



REVISED 10/30/2015

**AGENDA  
FOR MEETING OF  
THE UNIVERSITY OF TEXAS SYSTEM  
BOARD OF REGENTS  
November 4-5, 2015  
Austin, Texas**

	<b>Board Meeting</b>	<b>Page</b>
<b><u>Wednesday, November 4, 2015</u></b>		
COMMITTEE MEETINGS	<i>9:00 a.m. - 2:15 p.m.</i>	
CONVENE THE BOARD IN OPEN SESSION TO CONSIDER AGENDA ITEM	<i>2:15 p.m.</i>	
<b>1. U. T. System: Annual Meeting with Officers of U. T. System Employee Advisory Council</b>	<b>Report/Discussion</b> <i>Ms. Kimberly Coleman, Chair</i>	<b>5</b>
RECESS TO EXECUTIVE SESSION PURSUANT TO TEXAS GOVERNMENT CODE, CHAPTER 551	<i>3:15 p.m. approximately</i>	
Deliberations Regarding the Purchase, Exchange, Lease, Sale, or Value of Real Property – Section 551.072		
<b>U. T. System: Discussion and appropriate action regarding proposed purchase of approximately 332 acres of land in Houston, Harris County, Texas, comprised of various tracts of land generally located south of West Bellfort Avenue, east of South Main Street, and north of Holmes Road, and in the vicinity of Buffalo Speedway and Willowbend Boulevard</b>		
RECONVENE IN OPEN SESSION TO CONSIDER ACTION, IF ANY, ON EXECUTIVE SESSION ITEM AND TO RECESS	<i>4:00 p.m. approximately</i>	
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<b><u>Thursday, November 5, 2015</u></b>		
RECONVENE THE BOARD IN OPEN SESSION TO CONSIDER AGENDA ITEMS	<i>8:30 a.m.</i>	
<b>2. U. T. System Board of Regents: Approval of Consent Agenda items and consideration of any items referred to the full Board</b>	<i>8:35 a.m.</i> <b>Action</b>	<b>8</b>
<b>3. U. T. System: Presentation of Chancellor William H. McRaven's Strategic Vision and Mission for The University of Texas System</b>	<i>8:40 a.m.</i> <b>Report/Discussion</b> <i>Chancellor McRaven</i>	<b>9</b>
<b>4. U. T. System Board of Regents: Authorization for the Chancellor to submit Report Concerning Designated Tuition</b>	<i>9:40 a.m.</i> <b>Action</b> <i>Mr. Wallace</i>	<b>10</b>

	<b>Board Meeting</b>	<b>Page</b>
5. <b>U. T. System Board of Regents: Discussion and appropriate action regarding proposed amendment of Regents' <i>Rules and Regulations</i>, Rule 10101 (Board Authority and Duties) to add a new Section 3.6 to reflect new state law requirements for Board member training</b>	9:45 a.m. <b>Action</b>	11
6. <b>U. T. System Board of Regents: Discussion and appropriate action regarding proposed revision of Regents' <i>Rules and Regulations</i>, Rule 30105, concerning Sexual Harassment, Sexual Misconduct, and Consensual Relationships to add language required by new state law</b>	9:50 a.m. <b>Action</b>	12
STANDING COMMITTEE RECOMMENDATIONS AND REPORTS TO THE BOARD	9:55 a.m. <i>approximately</i>	
RECESS TO EXECUTIVE SESSION PURSUANT TO TEXAS GOVERNMENT CODE, CHAPTER 551 (working lunch at noon)	10:15 a.m. <i>approximately</i>	
1. Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees – Section 551.074		
a. <b>U. T. Medical Branch - Galveston: Discussion and appropriate action regarding proposed increase in compensation for Donna K. Sollenberger, Executive Vice President and Chief Executive Officer, Health System (Regents' <i>Rules and Regulations</i>, Rule 20204, regarding compensation for highly compensated employees)</b>		
b. <b>U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents (academic and health institutions), U. T. System Administration officers (Executive Vice Chancellors and Vice Chancellors), other officers reporting directly to the Board (Chancellor, General Counsel to the Board, and Chief Audit Executive), members of the Board of Regents, and U. T. System and institutional employees</b>		
2. Negotiated Contracts for Prospective Gifts or Donations – Section 551.073		
a. <b>U. T. Dallas: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features</b>		
b. <b>U. T. Rio Grande Valley: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features</b>		
c. <b>U. T. San Antonio: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features</b>		
d. <b>U. T. Medical Branch - Galveston: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features</b>		

