

**REMARKS BY MORRIS E. FOSTER, CHAIRMAN
REGULAR MEETING OF
THE TEXAS A&M UNIVERSITY SYSTEM BOARD OF REGENTS
THURSDAY, JULY 16, 2009**

“Thank you for being here today and taking an interest in the important business before the Board. While I am keenly aware of where we have been over the past month or so, at no time have I questioned the commitment we each have to making Texas A&M University and the entire A&M System the very best it can be. As we heard during yesterday’s programmatic budget reviews, the entities that comprise the A&M System have and continue to make a tremendous positive impact on the lives of our students, as well as the citizens of our state and the nation.

I am optimistic about the future, and the potential we have to improve the quality of education and research at our flagship university, as well as our 10 other universities, 7 state agencies and the Health Science Center. I am likewise optimistic that we will find ways in which to keep our costs reasonable and our tuition affordable.

“Service on this Board is an honor and a privilege and we take that responsibility fully on our shoulders. Each one of the Regents around this table comes from a different background, but we all have one thing in common – our love for Texas A&M and all of its member institutions.

“I would like to take a few moments to discuss the search for the next president of Texas A&M University. Following that, I will talk about shared governance and what we are doing to fulfill the Board’s commitment to *Vision 2020*. Then, I will conclude with remarks regarding the Shared Services Initiative that we talked about at our last special meeting.

Search for President of Texas A&M University

“As you know, we are in the midst of a leadership change at our flagship university here in College Station. I and the other members of the Board have received thoughts and comments from many of you regarding the search for a new president. Our collective hope is that we will have a new president by February of next year. We fully support the completion of this search in an open and transparent manner, which, in our view, necessarily

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includes outreach to the greater Aggie community throughout the state and nation.

“Today, I am announcing the formation of the presidential search committee which will be charged with finding the very best and most qualified candidates for the position. While the Board ultimately decides on who will be the final candidate, we want input from all of those who have an interest in the selection of the next president – this includes current and former students, faculty, staff and all other members of the Aggie community. Taking a cue from past experiences, I believe that it is necessary that we establish a search process that ensures this input. I have prepared a “charge” for the Search Committee and an outline of the process that will guide our selection of the next president. The Board staff will distribute the charge and outline now.

“The proposed charge is as follows: ‘The Texas A&M University President Search Committee is charged with undertaking a comprehensive and inclusive search for the very best and most qualified candidates for the position of president of Texas A&M University. In conducting the search, each member of the Committee shall (a) act in the best interests of Texas A&M, setting aside their own personal interests, and (b) conduct the search in a manner that preserves the identity of the candidates and deliberations of the Committee as confidential such that the Committee might attract the top talent and engage in the free and open exchange of information, ideas and thoughts. The Committee shall work expeditiously with the goal of delivering a list of the top three candidates to the Board in early January 2010.’

“In conducting the search, I believe the following steps are very important:

“Step 1. Announcement of the Committee, its composition, charge and search process.

“Step 2. Committee meets to discuss and organize process and assign tasks.

“Step 3. Committee conducts outreach to the Aggie community seeking input on search and desired qualities of president (*e.g.*, input

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obtained through presidential search website and statewide “town hall” type meetings);

“Step 4. Committee prepares and announces search criteria and job description;

“Step 5. National outreach to potential candidates. We plan to have a nationally-recognized consultant on board to help in this effort.

“Step 6. Committee develops and refines initial list of qualified candidates;

“Step 7. Committee vets list of qualified candidates and refines list to approximately 8 to 12 candidates;

“Step 8. Committee members conduct off-site interviews with refined list of candidates;

“Step 9. Based upon interviews, the Committee will then refine the list and identify the top 3 to 4 candidates (unranked).

“Step 10. On-site interviews will be conducted with the top 3 or 4 candidates with members of key stakeholder groups to be determined by the Committee. These interviews will be conducted in a manner that preserves the identity of the candidates as confidential;

“Step 11. The Committee will then solicit and summarize feedback from key stakeholder groups who interviewed the candidates;

“Step 12. Upon review of feedback, the Committee will either reconfirm the top candidates who interviewed with the key stakeholder groups, or, if a candidate drops out or new candidates are considered, arrange for additional on-site interviews with key stakeholder groups (*i.e.*, new candidates start with Step 10 and then move up through the process);

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“Step 13. The Committee will then forward its recommendations of the top three candidates to the Board (unranked)

“Step 14. The Board will conduct on-site interviews with each candidate.

