

**REMARKS BY JIM P. WILSON, VICE CHAIRMAN
THE TEXAS A&M UNIVERSITY SYSTEM BOARD OF REGENTS
JUNE 30, 2009**

The following remarks were made by Mr. Jim P. Wilson, Vice Chairman of the Texas A&M University System Board of Regents, to the Faculty Senate of Texas A&M University at its Special Meeting on Tuesday, June 30, 2009.

“Thank you for the opportunity to visit with you. As you are probably aware, Dr, Bednarz extended an invitation to our Chairman of the Board, Morris Foster, to address you today. Unfortunately, Morris had a conflict and has asked me to fill in for him today. I would like to read a statement and then answer your questions, if you have any.

“We started a dialogue with the Faculty Senate’s Executive Committee on June 15th following the Special Meeting of the Board. At that meeting, Regents Box and Schwertner also joined me. The meeting was requested by your Speaker and the members of the Executive Committee to provide an opportunity to have representatives of the Faculty Senate speak directly to the Board of Regents. The actual request was to speak to the entire Board, but due to the rules and regulations around the Open Meetings Act, our only ability to meet on short notice is to do so without a quorum of the Board or a quorum of any Board committee. I believe our meeting was productive and gave us the opportunity to hear some of your concerns. In addition, on June 2, I met with a group of Distinguished Professors, at their request to listen and discuss their concerns.

“I want you to know that the Board is listening closely to what you all have to say. I know that our actions, not our words, are what are ultimately meaningful to you and the remainder of the stakeholders at Texas A&M University. I hope you will see that the meetings and interactions that I and various Board members have had over the last several weeks with a host of faculty, students and former students are some evidence of such action.

“I hope that you all know or come to know that we – that is, every member of the Board – are committed to doing what is right for Texas A&M University. We are passionate about Texas A&M University, just as we know you are. Simply

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put, we want what is best for Texas A&M, as well as the entire A&M System. We know that we were appointed to serve Texas A&M University, the System and all its components. We recognize that a Tier 1 flagship, research university has a special and unique mission separate from the other universities in the System. We understand that completely.

Our Chairman has spoken about the Board's commitment to shared governance and to the 12 Imperatives in *Vision 2020*. Let me be clear and say it again. The Board fully supports and is committed to student, faculty and staff input into all important and significant decisions that will affect the university. It is incumbent on us to seek your input as well as input from others and weigh and balance all interests in making decisions. That does not mean, however, that all decisions will be agreed upon by all. Looking forward, we will ask for and need your help in a variety of issues including the shared services initiative and the presidential search.

“I would like to briefly touch on the shared services initiative. As our Chairman has stated, the current economic situation in our country and state cannot be overlooked. I recently reviewed a letter published by State Senator Ogden last weekend discussing the state budget. He reported that in January 2009, the Texas Comptroller of Public Accounts reduced the state’s biennial revenue by \$9.1 billion compared to the previous two year period. Senator Ogden further reported that the state budget was balanced only because the Texas Legislature saved \$3.0 billion from the 2007 surplus, our state ran a small budget surplus in 2008-2009, and we received additional federal funding from the American Recovery and Reinvestment Act of 2009 totaling \$12.1 billion. Senator Ogden indicated that we should assume that the \$12.1 billion in stimulus funds will 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.

“The Board believes that while higher education and specifically Texas A&M did well in the most recent legislative session, if the economy continues to falter, the next session could be considerably tougher. However, regardless of the state of the economy today or where any of us think it might be two years from now; it is our obligation as a fiduciary to look at ways in which we can improve Texas A&M University and the entire A&M System in terms of cost efficiency. We do not believe that it is proper to ignore this issue simply because people tell us

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we are getting good value; meaning good value relative to other Universities. The System as a whole has an operating budget of in excess of \$3 billion per year. Texas A&M University's operating budget is in excess of \$1.0 billion per year. At our last board meeting, we approved an increase in tuition that the Texas A&M's Chief Financial Officer estimates will generate approximately \$9.0 million in revenue to A&M or, said differently, 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. That is what this is all about.