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3. Deliberations Regarding the Purchase, Exchange, Lease, Sale, or Value of Real Property – Section 551.072		
a. <b>U. T. Southwestern Medical Center: Discussion and appropriate action to lease and purchase from Hammes Company, a build-to-suit medical office building and ambulatory surgical center with approximately 250,000 square feet of space on the east side of Dallas North Tollway and north of Lebanon Road, Frisco, Collin County, Texas, for clinical use</b>	<i>President Podolsky Mr. Tames Mr. Ed Walts</i>	
b. <b>U. T. System: Discussion and appropriate action regarding proposed purchase of approximately 332 acres of land in Houston, Harris County, Texas, comprised of various tracts of land generally located south of West Bellfort Avenue, east of South Main Street, and north of Holmes Road, and in the vicinity of Buffalo Speedway and Willowbend Boulevard</b>		
4. Consultation with Attorney Regarding Legal Matters or Pending and/or Contemplated Litigation or Settlement Offers – Section 551.071		
a. <b>U. T. System Board of Regents: Discussion with Counsel on pending legal issues</b>		
b. <b>U. T. System Board of Regents: Discussion and appropriate action regarding legal issues concerning purchasing and procurement, including implementation of Senate Bill 20</b>		
c. <b>U. T. System Board of Regents: Discussion and appropriate action concerning legal issues related to litigation styled <i>Hall v. McRaven</i></b>		
d. <b>U. T. System: Discussion and appropriate action regarding legal issues related to the ruling in Attorney General Open Records Letter Ruling No. OR2015-22333 requiring release of information subject to the attorney-client privilege</b>		
RECONVENE IN OPEN SESSION TO CONSIDER ACTION, IF ANY, ON EXECUTIVE SESSION ITEMS AND TO CONSIDER AGENDA ITEMS	<i>12:30 p.m. approximately</i>	
7. <b>U. T. System Board of Regents: Discussion and appropriate action regarding purchasing and procurement policies, including implementation of Senate Bill 20</b>	<i>12:45 p.m. Action Dr. Kelley</i>	13
8. <b>U. T. System Board of Regents: Discussion and appropriate action regarding proposed amendment of Regents' <i>Rules and Regulations</i>, Rule 20901, regarding Procurement of Certain Goods and Services, to add a new Section 1 to incorporate new state law requirements</b>	<i>1:15 p.m. Action</i>	14
ADJOURN	<i>1:30 p.m. approximately</i>	

1. **U. T. System: Annual Meeting with Officers of U. T. System Employee Advisory Council**

**REPORT**

Representatives of the U. T. System Employee Advisory Council will meet with the Board to discuss the Council's activities from the past year, as set forth on the following pages. Council members scheduled to attend are:

**Chair 2015: Ms. Kimberly Coleman**, Senior Administrative Associate, U. T. Southwestern Medical Center

**Vice Chair: Mr. Ryan Baldwin**, Senior Information Technology Manager, U. T. Austin

**Secretary: Ms. Karla Crabtree**, Director of Human Resources, U. T. Health Science Center - Houston

**Historian: Mr. Philip Abraham**, Diagnostic Imaging Department Administrator, U. T. M. D. Anderson Cancer Center

**BACKGROUND INFORMATION**

The U. T. System Employee Advisory Council (EAC) was established in August 2000 to provide a vehicle for communication and to facilitate the flow of ideas and information between and among the Board of Regents, U. T. System Administration, and the institutions. The EAC functions to define, analyze, and make recommendations on employee issues to the Board through the Chancellor.

**THE UNIVERSITY OF TEXAS SYSTEM  
EMPLOYEE ADVISORY COUNCIL  
REPORT  
TO THE BOARD OF REGENTS  
THE UNIVERSITY OF TEXAS SYSTEM**

The following is a brief listing of the recommendations submitted by the U. T. System Employee Advisory Council (EAC) to the U. T. System Board of Regents.

**Recommendation No. 1: Employee Enrichment and Return on Investment: Satisfaction, Retention, and Productivity**

The EAC recommends U. T. System institutions and U. T. System Administration review the feasibility and development of enterprise-wide contract(s) for on-demand online learning services. The EAC also recommends an emphasis on training opportunities be made a top priority for all institutions to retain talented employees, increase employee satisfaction, and strengthen productivity.

Research studies show a well-trained workforce results in improved employee retention, increased employee satisfaction, and higher productivity. Employees across the U. T. System have an unmet need for on-demand training opportunities to enhance job skills and performance. Providing on-demand training opportunities will not only support each U. T. System institution in its mission and strategic commitment to employee development, but will also aid to improve work quality, enhance customer service, and enrich lifelong learning.

