said they were looking at costs and then methods of finance. He said he would come back with details of how that would be done. Dr. McKinney commented on designated tuition and said that when we look at these proposed increases, almost all of these were given to us before we even had the base bill, so a lot of the increases were taken care of the day that the House or the Senate introduced the bill. He said the other thing was that when we started looking at the size of the increase in the tuition, there were two different pieces and what we are dealing with is this designated tuition. He said to keep in mind that there is \$50 that is added onto everybody and whatever that number is that we are talking about increasing, there is \$50 worth of tuition on the other side. He explained on a particular item that said designated tuition is \$80 and it may go up \$10, however the truth is tuition would be \$130 and it might go up. Dr. McKinney said there is an index called Higher Education Inflation Index which was in the neighborhood of 5%, but was above the Consumer Price Index. He said the Higher Education Index was 5%.

Mr. Nye said that since he has been in the utility business, he has always wanted to compare the utility increases because he knew utilities were going up faster and higher education was going up faster, but there was a little bit of feedback in that. He explained the more other people raise their tuition, the more we can justify raising our tuition. Dr. McKinney said he was referring to the cost and it did not have anything to do with the tuition, but cost nationwide. Mr. Nye said he understood, but we were comparing with a high cost group.

Mr. Jones asked a follow-up question to make sure they were comparing “apples to apples.” He asked if the \$2,000,396 that we have on the restoration of the 10% reduction, was that the same 10% that Dr. Calvert indicated, although it’s early but is currently in the bill that is passing through the legislation process right now. He said if that bill survived and that 10% restoration stayed in, he assumed that the 10% restoration item would drop off. Ms. Hodge responded that it was already in their calculation. She said the way they would spend the money would combine the 6% across-the-board budget cut with up to a \$15 increase in designated tuition. She said the first dollars would go to cut the 3% that they did not get hold harmless from their lack of growth and formula funding. Ms. Hodge stated that they were allowed to get a special “dispensation” to where they were only held to 3% reduction, but they needed to make that up so they did not lose any of the classes that they are teaching. She added that the whole crux of what PVAMU has to do was to grow its enrollment to a self-sustaining level and they could not do that if they did not offer the classes. She said the whole point of what they were trying to do was to keep the classes they have going and then add in the northwest Houston area to attract the commuter market that Prairie View has not drawn as part of its base. Ms. Hodge said part of what the money would go toward would be some staffing salary increases because they were in a competitive Houston market. She said the rest of

it was to try to help grow the academic programming and their enrollment. She said that was really what it was – the seed money for that growth.

Mr. Jones said he wanted to make sure he was clear and began to ask about funding. Ms. Hodge interjected that the 10% reduction was on special items. Mr. Jones asked if this number does not drop off, because the way he read it was that their option 1 proposed fee increase included \$2,000,396 for restoration of the 10% reduction. Mr. Jones reiterated his question and asked if you get the 10% reduction restored by the legislature, meaning they fund that, is that still going to be part of your tuition increase. Ms. Hodge responded that would have been where they went up to the \$18, but they were not going to have to go that high now. She said that's why the president has indicated they would only be going to \$15, if they get all of the OCR funds. She noted that it has changed since they provided the information to the Chancellor's Office because that went in much earlier in the legislative appropriation.

Mr. Jones said he understood the timing and that he was not questioning the timing part, but he thought the way he read their fiscal year proposed increase, it included certain things. He said they had split it up which was great, noting that was the way they have been asking for the years past – where is the money going, what are you using to justify to the students why they are having to pay more in fees. He reiterated to make sure he understood correctly, if one of the items that you were funding by the student increase in tuition was a restoration of the 10% reduction, but you get that money restored by the legislature, then you did not need to charge the student as much. Dr. Wright and Ms. Hodge both responded that Mr. Jones was correct. Mr. Jones said to assume that happens, when we come back this summer for the final approval, that number would be off and the tuition rate would be lower. Dr. Wright said that was why it was \$0 to \$18. He said they had acknowledged that it should not be at \$18; it would be more like \$0 to \$15 and realistically \$12 to \$15. Mr. Jones responded that he understood.

Ms. Hodge said they would not charge any more than they needed to balance the budget and that they were especially sensitive to that at PVAMU.

Dr. Wright asked to make a final comment going back to what Regent Nye had said earlier. He explained that Ms. Hodge and he had worked together at UT Arlington where they had to, for very similar reasons, cut the budget and reallocate. He pointed out that they had already said to all of their deans and vice presidents in a special meeting that they needed to look at travel, open lines and a lot of things. He added that they would be doing business very differently next year at Prairie View because they had no choice in the matter. He said it was for that reason that they mentioned they could not go back to the students; but rather they have to do it themselves. Mr. Nye responded by thanking Dr. Wright.

Mr. White asked if there were any other questions by the Board. There being no further questions, he asked Ms. Jessica Berry, a student at PVAMU who signed up to speak to the Board, to come forward and make her comments.

Ms. Berry, a junior and a member of the Senate at PVAMU, began by thanking the Board for inviting her to come speak. Ms. Berry said she had spoken to over 300 students around campus in the past two weeks, giving them a questionnaire on how they felt about this fee increase. Ms. Berry said almost every student she talked to said that this would probably be detrimental to a lot of students. She said in the fall of 2003, the actual designated tuition was \$46 and now the proposed was going to go up to \$95 or possibly \$96. She pointed out that this was almost double what they paid in the fall of 2003. She said a lot of these students have already had multiple fee increases and have already been subject to three fee increases consecutively. Ms. Berry stated that she was for fee increases because she felt it progressed the school and that was the only way to implement a program. She said at the same time, these students have been subject to three consecutive fee increases already. She said from a freshman to a senior, four consecutive increases – that was a big jump for them – that's paying almost double what they paid their freshman year. She said a lot of the students do have a problem with this fee increase. She said from a student's perspective, there needs to be some plateau – some place where they can stay, stop, pause, get our heads straight and then increase it again later on down the road. Ms. Berry said at this point and time, she did not believe PVAMU should have a fee increase. She said with the OCR Plan, this would be very detrimental to PVAMU. She said she had talked to a few classes and as she brought it up, you could see the disgust on their faces thinking they would have to pay \$146/SCH rate. She said that was almost unheard of at Prairie View and noted that they were founded as a university to accept people from lower income families and households. If they increased the SCH to \$146, this would kick a multitude of students out of school, which would decrease their state funding, which would put their school in jeopardy of almost closing. She said this was a very strong issue for them and just getting the support of the Board would be really good, especially with going through the legislature trying to get this bill passed. She said if this bill was not passed, there was no future for PVAMU, because students could not pay those high prices. She stated that Lieutenant Governor David Dewhurst also said in a conference that he was proposing to add \$1.7 billion into higher education and this was something we really need to fight for to see if we can get this actually passed. She said PVAMU could actually be allocated some of that money and then they would not have to give students such a high fee increase with inflation and the economy going up. She reiterated that the students could not take another fee increase at this point and time. Ms. Berry said she understood and everyone did need fee increases, but not in such straight increments; they needed a time to breathe and a time to reiterate why they were going to school, not how to pay for school.

Mr. White thanked Ms. Berry for her comments.

Mr. Nye said maybe he should defer to the Chancellor or Dr. Calvert, but the OCR funds were likely to be restored.

Ms. Daniel said she was very interested in student opinion and input and one thing she would like to do is try and find measures that we could put in place for students to express their opinion in other avenues and to be more informed on tuition matters. She said she would definitely like to speak with Ms. Berry. Ms. Daniel said she knew they

have had some problems in the past and this was a very sensitive issue for PVAMU, noting she would like to see what the PVAMU students think of other ways to find initiatives or ideas that may seem “out in left field” that may be possible to implement or look at to see if it could help the students in general. Ms. Daniel stated that she appreciated Ms. Berry providing testimony.

There being no further comments, Mr. White announced that the public hearing for increases in designated tuition for PVAMU was closed.

Tarleton State University

Mr. White called on Dr. Dennis McCabe, President of Tarleton State University (TSU). Dr. McCabe said that Tarleton has a very strong and lengthy record of keeping its costs low for its student. He said the THECB data showed that Tarleton was consistently in the bottom 25% when it comes to total costs for its students. He noted that the administration at Tarleton had worked on this proposal since October and much planning, thought and care was reflected in this proposal. Dr. McCabe stated that Tarleton was growing and as a growth institution, it puts pressure on the budget as well as the issues of quality and new programs. Dr. McCabe said Tarleton held a meeting at Killeen on January 23, 2007, and 16 students attended and much exchange of discussion occurred. He said on January 29, 2007, a meeting was held in Stephenville and 141 students participated. He said the general notion was concern expressed by the students about any increase in fees. He also said it would be fair to surmise that the students were supportive, particularly if we talked about quality and excellence and underlying with reasonableness by the administration in terms of governing the fees at Tarleton. Dr. McCabe said TSU was proposing a \$0 to \$10 range and currently the designated tuition fee at TSU was \$70. He said the funds would be used for such things as the need-based grants, the scholarship, the “set-aside” for salaries both for faculty and for staff increases and the merit pool of 3% as a guide at this particular point and time. He said obviously they would need more funds in operations. He stated that for the last three fiscal years, they have held the general operation costs at TSU to virtually zero. Dr. McCabe noted utilities, new positions, new programs (all part of that growth concept mentioned earlier) and new research efforts as well. He stated that if they were to provide outreach into Fort Worth and Waco and have new curriculum options and research options, then TSU would need the resources. He said the legislative process was not complete making it was difficult to say where that designated fee would end for Tarleton, but he thought it would be in the upper half of that \$10 increase.

Mr. Nye asked Dr. McCabe if he was thinking an 8-9% increase. Dr. McCabe responded that it would probably be from 5-10%. Mr. Nye commended Dr. McCabe, noting that TSU did have relatively low tuitions and some of that was historic. He noted that 10% would be pretty big, but 5% would be very good and reiterated that 5% meets the national average as the Chancellor pointed out.

Mr. White asked if there were any comments or questions on the proposed increase in designated tuition at TSU. There were none. Mr. White announced that the public hearing for increases in designated tuition for TSU was closed.

Texas A&M International University

Mr. White called on Dr. Ray Keck, President of Texas A&M International University (TAMIU). Dr. Keck said everything the Board had heard about the competing goals at Prairie View could be repeated for Laredo. He added that they were created to provide opportunities in a region that had not had an opportunity to enjoy the blessings of higher education and they were very mindful that if they raised tuition to the point to create an experience they think would be the very best possible, they could well price themselves beyond the reach of their constituents. Dr. Keck said that last year they increased their designated tuition to \$11, so mindful of that this year, they were asking for a \$5 increase. He said they think it would be a mistake to skip a year increasing tuition because their university was created to grow and still have not begun to enroll the number of students they wanted to eventually enroll in Laredo and in South Texas. He said they have not reached the total student body of an optimal fiscally sustainable size, so they must grow. Dr. Keck said if they skip raising tuition too many years, suddenly they have to have a large raise to fund the growth and they did not want to do that. He said if the growth is as strong as it was this year, next year they could be asking for 8%, 9% or perhaps 10%. He said the only alternative would be to stop growing and until the legislature says to cap the numbers and do not grow any more, then they would not be asking for any more money. Dr. Keck reported that they held hearings on January 25 and 26 and following those hearings there was feedback that some students did not get the e-mails about the meetings. He said they held another hearing two weeks later in February and a total of about 65 students attended. Dr. Keck said in every meeting they said they would prefer not to raise the fees, but they laid out the reasons for it and there was understanding and support.