“Step 15. Once the Board completes its interviews, a finalist or finalists will be declared and the required 21 day posting will be made.

“Step 16. Following 21 days, the Board will name and select the next president of Texas A&M University.

“As I stated in the charge, it is my expectation is that the Committee will forward the names of the top three candidates to the Board in early January 2010 such that the Board will have the opportunity to interview the candidates prior to the January Board meeting. While this schedule is aggressive, I believe that it can be accomplished and something we should strive to do. Though we are well served by our Interim President, Bowen Loftin, I am sure that we all agree that we are best served by finding our new president as soon as possible. But let me be clear, we will not sacrifice finding the very best candidate in the name of expediency. We place a greater premium on getting it right than getting it right away.

“Before we set the wheels in motion, I would like to have the Board’s input and thoughts on the proposed charge and search process. While Board action is not required, I want to be sure that each member of the Board is 100% on board with what I have proposed. [*Discussion among BOR Members*]. Thank you. We now have a final charge and search process for the Search Committee for our next president of Texas A&M University.

“Now that we have our charge and search process in place, I would next like to discuss the composition of the search committee. I have given very careful consideration of the composition of the Committee, I have sought and received advice from many of you, and I have reflected on what has worked or not worked in the past. I am of

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the opinion that the Committee should adequately reflect the general composition of the Aggie community, which includes students (undergraduate and graduate), faculty, administrators, former students, members of the community and regents. As the search committee is an extension of the Board, its role is advisory. That being said, I believe that it is very important for members of the Board to serve on and take active roles on the Committee. This is the true embodiment of the concept of shared governance, where all key stakeholders have input in the selection process.

“I also believe that faculty and student participation in the selection process is essential. I am proposing today that the Committee be comprised of 15 members, 7 of which are faculty (5) and students (2). The balance of the Committee will be comprised of regents (3), former students and community members (4) and the Vice Chancellor of Academic Affairs.

“I have given careful consideration to the composition of the Search Committee and have received valuable input from many of you. Now, I am pleased to announce the following members of the 2009 Texas A&M University President Search Committee:

- 1. Regent Richard Box; I have also asked Dr. Box to serve as Chair of the Committee and he has accepted. Thank you Dr. Box.**
- 2. Regent Ida Clement Steen**
- 3. Regent Lupe Fraga**
- 4. Dr. John L. Junkins – *Distinguished Professor; Regents Professor; Director, Center for Mechanics and Control, Department of Aerospace Engineering***
- 5. Dr. Tim Hall – *Distinguished Professor; Director, Institute of Developmental and Molecular Biology, Department of Biology***
- 6. Dr. Robert Bednarz – *Chair, Faculty Senate; Professor, Department of Geography***
- 7. Dr. Mark Hussey – *Vice Chancellor and Dean of College of Agriculture and Life Sciences, Former Head of Soil & Crop Sciences Department***

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- 8. Dr. Antonio Cepeda-Benito – *Dean of Faculties and Associate Provost***
- 9. Mr. Eric Beckham – *President, Student Government Association***
- 10. Ms. Meredith Maloney – *President, Student Chapter of the American Veterinary Medicine Assn.***
- 11. Ms. Shelley Potter – *Chair of the Board, The Association of Former Students***
- 12. Mr. Thomas Saylak – *Chairman of the Board of Trustees, Texas A&M Foundation***
- 13. Mr. Neal Adams – *Attorney; Former Vice Chair and Member, Texas Higher Education Coordinating Board***
- 14. Mr. David Parrott – *Executive Associate V. P. for Student Affairs and Dean of Student Life***
- 15. Dr. Frank Ashley – *Vice Chancellor for Academic Affairs***

“Those members of the Search Committee who are in attendance today, would you please stand and be recognized. Thank you to each you for agreeing to serve on this important Committee and to committing your time and efforts over the next six months. I look forward to hearing about the progress of the Committee over the next several months.

Shared Governance

“I would now like to shift gears and talk briefly about shared governance. Over the past several weeks, members of this Board have been actively meeting with key stakeholder groups on and off campus. At some point several weeks back, the concept of shared governance was thrust into the spotlight. At no time have we, the Board, ever cast doubt on the importance of shared governance at Texas A&M or any of our other universities. I can also assure you that our Chancellor fully appreciates and supports shared governance, and has practiced it. He would not have my support, or that of the Board, if we were convinced that he did not believe in shared governance.