In Fall 2014, the EAC conducted a survey assessing which of the 15 U. T. System institutions and U. T. System Administration offered organizational development and training to their employees. EAC learned 13 institutions and U. T. System Administration offered some form of leadership and/or developmental training curriculum. The methods of delivery varied amongst the institutions with the primary setting being a classroom or seminar. The exceptions to this style are U. T. Southwestern Medical Center, U. T. Health Science Center - Houston, and U. T. Austin. These institutions not only provide a classroom or seminar setting, but they also offer a web-based e-learning module that allows employees to access programs at offsite locations and on their own time. The two main online learning companies used are Skillsoft and lynda.com. Both e-learning tools feature courses from across multiple disciplines to provide the employee with a wide variety of instructor-led courses, online learning, certification courses, books, videos, and additional reference materials. Currently, these resources are only available to employees at the respective institutions. If resources like these were made available to all U. T. System institutions by way of an enterprise license contract Systemwide, there would be more of a uniformed approach to training and organizational development, while specific institution support and needs are still met and maintained.

## **Recommendation No. 2: Employee Wellness**

The EAC recommends the executive leadership at each U. T. System institution and U. T. System Administration support a culture of wellness by implementing at least one portion of H.B. 1297 as detailed below:

- Allow employees the use of 30 minutes, three times per week, during work hours to complete some form of physical activity. A survey conducted by the Texas Department of State Health Services in November 2014 found that 62% of respondents allow their employees the use of 30 minutes during the workday, three times per week, for physical activity.
- Support and encourage greater development of ongoing wellness initiatives and support employee participation in those initiatives.
- Implement an institutional policy of allowing up to eight hours of additional paid leave time each year for employees who receive a physical examination, provide documentation, and complete an online health risk assessment supported by either U. T. System or by a worksite wellness coordinator.

The EAC took an in-depth look at UT Select members and dependents. The review indicated that 5% of members account for almost 60% of all medical claims. The most prevalent chronic conditions include hypertension, diabetes, obesity, and asthma. Several of these conditions can be treated successfully with diet and regular exercise.

With that knowledge, EAC reviewed the details of the State Employees Health Fitness and Education Act of 1983 amended by Acts 2007, 80th Legislature, Regular Session, Chapter 665 (H.B. 1297), Section 2, effective September 1, 2007, referenced as H.B. 1297, and its implementation at all U. T. System institutions. Research found the spirit of H.B. 1297 is in place at all U. T. System institutions but improvements to the programs as implemented at each institution can be made. State agencies, other four-year state institutions of higher education, and community college districts were polled and all have implemented some parts of H.B. 1297. EAC gathered this data and provided it to the U. T. System Manager of Wellness Programs.

2. **U. T. System Board of Regents: Approval of Consent Agenda items and consideration of any items referred to the full Board**

**RECOMMENDATION**

The Board will be asked to approve the Consent Agenda items located at the back of the book under the Consent Agenda tab and will discuss any items referred for consideration by the full Board.

3. **U. T. System: Presentation of Chancellor William H. McRaven's Strategic Vision and Mission for The University of Texas System**

PRESENTATION

Chancellor McRaven will present his strategic vision and mission for The University of Texas System.



4. **U. T. System Board of Regents: Authorization for the Chancellor to submit Report Concerning Designated Tuition**

**RECOMMENDATION**

It is requested that the Board of Regents grant authority to the Chancellor to submit on its behalf the "Report Concerning Designated Tuition" as required by the current General Appropriations Act, House Bill 1, Article III, Section 49 to the Lieutenant Governor, Speaker of the House, Chair of the Senate Finance Committee, Chair of the House Appropriations Committee, and members of the Legislative Oversight Committee on Higher Education.

**BACKGROUND INFORMATION**

A Report Concerning Designated Tuition is to be filed not later than January 1, 2016, by the governing board of each public institution of higher education that charges students designated tuition under Section 54.0513, *Texas Education Code*. The Report identifies the amount of designated tuition collected, the purposes for which it was spent, the amount spent for each purpose, the amounts set aside for resident undergraduate and graduate student assistance as required by Sections 56.011 and 56.012, *Texas Education Code*, and how those amounts are allocated among various types of student assistance.

Completion of the Report requires certain financial information contained in the pending annual financial report, which will not be completed until December 1, 2015. Upon completion of the Report, a copy will be provided to members of the Board.

5. **U. T. System Board of Regents: Discussion and appropriate action regarding proposed amendment of Regents' *Rules and Regulations*, Rule 10101 (Board Authority and Duties) to add a new Section 3.6 to reference new state law requirements for Board member training**

**RECOMMENDATION**

It is recommended that Regents' *Rules and Regulations*, Rule 10101, regarding Board Authority and Duties, be amended to add a new Section 3.6 to reference new state law requirements for Board member training as set forth below in congressional style:

Sec. 3 Duties and Responsibilities of Each Regent.

...

