



**AGENDA
FOR MEETING
OF
THE UNIVERSITY OF TEXAS SYSTEM
BOARD OF REGENTS**

**November 15-16, 2023
Austin, Texas**

Wednesday, November 15, 2023

CONVENE THE BOARD IN OPEN SESSION TO RECESS TO EXECUTIVE SESSION PURSUANT TO *TEXAS GOVERNMENT CODE*, CHAPTER 551

1:00 p.m.

1. Individual Personnel Matters Relating to Officers or Employees – Section 551.074

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 including interim presidents); 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); Board members; and U. T. System and institutional employees

2. Negotiated Contracts for Prospective Gifts or Donations – Section 551.073
 - a. **U. T. System Academic Institutions: Discussion and appropriate action regarding proposed negotiated gifts, including potential naming features**
 - b. **U. T. System Health Institutions: Discussion and appropriate action regarding proposed negotiated gifts, including potential naming features**
3. Consultation with Attorney Regarding Legal Matters or Pending and/or Contemplated Litigation or Settlement Offers – Section 551.071
 - a. **U. T. System Board of Regents: Discussion with Counsel on pending legal issues**
 - b. **U. T. Austin: Discussion and appropriate action regarding legal issues associated with proposed ground lease and related agreements with The 2033 Higher Education Development Foundation for the development and construction of multi-functional football training complex on a portion of U. T. Austin's main campus located at 1925 San Jacinto Blvd, Austin, Travis County, Texas; resolution regarding parity debt; and finding of public purpose**

Wednesday, November 15, 2023

Page

4. Deliberations Regarding the Purchase, Exchange, Lease, Sale, or Value of Real Property – Section 551.072

U. T. Austin: Discussion and appropriate action to enter into a ground lease and related agreements with The 2033 Higher Education Development Foundation for the development and construction of multi-functional football training complex on a portion of U. T. Austin’s main campus located at 1925 San Jacinto Blvd, Austin, Travis County, Texas; resolution regarding parity debt; and finding of public purpose

RECONVENE THE BOARD IN OPEN SESSION FOR POSSIBLE ACTION ON EXECUTIVE SESSION ITEMS AND TO CONVENE COMMITTEE MEETINGS

*2:00 p.m.
approximately*

COMMITTEE MEETINGS

2:00 p.m. – 4:30 p.m.

RECESS

4:30 p.m.

Thursday, November 16, 2023

CONVENE THE BOARD IN OPEN SESSION TO CONSIDER AGENDA ITEMS

9:00 a.m.

STANDING COMMITTEE RECOMMENDATIONS AND REPORTS TO THE BOARD

9:05 a.m.

1. **U. T. System Board of Regents: Approval of Consent Agenda and consideration of any item referred to the full Board** **5**
2. **U. T. System Board of Regents: Discussion and appropriate action regarding proposed revision to Regents’ *Rules and Regulations*, Rule 20601 (Aircraft Use), regarding aviation-related academic programs** **6**
3. **U. T. System: Annual Meeting with Officers of the U. T. System Faculty Advisory Council** **7**
4. **U. T. System Board of Regents: Recognition of recipients of the 2023 Regents’ Outstanding Teaching Awards** **13**

RECESS TO EXECUTIVE SESSION PURSUANT TO TEXAS GOVERNMENT CODE, CHAPTER 551

10:00 a.m.

5. Individual Personnel Matters Relating to Officers or Employees – Section 551.074
 - a. **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 including interim presidents); 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); Board members; and U. T. System and institutional employees**

Thursday, November 16, 2023 (cont.)

