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### **Baylor regents affirm Sloan, set up committees for study**

By Mark Wingfield

WACO, Texas (ABP) -- Rather than firing President Robert Sloan as five members of the board of regents and the faculty senate had asked, the 36-member board passed a vote of confidence in Sloan's leadership Sept. 12.

Before regents went into their closed-door meeting, five regents announced their intent to ask the board to fire Sloan because of unrest among faculty and alumni. When the board emerged nearly five hours later, they stood jointly before reporters to announce instead the vote of confidence, adopted 31-4. One regent left the meeting early and did not vote.

The motion to terminate that had been previously announced by regents John Wilkerson, Carl Bell, Mary Chavanne-Martin, Toby Druin and Jaclanel McFarland apparently was not put to a vote.

Presented with a negative possibility, the board decided instead to vote on a positive motion, Regent Charles Overby explained in an interview after a regents' news conference.

"We expressed our confidence in Robert Sloan, his leadership and his vision," Overby said. "That was the decisive vote. It wasn't that we didn't allow the other vote."

The vote should settle questions of Sloan's leadership, Overby said. "This vote is unambiguous. The issue of the leadership of Baylor University is no longer in question. This in effect starts the second term of Robert Sloan."

Regent Toby Druin, editor emeritus of the Baptist Standard, confirmed he was the one person among those initially calling for Sloan's firing who changed his mind.

"I was the one who jumped ship," he said. "It was just after hearing Sloan's pledges to try to remain open, I tried to put as positive a face on it as I could."

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Druin confirmed that Sloan made pledges to the board about what he would do in the days ahead. What those pledges are was not spelled out in the news conference.

Regents Chairman Drayton McLane, owner of Major League Baseball's Houston Astros, told reporters three board committees would be appointed to investigate specific issues.

One is a regents' review committee, which will examine issues such as faculty concerns, the alumni association and academic issues.

The second committee will study concerns that have been raised about tuition increases and school finances, as well as alleged conflicts of interest among board members.

A third committee will look at the university's Christian values.

In calling for Sloan's removal Sept. 8, the five regents were joined in separate but similar actions by the school's faculty senate, three former chairmen of the board of regents and the editorial board of the student newspaper, the Lariat.

Large numbers of other faculty, however, had expressed strong support for Sloan -- several times holding public rallies. Some student groups also rallied for the president.

The Lariat editorial was written on majority opinion of the seven-member editorial board, on a 4-3 vote.

Sloan has been under attack by an array of critics for months. The dispute gained national attention this summer due to the media spotlight on a Baylor basketball scandal. However, the alumni and faculty critics of Sloan's administration have focused mainly on academic concerns.

They have criticized the implementation of the university's 10-year strategic plan, Baylor 2012, for its \$200 million bond debt, emphasis on hiring research-focused faculty at higher salaries than existing teaching-focused faculty and for alleged vindictiveness in Sloan's treatment of faculty. When the administration essentially defunded the university's independent alumni association, more fuel was added to the fire.

The faculty senate, in its vote of no confidence in Sloan's leadership Sept. 9, cited a "chilling work environment, a climate characterized by distrust, anxiety, intimidation, favoritism, as well as profound concerns about the sanctity of academic freedom and professional standards."

The five dissenting regents, in their letter calling for Sloan's termination, cited faculty unrest, "heavy and uneven-handed methods in seeking a particular kind of Christian professor," the school's debt and "exorbitant tuition increases."

To implement Baylor 2012, the university moved to a flat-rate tuition that started off with a 29 percent jump and is projected to increase about 8 percent per year until 2012.

In the news conference after the regents' meeting, McLane acknowledged that "there has been a lot of discussion" about Sloan's leadership.

"There has been some controversy, lots of discussion," he said. "That's part of the Baptist

faith. There has been spirited debate in the last few months."

However, the board "had a vote reaffirming the leadership of Robert Sloan," McLane reported. "We feel very strongly about his leadership."

Sloan spoke briefly to reporters, noting this has been "a very long and hot summer, and I have to say the entire experience has been very humbling experience."

He thanked the board "for this very strong reaffirmation of me today, not only of me but of the 2012 vision.... I will do everything within my power to reach out to all the Baylor family, faculty, staff, students, alumni. It's important for all of us to work together.

"The most important thing right now is to move forward, to make sure the Baylor family stands together."

Asked how he intended to smooth things over with his critics, Sloan replied: "I want to make every effort to establish lines of communication."

He talked of holding listening sessions with senior faculty and others. "I want to make sure their voices are heard."