“And importantly, our Chairman emphasized, at our last meeting, that we are looking at costs that will not affect the classroom, teaching excellence or research. We believe there are many opportunities within the system where overlapping administrative functions can be shared, thus reducing costs, and best practices realized. The shared services study was initiated to inform the Board as to ways where the various components of the system can share services and hopefully reduce costs. This Board of Regents believes that there should be a never ending effort across the system to eliminate waste without affecting the classroom. While these efforts are largely part of the "back office" operations, we are thankful to have your participation on the various planning committees.

“While it is usually futile to address rumors, I'll attempt to address one now. Dr. Bednarz contacted me personally two weeks ago regarding a rumor that he felt was very significant. In his email to me, Dr. Bednarz stated in part *“I have learned from a member of the EC that Dr. Loftin informed some members of the Council of Principal Investigators that the Chancellor is determined to move research administration to the System office. The move would involve not only the preparation of proposals, budgeting, and tracking of grants, but also collection and distribution of indirect costs....”* Because of the urgency in Dr. Bednarz's email, and because I personally was not aware of any such proposal, I spoke with Chairman Foster and with Regent Bill Jones (Bill is the Board's liaison to the Research Foundation). Both have told me that there are no preconceived notions as to how research administration should work and more importantly that no such decisions have been made. Finally, I spoke directly with several members of the System Office and I have been definitively told that neither the Chancellor nor the System Office have any interest in rolling research administration under the System Office. In fact, I have been told that “it will not happen.”

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“Lastly, let me turn to the next Presidential search. We have not had the opportunity to meet as a Board and formally discuss the process. I do know that Chairman Foster is formulating his thoughts and I suspect this will be an agenda item at our next regularly scheduled Board meeting in mid July. What I can say at this time regarding the search is that (a) we will be looking for the most highly qualified candidate for the position and (b) input from the Faculty, the Faculty Senate, students, former students, and other key stakeholders will be sought early and often. The Chairman has stated his goal that the search process should be completed in approximately six months. Your input is welcome, of course, at any time. Obviously, we have already received some input from you through your proposed resolution that was posted on the Faculty Senate web site last week.

“Let me close by addressing the impending resolutions that the Senate has before it this afternoon. It gives me personally, and I suspect, the rest of the Board great discomfort that the Faculty Senate would be seeking a vote of no confidence in the Chancellor. I have had the opportunity to work with Dr. McKinney over the past 2 years while I have been on the Board and before that during my service on the 12th Man Foundation. I have always found him to be 100% committed to doing what is best for Texas A&M. As related to faculty he has been a staunch supporter of increased faculty salaries. I have listened to him on many occasions talking about how the faculty at Texas A&M is among the very best in quality but not necessarily among the highest pay levels. I believe he has made those same points when dealing with our Legislature on funding issues. He has always indicated support for the Faculty Reinvestment Program that began under President Gates. I can't speak directly for the Chancellor but based on his Open Letter that he issued last week, I am sure that the Chancellor regrets how his words in the press have been interpreted, I do believe that he acts in the best interest of Texas A&M and should be given the opportunity to demonstrate his commitment to shared governance and inclusion of all stakeholders. I personally cannot see how a vote of no confidence in the Chancellor helps Texas A&M University. I have been told that some members of the Senate believe that a no confidence vote is the only thing they can do to make their position known. I would submit that your position is known, it has been made public simply by posting the resolutions on your web site and it has been heard. I would ask you to further consider how what you may do with your proposed resolutions, as the faculty senate at our flagship university, affects the Chancellor's ability to conduct business with you (the faculty), students, other members of our system, the legislature, former students and other

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stakeholders. I make this request respectfully, knowing that you do not take your responsibilities lightly.

“Thank you for your time, and if Dr. Bednarz permits, I would be happy to take any questions at this time.”