“I want to point back to the remarks I made at our last meeting. I stated that the Board fully supports each of the 12 imperatives in *Vision 2020*. In Imperative 10, *Vision 2020* speaks to the concept of shared governance, and

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I quote it by saying that “decisions are made through a process characterized by openness and appropriate faculty and staff participation.” We fully agree and believe that the process should also include the students. I stated then and reiterate now that “Texas A&M is OUR university.” We need to work together to grow and advance it to the highest level that we jointly deem appropriate.

“Many of you have provided constructive and helpful input during our outreach to the Aggie Community. Over the past few weeks, members of the Board have met with the Faculty Senate Executive Committee, Faculty Senate full committee, Council of Deans, Distinguished Professors, Department Heads, student leaders and many former students. In my view, these meetings have been informative and productive. These meetings will continue so long as there is an interest within the Aggie community.

Shared Services Initiative

“Finally, I will now address the Shared Services Initiative. As you know, the Board commissioned this initiative at its Special Meeting on June 15th. I am looking forward to hearing from the Chancellor and Dr. Frank Ashley regarding the progress on this initiative. I am aware of and pleased to hear about the cost-cutting efficiencies that have already been taken within Texas A&M. We saw many good examples of that yesterday during the programmatic budget reviews.

“We all share a common goal – that is, to keep tuition affordable. I have heard some mention that Texas A&M is considered among the best in value for the money. While it is pleasing to me and the other members of the Board that Texas A&M compares favorably in terms of cost to other Tier One institutions, that is little solace to families that are being asked to pay for significant tuition increases while the economy shrinks and job losses mount.

Notwithstanding our “value”, we simply have to prepare for the future. As Regent Jim Wilson mentioned in his remarks to the Faculty Senate on June 30th, our state Senator, Steve Ogden, reported that this year the state budget was largely balanced due to \$12.1 billion in stimulus funding. In his report, Senator Ogden went on to state that this stimulus funding will likely

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not be available two years from now and, based on current economic indicators, there is little expectation that state tax revenue will increase sufficiently in the next two years to replace those funds and address other needs. In fact, it may go the other way.

“While the state of Texas is in better shape than other states, we need only look to California where, just this week, the University of California announced that its state funding was reduced by \$813 million. Mark Yudof, who is now the President of UC and, as you may recall, was the previous chancellor of the UT System, stated that “[t]he impact of this cut is devastating.” He goes on to state that “[t]here is no way that we are going to be able to look every student in the eye and say, ‘Tomorrow, the University of California will be just the way it was yesterday.’” Moving to the East Coast, Harvard reported this week that its endowment has suffered a loss of approximately 30% and plans are underway to layoff hundreds of employees and to cut programs.

“These reports are not limited to the west and east coasts either. Here in Texas, however, we have time to prepare. It is our belief that the Shared Services Initiative is an important step in that direction. I have heard promising reports that show us what the opportunities are in this area.

“Along with these reports, I have also heard some prevailing questions which I will address now and conclude my remarks.

“One question pertains to the schedule and the report to the Board at its September board meeting on the findings of the various shared services committees. We expect that the committees are now working hard to find as many opportunities as possible. We recognize, however, that there may be some opportunities that cannot be fully realized without a more in-depth review. As to those, we expect that the committees will inform us of these opportunities and set forth a schedule to fully investigate and report back to the Board.

“Another question is where will the savings that are realized from the Share Services Initiative go? My answer is that they will stay with the very department, college or function that is saving the money. For example, in

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research administration, savings in that area will result in more money available for research. Continuing this example, through this initiative, we are not trying to change where the money is going today on research, we are trying to reduce the overhead so that more money goes back into research.

“Finally, there have been some questions regarding the origin of the \$20 million figure as the savings target for the Shared Services committee. As Regent Wilson stated during his remarks to the Faculty Senate, Texas A&M University’s operating budget is in excess of \$1.0 billion per year and the recent tuition increase is estimated to generate approximately \$9.0 million in revenue to A&M or, as Regent Wilson put it “result in an equivalent increase in costs to students.” If, in fiscal year 2010, we could have found net savings of slightly less than 1% of A&M’s operating budget, we would not have had to raise tuition.

“Thank you again for your time and commitment to Texas A&M. While there is much work to be completed, we have a solid foundation upon which to build. We have our work cut out for us – but we owe it to the students, their families, and taxpayers to get this right.”