



**AGENDA  
FOR MEETING OF  
THE UNIVERSITY OF TEXAS SYSTEM  
BOARD OF REGENTS  
February 10-11, 2016  
Galveston, Texas**

	<b>Board Meeting</b>	<b>Page</b>
 <b><u>Wednesday, February 10, 2016</u></b>		
COMMITTEE MEETINGS	<i>9:30 a.m.-11:45 a.m.</i>	
CONVENE THE BOARD IN OPEN SESSION TO RECESS TO EXECUTIVE SESSION PURSUANT TO <i>TEXAS GOVERNMENT CODE</i> , CHAPTER 551 (working lunch)	<i>11:45 a.m. approximately</i>	
1. Deliberations Regarding the Purchase, Exchange, Lease, Sale, or Value of Real Property – Section 551.072		
<b>U. T. Health Science Center - Houston: Discussion and appropriate action regarding a) purchase of approximately 3.423 acres of land and improvements located at 1133 John Freeman Boulevard, Houston, Harris County, Texas, from the Houston Academy of Medicine, a Texas nonprofit corporation for immediate office use and future development and campus expansion; b) lease of space in buildings located at 1133 John Freeman Boulevard and 1851 Crosspoint Avenue to the Houston Academy of Medicine dba The Texas Medical Center Library; and c) finding of public purpose</b>		
 <b><u>Additional Item</u></b>		
Consultation with Attorney Regarding Legal Matters or Pending and/or Contemplated Litigation or Settlement Offers – Section 551.071		
<b>U. T. System: Discussion and appropriate action related to legal issues associated with institutional sexual assault, harassment, and misconduct policies proposed for approval by the Board of Regents</b>		
RECONVENE IN OPEN SESSION TO CONSIDER ACTION, IF ANY, ON EXECUTIVE SESSION ITEMS	<i>12:25 p.m.</i>	
COMMITTEE MEETINGS	<i>12:30 p.m. - 5:30 p.m.</i>	
 <b><u>Thursday, February 11, 2016</u></b>		
CONVENE THE BOARD IN OPEN SESSION TO CONSIDER AGENDA ITEMS	<i>8:30 a.m.</i>	
1. <b>U. T. Medical Branch - Galveston: Overview of the institution</b>	<i>8:35 a.m.</i>	
	<b>Report</b> <i>President Callender</i>	<b>7</b>

	<b>Board Meeting</b>	<b>Page</b>
2. <b>U. T. System Board of Regents: Approval of Consent Agenda items and consideration of any items referred to the full Board</b>	<i>8:50 a.m.</i> <b>Action</b>	<b>18</b>
3. <b>U. T. System Board of Regents: Discussion and appropriate action regarding amendments to Regents' <i>Rules and Regulations</i>, Rule 20101, Chancellor, and Rule 20201, Presidents, to promote diverse candidate pools</b>	<i>8:55 a.m.</i> <b>Action</b>	<b>19</b>
4. <b>U. T. System Board of Regents: Discussion and appropriate action regarding proposed amendments to Regents' <i>Rules and Regulations</i>, Rule 30104, Conflict of Interest, Conflict of Commitment, and Outside Activities, to clarify Section 9, allowing authorized opinions for advertising purposes</b>	<i>9:00 a.m.</i> <b>Action</b>	<b>20</b>
5. <b>U. T. System Board of Regents: Discussion and appropriate action regarding amendment of Regents' <i>Rules and Regulations</i>, Rule 31001, Faculty Appointments and Titles, Section 2 and Rule 31007, Tenure, Section 7 to remove obsolete faculty titles and to allow faculty to hold tenure appointments at more than one institution if approved by the appropriate Executive Vice Chancellor</b>	<i>9:05 a.m.</i> <b>Action</b>	<b>21</b>
6. <b>U. T. System Board of Regents: Discussion and appropriate action regarding amendment of Regents' <i>Rules and Regulations</i>, Rule 40601, Institutions Comprising The University of Texas System, to delegate certain approval authority</b>	<i>9:10 a.m.</i> <b>Action</b>	<b>24</b>
7. <b>U. T. System Board of Regents: Discussion and appropriate action regarding amendment of Regents' <i>Rules and Regulations</i>, Rule 50501, Liability Insurance for Students, concerning medical students enrolled in academic institutions</b>	<i>9:15 a.m.</i> <b>Action</b>	<b>35</b>
8. <b>U. T. System Board of Regents: Discussion and appropriate action regarding amendment of Regents' <i>Rules and Regulations</i>, Rule 80307, Naming Policy, concerning process of addressing requests from institutions for both prominent and less prominent namings</b>	<i>9:20 a.m.</i> <b>Action</b> <i>Dr. Safady</i>	<b>37</b>
9. <b>U. T. System: Report on strategic Quantum Leaps initiatives</b>	<i>9:25 a.m.</i> <b>Report</b> <i>Chancellor McRaven</i>	<b>45</b>
10. <b>U. T. System: Approval of allocation of \$30 million of Permanent University Fund Bond Proceeds for the enhancement of the Science and Technology Acquisition and Retention (STARs) Program to include an allocation of \$20 million for expansion of the Rising STARs program</b>	<i>9:45 a.m.</i> <b>Action</b> <i>Chancellor McRaven</i>	<b>46</b>
11. <b>U. T. System: Approval of \$5 million in additional Permanent University Fund Bond Proceeds for continued funding of the U. T. System Research Incentive Program</b>	<i>9:50 a.m.</i> <b>Action</b>	<b>48</b>
12. <b>U. T. System: Report on development performance for the U. T. System institutions</b>	<i>9:55 a.m.</i> <b>Report</b> <i>Dr. Safady</i>	<b>50</b>
STANDING COMMITTEE RECOMMENDATIONS AND REPORTS TO THE BOARD	<i>10:10 a.m.</i> <i>approximately</i>	

RECESS TO EXECUTIVE SESSION PURSUANT TO TEXAS  
GOVERNMENT CODE, CHAPTER 551 (working lunch at noon)

10:25 a.m.  
approximately

2. Negotiated Contracts for Prospective Gifts or Donations –  
Section 551.073
  - a. **U. T. Austin: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features**
  - b. **U. T. System/U. T. Austin: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features**
  - c. **U. T. Dallas: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features**
  - d. **U. T. Rio Grande Valley: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features**
  - e. **U. T. San Antonio: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features**
  - f. **U. T. Tyler: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features**
  - g. **U. T. Health Science Center - Houston: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features**
  - h. **U. T. M. D. Anderson Cancer Center: Discussion and appropriate action regarding proposed negotiated gifts with 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 related to legal issues concerning settlement with Bevilacqua Helfant Ventures, LLC (BHV) regarding consulting services**
  - c. **U. T. System: Discussion and appropriate action regarding legal issues related to incentivizing collaboration among U. T. System institutions**
  - d. **U. T. System Board of Regents: Discussion and appropriate action regarding legal issues concerning pending legal claims by and against U. T. System**

4. Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of 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 U. T. System and institutional employees including employees covered by Regents' *Rules and Regulations*, Rule 20204, regarding compensation for highly compensated employees, and Rule 20203, regarding compensation for key executives**
  - 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**
  - c. **U. T. System: Discussion and appropriate action regarding individual personnel matters relating to compensation including achievement of goals for quantitative performance incentive compensation for Presidents and U. T. System Executive Officers**
  - d. **U. T. System: Discussion and appropriate action regarding proposed changes in compensation for Executive Vice Chancellor for Health Affairs Raymond Greenberg and for Vice Chancellor for Strategic Initiatives Stephanie Bond Huie**
  - e. **U. T. Southwestern Medical Center: Discussion and appropriate action regarding proposed increase in compensation for Jeffrey Kenkel, M.D., Chair and Professor, Department of Plastic Surgery (Regents' *Rules and Regulations*, Rule 20204, regarding compensation for highly compensated employees)**
5. Deliberation Regarding Security Devices or Security Audits – Section 551.076

**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 IN OPEN SESSION TO CONSIDER ACTION, IF ANY, ON EXECUTIVE SESSION ITEMS AND TO CONSIDER AGENDA ITEM

2:00 p.m.  
approximately

13. **U. T. Austin: Discussion and appropriate action regarding proposed reallocation of a portion of the Available University Fund (AUF) allocated to U. T. Austin, from use to support online and on-campus enrollment growth to use for other strategic purposes to benefit U. T. Austin**

Action

79

ADJOURN

2:15 p.m.  
approximately

1. **U. T. Medical Branch - Galveston: Overview of the institution**

REPORT

President Callender will provide an overview of U. T. Medical Branch - Galveston, including the institution's 125 years of service to Texas, using the presentation on the following pages.

U. T. System Board of Regents' Meeting  
Meeting of the Board  
February 2016

---

# U. T. Medical Branch – Galveston: 125 Years of Service

**David L. Callender, M.D., MBA, FACS**  
President  
U. T. Medical Branch – Galveston



# Galveston near the turn of the century

- An international city with trade from around the U.S. and the world
- From 1844 to 1924, more than 200,000 immigrants came to the U.S. via the Port of Galveston
- One of the nation's busiest ports, leading in cotton exports and third in wheat exports
- Population in 1900: 42,210



# Texans choose Galveston for the location of the first medical school

- In 1881, 70 percent of Texas voters chose Galveston as location of state's first medical school
- Original John Sealy Hospital and its Training School for Nurses opened in 1890, with pivotal funding from the Sealy Family





# A 125-year legacy of service begins

- October 1891: First medical school class is held in the Ashbel Smith Building, named for renowned physician and first Chairman of the Board of Regents
- 23 medical students taught by 13 faculty
- Old Red still stands today



Ashbel Smith Building  
("Old Red") before  
The 1900 Storm

# The 1900 Storm: Resilience in the face of great challenge

- Galveston's prominence as a city and port was forever altered by The 1900 Storm
- The University of Texas System never wavered in its commitment to UTMB

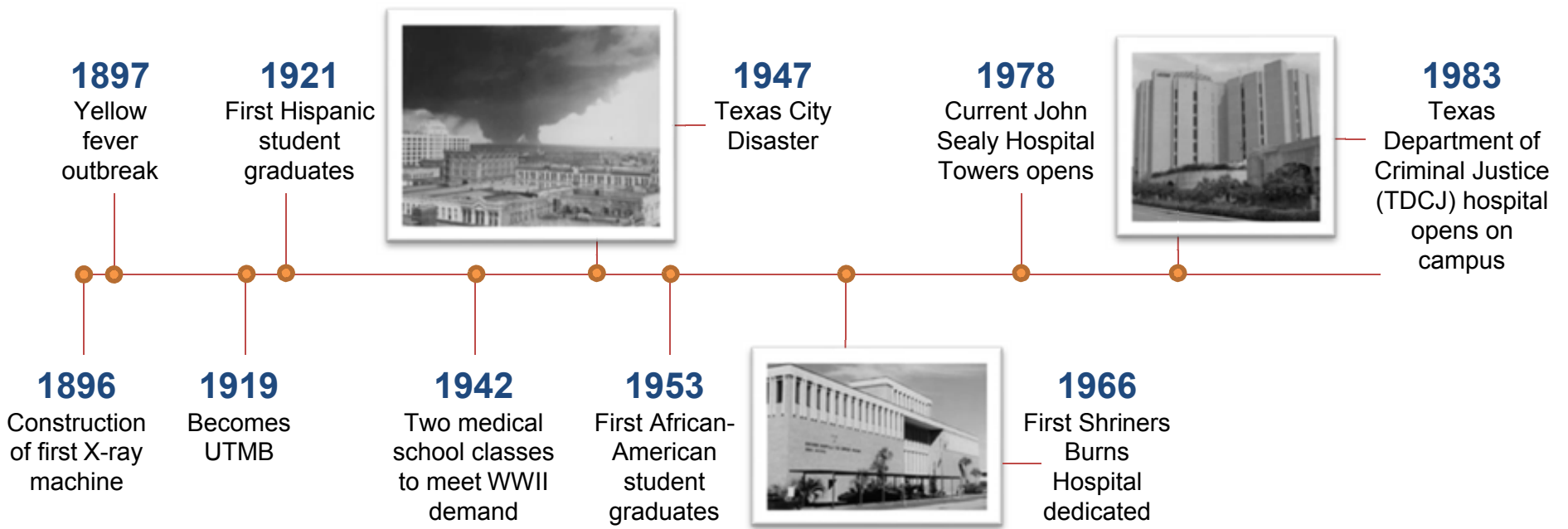


Damage to John Sealy Hospital in The 1900 Storm

Telegram from U. T. President William Lambdin Prather after The 1900 Storm



# Historic contributions to health care



# Defining the future of health care

- **1994:** UTMB pioneers telehealth technology as part of new Correctional Managed Care contract
- **2003:** John Sealy Pavilion for Infectious Diseases Research opens
- **2008:** Galveston National Laboratory opens as one of two National Biocontainment Laboratories established by the National Institutes of Health



