

MINUTES

OF THE

MEETING OF THE

BOARD OF REGENTS

OF

THE TEXAS A&M UNIVERSITY SYSTEM

HELD IN

COLLEGE STATION, TEXAS

May 21-22, 2009

(Approved July 16-17, 2009)

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**MINUTES OF THE
MEETING OF THE BOARD OF REGENTS
May 21-22, 2009**

CONVENE – THURSDAY, MAY 21, 2009

Chairman Bill Jones, convened a regular meeting of the Board of Regents of The Texas A&M University System (TAMUS) at 10:30 a.m., Thursday, May 21, 2009, in the Board Meeting Room on the campus of Texas A&M University (TAMU), College Station, Texas. The following members of the Board were present:

Mr. Bill Jones, Chairman
Mr. Phil Adams
Dr. Richard A. Box
Mr. Morris Foster
Mr. Lupe Fraga
Mr. Jim Schwertner
Mr. Gene Stallings
Ms. Ida Clement Steen
Mr. Jim Wilson
Mr. Anthony Cullins, Student Regent

Chairman Jones announced that a quorum of the Board was present.

(Secretary's Note: Mr. Adams, Mr. Jones and Mr. Schwertner were appointed by Governor Rick Perry on February 6, 2009, to serve as Members of the Board of Regents of The Texas A&M University System. Mr. Adams, who previously served on the Board from 2001-2007, replaced Mr. Erle Nye. Mr. Jones was reappointed for a second term. Mr. Schwertner replaced Mr. John D. White.)

RECESS TO EXECUTIVE SESSION

Chairman Jones announced that the Board would recess to executive session to consider matters as permitted by Chapter 551 of the Texas Government Code, Section 71, Section 72 (including Item 11), Section 73 and Section 74 (including Items 26 and 28 through 35 and discussion of duties and evaluations of A&M System administration officers, university and HSC presidents, agency directors, other officers reporting directly to the Board and A&M System and institutional employees). Chairman Jones said in accordance with the law no final action, decision or vote with regard to any matter considered in the executive session would be made or taken.

(Secretary's Note: The Board met in executive session from 10:32 a.m. until 1:05 p.m.)

RECONVENE IN OPEN SESSION AND RECESS

Chairman Jones reconvened the meeting in open session at 1:07 p.m. He announced that the Board had met in executive session from 10:32 a.m. until 1:05 p.m. and considered executive session agenda items and conferred with the Chancellor, several system and university administrators, and system attorneys on personnel, land and legal matters. Chairman Jones said the Board would reconvene its executive session the next day, to continue the executive session agenda. Chairman Jones recessed the meeting and announced that the Board would reconvene in Room 292 of the Memorial Student Center (MSC).

RECONVENE

At 1:20 p.m., Chairman Jones reconvened the meeting in Room 292 of the MSC and announced that a quorum was present.

INVOCATION

Chairman Jones called on Ms. Valerie Brak, a TAMU senior from Navasota, Texas, majoring in English, with minors in business and anthropology, as well as a concentration in linguistics.

CHAIRMAN'S REMARKS

Chairman Jones introduced newly appointed Regents Adams and Schwertner.

Regent Adams said that he was glad to be reappointed and honored to be a part of this great system. He said it was a real privilege to serve Texas and its people. He said he has the highest regard for what everyone in the meeting room was doing to reach out in our mission to educate and serve our fellow Texans.

Regent Schwertner thanked Governor Perry for giving him the honor to serve on this board. He said it was particularly special to him because his father graduated from A&M in 1942, his daughter graduated from A&M in 2008, and she is married to an Aggie. Regent Schwertner said he understands how hard everyone at TAMU works to educate the students and that is the reason he is here -- to make sure the students get the best education they can.

Chairman Jones thanked Regents Adams and Schwertner for committing their time and service to the A&M System.

Chairman Jones recognized that this was the last Board meeting for Student Regent Anthony Cullins.

Student Regent Cullins said this position allowed him to educate and be a liaison between the students and administration and he had served to the best of his ability. He said his main goal, echoing the Chancellor's goal, was that we act and walk like a system. He said he had visited every A&M System university and it had truly been an honor to serve.

Chairman Jones said Mr. Cullins had been the embodiment of a student regent. He attended many functions and embodied the idea of starting and completing a job. He thanked him for his time and service.

ELECTION OF OFFICERS

Chairman Jones announced that in accordance with Bylaws of the Board of Regents, at the first regular meeting or special meeting following the appointment and qualification of the new members regularly appointed in odd years, the first business in order is the election of the Chairman and Vice Chairman. Chairman Jones asked for nominations for Chairman of the Board. The Board took action as set forth below:

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### **MINUTE ORDER 094-2009**

#### **ELECTION OF MR. MORRIS E. FOSTER AS CHAIRMAN OF THE BOARD OF REGENTS, THE TEXAS A&M UNIVERSITY SYSTEM**

Regent Schwertner nominated Regent Foster for the office of Chairman of the Board of Regents. Chairman Jones asked if there were other nominations. There were none.

Regent Stallings moved that nominations cease, Regent Wilson seconded the motion, and the motion was approved by a unanimous vote. Chairman Jones said since there was only one nominee, by acclamation, Regent Foster was elected Chairman of the Board of Regents.

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Regent Jones said the last two years had been a wonderful experience, not necessarily for what he had done, but for what everyone involved had done. He thanked the Board staff and said Ms. Spillers has the best staff in the world, which made his job much easier. Regent Jones thanked the university presidents and CEOs who have supported him and his fellow Board members, some of whom were no longer serving on the Board, and one in particular who had recently passed away. Regent Jones said he had

received nothing but support from the Board and thanked them for what they have done for the A&M System.

Regent Jones said Board members serving in these various capacities love the System institutions, the students they serve and give all they have for their benefit. He said some may agree with what the Board does and some may disagree, but everything the Board does is meant to be for a good purpose. Regent Jones urged everyone to continue to support the new chairman. He told Chairman Foster that the gavel carries with it a heavy burden of responsibility and he knew that Chairman Foster accepted those responsibilities gladly and he was proud to serve with him.

Chairman Foster said it was certainly an honor to be appointed chairman. He said in the two years he has worked with Regent Jones, he discovered that he is one of the greatest visionaries and leaders he has had the opportunity to work with in his 44 years of business anywhere in the world. Chairman Foster told Regent Jones that he had learned a lot from him and respected the time he had invested in the Board while running his law firm. He said balancing those things speaks to the character of the individual.

Chairman Foster said he was humbled and honored to be elected chairman. He said there were ten people in his graduating class in Salado, Texas, and he was the first generation to attend college. He said he showed up on the doorsteps of A&M, married with twin daughters and no money. Chairman Foster said A&M came forward, saw his potential and provided the money, leadership and mentorship. He said it has been a long way from Salado, some 50 years ago to this point, but he owes everything he has had the opportunity to accomplish in life, to A&M. He said it was certainly an honor and pleasure to be able to give back to the university and students. He said he looked forward to serving Texas, the Governor and everyone in the room, particularly the Regents who supported him, as well as all the students of the A&M System.

Chairman Foster asked for nominations for the position of Vice Chairman of the Board. The Board took action as set forth below:

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**MINUTE ORDER 095-2009**

**ELECTION OF  
MR. JAMES P. WILSON  
AS VICE CHAIRMAN OF THE BOARD OF REGENTS,  
THE TEXAS A&M UNIVERSITY SYSTEM**

Regent Fraga nominated Regent Wilson for the position of Vice Chairman of the Board. Chairman Foster asked if there were any other nominations. There were none.

On motion of Regent Jones, seconded by Regent Stallings, nominations were closed. By acclamation, Regent Wilson was elected Vice Chairman of the Board of Regents.

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Vice Chairman Wilson said he appreciated the confidence of his fellow Board members and was honored to be elected to this position.

CHANCELLOR'S REMARKS

Chancellor McKinney said on April 30, 2009, in Washington, D.C., the A&M System signed an agreement with Secretary of the Army Pete Geren, who authorized the transfer of 662 acres from Fort Hood to TAMUS for the purpose of a Texas A&M University–Central Texas (TAMU-CT) campus.

Chancellor McKinney said TAMU-CT and Texas A&M University-San Antonio (TAMU-SA) have surpassed the minimum enrollment of 1,000 full-time equivalents required to attain independent status.

He said on April 28, 2009, TAMUS signed an agreement with Mr. Ruben Bonilla, Chairman of the Port of Corpus Christi Authority, to assume management of the Naval Station Ingleside and adjacent property, a total of 1,009 acres.

Chancellor McKinney said his office began programmatic budget reviews last month and expressed his appreciation to agency heads and presidents of the universities for their work.

He said the Chancellor's Century Council held its annual meeting at West Texas A&M University (WTAMU).

(Secretary's Note: Regent Stallings left the meeting at 1:45 p.m.)

Legislative Briefing

Chancellor McKinney gave a brief legislative overview. He said there was an approximate \$1 billion increase in the Finance Appropriations Bill for higher education. There is slightly over \$61 million for the biennium increases in the formula for A&M System schools, including the Competitive Knowledge Fund and a few special items. The Texas Grants for financial aid are \$186 million and \$34 million was set aside for Top Ten scholarships. Chancellor McKinney said there is a \$14 million increase in the Competitive Knowledge Fund to TAMU. He said Prairie View A&M University (PVAMU) is included in the Research Development Fund, which is fair, since PVAMU was the only Texas university not included in the Research Development Fund or the Competitive Knowledge Fund. He said TAMU-SA received \$6.2 million and TAMU-CT received \$6 million in

operational funds and the Tuition Revenue Bond (TRB) debt for the second year is \$5.7 million. He said there is a rider that creates a separate bill pattern so these two universities will receive \$750,000 each in the second year of the biennium as a small campus supplement. He said we had requested \$8 million for downward expansion for Texas A&M University-Texarkana (TAMU-T) and currently there is \$6 million in the conference-committee working document. He said in the Health Science Center College of Medicine, there is \$24 million in formula increase and \$16 million for the expansion item, a biennium number.

Regent Jones asked for information on the downward expansion of TAMU-T. Chancellor McKinney explained that TAMU-T is an upper-level university with a graduate school and it will go to freshmen and sophomores. Regent Jones asked when this would happen and Chancellor McKinney responded in September 2009.

Chancellor McKinney said funding for the agencies is as follows: Texas AgriLife Research, \$3 million; AgriLife Extension Service, \$1.5 million; Texas Engineering Experiment Station (TEES), \$5 million for a nuclear power institute; Texas Transportation Institute (TTI), \$1.5 million; Texas Engineering Extension Service (TEEX), \$600,000; Texas Forest Service (TFS), \$30 million for a volunteer fire department assistance grant program and \$8 million for additional work on a wildfire protection plan. He said the Veterinary Medical Diagnostic Laboratory (TVMDL) would receive \$500,000 for livestock use and public health sector protection and more surveillance.

TEXAS A&M UNIVERSITY-CORPUS CHRISTI FOUNDATIONS REPORT

Dr. Flavius Killebrew, President of Texas A&M University-Corpus Christi (TAMU-CC), introduced Dr. Trent Hill, Vice President for Institutional Advancement at TAMU-CC.

Dr. Hill said the university is affiliated with four foundations: the Texas A&M-Corpus Christi Foundation, the Island University Foundation dba the Texas A&M-Corpus Christi Alumni Association, the Harte Research Support Foundation and the South Texas Institute for the Arts.

Dr. Hill said the Texas A&M-Corpus Christi Foundation is a 501(c)(3), single-use foundation established in October 2004. The purpose and mission is to promote growth, quality and effectiveness of the university accomplished through solicitation of investments and administering and distributing donations to the foundation. There are twelve trustees who serve three-year terms. He said the trustees are elected at the annual board meeting and the university president, Dr. Killebrew, serves as an ex-officio member. The officers are board elected and serve a one-year term and the executive committee is comprised of the chairman, past chairman, secretary and treasurer. This foundation also has a one percent fair market value administrative fee for operations, including paying investment fees like auditor, accounting and legal.

Dr. Hill said as of March 31, 2008, the foundation's fair market value was \$43,897,877. Chairman Foster asked if the fair market value had taken a significant hit due to the recent downturn. Dr. Hill said as of March 31, 2008 there was slightly over an \$11 million loss in the fair market value, some unrealized loss. Vice Chairman Wilson questioned if those were 2008 or 2009 figures and Dr. Hill said 2008. Regent Schwertner asked if they were required to keep mark-to-market accounting on all securities. Dr. Hill said their investment advisor provides the returns to the foundation's accountant for analysis and it is included in the portfolio mix.

Vice Chairman Wilson said the fund was down 32.4% for the year ending March 31, 2008 and then another 30% was lost in the 2009 fiscal year. Regent Adams said they were questioning if there was a 30% loss, 14 or 15 months ago. Dr. Hill corrected his statement, saying the fiscal year ends March 31, but the figures were as of December.

Dr. Hill said almost every foundation fund is restricted, so there are chairs, professorships, scholarships and discretionary funds. He said the Conrad Blucher Institute is the largest portion of the total assets.

Vice Chairman Wilson said for the 2008 calendar year, the foundation had a positive fundraising year and even with the negative return, the total assets were up by \$5 million. Dr. Hill said the distribution is 4.25%, based upon a 12-quarter rolling average; therefore, even with some bad quarters recently, there were better quarters previously. Vice Chairman Wilson said he was referring to the asset value, since even though investments were down 32%; the asset value was up, so therefore it was a good fundraising year. Dr. Hill agreed.

Dr. Hill said when donors put money into the foundation, it is just an endowment, so a large portion of donors is annual, not endowed donors. He said they also have endowments within the university invested with the system. Chancellor McKinney asked what percentage of the endowment was contributed to the university. Dr. Hill said nearly \$1 million. He said for example, there is \$6 million in the foundation to be used for the Michael and Karen O'Connor Building and \$1 million for the Dr. Jack Dugan Wellness Center, so some of those are capital. Dr. Hill said the payout is 4.25% of a 12-quarter rolling average, but a large portion of that is not set aside for scholarships or professorships, some is held by the foundation for capital projects for the university. He said at the last Board meeting, \$6 million was requested for the Mike and Karen O'Connor Building. Dr. Hill said the Singer Presidential Fund is slightly over \$1 million. The foundation board has been working with the Chancellor on the distribution. Chancellor McKinney asked if money had come out of that particular fund. Dr. Hill said the request had been approved, but not distributed. Chancellor McKinney said it is a concern that non-taxable endowments are just being held and not supporting the universities they are purported to support.