Ms. Daniel asked about the President's Fee Advisory Committee. Dr. Keck stated that students, administrators and faculty make up the President's Fee Advisory Committee. Ms. Daniel asked how the students were selected for the committee. Dr. Keck responded that the Student Government Association recommended to him and then he appointed members.

Mr. White asked for comments or questions. There were none. Mr. White announced that the public hearing for increased in designated tuition for TAMIU was closed.

Texas A&M University

Mr. White called on Dr. Ed Davis, Interim President of TAMU. Dr. Davis said he wanted to concentrate on three elements of their recommendation: first, the process including the committee hearings and then two recommendations by their Tuition Policy Advisory Committee (TPAC). He recognized those present that were involved in TPAC.

Dr. Davis said that the Student Body President, Nick Tauton, was the principal presenter of the data that had been developed by the committee at their public hearing on February 21, 2007. Dr. Davis asked to discuss a recommendation of TPAC as it related to non-resident tuition. He noted that the recommendation was for a substantial increase in non-resident tuition - \$200/SCH beginning in the fall of 2008. He said under the state required tuition, the THECB was required to calculate the actual cost for attendance in a Texas public higher education institution. He said as it related to the deregulated tuition, they were charging the same rate/SCH for in-state as out-of-state and to be consistent with the state's approach in policy, they wanted to look at what the actual cost was and have that relationship retained with their deregulated tuition. He stated they looked at their peer institutions across the country and they found that they had fallen behind with regard to out-of-state tuition. Dr. Davis stated that on that particular issue, which was presented during the hearing, they had one question -- will this tuition increase affect your capacity to recruit out-of-state students? He said our answer was that we did not believe that would be the case. He also mentioned that out of the 1,742 out-of-state students, there were only 920 that actually paid non-resident tuition, because the remainder were competitive for academic scholarships and as such, their out-of-state tuition rates were waived and they were charged in-state tuition rates. He said this was not particularly a budgetary matter as this increase would not increase their revenue streams substantially in the early years. He noted that it produced a net of about \$1 million in the early years and then would grow as all of the new students coming in on out-of-state tuition go up, but it was more a matter of equity and competitiveness with their peers.

Dr. Davis stated the second recommendation had to do with their deregulated tuition rate for in-state students. He said the iterative process they used with the committee determined what generally their overall base budget needs were for the next upcoming period. He said if they looked at those costs added to their base budget, it should represent something like the total cost increase for inflation increase and that's about 4.5% if you accumulate all of those matters. Dr. Davis said they included the following items: the final phase of Faculty Reinvestment which had not yet been funded and has not been funded by the legislature at this point; a 3% merit pool; \$7.9 million for student recruitment; retention and financial aid; \$9 million for operating costs for their units, noting that they have devoted a great deal of their assets to Faculty Reinvestment and they now have to sustain and support those faculty that they have hired; debt service for improvement of deferred maintenance program and some other minor items in terms of System assessments. He said they also had included in the base the TRB principal and interest debt service because they also factored it against the bill that was filed early in the session. The Chancellor mentioned that most everyone had responded to this request prior to the filed bill. He said they responded after the filed bill was introduced. Dr. Davis said at the time the calculation would indicate that it would require somewhere between \$0 and \$27.30 for an increase in tuition. He said since that time, they have examined the Senate budget and added to that which has driven it down to a calculation of \$22.30. He said they were confident that before the end of the session there would be some additional revenue added to the bill and they were very confident they would be able to get that tuition rate below \$20. However, they were very concerned about the

level and they would consistently look at it and interact with what they saw coming from the state. He said at \$22 that would be approximately a 9.6% increase over their required tuition and fees.

Mr. Nye asked for clarification regarding the out-of-state tuition matter. He said it was mentioned that only about half of the 1,700 students would pay that because a number of them were competitive for academic scholarships. Mr. Nye asked for clarification on what tuition they would pay. Dr. Davis clarified that if a student received a competitive academic scholarship, they would be allowed to pay in-state tuition rates.

Mr. Jones asked about the tuition budget analysis under the expenses, salaries, wages and benefits line item; it indicated that their 2008 budget without a fee increase would be \$2,476,741, which he thought might be a little low. He noted that the report showed that the proposed increase was \$10,500,000, which made their fiscal year budget \$12,976,000. Mr. Jones asked for clarification on those numbers. Dr. Davis said he did not have those numbers in front of him, but the numbers did not sound correct to him either. Dr. Davis asked for others' clarification to Mr. Jones' question. Mr. Bruce Edwards, Senior Vice President for Finance and Controller at TAMU, pointed out that on the schedule Mr. Jones was looking at, it showed only the salaries that were paid by tuition and most of their salaries were actually paid by educational and general (E&G) funds and state appropriations. He explained what they were seeing on that particular report was merely the piece that was paid by tuition.

Mr. Jones reiterated for clarification that only \$2,476,741 of the salaries of the professors, deans and teaching assistants were paid by tuition. Mr. Edwards said that was correct and stated that amount would be paid from the designated tuition piece. Mr. Jones noted for his further clarification that what they were proposing depended on what happened in the legislative session. Mr. Edwards said that assumed that they get \$15,800,000 of appropriations from the base bill. He said they were assuming that goes toward paying some of their merit needs or the last installment of the Faculty Reinvestment. He said it would either come from appropriations or from tuition.

Dr. Davis said the process began when they were asked a question to assess what their requirements would be to stay on the same trajectory of progress that they were on. Dr. Davis said they were hopeful they would continue to see support from the legislature, which has been very supportive and helpful. He said they are looking to come back to the Board with a lower rate.

Mr. Jones clarified that it was possible that this amount they were looking at from tuition would be reduced by virtue of increased funding from the legislature. Dr. Davis said that was exactly the relationship they were working on.

Mr. White asked if there were any further questions or comments. There were none. Mr. White announced that the public hearing for increases in designated tuition for TAMU was closed.

Texas A&M University at Galveston

Mr. White called on Dr. R. Bowen Loftin, Vice President and Chief Executive Officer at Texas A&M University at Galveston (TAMUG). Dr. Loftin said never in the history of their institution, over 45 years now, had there been such a demand for graduates at the branch campus in Galveston. He said the maritime industry and maritime trade, in general, was growing in Texas at more than 10% per year and it was their graduates that fuel much of that growth. He said they have been especially mindful of the issue of retaining their best faculty and staff, being able to replace those who retire or who were attracted elsewhere and to be able to modestly grow their faculty numbers in areas where they had the greatest growth of their student populations. He said they were in a time when the demand of their graduates, and those who teach their graduates, was very high, noting that they had to be competitive in terms of being able to reward their people and to be able to offer salaries to new faculty and staff that were competitive in that particular region. He said that had been the big driver of their request for a tuition increase for the coming year. Dr. Loftin said they looked at the uncertainties they had as they entered the legislative session and had proposed a \$0 to \$30/SCH increase in their tuition which was a very sizeable increase. He noted that Dr. Calvert's report had given them a great deal of hope that they can come in well below that number and even though they proposed this early on, they thought they would be able to come in much less than that. Dr. Loftin said a hearing was held on February 22, 2007, and attended by 154 students, which was over 10% of their student population. He said not one individual among those students objected to the increase once they understood why they had proposed it and also the uncertainties associated with the session they were in, in terms of what might come out at the end of the day in May and June. Dr. Loftin said he was pleased with the turnout of the hearing. He said there was no lack of communication between the students and themselves in terms of what was being done, but they did not object to what they saw as a necessary goal in terms of maintaining the quality of their faculty and staff to be able to support their educational enterprise.

Mr. White asked if there were any questions or comments. There were none. Mr. White announced that the public hearing for increases in designated tuition for TAMUG was closed.

Texas A&M University-Commerce

Mr. White called on Dr. Keith McFarland, President of Texas A&M University-Commerce (TAMU-C). Dr. McFarland said that TAMU-C was looking at a possible increase of \$0 to \$19/SCH with no course fees or university fees at all increased this next year. He said as they began looking at their needs to meet the educational responsibility and needs on their campus in the year ahead, the one thing that was very striking to them was that they had lost significant ground in faculty salaries since they have had tuition deregulation. Dr. McFarland said as an institution, they have been committed to holding down designated tuition, and of the 34 institutions, they have had the third lowest increase in the last four years. He said that was good in one respect because it had made it possible for their students to get an education at a lower cost. He noted the downside

was that they had not been able to keep up with the faculty salaries. He said the year before deregulation their professors ranked 22nd of the 34 institutions in the State of Texas. They have dropped to 28th and their assistant professors have dropped from 22nd to 28th of the 34, their associate professors have dropped to 32nd out of 34. He said it is obvious that they are going to have to address faculty salaries in the next two years and they cannot do that if they just add 2% or 3%, noting they won't be able to pick up any of the lost ground. Dr. McFarland said they have concluded that they would have to come up with merit faculty pools of 5% per year for each of the next two years and so that was primarily what gave them the \$19 increase. He said they wanted to make clear to the students that they would be increasing tuition next year, but the year after there would be zero increase for tuition, university fees and course fees. He said if a transfer student came in next fall, they would know that if they came in as a full-time student and graduated in two years, they would see no increases. He said students coming in as freshmen would see no increase before their junior year. Dr. McFarland reported that a hearing was held on January 23, 2007, and 30 students attended, noting it was the best turnout they have had in Commerce. He said not one of the students expressed opposition but had a lot of good questions and comments and wanted to know if they were using the dollars as effectively as possible. He said the students who were there overwhelmingly supported the increase up to \$19 and a few people felt they had waited too long to increase the tuition, saying they had lost some good faculty members and they probably should have increased it in the prior years. Dr. McFarland said if the state would give them approximately \$3,500,000 additional funds per year for the next two years, they would not have to increase it at all. He pointed out if they would give them about \$2,000,000 per year, it would be somewhere in the range of \$10 to \$12, so it would be dependent on what happened primarily with formula funding from the state.