Asked what he had learned, Sloan answered: "I have learned from this and relearned the importance of communication. Communication means, first and foremost, listening."

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### **Alabama voters turn down faith-framed tax proposal**

By Jennifer Davis Rash

BIRMINGHAM, Ala. (ABP) -- Despite an appeal to their faith-based sense of justice, Alabama voters voted overwhelmingly to defeat a proposal that would have reduced taxes for the state's poorest residents and raised them on the wealthy.

The Sept. 9 referendum dealt with what would have been the largest tax increase in the state's history. It attracted unusually large voter turnout, with 68 percent voting against the plan and 32 percent supporting it.

Republican Gov. Bob Riley's \$1.2 billion tax package would have overhauled the state's tax system and was designed to prevent massive cuts in funding for education and other state services, necessitated by a budget shortfall.

The plan's failure means the state's legislature will be forced to meet in a special session Sept. 15 to adopt an education and general-fund budget for 2004.

"I have heard what the people of Alabama have said," Riley, a conservative Republican and a Baptist, said shortly after the polls closed. He added that he understood the vote to mean that

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the state's voters want smaller government until the government can prove it is a good steward of the people's money, he noted.

Riley, who has a strongly anti-tax record, had sold the plan as a way to bring economic justice to the state's poor, who face much higher tax burdens than wealthier residents. For instance, the plan would have increased the income threshold at which a family of four would have to begin paying income taxes from \$4,600 a year to \$20,000.

Ironically, exit polls showed that the package had less support among those it would have helped than among wealthier Alabamians.

While many prominent Alabama clergy and Christian groups had supported the plan, some state and national Religious Right groups opposed it. "Paying taxes is our civic duty as citizens, helping the poor is our Christian duty, and the two are very separate," said Family Research Council President Tony Perkins in the Washington-based group's Sept. 10 e-mail newsletter. "We should not rely on government to fulfill our Christian duties."

Political analysts said the tax package failed because it was too complicated and too drastic, but many are also saying that the no vote was as much a sign of distrust in state leaders as it was to opposing a tax increase.

"This was a resounding vote of no confidence," said Gary Palmer, president of the anti-tax Alabama Policy Institute. "The people say they are willing to do more, but what good does it do to give the people who made the mess in the first place more money?"

Dan Ireland, executive director of Alabama Citizens Action Program, agreed that voters "voiced a strong distrust of the legislative process."

But Ireland, a former president of the Alabama Baptist State Convention, had joined seven other ABSC past presidents in endorsing Riley's plan. While he was surprised at the vote margin, Ireland said state legislators could read the vote as a vote against them.

"The legislature will take note that the people are concerned," he said. "A lot of legislators are already reacting to the distrust and realize that they need to clean up their act and be more responsive to the people."

Anticipating that the vote means legislators will turn to lotteries and gambling as a way to solve the state's revenue problem, Ireland said he hopes the legislators will remember the people of Alabama said no to the lottery in 1999. "Gambling is not the answer," he said.

John Giles, president of Christian Coalition of Alabama and strong opponent of the tax plan, said he is ready to roll up his sleeves and "help plan how to fill the huge state deficit."

"The governor and the legislature should use the next few years to rapidly employ fiscally responsible stewardship practices to build goodwill and restore trust among citizens," Giles said. "Second, we should look with decisive eyes at all non-classroom expenditures as well as our escalating administrative costs in an effort to marshal more of our valuable resources to the classroom."

Riley plans to submit his budget proposal to the legislature Sept. 15 during the special session.

It is anticipated that he will offer no revenue-raising bills, leaving the legislature to decide whether to make the cuts without implementing new forms of revenue or attempt to implement a revenue increase of its choosing.

- With additional reporting by Robert Marus

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### **Baylor regents' relationships raise questions of conflict of interest**

By Mark Wingfield

WACO, Texas (ABP) -- Two media outlets have raised questions about potential conflicts of interest among Baylor University regents.

The Dallas Morning News first raised the issue in an article published Sunday, Sept. 7. Potential conflicts of interest also were discussed in an editorial published on the Baptist website EthicsDaily.com two days later.

But a Baylor spokesperson says the regents have not violated their conflict of interest policy.

Allegations of improper connections on the Baylor board come amid strife within the university community over President Robert Sloan's leadership. Five regents have announced they will ask the board later this week to terminate Sloan's tenure as president immediately.

The Morning News article, written by staff writer Linda Wertheimer, noted "some Sloan critics contend that the deck is stacked in the president's favor because of what they consider conflicts that impair the impartiality of some of the 36 regents."