Chairman Foster said we must find a solution for these kinds of things and not let them drag out. He said the Board needs recommendations on how to proceed from Chancellor McKinney and Dr. Killebrew.

Dr. Hill showed the total contributions for the fiscal year through the university and the foundation, indicating that sometimes the foundation dollars are actually endowments into the foundation but they follow what the donor wishes. He said some of the donors want endowments set up in the university and pulled into the system.

Dr. Hill said the second foundation is the Island University Foundation, dba the Texas A&M-Corpus Christi Alumni Association. He said it is a 501(c)(3) foundation and in 2004 entered the shared services agreement where the university serves as the fiscal agent for the foundation and the foundation owns no assets. The mission is to strengthen and promote the interests and welfare of the university; establish lifelong commitment and support of alumni and friends; and assist the student foundation. He said only graduates from 1947 to the present could serve on the foundation. Dr. Hill said 20 serve one-year terms on the board of directors. He said the board elects the officers and the executive committee consists of officers and the university president, as an ex-officio member.

Dr. Hill said the third foundation is the Harte Research Support Foundation, established in 2000 by a \$46 million gift from Mr. Ed Harte. He said Mr. Harte transferred his funds into a 501(c)(3) independent, single-purpose use foundation that exists for the sole benefit of TAMU-CC and the affiliation agreement was signed in 2007. He said the university president serves as an ex-officio member and the fiscal year of the foundation is July 1 to June 30. The purpose is to support the Harte Research Institute for the Gulf of Mexico Studies in research and education and advance the long-term sustainable use and conservation of the Gulf. The foundation is also a tri-national responsibility, combining the United States, Mexico and Cuba. Dr. Hill said the foundation's returns were down 2.4% and assets were \$35,596,357 as of June 30, 2008. The university received \$1,577,148 from the foundation in 2008.

Chairman Foster said this is a very important program for the university and asked if we were pursuing the opportunity to obtain more from this individual. Dr. Hill said when the foundation was established, Mr. Harte wanted to make a large impact rather than spread it out. He said Mr. Harte talked to them about providing what the state could not provide for the university and that was the start of the Harte Research Support Foundation.

Dr. Hill said the fourth foundation is the South Texas Institute for the Arts (STIA). He said it is not a single-purpose use foundation and not for the sole benefit of the university. He said it was included because the university had signed an affiliation agreement with the foundation in 1995. He said the institute was established in 1995 at the 74th Texas Legislature special item funding for a cooperative joint venture with TAMU-CC and the City of Corpus Christi. The museum personnel are university employees and the foundation has a contract with the City of Corpus Christi, who owns the building. He said legislation mandates the foundation match two to one what the state provides for the total

budget, in terms of fundraising. He said three museums were combined in 1997 under a legislative act, the Art Museum of South Texas, the Creative Arts Center and the Center for Hispanic Arts, and they became the STIA. He said there was an expansion of the Robert Wood Johnson facility several years ago and the university helped in the fundraising as a joint cooperative to expand that art museum.

Dr. Hill said board members serve one-year terms, the executive committee consists of 20 members, and the university president and Corpus Christi mayor serve as ex-officio members. He said the foundation operates the educational facilities and museum. The purpose of the foundation is to advance knowledge, enjoyment of the arts and present classes, lectures, films and performances. He said the TAMU-CC art students and the public school students utilize the foundation. Dr. Hill said the foundation's fair market value for 2008 is \$664,002.

Vice Chairman Wilson asked if either of the boards of the Harte Research Support Foundation or Texas A&M Corpus Christi Foundation had discussed reducing the payout formula in light of the economic decline. Dr. Hill said there had been discussion with the Texas A&M Corpus Christi Foundation about reducing the payout to 4% and in the upcoming fiscal year, they were using the lower of either the 12-quarter rolling average or the fair market value as of March 31, 2009. He said an exception was made with the Blucher Institute to stay at the 4.25%, 12-quarter to keep it at as current a level as possible. The chairs and professorships took a hit, but the scholarships came out almost even, because they received a \$5 million gift for scholarships, endowed in the prior year. Dr. Killibrew said they also reduced their administrative fee for this next year.

TARLETON STATE UNIVERSITY FOUNDATION REPORT

Dr. Dominic Dottavio, President of Tarleton State University (TSU), said Dr. Rick Richardson was appointed April 1, 2009, as the new Vice President of Institutional Advancement and as such is an ex-officio member of the board of the TSU Foundation. He introduced Dr. Barry Thompson, Chancellor Emeritus of the A&M System and President Emeritus of TSU and WTAMU.

Dr. Thompson said about two years ago, the president of TSU decided that it needed to be independent. He said the foundation is in the transition of going from nearly zero to \$15 million, which has regressed to \$13 million in the economic downturn. He said there are 11 to 15 board members and the mission is to generate funds so the best students can be recruited to TSU. He said some of the alumni include General Earl Rudder, two astronauts and the leading heart transplant surgeon, Dr. Bud Frazier. Dr. Thompson told the Board that the regional universities are priceless to the future and economic growth of Texas and to ensure that the quality of life does not deteriorate further. He said the directors serve three-year terms for no more than two consecutive terms and may be re-nominated after one year's absence. The ex-officio members of the foundation include the president, vice president for institutional advancement, president and president-elect of the Tarleton Alumni Association. He said

presently, the foundation is in the process of raising \$2 million to build a new alumni center. The president, vice president, secretary and standing committee chairs comprise the executive committee. Dr. Thompson said the general endowment is divided into three areas: the James B. Gregory, Mary C. Gregory and Myrtle Nowlin Loan Fund portfolio; the W.K. Gordon Center for Industrial History; and the Unrestricted Portfolio. The foundation consists of 146 endowments, including 136 scholarships, two faculty awards, five program or departmental support endowments, one professorship and two book fund endowments. He said at the end of each fiscal year, annual reports are sent to each donor, showing disbursements, income returns and balances.

Dr. Thompson said the Gregory, Gregory and Nowlin Loan Fund was established to provide short-term loans for TSU students who experience temporary financial difficulty. In 2008, 819 loans were made totaling \$263,560. He said funds for the W. K. Gordon, Jr. Center for Industrial History of Texas were provided by Dr. Richard L. Thompson through an estate gift. In addition to scholarships, the gift provides the unrestricted portfolio a source of unrestricted funds to be used for the operation of the foundation. Dr. Thompson said the foundation is on the verge of receiving two multi-million dollar gifts from estates. The foundation recently lowered the rolling average percentage of distribution to 4% due to the economic downturn.

Chairman Foster thanked Dr. Thompson.

TEXAS A&M UNIVERSITY-KINGSVILLE FOUNDATION REPORT

Chairman Foster said Dr. Steven Tallant, President of Texas A&M University-Kingsville (TAMU-K), was absent. He introduced Dr. Allen Rasmussen, Interim Provost. Dr. Rasmussen introduced Mr. Phil McCormick. He said Mr. McCormick had been a member of the Board of Regents of the South Texas University System and has been recognized as a distinguished alumnus.

Mr. McCormick said the TAMU-K foundation was established in March 1972 to raise private funds to support university programs. He said since the early 1990s the foundation has worked under the terms of affiliation agreements executed with the university. He said it is a Type III supporting organization and eligible to receive gifts from other foundations. The foundation's mission is to benefit TAMU-K, accomplished by investing and administering gifts received on behalf of the university for educational purposes; supporting the university's efforts in accomplishing its mission; directing the investment and administration of gifts to benefit TAMU-K in accordance with donor's wishes; and assisting in development and fundraising by the university.

Mr. McCormick said the foundation board approved a list of characteristics they wished to see in candidates for the board in 1997 in the nominating process, occasionally seeking special skills and expertise to fill special needs. He said the foundation originally had seven board members and there are now 21, with 19 currently occupying seats. He said they have had top-notch individuals from a wide spectrum of experiences,

backgrounds and communities that have served on the board. Mr. McCormick said they have a recurring nominating process to find candidates suitable for the board membership. He said the recommendation for candidates is shared with the university president. Officers are elected each year by the sitting board of trustees and function through a group of committees.

Mr. McCormick said some significant foundation accomplishments include the development of a “Pooled Investment Fund” concept in 1990 in which \$3 million in liquid foundation assets were turned over to professional management. He said prior to that, the foundation had a series of certificate of deposits in a local bank which worked well until 1990. He said in 1997, the foundation initiated the Circle of 100, where individuals committed \$1,000 per year to support activities in the university. He said when the university implemented a development program in early 2000; the foundation turned that program over to the university president’s office. He said the Circle of 100 raises more than \$100,000 per year for the university, not reflected in the foundation’s results. He said in 2005, the foundation developed and implemented the first capital campaign in the university’s history, resulting in slightly over \$10 million. Mr. McCormick said it became essential to diversify and they developed different asset class investments and employed different managers for those asset classes. He said the total assets through March 31, 2009, were \$33.1 million and approached \$40 million prior to the economic downturn. He said the total assets through December 31, 2008, were slightly over \$31 million, as a result of gifts through March 31. The average investment return for 1991 through 2008 was 6.21%, and returns through 2007 averaged 9.41%. He said two of the most significant market declines have occurred in the last nine years, which had a devastating effect on portfolios across the country. He said from 1946 to 2008, market corrections in the year following the conclusion of the decline have averaged 30%. He said returns for the first quarter of 2009 were -49%, but April and May have been good and turned the foundation slightly positive for 2009.

Mr. McCormick said the foundation awarded 227 scholarships in the last three years. He said the Caesar Kleberg Wildlife Institute at TAMU-K is a significant beneficiary of endowments that they manage, as is the Connor Museum of Natural History and the King Ranch Early Childhood Development Center. He said the 2008 audit is in progress.

Chairman Foster thanked Mr. McCormick.

Chairman Foster announced that the Texas Education Code, Section 54, requires the governing board to hold public hearings on increases in designated tuition, certain group hospital fees and recreational sports fees. He said persons wishing to provide public comment on these proposed increases should register at one of the tables outside the meeting room. He said the Board would hold the required hearings for each of the ten institutions and the Health Science Center seeking an increase in designated tuition, group hospital fees, and recreational sports fees. In addition to hearing from each president, he said the Board would hear up to five minutes of public comment on each institution’s

proposal. Chairman Foster asked that comments be kept brief and those speaking should avoid repetitive comments.

**PUBLIC HEARINGS ON PROPOSED INCREASES IN DESIGNATED TUITION
AND FEES FOR THE ACADEMIC INSTITUTIONS
AND THE HEALTH SCIENCE CENTER**

Prairie View A&M University

Chairman Foster called on Ms. Mary Lee Hodge, Vice President for Business Affairs for PVAMU, to discuss hearings held on their campus. Ms. Hodge thanked Regent Jones for his support of PVAMU and said President George Wright was at a conference out of town. She said the fee process began early in the semester with Dr. Wright's budget philosophy of achieving financial stability. She said the university considered many FY 2010 fiscal year requests recognizing that any increase poses a hardship on students and their families. She said they were requesting a combination of mandatory tuition and fee increases held to no more than \$315/year for a full-time undergraduate resident student. She said they considered what reasonable investment could be requested of students in exchange for the lifetime earnings potential achieved by obtaining a degree. Ms. Hodge said a savings of \$6 weekly seemed reasonable. All departments were required to hold their own hearings. She said testimony was brought forward to the central administration and then combined with the university-wide tuition and fees and were taken through the formal Tuition and Fees Committee. The committee is composed of students of all levels, including student government leaders. She said the president eliminated three of the fees and denied further consideration. Ms. Hodge said most of the other fees, based on the recommendations of that body, were reduced to fit back within the budgeting philosophy for FY 2010.

Ms. Hodge said an open public hearing held on February 17, 2009, was publicized through campus-wide e-mail and signs were put in visible locations throughout the campus, residence halls, dining halls, computer labs and libraries. She said signs were also placed on the electronic bulletin boards at the campus entrance and memorial student center. The hearing was broadcast to students in the Nursing Building of the Texas Medical Center. She said the hearing was in the evening to allow day and night students to attend and working students to make commentary. She said 107 students and 14 faculty and staff members attended. Although no one likes increased tuition and fees, once Dr. Wright explained his budget philosophy, the students understood that they had attempted to keep the fees down. Ms. Hodge said most of the comments involved the proposed athletic fee increase (which failed the student referendum by 20 votes), the financial aid service and housing issues on campus.

Ms. Hodge said Dr. Wright asked for approval of a range of \$0 to \$15 increase in designated tuition. She said the maximum charge would be \$13.13, depending on the outcome of the appropriations bill. This would cover a merit-based faculty and staff increase of 2%; enhance financial aid and undergraduate admissions services. She said

students have requested additional services at the beginning of the semester and this increase would be for a call-center at certain times of the year. Ms. Hodge said another part of the increase would be for additional health and counseling services, more critical as they become more veteran friendly. She said the majority of the remaining would support the Panther Promise Program which grants free tuition and mandatory fees to students with a certain grade point average and family incomes of an adjusted gross income under \$30,000. She said there were four areas that would receive enhanced academic student services: music department, physics department, engineering and the college of education.

Ms. Hodge said three additional fees were passed by student referendum. The students passed a \$35 recreational sports and services fee, but Dr. Wright wanted it to fit within their budget philosophy, so they were only asking for a \$20 fee. She said students also approved a cap in the student service fee. She said their vote asked to increase it from \$150 to \$160/semester, because the student group and the student service fee committee would like more funds to allocate to student organizations. The last item approved by student referendum was to increase the international education fee from \$1 to \$3/semester, to fund study abroad programs. She said PVAMU is trying to encourage students to travel abroad. Ms. Hodge said they respectfully request the Board's approval of their proposed fees and changes.

Vice Chairman Wilson questioned the comment regarding a \$315/semester increase being a \$6 savings. Ms. Hodge said a student enrolled in 12 semester hours for fall and spring would need to save approximately \$6/week to cover the \$315 increase. Vice Chairman Wilson asked if the \$13.13 is reducing the \$315 to \$200. Ms. Hodge said \$13.13 times 24 hours equals approximately \$315 if everything rolls into designated tuition under some of the bills.