Galveston National Laboratory

# Defining the future of health care

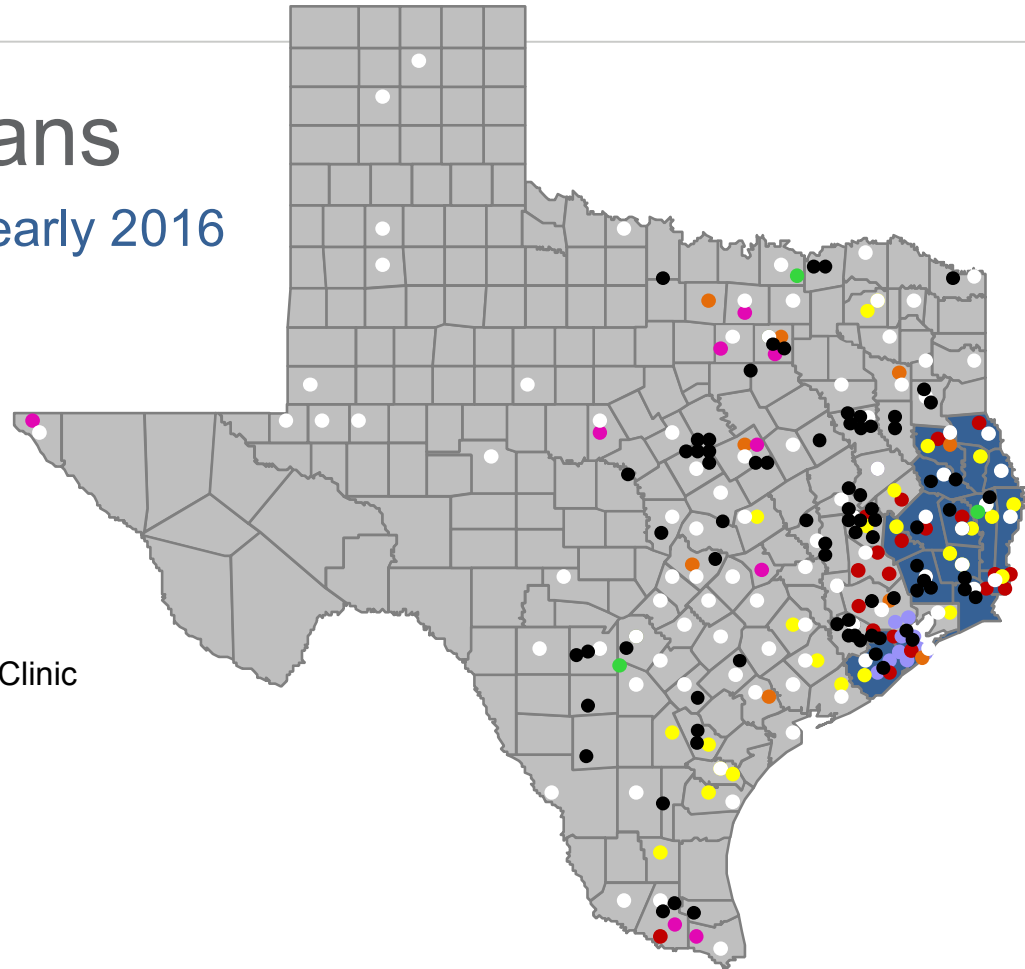
- **2008:** Hurricane Ike hits Galveston; one week after storm, UTMB opens four mainland clinics
- **2012:** Dedication of expanded and renovated Blocker Burn Unit
- **2014:** UTMB is an international leader in addressing Ebola crisis
- **2016:** Jennie Sealy Hospital to open; League City Hospital to open



# Taking care of Texans

## UTMB's extensive reach as of early 2016

- Community Clinic
- Regional Maternal and Child Health Clinic
- Telemedicine Clinic
- Educational Affiliation
- East Texas Area Health Education Center
- Contracted County for Indigent Care
- TDCJ Prison Clinic
- Texas Juvenile Justice Department Facility Clinic
- Region 2, 1115 Waiver



# Staying true to our mission – for 125 years!

- Educating the next generation of health care professionals
- Changing lives through groundbreaking research
- Caring for our patients, supported by advanced facilities and technology, and outstanding clinical expertise



2. **U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration**

RECOMMENDATION

No Consent Agenda items are assigned for review by this Committee. The Consent Agenda begins on [Page 426](#).



3. **U. T. System Board of Regents: Discussion and appropriate action regarding amendments to Regents' Rules and Regulations, Rule 20101, Chancellor, and Rule 20201, Presidents, to promote diverse candidate pools**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Deputy Chancellor, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, and the Vice Chancellor and General Counsel that Regents' *Rules and Regulations*, Rule 20101, Chancellor, and Rule 20201, Presidents, be amended as set forth below in congressional style:

a. Rule 20101, Chancellor

Sec. 3 The search process shall be conducted in a manner best determined to identify candidates with diverse professional backgrounds and experiences.

b. Rule 20201, Presidents

Sec. 1 President Selection

...

- 1.7 Recommendation. The Advisory Committee shall submit to the Board, through its Chairman, a list of no more than 10 recommended candidates with no preference indicated. Candidates recommended shall have received a majority vote of the Committee.

The Committee shall strive to include candidates with diverse professional backgrounds and experiences. In making its recommendation, the Committee shall follow the U. T. Systemwide Policy UTS187, *Interviews of Executive Administrators and Other Senior Administrators*, to provide the Board with a diverse candidate pool. If it is not possible or practical to provide such a pool, the search committee chair shall identify for the Board efforts made to achieve a diverse candidate pool.

.....

BACKGROUND INFORMATION

The proposed changes to Regents' Rule 20101, Chancellor, and Rule 20201, Presidents, are consistent with the U. T. System's commitment to the promotion of diversity at U. T. System Administration and at all U. T. System institutions.

The proposed Rule changes are aligned with Chancellor McRaven's Quantum Leaps, specifically the commitment to enhance the hiring and promotion process. Chancellor McRaven recently implemented U. T. Systemwide Policy UTS187, *Interviews of Executive Administrators and Other Senior Administrators*, with the intent to diversify the leadership of U. T. System Administration and the U. T. System institutions. The proposed Rules changes encourage the identification and interview of candidates with diverse backgrounds and professional experience.

4. **U. T. System Board of Regents: Discussion and appropriate action regarding proposed amendments to Regents' *Rules and Regulations*, Rule 30104, Conflict of Interest, Conflict of Commitment, and Outside Activities, to clarify Section 9, allowing authorized opinions for advertising purposes**

**RECOMMENDATION**

The Chancellor concurs in the recommendation of the Deputy Chancellor, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, and the Vice Chancellor and General Counsel that Section 9 of the Regents' *Rules and Regulations*, Rule 30104, regarding Conflict of Interest, Conflict of Commitment, and Outside Activities, be amended as set forth in congressional style below. The proposed amendment will allow opinions for advertising purposes where authorized pursuant to U. T. Systemwide policy.

Sec. 9 Opinions for Advertising Purposes. Every employee must protect the U. T. System and U. T. System institutions against the unauthorized use of opinions for advertising purposes.

**BACKGROUND INFORMATION**

The proposed amendment to Regents' Rule 30104, regarding Conflict of Interest, Conflict of Commitment, and Outside Activities, is designed to better reflect the intent of the provision. The Rule is not intended to prohibit employees from engaging in certain forms of speech in their personal capacities, or to constrain employees from certain forms of speech in their official capacities, when such speech furthers the interests of the U. T. System and is authorized. U. T. System will create a Systemwide policy to assist U. T. System Administration and U. T. System institutions regarding the use of employee opinions for advertising purposes.

Upon approval of this item, this language will be moved to Regents' Rule 30103, regarding Standards of Conduct.

5. **U. T. System Board of Regents: Discussion and appropriate action regarding amendment of Regents' Rules and Regulations, Rule 31001, Faculty Appointments and Titles, Section 2 and Rule 31007, Tenure, Section 7 to remove obsolete faculty titles and to allow faculty to hold tenure appointments at more than one institution if approved by the appropriate Executive Vice Chancellor**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Deputy Chancellor, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, and the Vice Chancellor and General Counsel that Regents' *Rules and Regulations*, Rule 31001 (Faculty Appointments and Titles), Section 2 and Rule 31007 (Tenure), Section 7, be amended as set forth in congressional style below to remove obsolete faculty titles that were used exclusively by U. T. Brownsville and to allow faculty to hold tenure appointments at more than one institution only if authorized by the appropriate Executive Vice Chancellor.

a. Rule 31001

Sec. 2 Academic Titles. To achieve consistency in the use of academic titles among the institutions of the System, the following subsections describe the use of titles to apply in all institutions.

2.1 Tenure Titles. Except for the titles Regental Professor and Regents' Research Scholar, ~~and for individuals who received tenure on or before September 1, 2010, with the technical titles of Master Technical Instructor, Associate Master Technical Instructor, or Assistant Master Technical Instructor as authorized in the U. T. Brownsville Handbook of Operating Procedures,~~ the only titles to be used ~~henceforth~~ in which faculty members may hold tenure or be on the tenure track are as follows:

(a) Professor

(b) Associate Professor

(c) Assistant Professor ~~(Tenure-Track)~~

2.2 Other Titles. The following academic titles may also be used by the institutions of the U. T. System. Tenure may not be awarded to a person appointed to these titles. With the exception of the title of Instructor, academic service with these titles may not be counted toward the satisfaction of any maximum probationary period. Appointments to these titles shall be for a period of time not to exceed one academic year except in the case of Lecturer, Senior Lecturer, or a clinical or research position with a title authorized by Section 2.2(h) below when an appointment may be for periods of time not to exceed three academic years. With the exception of the title of Instructor, such appointments shall terminate at the expiration of the stated period of appointment without notification of

nonrenewal. If an institution determines that it is to the benefit of the institution, it may offer reappointments to these titles in accordance with *Texas Education Code* Section 51.943.

(a) Instructor. This title denotes a probationary appointment.

~~(b) Technical Titles. Master Technical Instructor, Associate Master Technical Instructor, Assistant Master Technical Instructor, and Technical Instructor, as authorized in the U. T. Brownsville Handbook of Operating Procedures. These titles are only used at U. T. Brownsville.~~

(eb) Lecturer. This title may be used for individuals who will serve as Teachers and whose teaching experience and qualifications are comparable to those of faculty members in untenured, tenure-track positions. Upon approval by the president, an institution may identify up to three divisions within this rank to be designated Lecturer I, Lecturer II, and Lecturer III.