The article cited four examples, including regent Duane Brooks, pastor of Tallowood Baptist Church in Houston, who is the brother of Baylor Chief Financial Officer David Brooks; regent Wes Bailey, who owns a Waco insurance company that underwrites Baylor insurance policies; regent Jim Turner, president of the Dr Pepper/Seven Up Bottling Co. in Dallas, which has an exclusive contract with the school; and regent Brian Harbour, pastor of First Baptist Church of Richardson, who teaches adjunctively in Baylor's Truett Seminary.

Both the Morning News and EthicsDaily.com indicated attempts to contact the regents with potential conflicts of interest. However, both reported that only Turner responded. Both quoted him as saying his company gives back to Baylor in donations more than his company makes off its contract with the university.

Parham's editorial criticized a "culture of denial and deception" at Baylor. "The administration's attitude about conflicts of interest is to deny the problem with the deflection reasoning that the regents disclose their conflicts annually and are good people who do the right thing," he wrote. "If this is the case, the school's leadership deceives itself about how relational and financial pressures can cause morally good people to make morally compromised decisions."

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Three fourths of the Baylor board is selected by the board itself, and one fourth is selected by the Baptist General Convention of Texas.

Baylor spokesman Larry Brumley said the university does have a policy regarding conflicts of interest on the board of regents. Initially, he said the university's general counsel would not allow that policy to be released publicly.

However, after a persistent inquiry from the Baptist Standard and online publication of an article describing the refusal to release the document, Brumley provided a copy of the five-page policy to the Standard. It was given with a requirement that the Standard not share it with any other media outlets.

This summer, as regents conducted an investigation of one of their members on charges of wrongdoing, the Baptist Standard and other media outlets sought copies of the university's bylaws to ascertain what procedure would be followed. Again, the university refused to disclose the governing document, calling it a privileged document.

The Baptist Standard finally obtained one paragraph from the bylaws.

Likewise, when the Standard earlier reported on the Baylor administration's claim that the university had completed its prior fiscal year with a financial surplus, the supporting data could not be found in the university's published audit. The data to show that surplus, the Standard was told, appeared only in the university's internal "operating budget," which is a confidential report.

Brumley said the regents are required to disclose annually any conflicts of interest they may have. Those reports are given only to the board, he said, and are held as confidential information.

This practice is spelled out in the regents' policy, which says the annual declarations of conflicts of interest are to be given to the board's audit committee.

The policy provides two "general rules." The first is that Baylor will seek competitive bids in business transactions.

The second is that the university "shall refrain from entering into any financial, business or other transaction with a regent or a member of his or her immediate family or with any entity or individual in which any such person has a financial interest or management responsibility, inasmuch as such transaction might involve a potential conflict of interest."

The policy also allows the audit committee to make exceptions to these two rules in cases where the committee believes such a transaction would be in the university's best interest. The policy does not require public disclosure of cases where exceptions are made.

However, the policy warns regents that they "should follow the biblical admonition to avoid even the appearance of impropriety" because "the results of a perceived impropriety may become, over time, more disruptive or damaging than an actual transgression."

Brumley told Associated Baptist Press that regent Duane Brooks is not in violation of Baylor's conflict policy because of his brother's employment, although he added Brooks might be a

conflict with the BGCT's policy.

The BGCT makes freely available its own policies regarding conflicts of interest and eligibility for service on BGCT-elected boards. One of those states that "trustees must not be related in the third degree by birth, adoption or marriage to each other or to the chief administrators of the institutions on which board they serve." Chief administrators, the policy says, include the chief executive officer, chief financial officer, chief accounting officer and chief operating officer.

The policy statement adds a definition of third-degree relations, noting exclusion of parents, brothers, sisters, grandparents, nieces, nephews and great-grandchildren.

That BGCT policy apparently would impact regent Duane Brooks.

According to published accounts in the Baptist Standard, Duane Brooks was elected to the Baylor board by BGCT messengers in November 1999 and began serving on the board June 1, 2000. According to information on Baylor's website, David Brooks began work as the university's chief financial officer Oct. 1, 2000.

Duane Brooks, contacted by the Standard for comment, said he would prefer to comment after the current storm of events at Baylor has died down.

David Brooks told the Morning News he thinks critics of Sloan are raising such issues now because they've been unable to remove the president. "This group of dissidents is attacking regents individually. Where was the concern three years ago?"

BGCT Executive Director Charles Wade told the Morning News some within the convention have asked Duane Brooks to resign from the Baylor board because of the perceived conflict of interest.

"We're trying to protect the governance of our institutions so that the regents are free to make the best decisions they can without the perception of conflict," he said.

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