Regent Schwertner asked if they had calculated the percentage increase in the budget requested. Ms. Hodge said it is less than 1%. Regent Adams asked what the tuition percentage was. Ms. Hodge said the tuition would go from \$103 to \$116.13/semester, if everything were put into the designated tuition increase of \$13.13. Regent Jones and Regent Schwertner questioned the percentage and Chairman Foster said it was 11%. Ms. Hodge said she was referring to the increase in the full budget. Vice Chairman Wilson said the distinction was that \$103 to \$116 is just the designated tuition portion, which was a higher percentage, but when looking at the overall increase including the fees, the percentage increase is much lower. Vice Chairman Wilson said he thought it was 7% and Ms. Hodge said she was looking at all funds of the university.

Regent Schwertner and Chairman Foster asked if the average student would see a 5.9% increase and Ms. Hodge said in that range. Chairman Foster asked how many students receive financial aid. Ms. Hodge said about 90% receive some financial aid, including scholarships, Pell Grants, loans, etc. Chairman Foster said some of those will deal with the 5.9% and some will not. Ms. Hodge said with any increase in designated tuition, 20% of that is set aside for financial aid, so when considering the \$13.13 increase, \$2.19 of each \$13.13 collected would go for financial aid.

Regent Box asked about the impact on the university if the fee requests were not approved. Ms. Hodge said the university would not have salary increases for a 2% merit policy, counseling services would not be increased and some health center costs would not be covered. She said there would be no call center and long lines would continue at admissions and financial aid at the beginning of the semester when there is a dramatic increase in the number of students. She said a portion of the requested increase would provide outside services to help the university meet the students' needs during this time. She said there would probably also be cuts in the Panther Promise Program funding due to the initial year cost of that program.

Vice Chairman Wilson asked if the increase and the \$985,000 funding formula they anticipated receiving was not enough to accomplish the things described. Ms. Hodge said not completely. She said PVAMU is receiving hold harmless funding at 104% of last biennium's appropriation to get to that level of appropriation. She said the Panther Promise Program first year estimates were approximately \$750,000 and estimated to increase to \$1.3 million over four years, per year.

Chancellor McKinney said for the last several years they have tried to make it clear to the legislature that tuition is not the only money we have. He said Ms. Hodge was correct, there would be a 1% increase in the budget and the increase on this portion of tuition is 7%. He said once we get the money we must provide education and research, etc. The only thing we have access to is tuition and some fees and we always just look at this part of it. He said system-wide, tuition collection is equal to the general revenue formula appropriations. For example, a 3% merit pool is 3% of many who already are paid by state funds, basically half are paid by tuition. He said a 3% increase for a pool where only 50% is paid by this particular fund requires a 6% increase to reach that 3% increase and that is why we focus on expenditures. There are many portions of the revenue, but we concentrate on this one because it is the only one we have control over. He said we need to look at the total cost of education and not just what is paid with tuition. He said it is true that the legislature puts more money into higher education and we raise tuition, but if you look at inflation plus growth, regardless of the source of funds, that is what we look at as a flat budget.

Regent Schwertner said people only care about what they have to write a check for to cover their children's tuition. He said the regents receive telephone calls from parents asking if we are being efficient and why the rates are increasing. He asked if the PVAMU students would be paying a 5.9% increase for tuition and fees. Ms. Hodge said for designated tuition that was correct, but three additional fees passed by student referendum are not part of designated tuition. These are a \$2 increase in the international education fee, a recreational fee of \$20/semester or \$40/year and an increase in the student service fee cap. She said part-time students are not affected but full-time students will pay an additional \$10/semester for the student service fee.

Chancellor McKinney said he wants the Board to look at all expenditures and what the taxpayers, parents and students spend on education. He said he understands as a parent the portion the check is written for is just the tuition and fees, but taxpayers in Texas have

given the TAMUS \$62 million more than two years ago and that cannot be ignored. He said as a system, the increase in the core operating costs for this year would be \$62 million, for only inflation and enrollment in growth, regardless of the source of funds. He said the state has given the System \$31 million which means \$31 million has to be made up to break even and we are not going above a breakeven point. Chancellor McKinney said it will vary on a percent basis, they adopted an arbitrary 5% or no more than \$200/semester load (for 15-semester hours) rule. He said that was accomplished last year with only two exceptions and this year there were no exceptions, so when they present the budget they are actually working from, they took that restriction and worked from that. He said if you look at the percentage of designated tuition this is, it may not be but 30% of our budget, so if we have to make up the entire deficit in 30%, there will be a 9% increase to break even. He said the problem is when we look at just this one piece of the entire denominator that is why we set the 5% or \$200 limit, instead of just 5%. He said it varies at each university; at TAMU it is \$140 and at TAMU-T it is \$70, so if we set it at 5%, TAMU gets \$7 and Texarkana gets \$3.50.

Chairman Foster said it is admirable to set targets for the various system universities to look to, and Ms. Hodge made a very good presentation. Ms. Hodge said it was a tough issue for us all and particularly at PVAMU. She said they are sensitive to the costs to students and their families, which is why Dr. Wright's philosophy was set where it was. She said they decided \$315/semester, \$6/week or \$1/day was the maximum they could ask for before the Chancellor set the targets. She said PVAMU would live with whatever the Board deems appropriate to grant.

Chairman Foster said in today's environment where people are getting laid off or receiving salary reductions and their portfolios are going down, there are less dollars to go around. He said as individuals responsible for decisions regarding the fiscal issues, this will be the Board's toughest year. He said the Board probably would hear from each university that they need the increases to provide quality education to the students, and on the other hand decide whether they can afford it. He said the balance between those two is extremely critical. The important question in the process is if there is anything we can do, as others across America are doing, to reduce that cost. He asked if the resources had really been utilized to see where we can cut back and still present quality education. He said that is the challenge for us. He said we are not questioning how you are doing it, but is there more we can do in today's environment. He thanked Ms. Hodge for her presentation and the discussion.

Vice Chairman Wilson said the Chancellor mentioned the 5% or \$200/semester cap. He questioned regarding PVAMU and would that mean \$115 less than what they are requesting. Ms. Hodge said the Chancellor was referring to \$200 cap for mandatory tuition and fees and they are trying to stay within the \$200 including the fees approved by the students, which come to about \$157/semester. Ms. Hodge said they always view the total cost to the student and even with the three other fees, they are within the \$200 cap.

Chancellor McKinney said he believes 2011 will be harder than this year. Chairman Foster said that is why we need to start the process now. Chancellor McKinney agreed and said he told the presidents that the Board would probably expect a plan to not only control cost and the increase in costs, but in possibly decreasing the costs.

There were no further questions or comments and Chairman Foster announced that the public hearing for PVAMU was closed.

Tarleton State University

Chairman Foster called on Dr. Dottavio, President of TSU. Dr. Dottavio said advertisement for the public forums consisted of e-mailing students on the Stephenville and Killeen campuses, posting the notice on the website, distributing newspaper articles and flyers and asking the student government organization to inform students. He said approximately 125 students attended the January forum.

Dr. Dottavio said using the Chancellor's guidelines, they request the following proposed increases: a student services advisory committee recommended a \$1.50 increase on the current \$16.30 student services fee; \$1 increase in the academic support and advising fee; \$1 increase in the computer-processing fee; and \$2.50 increase in library access fee. He said the intercollegiate athletic fee approved by the student body was \$8 this year and \$10 the following year, or an increase of \$2/year. He said TSU is proposing a range of \$0 to \$13 for the designated tuition increase. There is a \$175 networking course fee, but rather than have it allocated to a specific course, they are proposing it be allocated across a technical certification program.

Dr. Dottavio said there were additional fee proposals for TAMU-CT, including a student records fee to increase it from a \$10 to \$15 flat fee, \$2.50 library access fee, \$1 computer access fee and a new \$2 advising fee. He said the designated tuition increase is from \$9 to \$13.

Vice Chairman Wilson asked how that fits into the 5% or \$200 cap. Dr. Dottavio said it should be at 5% with the exception of the referendum on the athletic fee. He said that \$2 increase in the fall is not included. Chancellor McKinney said TSU's proposal is not within the 5%, but is within the \$200 maximum. He said everyone except TAMU is within the \$200 maximum. Chancellor McKinney said TAMU's 5% is \$208.

There were no further questions or comments and Chairman Foster announced that the public hearing for TSU was closed.

Texas A&M International University

Chairman Foster called on Dr. Ray Keck, President of Texas A&M International University (TAMIU). Dr. Keck said hearings were hosted by the fee advisory committee, chaired by CFO Juan Castillo, the Dean of Student Services, the Director of the Rec Center and a professor in the College of Education, along with five student representatives. He said the meetings, held December 1 and 2, 2008, and January 16, 2009, were advertised online, by e-mail, newspaper, posters and table tents in the student center. He said at the hearings they stated they had no desire to raise fees; but they were unsure of what the legislative appropriation or growth would be. Dr. Keck said in order for the opportunities to be in Laredo, they had to look to the students to help them and the state finance it.

Dr. Keck said if growth reaches 10% again in the fall, as the recruiters think it may, there will be a tremendous push against resources to provide teachers. They asked students to allow them to consider a range of \$0 to \$13 increase in designated tuition. He said for illustration purposes they used \$8 for a \$192.50 increase. He said if they raised the designated fee by 7%, then added \$1 to the technology access fee and library access fee; that these are two budgets that are impossible “to get our arms around.” Dr. Keck said the library expenses grow at a staggering rate and it is impossible to put together enough money for technology. He said they asked for \$0.50 increase in the athletic fee, \$1 increase in graduate tuition and \$5 increase in the assessment fee [not per semester credit hour (SCH)]. He said they must have an elaborate assessment program to provide the accountability for where the money goes and show what is happening to the students over time, and it is expensive. Dr. Keck said a new \$2/SCH energy fee is proposed to offset the hot summers.

Dr. Keck asked the Board to help them work through the process of identifying how to best place their resources when they have a better idea of the legislative appropriation. He said when the Chancellor visited their campus he said they could spend 100% of their appropriation, but not 101%. Dr. Keck said this year they eliminated four administrative positions and in August, they will eliminate another position. He said they are asking fewer administrators to take on more workload to allow them to hire faculty to meet the demand of increasing student enrollment. He said it is impossible to shrink faculty since that is where the growth is.

Vice Chairman Wilson asked what assumption was made about state funding when the \$8 calculation was derived. Dr. Keck said they assumed a 5% increase in student fees, but did not assume an increase in funding from the state. Dr. Keck said they took the \$8 total and it was 7%.

Regent Adams commended Dr. Keck for not being too heavily staffed in administration. He said he agrees with Chancellor McKinney that 2011 may be even tougher and we must start running as lean as we can. Dr. Keck said if freshmen enrollment increases 8% to 10%, they must hire faculty to teach the students, so the resources were redirected to that area.

Chairman Foster said in industry when you talk about growth, the unit costs go down and these tuition increases are unit costs. He said he struggles with families asking him why, with the economic downturn and reductions in income, there has been a 7% growth in tuition for three straight years. He said particularly this year and in the upcoming years, the reductions are substantial and we are still talking about the same increases in tuition. He said families are asking us where our reductions, sacrifices or changes are. Chairman Foster said the Board realizes the Chancellor and university presidents have worked hard, but this is the dilemma we are faced with and it must be addressed. Dr. Keck said they have looked at this since 2003 when the Lt. Governor asked them to return 7.5%, they eliminated cell phones and copiers and discovered that salaries are where the savings are. He said if you cannot eliminate faculty because of growth, your only choice is to shrink administrative positions, which is what they have been doing.

Chancellor McKinney said the increase in statewide enrollment in higher education is slightly less than 1.5%/year. He said for our universities in the System, the increase in enrollment per year is slightly over 3.5%, and part of this is retention. He said TAMIU's growth was 12% two years ago, 10% last year and is projected to be 7% this year. He said on a university-by-university basis, some would struggle more with the \$200 limit than others would.

Chairman Foster again said a fundamental concept is the more people served; the lower the unit cost should go. He said he does not think the educational system is there yet. Chancellor McKinney said it is flat.

Regent Adams said he believes the time is coming that placing emphasis on a smaller student/teacher ratio reflecting better test scores is in trouble. He said indications are that costs are in labor for teachers and administrators, and good ones are needed, but it might be possible to get superior results with 40 instead of 20 students in the classroom. He said there are successful models that teach a lot for much less money. Dr. Keck said they have substantially raised the number of students per section in the last several years and received enormous criticism from faculty. He said they eliminated caps on all classes except for the laboratories where there are only a limited number of stations. He said the problem is they do not have a classroom on campus that seats more than 100 people, which makes it harder to be more efficient. He said, for example, History 1301, a freshman lecture class, could be taught to 200 students instead of 100 but there is no place to put 200 students. He said the theatre will be finished this summer, seats 500, and can be utilized as a lecture hall, but that is the only room. Now that the caps are eliminated, the registrar must find a facility to house that class, utilizing conference rooms, or any available space. He said the other thing is that they are encouraged by the SACS model to do a better job of retaining and graduating students. This requires elaborate advisory, tutorial and counseling systems to accomplish this with non-traditional students.

Regent Adams said education from our competition is not the same, there is much more involved in being a student at one of the System's universities than just the classroom, and it is worth more, but how much more? He said we must begin thinking in

ways we traditionally would not have thought of in higher education. Chairman Foster said he appreciated Dr. Keck's counsel and input and recognizes it is a difficult subject.

There were no further questions or comments and Chairman Foster announced that the public hearing for TAMIU was closed.

Texas A&M University

Chairman Foster called on Dr. Elsa Murano, President of TAMU. Dr. Murano said *Smart Money Magazine*, published by the *Wall Street Journal*, ranked TAMU number 1 nationally regarding their payback ratio, the income a student receives upon graduation versus tuition paid -- the return on investment. She said Chancellor McKinney developed a model calculating the cost of operating public institutions considering 2.5% inflation and enrollment growth predictions, which indicated TAMU would need \$41.6 million for the next fiscal year. She said they reviewed areas to cut back and on January 28, 2009, when the open forum was held that had been reduced 17% to 18%, to \$34.7 million. Dr. Murano said 70 students attended the open forum and a 17-member tuition policy advisory committee was established prior to that with seven student leader members. She said tuition bills were proposed in February in the State Capitol and one addressed freezing tuition.