Page

- b. **U. T. Southwestern Medical Center: Discussion with President regarding assignment and duties, including individual responsibilities regarding the institution’s pediatric clinical enterprise**
 - 6. Negotiated Contracts for Prospective Gifts or Donations – Section 551.073
 - a. **U. T. System Academic Institutions: Discussion and appropriate action regarding proposed negotiated gifts, including potential naming features**
 - b. **U. T. System Health Institutions: Discussion and appropriate action regarding proposed negotiated gifts, including potential naming features**
 - 7. Consultation with Attorney Regarding Legal Matters or Pending and/or Contemplated Litigation or Settlement Offers – Section 551.071
 - a. **U. T. System Board of Regents: Discussion with Counsel on pending legal issues**
 - b. **U. T. System Board of Regents: Discussion and appropriate action regarding legal issues concerning pending legal claims by and against U. T. System**
 - c. **U. T. Southwestern Medical Center: Discussion and possible appropriate action regarding legal issues associated with the institution’s pediatric clinical enterprise, including a) authorization to enter into and operate a nonprofit corporate entity with Children’s Health System of Texas for the development of a joint state-of-the-art children’s health care campus; b) allocation and authorization of expenditure of institutional funds for U. T. Southwestern Medical Center’s portion of the project cost for the Construction Phase; c) delegation of authority to the President to execute related documents, including a Memorandum of Understanding, and to take other action necessary; and d) finding of public purpose**
 - 8. Deliberation Regarding Security Devices or Security Audits – Sections 551.076 and 551.089
 - U. T. System Board of Regents: Discussion and appropriate action regarding safety and security issues, including security audits and the deployment of security personnel and devices**
- RECONVENE THE BOARD IN OPEN SESSION TO CONSIDER ACTION, IF ANY, ON EXECUTIVE SESSION ITEMS AND TO CONSIDER AGENDA ITEMS *11:30 a.m. approximately*
- 5. **U. T. System: Discussion and appropriate action regarding implementation of Senate Bill 17 and Senate Bill 18 and relevant U. T. System policies** **15**
 - 6. **U. T. System Board of Regents: Discussion and possible action concerning supplemental distribution from the Permanent University Fund into the Available University Fund for Fiscal Year 2024** **26**
 - 7. **U. T. System Board of Regents: Recognition of service of Francie A. Frederick, J.D. as General Counsel to the U. T. System Board of Regents** **27**
- ADJOURN *12:00 p.m. approximately*

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

RECOMMENDATION

The Board will be asked to approve the Consent Agenda beginning on [Page 166](#).

2. **U. T. System Board of Regents: Discussion and appropriate action regarding proposed revision to Regents' Rules and Regulations, Rule 20601 (Aircraft Use), regarding aviation-related academic programs**

RECOMMENDATION

It is recommended that the U. T. System Board of Regents consider the addition of a new Section 20 to Regents' *Rules and Regulations*, Rule 20601 (Aircraft Use) as follows:

Sec. 20 Aviation-related Academic Programs. The provisions of this Rule do not apply to aviation-related academic programs to the extent strict compliance would be impracticable; however, such programs must operate in compliance with applicable state and federal law and safety standards and shall coordinate with the System Chief Risk Officer to determine appropriate insurance requirements.

BACKGROUND INFORMATION

Regents' Rule 20601 sets forth required procedures for use of aircraft for non-commercial flights in furtherance of U. T. business. As applied, some of the requirements are impracticable in the context of aviation-related academic programs where students are training to obtain a pilot's license, such as Stephen F. Austin's Bachelor of Science degree in Aviation Sciences.

The proposed revision would allow for an exception for such academic programs, for which separate insurance requirements may be determined in coordination with the System Chief Risk Officer, to conduct the program in compliance with applicable state and federal law and safety standards.

The proposed revisions do not impact the full-time equivalent (FTE) employee count Systemwide and are budget-neutral. The proposed Rules change was reviewed by the institutional presidents and representatives of the Student Advisory Council, the Faculty Advisory Council, and the Employee Advisory Council.