....

b. Rule 31007

Sec. 7 Prohibition. A person appointed to a tenured faculty position ~~with the title of Instructor, Assistant Professor, Associate Professor, or Professor or with the title of Technical Instructor, Assistant Master Technical Instructor, Associate Master Technical Instructor, or Master Technical Instructor~~ at an institution of the U. T. System may not, during the term of such appointment, hold a tenured position on the faculty of another educational institution ~~outside the U. T. System or any of the institutions unless without the express written permission of the appropriate Executive Vice Chancellor the institutional Handbook of Operating Procedures specifically authorizes the holding of such position as a part of the initial appointment.~~

7.1 Resignation of Outside Tenure. Unless an exception is approved as authorized above, tenured faculty appointments within the U. T. System ~~to the above-specified titles~~ shall be conditioned upon the appointee having resigned any tenured position ~~that the appointee may then hold on the faculty of an-at any other~~ educational institution ~~outside the U. T. System or any of the institutions~~. Such resignation must be completed and effective prior to the effective date of the appointment at the U. T. System institution; otherwise, such appointment shall be void and of no effect.

7.2 Acceptance Considered Resignation. After a person holds a tenure faculty appointment at a U. T. System institution, ~~the~~ acceptance of an tenured faculty appointment ~~to a tenured position on the faculty of an-at any other~~ educational institution ~~outside the U. T. System or any of the institutions~~ shall be considered ~~as a~~

resignation of ~~any the U. T. System~~ faculty appointment unless the appropriate Executive Vice Chancellor has granted express written permission for the holding of such a dual appointment position with the title of Instructor, Assistant Professor, Associate Professor, Professor, Technical Instructor, Assistant Master Technical Instructor, Associate Master Technical Instructor, or Master Technical Instructor that such appointee may hold at a System institution.

#### BACKGROUND INFORMATION

The proposed amendments to Rule 31007 change provisions regarding holding a tenured faculty position at more than one institution to allow such appointments only if approved by the Executive Vice Chancellor for Academic Affairs or the Executive Vice Chancellor for Health Affairs. The proposed amendments to Rules 31001 and 31007 also delete faculty titles used exclusively at U. T. Brownsville from the Rules.

6. **U. T. System Board of Regents: Discussion and appropriate action regarding amendment of Regents' *Rules and Regulations*, Rule 40601, Institutions Comprising The University of Texas System, to delegate certain approval authority**

**RECOMMENDATION**

The Chancellor concurs in the recommendation of the Deputy Chancellor, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, the Vice Chancellor for External Relations, and the Vice Chancellor and General Counsel that Regents' *Rules and Regulations*, Rule 40601, regarding Institutions Comprising The University of Texas System, be amended as set forth in congressional style on the following pages to remove the need for Board of Regents' approval when making certain name changes and additions.

**BACKGROUND INFORMATION**

The proposed amendments to Rule 40601 would streamline the process for approval of name changes to existing colleges and schools. The proposed change would delegate approval authority for such changes to the appropriate Executive Vice Chancellor. The changes would also codify the practice of Executive Vice Chancellor approval for units below the level of a college, such as a department.

The Office of the Board of Regents will maintain the list of colleges and schools at each institution as those require Board approval. The Offices of Academic Affairs and Health Affairs will maintain the list of departments at the U. T. System institutions.

**The University of Texas System  
Rules and Regulations of the Board of Regents**

**Rule: 40601**

**1. Title**

Institutions Comprising The University of Texas System

**2. Rule and Regulation**

Sec. 1 Official Titles of Institutions. The U. T. System is composed of the institutions ~~and entities~~ set forth below. To ensure uniformity and consistency of usage throughout the U. T. System, the institutions ~~and their respective entities~~ shall be listed in the following order and the following titles (short form of title follows) shall be used:

1.1 The University of Texas System Board of Regents (U. T. System Board of Regents)

1.2 The University of Texas System Administration (U. T. System Administration)

~~(a) The University of Texas System Bauer House (U. T. Bauer House)~~

1.3 Academic Institutions of the U. T. System are:

(a) The University of Texas at Arlington (U. T. Arlington)

~~The University of Texas at Arlington College of Architecture, Planning and Public Affairs~~

~~(b) The University of Texas at Arlington College of Business~~

~~(c) The University of Texas at Arlington College of Education~~

~~(d) The University of Texas at Arlington College of Engineering~~

~~(e) The University of Texas at Arlington Graduate School~~

~~(f) The University of Texas at Arlington Honors College~~

~~(g) The University of Texas at Arlington College of Liberal Arts~~

**The University of Texas System  
Rules and Regulations of the Board of Regents**

**Rule: 40601**

- ~~(h) The University of Texas at Arlington College of Nursing and Health Innovation~~
- ~~(i) The University of Texas at Arlington College of Science~~
- ~~(j) The University of Texas at Arlington School of Social Work~~
- ~~(k) The University of Texas at Arlington University College~~
- 4.4 (b) The University of Texas at Austin (U. T. Austin)
  - ~~(a) The University of Texas at Austin School of Architecture~~
  - ~~(b) The University of Texas at Austin McCombs School of Business~~
  - ~~(c) The University of Texas at Austin College of Communication~~
  - ~~(d) The University of Texas at Austin Division of Continuing and Extended Education~~
  - ~~(e) The University of Texas at Austin College of Education~~
  - ~~(f) The University of Texas at Austin Cockrell School of Engineering~~
  - ~~(g) The University of Texas at Austin College of Fine Arts~~
  - ~~(h) The University of Texas at Austin John A. and Katherine G. Jackson School of Geosciences~~
  - ~~(i) The University of Texas at Austin Graduate School~~
  - ~~(j) The University of Texas at Austin School of Information~~
  - ~~(k) The University of Texas at Austin School of Law~~



**The University of Texas System  
Rules and Regulations of the Board of Regents**

**Rule: 40601**

- ~~(l) The University of Texas at Austin LBJ School of Public Affairs~~
- ~~(m) The University of Texas at Austin College of Liberal Arts~~
- ~~(n) The University of Texas at Austin McDonald Observatory at Mount Locke (U. T. Austin McDonald Observatory)~~
- ~~(o) The University of Texas at Austin Dell Medical School~~
- ~~(p) The University of Texas at Austin College of Natural Sciences~~
- ~~(q) The University of Texas at Austin School of Nursing~~
- ~~(r) The University of Texas at Austin College of Pharmacy~~
- ~~(s) The University of Texas at Austin School of Social Work~~
- ~~(t) The University of Texas at Austin School of Undergraduate Studies~~
- 4.5 (c) The University of Texas at Brownsville (U. T. Brownsville)
- 4.6 (d) The University of Texas at Dallas (U. T. Dallas)
  - ~~(a) The University of Texas at Dallas School of Arts and Humanities~~
  - ~~(b) The University of Texas at Dallas School of Arts, Technology, and Emerging Communication~~
  - ~~(c) The University of Texas at Dallas School of Behavioral and Brain Sciences~~
  - ~~(d) The University of Texas at Dallas Callier Center for Communication Disorders~~
  - ~~(e) The University of Texas at Dallas School of Economic, Political and Policy Sciences~~

**The University of Texas System  
Rules and Regulations of the Board of Regents**

**Rule: 40601**

~~(f) The University of Texas at Dallas Erik Jonsson  
School of Engineering and Computer Science~~

~~(g) The University of Texas at Dallas Honors College~~

~~(h) The University of Texas at Dallas School of  
Interdisciplinary Studies~~

~~(i) The University of Texas at Dallas Naveen Jindal  
School of Management~~

~~(j) The University of Texas at Dallas School of Natural  
Sciences and Mathematics~~

**4.7 (e) The University of Texas at El Paso (U. T. El Paso)**

~~(a) The University of Texas at El Paso College of  
Business Administration~~

~~(b) The University of Texas at El Paso College of  
Education~~

~~(c) The University of Texas at El Paso College of  
Engineering~~

~~(d) The University of Texas at El Paso Graduate School~~

~~(e) The University of Texas at El Paso College of Health  
Sciences~~

~~(f) The University of Texas at El Paso College of Liberal  
Arts~~

~~(g) The University of Texas at El Paso College of Natural  
Sciences~~

~~(h) The University of Texas at El Paso School of Nursing~~

~~(i) The University of Texas at El Paso School of  
Pharmacy~~

~~(j) The University of Texas at El Paso College of Science~~

~~(k) The University of Texas at El Paso University College~~

**The University of Texas System  
Rules and Regulations of the Board of Regents**

**Rule: 40601**

- 1.8 ~~(f)~~ The University of Texas of the Permian Basin (U. T. Permian Basin)
- ~~(a) The University of Texas of the Permian Basin College of Arts and Sciences~~
  - ~~(b) The University of Texas of the Permian Basin College of Business and Engineering~~
  - ~~(c) The University of Texas of the Permian Basin College of Education~~
- 4.9 ~~(g)~~ The University of Texas Rio Grande Valley (U. T. Rio Grande Valley)
- ~~(a) The University of Texas Rio Grande Valley College of Business and Entrepreneurship~~
  - ~~(b) The University of Texas Rio Grande Valley College of Education and P-16 Integration~~
  - ~~(c) The University of Texas Rio Grande Valley College of Engineering and Computer Science~~
  - ~~(d) The University of Texas Rio Grande Valley College of Fine Arts~~
  - ~~(e) The University of Texas Rio Grande Valley Graduate College~~
  - ~~(f) The University of Texas Rio Grande Valley College of Health Affairs~~
  - ~~(g) The University of Texas Rio Grande Valley Honors College~~
  - ~~(h) The University of Texas Rio Grande Valley College of Liberal Arts~~
  - ~~(i) The University of Texas Rio Grande Valley College of Medicine~~
  - ~~(j) The University of Texas Rio Grande Valley College of Sciences~~

**The University of Texas System  
Rules and Regulations of the Board of Regents**

**Rule: 40601**

~~(k) The University of Texas Rio Grande Valley University College~~

4.10 (h) The University of Texas at San Antonio (U. T. San Antonio)

~~(a) The University of Texas at San Antonio College of Architecture, Construction and Planning~~

~~(b) The University of Texas at San Antonio College of Business~~

~~(c) The University of Texas at San Antonio College of Education and Human Development~~

~~(d) The University of Texas at San Antonio College of Engineering~~

~~(e) The University of Texas at San Antonio Honors College~~

~~(f) The University of Texas at San Antonio College of Liberal and Fine Arts~~

~~(g) The University of Texas at San Antonio College of Public Policy~~

~~(h) The University of Texas at San Antonio College of Sciences~~

~~(i) The University of Texas Institute of Texan Cultures at San Antonio (U. T. Institute of Texan Cultures—San Antonio)~~

~~(j) The University of Texas at San Antonio Downtown Campus (U. T. San Antonio Downtown Campus)~~

4.11 (i) The University of Texas at Tyler (U. T. Tyler)

~~(a) The University of Texas at Tyler College of Arts and Sciences~~

~~(b) The University of Texas at Tyler College of Business and Technology~~

**The University of Texas System  
Rules and Regulations of the Board of Regents**

**Rule: 40601**

~~(c) The University of Texas at Tyler College of Education and Psychology~~

~~(d) The University of Texas at Tyler College of Engineering~~

~~(e) The University of Texas at Tyler College of Nursing and Health Sciences~~

~~(f) The University of Texas at Tyler Ben and Maytee Fisch College of Pharmacy~~

~~(g) The University of Texas at Tyler University College~~

1.121.4 Health Institutions of the U. T. System are:

(a) The University of Texas Southwestern Medical Center (U. T. Southwestern Medical Center)

~~(a) The University of Texas Southwestern Graduate School of Biomedical Sciences (U. T. Southwestern G.S.B.S.)~~