Dr. Murano said TAMU is requesting approval of a \$0 to \$15/SCH range, or a 6.6% increase. She said the mandatory fee setting process involves input from a student fee review committee and all fee increases were presented to the Student Government Association (SGA) and the Graduate Student Council. She said this year university departments wishing to make requests for fee increases had to make them all at the same time. She said three open forums were held in October where the group hospital medical fees were presented to the students. She said a \$2 increase to the current \$69.25 was proposed for a total of \$71.25/semester. She said all three TAMU student advisory committees said the fee increases were justified as it goes to fund the salary and benefit increases for student health services and EMS employees.

Dr. Murano said they proposed a \$6.52 increase in the recreational sports fee, from \$98.00 to \$104.52/semester, which would generate revenue for the mandated federal minimum wage and operating budget increases. She said they presented this to the students in three reports and the SGA supported the fee increase and manner the information was gathered. She said the SGA's report also applauded the Rec Center for meeting student expectations while keeping costs under control. Dr. Murano said the total increase is 3.38%. She said the Aggie Assurance Program was launched last fall because they are committed to keeping costs low and as affordable and accessible to the students as possible.

Vice Chairman Wilson asked if the request was based on what they assumed the legislative funding would be and Dr. Murano replied in the affirmative. She said that the conference report gave them approximately \$14.5 million and they estimate they will need

\$34.7 million for a difference of \$20.2 million. She said there are other funds like the Competitive Knowledge Fund that may reduce that total, but believes it will be toward the upper end of the \$0 to \$15 range. She said they would look at keeping those increases as low as possible.

Vice Chairman Wilson asked Dr. Murano if the legislature had asked her what TAMU would do if tuition was regulated and the Board was not allowed to raise tuition. She said members have asked what it would take to keep TAMU operating without hurting the programs. She said TAMU prides itself in operating lean and has the lowest administrative cost of any institution in Texas. She said she answered that, based on the \$34.7 million operating costs for this year and for next year, or a total of about \$80 million, similar to a number provided by Mr. Bill Powers, President of the University of Texas (UT). She said if TAMU had to rely only on funds provided by the legislature, it would be a high cost to the state. She feels the answer is a three-way partnership between the state providing as much funding as possible, the students and parents through tuition, and the university pledging to keep costs down.

Chairman Foster said he noticed substantial 25%, 30% and 50% increases in parking fees and asked what is driving the large increase. Dr. Murano said the number of people causes the increase but the increases seem to be more than is reasonable and they will look into this further.

Regent Box said this might need to be presented to the Board in the near future, but he intended to ask all the presidents what initiatives are being taken to reduce costs and squeeze efficiencies in each university. Dr. Murano said she would gladly present a full report on that. She said when they presented the \$34 million budget to the students, they talked about some cost cutting measures that had been implemented. She said those include procurement practices to maximize buying power when purchasing supplies and delivery.

Regent Box referred to Dr. Keck's statement regarding energy costs. He asked if all the universities looked into what could be done to reduce those energy costs and available sources. Dr. Murano said they have been talking to a company who identifies the simple things a university can do to significantly decrease fuel and energy costs, including the use of space. She said the company indicated the savings could be substantial when multiplied across large campuses. She said that is the next thing they can do to cut costs, including verifying the efficiency of heating and cooling systems and their costs.

There were no further questions or comments and Chairman Foster announced that the public hearing for TAMU was closed.

Texas A&M University at Galveston

Chairman Foster called on Dr. Bowen Loftin, Vice President and CEO of Texas A&M University at Galveston (TAMUG). Dr. Loftin said TAMUG was in serious

financial difficulty and drastic measures were taken to make ends meet. He said in 2003, TAMUG took the largest percentage decrease of state funding of any higher education institute in Texas and again the budget was scrubbed and measures were taken to reduce costs. He said in 2007, he authorized a significant increase in the recruiting budget from reserves to build the student population. Dr. Loftin said TAMUG's problem is that they are a small institution located where programs come at a very high cost, so the economies of scale are important. He said the 2007 investment resulted in a 10% enrollment growth between fall 2007 and fall 2008, until Hurricane Ike hit, which cost the university 10%.

Dr. Loftin said the process of tuition and fee setting culminated February 5, 2009, with an open public meeting with the students, where 12% of the student body attended. He said Hurricane Ike cost the university over \$12 million and they presented a \$0 to \$32.40 increase in tuition to the students, because of their uncertainty about their ability to survive the financial impact of the storm. He said the students did not object to the large increase.

Dr. Loftin asked the Board to approve a \$0 to \$15/SCH increase in tuition because TAMUG has a good probability of receiving \$6.4 million in FEMA reimbursements and insurance. He said they also have another \$5.7 million in state funding, pending legislation, to assist in healing from Hurricane Ike. He said if those two items come to fruition, they could survive with a smaller amount than was proposed in February 2009. He said the \$15 tuition increase would only generate \$600,000 in new money. Dr. Loftin said it costs \$465,000 to fund a 3% merit increase pool for faculty and staff or \$11.60/SCH to retain their outstanding faculty and staff. He said they also have to deal with the minimum wage increase and continuation of the recruiting initiative that was successful last year.

Dr. Loftin said they would attempt to keep that below \$15 based on what the state does and their efforts to control and reduce costs. He said the four additional fee increase requests include a \$3.50 increase for the health service fee to \$41/semester. Dr. Loftin said this is a pass through to UTMB, who provides health services for TAMUG. He said they have contracted with UTMB for many years and a new contract has not been signed, but they expect to see a \$3.50 increase this year. He said they propose to increase the library use fee from \$10 to \$11, the computer use fee from \$14.50 to \$16/SCH and a student service fee from \$13.69 to \$15.05/SCH. He said that fee was increased by student referendum about 18 months ago to generate a revenue stream for new facilities for student use. He said that and the need for a new counseling position in the career counseling staff are the reasons for that fee increase.

Vice Chairman Wilson said they had done a great job and he was proud of TAMUG for still standing after Hurricane Ike hit last year.

Regent Box said he attended TAMUG's commencement the previous week and asked what percentage is currently operating. Dr. Loftin said they are 100% operational in all major academic facilities and the remaining problems are along the waterfront.

Dr. Loftin said the \$8 million in undesignated reserve funds has been committed to bringing TAMUG back to full operation. He said he is hopeful that FEMA payments and state funds will close the gap because there is no money in the bank to cover payroll and utilities. He said some activities that were conducted on the water have been curtailed because most of the small boat fleet is gone. He said 11 out of 65 vessels remain after Hurricane Ike, affecting the recreation, research and educational use of these vessels. He said they are looking for donations to make up the difference quickly for the small boat fleet, including needed dock repairs.

There were no further comments or questions and Chairman Foster announced that the public hearing for TAMUG was closed.

Texas A&M University-Commerce

Chairman Foster called on Dr. Dan Jones, President of Texas A&M University-Commerce (TAMU-C). Dr. Jones said he created the budget review and development council, representing all constituencies except students who will probably be added next year. He said the council's purpose was to help people understand the budget process and restrictions placed on various monies and dispel the idea that the administration had "moneybags." He said they were to review the budget, familiarize themselves with the budget process, make recommendations on tuition and fees and manage requests for new budget initiatives. He said he requested that they design a forced 3% re-allocation to fund innovation, enterprise and new initiatives from our own sources. He said the council eliminated ten non-faculty FTEs -- faculty lines were left vacant or eliminated -- and discovered \$1.4 million that could be used for innovation and enterprise. He said they are planning to dedicate that money to four areas, one being to improve the advising system, where most students' complaints come from. He said they dissolved the college advising centers and created a unified advising center, establishing a student success center with professional staff advisors and a new college called University College. He said they accomplished this with existing funds, the result of the forced 3% re-allocation plan. He said out of the \$1.4 million, about \$180,000 goes toward financial assistance.

Dr. Jones said TAMU-C is below the state mean for operating budgets dedicated to financial assistance for students. He said they needed about \$700,000 to \$800,000 to get up to par, but only found \$180,000. He said the Budget Review and Development Council managed the hearing process and the college deans were the presenters and moderators of the two on-campus hearings and the hearing at the Mesquite teaching center. He said 107 students attended the three hearings, with the largest number at the Mesquite center and the questions and discussion were regarding where the money came from and how it was spent.

Dr. Jones said the students did not approve the athletic and international education fees. He said TAMU-C is one of the few universities in the state with a full Division II athletic program that does not derive a portion of its funding from an athletic fee. The international education fee for the study abroad program is currently \$1/student per

semester and they had hoped to go to the statutory limit of \$4/student per semester. He said the maximum impact would only be \$6/year, but the students turned down that fee.

Dr. Jones said the designated tuition fee is for a range of \$0 to \$15/SCH, which may be reduced from \$10 to \$13/SCH based on the conference committee budget. He said this is for increased core operating expenses, a 3% merit pool and some additional ongoing initiatives. They are requesting a \$10 increase in the differential between undergraduate and graduate tuition to \$40/SCH for graduate students. He said this would primarily be used for increased stipends for graduate assistants. Dr. Jones said the stipends have not been competitive for some time and are critical to attract high quality graduate students to work with faculty on sponsored research activities.

Dr. Jones said they are recommending a \$20 increase in the student services fee, which will take them to the limit of \$250/student per year. He said this fee was approved in a referendum three years ago, but with additional demands on the student services fee and projects and initiatives that are funded, they are asking for authorization to go to their statutory limit. Dr. Jones said they are asking for a \$20 graduate application fee increase to \$40 to discourage students from graduating before they are ready, not to generate revenue. He said many students apply for graduation in order to receive a degree audit. He said by improving advising services, they could meet those needs in other ways and encourage students to graduate only when they are ready. They are requesting authorization to impose a new \$40 student administration fee strictly for international students. He said since 9/11, the international student reporting requirements have dramatically increased, with the Student and Exchange Visitor Information System (SEVIS) requiring a full-time person and assistant for international student record keeping. He said that money is not formula funded and would apply to international students only. A \$2 library access fee increase to \$4/SCH is requested to fund new technology and library associated needs. He said finally, they are requesting authorization to levy a \$10/SCH program delivery fee for programs delivered offsite. TAMU-C has a number of programs in Mesquite, Rockwall, Corsicana and Midlothian that attract many students and they have no way to recover lease fee and faculty travel costs associated with those programs. He said these fees apply only to students taking courses at these locations, offering them convenience and savings in time and money.

Dr. Jones said beginning this summer, they will no longer pay faculty stipends for online course development. He said they are also reviewing the core curriculum for courses that can be trimmed down to make progress in the student-faculty ratio. He said they also have problems regarding classroom sizes since the campus is 120 years old and not many classrooms are large enough. He said they are reviewing the summer school budget with small reductions this summer and more drastic reform next summer.

Chancellor McKinney asked what percentage of the international students pay in-state tuition. He said Texas students have at least 50% of their education paid for by the taxpayers including international students who do not pay out-of-state tuition. He asked if the highest percentage of international students and the graduate school students pay in-

state tuition, not counting the College of Education. Dr. Jones said it is in technology, MIS and the technical areas. He said about 65% of students in the masters and MIS program are Indian and a significant number pay in-state tuition by virtue of the fact that they receive merit-based scholarships of at least \$1,000 and there is a cap on that. Chancellor McKinney said he recently discovered that some students who have fulfilled their graduation requirements do not file for graduation, their student visas stay in place, and they continue to take courses on scholarship from the taxpayers. Dr. Jones said they prefer students not do that and this is an area where the university can get into trouble with the federal government. He said the SEVIS reporting requirements are rigorous and labor intensive and the requested fee would help them do a better job of keeping up with these issues.

Chairman Foster said if you separate the cost components, with the majority being employees at approximately 70%, how much of that is associated with the administration. Dr. Jones says it varies by size of institution and their number is a little under 10%, below the median for similar size institutions.

Chairman Foster asked if someone asked you to reduce that by 8% or 10%, what would you say. Dr. Jones said they would try to find ways to do it, but no matter what size the university is, certain positions cannot be eliminated such as the librarian or registrar. Chairman Foster asked if some of those positions could be combined. Dr. Jones said that we need to find ways to cut costs but not erode quality. Chairman Foster said we must look into these areas further in today's environment.

There were no further questions or comments and Chairman Foster announced that the public hearing for TAMU-C was closed.

Texas A&M University-Corpus Christi

Chairman Foster called on Dr. Killebrew, President of TAMU-CC. Dr. Killebrew said in legislative years it is particularly difficult to predict figures in advance, without knowing the outcome of the session, but they request a range of \$0 to \$14/SCH for the designated tuition increase. He said they looked for cost efficiencies so that the requested increase would be as small as possible. They attempted to eliminate some administrative staff positions by doing processes online rather than increase the number of individuals performing those tasks. He said they have decreased the administrative cost ratio from under 15% to slightly over 8% since he has been president. He said they have retrofitted lighting and some of those things, but in South Texas, you can only raise the temperature so much before humidity issues cause mold in buildings.

Dr. Killebrew said on October 31 and December 5, 2008, they held meetings with students and student government representatives, about 30 students attended. He said 160 students attended the public hearing held on January 20, 2009, at lunchtime in the food court which was advertised in the student newspaper, flyers on campus, table tents and e-mails.

Dr. Killebrew said the current rate at TAMU-CC is \$91/SCH and they published a rate increase of \$12/SCH for fall 2009. He said based on that, revenues of \$2.3 million would be provided. The majority will be for a 3% merit pool and financial set asides will consume about \$400,000. He said that leaves a very small amount for needed promotions to update the staff salary plan. He said the significant expense this year is the costly re-affirmation of accreditation. Dr. Killebrew said the graduate tuition differential has not changed since 2005 and are asking to increase it \$7.50, which will generate about \$185,000. He said graduate student stipends need to be increased and additional graduate teaching assistants and money for graduate assistants are needed. TAMU-CC is currently one of the lowest in terms of graduate tuition differential. He said they are asking to increase the student service fee by \$1.66/SCH to help them pay for their merit pool. Their student enrollment has grown rapidly making it difficult to provide student services. He said this fee was reviewed and recommended by the student service fee committee, consisting entirely of students. Dr. Killebrew said they are asking to increase their international education fee from \$1 to \$2/SCH for study abroad student scholarships. He said this fee was passed by 81% in a March 10-11, 2009, student referendum.