3. **U. T. System: Annual Meeting with Officers of the U. T. System Faculty Advisory Council**

The U. T. System Faculty Advisory Council was established in 1989 to facilitate the flow of ideas and information between and among the Board of Regents, the System Administration, and the institutions of the System. Council guidelines require that recommendations have a multi-institutional focus and that the Council explore individual campus issues with institutional administrators prior to any consideration. The Faculty Advisory Council consists of two faculty representatives from each U. T. System institution and meets quarterly. The Standing Committees of the Council are: Academic Affairs and Faculty Quality, Governance, and Health Affairs.

Council officers are:

Chair: Christopher Messenger, M.D., U. T. Medical Branch - Galveston, Professor, Department of Department of Nutrition, Metabolism & Rehabilitation Sciences

Chair-Elect: Jacqueline Fay, Ph.D., U. T. Arlington, Assistant Professor of English

Past-Chair: David Coursey, Ph.D., U. T. Arlington, Associate Professor of Public Affairs

Secretary: Maria Danet Lapid Bluhm, Ph.D., U. T. Health Science Center - San Antonio, Professor, School of Nursing

A PowerPoint Presentation from the Council is included on the following pages.

Faculty Advisory Council (FAC)

Annual Activity and Objectives Report

Dr. Chris Messenger, Chair, U. T. System FAC

U. T. System Board of Regents Meeting
November 2023



Our Role

- According to Regents Rule 30401
 - The Faculty Advisory Council represents institutions in the U. T. System to facilitate the flow of ideas and information between and among the Board of Regents, the System Administration, and the institutions of the System.
 - Representatives of the Faculty Advisory Council are encouraged to address the Board of Regents at meetings of the Board, including meetings of the Standing Committees, and may recommend action to the Board through the Chancellor.

Recent Shared Accomplishments FY 2022-2023

- Consulted with U. T. System leaders and provided support for The University of Texas System Commitment to Freedom of Speech and Expression
- Coordinated with U. T. System leaders to facilitate information sharing related to legislation concerning faculty passed during the 88th Texas Legislative Session
- Explored parental leave pool and tax implications

Core Tasks for FY 2023-2024

- U. T. Systemwide research symposiums
- Collaborating with Employee Advisory Council on a Wellness Initiative
- Faculty Ombuds offices
- Providing input on implementing legislation concerning faculty from the 88th Texas Legislative Session

Other Discussion Topics

- Graduate assistant and postdoc support and recruiting
- U. T. System negotiations with scholarly publishers
- Accountability around shared governance
- Better understanding endowment rules and compliance
- U. T. System health insurance costs and coverage

4. **U. T. System Board of Regents: Recognition of recipients of the 2023 Regents' Outstanding Teaching Awards**

PRESENTATION

The Board and Chancellor Milliken will recognize the 2023 recipients for the Regents' Outstanding Teaching Awards, as listed below:

U. T. Arlington:

Sonia Kania, Ph.D.
Professor, Modern Languages

Christy Spivey, Ph.D.
Clinical Professor, Economics

U. T. Austin:

Paul Bonin-Rodriguez, Ph.D.
Associate Professor, Theatre and Dance

U. T. Dallas:

John Zweck, Ph.D.
Professor, Mathematical Sciences

U. T. El Paso:

Cherry Duke, A.D.
Professor of Practice and Director of Opera, Music

U. T. San Antonio:

Nehal Abu-Lail, Ph.D.
Professor, Biomedical Engineering and Chemical Engineering

U. T. Tyler:

Joshua Banta, Ph.D.
Professor, Biology

Kenneth Bryant Jr., Ph.D.
Associate Professor, Political Science

U. T. Southwestern Medical Center:

Nora E. Gimple, M.D.
Professor, Family and Community Medicine

Melanie S. Sulistio, M.D., F.A.C.C., F.A.H.A.
Distinguished Teaching Professor, Internal Medicine

U. T. Medical Branch - Galveston:

Sharron Forest, DNP, NNP-BC
Professor, School of Nursing

U. T. Health Science Center - Houston:

Robert Spears, Ph.D.
Professor, School of Dentistry

Jennifer L. Swails, M.D.
Associate Professor, Internal Medicine

U. T. Health Science Center - San Antonio:

Bridgett Piernik-Yoder, Ph.D., OTR, FAOTA
Professor, Occupational Therapy

BACKGROUND INFORMATION

The Board of Regents places the highest priority on undergraduate and graduate teaching at U. T. institutions and encourages teaching excellence by recognizing those faculty who deliver the highest quality of instruction, demonstrate their commitment to teaching, and have a history and promising future of sustained excellence with teaching in the classroom, in the laboratory, in the field, or online.

