

**REMARKS BY MORRIS E. FOSTER, CHAIRMAN
SPECIAL MEETING OF
THE TEXAS A&M UNIVERSITY SYSTEM BOARD OF REGENTS
MONDAY, JUNE 15, 2009**

“Our country is in the midst of extraordinary economic turmoil. For taxpayers and families paying for a college education, this is a particularly difficult time. Of course, this board’s responsibility to be a good steward of taxpayer resources is not limited to tough economic times – it is and must be our ongoing mission. It requires our constant focus and attention. It is this mindset upon which I called this special meeting of the board.

Executive Administration, Shared Governance and President of TAMU

“I will start with the speculation out there regarding the possibility of combining the positions of chancellor of the A&M System and president of Texas A&M. Each of these positions requires the unmitigated attention of a dedicated leader – one who must care to the attention of one of the largest public universities in the country and the other who must care to the attention of one of the largest university systems in the country. The combination of these two positions would be difficult at the least and possibly detrimental to the system’s institutions. It is not the direction that this board, in my view, cares to pursue.

“In this same vein, I want it to be clear that the board supports each of the 12 imperatives in Vision 2020, which, as many of you know, was the culmination of thousands of hours of work by more than 250 people committed to the advancement of the university. In Imperative 10, Vision 2020 speaks to the concept of shared governance which states that the university must make decisions through a “process characterized by openness and appropriate faculty and staff participation.” And, I might also add that the students need to be included in these decisions. Texas A&M is not the Board’s university, nor the system’s, administration’s, the faculty’s or the student’s university. It is OUR university. While there is a clear chain of command from the board to the system to the university, we should adhere to the principals on shared governance set forth in Vision 2020 whenever and wherever possible.

“Today, we accepted the resignation of Dr. Elsa Murano as president of Texas A&M and have agreed to a plan for her transition back into the faculty in the College for Agriculture and Life Sciences. Over the course of her distinguished career, Dr. Murano has served this university with distinction and has lived the Aggie Core Values of excellence, integrity, selfless service, leadership, loyalty and respect. We look forward to her continued service to the university, its faculty and students. We have also appointed Dr. R. Bowen Loftin who will serve as the interim president. Dr. Loftin has been the vice president and chief executive officer of Texas A&M University’s branch campus in Galveston. Dr. Loftin will lead the university ably until the board completes its search for a new president. My goal is for this process to be completed within six months from today.

A&M System Financial Trends and Shared Services Initiative

“Now, I would like to step back and take a 30,000-foot view of the financial trends that we are seeing within the System. Every member on this board has expressed concern regarding the escalating trends that we are seeing at Texas A&M, as well as our other institutions.

“At Texas A&M, if you took what students paid for 15 credit hours in the year 2000 – which was roughly \$1,600 – and adjusted that figure for inflation, they would be paying \$1,944. The actual price tag is \$3,920 – more than twice the inflation-adjusted number. Instruction costs have risen by \$155 million since 2004, but the student-to-faculty ratio has changed very little...essentially one less student for each faculty member today than in 2004. Total operating costs have gone up \$279 million since 2004.

“Texas A&M University is a world-class institution, and clearly there is a price for excellence. But there is also an obligation to find cost-savings so families do not get hit year after year with skyrocketing increases in tuition and fees.

“The action taken by the board today on shared services is only the beginning. The concept of shared services is about reducing expenses outside the classroom. *“The whole is greater than the sum of its parts.”* This saying is directly on point when it comes to shared services. It makes no sense to have the same services being provided in two locations that are 10 minutes apart. Shared services is an exercise that capitalizes on administrative efficiencies

**Remarks by Morris E. Foster
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and best practices. It is something that every leading institution in the world does today to reduce costs and keep a competitive edge.

“The first step of this initiative is to focus on shared services between the system office and the flagship university because of the advantages of proximity. But we will also evaluate whether efficiencies exist across the system. While we are directing the chancellor and vice chancellor for academic affairs to lead this effort, we expect that the leadership within the system office and university will place this initiative as a top priority and will work together towards a comprehensive report to the board at the September board meeting.

“I have full faith in Dr. McKinney to lead us in this effort to achieve significant potential savings and, indeed, to lead the A&M system into the future. His service remains invaluable as we pursue excellence in teaching, research and service.

“As Vision 2020 states, “clear, cooperative relationships between the university and the system should be the norm.” Our vision is to provide a world-class education and enhance Texas A&M’s reputation as a leader that sets new boundaries for all Tier One universities. We want efficiencies and institutional best practices put to work at one university or agency to permeate the entire system.

“We have our work cut out for us – but we owe it to the students, their families, and taxpayers to get this right. Thank you.”