Dr. Gramm said the issue was not just how they rank in the 34 institutions, because that was a relatively small group, but also the broader aspect where they recruit in other like institutions beyond just the 34. Dr. McFarland agreed that it was a concern, noting they would never be in the top third, for example, but he noted that they needed to strive to at least be up near the middle. Dr. Gramm said she understood that it was getting harder, at least in some disciplines. She said she understood that this year was a pretty good buyer's market in academics, noting that if they lose ground this year, it would be harder to make up. Dr. McFarland agreed with Dr. Gramm's statement.

Mr. Jones asked what was covered in fringe benefits. Ms. Crain responded that fringe benefits would include any of the deductions for workers compensation, unemployment compensation, FICA, group insurance premiums and retirement.

Mr. White asked if there were any further questions or comments. There were none. Mr. White announced that public hearing for increases in designated tuition at TAMU-C was closed.

Texas A&M University-Corpus Christi

Mr. White called on Dr. Flavius Killebrew, President of TAMU-CC. Dr. Killebrew said the increase that they proposed was determined back in December 2006, and it was not based on the 10% reductions that were set out by the Governor's policy letter. He said those reductions would have been "turn out the lights, close the doors," basically "and they were done" if those kinds of cuts had happened to them. He said instead what they tried to do was to make the assumption that those cuts would not happen and if they did, they would have to do internal reallocations to get there anyway. They took the approach that they needed to look at what was needed in order to maintain the momentum they have at the institution. Dr. Killebrew said the university had grown almost 17% in the last several years. He pointed out that they have to find a way to keep up with adding faculty and staff to maintain that increased enrollment that they have had at the institution. Dr. Killebrew said the numbers proposed were \$0 to \$17 and the \$17 was what would be required if they got no increase in their formula budget. He added that would allow them to provide a pay increase for their faculty and staff, provide some minimal increase in the number of staffing to accommodate the increases in enrollment that they were seeing, and provide some minimal increases in departmental operating expenses and increases in their utility rate. He said that was the basis for the logic that they used in setting the amount that they needed. He said he was very sensitive to the fact that the students they attract at TAMU-CC come from lower income families and the financial aid piece was quite important to them, noting that costs had to be maintained at some reasonable level. Dr. Killebrew said another mitigating factor was that a significant part of the enrollment increase they have had, while on one side is a good thing, has been in their nursing program. He noted that it was also a portion of the formula that has shown some change over the last biennium and this biennium. He said because of the new cost basis to the formulas, nursing formulas have been reduced; they were reduced some last session and they would be reduced again this session. He noted that the area where he has had enrollment increase was the area that was getting hurt in the formula recalculations which impacted them to some extent. Dr. Killebrew said they had tried very hard to maintain their designated tuition at or below the mid-point for the state. He said a designated tuition hearing was held on January 18, 2007, with about 20 students attending. He reported there were three or four students who got very active. Dr. Killebrew said when they made the presentation, he thought the students understood all of the reasons why they were doing what they were doing. He summarized by saying that the fact that they were providing additional financial aid was a good thing for those students. He said as a result of that, the students were generally receptive and appreciative of the input on the kinds of things that they were looking at, including merit increases for their faculty and staff and some additional people to add for the enrollment.

Mr. White asked if there were any questions or comments on the increases in designated tuition at TAMU-CC. There were none. Mr. White announced that the public hearing for increases in designated tuition for TAMU-CC was closed.

Texas A&M University-Kingsville

Mr. White called on Dr. Rumaldo Juárez, President of TAMU-K. Dr. Juárez said they have two requests in reference to designated tuition; one of which was a proposed designated tuition increase of a range of \$0 to \$14 which was made to try to cover them on the assumption that the 10% reduction was going to be in place. He said they were happy to hear the good news today and if they kept receiving the encouraging news, the 10% reductions would not take place; therefore, their estimates now would be somewhere between a possible \$6 to \$8 increase. He said they had made some changes in their admissions standards and as a result of that, suffered some enrollment drops. Dr. Juárez reported that the enrollment now appeared to be leveling off. He noted that their applications were up for the fall semester and anticipated growth, but with a better eligible and higher qualifying student. He also reported that their retention rate was the highest it has been in the past ten years. Dr. Juárez said the second request relating to their designated tuition had to do with proposing a flat rate for undergraduate students taking 12 or more SCHs. He said the flat rate was based on a 14 SCH cost and would be charged as an incentive for students to take more than 14 hours per semester. He said it was an effort to encourage students to graduate sooner or within at least a five-year period. Dr. Juárez said their cost at that point was \$60/SCH, so it was still a very reasonable rate at their university, and the proposed increase would get it up to around \$66 or \$68. He said another measure they have taken for cost cutting was that for the next two years they have agreed to freeze their room and board fees for the incoming freshmen in the fall of 2007. Dr. Juárez said they held a hearing on January 23, 2007, which was attended by approximately 85 individuals, 25 of which were students. In general, there was no uproar about the proposed increase. He said they also had two additional hearings; one on January 30, 2007, and another one on February 6, 2007, noting there was plenty of opportunity for students to voice their opinions. He said by their estimates, it was indicated in the median range of about a 4.8% increase, noting if they held to the \$6 to \$8 increase, they would be somewhere around 3% to 3.5%. He said they were trying to play catch up with the salaries of their faculty, pointing out that they are still well below the median of all of their competitors. He said approximately 25% of their funds would be dedicated for scholarship purposes.

Mr. White asked if there were any questions or comments.

Mr. Jones said he liked the flat rate incentive program to encourage students to take more hours to make it cheaper for them, noting that TAMU-CC has done that as well. He said he knew that TAMU was doing so as well. Mr. Jones asked if that program had already started at TAMU. Dr. Davis responded in the affirmative and pointed out that the program has been in process for two years and has been very successful in moving people from 12 to 13 hours and moving them up to a greater average course load.

Mr. Jones was curious about the counsel that students were getting when they come into TAMU. He said apparently there was a long period of time when they were counseled to take 12 hours and no more. He asked if the students were now counseled to

take more hours. Dr. Davis answered in the affirmative and pointed out that they were not just counseling to take more hours but also giving advice to students and their parents about the advantages of graduating faster. He noted that the earlier counseling actually began when the institution grew so fast and students were taking courses that were simply not the courses to be taken and so the earlier former students were reporting they were taking 18 and 20 hours.

Mr. White reiterated for clarification that there had been an overall increase in the number of hours taken. Dr. Davis confirmed that there had been a significant shift to a higher number of hours. Mr. White responded that it has been a great success and he thinks it should be emulated around the System. He said for another day, we need to talk about graduation rates, years and other things, but it all fits together.

Mr. White asked if there were any other questions or comments. There were none. Mr. White announced that the public hearing for increases in designated tuition at TAMU-K was closed.

Texas A&M University-Texarkana

Mr. White called on Dr. Stephen Hensley, President of Texas A&M University-Texarkana (TAMU-T). Dr. Hensley said their proposal was a \$0 to \$12 range which was a very large proposal increase for them, noting that they have managed to keep the tuition extremely low in the past at TAMU-T. He said they were the lowest in the state currently and if they were to approve the \$12/SCH, they would still be among the lowest in the state. Dr. Hensley said one of the things he has had a concern about in the past was that he has not had many students attend their hearings and that happened again this year. He said they only had one student attend the hearing which was held on January 25, 2007; however, he implemented some things to make sure he got information out to the students even though they did not attend the hearing. He said he appointed a Tuition Committee that was made up of students, faculty, alumni and other community representation along with a recruiter, who was the one to go out and talk to these students to get a better idea of what their students were able to do. Dr. Hensley proposed to the committee that the only way he would recommend and use a \$12/SCH increase would be to give their faculty and staff at least a 3% merit raise pool. He said they were in an unusual circumstance because in 2005, the funding formula was changed which hurt TAMU-T, and they were given a hold harmless clause to make them whole through 2005. Dr. Hensley reported that their increase in students erased about two-thirds of that, but they still would be losing some operational funds. He said in order to get a 3% merit raise, he had to override that small amount that they were losing in the formula and that would be a proposal if they went to the \$12/SCH rate. He said the committee, students and all, felt that it was a reasonable thing to do in order to propose the \$12/SCH rate and they unanimously recommended to him a \$0 to \$12. He said in order to do a 3% merit pool, they would need to go to the \$12/SCH rate. Dr. Hensley said he had a presentation made to the Student Affairs Council, which was their student government's association, so that they were aware of what they were proposing. He said nobody wanted to see anything increased but they understood the process.

Mr. White asked if there were any questions or comments. There were none. Mr. White announced that the public hearing for increases in designated tuition at TAMU-T was closed.

West Texas A&M University

Mr. White called on Dr. Patrick O'Brien, President of West Texas A&M University (WTAMU). Dr. O'Brien said WTAMU proposed a designated tuition increase of up to \$15/credit hour. He said this recommendation was an outcome of their strategic planning process. He said they had two goals to accomplish with the increase. The first goal was to increase net revenue for the university so they could do such things as provide a 3% merit pool for the faculty and increase faculty salaries to market. Dr. O'Brien noted that right now at each one of their ranks (assistant, associate and full professor), their salaries were about \$2,500 less than those of their peer institutions. He stated that the institution needed to market itself better than in the past and provide better advising for the students. Dr. O'Brien said the second goal was to provide a mechanism for students to take more credit hours and to matriculate faster – to graduate in four years. He said the second part of the proposal was to come up with a \$15 per credit hour in the designated tuition, but to have a flat tuition rate for credit hours between 12 and 18. He said by having the flat tuition rate, they provided an incentive for students to matriculate faster. Dr. O'Brien said he was also proposing that if a student took more than 18 credit hours, there would be a surcharge; that we would go back to a credit hour rate and that had two purposes. He said one would be to provide a disincentive for students to take an excessive load; and secondly, when you have students taking 18, 19, 20 or 21 credit hours, there was a greater demand on faculty resources. He said the increase would help them to fund some things that the university has not funded in the past. Dr. O'Brien said that of the public institutions in the state, they have the third lowest designated tuition rate -- \$57/SCH. He said of the institutions in the A&M System, they have the second lowest; TAMU-T has the lowest. Dr. O'Brien noted that their costs are very much the same as the other institutions and if their revenue source was less, then they would have to cut back on items. He said they were proposing a tuition increase so they could make up some ground, noting that even with a \$15 per credit hour tuition increase, they would still be in the bottom quartile of the 34 institutions, and they will still be one of the lower tuition rates in the A&M System. Dr. O'Brien said they held a public hearing on campus, giving an eleven-day prior notice for it. He said that unlike past years, they publicized it much more extensively. He said this year they sent out three separate e-mails, which had not been done in the past and as a result of that, they more than doubled the number of students at this public hearing than they have had in the previous two years. He reported they had over 100 students participate. Dr. O'Brien said he did not hear a majority of the students clamor in favor of a cost increase. He said most of the students who spoke were speaking against an increase; however, he did not recall any students arguing against the objectives for which they were asking for the tuition increase.