On August 14, 2008, the Board established the Regents' Outstanding Teaching Awards (ROTA), which are a recognition of the importance the Board places on the provision of teaching and learning of the highest order, by honoring those who serve students in an exemplary manner, and are an incentive for others who aspire to such service. These teaching awards complement existing ways in which faculty excellence is recognized and incentivized.

Up to 15 awards may be given across both academic and health institutions with the number of awards determined by the number of applications, recommendations from the review committee, and other factors.

5. **U. T. System: Discussion and appropriate action regarding implementation of Senate Bill 17 and Senate Bill 18 and relevant U. T. System policies**

Proposed U. T. System policies implementing Senate Bill 17 and Senate Bill 18 are set forth on the following pages.

**The University of Texas System
Systemwide or System Administration Internal Policy**

UTS 197

Title

Compliance with State Law Regarding Diversity, Equity, and Inclusion in Institutions of Higher Education

Sec. 1 Purpose

This policy implements Senate Bill 17, Texas Education Code § 51.3525, passed by the Texas Legislature during the 2023 term. Pursuant to this law, each University of Texas System institution shall maintain an environment that promotes learning, academic freedom, and the creation and transmission of knowledge free from any requirements to exhibit or reflect a specific ideology or political view and without providing advantages or disadvantages to individuals based on race, sex, color, ethnicity, or national origin.

Sec. 2 Prohibitions

Texas law prohibits:

- (a) Diversity, Equity, and Inclusion Offices.

A diversity, equity, and inclusion (“DEI”) office means an office, division, or other unit of an institution of higher education (“DEI Office”), including any group of employees of any size that is established for any of the following purposes or carries out any of the listed duties:

- 1) influencing hiring or employment practices at the institution with respect to race, sex, color, or ethnicity, other than through the use of color-blind and sex-neutral hiring processes in accordance with any applicable state and federal antidiscrimination laws;
- 2) promoting differential treatment of or providing special benefits to individuals on the basis of race, color, or ethnicity. UT System interprets “special benefit” to mean a term, condition, opportunity, or privilege that is unavailable, or substantially better than what is available, or provided to others;
- 3) promoting policies or procedures designed or implemented in reference to race, color, or ethnicity, other than policies or procedures approved in writing by the institution’s chief legal officer, the UT System’s Office of General Counsel, and the Texas Higher Education Coordinating Board for the sole purpose of ensuring compliance with any applicable court order or state or federal law;
- 4) conducting trainings (required or voluntary), programs, or activities designed or implemented in reference to race, color, ethnicity, gender identity, or sexual orientation, other than trainings, programs, or activities developed by an attorney and approved in writing by the institution’s chief

**The University of Texas System
Systemwide or System Administration Internal Policy**

UTS 197

legal officer, the U.T. System's Office of General Counsel, and the Texas Higher Education Coordinating Board for the sole purpose of ensuring compliance with any applicable court order or state or federal law.

- (b) Performing the duties of a DEI Office.

An institution shall not permit, hire, or assign any employee or volunteer or contract with a third party to perform any of the duties of a DEI Office set out in 2(a) above.

- (c) Requiring or considering DEI statements.

An institution shall not compel, require, induce, or solicit any person to provide a DEI statement or give preferential consideration to any person based on the provision of a DEI statement.

- (1) A "DEI statement" is a written or oral statement of a person's commitment to (1) furthering diversity, equity, and inclusion based on race, color, ethnicity, national origin, sex, gender identity and/or sexual orientation or (2) promoting differential treatment of or providing special benefits to individuals based on their identification as a member of one or more of these classifications.