~~(b) The University of Texas Southwestern Medical School (U. T. Southwestern Medical School)~~

~~(c) The University of Texas Southwestern School of Health Professions (U. T. Southwestern -- School of Health Professions)~~

~~(d) The University of Texas Southwestern Medical Center University Hospitals and Clinics (U. T. Southwestern -- University Hospitals and Clinics)~~

1.13 (b) The University of Texas Medical Branch at Galveston (U. T. Medical Branch - Galveston)

~~(a) The University of Texas Graduate School of Biomedical Sciences at Galveston (U. T. G.S.B.S. -- Galveston)~~

~~(b) The University of Texas Hospitals at Galveston (U. T. Hospitals -- Galveston)~~

**The University of Texas System  
Rules and Regulations of the Board of Regents**

**Rule: 40601**

- ~~(c) The University of Texas School of Nursing at Galveston (U. T. Nursing School - Galveston)~~
- ~~(d) The University of Texas Medical Branch at Galveston School of Health Professions (U. T. School of Health Professions - Galveston)~~
- ~~(e) The University of Texas Medical School at Galveston (U. T. Medical School - Galveston)~~
- 1.14 (c) The University of Texas Health Science Center at Houston (U. T. Health Science Center - Houston)
  - ~~(a) The University of Texas School of Dentistry at Houston (U. T. School of Dentistry - Houston)~~
  - ~~(b) The University of Texas Graduate School of Biomedical Sciences at Houston (U. T. G.S.B.S. - Houston) [operated jointly with U. T. M. D. Anderson Cancer Center (1.17d)]~~
  - ~~(c) The University of Texas John P. and Kathrine G. McGovern Medical School at Houston (U. T. John P. and Kathrine G. McGovern Medical School - Houston)~~
  - ~~(d) The University of Texas School of Biomedical Informatics at Houston (U. T. Biomedical Informatics - Houston)~~
  - ~~(e) The University of Texas School of Nursing at Houston (U. T. Nursing School - Houston)~~
  - ~~(f) The University of Texas School of Public Health at Houston (U. T. Public Health School - Houston)~~
- 1.15 (d) The University of Texas Health Science Center at San Antonio (U. T. Health Science Center - San Antonio)
  - ~~(a) The University of Texas Health Science Center at San Antonio School of Dentistry (U. T. School of Dentistry - San Antonio)~~
  - ~~(b) The University of Texas Health Science Center at San Antonio Graduate School of Biomedical Sciences (U. T. G.S.B.S. - San Antonio)~~

**The University of Texas System  
Rules and Regulations of the Board of Regents**

**Rule: 40601**

- ~~(c) The University of Texas Health Science Center at San Antonio School of Health Professions (U. T. School of Health Professions – San Antonio)~~
- ~~(d) The University of Texas Health Science Center at San Antonio School of Medicine (U. T. School of Medicine – San Antonio)~~
- ~~(e) The University of Texas Health Science Center at San Antonio School of Nursing (U. T. School of Nursing – San Antonio)~~
- 1.16 (e) The University of Texas M. D. Anderson Cancer Center (U. T. M. D. Anderson Cancer Center)
  - ~~(a) The University of Texas M. D. Anderson Hospital (U. T. M. D. Anderson Hospital)~~
  - ~~(b) The University of Texas M. D. Anderson Science Park (U. T. M. D. Anderson Science Park)~~
  - ~~(c) The University of Texas M. D. Anderson Cancer Center School of Health Professions (U. T. M. D. Anderson School of Health Professions)~~
  - ~~(d) The University of Texas Graduate School of Biomedical Sciences at Houston (U. T. G.S.B.S. – Houston) [operated jointly with U. T. Health Science Center – Houston (1.15b)]~~
- 1.17 (f) The University of Texas Health Science Center at Tyler (U. T. Health Science Center - Tyler)
  - ~~(a) The University of Texas Health Science Center at Tyler School of Medical Biological Sciences (U. T. Health Science Center – Tyler School of Medical Biological Sciences)~~
  - ~~(b) The University of Texas Health Science Center at Tyler Hospital (U. T. Health Northeast)~~

**The University of Texas System  
Rules and Regulations of the Board of Regents**

**Rule: 40601**

Sec. 2 Other Entities Within an Institution

Sec. 2.1 The establishment of a college or school requires approval by the Board of Regents, upon recommendation of the president, the appropriate Executive Vice Chancellor, the Deputy Chancellor, and the Chancellor.

Sec. 2.2 The establishment of a department or similar academic unit requires approval by the appropriate Executive Vice Chancellor, upon the recommendation of the president.

Sec. 2.3 Approval of the naming of a college, school, department, and other entity in honor of a donor or other individual shall be according to Regents' Rule 80307.

Sec. 2.4 A nonsubstantive change to the name of an established college, school, or department shall be approved by the appropriate Executive Vice Chancellor.



**7. U. T. System Board of Regents: Discussion and appropriate action regarding amendment of Regents' Rules and Regulations, Rule 50501, Liability Insurance for Students, concerning medical students enrolled in academic institutions**

RECOMMENDATION

With the concurrence of the Deputy Chancellor, 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, the Chancellor recommends that Regents' *Rules and Regulations*, Rule 50501, regarding Liability Insurance for Students, be amended as set forth below in congressional style, to ensure the same liability insurance requirements for students enrolled in a U. T. System health institution apply to students enrolled in medical schools at U. T. System academic institutions.

- Sec. 1 Students Enrolled in Health Institutions and Medical Schools at Academic Institutions. All students enrolled in a health institution or a medical school at an academic institution of the U. T. System in a program that involves direct patient care activities shall be required to purchase professional liability insurance as a prerequisite to enrollment. The appropriate level of coverage shall be determined by the U. T. System Office of Risk Management. The requirement shall be included in each institution's catalog.
- Sec. ~~24~~ Students in Field Experience Courses. The institutions of ~~the~~ University of Texas U. T. System may require students enrolled in field experience courses to show evidence of student liability insurance when enrolled in field experience courses, which utilize off-campus facilities, if such facilities require the insurance. The requirement shall be included in each institution's catalog.
- Sec. ~~32~~ Students in Allied Health and Nursing. Allied health and nursing students shall, prior to official registration provide evidence of professional liability (malpractice) insurance coverage in a minimum amount determined by the president of the institution. Nursing students receiving stipends may be reimbursed for this fee through that source. The requirement shall be included in each institution's catalog.
- Sec. ~~43~~ Students in Pharmacy. All pharmacy students enrolling in fifth-year clinical and/or pharmacy internship courses shall provide evidence of professional liability insurance coverage paid for the duration of the course or courses as a prerequisite to enrollment. The effective date of the policy shall be on or before the first regular class period of the clinical and/or pharmacy internship course for which the student is enrolling. The requirement shall be included in each institution's catalog.
- ~~Sec. 4 — Students Enrolled in Health Institutions. All students enrolled in a health institution of the U. T. System in a program that involves direct patient care activities shall be required to purchase professional liability insurance as a prerequisite to enrollment. Such coverage shall be for at least \$5,000 per incident/\$15,000 per year, however, the chief administrative officer of the institution may set higher minimum amounts for~~

~~specific programs that involve greater risk. This policy does not eliminate the requirement for nursing students enrolled in a general academic institution. The requirement shall be included in each institution's catalog.~~

### BACKGROUND INFORMATION

The proposed amendments to Regents' Rule 50501 clarify the language in the Rule to ensure the same liability insurance requirements apply to the students enrolled in the medical schools at the academic institutions. The proposed amendments also remove the professional liability thresholds and provide flexibility to the Office of Risk Management to establish the appropriate levels of coverage.

8. **U. T. System Board of Regents: Discussion and appropriate action regarding amendment of Regents' Rules and Regulations, Rule 80307, Naming Policy, concerning process of addressing requests from institutions for both prominent and less prominent namings**

**RECOMMENDATION**

The Chancellor, with the concurrence of the Deputy Chancellor, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, the Vice Chancellor and General Counsel, and the Vice Chancellor for External Relations, recommends that Regents' *Rules and Regulations*, Rule 80307, be amended as set forth in congressional style on the following pages.

**BACKGROUND INFORMATION**

Philanthropy continues to have an ever increasing impact on a university's sustainable funding stream. With significant efforts across U. T. System institutions to secure philanthropic gifts, the number of requests to negotiate naming opportunities has continued to increase. Therefore, it is important to amend current authorization processes to allow institutions to meet with benefactors and negotiate gifts with greater expediency.

The current Naming Policy was established in 2004, with modest, subsequent amendments over the years. The new proposed amendments will (1) allow U. T. System institutions to enter into conversations and preliminary negotiations with prospective donors in a more timely and efficient manner, and (2) delegate more responsibility from the Board to the U. T. System on naming requests, while still ensuring the highest degree of due diligence and scrutiny is practiced.

The Vice Chancellor for External Relations coordinates the due diligence review on behalf of the Board of Regents, the Chancellor, the Deputy Chancellor, and the Executive Vice Chancellor for Health or Academic Affairs. The review, at a minimum, involves the following offices and processes:

- The Board Office determines whether any member of the Board of Regents has a "substantial interest" in a business entity, as defined in Section 51.923 of the *Texas Education Code*.
- The Office of General Counsel reviews the gift negotiation proposal for any legal issues that might affect the propriety of the naming or for corporate namings, other issues that may reflect on the company or its directors.
- If the naming request is for a corporation, the Office of Finance reviews the proposal to confirm whether a facility was financed using tax-exempt debt.
- The Office of External Relations evaluates the gift history of the prospective donor and reviews the proposed gift amount to ensure that it meets naming level expectations. The Vice Chancellor for External Relations, in consultation with the appropriate Executive Vice Chancellor, determines whether the area or entity to be named is considered

prominent or less prominent, as defined in Rule 80307. Additionally, the Vice Chancellor for External Relations consults with the Chancellor and institution president to consider all circumstances surrounding the naming, including the overall benefit to the institution and whether displaying the name is and will continue to be a positive reflection on the institution. After completing all due diligence activities, the Vice Chancellor makes the recommendation for naming requests to the Chancellor.

The recommended changes are summarized as follows: **Section 1.2** is proposed to be amended to extend the time allowed to negotiate a gift agreement involving a naming. The amendment will extend the time period for the institution president and Vice Chancellor for External Relations to conclude negotiations and offer a naming (from 180 days to 365 days).

It is further recommended that **Section 2** be amended to create a new category (**Section 2.2**) called "Other" Prominent Facilities and Programs. Currently, many facilities and programs fall under one large category of Prominent Facilities and Programs, necessitating a high degree of requests to be submitted to the Board of Regents for approval that have already undergone significant review and due diligence by several U. T. System executive offices. This new proposal recommends that the Board continue to approve all requests to name buildings, athletics facilities, colleges, schools, academic departments and clinical divisions, with delegation of authority to the Chancellor to approve namings in a category called "Other" Prominent Facilities and Programs, including large components of major buildings and athletic facilities, large auditoria, concert halls, atria, prominent outdoor spaces, and clinics, and non-physical entities such as academic and health programs, centers and institutes.

Proposed amendments to **Section 5** offer clarification of authority to grant an honorific naming for an individual who has made exemplary or meritorious contributions to the U. T. System or to society. Under this amendment, the Board will continue to approve an honorific naming associated with Prominent Facilities and Programs and Other Prominent Facilities and Programs, while the institution president may approve an honorific naming associated with Less Prominent Facilities and Programs. On the rare occasion of a corporate honorific naming of Less Prominent Facilities and Programs, the approval of the Chancellor will be required.