**Sec. 3.6 Each member of the Board must attend an intensive short orientation course as required by *Texas Education Code* Section 61.0841, and any training course developed by the Texas Higher Education Coordinating Board, and training sponsored or coordinated by the Office of the Governor on the first opportunity after taking the oath of office. No member of the Board appointed on or after January 1, 2016, may vote on a budgetary or personnel matter until the intensive short course is completed.**

**BACKGROUND INFORMATION**

Recent amendments to Section 61.084 of the *Texas Education Code*, effective on January 1, 2016, require each Regent to attend a short orientation course developed by the Texas Higher Education Coordinating Board. The Coordinating Board's course is to include:

- Best practices relating to excellence, transparency, accountability, and efficiency in the governing structure and organization of general academic teaching institutions and university systems;
- Best practices relating to the manner in which governing boards and administrators develop and implement major policy decisions;
- Matters relating to excellence, transparency, accountability, and efficiency in governance and administration; and
- Ethics, conflicts of interests, and the proper role of a board member in the governing structure of general academic teaching institutions and university systems.

The law also requires each Regent to attend the Office of the Governor's training course for newly appointed state officers and prohibits Regents appointed on or after the effective date from voting on a budgetary or personnel matter until the intensive short orientation course has been completed.

Training provided in U. T. System's current Board member orientation, in place since 2013, also tracks the requirements set forth in the law.

6. **U. T. System Board of Regents: Discussion and appropriate action regarding proposed revision of Regents' Rules and Regulations, Rule 30105, concerning Sexual Harassment, Sexual Misconduct, and Consensual Relationships to add language required by new state law**

**RECOMMENDATION**

The Chancellor concurs in the recommendation of the Vice Chancellor and General Counsel that proposed amendments to Regents' *Rules and Regulations*, Rule 30105, concerning Sexual Harassment, Sexual Misconduct, and Consensual Relationships, be approved as set forth below in congressional style to add language required by new state law:

Sec. 2 Adoption of Policies. Each U. T. System institution and U. T. System Administration shall adopt policies and procedures prohibiting sexual harassment, sexual misconduct, other inappropriate sexual conduct, and regarding consensual relationships in substantial compliance with the Office of General Counsel model policies and procedures. Each institution's policy must include definitions of prohibited behavior, sanctions for violations, and the protocol for reporting and responding to reports of assault. Each institution must review the policy each biennium and submit changes to the Board for approval.

Sec. 3 Publication of Policies. The institution's policies and procedures must be published through the institution's website on a web page dedicated solely to the policy through the institution's website and in the institution's *Handbook of Operating Procedures* after review and approval by the appropriate Executive Vice Chancellor and the Board.

**BACKGROUND INFORMATION**

Section 51.9363 of the *Texas Education Code* was added during the 2015 legislative session to require public higher education institutions to adopt, promote, and review individual policies on campus sexual assault. The new law also outlines certain requirements to be included in the policy. Additionally, the law requires a separate web page for the policy, accessible through the institution's website. Currently, all institutions are in compliance with this provision.

Each U. T. System institution's policy currently meets the new statutory language, and each was recently updated to meet federal guidance based on Title IX. The law also requires Board approval for all policies and future changes to policies. These policies will be presented to the Board for review and approval at a future meeting.

7. **U. T. System Board of Regents: Discussion and appropriate action regarding purchasing and procurement policies, including implementation of Senate Bill 20**

Executive Vice Chancellor Kelley will lead a discussion regarding purchasing and procurement issues, including implementation of Senate Bill 20.

8. **U. T. System Board of Regents: Discussion and appropriate action regarding proposed amendment of Regents' *Rules and Regulations*, Rule 20901, regarding Procurement of Certain Goods and Services, to add a new Section 1 to incorporate new state law requirements**

**RECOMMENDATION**

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and the Vice Chancellor and General Counsel that the Regents' *Rules and Regulations*, Rule 20901, regarding Procurement of Certain Goods and Services, be amended to insert a new Section 1 as set forth below in congressional style. Remaining sections will be renumbered.

Sec. 1 Contract Management Handbook. Each institution and U. T. System Administration shall develop and maintain a Contract Management Handbook that provides consistent contracting policies and procedures, including a risk analysis procedure.

The Contract Management Handbook shall establish contract review procedures and a contract review checklist approved by the Office of General Counsel. The review procedures and checklist must include:

- 1.1 a description of each step of the procedure used to evaluate and process contracts;
- 1.2 a checklist that describes each process that must be completed before contract execution; and
- 1.3 a value threshold that initiates required review by legal counsel unless the contract is a standard contract previously approved by counsel.

**BACKGROUND INFORMATION**

The proposed changes to Regents' Rule 20901 incorporate the new requirement in *Texas Government Code* Section 2261.256 (Senate Bill 20) that state agencies, including U. T. System Administration and each U. T. System institution, will have a Contract Management Handbook. Pursuant to state law, the Handbook must be consistent with the Comptroller's contract management guide and must also contain a description of each step of the procedure used to process contracts, a checklist for the required processes, and a value threshold for required review by legal counsel.

A link to each Handbook is to be available through each institution's website and be provided to the Comptroller as required by law.