- (2) "Preferential consideration to any person" who provides a DEI statement means treating one person more favorably than another, in any respect, because of their inclusion or provision of a DEI statement expressing a preferred viewpoint in materials they provide to the institution.

- (d) Preferences based on race, sex, color, ethnicity, or national origin.

An institution shall not give preference on the basis of race, sex, color, ethnicity, or national origin to an applicant for employment, an employee, or a participant in any function of the institution.

To "give preference on the basis of" an attribute means to treat one person more favorably than another, in any respect, because of that attribute.

- (e) Requiring participation in DEI training.

An institution shall not require any person to participate in DEI training as a condition of enrollment, employment, or performing any institution function.

- (1) "DEI training" includes a training, program, or activity designed or implemented in reference to race, color, ethnicity, gender identity, or sexual orientation.

**The University of Texas System
Systemwide or System Administration Internal Policy**

UTS 197

- (2) “DEI training” does not include a training, program, or activity developed by an attorney and approved in writing by the institution's chief legal officer, the U. T. System Office of General Counsel, and the Texas Higher Education Coordinating Board for the sole purpose of ensuring compliance with any applicable court order or state or federal law.
- (3) Prohibited “DEI trainings” do not include annual equal employment opportunity and Title IX compliance trainings, including sexual harassment training, for faculty, staff, and students designed to educate on legal obligations and the institution’s commitment to treating employees, students, and applicants consistently and fairly without regard to protected classifications, including race, color, sex, sexual orientation, gender identity, pregnancy, religion, national origin, age, disability, genetic information, citizenship status, and veteran status. The trainings identify applicable federal and state laws and institution policies, explain definitions, describe employee and student rights and reporting requirements, outline complaint reporting procedures, and emphasize the prohibition on retaliation.

Similarly, prohibited “DEI trainings” do not include trainings required of students, faculty, or staff as a sanction for violating institutional policies regarding compliance with Title IX, Title VII, and Chapter 21 of the Texas Labor Code or similar federal or state laws, if designed to educate recipients on compliance with institution policies.

Sec. 3 Exceptions from Section 2 Prohibitions

(a) Statements in Support of Grant Proposals or Accreditation Compliance

- 1) Notwithstanding the prohibitions stated in Section 2 of this policy, an institution, or an employee of an institution, for purposes of applying for a grant or complying with the terms of accreditation by an accrediting agency, is permitted to submit to the grantor or accrediting agency a statement that:
 - i. Highlights the institution's work in supporting:
 1. first-generation college students;
 2. low-income students; or
 3. underserved student populations;
 - ii. Certifies compliance with state and federal antidiscrimination laws.

**The University of Texas System
Systemwide or System Administration Internal Policy**

UTS 197

- 2) Institutions may disclose data regarding impacts on certain student subgroups within the umbrella term of “underserved student populations.”
 - 3) Institutions are authorized to collect and disclose data and information, which includes but is not limited to data and information necessary to maintain accreditation.
- (b) **Academic Course Instruction.** Faculty instruction in their assigned courses, practicums, seminars, and executive education programs is not subject to the prohibitions of this policy.
- (c) **Scholarly Research or a Creative Work.** Scholarly research and creative work by an institution’s students, faculty, or other research personnel, and the dissemination of that research or work are not subject to the prohibitions of this policy.
- 1) “Scholarly research” may include research conducted by a student, faculty, or other research personnel in their respective field under generally accepted scientific standards (e.g., systems in place to ensure the quality and accuracy of hypotheses, methods, data, and findings, such as in a peer reviewed or refereed publication).
 - 2) UT System interprets “creative work” consistent with UT System’s Regents’ Rules and state and federal law. “Creative Work” may include academic work product of an innovative or interpretive nature, including, but not limited to, music, dance, visual art, and literature. “Creative work” may also include non-research written material created for publication and grant submissions seeking funding for research, instructional or other activities.
 - 3) Programmatic components directly related to and part of the scholarly research or creative work, as defined in Sections 3(c)(1)-(2) above, and proposed in a grant submission, are deemed scholarly research or creative work and are not subject to the prohibitions of this policy.
 - 4) “Research personnel” may include any non-faculty staff or trainee with assigned job responsibilities related to research based on the employment or academic training position they hold at an institution, including individuals who serve on institutional review boards.
- (d) **Student Organizations.** Student organizations that hold registered student organization status pursuant to an institution’s rules and policies are not subject to the prohibitions of this policy. Depending on the level of institutional control and support, and the institution’s policies and practices, the programs and activities of a student organization that is sponsored by the institution may be subject to the prohibitions of this policy.

