

MINUTES

OF THE

SPECIAL TELEPHONIC MEETING OF THE

BOARD OF REGENTS

OF

THE TEXAS A&M UNIVERSITY SYSTEM

HELD IN

COLLEGE STATION, TEXAS

JULY 28, 1998

(Approved January 28-29, 1999, Minute Order 43-99)

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**MINUTES OF THE
SPECIAL TELEPHONIC MEETING OF THE BOARD OF REGENTS
JULY 28, 1998**

A special telephonic 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 1:15 p.m., on Tuesday, July 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 telephonically:

Mr. Don Powell, Chairman
Mr. T. Michael O'Connor, Vice Chairman
Ms. Anne Armstrong
Mr. Robert H. Allen
Dr. Dionel Avilés
Mr. John H. Lindsey
Mr. Frederick D. McClure
Mr. Erle Nye
Ms. M. Guadalupe L. Rangel

Mr. Powell said the purpose of the meeting was to appropriate funds to The Texas A&M University System Baylor College of Dentistry (BCD).

Mr. Powell asked for a motion. Mr. Nye said there had been a discussion at the budget meetings earlier in 1998 about interim funding for BCD. He said there had been extenuating circumstances and expenses when BCD came into the System. Mr. Nye said BCD had cut all the expenses they could in order to meet their budget. He said he had spoken with Senator Bill Ratliff prior to the meeting and Senator Ratliff said BCD was under-funded compared to Texas' other dental schools. Mr. Nye made a motion to adopt the proposed minute order (*which was Item 5 in the Board's agenda book from the July 23, 1998, Board meeting and subsequently withdrawn*). There was no second, therefore the motion failed.

Mr. Powell asked for discussion. Mr. Allen said he was concerned about the due diligence and post acquisition problems. He said the Board should have a system whereby they could be comfortable with pre-acquisitions and post-acquisitions. Mr. Allen said the Special Mineral Fund (SMF) should not be used unless there were plans to replace the monies. He said there were no stipulations for this in the agenda item.

Mr. Powell read a proposed revised minute order: "The Board of Regents of The Texas A&M University System hereby authorizes the Chancellor to appropriate up to \$2.6 million of income, while \$1.4 million is appropriated now to address the budget shortfalls in the 1997-98 operating budget for the Baylor College of Dentistry. After verification by Texas A&M University System staff

and approval by the Chancellor, an additional \$1.2 million can be expended after due diligence by the Chancellor’s staff and approval of the Board.”

Mr. Powell said he was offering this motion. Mr. O’Connor asked if the shortfall was \$1.2 million or \$1.4 million. Mr. Dick Lindsay, Deputy Chancellor for Finance and Operations, said with a few months left in the fiscal year, the estimate would be between \$1.2 and 1.4 million. Mr. Allen asked how this money would be restored to the SMF.

There was some discussion about the acquisition. Mr. Lindsey said everyone on the Board supports this acquisition and asked if there was another source for this money. Mr. Lindsay said there was no other source, except the BCD Foundation. He said meetings had been held with the BCD Foundation and members of the System and the Foundation were unable to give this additional money for the transition.

Dr. Thompson said it was impossible for the State to refund the System. He assured the Board that he would pursue legislative action for a “rider” to be put on the Appropriations Bill to pay this money back to the SMF.

Ms. Rangel stated her views about “playing favorites” as to loaning the System universities money from the SMF.

(Secretary’s Note: Ms. Rangel left the meeting at this time.)

Mr. Lindsay said Galveston had obtained an “advance” from the SMF that would be paid back to the System in the Year 2002. Mr. McClure asked the basis for a rider on the legislation. Dr. Thompson said it would be based on “under-funding” for the past years. Mr. McClure said he was concerned about how the money would get back in the SMF. Dr. Thompson assured the Board again about pursuing legislative action for a rider.

The Board took action as set forth below:

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**(MINUTE ORDER 163-98)**

**APPROPRIATION FROM THE SPECIAL MINERAL FUND  
TO THE BAYLOR COLLEGE OF DENTISTRY,  
THE TEXAS A&M UNIVERSITY SYSTEM**

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

The Board of Regents of The Texas A&M University System hereby authorizes the Chancellor to appropriate up to \$1.4 million from the Special Mineral Fund to address the budget shortfall in the 1997-98 operating budget for The Texas A&M University System-Baylor College of Dentistry.

After expenditure of the \$1.4 million, upon verification of need for additional funding by the Deputy Chancellor for Finance and Operations, and upon approval by the Chancellor and the Board of Regents, an additional \$1.2 million may be appropriated for expenditure to support The Texas A&M University System-Baylor College of Dentistry.

*(Secretary's Note: Mr. Powell called the roll to take the vote on this item.)*

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There was discussion about due diligence for future acquisitions into the System.

Mr. Powell adjourned the special telephonic meeting of the Board at 2:00 p.m., the same day.

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

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