Dr. Killebrew said they are asking to increase the graduate application fee from \$40 to \$50 for enhanced services for prospective graduate students, also an area of significant increase. He said a new late registration fee and a new registration reinstatement fee are requested. Dr. Killebrew said there is no consequence for late registration making it difficult to predict the number of classes and their size. He said this fee would offset the costs to contact the students regarding these payments. The registration reinstatement fee is for students that must be reinstated after the census date when there is no formula funding. He said this fee would hopefully cause them to think about dropping classes and the need to be reinstated.

There were no further questions or comments and Chairman Foster announced that the public hearing for TAMU-CC was closed.

Texas A&M University-Texarkana

Chairman Foster called on Dr. Carlisle Rathburn, President of TAMU-T. Dr. Rathburn said he was proud that TAMU-T has the lowest tuition rate in the System and, except for Lamar University, in the state of Texas. He said as they transition from an upper division institution with no residential students, freshmen or sophomore students to a regional institution with campus housing, freshmen and sophomores, this is a radical change.

Dr. Rathburn said TAMU-T is “T minus one year old” and in fall 2010, will become a different institution and they must build the core functions required to be a regional institution. They have one person in the purchasing department and one supervisor in the physical plant department and no on-staff counselors. Dr. Rathburn said over the last few years, they have been going through the process, which allows them to increase tuition, and even if the highest of the \$0 to \$14 range is approved, they will still

have the lowest tuition rate in the system. He said they want to increase tuition rates to a level that will generate a revenue fee to support the transformation to a comprehensive institution.

Dr. Rathburn said the \$14/SCH increase for designated tuition would bring tuition to \$84, and at the rate they have been discussing with the Chancellor, they would stay below the \$80 fee for designated tuition. He said that would produce \$400,000 and a 3% merit pool costs about \$300,000. He said that leaves \$100,000 to take care of transformation. The student service fee request is \$1.35, which is part of the programs they have to put into place right now. Dr. Rathburn said students approved a \$1/semester increase in the international fee. He said it is important to provide scholarship opportunities for students to be part of the study abroad programs, since most upper East Texas students have not had an international experience. He said they also want to bring international students to TAMU-T to provide that broad based international experience on campus. He said the international fee would generate approximately \$6,000. Dr. Rathburn said they currently do not charge a student identification fee and request a \$1.50 increase, which would generate approximately \$6,000. He said the students voted to increase the student scholarship fee this year from \$2 to \$4. The \$2 is matched by state tuition and revenues for a total of \$4 which will generate a \$65,000 increase in student scholarships, generated and paid for by the students.

Dr. Rathburn said a distance education fee requested is a cost recovery fee. He said their distance programs are growing with partnerships in Mount Pleasant with Northeast Texas Community College. He said the \$15/SCH fee is charged only to students who take the off-campus or distance education courses and allows them to send faculty to that location. The key to their request is the transformation period. Dr. Rathburn said they must be aware of the East Texas student population and not cost the university out of their market, but for the first time, in the fall 2010 they must provide the comprehensive education experience. He said the student body averages 32 years of age, is 70% female, and 80% of the students work full time or part time. He said beginning fall 2010, the 18 year old will be on campus expecting the comprehensive college experience.

Dr. Rathburn said this year they asked faculty and staff to produce a flat budget, a 3% cut and a 5% cut, which means cutting support or faculty positions. He said in some areas removing a faculty position means removing the entire program. On July 9 and 10, they will begin utilizing covey structures to start developing a zero-based programmatic budgeting process as opposed to the stepwise budgeting process. He said they will take last year's budget and add or delete from it, and he has asked them to justify every nickel in the budget and the value of each position, based upon their performance. Chairman Foster said Dr. Rathburn described the right process, if perhaps not the right number.

There were no questions or comments and Chairman Foster announced that the public hearing for TAMU-T was closed.

Texas A&M University-Kingsville

Chairman Foster called on Dr. Rasmussen, Interim Provost of TAMU-K. Dr. Rasmussen said hearings were held on January 22, 2009, at noon and 5 p.m., with hook-ups through the Trans-Texas Videoconference Network (TTVN) for both the San Antonio campus and the Citrus Center in Weslaco. He said 32 students attended along with some faculty. He said Dr. Tallant, President of TAMU-K, has consultants looking at university operations, including human resources, the IT program and some of the colleges to see if they are organized appropriately. He said those programs could be implemented this summer.

Dr. Rasmussen said the designated tuition fee range presented to the students is \$0 to \$15/SCH. He said most of the fees would go for salaries and scholarships. They are asking for health fee increase from \$49 to \$53/SCH to increase student health center services. He said the student service fee increase is from \$13 to \$14 and the library fee increase requested is from \$7 to \$10, primarily to cover the increased costs of online library service fees. They are looking at renovating and revitalizing the student center. Dr. Rasmussen said the students voted to increase the service center fee from \$40 to \$80, most of which would go toward the revitalization. He said they have not charged a recreation sports fee in the past and are requesting a \$100 fee to provide operating costs for the new recreation center building under construction. The requested athletic fee increase is from \$15 to \$18/SCH. He said TAMU-SA students are not charged the athletic, recreation sports, student center or health center fees. Dr. Rasmussen said because of the revitalization, only seven on-campus parking spaces remain for allocation, and the parking fee must be increased to \$10/year for students, lower than the faculty and staff parking fees. He said the increased fee for the doctoral diploma and master's diploma fees is \$10, primarily to pay the \$10 increased cost charged by the company used to publish those documents.

There were no questions or comments and Chairman Foster announced that the public hearing for TAMU-K was closed.

West Texas A&M University

Chairman Foster called on Dr. Patrick O'Brien, President of WTAMU. Dr. O'Brien said this was the outcome of a long-term process in the institution's strategic plan. He said WTAMU had the second lowest System tuition and fees when he came in 2006, which was affordable to students, but the same services cannot be provided or can support for faculty and staff. He said in 2006, the faculty salaries were in the bottom quintile and is still in the bottom quartile of the 34 public institutions in the state, which affects recruiting and retaining high quality faculty. He said there was no infrastructure or ability to raise funds externally to recruit students, because there was no institutional advancement office in 2006. Dr. O'Brien said if you increase the enrollment base, the amount of tuition you have to increase annually to provide a fixed percentage increase for salaries becomes smaller and smaller. He said there are economies of scale not only for

administrative structure, but also with increased enrollment you can decrease the amount of annual tuition increases.

Dr. O'Brien said the requested tuition and fees increase is to provide higher faculty and staff salaries, a better infrastructure for student recruitment and a better mechanism for external fundraising through foundations and grants. Dr. O'Brien said they are asking for authorization of an increased designated tuition and fees range of \$0 to \$15/SCH. He said additionally, they request an increase in the medical services fee from \$38.00 to \$41.80 and a library fee increase from \$3 to \$4/SCH. He said in attempting to fall under the maximum \$200 increase, adjustments would need to be made as to whether or not it would be an increase in tuition or a combination of increases in those fees and tuition. He said they also request a graduate tuition increase by \$10/SCH; presently their differential over the undergraduate is \$20 and they are requesting \$30. He said they have one of the lowest graduate fees of any public institutions in Texas. Those funds would be utilized for graduate stipends and to advertise graduate programs to increase enrollment. He said an athletic fee was passed by student referendum for a new recreational sports complex, which would be \$5/SCH, capped at 12 SCHs for this next year, and an additional \$5 the following year. He said this would allow them to provide facilities for their students to learn through extracurricular and co-curricular campus activities.

Dr. O'Brien said for the designated tuition increase, five hearings were held between December 2008 and February 2009, a President's blog was created and an online chat, answered by the president or a vice president, ran for two weeks. He said their tuition increase percentages over the last several years have been hefty because they started with a relatively low base. In addition to the tuition increases over the past two years, they have decreased their incidental course fees by two-thirds. Dr. O'Brien said three years ago they were generating over \$700,000 in course fees, now reduced by \$600,000. He said they have been increasing tuition, but folding the cost of education into that tuition away from course fees. He said he would like to eliminate all course fees without expendables in that course, i.e. labs. Last year there were not enough funds through tuition increases or state appropriations and they reallocated approximately \$408,000 within their core-operating budget. He said they totally eliminated one layer in the IT division and additional administrative positions, so that the administrative cost is 9.2% of the university's operating cost. He said this is one of the lowest of the regional institutions and below the median of institutions with an enrollment of 10,000 or less. Dr. O'Brien said a few months ago they started a 5% and 8% decrement exercise for all the units over the entire budget.

Chairman Foster asked if that was an absolute decrease. Dr. O'Brien said that would be a decrease for reallocation and Chairman Foster said the result is the same. Dr. O'Brien said one of the things they have to plan on is that their enrollment growth has not been as high as other institutions across the state and they did not fare very well in the formula. He said like PVAMU, they have been provided with 104% of hold harmless funds in the formula that they will lose in the next biennium. He said he has to plan for increased costs for this biennium and for a \$430,000 decrease per year in formula funding.

There were no further comments or questions and Chairman Foster announced that the public hearing for WTAMU was closed.

Texas A&M Health Science Center

Chairman Foster called on Dr. Nancy Dickey, President of the Health Science Center (HSC). Dr. Dickey said hearings were held in Bryan/College Station and teleconferenced to all participant sites from each campus. She said they utilized e-mail broadcasts and web postings to advertise the hearings and posted the proposed fees a month prior to the hearing, and 20 students attended the hearing. She said the HSC fees are largely college-based and different tuitions are paid for medical, nursing or pharmacy students. She said they are growing and additional faculty and facilities are needed.

Dr. Dickey said several fees are based on the parent campus where the program resides. She said the Bryan/College Station fees are based on the TAMU fee structure and if they vote to have an increase, they pass that increase on to the students, who are invited to participate in that hearing. She said the group hospital and medical service and the recreation sports fee for College Station students is based on the TAMU recommended increase and the group hospital and medical service increase for the Irma Lerma Rangel College of Pharmacy is based on the TAMU-K requested increase. She said the \$6 requested increase for group hospital and medical service for the Baylor College of Dentistry is well below the state's mandated cap and slightly lower than what is paid in Bryan/College Station. She said all three programs at Baylor College of Dentistry request a \$0 to \$3 increase in designated tuition for hygiene and graduate programs and a \$0 to \$15 increase for the Doctor of Dentistry program. The College of Medicine charges \$100 for designated tuition per SCH and is requesting a \$0 to \$25 increase; however, that was a low designated tuition and has taken the last few years to make it comparable. She said the students spend 19 to 20 hours in class and are only charged for 12 SCHs for the block course, so \$125 for designated tuition it is cheaper to attend a semester of medical school than to take 12 SCHs at TAMU. She said the total tuition and fees for the HSC, when compared with the other health science centers in the state, is the least expensive or second least expensive.

There were no comments or questions and Chairman Foster announced that the public hearing for the HSC was closed.

Chairman Foster said that concluded the presentations from each of the System's universities. He said the presentations were good and the Regents appreciated the time the university presidents and their staff put into the presentations.

Chairman Foster said the Committee on Finance would consider these proposed increases and the full Board would take action on the Committee's recommendation the next day.

RECESS

Chairman Foster recessed the meeting at 5:02 p.m.

(Secretary's Note: The Committee on Finance convened at 5:10 p.m. and adjourned at 5:31 p.m. The Committee on Buildings and Physical Plant, not having a quorum present, received reports from 5:31 p.m. until 6:10 p.m.)

RECONVENE – FRIDAY MAY 22, 2009

(Secretary's Note: The Committee on Buildings and Physical Plant continued receiving reports from 8:31 a.m. to 9:02 a.m. The Committee on Academic and Student Affairs convened at 9:02 a.m. and adjourned at 9:54 a.m.)

Chairman Foster reconvened the meeting at 9:54 a.m. on Friday, May 22, 2009, in the MSC, Room 292.

The following members of the Board were present:

Mr. Morris Foster, Chairman
Mr. Jim Wilson, Vice Chairman
Mr. Phil Adams
Dr. Richard A. Box
Mr. Lupe Fraga
Mr. Bill Jones
Mr. Jim Schwertner
Mr. Gene Stallings
Ms. Ida Clement Steen
Mr. Anthony Cullins, Student Regent

Chairman Foster announced that a quorum of the Board was present. He announced that the Board had not received any requests for public testimony.

Chairman Foster called on Regent Fraga to present the report from the Committee on Audit.

REPORT FROM THE COMMITTEE ON AUDIT

Regent Fraga, Acting Chairman of the Committee on Audit, reported that the Committee met on Thursday, May 21, 2009, and discussed the approval of the FY 2010 Annual Audit Plan (Item 1), the Audit Tracking Report, received an update on the EthicsPoint Hotline and received a report on the State Auditor's Financial Statement and Single Audit Report for FY 2008. He said the Committee recommended approval of Item 1. The Board took action as set forth below:

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**MINUTE ORDER 096-2009 (ITEM 1)**

**APPROVAL OF FISCAL YEAR 2010 ANNUAL AUDIT PLAN,  
THE TEXAS A&M UNIVERSITY SYSTEM**

On motion of Regent Fraga, seconded by Regent Steen and by a unanimous vote, the following minute order was adopted:

The Board of Regents of The Texas A&M University System hereby approves the System Internal Audit Plan for Fiscal Year 2010, a copy of which is attached to the official minutes as **Exhibit A**.

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Chairman Foster called on Vice Chairman Wilson to present the report from the Committee on Finance.

REPORT FROM THE COMMITTEE ON FINANCE

Regent Wilson, Acting Chairman of the Committee on Finance, reported that the Committee met on Thursday, May 21, 2009, and after hearing testimony from the CEOs and institutions' administrators, they considered and approved Items 2 through 4. Mr. Wilson moved approval of Items 2 through 4.

Chairman Foster said he would like to consider Items 2 and 3 separately from Item 4.

Regent Jones described the nomination and confirmation process for regents and said the Board is sensitive to concerns about providing for the students, faculty and staff and maintaining excellence, and the senators and representatives' viewpoint regarding input from parents and students in their district about what they have to pay for education. He said we are going through a difficult economic time and are fairly certain it will last for a while longer, but are uncertain how much longer. He said experts advise that it could last at least another year or maybe two. He said as a result, everyone is taking steps to address these issues.