**The University of Texas System
Systemwide or System Administration Internal Policy**

UTS 197

- (e) **Guest Speakers and Performers.** The prohibitions in this policy do not apply to guest speakers or performers on short term engagements. An institution may host guest speakers and performers under its usual policies and rules on a short-term basis for limited duration events. UT System maintains its commitment to freedom of speech and expression at its institutions to promote open inquiry and expand knowledge.
- (f) **Student Academic Achievement and Postgraduate Outcomes.** This policy does not prevent an institution from having a policy, practice, procedure, program, or activity to enhance student academic achievement or postgraduate outcomes that is designed and implemented without regard to race, sex, color, or ethnicity.
- (g) **Data Collection.** Nothing in this policy prohibits the collection of data by an institution or its appropriate disclosure in compliance with the law. This policy includes other exceptions that may be related to the use of collected data, e.g., statements in support of grant proposals or accreditation compliance, academic course instruction, scholarly research, creative work, student academic achievement and postgraduate outcomes designed and implemented without regard to race, sex, color, or ethnicity, and student recruitment and admissions.
- (h) **Student Recruitment and Admissions.** The prohibitions of this policy generally do not apply to student recruitment and admissions except those prohibitions set out in Section 2(c) above.

Sec. 4 Policy Impact on Programs and Activities.

- (a) **Programs or Activities Designed in Reference to Sex.** This policy does not prohibit programs and activities designed in reference to sex, as opposed to gender identity or sexual orientation. Programs and activities designed for women or men that are otherwise lawfully implemented remain permissible. Examples of such permissible programs and activities include men's and women's athletics programs and single-sex dormitories. Academic programs, like Women in STEM, are permissible when such programs openly allow participation by both women and men.
- (b) **Employee Organizations.** Institutions shall not establish employee groups organized in reference to one or more of race, color, ethnicity, gender identity, or sexual orientation. Groups are considered established by an institution when they are created by the administration of a college, school, department, or business unit. This does not apply to employee organizations that are merely registered with the institution and do not have an employee assigned by the institution to lead the organization or its activities.

Employee resource groups are organizations that are not established by an institution. Employee resource groups typically consist of employees with a

**The University of Texas System
Systemwide or System Administration Internal Policy**

UTS 197

common background or a common set of interests. Identity-based groups must be open to all interested participants and receive similar treatment and benefits as other employee groups.

An institution's staff that handles ministerial tasks like reserving university spaces, coordinating access to audio visual equipment for meeting spaces, or other similar tasks, for all of an institution's employee organizations may continue to provide such services to all employee organizations, including those organized in reference to one or more of race, color, ethnicity, gender identity, or sexual orientation.

- (c) **Institutional Investigative Units.** The prohibitions in this policy do not apply to institutional investigative units that must sometimes consider race, color, ethnicity, gender identity, or sexual orientation in reaching determinations on alleged violations of institutional policies.
- (d) **Recognized History Events.** The prohibitions in this policy do not apply to institutional activities to participate in state, federal, or other widely recognized history events, including but not limited to Black History Month, Hispanic Heritage Month, Women's History Month, and Pride Month.
- (e) **Patient Healthcare and Other Health and Wellness Initiatives.** The prohibitions in this policy do not apply to the provision of healthcare to patients and health and wellness initiatives, which are expressly excluded from the definition of programs or activities. Healthcare is individualized and is primarily designed and implemented to address health care needs.

