

MINUTES

OF THE

SPECIAL TELEPHONIC MEETING OF THE

BOARD OF REGENTS

OF

THE TEXAS A&M UNIVERSITY SYSTEM

HELD IN

COLLEGE STATION, TEXAS

August 30, 2007

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**MINUTES OF THE
SPECIAL TELEPHONIC MEETING
OF THE BOARD OF REGENTS
August 30, 2007**

Mr. Bill Jones, Chairman of the Board, convened a special telephonic meeting of the Board of Regents of The Texas A&M University System, at 4:34 pm, on Thursday, August 30, 2007, in the Board of Regents Meeting Room, Memorial Student Center, on the campus of Texas A&M University (TAMU), College Station, Texas.

The following members of the Board were present by telephone:

Mr. Bill Jones, Chairman
Mr. John White
Mr. Morris Foster
Mr. Lupe Fraga
Mr. J.L. Huffines
Mr. Erle Nye
Mr. Gene Stallings
Ms. Ida Clement Steen
Mr. Jim Wilson
Ms. Cassie Daniel (Student Regent)

Mr. Jones said that in accordance with the Texas Government Code, that allows governing boards to meet by telephone, each party to the conference call must clearly identify himself/herself prior to speaking. Mr. Jones called the roll and said a quorum was present.

Mr. Jones said the purpose of this special telephonic meeting was to consider the following items: Item 1 -- Approval of the FY 2008 Operating Budgets for The Texas A&M University System (TAMUS); Item 2 -- Approval of the FY 2008 Service Department Accounts for TAMUS; Item 3 -- Authorization to Exceed Limitations on State Employment Levels for TAMUS; and Item 4 -- Approval of Committees and Other Special Appointments for 2007-2009, Board of Regents, The Texas A&M University System.

Mr. Jones introduced Ms. B. J. Crain, Associate Vice Chancellor for Budgets and Accounting, to present Items 1 through 3. Ms. Crain presented Item 1 and said this item requested approval of the operating budgets for FY 2008 for TAMUS. She said the budget for 2008 represents a nine percent increase over the projected expenditures for 2007 or an increase of \$243 million. Ms. Crain said it also includes the projection of \$10 million in reserve funds to be used for non-recurring or one-time items. She said that in development of this budget, the academic members have estimated enrollment growth anywhere between zero and four percent. She said the budget includes designated tuition increases of \$5/semester credit hour (SCH) up to \$17/SCH and includes personnel costs with an increase of seven percent or \$112 million (this represents 62 percent of the total

expenditures of the System). Ms. Crain said the \$2.9 billion budget also includes debt service of \$209 million; utility costs are projected almost level with 2007; and includes a four-year contract that was recently re-negotiated for the members of the A&M System that are eligible for the deregulation of utilities. She said scholarship increases of six percent are reflected in the budget of \$13.8 million. Ms. Crain asked if there were any questions.

Mr. Nye said there were a lot of moving parts in this budget when compared with prior years but he did support this budget. One comment, Mr. Nye said it would help if there were comparisons of prior years' budgets in the future. Mr. Foster asked if this was a balanced budget. Ms. Crain answered in the affirmative. Mr. Nye asked about monies coming out of reserves and would that still be balanced. Ms. Crain said that the legal requirement is that the Board approves a budget that is within the available revenues.

Mr. Jones commented that all but four institutions came in less than the range previously approved for Board Designated Tuition. Mr. Nye agreed that this was important. Mr. Jones thanked Ms. Crain and her staff for the wonderful work preparing this budget and for always being available to discuss and explain to the members of the Board.

Ms. Daniel said although she does not vote, she agreed with Mr. Jones and is very glad the institutions are being diligent about raising designated tuition.

The Board took action as set forth below:

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**MINUTE ORDER 212-2007 (AGENDA ITEM 01)**

**APPROVAL OF THE FISCAL YEAR 2008 OPERATING BUDGETS,  
THE TEXAS A&M UNIVERSITY SYSTEM**

Mr. Nye moved the adoption of the minute order. Mr. White seconded the motion. Mr. Jones said he would call each regent's name so their votes were properly recorded. The regents voted as follows: Foster – yes, Fraga – yes, Huffines – yes, Nye – yes, Stallings – yes, Steen – yes, White – yes and Wilson - yes. Mr. Jones said he voted “yes” and the vote was unanimous. The following minute order was adopted:

The operating budgets, a copy of which is attached to the official minutes as **Exhibit A**, as submitted by the components of The Texas A&M University System for the fiscal year ending August 31, 2007, are hereby approved and adopted subject to the provisions contained in System Policy 27.04, Budget Authorizations, Limitations, and Delegations of Authority.