Proposed amendments to **Section 7** outline the due diligence processes essential to ensure no impermissible conflicts or legal issues. Other clarification is offered regarding restrictions of any corporate naming for academic and health facilities, colleges, schools, and academic departments, and the consideration of a corporate naming for non-academic and non-health facilities, such as conference centers, and athletics, museum, or arts facilities, with preference given to term limits. Current language in Section 7 regarding development campaigns is being deleted as approval requirements related to the naming of prominent facilities are equally applicable regardless of whether an institution is involved in a campaign, and because such development campaigns are already covered in Regents' Rule 60301.

Changes to the Namings Approvals Chart in **Section 9** reflect the proposed amendments to Sections 2, 5, and 7, and to the Definitions, as explained above.

**The University of Texas System  
Rules and Regulations of the Board of Regents**

**Rule: 80307**

**1. Title**

Naming Policy

**2. Rules and Regulation**

Sec. 1 General. Before proceeding with any naming, institutions must carefully consider all circumstances surrounding the naming, including the overall benefit to the institution and whether displaying the name is and will continue to be a positive reflection on the institution.

1.1 Review. Any naming of Facilities and Programs must undergo a high level of consideration and due diligence to ensure that the name comports with the purpose and mission of the U. T. System and the U. T. System institutions. No naming shall be permitted for any corporation or individual whose public image, products, or services may conflict with such purpose and mission.

1.2 Time Limitation for Approval. Naming approvals granted under this Rule are valid for a period not to exceed ~~180~~ 365 days from the date of approval. After approval of a naming, the negotiated gift agreement must be executed within ~~180~~ 365 days of that approval. If that does not occur, the naming must be resubmitted for approval by the Board of Regents through ~~to~~ the Vice Chancellor for External Relations unless the Chancellor approves a one-time, 90-day extension of the naming approval, consistent with the requirements of Section 2 below.

Sec. 2 Naming of Prominent Facilities and Prominent Programs.

2.1 Each naming for a Prominent Facility or Prominent Program Naming must be approved by the Board of Regents via the agenda. Recommendations for namings of any Prominent Naming university building or athletic facility, college, school, and academic department or clinical division shall be forwarded to the Board of Regents with recommendations of the Chancellor, the Deputy Chancellor, the Executive Vice Chancellor for Academic or Health Affairs, the Vice Chancellor for External Relations, and the president of the institution, according to procedures established by the Office of External Relations.

**The University of Texas System  
Rules and Regulations of the Board of Regents**

**Rule: 80307**

2.2 Naming of Other Prominent Facilities and Programs. Each naming for Other Prominent Facilities and Other Prominent Programs may be approved by the Chancellor with recommendations of the Deputy Chancellor, the Executive Vice Chancellor for Academic or Health Affairs, the Vice Chancellor for External Relations, and the president of the institution, according to procedures established by the Office of External Relations. Other Prominent Facilities and Programs may include wings and other major components of academic, medical, athletics, and arts facilities, large auditoria, concert halls, atria, prominent outdoor spaces, and clinics and academic and health programs, centers, institutes, and organized research units. The Vice Chancellor for External Relations, in consultation with the appropriate Executive Vice Chancellor, will make final determinations concerning what types of Facilities and Programs will be considered Other Prominent.

- Sec. 3 Naming of Less Prominent Facilities and Less Prominent Programs. The Board of Regents has delegated naming authority for Less Prominent Facilities and Less Prominent Programs to each president based on a set of general guidelines that are reviewed and approved by the Chancellor, except that any Corporate Naming requires approval by the Chancellor and compliance with the procedures set forth below in Section 8, including the requirement for advance consultation. The Vice Chancellor for External Relations, through consultation with the appropriate Executive Vice Chancellor and the U. T. System institutions, will make final determinations concerning what types of Facilities and Programs may be considered Less Prominent.
- Sec. 4 Naming of Streets. The naming of all streets located on campus must be approved by the Board of Regents. Recommendations for any street names shall be forwarded to the Board of Regents with recommendations of the Chancellor, the Deputy Chancellor, the Executive Vice Chancellor for Academic or Health Affairs, the Vice Chancellor for External Relations, and the president of the institution.
- Sec. 5 Honoric Naming. Under appropriate circumstances, Less Prominent Facilities and Programs may be named for individuals who have made exemplary or meritorious contributions to the U. T. System or any of the institutions or

**The University of Texas System  
Rules and Regulations of the Board of Regents**

**Rule: 80307**

society. Those namings may be granted by the president of the institution. Any naming in honor of campus administrative officials, faculty, staff, or elected or appointed public officials shall normally occur only after the campus employment or public service has concluded. Honorific namings of Prominent Facilities and Programs or Other Prominent Facilities and Programs for individuals must be approved by the Board of Regents. Requests shall be forwarded to the Board of Regents with the recommendations of the Chancellor, the Deputy Chancellor, the Executive Vice Chancellor for Academic or Health Affairs, the Vice Chancellor for External Relations, and the president of the institution.

Sec. 6 Gift-Related Naming. Facilities and Programs may be named under the terms of a negotiated gift agreement to memorialize or otherwise recognize substantial gifts and significant donors or individuals designated by donors. Each institution shall develop guidelines for what constitutes substantial and significant donations to warrant a gift-related naming. Institutional donor guidelines must be approved by the Executive Vice Chancellor for Academic Affairs or Health Affairs, the Vice Chancellor for External Relations, and the Vice Chancellor and General Counsel for inclusion in the institutional *Handbook of Operating Procedures*.

~~Sec. 7 Naming Related to Development Campaign. When a Prominent Naming is contemplated as part of a development campaign, that campaign, the proposed naming, and the associated private fund contributions to be sought shall have prior approval of the institution's president, the Executive Vice Chancellor for Academic Affairs or Health Affairs, the Vice Chancellor for External Relations, the Deputy Chancellor, the Chancellor, and the Board of Regents as required in Rule 60301 of the Regents' Rules and Regulations concerning the development board of an institution.~~

Sec. ~~7~~<sup>8</sup> Corporate Naming. Each Corporate Naming for Prominent Facilities or Programs must be approved by the Board of Regents. Each Corporate Naming for Other Prominent Facilities and Programs or Less Prominent Facilities or Programs must be approved by the Chancellor.

~~7~~<sup>8</sup>.1 Special Considerations. The Office of External Relations must complete a detailed due diligence review, in accordance with policies and procedures established by that office, of the corporation prior to any Corporate

**The University of Texas System  
Rules and Regulations of the Board of Regents**

**Rule: 80307**

Naming. Each Corporate Naming must be analyzed by the Office of External Relations, the Office of the Board of Regents, the Office of General Counsel, and the Office of Business Affairs to ensure that there are no impermissible conflicts or legal issues of interest. Certain restrictions may also apply to any proposed naming of a Facility financed with the proceeds of tax-exempt bonds.

Corporate namings for academic and health buildings, colleges and schools, and academic departments shall not occur, with the exception of rare and special circumstances.

Corporate namings for athletics facilities, arts facilities, and museums, conference centers, and non-academic and non-health facilities may receive consideration with preference given to term limits for corporate namings.

~~78~~.2 Procedures for Corporate Naming. Before negotiating a possible Corporate Naming, the president shall send a written request, in compliance with procedures established by the Office of External Relations, to the Executive Vice Chancellor for Academic or Health Affairs. Except in the case of Less Prominent Facilities or Programs, the institution shall negotiate an agreement with the corporation, using the Standard Corporate Naming Gift/Licensing Agreement prepared by the Office of General Counsel. Any substantive variations to the standard agreement must be approved by the Office of General Counsel. The Executive Vice Chancellor for Academic or Health Affairs shall have authority to sign such agreements after appropriate review and approval.

Sec. ~~89~~ Changes to Approved or Existing Names of Prominent Facilities, Programs, and Streets and Nonhonorific Redesignation. Minor changes to approved or existing names of Prominent Facilities, Programs, and Streets as determined by the Vice Chancellor for External Relations and the General Counsel to the Board, may be approved by the Chancellor after review by the Deputy Chancellor, the Executive Vice Chancellor for Academic or Health Affairs, and the president of the institution. Nonhonorific renaming and redesignation of projects in the Capital Improvement Program (CIP) shall be reviewed and approved by the Associate Vice Chancellor for Facilities Planning and Construction. Such approved redesignations will be included in the amended CIP.



**The University of Texas System  
Rules and Regulations of the Board of Regents**

**Rule: 80307**

Sec. ~~940~~ Namings Approvals Chart

	Corporate*	Non-Corporate	<u>Honorific</u>
<u>Namings for Prominent Facilities and Programs**</u>	Board of Regents	Board of Regents	<u>Board of Regents</u>
<u>Namings for Other Prominent Facilities and Programs***</u>	<u>Chancellor</u>	<u>Chancellor</u>	<u>Board of Regents</u>
<u>Less Prominent Facilities and Programs****</u>	Chancellor	Institutional President	<u>Institutional President</u>

\* In addition to the approvals specified in this chart, all requests for Corporate Naming must be forwarded in writing by the institution's president to the Executive Vice Chancellor for Academic or Health Affairs (as appropriate), the Vice Chancellor for External Relations, and the Office of General Counsel; must be recommended by the Chancellor; and must otherwise comply with specific guidelines relating to Corporate Naming.

\*\* In addition to the approvals specified in this chart, all requests for naming for Prominent Facilities and Programs (as defined in Regents' Rule, [Rule 80307](#)) must be recommended by the Chancellor, the Deputy Chancellor, the Executive Vice Chancellor for Academic or Health Affairs (as appropriate), and the Vice Chancellor for External Relations, and must comply with procedures established by the Office of External Relations. The Vice Chancellor for External Relations, in consultation with the Executive Vice Chancellor for Academic or Health Affairs (as appropriate), makes final determinations as to which Facilities and Programs are considered Prominent.

\*\*\* Any naming for Other Prominent Facilities and Programs shall be based on a set of general guidelines that are reviewed and approved by the Chancellor. The Vice Chancellor for External Relations, in consultation with the appropriate Executive Vice Chancellor, makes final determinations as to which Facilities and Programs are considered Other Prominent.

\*\*\*\* Any naming for Less Prominent Facilities and Programs shall be based on a set of general guidelines that are reviewed and approved by the Chancellor. The Vice Chancellor for External Relations, in consultation with the appropriate Executive Vice Chancellor ~~for Academic or Health Affairs (as appropriate)~~, and the institutions makes final determinations as to which Facilities and Programs are considered Less Prominent.

Sec. 1044 Announcements. No institution shall announce the naming of any Facility or Program prior to the final approval required by this rule.

**The University of Texas System  
Rules and Regulations of the Board of Regents**

**Rule: 80307**

**3. Definitions**

Facilities - all physical facilities and buildings.

Prominent Facilities - all buildings; athletic facilities;

Other Prominent Facilities - areas such as wings and other of buildings, major components of buildings-academic, medical, athletics, and arts facilities, large auditoria, concert halls, atriums atria, prominent outdoor spaces, and clinics.

Less Prominent Facilities - facilities such as laboratories, classrooms, seminar or meeting rooms, and patient rooms that the Vice Chancellor for External Relations, in consultation with the Executive Vice Chancellor for Academic or Health Affairs, and the U. T. System institutions, determines are less prominent and therefore not within the category of Prominent Facilities.

Programs - all non-physical entities.

Prominent Programs - major entities, such as colleges, schools, academic departments, and clinical divisions and prominent academic centers, programs and institutes.

Other Prominent Programs - academic and health centers, programs, institutes, and organized research units.

Less Prominent Programs - academic centers, programs, and institutes that the Vice Chancellor for External Relations, in consultation with the Executive Vice Chancellor for Academic or Health Affairs, determines are less prominent and therefore not within the category of Prominent Programs.

Corporate Naming - the naming of any Facility or Program after a corporate or other business-oriented entity.