Sec. 5 Employee Compliance.

- (a) Employees, including contractors hired to perform university work that would otherwise be performed by an institutional employee, are subject to discipline, up to and including termination, for violating any provision set out in Section 2 above.
- (b) Institutions may either use their existing discipline policies and procedures or develop new policies and procedures for handling violations of this policy.

Sec. 6 Impacted Employee Positions.

- (a) An employee whose position is eliminated through implementation of Texas Education Code § 51.3525 may be reassigned to a different position at the institution, if appropriate, or invited to apply for a different position.

**The University of Texas System
Systemwide or System Administration Internal Policy**

UTS 197

- (b) An institution may provide a letter of recommendation for employment at the institution or elsewhere to each employee in good standing whose position is eliminated as a result of the implementation of Texas Education Code § 51.3525. The institution may also provide such employees reemployment assistance.

Sec. 7 Institution Compliance and Certification.

- (a) Institutions shall adopt and communicate policies, procedures, or other guidance to implement the requirements of Texas Education Code § 51.3525 and this policy and shall educate community members on permitted and prohibited activities. Institutions shall identify one or more points of contact that various constituencies may consult with compliance questions.
- (b) The institution president shall, upon confirming the institution's compliance with this policy, submit to the Chancellor a certification on behalf of the institution that the institution complies with this policy.
- (c) The required form and timing of an institution's certification will be prescribed by the Chancellor.
- (d) An institution may not spend money appropriated to the institution for a state fiscal year until the Board of Regents submits to the legislature and the Texas Higher Education Coordinating Board a report certifying the board's compliance with this Section during the preceding state fiscal year. This provision applies beginning with funds appropriated for the fiscal year starting September 1, 2024.

Sec. 8 State Audit for Compliance with Texas Education Code § 51.3525(g).

- (a) Upon receiving notice from the state auditor of an audit of the institution under Texas Education Code § 51.3525, an institution shall promptly notify the UT System Audit Office and the Vice Chancellor and General Counsel of the pending audit.
- (b) An institution is required to cooperate with the state auditor conducting the statutory audit.
- (c) If an institution receives an audit finding of a violation of Texas Education Code § 51.3525, it must cure the violation not later than the 180th day after the date on which the determination is made; and if the institution fails to cure the violation during the 180-day period, it shall be ineligible to receive formula funding increases, institutional enhancements, or exceptional items during the state fiscal biennium immediately following the state fiscal biennium in which the determination is made.

**The University of Texas System
Systemwide or System Administration Internal Policy**

UTS 197

Sec. 9 Texas Higher Education Coordinating Board Study under Texas Education Code § 51.3525(j).

An institution shall coordinate with the Texas Higher Education Coordinating Board to complete the statutorily required biennial study.

Sec. 10 Effective Date

Institutions shall take immediate steps to ensure implementation by January 1, 2024, the effective date of Senate Bill 17.

**The University of Texas System
Systemwide or System Administration Internal Policy**

UTS 198

Title

Termination of a Faculty Member

Sec. 1 Purpose

The purpose of this document is to ensure full and consistent compliance with federal and state laws and Regents' Rule 31008.

Sec. 2 Applicability

This policy covers policies and procedures for the termination for good cause or for summary dismissal of a (1) tenured faculty member; (2) term-tenured faculty member during the term of appointment; or (3) non-tenured faculty member during the term of appointment.

This policy does not cover a nonrenewal at the end of the faculty member's appointment. Rule 31008, Section 7, applies when an institution decides not to renew or reappoint a non-tenured or term-tenured faculty member at the end of their appointment pursuant to Regents' Rule 31007, Section 5, or Regents' Rule 31002, Sections 1 and 2.

