

From: Bowen Loftin
Sent: Wednesday, July 03, 2013 1:36 PM
To: Karan Watson; Crain, Betty J
Subject: For your review
Attachments: draft deal points 4 July 2013.docx

I would suggest that you delete the attachment once you have read it and provided back to me any guidance you may have.

Thanks,

Bowen

Caveat

This document has been created without benefit of legal counsel or expert tax advice. Therefore, all terms are subject to change after consultation with an attorney representing my interests and with an advisor on the tax issues attendant to these terms.

Actions Requiring Board of Regents Approval

- Conferral of title "President Emeritus" at the conclusion of my service as President.
- Granting of a one-year development leave at the current compensation that I receive. This leave will be taken at my option and at a time of my choosing.
- Creation of (working name only) the Institute for Advanced Modeling and Simulation (IAMS) and my appointment as its director. Below is a preliminary rationale for the formation of the Institute. A full proposal will be developed for the Board's action.

I have a long history and have achieved considerable success in the field of Modeling and Simulation (M&S). Even (and perhaps especially) during this time of constrained budgets, M&S offers an extraordinary opportunity to reduce costs in the areas of education, training, design, planning, analysis, and many others. Certain federal agencies or programs within some agencies are not subject to the current budget sequestration. These include intelligence agencies and portions of the Department of Homeland Security. I propose the creation of an institute, probably best housed within the Texas A&M Engineering Extension Service¹ (TEES), with strong ties to the Dwight Look College of Engineering, the Bush School of Government and Public Service, the College of Liberal Arts, the College of Veterinary Medicine and Biomedical Sciences, the College of Agriculture and Life Sciences, the Texas A&M Veterinary Diagnostic Laboratory, the Texas A&M Health Science Center, and other appropriate TAMUS units, that will focus on advancing the state-of-the-art in M&S to address the needs of the State of Texas and the nation. Of particular importance is the application of M&S in human behavioral modeling in terrorist organizations, internal dynamics of failed states, asymmetrical engagements, and spread of diseases among human and animal populations. This institute would be created by Board of Regents action and would be funded through the normal mechanisms used by the university and the TAMUS agencies. I would develop the necessary proposal for the Board's action, identify the host and sponsoring organizational units and the team of initial faculty contributors and prepare a budget for action by university and agency leadership.

IAMS would be among a very few such institutes/centers in the nation and bring the unique strengths of the TAMUS to bear on countering some of the greatest threats to our state and

¹ Within TEES, the Texas Center for Applied Technology is a great resource that would be essential in rapidly launching this new institute.

nation. My own background, extensive professional network, and expertise in this area would bring credibility to the new institute and open doors to funding agencies immediately.

Other Points

- Upon my retirement as President payment of an amount equal to twice my annual compensation (comprised of the amount shown in my total annual compensation statement for FY14 plus deferred compensation and the fair value of housing and custodial services). The exact manner and timing of this payment is subject to advice from a tax expert.
- Continuation at my current salary during my service as a full-time faculty (twelve-month appointment) member at Texas A&M University following my retirement as President.
- Accrual of a pro rata amount of deferred compensation for the fiscal year in which I retire as President.
- Option to have vacation leave accumulated paid out at time of retirement as President.
- All non-vested and outstanding deferred compensation awards shall, at my choosing, vest on the effective date of my retirement.
- Ability to, for a finite period, to engage in an intergovernmental personnel act (IPA) agreement with a federal agency or to be employed by a non-profit organization (e.g., the Institute for Defense Analyses or the Center for Naval Analysis). During such arrangements my compensation would be provided by a third party, but I would retain tenure and return to Texas A&M University under the same terms that were in place when I left.
- Payment of moving and, if necessary, storage for our personal property. Depending on the availability of suitable housing upon moving out of the President's Home, it may be necessary to live in temporary quarters and store some personal property until a permanent home is available.
- Payment of my legal and tax advice fees related to this transition.
- Moving of my professional library, records, and other items housed in the Office of the President. Again, depending on availability of space, this could include two moves with storage requirements.

Return to the Faculty

Normally the return of a full-time administrator to the faculty is matter of mutual agreement between that administrator and the appropriate university leadership. Below, I set forth the basic terms of that I would require upon my retirement as President and my return to the faculty.

- The academic calendar is a driver of the timing of the administrator's ability to resume their duties as a full-time faculty member.
- Normally, an administrator is assigned special duties from the time of their departure from an administrative role until the start of the next fiscal year. In this case, it may be appropriate for me to serve as a "Special Advisor to the . . ." to assist in the transition to a new President and to advise on certain "in progress" projects.
- Depending on when I determine development leave would be taken, two long academic semesters will be scheduled with no formal teaching assignments. The faculty workload will reported based on the common practice for new faculty or those returning to the faculty from full-time administrative assignments.
- "Start-up" funds are granted based on the requirements of the returning faculty member. In my case, these would include funds for necessary renovation of office and laboratory space, funds for postdoctoral fellows and graduate students, equipment, software, research materials, travel, etc.