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Ms. Crain said Item 2 was the approval of the 2008 service department accounts. She said the General Appropriations Bill authorizes the Board to approve service department activities for the A&M System. Ms. Crain said that a service department account is any type of activity that one member provides on behalf of other departments within that member or to the other members of the System.

Ms. Crain said Item 3 seeks authorization to exceed the limitations on state employment levels. She said the General Appropriation Bill sets employment caps on the members of the System and all other state agencies. Ms. Crain said this was started four bienniums ago where this cap was established so that no state agency could go above that cap in hiring employees from appropriated dollars. She said that over time, our appropriations have increased and the full-time employee (FTE) caps have remained relatively level and unadjusted. In order to exceed those caps, the members must come to the Board and request approval to exceed and that approval is forwarded to the Governor and Legislative Budget Board for action. Ms. Crain said this item provides the information required to submit this request.

Mr. Nye said he was very supportive of Dr. George Wright, President of Prairie View A&M University (PVAMU), but questioned the 93 percent FTE increase. He asked if there was more to the story. Ms. Crain said this percent is just the increase on appropriated dollars. She said these caps were established before the Office of Civil Rights (OCR) money came into play, so the 93 percent FTE increase directly relates to the new programs that have been brought on line by the OCR.

The Board took action as set forth below:

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**MINUTE ORDER 213-2007 (AGENDA ITEM 02)**

**APPROVAL OF THE FISCAL YEAR 2008  
SERVICE DEPARTMENT ACCOUNTS,  
THE TEXAS A&M UNIVERSITY SYSTEM**

Mr. Nye moved the adoption of the minute order. Mr. Stallings seconded the motion. Mr. Jones said he would call each regent's name so their votes were properly recorded. The regents voted as follows: Foster – yes, Fraga – yes, Huffines – yes, Nye – yes, Stallings – yes, Steen – yes, White – yes and Wilson – yes. Mr. Jones said that he voted “yes” and the vote was unanimous. Ms. Daniel said she would vote “yes,” if counted. The following minute order was adopted:

The service department accounts for the components of The Texas A&M University System for the fiscal year ending August 31, 2008, included as **Exhibit B**, a copy of which is attached to the official minutes, are hereby approved, subject to the provisions contained in System Regulation 21.01.05, Service Departments.

**MINUTE ORDER 214-2007 (AGENDA ITEM 03)**

**AUTHORIZATION TO EXCEED LIMITATIONS  
ON STATE EMPLOYMENT LEVELS,  
THE TEXAS A&M UNIVERSITY SYSTEM**

Mr. Nye moved the adoption of the minute order. Mr. Stallings seconded the motion. Mr. Jones said he would call each regent’s name so their votes were properly recorded. The regents voted as follows: Foster – yes, Fraga – yes, Huffines – yes, Nye – yes, Stallings – yes, Steen – yes, White – yes and Wilson – yes. Mr. Jones said that he voted “yes” and the vote was unanimous. Ms. Daniel said she would vote yes, if her vote counted. The following minute order was adopted:

The Board of Regents of The Texas A&M University System hereby approves the request by the members of the A&M System listed in **Exhibit C**, a copy of which is attached to the official minutes, for an exception to the limitations on state employment levels specified in House Bill 1, 80<sup>th</sup> Legislature.

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Mr. Jones presented Item 4. The Board took action as set forth below:

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**MINUTE ORDER 215-2007 (AGENDA ITEM 04)**

**APPROVAL OF COMMITTEES  
AND OTHER SPECIAL APPOINTMENTS,  
BOARD OF REGENTS  
THE TEXAS A&M UNIVERSITY SYSTEM**

Mr. Huffines moved the adoption of the minute order. Ms. Steen seconded the motion. Mr. Jones said he would call each regent’s name so their votes were properly recorded. The regents voted as follows: Foster - yes, Fraga – yes, Huffines – yes, Nye – yes, Stallings – yes, Steen – yes, White – yes and Wilson - yes. Mr. Jones said that he voted “yes” and the vote was unanimous. The following minute order was adopted:

The standing committees, special committees and special appointments for 2007-2009, a copy of which is attached to the official minutes as **Exhibit D**, are hereby approved.

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There being no further business, Mr. Jones asked for a motion to adjourn. On motion of Mr. Nye, seconded by Mr. Huffines, and by a unanimous vote, the special telephonic meeting was adjourned at 4:50 pm.

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

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