Mr. Nye asked Dr. O'Brien to clarify the comment he had made about taking more than 18 would be a "disincentive" noting that it causes them to incur additional

costs. Mr. Nye said that would suggest a mathematical formula that was discontinuous over that number of credit hours. Dr. O'Brien commented that was right. Mr. Nye questioned whether that math would work. Mr. Nye asked in the "words of a student," do you want me to take 18 hours, but you don't want me to take 19? Dr. O'Brien asked to be able to support his rationale by stating that in most of our universities, there were processes by which they discouraged individuals from taking overloads. He said in most of our universities, the way in which they do that was to have a sign-off by the department head and by the dean and in many cases, there was a 3.0 GPA requirement which could be waived by the dean. Dr. O'Brien said he thought that was a prescriptive method to discourage, but he admitted he was a marketing economist and liked to use the price system. He said by using the price system, individuals voluntarily chose whether or not they took an overload – it was a different model and if hard pressed, he would be willing to go with no penalty after 18 credit hours, but they would have to significantly "beef up" their rules and regulations with regard to people taking overloads. He said only about 1% of their students took an overload and about 25% of those who signed up for an overload did not complete the overload; they would either drop courses which meant they had taken up space that somebody else was precluded from taking that course or they got an "F" in some course. He reiterated that it was not in a lot of student's best interest to take the overload. He said of those students who had taken the overload, those who were successful generally had a cumulative GPA of over 3.0. He added those who had taken an overload that had a cumulative GPA of less than 3.0 generally failed. Mr. Nye stated the continuity of that just didn't appeal to his intellectual side. He said he would like to see why they had such a discontinuous curve. Dr. O'Brien told Mr. Nye that they could certainly talk about it and then reiterated that he was willing to come into conformity with the rest of the System.

Dr. Gramm commented that it was like a user's fee for a larger load. Dr. O'Brien agreed that it was a user's fee; essentially if they took 3 more credit hours than 18, it would be \$45 more per semester.

Ms. Daniel commented that a lot of her friends were music majors which basically was a five-year plan for them because they had to do student teaching and most of them end up taking at least 19 hours and up to 25 hours. She said for example, they would have a one-hour class, Percussion, which met three times a week. Dr. Gramm asked if they only paid for the one hour. Dr. O'Brien interjected that they were not talking about contact hours in class.

Ms. Daniel said they were taking this many credit hours, but they were also spending even more time in class. She said she was concerned because their major almost required them to take more hours. She felt it would not be in their best interest to have to pay extra even though they were almost forced to take extra hours and they already were not getting any kind of bonus for getting out when they graduated in four years, because they could not. She said it was just not possible.

Dr. Gramm said that seemed to be a problem in how the curriculum was structured that if they had an overload like that where they were "almost forced" to take

25 hours in their senior year, then it seemed to her that someone should look at the curriculum and structure it so that it becomes more appropriate. Ms. Daniel commented that she thought that was being done.

Dr. O'Brien said they would have to check, stating they knew that about 120 students per year took an overload or 65 per semester. He said they would look at it and see whether or not and why it would be disproportional to music majors.

Ms. Daniel stated she did not want those particular students to be hurt if they were almost forced to take that load and it might be something that needed to be evaluated.

Mr. White asked if there were any other questions or comments on the increases in designated tuition at WTAMU. There were none. Mr. White announced that the public hearing for increases in designated tuition at WTAMU was closed.

Texas A&M System Health Science Center
(College of Medicine, Graduate School of Biomedical Sciences,
School of Rural Public Health,
Baylor College of Dentistry – DDS Program, Dental Hygiene & Graduate Program)

Mr. White called on Dr. Nancy Dickey, Vice Chancellor for Health Affairs and President of the HSC. Dr. Dickey said that the HSC had a list of designated tuition increases that ranged from \$0 for the School of Pharmacy, to \$25 for the College of Medicine. She said these were largely based on both the competitive nature of other schools as well as the very different curricula of each of the schools. Dr. Dickey stated that there were also a variety of fee increases that were addressed primarily to specific activities within the different programs. She said the increases were needed to continue to increase the information technology sources necessary for students and salary competitiveness for their faculty. Dr. Dickey reported that they held two hearings; one on January 22, 2007, at Baylor College of Dentistry (BCD) and one in College Station on January 23, 2007, for the local students, which was also televised and allowed participation from Temple, Kingsville and Houston. She reported that three students participated and noted there was an opportunity for questions and answers, but there were no objections from the students regarding the different fees. She said she hoped they each learned a little more about where the fees actually went in terms of supporting their education.

Mr. White asked if there were any questions or comments on the increases in designated tuition for the Health Science Center. There were none. Mr. White announced that the public hearing for increases in designated tuition at the HSC was closed.

**PUBLIC HEARINGS ON PROPOSED INCREASES IN
GROUP HOSPITAL FEES**

Mr. White announced that they would proceed with conducting public hearings on proposed increases in group hospital fees.

Dr. McKinney clarified that hospital fees were basically the student health service fees, pointing out that it was an antiquated term.

Tarleton State University

Dr. McCabe said that TSU proposed a \$.30 increase for the group hospital fee or student health center which was less than 10%, but they did talk to the students about this item at the same two meetings that were mentioned in his earlier presentation. He said this increase would generate just under \$60,000. He noted they have 1,800 students on campus; in Stephenville they have about 7,200 students and those monies would be primarily used to increase their ability to provide health services for the students in the counseling center in addition to some personnel costs and some additional hours for physicians and nurses.

Mr. White asked if there was anyone present who wished to comment on the increases in group hospital fees at TSU. He then asked if there were any questions or comments. There were none. Mr. White announced that the public hearing for increases in group hospital fees at TSU was closed.

Texas A&M University

Dr. Davis said he proposed a 10% increase in their hospital fee which was basically four items that would include some improvements in their EMS services to add a paramedic on duty seven days a week, 24 hours a day, annual merit increases for the staff to respond to medical inflation which was running roughly double the normal inflation rate, and the increasing costs of utilities.

Mr. White asked if there were any questions or comments on the increases in group hospital fees at TAMU. There were none. Mr. White announced that the public hearing for increases in group hospital fees at TAMU was closed.

Texas A&M University at Galveston

Dr. Loftin said that they were too small to maintain a medical presence on campus so they have historically contracted for that service and for many years, it has been done with UT's medical branch in Galveston (UTMB). He said the increase of \$3 per student per semester for the academic year was really a pass through essentially of that cost imposed on them by UTMB.

Mr. White asked if it was safe to say these hospital fees were really not an issue for anyone.

Dr. Loftin responded that in his opinion, no. He said they were pretty modest overall because the care was free, noting that if a student goes to the hospital emergency room or for doctor visits, it was no cost to them at all and consequently no one complains about this. He said they have had a reasonably good service level from the hospital there in the area.

Mr. White asked if there were any questions or comments. There were none. Mr. White announced that the public hearing for TAMUG was closed.

Dr. McKinney stated that there was an issue with some of the student medical fees when it came to having services that were rendered to students who were covered by other third party payers. He said he thought there would be an issue with Medicaid, and maybe state government in general, on whether or not they were adequately pursuing reimbursement by other third party payers. He said there was some ongoing look at that, but the fees were small.

Health Science Center

[College of Medicine, Graduate School of Biomedical Sciences
and School of Rural Public Health]

Dr. Dickey briefly stated that because Dr. Davis went up on his fees and her students paid his hospital fee, they also had to do increase their fees.

Mr. White asked for any other questions or comments on the increases in group hospital fees at the HSC. There were none. Mr. White announced that the public hearing for increases in group hospital fees at the HSC was closed.

Mr. White announced that all proposed increases would be considered by the Committee on Finance during its discussion and vote on Agenda Item 1. He said that the Board would take action on this item on Friday.

RECESS

Mr. White recessed the meeting at 5:20 p.m.

RECONVENE – FRIDAY, MARCH 30, 2007

Mr. White announced that a quorum of the Board was present. He reconvened the Board meeting at 9:34 a.m. 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
Ms. Ida Clement Steen
Ms. Cassie Daniel, Student Regent

The following member of the Board was not present:

Mr. Lowry Mays

Mr. White said the Board had breakfast with the Executive Committee of the Faculty Senate at TAMU that same morning and once again, just like the group present in the room and all the great things the A&M System was doing, the Board was reminded of the quality that we have around the System and the commitment to excellence. He said, as he had told them at the end of the breakfast, these Board meetings and that meeting with the Executive Committee of the Faculty Senate gave him great appreciation for the incredible things the System has been doing, but more importantly it gave him great optimism for the future.

RECESS

Mr. White recessed the meeting at 9:35 a.m.

(Secretary's Note: The Committee on Finance convened at 9:35 a.m. and adjourned at 9:48 a.m. The Committee on Buildings and Physical Plant convened at 9:49 a.m. and adjourned at 10:27 a.m. The Committee on Academic and Student Affairs convened at 10:28 a.m. and adjourned at 10:56 a.m. The Committee on Special Campus Art and Aesthetic Improvement convened at 10:57 a.m. and adjourned at 10:59 a.m.)

Before Mr. White reconvened the Board meeting, Dr. Gramm stated that as a result of the report given in the Committee on Academic and Student Affairs last time, they have had suggestions to continue the reports on what professors do and how academics work. She said she had made a tentative list of the kinds of classes that we should have, particularly with new Regents coming on board. Dr. Gramm said she would leave the list with the Chancellor -- what professors do as an overview, in depth

discussion about the teaching element of it, teaching loads, what students learn and how we measure what they learn. She said the next session would be what professors do and take the element of research – how do you get a publication – what does it mean to publish – what counts – what’s the process. She said there would be another session on what we mean by service or outreach and then also take a day in the life of a professor, an assistant professor, associate professor and a full professor – what they actually do on a day-to-day basis. She added that there could be a session on the tenure process and how it works and what kinds of documents are involved; an example of which would be the documents that are submitted in support of the tenure decision. She said another session might be one on the job market and what it takes to recruit and retain top talent because a lot of what you might not like to see in terms of practices and what we pay and what we allow professors to do are determined in the marketplace. She said if we are going to be competitive, there are certain things that are expected. She said another session might be one on university administration – who are those folks in middle management and what do they do and what value do they add. She said another session might be on the ranking of universities and departments – how they are ranked – how do you determine excellence. She said there should be a session on measuring results and measuring student success and how you track it. In each of these sessions, it would be wise to have presenters from large and small institutions and once that’s done, you can start again. She said it’s something that can be adjusted, noting that she has talked to Dr. Davis, Dr. Prior and a few others and the list will be sent around (and also to the Chancellor) to implement. Mr. White stated that it was a tremendous list and said Dr. Gramm was officially invited back as a guest lecturer.

RECONVENE

Mr. White reconvened the meeting and called on Dr. Davis for a moment of personal privilege, who noted that the University of Texas System had attracted away one of the A&M System’s finest people – Dr. Prior, Executive Vice President and Provost at Texas A&M. Dr. Davis commented that Dr. Prior, a distinguished scholar, seasoned administrator and a quality human being, was leaving the A&M System on June 15, 2007. Dr. Davis said that we owe a great debt of thanks and gratitude Dr. Prior, a dedicated public servant and loyal person to this university.

