

MINUTES

OF THE

SPECIAL MEETING OF THE

BOARD OF REGENTS

OF

THE TEXAS A&M UNIVERSITY SYSTEM

HELD IN

COLLEGE STATION, TEXAS

OCTOBER 28, 1998

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**MINUTES OF THE
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OCTOBER 28, 1998**

A special meeting of the Board of Regents of The Texas A&M University System, was convened by Mr. Don Powell, Chairman of the Board of Regents, at 9:30 a.m., on Wednesday, October 28, 1998, in the Board of Regents Meeting Room, on the campus of Texas A&M University, College Station, Texas.

The following members of the Board were present:

Mr. Don Powell, Chairman
Mr. T. Michael O'Connor
Mr. Robert H. Allen
Dr. Dionel Avilés
Mr. John H. Lindsey
Mr. Frederick D. McClure
Mr. Erle Nye

(Secretary's Note: Mr. T. Michael O'Connor joined the meeting at 9:45 a.m. and Mr. Erle Nye joined the meeting at 9:46 a.m.)

The following members of the Board were not present:

Ms. Anne Armstrong
Ms. M. Guadalupe L. Rangel

Mr. Powell said the purpose of the meeting was to receive reports and discuss personnel matters concerning the Deputy Chancellor for Finance and Operations of The Texas A&M University System and take any action the Board deemed necessary or appropriate regarding these personnel matters. Mr. Powell said the second matter, which had been added as an emergency item requiring immediate attention, was the approval of an intercomponent transfer of funds from Texas A&M University (TAMU) to the Texas Forest Service (TFS).

Mr. Powell asked Mr. Tom Kale, Vice Chancellor for Business Services, to present the second item. Mr. Kale said the State of Texas had forwarded \$7.1 million to TFS early in the year; however, with the hurricane and floods in the Rio Grande Valley and floods in Victoria, the TFS was in desperate need of additional funds with which to operate until the introduction of emergency legislation in January 1999, to appropriate funds. Mr. Kale said the only way to accomplish the interim financing was an intercomponent loan from one institution to another where TAMU would loan the money to TFS and receive repayment sometime after the Legislature convenes in January.

Mr. Powell said he had received a call from Governor George Bush's Office requesting this transaction. He had assurance from Mr. Albert Hawkins, Director of the Governor's Budget Office, that this money would be reimbursed in January. Mr. Allen asked if there was a fire problem in 1996 or 1997.

Mr. Jim Hull, Director of TFS, said the State Emergency Contingency Fund took care of that emergency in 1996, \$8.4 million. He said with other state expenses, the emergency fund had only \$4.5 million.

Mr. O'Connor asked Mr. Hull what the TFS had done with regard to the floods. Mr. Hull replied that their expertise is in coordination of rescue efforts. Dr. Avilés asked what impact this would have on the TAMU budget. Mr. O'Connor asked why TAMU would pay for this and why not the System. Mr. Bill Krumm, Vice President for Finance and Controller of TAMU, responded that the funds used would be General Revenue appropriation. General Revenue appropriation is spent first and then local money, i.e. tuition, etc. TAMU's General Revenue appropriation will not be expended until some time in April 1999. He said the risk would be if the money was not repaid by March or April. Mr. O'Connor said he hopes this is a warning to keep money in the Special Mineral Fund (SMF) to help out with situations like this. Mr. Kale said interest would not be lost using General Revenue Funds but interest would be lost if the SMF was used. Mr. O'Connor said the state should look at what TFS has done in the last three or four years and appropriately fund them, plus have a surplus as TFS handles disasters in Texas, the United States and other parts of the world.

Mr. Allen asked that the minutes reflect Mr. O'Connor's observation.

The Board took action as set forth below:

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**(MINUTE ORDER 214-98)**

**APPROVAL OF  
INTERCOMPONENT TRANSFER OF FUNDS (LOAN) FROM  
TEXAS A&M UNIVERSITY TO THE  
TEXAS FOREST SERVICE,  
THE TEXAS A&M UNIVERSITY SYSTEM**

On motion Mr. Lindsey, seconded by Mr. McClure and by a unanimous vote, the following minute order was adopted:

In accordance with the authority provided in House Bill 1, Article III, Section 5.1. Intercomponent Transfers, the Board of Regents of The Texas A&M University System hereby approves General Revenue appropriation transfers of up to \$8,000,000 from Texas A&M University to the Texas Forest Service to handle the immediate cash flow needs associated with fire fighting efforts during FY 1998 and FY 1999. Each transfer of funds will be reviewed and approved by the Chancellor prior to release of such funds to the Texas Forest Service.

Upon passage of applicable funding legislation during the 76<sup>th</sup> Legislative Session, the Board also authorizes the Texas Forest Service to transfer and return the same amount of funding back to Texas A&M University.

The Board appreciates the extraordinary fire fighting efforts of the Texas Forest Service during this time, and the willingness of Texas A&M University to assist with the funding shortfall. The Board commits its full support of the emergency funding legislation to ensure that Texas A&M University will not experience any permanent loss of funds and associated program disruptions due to the assistance provided to the Texas Forest Service.

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At 9:42 a.m., Mr. Powell announced that having convened in open session, the Board would convene in a closed session as permitted by Section 551.074 of the Texas Government Code, for discussion of matters involving the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal, or to hear complaints or charges against an officer or employee. Mr. Powell said in accordance with the law, no action, decision, or vote with regard to any matter considered in the closed meeting would be made or taken.

At 1:41 p.m., Mr. Powell reconvened the meeting of the Board in open session and announced that the Board had met in closed session from 9:42 a.m. to 1:40 p.m.

Mr. Powell adjourned the special meeting of the Board at 1:42 p.m., the same day.

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

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