Prominent Naming - the naming of Prominent Facilities or Prominent Programs.

**9. U. T. System: Report on strategic Quantum Leaps initiatives**

REPORT

Chancellor McRaven will report on implementation of strategic Quantum Leaps initiatives at the U. T. System.

BACKGROUND INFORMATION

On November 5, 2015, Chancellor McRaven presented his strategic vision and mission for the U. T. System following a presentation, Leading in a Complex World, a Strategic Approach, 2015-2020. He outlined the following eight Quantum Leaps for the U. T. System:

1. Texas Prospect Initiative
2. The American Leadership Program
3. Winning the Talent War
4. Enhancing Fairness and Opportunity
5. The U. T. Health Care Enterprise
6. Leading the Brain Health Revolution
7. The U. T. Network for National Security
8. U. T. System Expansion in Houston

This presentation is the first in a series of periodic updates on the status of implementation of the eight initiatives.

**10. U. T. System: Approval of allocation of \$30 million of Permanent University Fund Bond Proceeds for the enhancement of the Science and Technology Acquisition and Retention (STARs) Program to include an allocation of \$20 million for expansion of the Rising STARs program**

**RECOMMENDATION**

The Chancellor, with the concurrence of the Deputy Chancellor, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the Executive Vice Chancellor for Health Affairs, recommends an allocation of \$30 million from PUF Bond Proceeds be appropriated through the Science and Technology Acquisition and Retention (Faculty STARs) Program in addition to funds already allocated to that program for Fiscal Year 2016, with \$20 million of the proposed additional allocation to provide funding to build and enhance research infrastructure to attract and retain the best qualified entry-faculty for a Rising STARs program and \$10 million to be used to further expand the recruitment of senior faculty.

This recommendation is made with the understanding that PUF Bond Proceeds appropriated must be spent in accordance with the Article VII, Section 18 of the Texas Constitution and may only be used for the purpose of acquiring land either with or without permanent improvements, constructing and equipping buildings or other permanent improvements, major repair and rehabilitation of buildings and other permanent improvements, acquiring capital equipment, and acquiring library books and library materials.

**BACKGROUND INFORMATION**

The investment of an additional appropriation for the STARs program will continue the unprecedented commitment of the Board of Regents toward bringing world-class scholars, teachers, and researchers to the U. T. System and is supportive of Chancellor McRaven's strategic initiative Quantum Leap, Winning the Talent War. The recommended appropriation of \$30 million provides for \$10 million to the enhancement of the STARs program and \$20 million toward the expansion of Rising STARs.

Through a competitive proposal process determined by U. T. System Administration, funds will be distributed for the purpose of recruiting or retaining top researchers and to recruit and retain outstanding entry-level faculty.

The STARs program, created in 2004, has yielded outstanding investment returns through strengthening the research and teaching faculty across the entire U. T. System. The STARs program awards are capitalized by an allocation of PUF Bond Proceeds at \$30 million annually, to be available to all U. T. System academic and health institutions, and are supplemented on a per-recruitment basis through institutional resources. The \$100 million investment to date has yielded a return of more than \$650 million.

In 2010, the Board of Regents recognized the need to recruit outstanding faculty at the entry level, e.g. postdoctoral fellows poised to assume faculty positions or early-state assistant professors. Initially, Rising STARs was developed with a sub-allocation of \$5 million from the existing STARs program appropriation, for the specific recruitment of promising researchers into tenure track positions. Rising STARs has strongly persisted over the years, mainly in the health

institutions due to the increasingly competitive market for emerging health talent. The recommended new appropriation of \$20 million will expand the Rising STARS program to also include a focus on hiring clusters of great entry-level faculty, coupled with an incentive program to retain U. T. System's best post-doctoral candidates.

Data from early Rising STARS recruitment efforts reflect that the \$7.5 million investment to date has yielded a return on investment of \$25.7 million. To assure a continued strong pipeline of talent throughout the U. T. System and the state of Texas, the additional appropriation to STARS and Rising STARS will sustain the full commitment of the Board of Regents.

**11. U. T. System: Approval of \$5 million in additional Permanent University Fund Bond Proceeds for continued funding of the U. T. System Research Incentive Program**

RECOMMENDATION

The Chancellor, with the concurrence of the Deputy Chancellor, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the Vice Chancellor for External Relations, recommends an additional \$5 million of Permanent University Fund (PUF) Bond Proceeds be appropriated for Fiscal Year 2015 to provide continued funding for The University of Texas System Research Incentive Program (UTRIP) to enhance and enrich research infrastructure to benefit the four emerging research institutions designated by the Texas Higher Education Coordinating Board: The University of Texas at Arlington, The University of Texas at Dallas, The University of Texas at El Paso, and The University of Texas at San Antonio.

BACKGROUND INFORMATION

The 81st Texas Legislature authorized the Texas Research Incentive Program (TRIP) to provide State matching funds for research-oriented philanthropy at the seven emerging research institutions of Texas, as designated by the Texas Higher Education Coordinating Board. Among those seven are U. T. Arlington, U. T. Dallas, U. T. El Paso, and U. T. San Antonio. Through the 84th Legislative Session, the Texas Legislature has allocated a total of \$291.2 million in TRIP matching funds for the program.

On August 20, 2009, the U. T. System Board of Regents (Board) authorized Vice Chancellor Safady to act on behalf of the Board to facilitate the acceptance of gifts by U. T. System institutions that qualified for matching under the TRIP, as appropriate, and to work closely with U. T. System institutions to ensure compliance with requirements of the Texas Higher Education Coordinating Board related to this Program.

On October 12, 2009, the Board appropriated \$10 million of PUF Bond Proceeds to provide one-time matching funds through UTRIP to assist the four U. T. System institutions, identified above, in leveraging private gifts for the enhancement of research productivity and faculty recruitment. According to the Texas Constitution, PUF Bond Proceeds may only be used to fund capital and equipment items related to the educational mission of the U. T. System and the U. T. System institutions.

The gifts were to be matched using the following criteria:

- Gifts of \$500,000 to \$999,999 from a single source will be matched at 10% (creating a matching gift possibility ranging from \$50,000 to \$99,999)
- Gifts of \$1 million to \$2,999,999 from a single source will be matched at 20% (creating a matching gift possibility ranging from \$200,000 to \$599,999)

- Gifts of \$3 million to \$4,999,999 from a single source will be matched at 30% (creating a matching gift possibility ranging from \$900,000 to \$1,499,999)
- Gifts of \$5 million or greater from a single source will be matched at 50% (with a matching cap of \$2.5 million)

On August 12, 2010, the Board authorized an additional \$10 million to continue and extend UTRIP through December 31, 2011, to benefit the U. T. System's four emerging research universities subject to the matching requirements approved by the Board on October 12, 2009, with a modification to allow matches to also be made for gifts with a payment period of up to two years. The Program could continue with the use of the previously allocated \$10 million and the allocation of an additional \$10 million for a total of \$20 million.

On February 9, 2012, the Board authorized another \$10 million to continue and extend UTRIP, subject to the matching requirements approved by the Board on October 12, 2009, and modified on August 12, 2010. The Program could continue with the use of the previously allocated \$20 million and the allocation of an additional \$10 million, for a total of \$30 million.

Again on May 15, 2014, the Board authorized an additional \$10 million to continue and extend UTRIP, subject to the matching requirements approved by the Board on October 12, 2009, and modified on August 12, 2010. The Program could continue with the use of the previously allocated \$30 million and the allocation of an additional \$10 million, for a total of \$40 million.

The four U. T. System institutions have greatly benefited from these programs, and the leveraging of private gifts for the enhancement of research productivity and faculty recruitment has resulted in more than \$143 million secured from the Coordinating Board's TRIP funds. The funding made available through the Board's UTRIP fund has further leveraged private gifts. Since the Board authorized UTRIP, over \$142 million in private gifts have been submitted for matching and \$40 million in matching UTRIP funds have been paid or committed by the U. T. System.

Of the \$40 million of UTRIP funds, U. T. Arlington has received \$4,144,599, U. T. Dallas has received \$27,898,562, U. T. El Paso has received \$3,717,243, and U. T. San Antonio has received \$4,239,596, so that the current balance of UTRIP funding has now been fully exhausted. Continued funding is important to ensure momentum with current gift negotiations.

12. **U. T. System: Report on development performance for the U. T. System institutions**

REPORT

Vice Chancellor Safady will report on development performance of the U. T. System institutions for Fiscal Year 2015 and make recommendations for advancing philanthropic support, using the PowerPoint presentation set forth on the following pages.



# U. T. System Development Assessment FY 2015

Dr. Randa Safady, Vice Chancellor for External Relations

U. T. System Board of Regents' Meeting  
February 2016



THE UNIVERSITY of TEXAS SYSTEM  
FOURTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.

[WWW.UTSYSTEM.EDU](http://WWW.UTSYSTEM.EDU)