The procedures in Rule 31003 apply when a faculty member's employment is terminated due to an institutional financial exigency or due to an institution's decision to eliminate occupied academic positions or abandon academic programs.

Sec. 3 Good Cause

"Good cause" for termination may be found when the faculty member has engaged in one of the following forms of conduct and the faculty conduct is sufficiently serious in nature such that the president determines it is in the best interest of the institution to separate the implicated faculty:

- (a) professional incompetence;
- (b) continually or repeatedly failing to perform duties or meet professional responsibilities of the faculty member's position;
- (c) failure to successfully complete a required professional development program;
- (d) conduct involving moral turpitude that adversely affects the institution or the faculty member's performance of duties or meeting of responsibilities;
- (e) violation of laws or System or institution policies substantially related to the performance of the faculty member's duties;
- (f) conviction of a crime affecting the fitness of the faculty member to engage in teaching, research, service, outreach, or administration;

**The University of Texas System
Systemwide or System Administration Internal Policy**

UTS 198

- (g) unprofessional conduct that adversely affects the institution or the faculty member's performance of duties or meeting of responsibilities;
- (h) falsification or misrepresentation of the faculty member's academic credentials, scholarly work, or research data, or other research or academic fraud or misconduct, including but not limited to fabrication, falsification, plagiarism or misrepresenting publications;
- (i) failure to maintain credentials or licenses required to perform job duties; or
- (j) sexual misconduct.

Sec. 4 Grounds for Summary Dismissal

Summary Dismissal procedures may be initiated, in accordance with applicable procedures, when the allegations made against the faculty member are sufficiently serious in nature such that the president determines it is in the best interest of the institution to have the faculty member immediately removed from their position because the alleged conduct (1) creates a serious safety threat to students, faculty, staff, or members of the public; (2) creates a significant threat to national security; or (3) creates a significant adverse impact on the operation of the institution.

Sec. 5 Institution Policies and Procedures

Each institution shall adopt policies and procedures regarding faculty termination that comply with federal and state laws and Regents' Rule 31008 and are substantively consistent with a model policy promulgated by U. T. System Administration. Institutional policies and procedures must be approved by the Chancellor, Executive Vice Chancellor for Academic Affairs or Health Affairs, and the Vice Chancellor and General Counsel. (Regents' Rule 31008, Sec. 4)

6. U. T. System Board of Regents: Discussion and possible action concerning supplemental distribution from the Permanent University Fund into the Available University Fund for Fiscal Year 2024

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Business Affairs that the U. T. System Board of Regents approve a special one-time supplemental distribution of \$462,680,000 from the Permanent University Fund (PUF) into the Available University Fund (AUF) for Fiscal Year 2024.

BACKGROUND INFORMATION

Article VII, Section 18 of the Texas Constitution requires that the amount of distributions to the AUF be determined by the Board of Regents of The University Texas System. On August 24, 2023, the Board of Regents approved a PUF distribution for FY 2024 of \$1,407,795,000, equal to 5.27% of the trailing 20-quarter average of the net asset value of the PUF. With the proposed supplemental one-time distribution of \$462,680,000, the aggregate proposed PUF distribution for FY 2024 is \$1,870,475,000.

Article VII, Section 18 of the Texas Constitution requires that the annual distribution from the PUF to the AUF during any fiscal year made by the Board of Regents may not exceed an amount equal to 7% of the average net fair market value of PUF investment assets as determined by the Board of Regents (except as necessary to pay PUF bond debt service). The annual distribution rate calculated using the trailing 20-quarter average value of the PUF is within the 7% maximum allowable distribution rate.

Value of PUF Investments (1)	Proposed Aggregate Distribution	Proposed Distribution as a % of Value of PUF Investments	Maximum Allowed Rate
\$26,721,088,387	\$ 1,870,475,000	7.00%	7.00%

(1) Source: UTIMCO

7. **U. T. System Board of Regents: Recognition of service of Francie A. Frederick, J.D. as General Counsel to the U. T. System Board of Regents**