Regent Jones said he would like to revise Items 2 and 3 and approve them subject to a cap of 4% or \$150/semester (exclusive of fees approved by referendum) effective with the fall 2009 semester and that the amounts of tuition and fees comprising the 4% or \$150/semester, whichever is higher, shall be submitted by the presidents of the academic institutions and HSC to the Chancellor for final approval.

Regent Jones said this has a net effect of a \$7 million savings out of a \$61 million increase spread across the System. He said the Board understands that this is significant and realizes that all the presidents and CEOs of the institutions have made cuts. Regent Jones said the Board understands that this will put pressure on the presidents and their staffs, but believes we must get ready for more expectations of cuts and sacrifices.

Regent Schwertner said the Board understands and appreciates that the presidents and CEOs are doing the best job they can to educate the students -- our customers. He said what Regent Jones said was true -- we have a catastrophe coming and must have a contingency plan for financial disasters in the event there are no increases next year or a 10% cut. Regent Schwertner said every president presented their different tuition request issues and the Chancellor's job is to distribute the monies approved by the Board to the System institutions. He said it is commendable that the presidents seek the students' opinions regarding tuition and fees, but it ultimately affects the parents. He said he was opposed to any increase, but would go along with the others since he is new to the Board. He said Governor Rick Perry and State Senator Steve Ogden made it clear that the state of Texas is one of the few states doing well and the reason is that we have been fiscally responsible and we must continue that process. He said he does not enjoy this discussion, but it is reality and the Board is representing the citizens of Texas, the taxpayers, students and parents. He said it can be done, but it will take more work.

Vice Chairman Wilson said the day before, they had a schedule relating to 5% or \$200 cap, showing the overall increase in revenues listed by university and the total to the System, which was \$61.6 million based on what we believe the formula increases will be. He said the revision to Item 2 and Item 3 would result in a reduced percentage increase and the revised schedule would show a \$55 million overall increase in revenue from the formula, designated tuition and mandatory fees. He said the motion laid out would set the cap at 4% or \$150/semester, regardless of what we get in the formula.

On motion of Regent Jones, seconded by Mr. Fraga, and by a unanimous vote, the Board approved the amended motion.

Chairman Foster said no job was more difficult than dealing with tuition and fees. He said throughout the Board's decision-making process, their focus has been to make education affordable in today's environment and determine where the economic environment will be moving forward.

Chairman Foster said the Board does not want anyone to leave the meeting believing that the Board's decision was based on a poor presentation. He said the Board has the ultimate confidence that this organization will produce.

Regent Jones said the Board had voted on an amendment to the committee's recommendation and now must vote on the original motion with the amendment approved by the Board.

The Board took action as set forth below:

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**MINUTE ORDER 097-2009 (REVISED ITEMS 2&3 COMBINED)**

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

On motion of Regent Wilson, seconded by Regent Fraga and by a unanimous vote, the following minute order was adopted:

All public hearings and referendums required by law for increases in student fees have been properly conducted in accordance with the Texas Education Code.

The requests for all tuition and fees recommended by the presidents of the academic institutions and the health science center as shown in **Exhibits B, C and D** (to Items 2 and 3) are hereby approved subject to a cap of the higher of 4 percent or \$150/semester (exclusive of fees approved by referendum) to be effective with the fall 2009 semester. The final amounts of resident, undergraduate tuition and fees comprising the 4 percent or \$150/semester (for the 15 SCHs) shall be submitted by the presidents of the academic institutions and health science center to the Chancellor for final approval.

**MINUTE ORDER 098-2009 (ITEM 4)**

**AUTHORIZATION FOR THE PRESIDENT  
TO NEGOTIATE AND EXECUTE AN ATHLETIC FACILITIES USE  
AGREEMENT WITH STEPHENVILLE INDEPENDENT SCHOOL DISTRICT,  
STEPHENVILLE, TEXAS,  
TARLETON STATE UNIVERSITY**

On motion of Regent Wilson, seconded by Regent Box and by a unanimous vote, the following minute order was adopted:

The Board of Regents of The Texas A&M University System hereby grants authority to the President of Tarleton State University to negotiate and, upon review and approval for legal sufficiency by the Office of General Counsel, execute a new athletic facilities use agreement with Stephenville Independent School District that allows the school district to periodically use Tarleton State University's Memorial Stadium Complex. The new agreement will have a term of five (5) years, commencing on August 1, 2009 and ending July 31, 2014.

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Chairman Foster called on Regent Box to present the report from the Committee on Buildings and Physical Plant.

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

Regent Box, Acting Chairman of the Committee on Buildings and Physical Plant, reported that the Committee, lacking a quorum, had received reports on Items 6 through 10, 12 and 13. He said Item 11 had been revised. Regent Box said since the Committee did not have a quorum, their items would be voted on by the full Board. Regent Box said he recommended approval of Items 6 through 13.

The Board took action as set forth below:

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MINUTE ORDER 099-2009 (REVISED ITEM 6)

**APPROVAL TO AMEND THE FY 2009-FY 2013 CAPITAL PLAN
TO ADD THE NATIONAL CENTER FOR THERAPEUTICS MANUFACTURING
FOR THE TEXAS A&M UNIVERSITY SYSTEM WITH A FY 2009 START DATE,
THE TEXAS A&M UNIVERSITY SYSTEM**

On motion of Regent Box, seconded by Regent Wilson and by a unanimous vote, the following minute order was adopted:

The request to amend the Fiscal Year FY 2009-FY 2013 Texas A&M University System Capital Plan to add the National Center for Therapeutics Manufacturing for The Texas A&M University System with a FY 2009 start date and a total planning amount of \$42,500,000 is approved.

The amount of \$4,250,000 is appropriated from Account No. 01-805501 Emerging Technology Fund – NCTM Building PR01-3046, for pre-construction services and related project costs.

MINUTE ORDER 100-2009 (REVISED ITEM 7)

**APPROVAL TO AMEND THE FY 2009-FY 2013 CAPITAL PLAN
TO ADD THE NEW STUDENT HOUSING PROJECT FOR
TARLETON STATE UNIVERSITY WITH A FY 2009 START DATE,
THE TEXAS A&M UNIVERSITY SYSTEM**

On motion of Regent Box, seconded by Regent Wilson and by a unanimous vote, the following minute order was adopted:

The request to amend the Fiscal Year FY 2009-FY 2013 Texas A&M University System Capital Plan to add the New Student Housing project for Tarleton State University with a FY 2009 start date and a total planning amount of \$13,800,000 is approved.

The amount of \$900,000 is appropriated from Account No. 304100, Housing Operations Reserve, and \$480,000 is appropriated from Account No. 307500, Texan Village Reserve, for pre-construction services and related project costs.

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 101-2009 (ITEM 8)

**APPROVAL OF THE PROJECT SCOPE AND BUDGET,
APPROPRIATION FOR CONSTRUCTION SERVICES, AND
APPROVAL FOR CONSTRUCTION FOR THE
UNIVERSITY APARTMENTS AT TEXAS A&M UNIVERSITY,
COLLEGE STATION, TEXAS,
THE TEXAS A&M UNIVERSITY SYSTEM**

On motion of Regent Box, seconded by Regent Wilson and by a unanimous vote, the following minute order was adopted:

The project scope along with a project budget of \$35,500,000 for the University Apartments project is approved.

Authorization is given to appropriate the amount of \$30,915,000 from Account No. 01-085350, Revenue Financing System Debt Proceeds (Housing), and the amount of \$1,029,000 from Account No. 01-085350 Revenue Financing System Debt Proceeds (Transportation Services), for construction services and related project costs upon approval of the project by the Texas Higher Education Coordinating Board.

The University Apartments, Texas A&M University, College Station, Texas, is approved for construction.

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 102-2009 (ITEM 9)

**APPROVAL OF THE PROJECT SCOPE AND BUDGET,
APPROPRIATION FOR CONSTRUCTION SERVICES, AND
APPROVAL FOR CONSTRUCTION FOR THE
MICHAEL AND KAREN O’CONNOR BUILDING
AT TEXAS A&M UNIVERSITY-CORPUS CHRISTI,
THE TEXAS A&M UNIVERSITY SYSTEM**

On motion of Regent Box, seconded by Regent Wilson and by a unanimous vote, the following minute order was adopted:

The project scope along with a project budget of \$25,000,000 for the Michael and Karen O’Connor Building project is approved.

The amount of \$18,864,970 is appropriated from Account No. 01-085350, Revenue Financing System Debt Proceeds (Higher Education Fund), and the amount of \$6,135,030 is appropriated from Account No. 15-830707, College of Business Building Gift, for construction services and related project costs.

The amount of \$1,500,000 is reverted to Account No. 15-02400, Designated Tuition, the amount of \$400,000 is reverted to Account No. 15-029999, Interest Income, and the amount of \$600,000 is reverted to Account No. 15-284537, Contingency.

The Michael and Karen O'Connor Building, Texas A&M University-Corpus Christi, Corpus Christi, Texas, is approved for construction.

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 103-2009 (ITEM 10)

**APPROVAL OF THE PROJECT SCOPE AND BUDGET,
APPROPRIATION FOR CONSTRUCTION SERVICES, AND
APPROVAL FOR CONSTRUCTION FOR THE
CITRUS CENTER BUILDING
AT TEXAS A&M UNIVERSITY-KINGSVILLE,
WESLACO, TEXAS,
THE TEXAS A&M UNIVERSITY SYSTEM**

On motion of Regent Box, seconded by Regent Wilson and by a unanimous vote, the following minute order was adopted:

The project scope along with a project budget of \$9,540,000 for the Citrus Center Building is approved.

The amount of \$8,586,000 is appropriated from Account No. 01-085350, Revenue Financing System Debt Proceeds (TRB) for construction services and related project costs.

The Citrus Center Building, Texas A&M University-Kingsville, Weslaco, Texas, is approved for construction.

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 104-2009 (REVISED ITEM 11)

**AUTHORIZATION FOR THE PURCHASE OF
LAND AND IMPROVEMENTS AT
9449 GRANT ROAD, HOUSTON, TEXAS,
PRAIRIE VIEW A&M UNIVERSITY**

On motion of Regent Box, seconded by Regent Wilson and by a unanimous vote, the following minute order was adopted:

The Chancellor of The Texas A&M University System, or designee, is authorized to execute and deliver all documents, and to take all other actions necessary, to purchase the land and improvements municipally known as 9449 Grant Road, City of Houston, Harris County, Texas, from the Lone Star Community College System, for a purchase price to be negotiated by the Chancellor and approved by the Chairman of the Board, and funded with Available University Funds. The form of the purchase contract and the documents of conveyance must be approved for legal sufficiency by the Office of General Counsel.

MINUTE ORDER 105-2009 (ITEM 12)

**AUTHORIZATION TO EXECUTE A LEASE WITH
THE U.S. ARMY CORPS OF ENGINEERS TO USE
THE LEWISVILLE LAKE ENVIRONMENTAL LEARNING AREA,
TEXAS AGRILIFE RESEARCH**

On motion of Regent Box, seconded by Regent Wilson and by a unanimous vote, the following minute order was adopted:

The Chancellor of The Texas A&M University System, or designee, following review for legal sufficiency by the Office of General Counsel, is authorized to execute a 13-year lease with the U.S. Army Corps of Engineers for approximately 2,100 acres comprising the Lewisville Lake Environmental Learning Area.

MINUTE ORDER 106-2009 (ITEM 13)

**AUTHORIZATION TO LEASE
APPROXIMATELY 54,400 SQUARE FEET OF OFFICE SPACE
IN THE CITY OF COLLEGE STATION, BRAZOS COUNTY, TEXAS,
TEXAS ENGINEERING EXPERIMENT STATION**

On motion of Regent Box, seconded by Regent Wilson 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 take all steps necessary to lease approximately 54,400 square feet of space in the Valley Park Center, located at 406 Harvey Mitchell Parkway South, College Station, Texas, for a primary term of six (6) years, and upon such other terms and conditions as the Chancellor, or designee, deems appropriate.

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Chairman Foster called on Regent Steen to present the report from the Committee on Academic and Student Affairs.

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

Regent Steen, Chairman of the Committee on Academic and Student Affairs, reported that the Committee met earlier the same day and recommended approval of Items 14 through 18 and 20.

The Board took action as set forth below:

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MINUTE ORDER 107-2009 (ITEM 14)

**APPROVAL TO AMEND THE TABLE OF PROGRAMS FOR
PRELIMINARY AUTHORITY FOR A MASTER'S DEGREE PROGRAM
IN CLINICAL ADOLESCENT PSYCHOLOGY, AND
AUTHORIZATION TO REQUEST APPROVAL
FROM THE TEXAS HIGHER EDUCATION COORDINATING BOARD,
PRAIRIE VIEW A&M UNIVERSITY**

On motion of Regent Steen, seconded by Regent Jones and by a unanimous vote, the following minute order was adopted:

The Board of Regents approves amending the Table of Programs for Prairie View A&M University to include preliminary authority for a master's degree program in clinical adolescent psychology.

The Board also authorizes submission of this preliminary authority request to amend its Table of Programs to the Texas Higher Education Coordinating Board for approval.

MINUTE ORDER 108-2009 (ITEM 15)

**AUTHORIZATION FOR EXPANSION OF AUTHORITY TO OFFER
EXISTING BACCALAUREATE AND MASTER DEGREES TO STUDENTS
VIA DISTANCE EDUCATION AT THE PRAIRIE VIEW A&M UNIVERSITY
NORTHWEST HOUSTON ACADEMIC CENTER,
PRAIRIE VIEW A&M UNIVERSITY**

On motion of Regent Steen, seconded by Regent Jones and by a unanimous vote, the following minute order was adopted:

Having complied with all of the requirements of the Texas Higher Education Coordinating Board, Prairie View A&M University is hereby authorized to offer the following degree programs via distance education by face-to-face off-campus delivery at the PVAMU Northwest Houston Academic Center, effective fall 2009.