Mr. White asked Dr. Prior if he would like to present comments. Dr. Prior stated that TAMU had a special place in his heart. He said he has been blessed by being surrounded by an enormous team of very talented and highly committed professionals. He thanked the Board for the opportunity to work at TAMU.

Dr. Gramm commented that although Dr. Prior has a great team, he was a great leader and she attributed the move toward excellence at Texas A&M to be in large part due to what Dr. Prior has done. She noted that much of what Dr. Prior does is often not seen in the public eye, but she said she very much appreciated his knowledge and real leadership in advancing excellence at Texas A&M and the System.

Mr. White 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 that same day. He said the Committee considered and approved Items 1 through 5. The Board took action as set forth below:

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**MINUTE ORDER 044-2007 (AGENDA ITEM 1)**

**APPROVAL OF INCREASED DESIGNATED TUITION AND  
GROUP HOSPITAL FEE FOR THE ACADEMIC INSTITUTIONS  
AND THE HEALTH SCIENCE CENTER,  
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 Sections 54.0513 and 54.507, Texas Education Code, and System Policy 26.02 (*Approval of Student Fees*), public hearings were held at each campus recommending increases in designated tuition and group hospital fee. The Board of Regents of The Texas A&M University System also held a public hearing to receive input from students, as well as from the presidents of the academic institutions and the health science center concerning such proposed increases.

All hearings required by law have been properly conducted and reported to the Board in accordance with the Texas Education Code.

The requests for increased designated tuition and group hospital fee for the academic institutions and the health science center of The Texas A&M University System, as shown on **Exhibit A** and attached to the official minutes, is approved to be effective with the Fall 2007 semester, unless otherwise noted, unless otherwise noted.

**MINUTE ORDER 045-2007 (AGENDA ITEM 2)**

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

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

All referendums required by law for increases in student fees have been properly conducted and reported to the Board of Regents of The Texas A&M University System in accordance with the Texas Education Code.

The request for new, increased, and decreased tuition and fees recommended by the academic institutions and the health science center of The Texas A&M University System, as shown on **Exhibits B** and **C**, copies of which are attached to the official minutes, is approved to be effective with the Fall 2007 semester.

**MINUTE ORDER 046-2007 (AGENDA ITEM 3)**

**CONFIRMATION OF NEW AND AMENDED FIELD TRIP AND  
STUDY ABROAD FEES FOR THE ACADEMIC INSTITUTIONS AND  
THE HEALTH SCIENCE CENTER,  
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 26.02 (*Approval of Student Fees*), new and amended field trip and study abroad fees for the academic institutions and the health science center of The Texas A&M University System as shown on **Exhibit D**, a copy of which is attached to the official minutes, are hereby confirmed.

**MINUTE ORDER 047-2007 (AGENDA ITEM 4)**

**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 members of The Texas A&M University System concerned as shown on Gifts, Donations, Grants, and Endowments List No. 07-04, a copy of which is attached to the official minutes as **Exhibit E**.

**MINUTE ORDER 048-2007 (AGENDA ITEM 5)**

**APPROVAL OF THE 2007 STILES FARM FOUNDATION BUDGET,  
TEXAS COOPERATIVE EXTENSION**

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

The operating budget for the Stiles Farm Foundation for calendar year 2007, a copy of which is attached to the official minutes as **Exhibit F**, is hereby approved.

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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. He said they considered and approved Items 6 through 17, and the selection of the Architect/Engineer (A/E) firm as recommended in Item 6. The Board took action as set forth below:

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**MINUTE ORDER 049-2007 (AGENDA ITEM 6)**

**APPROVAL OF SUPPLEMENTAL APPROPRIATION FOR  
PRE-CONSTRUCTION SERVICES AND SELECTION OF THE  
ARCHITECT/ENGINEER DESIGN FIRM FOR THE SCIENCE BUILDING,  
TEXAS A&M UNIVERSITY AT GALVESTON**

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

Supplementing a previous appropriation of \$25,000, the amount of \$5,000,000 is appropriated from Account No. 01-085330 Permanent University Fund Debt Proceeds.

The firm of WHR Architects of Houston, Texas, is selected as the firm ranked first to head the architect/engineer team to program and design the Science Building at Texas A&M University at Galveston.

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

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

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

**MINUTE ORDER 050-2007 (AGENDA ITEM 7)**

**APPROVAL OF THE REVISED PROJECT SCOPE AND BUDGET  
AND SUPPLEMENTAL APPROPRIATION FOR PRE-CONSTRUCTION  
AND CONSTRUCTION SERVICES FOR THE NUCLEAR MAGNETIC  
RESONANCE (NMR) FACILITY,  
TEXAS A&M UNIVERSITY**

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

The revised project scope for the Nuclear Magnetic Resonance (NMR) Facility at Texas A&M University is approved. The revised project budget of \$8,000,000 for the Nuclear Magnetic Resonance (NMR) Facility at Texas A&M University is approved.

Supplementing a previous appropriation of \$501,000, the amount of \$2,524,001 is appropriated from Account No. 01-085330 Permanent University Fund Debt Proceeds, \$1,000,000 from Account No. 02-806321 Available University Fund, \$1,200,000 from Account No. 06-203014 Indirect Costs, and \$2,799,999 from Account No. 01-083536 Revenue Financing System Commercial Paper Debt Proceeds for pre-construction and construction services for the Nuclear Magnetic Resonance (NMR) Facility at Texas A&M University.

Previous appropriations of \$25,000 are reverted to Account No. 02-212340 AUF Excellence Initiatives for the Nuclear Magnetic Resonance (NMR) 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.

**MINUTE ORDER 051-2007 (AGENDA ITEM 8)**

**APPROVAL OF THE REVISED PROJECT SCOPE AND  
SUPPLEMENTAL APPROPRIATION FOR PRE-CONSTRUCTION AND  
CONSTRUCTION SERVICES FOR THE UPGRADE OF THE  
CENTRAL UTILITY PLANT AND SATELLITE UTILITY PLANT 3,  
TEXAS A&M UNIVERSITY**

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

The revised project scope for the Upgrade of the Central Utility Plant and Satellite Utility Plant 3 at Texas A&M University is approved. Supplementing previous appropriations of \$1,290,000, the amount of \$12,210,000 is appropriated from Account No. 01-085330 Permanent University Fund Debt Proceeds for Pre-Construction and Construction Services for the Upgrade of the Central Utility Plant and Satellite Utility Plant 3 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).

**MINUTE ORDER 052-2007 (AGENDA ITEM 9)**

**APPROVAL OF THE REVISED PROJECT BUDGET AND  
SUPPLEMENTAL APPROPRIATION FOR PRE-CONSTRUCTION AND  
CONSTRUCTION SERVICES FOR THE INDOOR ATHLETIC FACILITY,  
TEXAS A&M UNIVERSITY**

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

The revised project budget of \$35,600,000 for the Indoor Athletic Facility at Texas A&M University is approved.

Supplementing previous appropriation of \$20,637,800, the amount of \$13,306,436 is appropriated from Account No. 01-083536 Revenue Financing System Debt Proceeds and \$1,655,764 from Account No. 02-030170 Cash – Athletic Facilities for the Indoor Athletic 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 053-2007 (AGENDA ITEM 10)**

**APPROVAL OF THE REVISED PROJECT SCOPE AND  
PROJECT BUDGET AND SUPPLEMENTAL APPROPRIATION FOR  
PRE-CONSTRUCTION AND CONSTRUCTION SERVICES FOR THE  
WASTEWATER SYSTEM UPGRADE, PHASE 1,  
BRAYTON FIRE TRAINING FIELD, COLLEGE STATION, TEXAS,  
TEXAS ENGINEERING EXTENSION SERVICE**

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

The revised project scope for the Wastewater System Upgrade, Phase 1, Brayton Fire Training Field, Texas Engineering Extension Service, at College Station, Texas, is approved.

The revised project budget of \$17,268,000 for the Wastewater System Upgrade, Phase 1, Brayton Fire Training Field, Texas Engineering Extension Service, at College Station, Texas, is approved.

Supplementing a previous appropriation of \$10,490,000, the amount of \$6,778,000 is appropriated from Account No. 09-740101 Capital Investment Reserve for pre-construction and construction services for the Wastewater System Upgrade, Phase 1, Brayton Fire Training Field, Texas Engineering Extension Service, at College Station, Texas.

**MINUTE ORDER 054-2007 (AGENDA ITEM 11)**

**SUPPLEMENTAL APPROPRIATION FOR MASTER PLAN  
PREPARATION AND PRE-CONSTRUCTION SERVICES AND  
AUTHORIZATION FOR THE CHANCELLOR TO SELECT AN  
ARCHITECT/ENGINEER FIRM TO PREPARE THE MASTER PLAN FOR  
THE NEW CAMPUS AND DEVELOP THE PROGRAM AND DESIGN FOR  
THE NURSING AND HEALTH PROFESSIONS EDUCATION CENTER AND  
THE MEDICAL EDUCATION AND RESEARCH BUILDING,  
THE TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER**

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

Supplementing previous appropriations of \$50,000, the amount of \$9,200,000 is appropriated from Account No. 01-085330 Permanent University Fund Debt Proceeds for a Master Plan for the New Academic Health Center Campus and pre-construction services for the Nursing and Health Professions Education Center and the Medical Education and Research Building at The Texas A&M University System Health Science Center New Campus.

The Chancellor is hereby authorized to approve the ranked order selection recommendation of the architect/engineer firm to prepare the Master Plan for the New Academic Health Center Campus. The firm is also selected to perform pre-construction services for the Nursing and Health Professions Education Center and the Medical Education and Research Building at the new campus location.

Authorization is granted to begin negotiations with the selected 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 as approved by the Chancellor, until agreements for Master Planning and Pre-Construction Services are reached.

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

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

**MINUTE ORDER 055-2007 (AGENDA ITEM 12)**

**NAMING OF THE  
O. A. GRANT BUILDING,  
TARLETON STATE UNIVERSITY**

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

The Humanities Building located on the campus of Tarleton State University is hereby named the “O. A. Grant Building.”

**MINUTE ORDER 056-2007 (AGENDA ITEM 12)**

**NAMING OF THE  
BOSCH REXROTH-R.C. WOMACK FLUID POWER LABORATORY,  
TEXAS A&M UNIVERSITY**

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

The Fluid Power Laboratory located in Thompson Hall, Room 116, on the campus of Texas A&M University is hereby named the “Bosch Rexroth-R.C. Womack Fluid Power Laboratory.”