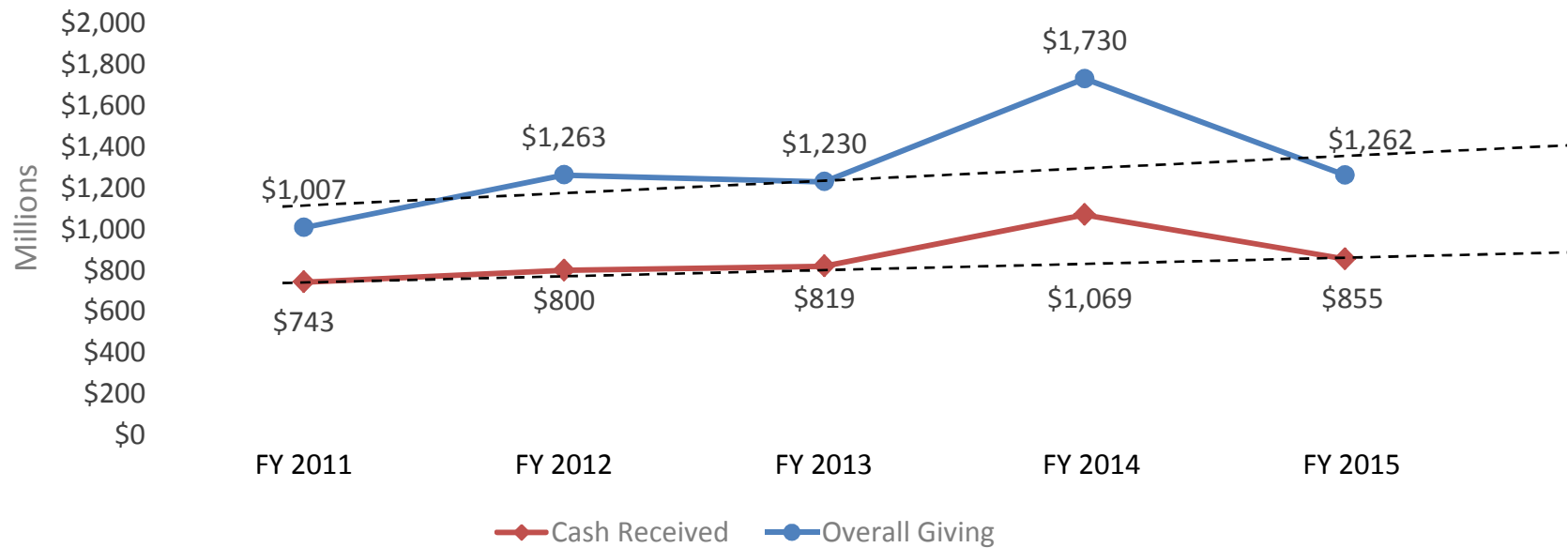
# Philanthropy and the U.T. System

- Results and Impact
- Where We Are at Risk
- Mitigating Risk
- Desired Outcomes



# Results and Impact

## Overall Giving and Cash Received FY 2011-FY 2015



# Results and Impact

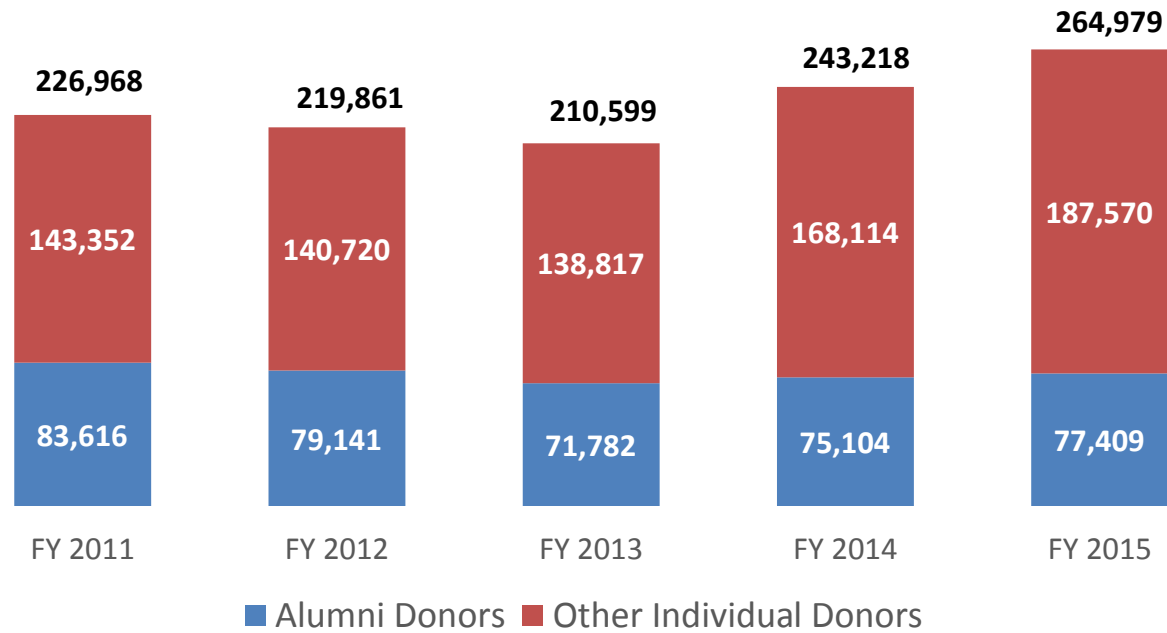
## Overall Giving by Type of Institution

TYPE	<\$10M	\$10-\$24M	\$25-\$49M	\$50-\$99M	>\$100M
Academic	4	3	1		1
Health	1			2	3



# Results and Impact

## Individual Donor Count



# Results and Impact

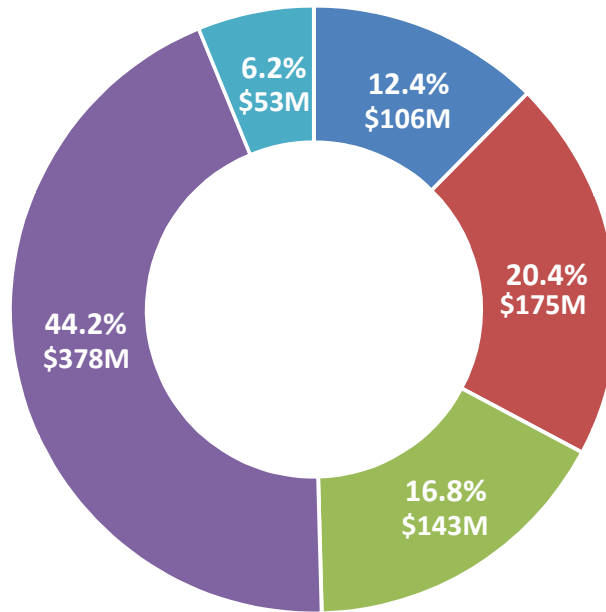
## Individual Donor Count (cont.)

- Giving by individuals, family foundations, and bequests represents 87% of total giving nationally (Giving USA)
- Major gift donors often begin their philanthropy by making annual gifts over several years (Ruffalo Noel Levitz)
- Loyalty and consistency are qualities of major gift donors



# Results and Impact

## Sources of Gifts



■ Alumni ■ Non-Alumni ■ Corporation ■ Foundation ■ Other

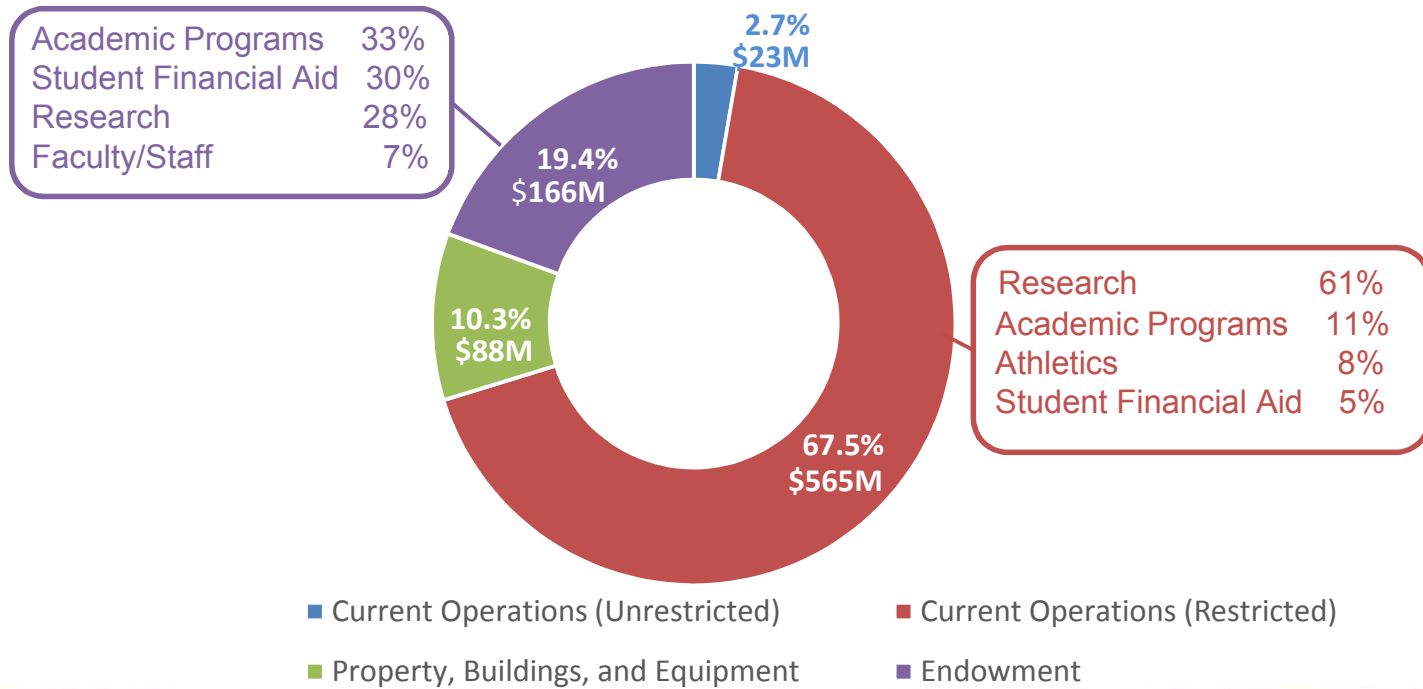


THE UNIVERSITY of TEXAS SYSTEM  
FOURTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.

WWW.UTSYSTEM.EDU

# Results and Impact

## FY 2015 Designation of Funds





# Results and Impact

## FY 2015 Endowment Distributions

- Distributions from endowments previously established by philanthropic gifts
  - UTIMCO Long Term Fund (LTF) distributions \$317M
  - U. T. System affiliated foundations distributions \$21.9M



## Results and Impact

- \$1.19B cash for use by U. T. System institutions in FY 2015:
  - Cash received from outright gifts \$855M
  - Long Term Fund \$317M (market value \$6.8B)
  - Affiliated foundations \$21.9M (market value \$685.5M)
- \$1.19B is equivalent to 7.5% of U. T. System's Operating Budget Revenue total of \$15.9B



## Results and Impact

### Return on Investment in Development

- Return on investment based on cash received as reported in the Voluntary Support of Education (VSE) Survey
  - FY 2015 ROI \$8.33
  - FY 2011-FY 2015 average ROI \$9.17

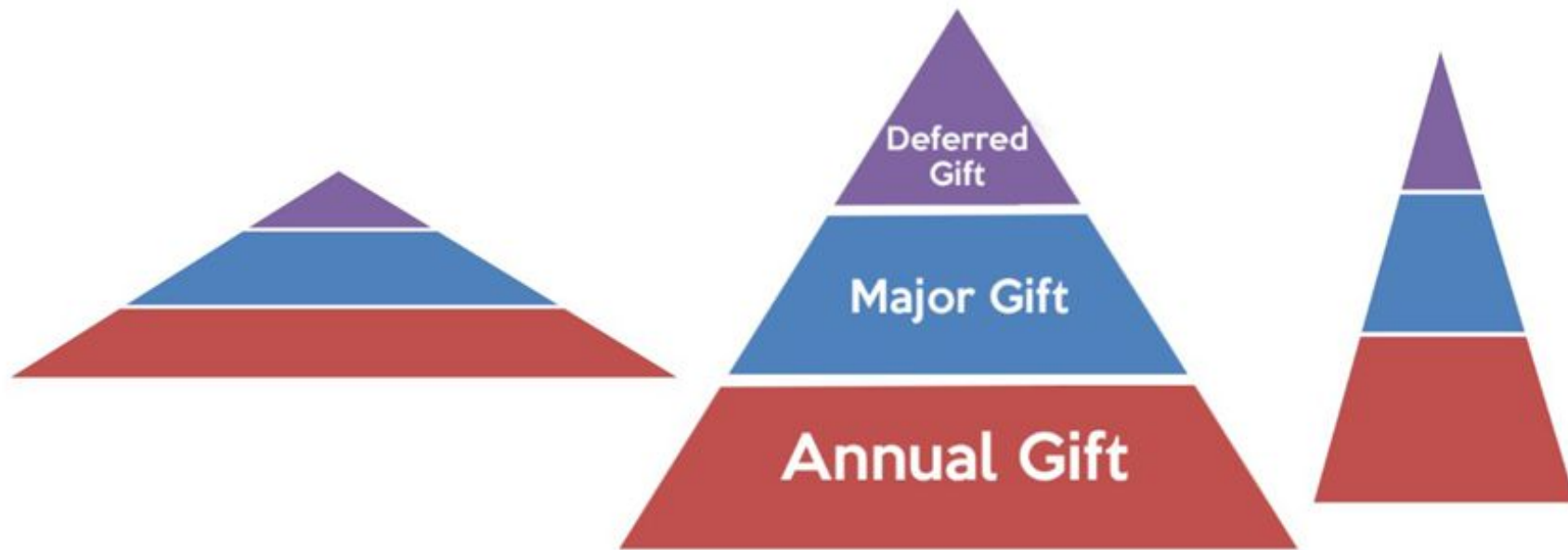


## Where We Are at Risk

- With giving nationally around 2% gross domestic product, a poor economy is a risk we cannot control
- Unbalanced fundraising programs
- Funding for development
- Technology and analytics
- Competition for support
- Frontline development officers and other key positions
- Leadership and succession planning



# Where We Are at Risk Unbalanced Programs



## Where We Are at Risk Funding Development

- The national average for development program budget is 1.4% of an institution's Educational and General Expenditures (Eduventures)
- Only three U. T. System institutions have met or exceeded the national average