- 1) Bachelor of Business Administration in Marketing (upper division completion hours)
- 2) Master of Science in Accounting
- 3) Master of Science in Nursing Education
- 4) Master of Science in Nursing Administration
- 5) Master of Community Development

The Board of Regents finds that the program offerings authorized by this minute order are within the role and scope and capacity of the institution and will benefit students.

MINUTE ORDER 109-2009 (ITEM 16)

**APPROVAL OF ADMINISTRATIVE CHANGE REQUEST
FOR ACADEMIC REORGANIZATION OF THE
COLLEGE OF ARTS & SCIENCES AND EDUCATION INTO TWO COLLEGES
(THE COLLEGE OF EDUCATION AND LIBERAL ARTS AND
THE COLLEGE OF SCIENCE, TECHNOLOGY, ENGINEERING
AND MATHEMATICS), AND AUTHORIZATION TO REQUEST APPROVAL
FROM THE TEXAS HIGHER EDUCATION COORDINATING BOARD,
TEXAS A&M UNIVERSITY-TEXARKANA**

On motion of Regent Steen, seconded by Regent Jones and by a unanimous vote, the following minute order was adopted:

The Board of Regents approves the administrative change of Texas A&M University-Texarkana for academic reorganization of its College of Arts & Sciences and Education into two colleges: the College of Education and Liberal Arts and the College of Science, Technology, Engineering, and Mathematics.

The Board also authorizes submission of Texas A&M University-Texarkana's administrative change to the Texas Higher Education Coordinating Board for approval and hereby certifies that all applicable criteria for approval have been met.

MINUTE ORDER 110-2009 (ITEM 17)

**APPROVAL TO CHANGE REPORTING STRUCTURE OF THE CENTER FOR
ELECTROCHEMICAL SYSTEMS AND HYDROGEN RESEARCH,
A JOINT CENTER BETWEEN TEXAS A&M UNIVERSITY AND
TEXAS ENGINEERING EXPERIMENT STATION,
TEXAS ENGINEERING EXPERIMENT STATION/TEXAS A&M UNIVERSITY**

On motion of Regent Steen, seconded by Regent Jones and by a unanimous vote, the following minute order was adopted:

The Board of Regents of The Texas A&M University System hereby approves the change in reporting structure of the Center for Electrochemical Systems and Hydrogen Research to the College of Science at Texas A&M University, and the shift in its focus to addressing fundamental scientific issues related to renewable and environmentally benign energy sources via advanced research on solar power, hydrogen storage, batteries and fuel cells. The Director will be appointed by the Dean of the College of Science.

MINUTE ORDER 111-2009 (ITEM 18)

**ESTABLISHMENT OF THE NATIONAL HYPERSONIC SCIENCE CENTER
IN LAMINAR-TURBULENT TRANSITION,
TEXAS ENGINEERING EXPERIMENT STATION**

On motion of Regent Steen, seconded by Regent Jones and by a unanimous vote, the following minute order was adopted:

The National Hypersonic Science Center in Laminar-Turbulent Transition, a Texas Engineering Experiment Station Center, is hereby established.

MINUTE ORDER 112-2009 (ITEM 20)

**ESTABLISHMENT OF THE CENTER FOR HEALTH ORGANIZATION
TRANSFORMATION WITHIN THE SCHOOL OF RURAL PUBLIC HEALTH,
THE TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER**

On motion of Regent Steen, seconded by Regent Jones and by a unanimous vote, the following minute order was adopted:

The Center for Health Organization Transformation, within the School of Rural Public Health, The Texas A&M University System Health Science Center, is hereby established, reporting to the dean, or the dean's designee, of the School of Rural Public Health, The Texas A&M University System Health Science Center.

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**ADDITIONAL ITEMS**

Chairman Foster called on Chancellor McKinney to present Items 21 through 26 and 28 through 36. He said Items 26 through 35 were considered in executive session.

The Board took action as set forth below:

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MINUTE ORDER 113-2009 (ITEM 22)

**APPROVAL OF ACADEMIC TENURE, MAY 2009,
THE TEXAS A&M UNIVERSITY SYSTEM**

On motion of Regent Jones, seconded by Regent Box 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 E**, Tenure List No. 09-05.

MINUTE ORDER 114-2009 (ITEM 23)

**APPROVAL FOR BRETT L. CORNWELL
AND SAURABH BISWAS, SYSTEM EMPLOYEES,
TO SERVE AS MEMBERS OF THE BOARD OF DIRECTORS
OF A BUSINESS ENTITY LICENSING TECHNOLOGY FROM
THE TEXAS A&M UNIVERSITY SYSTEM,
THE TEXAS A&M UNIVERSITY SYSTEM**

On motion of Regent Jones, seconded by Regent Box and by a unanimous vote, the following minute order was adopted:

The Board of Regents hereby approves Mr. Brett L. Cornwell, Director of Commercialization Services, and Mr. Saurabh Biswas, Business Development Associate, both employees in the Office of Technology Commercialization, to serve, on behalf of The Texas A&M University System, as members of the board of directors of VMH Health, Inc., a business entity licensing technology from the system, and shall report to the Vice Chancellor for Federal Relations and Commercialization.

Mr. Brett L. Cornwell and Mr. Saurabh Biswas shall each serve for a term not to exceed two years. The Vice Chancellor for Federal Relations and Commercialization is authorized to reappoint either or both individuals for an additional two year term or terms.

MINUTE ORDER 115-2009 (ITEM 24)

**APPROVAL FOR JULES PUSCHETT, A SYSTEM EMPLOYEE,
TO SERVE AS A MEMBER OF THE BOARD OF DIRECTORS
OF A BUSINESS ENTITY LICENSING TECHNOLOGY
FROM THE TEXAS A&M UNIVERSITY SYSTEM,
THE TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER**

On motion of Regent Jones, seconded by Regent Box and by a unanimous vote, the following minute order was adopted:

The Board of Regents hereby approves Dr. Jules Puschett, Vice Dean for Program Development for the College of Medicine, The Texas A&M University System Health Science Center, to serve as a member of the board of directors of VMH Health, Inc., a business entity that has an agreement with The Texas A&M University System relating to the research, development, licensing, or exploitation of intellectual property conceived, created, discovered, invented or developed by Dr. Jules Puschett.

MINUTE ORDER 116-2009 (ITEM 25)

**AUTHORIZATION TO AWARD AN
HONORARY DOCTOR OF LETTERS DEGREE TO RAY N. PRICE,
TEXAS A&M UNIVERSITY-COMMERCE**

On motion of Regent Jones, seconded by Regent Box and by a unanimous vote, the following minute order was adopted:

The President of Texas A&M University-Commerce is authorized to award an Honorary Doctor of Letters degree to Ray N. Price.

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Chancellor McKinney said Items 26 through 35 were considered in executive session.

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MINUTE ORDER 117-2009 (REVISED ITEM 26)

**APPOINTMENT OF
DR. JEFFREY R. SEEMANN
AS VICE PRESIDENT FOR RESEARCH,
TEXAS A&M UNIVERSITY**

On motion of Regent Jones, seconded by Regent Box and by a unanimous vote, the following minute order was adopted:

Effective July 1, 2009, Jeffrey R. Seemann is hereby appointed Vice President for Research at Texas A&M University, at an initial salary of \$280,000.

MINUTE ORDER 118-2009 (ITEM 28)

**APPOINTMENT OF
DR. ANTONIO CEPEDA-BENITO
AS DEAN OF FACULTIES AND ASSOCIATE PROVOST,
TEXAS A&M UNIVERSITY**

On motion of Regent Jones, seconded by Regent Box and by a unanimous vote, the following minute order was adopted:

Effective immediately, Dr. Antonio Cepeda-Benito is hereby appointed Dean of Faculties and Associate Provost at Texas A&M University, at an initial salary of \$188,500.

MINUTE ORDER 119-2009 (ITEM 29)

**APPOINTMENT OF
DR. CHRISTINE EVANS
AS DEAN OF THE COLLEGE OF ARTS AND SCIENCES,
TEXAS A&M UNIVERSITY-COMMERCE**

On motion of Regent Jones, seconded by Regent Box and by a unanimous vote, the following minute order was adopted:

Effective July 1, 2009, Dr. Christine Evans is hereby appointed Dean of the College of Arts and Sciences at Texas A&M University-Commerce, at an initial salary of \$140,000.

MINUTE ORDER 120-2009 (ITEM 30)

**APPOINTMENT OF
MR. RANDALL VAN DEVEN
AS VICE PRESIDENT FOR INSTITUTIONAL ADVANCEMENT,
TEXAS A&M UNIVERSITY-COMMERCE**

On motion of Regent Jones, seconded by Regent Box and by a unanimous vote, the following minute order was adopted:

Effective July 13, 2009, Mr. Randall Van Deven is hereby appointed Vice President for Institutional Advancement at Texas A&M University-Commerce, at an initial salary of \$160,000.

MINUTE ORDER 121-2009 (ITEM 31)

**APPOINTMENT OF
DR. LARRY LEMANSKI
AS PROVOST AND VICE PRESIDENT FOR ACADEMIC AFFAIRS,
TEXAS A&M UNIVERSITY-COMMERCE**

On motion of Regent Jones, seconded by Regent Box and by a unanimous vote, the following minute order was adopted:

Effective July 1, 2009, Dr. Larry Lemanski is hereby appointed Provost and Vice President for Academic Affairs at Texas A&M University-Commerce, at an initial salary of \$180,000.

MINUTE ORDER 122-2009 (ITEM 32)

**APPOINTMENT OF
DR. REX FRANKLIN GANDY
AS PROVOST AND VICE PRESIDENT FOR ACADEMIC AFFAIRS,
TEXAS A&M UNIVERSITY-KINGSVILLE**

On motion of Regent Jones, seconded by Regent Box and by a unanimous vote, the following minute order was adopted:

Effective August 1, 2009, Dr. Rex Franklin Gandy is hereby appointed Provost and Vice President for Academic Affairs at Texas A&M University-Kingsville at an initial salary of \$186,000.

MINUTE ORDER 123-2009 (ITEM 33)

**APPOINTMENT OF
DR. MARILYN M. FOWLÉ
AS VICE PRESIDENT FOR FINANCE AND ADMINISTRATION,
TEXAS A&M UNIVERSITY-KINGSVILLE**

On motion of Regent Jones, seconded by Regent Box and by a unanimous vote, the following minute order was adopted:

Effective June 22, 2009, Dr. Marilyn M. Fowlé is hereby appointed Vice President for Finance and Administration at Texas A&M University-Kingsville at an initial salary of \$165,000.

MINUTE ORDER 124-2009 (REVISED ITEM 34)

**APPOINTMENT OF
DR. GARY G. PEER
AS PROVOST AND VICE PRESIDENT FOR ACADEMIC AFFAIRS,
TARLETON STATE UNIVERSITY**

On motion of Regent Jones, seconded by Regent Box and by a unanimous vote, the following minute order was adopted:

Effective August 1, 2009, Dr. Gary G. Peer is hereby appointed Provost and Vice President for Academic Affairs at Tarleton State University, at an initial salary of \$160,000.

MINUTE ORDER 125-2009 (ITEM 35)

**APPOINTMENT OF
MS. DEENA WALLACE
AS ASSOCIATE AGENCY DIRECTOR,
TEXAS ENGINEERING EXPERIMENT STATION**

On motion of Regent Jones, seconded by Regent Box and by a unanimous vote, the following minute order was adopted:

Effective immediately, Ms. Deena Wallace is hereby appointed Associate Agency Director for the Texas Engineering Experiment Station, at an initial annual salary of \$226,645.

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Chancellor McKinney said Item 36 consisted of ten consent agenda items and recommended that the Board vote on them as a consent item.

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MINUTE ORDER 126-2009 (ITEM 36-a)

**ADOPTION OF A RESOLUTION HONORING
CHARLES W. AND WANDA SOLTIS
FOR THEIR OUTSTANDING DEDICATION AND SERVICE,
TEXAS A&M UNIVERSITY**

On motion of Regent Jones, seconded by Regent Box and by a unanimous vote, the following minute order was adopted:

Whereas, Charles W. “Bill” Soltis earned a bachelor’s degree in Mechanical Engineering from Texas A&M in 1955; and

Whereas, Mr. Soltis enjoyed a successful career as a leading innovator in the design and construction of cleanroom and air control facilities for industry and the medical fields; and

Whereas, Mr. Soltis has served Texas A&M University with honor and distinction in a variety of capacities, contributing his time, financial support and expertise to Texas A&M students, including serving as a class lecturer; and

Whereas, Mr. Soltis has been a tireless promoter of preservation of the Costa Rican rainforest since visiting there for a project over 25 years ago; and

Whereas, Mr. Soltis and his wife, Wanda, have generously donated the Soltis Center for Research & Education in San Juan de San Isidro de Peñas Blancas, Costa Rica, to Texas A&M University to provide students an international experience in environmental conservation and regional issues of importance; and

Whereas, Mr. and Mrs. Soltis have furthered Texas A&M's globalization imperative through their vision, generosity and leadership; now, therefore, be it

Resolved, that we, the members of the Board of Regents of The Texas A&M University System, gratefully recognize Mr. and Mrs. Soltis for their dedication and service and for their role in furthering the vision of excellence for 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 Mr. and Mrs. Soltis and to the Archives of Texas A&M University as an expression of appreciation and respect for Wanda and Charles W. Soltis '55.

MINUTE ORDER 127-2009 (ITEM 36-b)

**ADOPTION OF A RESOLUTION HONORING
PABLO AND BARBARA MARVIN
FOR THEIR OUTSTANDING DEDICATION AND SERVICE,
TEXAS A&M UNIVERSITY**

On motion of Regent Jones, seconded by Regent Box and by a unanimous vote, the following minute order was adopted:

Whereas, Pablo Marvin traveled from his family's home in Mexico City and earned a bachelor's degree in Business Management from Texas A&M in 1966; and

Whereas, Mr. Marvin has been a leader in the Bryan-College Station Community and successful in his business and real estate enterprises in Mexico; and

Whereas, Mr. Marvin has served Texas A&M University with honor and distinction in a variety of capacities, including seven years as an active member of the university's International External Advisory Board, where he has contributed time, expertise and financial support as a mentor to students and faculty alike; and

Whereas, Mr. Marvin and his wife, Barbara, generously donated the use of facility space in Avenida Paseo de la Reforma No. 76, Mexico City, from 1994 to 2008, which enabled Texas A&M University to enjoy a central presence for engagement in education, research, and outreach in Mexico; and

Whereas, Mr. and Mrs. Marvin have relocated the Texas A&M University Center in Mexico to a new, more prominent facility in Bosque de Ciruelos No. 140, Mexico City, in October 2008; and

Whereas, Mr. Marvin has been recognized as the 2006 Outstanding International Alumnus of Texas A&M University, and as a 2009 Distinguished Alumnus of Texas A&M University, both by The Association of Former Students; and

Whereas, Mr. and Mrs. Marvin have furthered Texas A&M's globalization imperative through their vision, generosity and leadership; now, therefore, be it

Resolved, that we, the members of the Board of Regents of The Texas A&M University System, gratefully recognize Mr. and Mrs. Marvin for their dedication and service and for their role in furthering the vision of excellence for 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 Mr. and Mrs. Marvin and to the Archives of Texas A&M University as an expression of appreciation and respect for Barbara and Pablo Marvin '66.