**MINUTE ORDER 057-2007 (AGENDA ITEM 13)**

**AUTHORIZATION FOR AN EXTENSION TO AN EXISTING  
COMMERCIAL LEASE IN THE TWIN TOWERS OFFICE CENTER LOCATED  
AT 1106 CLAYTON LANE, SUITE 300E, AUSTIN, TEXAS,  
TEXAS TRANSPORTATION INSTITUTE**

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

The Chancellor of The Texas A&M University System, or designee, following approval for legal sufficiency by the Office of General Counsel, is authorized to exercise the option, and to execute all necessary documents, to extend an existing commercial lease of 5,095 square feet of space in the Twin Towers Office Center located at 1106 Clayton Lane, Suite 300E, Austin, Texas, for an additional five (5) year term. The annual rental rate for this lease is \$17.65 per square foot with all other terms and conditions of the existing lease remaining the same. The extension will commence May 1, 2007, and expire on April 30, 2012, with the total estimated rental being approximately \$449,633.75.

**MINUTE ORDER 058-2007 (AGENDA ITEM 14)**

**AUTHORIZATION TO PURCHASE RIGHT-OF-WAY FROM THE  
CITY OF STEPHENVILLE, TEXAS,  
TARLETON STATE UNIVERSITY**

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

The Chancellor of The Texas A&M University System, or 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 right-of-way contained within Shirley Street from Lillian Street to Rome Street, Garfield Avenue from Shirley Street to Jones Street, and Jones Street from Lillian Street to Rome Street, City of Stephenville, Texas. The purchase price of \$0.60 per surveyed square foot, plus closing costs, is hereby approved.

**MINUTE ORDER 059-2007 (AGENDA ITEM 15)**

**AUTHORIZATION TO PURCHASE TWO SINGLE FAMILY  
RESIDENTIAL LOTS LOCATED AT 1401 AND 1429 WEST JONES STREET,  
STEPHENVILLE, TEXAS,  
TARLETON STATE UNIVERSITY**

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

The Chancellor of The Texas A&M University System, or 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 1401 West Jones Street and 1429 West Jones Street, being more particularly described as Lots 14A and 15, Block 5, College Heights Addition, City of Stephenville, Erath County, Texas. The purchase price of \$371,500, plus closing costs, is hereby approved.

**MINUTE ORDER 060-2007 (AGENDA ITEM 16)**

**AUTHORIZATION TO PURCHASE AN UNIMPROVED  
TRACT OF LAND IN BRAZOS COUNTY, TEXAS,  
TEXAS A&M UNIVERSITY**

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

The Chancellor of The Texas A&M University System, or 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 being more particularly described as Lots 15, 45 and 46, Polo Park Place, College Station, Brazos County, Texas. The purchase price of \$37,000, plus closing costs, is hereby approved.



**MINUTE ORDER 061-2007 (AGENDA ITEM 17)**

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

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

The Chancellor of The Texas A&M University System, or 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 being referred to municipally as 2207 Bois d'Arc Street, and being described as Lots 8 through 12, Block 14, College Heights Addition, Commerce, Hunt County, Texas. The purchase price of \$675,000, plus closing costs, is hereby approved.

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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, reported that the Committee met earlier that day. She said that they had considered and approved Items 18 through 23. The Board took action as set forth below:

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**MINUTE ORDER 062-2007 (AGENDA ITEM 18)**

**APPROVAL OF A NEW BACHELOR OF SCIENCE DEGREE PROGRAM  
IN POLITICAL SCIENCE, AND AUTHORIZATION TO REQUEST APPROVAL  
FROM THE TEXAS HIGHER EDUCATION COORDINATING BOARD,  
TEXAS A&M UNIVERSITY-TEXARKANA**

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

The Board of Regents approves the establishment of a new degree program at Texas A&M University-Texarkana leading to a Bachelor of Science degree with a major in Political Science.

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

**MINUTE ORDER 063-2007 (AGENDA ITEM 19)**

**DISSOLUTION OF THE INSTITUTE FOR THE GIFTED AND TALENTED,  
THE CENTER FOR COMMUNITY EDUCATION AND  
THE OUTDOOR EDUCATION INSTITUTE WITHIN THE  
COLLEGE OF EDUCATION AND HUMAN DEVELOPMENT,  
TEXAS A&M UNIVERSITY**

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

The following three Centers within the College of Education and Human Development are hereby dissolved as of March 31, 2007: the Institute for the Gifted and Talented, established by Minute Order 227-80; the Center for Community Education, established in 1971; and the Outdoor Education Institute, established in 1978.

**MINUTE ORDER 064-2007 (AGENDA ITEM 20)**

**ESTABLISHMENT OF THE CENTER ON DISABILITY AND DEVELOPMENT  
WITHIN THE COLLEGE OF EDUCATION AND HUMAN DEVELOPMENT,  
TEXAS A&M UNIVERSITY**

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

The Center on Disability and Development is hereby established as an organizational unit of the Department of Educational Psychology in the College of Education and Human Development, Texas A&M University.

**MINUTE ORDER 065-2007 (AGENDA ITEM 21)**

**ESTABLISHMENT OF THE SCOWCROFT INSTITUTE OF  
INTERNATIONAL AFFAIRS WITHIN THE  
GEORGE BUSH SCHOOL OF GOVERNMENT AND PUBLIC SERVICE,  
TEXAS A&M UNIVERSITY**

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

The Scowcroft Institute of International Affairs is hereby established as an organizational unit of the George Bush School of Government and Public Service at Texas A&M University.

**MINUTE ORDER 066-2007 (AGENDA ITEM 22)**

**ESTABLISHMENT OF THE  
CENTER FOR STATISTICAL BIOINFORMATICS, A JOINT  
TEXAS A&M UNIVERSITY, TEXAS ENGINEERING EXPERIMENT STATION  
AND TEXAS AGRICULTURAL EXPERIMENT STATION CENTER,  
TEXAS A&M UNIVERSITY**

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

The Center for Statistical Bioinformatics, a joint Texas A&M University, Texas Engineering Experiment Station, and Texas Agricultural Experiment Station Center, is hereby established as an organizational unit of Texas A&M University in the Department of Statistics in the College of Science.

**MINUTE ORDER 067-2007 (AGENDA ITEM 23)**

**ESTABLISHMENT OF THE  
UNIVERSITY TRANSPORTATION CENTER FOR MOBILITY,  
TEXAS TRANSPORTATION INSTITUTE**

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

The University Transportation Center for Mobility is hereby established as an organizational unit of the Texas Transportation Institute.

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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, reported that the Committee on Audit met on March 29, 2007. Mr. Jones stated the Committee took no action on any items, but reviewed the reports on Level 4 audit items and discussed the audit tracking

items. He stated that the auditing function has been proactive and getting participation from the entire System.

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

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

Dr. Gramm, Chairman of the Special Campus Art and Aesthetic Improvement Committee, reported that the Committee met on Friday, March 29, 2007. She said the Committee recommended approval of Agenda Item 24. The Board took action as set forth below:

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**MINUTE ORDER 068-2007 (AGENDA ITEM 24)**

**AUTHORIZATION FOR THE ACCEPTANCE AND PLACEMENT  
OF THE SCULPTURE, “GATES OF LEARNING,”  
AT THE BECKY GATES CHILDREN’S CENTER,  
TEXAS A&M UNIVERSITY**

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

The President of Texas A&M University is hereby authorized to approve the acceptance and placement of the sculpture, “Gates of Learning,” at the Becky Gates Children’s Center on the Texas A&M University campus as indicated on the site map, **Exhibit H.**

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OTHER ITEMS

Mr. White called on Dr. Davis who presented Items 25 through 30 and Item 43. The Board took action as set forth below:

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**MINUTE ORDER 069-2007 (AGENDA ITEM 25)**

**ADOPTION OF A RESOLUTION IN MEMORY OF  
COACH SHELBY METCALF  
AND APPROVAL OF THE NAMING OF  
THE SHELBY METCALF PLAZA,  
TEXAS A&M UNIVERSITY**

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

WHEREAS, Coach Shelby Metcalf, who passed away February 8, 2007, after a lengthy illness, was an icon at Texas A&M University for almost three decades, during which time he became the winningest basketball coach in the history of the school and in the Southwest Conference and, in the process, was an ambassador extraordinaire for the institution that he loved and served with great distinction and dedication; and

WHEREAS, Coach Metcalf served as head Basketball Coach from 1963 until 1990, with his teams winning 438 games and Southwest Conference championships in 1969, 1975, 1976, 1980 and 1986, with his 1980 team advancing to the National Collegiate Athletic Association's 'Final 16' round before being outscored by the University of Louisville team that went on to win the national championship that year; and

WHEREAS, Coach Metcalf was inducted into the Texas Sports Hall of Fame in 1994 and into the Texas A&M University Sports Hall of Fame in 1998; and

WHEREAS, Coach Metcalf, who came to Texas A&M University after serving in the United States Air Force and coaching at the high school level, became widely known for his great wit in addition to his coaching talents and mentoring of the young men on his teams, instilling in them valuable life lessons that have subsequently served them well; and

WHEREAS, Coach Metcalf, clearly demonstrating his commitment to higher education, earned a Doctor of Philosophy Degree at Texas A&M University, studying for his degree during summers when he could free up time from his coaching duties; now, therefore, be it

RESOLVED, that we, the members of the Board of Regents of The Texas A&M University System, gratefully recognize the many contributions of Coach Shelby Metcalf to Texas A&M University, including the distinction brought to it by the teams that he coached and the success of the overall program that he built, and for the highly positive influence that he had on the student athletes and other young people with whom he came in contact; and, be it, further

RESOLVED, that we, the members of the Board of Regents of The Texas A&M University System, approve the naming of Shelby Metcalf Plaza at a site adjacent to Reed Arena on the Texas A&M University campus as a permanent reminder to all of Coach Metcalf's enduring legacy of service to Texas A&M University; and, be it, further

RESOLVED, that this resolution be spread upon the minutes, and copies thereof be signed by the Chairman of the Board of Regents of The Texas A&M University System, and be presented to members of the Metcalf family and to the Archives of Texas A&M University as an expression of heartfelt condolences for their great loss and as a lasting confirmation of appreciation and respect for the life and service of the late Coach Shelby Metcalf.