## Where We Are at Risk Technology and Analytics

- High demand for analysts in all industries
  - Development requires qualified staff members who can gather and analyze relevant data to offer program strategies
- Use of predictive analytics to guide frontline officers
- Strategic use of technology to communicate with donors and engage them through multi-channel fundraising



## Where We Are at Risk

### Competition for Support

- More than 1.5 million nonprofit organizations are registered in the U.S. according to the National Center for Charitable Statistics (NCCS)
- Importance of telling our story clearly and in a compelling fashion to distinguish U. T. System institutions from others
- Communications and development must work together





## Where We Are at Risk

### Frontline Officers and Other Key Positions

- One in four principal or major gift officers at higher education institutions left their posts last year
- On average, major gift officers do not achieve their productivity potential until sometime between their two and three-year mark
- The average tenure for major gift officers hovers around the 3.5 year mark
- At any given time, about half of the major gift officers are not producing at their potential and will leave before they ever do



# Where We Are at Risk

## Leadership and Succession Planning

- In a national study, half of all chief development officers plan to leave their jobs in two years or less
- Development is an unknown career field for many
  - The first undergraduate degree in philanthropy was granted in 2012 at Indiana University Lilly Family School of Philanthropy
  - Most related programs are in nonprofit management and are often a certification program at a master's level
  - No U. T. System institution offers an undergraduate degree in philanthropy



## Mitigating Risk

- The Office of External Relations and its Center for Enhancing Philanthropy offers customized and collaborative services based on the data and input from institutional leaders
- Customized services for institutions
  - Annual Development Reviews
  - Action Plans, when requested, to develop a 3-5 year strategic development plan
  - Strengthen institutional business plan for development and align with president's vision
  - Tailored training and support for staff, programs, deans, and others



# Mitigating Risk

## Customized Services - Annual Development Review

### Overall Giving and Cash Received



Overall giving and cash received reached record highs in FY2014

Cash received has increased 263% since FY2005

██████ reports \$273M raised on \$200M goal

### Top 12 Gifts with percentage of cash received



Largest three gifts from each of the above categories totals 83% of all cash received

Gifts from individuals are the leading source of large gifts

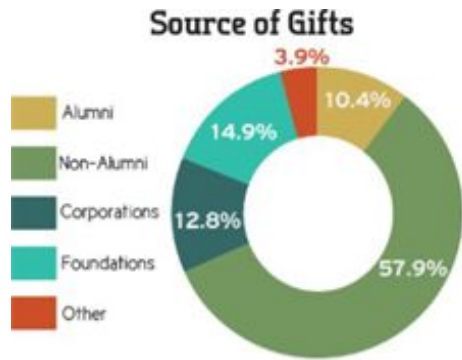
No large gifts from bequests in FY2014

██████ - Redacted

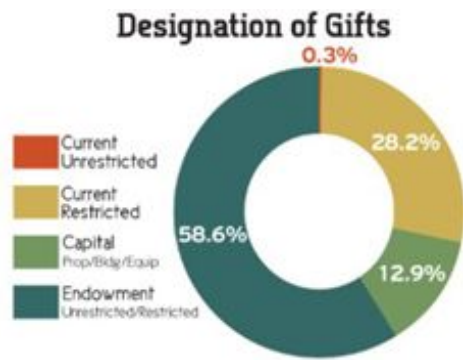


# Mitigating Risk

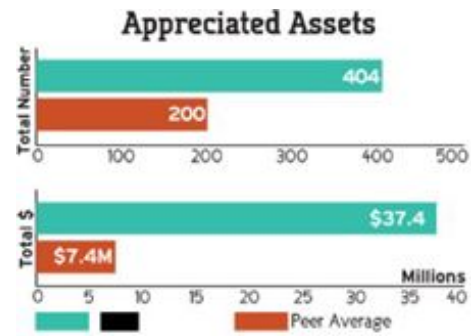
## Customized Services - Annual Development Review (cont)



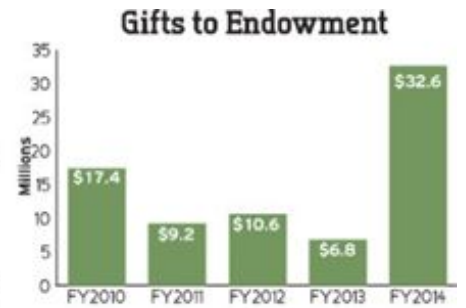
68.3% of giving from individuals in FY2014 exceeds five year average of 41%  
 Non-alumni donors counted for more than half of all giving



28.5% of cash received designated for current operations  
 More than half of the amount raised went towards endowment



outperformed peers in both number and amount of appreciated assets  
 was second among UT institutions in number of gifts and amount from appreciated assets



Exceptional growth in the amount given for endowments

█ - Redacted



# Mitigating Risk

## Customized Services - Annual Development Review (cont)

### Individual Donor Count



Individual donor count continued a slight downward decline over the past two years

### Alumni Data FY2014

		PEER AVERAGE
Alumni of Record	81,386	165,976
Alumni Donors	1,694	14,855
Alumni Donor Growth FY2010-FY2014	47%	-6%
Alumni Participation	2.1%	9.2%
Alumni Participation Five year average	1.13%	3.06%
Amount of Giving	\$5.8M	\$11.6M
Average Gift (Current Operations)	\$207	\$489

Alumni participation continued a downward trend for the past two years

While participation declined overall, alumni giving amount increased to its all time high of \$5.8M.





# Mitigating Risk

## Customized Services - Annual Development Review (cont)

### Fundraising Forecast

DETERMINED BY [REDACTED] AS PART OF ANNUAL INSTITUTIONAL DEVELOPMENT REPORT

	FY2014 Projection	FY2014 Actuals	FY2015 Projection	FY2016 Projection	FY2017 Projection	FY2018 Projection
Overall Giving	\$45M	\$66.9M	\$30M	\$35M	\$40M	\$50M
Cash Pledges, New Testamentary						
Cash Received	\$17.5M	\$54.4M	\$15M	\$20M	\$25M	\$30M
Individual Donor Count	6,000	2,090	4,000	5,000	6,000	7,500
Alumni Donor #/ Participation %	4,000 5%	1,884 2.7%	2,100 3%	2,500 4%	3,300 5%	4,500 6%
Development Budget	\$4M	\$3.9M	\$4.2M			

[REDACTED] exceeded fundraising projections for FY2014 but did not meet donor count and alumni participation targets

Projections for FY2015 lower than projections for FY2014

### Investment in Development & ROI

**\$564M** TOTAL EXPENDITURES  
IN FY2014

**\$3.9M** FY2014 BUDGET

**0.7%** DEVELOPMENT BUDGET  
AS % OF EXPENDITURES

**9.8%** CASH RECEIVED  
AS % OF EXPENDITURES

**\$14.08** DOLLARS RAISED PER  
DOLLAR INVESTED

**\$4.2M** FY2015 BUDGET

[REDACTED] - Redacted



# Mitigating Risk

## Customized Services - Annual Development Review (cont)

### National Key Performance Indicators

	INSTITUTIONS WITH A GIVING LEVEL OF \$25-49M		INSTITUTIONS WITH A GIVING LEVEL OF \$50-74M	
<b>\$44.3M</b>	Total Development FTE	72	54	93
<small>GIVING LEVEL: DETERMINED BY NEW CASH, NEW PLEDGES, AND DEFERRED GIFTS AT PRESENT VALUE.</small>	Frontline FTE	28	30	36
	Total Development Budget	\$8.1M	\$3.9M	\$11.8M

BASED ON EDVENTURES' MANAGING RETURNING PERFORMANCE INDICATORS BENCHMARKS

Development budget at 0.7% of E&G is under the national average of 1.4% and considerably below that of institutions raising \$25-49M (\$8.1M) and \$50-74M (\$11.8M)

Average for dollars raised per dollar invested of \$14.08 is very positive and exceeds national average of \$5.74 for peer institutions

### Observations & Suggestions:

- Truly an exceptional year for [REDACTED] with record-breaking results
- Large gifts from individuals were the determining factor in the banner year
- Planned Giving program just beginning to show progress
- Declining donor count indicates annual giving program and strategy should be reviewed
- High ROI may indicate not all programs are being funded adequately. Depending on the review of the annual giving and alumni programs and strategies, more resources may be warranted for those programs
- [REDACTED] would benefit from a post-campaign review to measure outcomes and performance, and to prepare for sustainable fundraising following the campaign
- Special project initiatives will guide staff and donors in ongoing philanthropic priorities for [REDACTED]

[REDACTED] - Redacted





# Mitigating Risk

## Collaborative Services – Advancement Academy Year One

- Nine professionally developed and facilitated workshops
- 94% of workshops rated Very Good or Excellent
- 394 total participants representing all U. T. System institutions
- \$227,000 saved in training costs by U. T. System institutions
- Workshops featuring use of technology and analytics, development communications, leadership/management, fundraising programs and skills, constituent relations



# Mitigating Risk

## Collaborative Services - Talent Management

- “Grow Our Own” program
  - Student internships to discover careers in philanthropy
  - Multi-day immersion program for others currently in the work force/veterans to be exposed to development careers
  - Boot Camp for new hires and newly promoted
- Succession planning opportunities
  - Identify current staff members with leadership potential and groom them for future leadership roles
  - Offer human resources and development leadership best practices/training to recruit and retain quality development professionals



# Mitigating Risk

## Collaborative Services - Engage Chief Financial and Human Resource Officers

- Encourage investment in development at appropriate levels for a multi-year period
- Consider ways to fund development that are unique to the U. T. System
- Share ways to positively show philanthropic impact at the institutional level
- Develop with HR officers a new career path progression for current development staff members to improve retention and help shape recruitment strategy for millennials, who will be 50% of our workforce by 2020



# Desired Outcomes for U. T. System Institutions

- Increased philanthropic gifts for institutional priorities
- Balanced, data-driven and well-funded fundraising programs
- Well-trained, retained and talented frontline officers and leaders who see U. T. System institutions as career destinations
- A pipeline of new development talent through internships and academic programs in philanthropy
- Clear and compelling messages effectively delivered
- Greater institutional emphasis on a culture of philanthropy
- Donors meaningfully engaged



13. **U. T. Austin: Discussion and appropriate action regarding proposed reallocation of a portion of the Available University Fund (AUF) allocated to U. T. Austin, from use to support online and on-campus enrollment growth to use for other strategic purposes to benefit U. T. Austin**

**RECOMMENDATION**

With the concurrence of the Deputy Chancellor, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Fenves, the Chancellor recommends the U. T. System Board of Regents reallocate up to \$40 million of the \$56.4 million of Available University Funds (AUF) funding previously allocated to U. T. Austin on August 21, 2014, from use to support online and on-campus enrollment growth to use for other strategic purposes for the benefit of U. T. Austin.

**BACKGROUND INFORMATION**

On August 21, 2014, the Board of Regents approved a special one-time distribution from the Permanent University Fund (PUF) into the AUF for Fiscal Year 2014 in an amount equal to an increase in the distribution rate from the PUF of 1.5%. That distribution was approved by the Board in lieu of an in-state tuition increase for undergraduate students at the academic institutions, and was to be used to support online and on-campus enrollment growth at the academic institutions. The approved additional distribution resulted in an allocation of \$56.4 million of AUF funding to U. T. Austin, and an allocation of \$68.9 million for the other academic institutions.

U. T. Austin plans to use a portion of the funding to implement an Extended Campus Proposal and estimates the cost at approximately \$20.3 million. Approval to reallocate an amount not to exceed \$40 million for other permissible purposes for the benefit of U. T. Austin will allow the President additional flexibility for strategic purposes.