MINUTE ORDER 128-2009 (ITEM 36-c)

**ADOPTION OF A RESOLUTION TO EXPRESS APPRECIATION TO
RICKY HOPE,
TEXAS A&M UNIVERSITY-COMMERCE**

On motion of Regent Jones, seconded by Regent Box and by a unanimous vote, the following minute order was adopted:

Whereas, Texas A&M University-Commerce football player Ricky Hope is a senior from Poulan, Georgia; and

Whereas, Ricky earned multiple honors after a successful 2008 season; and

Whereas, his honors include leading the Lone Star Conference with 10.5 sacks and six forced fumbles; and

Whereas, he was second in the nation in tackles for loss per game with 1.95, and sixth in sacks per game with 1.05; and

Whereas, Mr. Hope was named the Lone Star Conference North Division Defensive Lineman of the Year; and

Whereas, he was named First Team All-American by Don Hansen’s “Football Gazette;” and

Whereas, Ricky was selected to the Second Team All-American by D2Football.com, Daktronics, and the Associated Press; now, therefore, be it

Resolved, that we, the members of the Board of Regents of The Texas A&M University System, express our sincere congratulations to Mr. Hope for the honor and recognition his accomplishments have brought to Texas A&M University-Commerce and 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. Hope and to the Archives of Texas A&M University-Commerce as a remembrance of this Board’s appreciation.

MINUTE ORDER 129-2009 (ITEM 36-d)

**ADOPTION OF A RESOLUTION TO EXPRESS APPRECIATION TO
BRITNEY JORDAN,
TEXAS A&M UNIVERSITY-COMMERCE**

On motion of Regent Jones, seconded by Regent Box and by a unanimous vote, the following minute order was adopted:

Whereas, Texas A&M University-Commerce basketball player Britney Jordan is a senior from Peoria, Illinois, majoring in Sociology; and

Whereas, Britney averaged a Lone Star Conference-record 31.3 points per game and amassed 909 points this year; and

Whereas, her efforts this year garnered her the title Lone Star Conference North Division Player of the Year and first-team all-LSC North Division honors; and

Whereas, she finished her career with 2,105 points and holds 21 A&M-Commerce women’s records and four LSC women’s marks; and

Whereas, Ms. Jordan is a nine-time Lone Star Conference North Division Player of the Week from 2006-2009; and

Whereas, she was named the Most Outstanding Player of the LSC Tournament in 2007 and a member of the NCAA South Central Regional all-tournament team in 2007; and

Whereas, Britney's honors and awards resulted in her being featured in *Sports Illustrated's* Faces in the Crowd January 12, 2009 edition; and

Whereas, Britney Jordan became the first-ever player in school history and the second ever in Lone Star Conference history to be selected in the Women's National Basketball Association Draft with her third round selection in the 2009 draft; and

Whereas, Britney was named to the Daktronics All-South Central Regional First-Team in 2007-08 and 2008-09; and

Whereas, she was selected to the 2008-09 Division II Daktronics Women's Basketball All-American First Team, making her the first Lions player to earn a first team All-American honor; and

Whereas, Britney was named to the 2008-09 Division II State Farm Coaches' All-America Team Honorable Mention; and

Whereas, Britney led Texas A&M University-Commerce to its first-ever LSC Championship, NCAA South Central Region Championship and the program's first trip to the NCAA Elite Eight; now, therefore, be it

Resolved, that we, the members of the Board of Regents of The Texas A&M University System, express our sincere congratulations to Ms. Jordan for the honor and recognition her accomplishments have brought to Texas A&M University-Commerce and 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 Ms. Jordan and to the Archives of Texas A&M University-Commerce as a remembrance of this Board's appreciation.

MINUTE ORDER 130-2009 (ITEM 36-e)

**ADOPTION OF RESOLUTION TO EXPRESS APPRECIATION TO
THE 2008-2009 WOMEN'S BASKETBALL TEAM,
WEST TEXAS A&M UNIVERSITY**

On motion of Regent Jones, seconded by Regent Box and by a unanimous vote, the following minute order was adopted:

Whereas, the 2008-09 West Texas A&M Women's Basketball Team were Lone Star Conference and NCAA South Central Region champions and advanced to the NCAA Elite Eight; and

Whereas, Emily Brister was named WBCA/State Farm All-America First Team member, Daktronics All-America First Team Member, D2Basketball.com All-America First Team Member, Daktronics South Central Region Player of the Year, LSC South Division Player of the Year, All-LSC First Team Member, LSC South Pre-Season Player of the Year, CoSIDA/ESPN Academic All-America and LSC South Academic Player of the Year; and

Whereas, Courtney Lee and Jamie Dreiling were named to the All-LSC Second Team and Joni Unruh was given All-LSC South Honorable Mention; and

Whereas, Courtney Lee was named as LSC South Defensive Player of the Year; and

Whereas, Emily Brister, Joni Unruh and Holly Isaacs were named to the LSC All-Academic Team; and

Whereas, four players – Courtney Lee, Cherilyn McMenemy, Jamie Dreiling and Megan McLain – were named to the LSC Commissioner’s Honor Roll; and

Whereas, Courtney Lee was named South Central Region Tournament Most Valuable Player; and Jamie Dreiling was named LSC Tournament Most Valuable Player; now, therefore, be it

Resolved, that we, the members of the Board of Regents of The Texas A&M University System, express our heartfelt congratulations to all the members of the West Texas A&M University Women’s Basketball Team for their contributions to West Texas A&M University; and, be it further

Resolved, that this resolution be spread upon the minutes, and copies thereof 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 to the Archives of West Texas A&M University as a permanent mark of this Board’s appreciation and gratitude to all these individuals for a job well done.

MINUTE ORDER 131-2009 (ITEM 36-f)

**GRANTING OF FACULTY DEVELOPMENT LEAVE
FOR FY 2010,
TEXAS A&M UNIVERSITY-COMMERCE**

On motion of Regent Jones, seconded by Regent Box and by a unanimous vote, the following minute order was adopted:

The Board of Regents of The Texas A&M University System, in accordance with System Policy 31.03, System Regulation 12.99.01 and Sections 51.101-108 of the Texas Education Code, authorizes faculty development leave to the faculty members as shown in **Exhibit F**, Faculty Development Leave List FY 2010, Texas A&M University-Commerce.

MINUTE ORDER 132-2009 (ITEM 36-g)

**GRANTING OF FACULTY DEVELOPMENT LEAVE
FOR FY 2010 AND FY 2011,
TARLETON STATE UNIVERSITY**

On motion of Regent Jones, seconded by Regent Box and by a unanimous vote, the following minute order was adopted:

The Board of Regents of The Texas A&M University System, in accordance with System Policy 31.03, System Regulation 12.99.01 and Sections 51.101-108 of the Texas Education Code, authorizes faculty development leave to the faculty members as shown in **Exhibit G**, Faculty Development Leave List FY 2010 and FY 2011, Tarleton State University.

MINUTE ORDER 133-2009 (ITEM 36-h)

**GRANTING OF FACULTY DEVELOPMENT LEAVE
FOR FY 2010,
WEST TEXAS A&M UNIVERSITY**

On motion of Regent Jones, seconded by Regent Box and by a unanimous vote, the following minute order was adopted:

The Board of Regents of The Texas A&M University System, in accordance with System Policy 31.03, System Regulation 12.99.01 and Sections 51.101-108 of the Texas Education Code, authorizes faculty development leave to the faculty members as shown in **Exhibit H**, Faculty Development Leave List FY 2010, West Texas A&M University.

MINUTE ORDER 134-2009 (REVISED ITEM 36-i)

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

On motion of Regent Jones, seconded by Regent Box 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 Presidents of their respective system member universities are authorized to appoint and commission campus peace officers in accordance with the requirements of the law, subject to confirmation by the Board of Regents, as shown in **Exhibit I**, attached to the official minutes.

MINUTE ORDER 135-2009 (ITEM 36-j)

**GRANTING OF THE TITLE
OF EMERITUS/EMERITA, MAY 2009,
THE TEXAS A&M UNIVERSITY SYSTEM**

On motion of Regent Jones, seconded by Regent Box 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 J**, Emeritus/Emerita Title List No. 09-05, and grants all rights and privileges of this title.

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Chairman Foster presented Item 36-k and the Board took action as set forth below:

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MINUTE ORDER 136-2009 (ITEM 36-k)

**APPROVAL OF MINUTES OF THE
MARCH 26-27, 2009, REGULAR BOARD MEETING AND
FEBRUARY 24, 2009, SPECIAL TELEPHONIC BOARD MEETING,
BOARD OF REGENTS,
THE TEXAS A&M UNIVERSITY SYSTEM**

On motion of Regent Jones, seconded by Regent Box and by a unanimous vote, the following minute order was adopted:

The Minutes of the March 26-27, 2009, Regular Board Meeting and February 24, 2009, Special Telephonic Board Meeting are hereby approved.

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In response to a question by Vice Chairman Wilson, Chancellor McKinney said in Items 23 and 24, they did not receive compensation, although it is allowed.

Chairman Foster presented Item 21 and the Board took action as set forth below:

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MINUTE ORDER 137-2009 (ITEM 21)

**ADOPTION OF A RESOLUTION HONORING
MR. ANTHONY CULLINS
AND BESTOWING THE TITLE OF STUDENT REGENT EMERITUS,
BOARD OF REGENTS,
THE TEXAS A&M UNIVERSITY SYSTEM**

On motion of Chairman Foster, seconded by Regent Jones and by a unanimous vote, the following minute order was adopted:

Whereas, Mr. Cullins was appointed as Student Regent of The Texas A&M University System by Governor Rick Perry in May 2008; and

Whereas, Mr. Cullins received a Bachelor of Business Administration degree in Management Information Systems from Texas A&M University-Commerce in May 2008; and

Whereas, he is continuing his education at A&M-Commerce by pursuing a Master's in Business Administration degree; and

Whereas, he is a member of the Cisco Dallas-Fort Worth User Group, Black Data Processing Associates, Order of Omega Greek Honor Society and Alpha Phi Alpha; and

Whereas, Mr. Cullins is the recipient of numerous awards including Alpha Phi Alpha Fraternity, Inc. Brother of the Year Award and Pan-Hellenic Outstanding Scholastic Scholarship Award; and

Whereas, he was a team captain for Relay for Life and past student body president at Texas A&M University-Commerce; and

Whereas, Mr. Cullins also has been a member of the A&M-Commerce Presidential Search Advisory Committee, Student Service Fee Advisory Committee and Chancellor's Student Advisory Board; and

Whereas, he worked closely with the student leaders at the A&M System's nine universities and health science center, visiting the campuses, working with students on a variety of issues, and speaking at commencements and other events; and

Whereas, Mr. Cullins also brought the opinions and perspectives of students across the A&M System back to the Board of Regents, enriching the Board's ability to lead; now, therefore, be it

Resolved, that the Board of Regents of The Texas A&M University System desires to express its appreciation for the outstanding leadership shown by Mr. Anthony Cullins as the 2008-2009 Student Regent of The Texas A&M University System; and, be it, further

Resolved, that in honor of his service to the Board, the title of Student Regent Emeritus of the Board of Regents of The Texas A&M University System, with all the rights and privileges pertaining thereto, is hereby bestowed upon Mr. Anthony Cullins; and, be it, further

Resolved, that this resolution be spread upon the minutes, with official copies thereof, signed by the Chairman of the Board of Regents, and be presented to Mr. Cullins and to the Archives of The Texas A&M University System as a permanent tribute to the high esteem in which he is held as a Student Regent of The Texas A&M University System.

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#### **RECESS TO EXECUTIVE SESSION**

Chairman Foster recessed the meeting at 11:00 a.m. and announced that the Board would reconvene in the Board Meeting Room to continue with its executive session agenda.

Chairman Foster announced that the Board would recess to executive session to consider matters as provided in Chapter 551 of the Texas Government Code: Sections 71 and 74 (including discussion of duties and evaluation of A&M System administration officers, presidents of institutions and the health science center, directors of agencies, other officers reporting directly to the Board, and A&M System and institutional employees).

Chairman Foster said in accordance with the law, no final action, decision, or vote with regard to any matter considered in the executive session would be made or taken.

*(Secretary's Note: The Board met in executive session from 11:05 a.m. to 1:23 p.m.)*

#### **RECONVENE IN OPEN SESSION**

Chairman Foster reconvened the meeting in open session at 1:23 p.m. and announced that the Board had met in executive session from 11:05 a.m. until 1:23 p.m. and conferred with the Chancellor, several system and university administrators, and system attorneys on personnel and legal matters. He said they discussed the duties and evaluations of A&M System administration officers, presidents of institutions and the health science

center, directors of agencies, other officers reporting directly to the Board, and A&M System and institutional employees.

### **ANNOUNCEMENTS**

Chairman Foster announced that there would be an abbreviated budget review scheduled for the Board of Regents on Wednesday, July 15, 2009. Chairman Foster announced that the next regular meeting was scheduled for July 16-17, 2009, on the campus of TAMU.

### **ADJOURNMENT**

On motion of Regent Jones, seconded by Regent Fraga and by a unanimous vote, the meeting was adjourned at 1:25 p.m.

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

VBS:gak

*(These minutes were transcribed by Gwen Kirby, Senior Office Associate, Office of the Board of Regents.)*