**MINUTE ORDER 070-2007 (AGENDA ITEM 26)**

**ADOPTION OF A RESOLUTION HONORING THE  
2006 INTERNATIONAL INTERCOLLEGIATE MEAT JUDGING TEAM,  
TEXAS A&M UNIVERSITY**

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

WHEREAS, the College of Agriculture and Life Sciences at Texas A&M University has a long-standing tradition of producing nationally-ranked judging teams; and

WHEREAS, students participating on judging teams develop valuable leadership training and group dynamic skills which build individual self-confidence; and

WHEREAS, the Texas A&M University Meat Judging Team has excelled in skill and mastery of meat judging, having won four national championships over the past six years; and

WHEREAS, the 2006 International Intercollegiate Meat Judging Competition was held on November 12, in Dakota City, Nebraska, with over 14 teams representing universities throughout the United States and beyond; and

WHEREAS, members of the Texas A&M University Meat Judging Team included Wade Fisher of Florence; Jessica Igo of Plainview; Jessica Doege of St. Hedwig; Kelly Murdock of Yoakum; Lee Murray of San Saba; Laura May of Hurricane Mills, Tennessee; Russell Harred of Pleasanton; Will Wiederhold of Troy; Joey Muras of LaGrange; Chance Crossland of Floydada; and Kevin Sparks of Poteet; and

WHEREAS, team members worked tirelessly preparing for the competition under the encouragement of graduate student coach Eric Metteauer from Chireno, and faculty advisor and Extension meats specialist, Dr. Davey Griffin; and

WHEREAS, as a result of their judging prowess, the Texas A&M University Meat Judging Team received first place honors by winning the 2006 International Intercollegiate Meat Judging Competition; and

WHEREAS, Kelly Murdock was the high-scoring individual; Jessica Doege was fourth high-scoring; Kelly Murdock and Jessica Igo were named to the 2006 All-American Team based on their grade point averages and performances in intercollegiate meat judging contests in 2006; and Joey Muras was recognized by his peers with the Rachel Hamilton Memorial “Spirit” Award for his team spirit and winning approach to meats judging; now, therefore, be it

RESOLVED, that we, the members of the Board of Regents of The Texas A&M University System, express our heartfelt congratulations to the members of the Texas A&M University Meat Judging Team for their outstanding achievement and performance at the 2006 International Intercollegiate Meat Judging Contest and for bringing national recognition to the College of Agriculture and Life Sciences and Texas A&M University for their efforts; and, be it, further

RESOLVED, that this resolution be spread upon the minutes, and copies thereof be signed by the Chairman of the Board of Regents of The Texas A&M University System, and be presented to each member of the team, coach and advisor, and to the Archives of Texas A&M University as a permanent expression of appreciation and respect for contributions of the 2006 Texas A&M University Meat Judging Team.

**MINUTE ORDER 071-2007 (AGENDA ITEM 27)**

**ADOPTION OF A RESOLUTION HONORING THE  
2006 NATIONAL COLLEGIATE POULTRY JUDGING TEAM,  
TEXAS A&M UNIVERSITY**

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

WHEREAS, the College of Agriculture and Life Sciences at Texas A&M University has a long-standing tradition of producing nationally-ranked judging teams; and

WHEREAS, students participating on judging teams develop valuable leadership training and group dynamic skills which build individual self-confidence; and

WHEREAS, the Texas A&M University Poultry Judging Team has excelled in skill and mastery of poultry judging, having won 19 of the possible 40 poultry judging competitions over the past 20 years; and

WHEREAS, two major national level competitions are held annually including the United States Poultry and Egg National Poultry Judging Contest in the Spring and the National Collegiate Poultry Judging Contest in the Fall; and

WHEREAS, during the week of November 5, 2006, the Texas A&M University Poultry Judging Team competed in the National Collegiate Poultry Judging Competition which was held at the University of Arkansas; and

WHEREAS, members of the Texas A&M University Poultry Judging Team included John Wood of Nacogdoches, Dawna Winkler and Saxon Dittert of Schulenburg, Jason Coppedge of New Braunfels, and Jenna Moore of Adkins; and

WHEREAS, team members worked tirelessly preparing for the competition under the encouragement of team coach and advisor, Dr. Jason Lee; and

WHEREAS, as a result of their judging prowess, the Texas A&M University Poultry Judging Team received first place honors by winning the 2006 National Collegiate Poultry Judging Championship; now, therefore, be it

RESOLVED, that we, the members of the Board of Regents of The Texas A&M University System, express our heartfelt congratulations to the members of the Texas A&M University Poultry Judging Team for their outstanding achievement and performance at the 2006 National Collegiate Poultry Judging Competition and for bringing national recognition to the College of Agriculture and Life Sciences and Texas A&M University as a result of their efforts; and, be it, further

RESOLVED, that this resolution be spread upon the minutes, and copies thereof be signed by the Chairman of the Board of Regents of The Texas A&M University System, and be presented to each member of the team and coach and to the Archives of Texas A&M University as a permanent expression of appreciation and respect for contributions of the 2006 Texas A&M University Poultry Judging Team.

**MINUTE ORDER 072-2007 (AGENDA ITEM 28)**

**ADOPTION OF A RESOLUTION HONORING THE  
2006 INTERNATIONAL LIVESTOCK JUDGING TEAM,  
TEXAS A&M UNIVERSITY**

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



WHEREAS, the College of Agriculture and Life Sciences at Texas A&M University has a long-standing tradition of producing nationally-ranked judging teams; and

WHEREAS, students participating on judging teams develop valuable leadership training and group dynamic skills which build individual self-confidence; and

WHEREAS, the Texas A&M University Livestock Judging Team has excelled in skill and mastery of livestock judging, having won five national championships over the past eight years; and

WHEREAS, the 2006 International Livestock Judging Competition was held on November 13, in Louisville, Kentucky, with over 26 teams representing universities from throughout the United States; and

WHEREAS, traveling members of the Texas A&M University Livestock Judging team included Blake Bloomberg of Berwick, Illinois; Kyle Culp of Decatur, Indiana; Jon DeClerck of Aledo, Illinois; Carl Muntean of Iola; Zach Rambo of White City, Oregon; Rob Rynarzewski of Woodbine, Maryland; Christian Schroeder of Taylor; Hunter Soape of Carthage; Kaci Starr of Fowlerton; and Garrett Thomas of Shepherd; and

WHEREAS, team members worked tirelessly preparing for the competition under the encouragement of graduate student coaches Jake Franke of College Station and Jeff Thayne of Seguin, and faculty advisor, Dr. Chris Skaggs; and

WHEREAS, as a result of their judging prowess and competency, the Texas A&M University Livestock Judging Team was undefeated in 2006, winning all 12 national contests; and

WHEREAS, the Texas A&M University Livestock Judging Team received first place honors by winning the 2006 International Livestock Judging Competition, marking the first time in contest history that a judging team placed first in all divisions including cattle, sheep, swine and reasons; and

WHEREAS, Blake Bloomberg was the high-scoring individual, Kyle Culp was second high-scoring, Christian Schroeder was fourth high-scoring, and Jon DeClerck was tenth high-scoring individual, surpassing a field of over 125 student participants; now, therefore, be it

RESOLVED, that we, the members of the Board of Regents of The Texas A&M University System, express our heartfelt congratulations to the members of the Texas A&M University Livestock Judging Team for their outstanding achievement and performance at the 2006 International Livestock Judging Competition and for bringing national recognition to the College of Agriculture and Life Sciences and Texas A&M University for their efforts; and, be it, further

RESOLVED, that this resolution be spread upon the minutes, and copies thereof be signed by the Chairman of the Board of Regents of The Texas A&M University System, and be presented to each member of the team, coaches and advisor, and to the Archives of Texas A&M University as a permanent expression of appreciation and respect for contributions of the 2006 Texas A&M University Livestock Judging Team.

**MINUTE ORDER 073-2007 (AGENDA ITEM 29)**

**ADOPTION OF A RESOLUTION HONORING THE  
2006 ACADEMIC QUIZ BOWL TEAM,  
TEXAS A&M UNIVERSITY**

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

WHEREAS, the College of Agriculture and Life Sciences at Texas A&M University has a long-standing tradition of producing nationally-ranked judging teams and academic quiz bowl teams; and

WHEREAS, students participating in team competitions develop valuable leadership training and group dynamic skills which build individual self-confidence; and

WHEREAS, the American Agricultural Economics Association sponsors the Annual Academic Quiz Bowl Competition to test students on their knowledge of agricultural economics in eight categories including resources/policy, macroeconomics, microeconomics, agricultural business/finance, marketing, management, quantitative and a potpourri category; and

WHEREAS, the 2006 Academic Quiz Bowl Competition was held during the week of July 23 at the 2006 American Agricultural Economics Association Conference in Long Beach, California, with over 32 teams representing agricultural economics programs from throughout the United States and Canada; and

WHEREAS, members of the Texas A&M University Academic Quiz Bowl Team from the Department of Agricultural Economics included Kristen Greer from Center, Megan Morgan from Shiner, Callie Rogers from Weatherford, and Sheena Norton from Meridian; and

WHEREAS, team members worked tirelessly preparing for the competition under the encouragement of faculty advisors, Dr. Jim Mjelde and Dr. Ed Rister; and

WHEREAS, as a result of their knowledge of agricultural economics principles, the Aggie team won five consecutive rounds before reaching the finals and defeating the University of Manitoba with a score of 125 to 30, thereby winning honors as the 2006 Academic Quiz Bowl Champions, marking the second national championship that has been awarded to students from the Department of Agricultural Economics at Texas A&M University in the past five years; now, therefore, be it

RESOLVED, that we, the members of the Board of Regents of The Texas A&M University System, express our heartfelt congratulations to the members of the Texas A&M University Academic Quiz Bowl Team from the Department of Agricultural Economics for their outstanding achievement and performance at the 2006 Academic Quiz Bowl Competition and for bringing national recognition to the College of Agriculture and Life Sciences and Texas A&M University for their efforts; and, be it, further

RESOLVED, that this resolution be spread upon the minutes, and copies thereof be signed by the Chairman of the Board of Regents of The Texas A&M University System, and be presented to each member of the team and advisor and to the Archives of Texas A&M University as a permanent expression of appreciation and respect for contributions of the 2006 Texas A&M University Academic Quiz Bowl Team.

**MINUTE ORDER 074-2007 (AGENDA ITEM 43)**

**AUTHORIZATION TO AWARD AN HONORARY  
DOCTOR OF LETTERS DEGREE TO  
MR. GEORGE P. MITCHELL,  
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 President of Texas A&M University is authorized to award an Honorary Doctor of Letters degree to Mr. George P. Mitchell.

**MINUTE ORDER 075-2007 (AGENDA ITEM 30)**

**GRANTING OF FACULTY DEVELOPMENT LEAVE FOR FY 2008,  
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 Board of Regents of The Texas A&M University System, in accordance with System Policy 31.03 (*Leaves of Absence*), System Regulation 12.99.01 and Sections 51.101-108 of the Texas Education Code, authorizes faculty development leave to the faculty members as shown in **Exhibit I**, Faculty Development Leave List FY 2008, Texas A&M University, a copy of which is attached to the official minutes.

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Mr. White called on Dr. McKinney who presented Items 31 through 33.

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**MINUTE ORDER 076-2007 (AGENDA ITEM 31)**

**APPROVAL OF ACADEMIC TENURE,  
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:

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 J**, Tenure List No. 07-04, a copy of which is attached to the official minutes.

**MINUTE ORDER 077-2007 (AGENDA ITEM 32)**

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

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 the individuals as shown in **Exhibit K**, Emeritus Title List No. 07-04, a copy of which is attached to the official minutes, and grants all rights and privileges of this title.

**MINUTE ORDER 078-2007 (AGENDA ITEM 33)**

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

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 the peace officers by the Presidents of the respective members of The Texas A&M University System, as shown in **Exhibit L**, attached to the official minutes.

**MINUTE ORDER 079-2007 (AGENDA ITEM 34)**

**APPROVAL OF MINUTES OF THE FEBRUARY 1-2, 2007,  
REGULAR BOARD MEETING,  
BOARD OF REGENTS**

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

The Minutes of the February 1-2, 2007, Regular Board Meeting are hereby approved.

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Mr. White called on Dr. McKinney to present Item 35 through 37, 39 and 40 which were considered in Executive Session. He also asked Dr. McKinney to present Item 38. The Board took action as set forth below:

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**MINUTE ORDER 080-2007 (AGENDA ITEM 35)**

**APPOINTMENT OF MR. GARY F. SERA AS  
INTERIM DIRECTOR OF THE  
TEXAS ENGINEERING EXTENSION SERVICE,  
THE TEXAS A&M UNIVERSITY SYSTEM**

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

Upon the recommendation of the Chancellor, the Board of Regents hereby appoints Mr. Gary F. Sera as Interim Director of the Texas Engineering Extension Service, effective March 30, 2007, at an annual salary of \$133,000.

**MINUTE ORDER 081-2007 (AGENDA ITEM 36)**

**APPOINTMENT OF  
DR. P. DAVID ROMEI AS  
VICE PRESIDENT FOR EXTERNAL AFFAIRS AND DEVELOPMENT,  
THE TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER**

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

Effective April 1, 2007, Dr. P. David Romei is hereby appointed Vice President for External Affairs and Development at The Texas A&M University System Health Science Center, at an initial salary of \$172,500.

**MINUTE ORDER 082-2007 (AGENDA ITEM 37)**

**APPROVAL OF THE RECOMMENDATION OF  
THE PRESIDENT OF PRAIRIE VIEW A&M UNIVERSITY THAT  
C. LEE TURNER BE DISMISSED FOR CAUSE,  
PRAIRIE VIEW A&M UNIVERSITY**

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

Pursuant to System Policy 12.01, Section 8.2.5, the Board of Regents of The Texas A&M University System approves the recommendation of the President of Prairie View A&M University that C. Lee Turner be dismissed for cause, and such termination shall be effective April 1, 2007.

**MINUTE ORDER 083-2007 (AGENDA ITEM 38)**

**ADOPTION OF A RESOLUTION HONORING  
MR. TIM DONATHEN,  
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, Tim Donathen, a native of San Antonio, earned a bachelor of environmental design degree from Texas A&M University in 1974 and a master of architecture degree from Texas A&M in 1977; and

WHEREAS, after three years in private practice in Bryan, he joined the A&M System Facilities Planning and Construction Department as an architect in 1980; and

WHEREAS, in this position, he served as a project manager on more than 30 projects totaling more than \$400 million; and

WHEREAS, Mr. Donathen was named Assistant Director of the Facilities Planning Division in 1990, where he assisted in the planning and design of all new facilities and major renovation programs across the A&M System; and

WHEREAS, he was named Assistant Vice Chancellor for Facilities Planning and Construction in 1993, where he oversaw construction and renovations across the A&M System from the project development phase to the final project closeout phase; and

WHEREAS, Mr. Donathen was named Executive Director in October 2001 and, in this position, he oversaw 60 employees who maintained between 50 and 60 ongoing projects annually at a continuous program cost of approximately \$400 million; and

WHEREAS, literally millions of square feet of new space were added to A&M System institutions during Tim Donathen's 26 years of service as the number of universities grew from four to ten, with two more in the planning stages; and

WHEREAS, most of these universities joined the A&M System decades after they were founded, and some had not undertaken any major new construction programs in many years; and

WHEREAS, under Mr. Donathen's leadership, these campuses were revitalized through the construction of new infrastructure, new landscaping, and the addition of modern facilities; and

WHEREAS, highlights of his 26 years of service include his involvement in the construction of a new campus for Texas A&M International University and of the George Bush Presidential Library complex at Texas A&M University; his participation in the design of a multi-million dollar agricultural research facility in Saudi Arabia; and his service on the Board of Directors of the Thermal Energy Corporation at the Texas Medical Center in Houston; and

WHEREAS, Mr. Donathen has been active in professional associations at the local, state and national levels, including serving as vice president and treasurer of the Texas Society of Architects and president of the Brazos Chapter of the American Institute of Architects; and

WHEREAS, he is held in the highest esteem by his colleagues across the State of Texas and will be remembered for his integrity, generosity and passion for higher education; now, therefore, be it

RESOLVED, that we, the members of the Board of Regents of The Texas A&M University System, express our appreciation for Mr. Donathen's many years of dedicated service to The Texas A&M University System; and, be it, further

RESOLVED, that this resolution be spread upon the minutes, and copies thereof be signed by the Chairman of the Board of Regents of The Texas A&M University System, and be presented to Mr. Donathen as an expression of appreciation for his leadership as Executive Director of Facilities Planning and Construction of The Texas A&M University System.

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Mr. Nye stated that having worked for many years with Tim Donathen, he could testify that all of the laudatory statements made in the Resolution were true to the best of his knowledge and ability. Mr. Nye said Tim was a great guy and a dear friend and a person who served this university and this System with great dignity and great dedication.

Mr. Jones pointed out that the Board Members had been provided a copy of the amended contract that was proposed for Item 39. Mr. Nye noted that the information originally presented under Item 39 was inaccurate, noting that they were working off of the new contract. Mr. Jones agreed that they were working off the new contract that was recently distributed by the General Counsel. Mr. White pointed out that there was a difference in language that would be adopted by this motion and second. The Board took action as set forth below:

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**MINUTE ORDER 084-2007 (AGENDA ITEM 39—AMENDED ATTACHMENT)**

**AUTHORIZATION TO EXECUTE AMENDED EMPLOYMENT CONTRACT  
WITH BILLY GILLISPIE, HEAD MEN'S BASKETBALL COACH,  
TEXAS A&M UNIVERSITY**

On motion of Mr. Jones, 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 Interim President of Texas A&M University to execute an amendment to the employment contract with the following person:

Billy Gillispie – Head Men's Basketball Coach.



**MINUTE ORDER 085-2007 (AGENDA ITEM 40)**

**APPOINTMENT OF DR. FRANK B. ASHLEY III AS  
VICE CHANCELLOR FOR ACADEMIC AFFAIRS,  
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. Frank B. Ashley III is hereby appointed Vice Chancellor for Academic Affairs of The Texas A&M University System, at an annual salary of \$195,000, effective May 14, 2007.

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(Secretary's Note: Items 41 and 42 were withdrawn).

REPORT FROM THE SYSTEM ATHLETIC LIAISON

Mr. Jones announced that for the first time in school history, the TAMU-C Women's Basketball Team was ranked number 13 in the final U.S. Today ESPN Division II, Top 25 Coach's Poll. He said they moved from being unranked to number 13 and particularly, Texas A&M-Commerce Senior Guard, Kanani Marshal was selected as third team honoree in the Daktronics Division II Sports Information Director's Women's Basketball All-America Team. He said that she was the first ever All-American in school history for women's basketball. Mr. Jones announced that she made 145 three-pointers this season.

Mr. Jones announced that the West Texas A&M University Women's Basketball Team was ranked 11th in the USA Today ESPN Division II, Top 25 Coach's Poll. He said they also obtained the Men's and Women's Coaches of the Year, Men's and Women's Players of the Year, Men's and Women's Academic Players of the Year, and Men's and Women's Regional Players of the Year.

Mr. Jones stated that the Islanders Men's Basketball Team at TAMU-CC won both the Southland Conference regular season and post season tournament championships. He noted that they were in their first year in the conference. He said the Islanders advanced to their first ever NCAA Tournament. Mr. Jones congratulated Dr. Flavius and the rest of the Islanders for their accomplishment. He announced that the Islanders 7-foot center, Chris Daniels was named Southland Conference Player of the Year and the Tournament Most Valuable Player. Mr. Jones stated that he has a fifth year of eligibility remaining and would make a decision on his status within the next few weeks.

Mr. Jones asked the coach of the PVAMU Women's Basketball Team, Ms. Cynthia Cooper, to make a special presentation on behalf of PVAMU.

Ms. Cooper stated that this was the first time that PVAMU not only has won the SWAC, also won the SWAC Tournament Freshman of the Year, Gaati Werema, and also a Freshman MVP from University High School in Waco. She stated that it was their first appearance in the NCAA. Ms. Cooper presented Mr. Jones with a PVAMU jersey and t-shirt with PVAMU in the NCAA bracket for the first time in school history.

Mr. Jones reported that for the first time ever in the history of TAMU, we have a consensus All-American in the Men's Basketball, a Finalist for the National Player of the Year by three different organizations and National Coach of the Year, Billy Gillispie. He noted that Acie Law also earned Associated Press First Team in the John Wooden Committee Ten Man All-American Teams and he and teammate, Dominique Kirk received All-American Defense status. He noted that Acie Law and Marlon Pompey made it to the final four in the 3-point shooting contest and the slam-dunk contest.

Mr. Jones reported that the TAMU Women's Basketball Team under the guidance of Coach Gary Blair also received their second consecutive NCAA bid to the NCAA Finals. He reiterated that both in the Men's and Women's Basketball programs, the System had two teams in the NCAA Division I Basketball Playoffs. Mr. Jones said it makes us proud, that it was significant for the System and we should really encourage all to support the athletics of our institutions. He stated that our student athletes work harder than our regular students because they have two jobs – school and sports. Mr. Jones said the coaches that support them, the former students and the communities that support the programs, they are sincerely thanking all of them on behalf of the Board and the System. Mr. Jones said we have grown to expect excellence in all that we do and that included our athletic programs. He noted that the results have been significant and he applauded all they do in that regard.

Mr. Jones read a note written by Milton Overton, Associate Athletic Director, stating that he had the privilege to meet ten young wounded men from Brooke Army Medical Center, ages 18 to 23, and many of them having missing limbs. Mr. Overton's note stated that he had reflected on the smiles on the young men's faces and he felt so grateful for the phenomenal basketball run we were all a part of this season. The note concluded by stating the great thing about our profession is that we get a chance to look forward to another run next year and were blessed to do so in good health.

OTHER BUSINESS

Mr. White announced that the next regular meeting was scheduled for May 24-25, 2007, on the campus of Texas A&M University-Kingsville.

ADJOURNMENT

There being no further business, Mr. White asked for a motion to adjourn. On motion of Mr. Nye seconded by Ms. Steen and by a unanimous vote, the meeting was adjourned at 11:44 a.m.

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

VBS:kdI