



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

**February 26-27, 2020
Austin, Texas**

Wednesday, February 26, 2020

COMMITTEE MEETINGS

10:00 a.m. – 11:30 a.m.

CONVENE THE BOARD IN OPEN SESSION TO RECESS TO EXECUTIVE SESSION PURSUANT TO *TEXAS GOVERNMENT CODE*, CHAPTER 551 (Working lunch at noon)

11:30 a.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); 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. 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. Medical Branch - Galveston: Discussion and appropriate action regarding legal issues concerning contracts to provide Correctional Managed Health Care Services to offenders in units operated by the Texas Department of Criminal Justice**

RECONVENE THE BOARD IN OPEN SESSION TO CONSIDER ACTION, IF ANY, ON EXECUTIVE SESSION ITEMS AND TO RECESS TO COMMITTEE MEETINGS

1:00 p.m.

COMMITTEE MEETINGS

1:00 p.m. - 3:00 p.m.

RECONVENE THE BOARD IN OPEN SESSION TO RECESS TO EXECUTIVE SESSION

3:00 p.m.

Wednesday, February 26, 2020 (cont.)

3. 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); 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**
 - b. **U. T. M. D. Anderson Cancer Center: Discussion and appropriate action regarding proposed compensation for Albert C. Koong, M.D., Ph.D., FACR, FASTRO, Division Head, Division of Radiation Oncology, Department Chair, Department of Radiation Oncology, Robert C. Hickey Chair in Clinical Care, Division of Radiation Oncology, and Professor, Department of Radiation Oncology (Regents' *Rules and Regulations*, Rule 20204, regarding compensation for highly compensated employees)**
4. 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**
5. Deliberations Regarding the Purchase, Exchange, Lease, Sale, or Value of Real Property – Section 551.072
 - a. **U. T. Rio Grande Valley: Discussion and appropriate action regarding lease of space at 701 East Expressway 83 (Interstate Highway 2), McAllen, Hidalgo County, Texas, from Rio Bank for administrative space and other mission uses**
 - b. **U. T. M. D. Anderson Cancer Center: Discussion and appropriate action regarding a) the expenditure of institutional funds in the form of prepaid Base Rent in exchange for the lease of an additional, undivided 20% interest in the TMC3 Collaborative Building from Texas Medical Center Inc. or its wholly owned development entity, such building to be located on the proposed TMC3 Campus, which is located on both sides of William C. Harvin Boulevard, between Old Spanish Trail and South Braeswood Boulevard, Harris County, Texas; b) the expenditure of institutional funds in exchange for the ground lease of a parcel of land on the TMC3 Campus by U. T. M. D. Anderson Cancer Center and The University of Texas Health Science Center at Houston from Texas Medical Center, Inc. or its wholly owned development entity; and c) finding of public purpose**

Wednesday, February 26, 2020 (cont.)

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- c. **U. T. Health Science Center - San Antonio: Discussion and appropriate action regarding the proposed purchase of land improved with a medical office building in northwest San Antonio at the La Cantera development, San Antonio, Bexar County, Texas, for mission purposes, including use for medical, clinical, research and educational uses**
- 6. 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 with Counsel on legal issues associated with employee conduct**

RECONVENE IN OPEN SESSION TO TAKE ACTION, IF ANY, ON EXECUTIVE SESSION ITEMS 3:50 p.m.

RECESS 4:00 p.m.

Thursday, February 27, 2020

RECONVENE THE BOARD IN OPEN SESSION TO CONSIDER AGENDA ITEMS 9:00 a.m.

- 1. **U. T. System Board of Regents: Approval of Consent Agenda and consideration of any items referred to the full Board** 7
- 2. **U. T. System: Report on Fiscal Year 2019 Philanthropic Performance and Outcomes across U. T. Institutions** 8
- 3. **U. T. System Board of Regents: Discussion and appropriate action regarding the Health Care Advisory Committee** 22
- 4. **U. T. System Board of Regents: Discussion and appropriate action regarding amendment to Regents' *Rules and Regulations*, Rule 80307 (Naming Policy), Section 5, regarding Honorific Naming** 23
- 5. **U. T. System Board of Regents: Discussion and appropriate action regarding proposed appointments to the Board of Directors of The University of Texas/Texas A&M Investment Management Company (UTIMCO)** 26
- 6. **U. T. System: Discussion and appropriate action regarding request for annual funding of \$1 million from the Internal Lending Program in support of the operational budget for the Archer Center, Washington, D.C.** 27

STANDING COMMITTEE RECOMMENDATIONS AND REPORTS TO THE BOARD 10:00 a.m.

RECESS TO EXECUTIVE SESSION PURSUANT TO TEXAS GOVERNMENT CODE, CHAPTER 551 10:15 a.m.

Thursday, February 27, 2020

7. 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); 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**
 - b. **U. T. Arlington: Consideration, discussion, and appropriate action regarding recommendation of Faculty Hearing Tribunal concerning termination of Mahyar Arefi, Ph.D., a tenured faculty member**
8. Deliberation Regarding Security Devices or Security Audits - Sections 551.076 and 551.089
 - a. **U. T. System: Discussion and appropriate action regarding safety and security issues, including security audits and deployment of security personnel and devices**
 - b. **U. T. Austin: Discussion and appropriate action regarding safety and security issues, including the deployment of security personnel and devices**
9. Deliberations Regarding the Purchase, Exchange, Lease, Sale, or Value of Real Property – Section 551.072

U. T. Austin: Discussion regarding the lease, uses, or value of property related to the Brackenridge Tract, including land bounded by Exposition Boulevard, Lake Austin Boulevard, and Enfield Road, Austin, Travis County, Texas, and discussion and appropriate action regarding amending the ground lease of Lions Municipal Golf Course and the Brackenridge Development Agreement, both with the City of Austin; and related finding of public purpose
10. 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 with Counsel on legal issues associated with employee conduct**

Thursday, February 27, 2020 (cont.)

- c. U. T. Austin: Discussion regarding legal issues related to the utilization of the Brackenridge Tract, including land bounded by the Exposition Boulevard, Lake Austin Boulevard, and Enfield Road, Austin, Travis County, Texas, and discussion and appropriate action regarding legal issues associated with amending the ground lease of Lions Municipal Golf Course and the Brackenridge Development Agreement, both with the City of Austin; and related finding of public purpose**

RECONVENE THE BOARD IN OPEN SESSION TO CONSIDER ACTION,
IF ANY, ON EXECUTIVE SESSION ITEMS

12:00 p.m.

ADJOURN

*12:30 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 321](#).

2. **U. T. System: Report on Fiscal Year 2019 Philanthropic Performance and Outcomes across U. T. Institutions**

Vice Chancellor Safady will report on development performance of U. T. institutions for Fiscal Year 2019 and offer next steps for advancing philanthropic support, using the PowerPoint presentation set forth on the following pages.

Philanthropic Performance & Outcomes Across UT Institutions, FY2019

Dr. Randa Safady, Vice Chancellor for External Relations, Communications and Advancement Services

U. T. System Board of Regents Meeting
February 2020

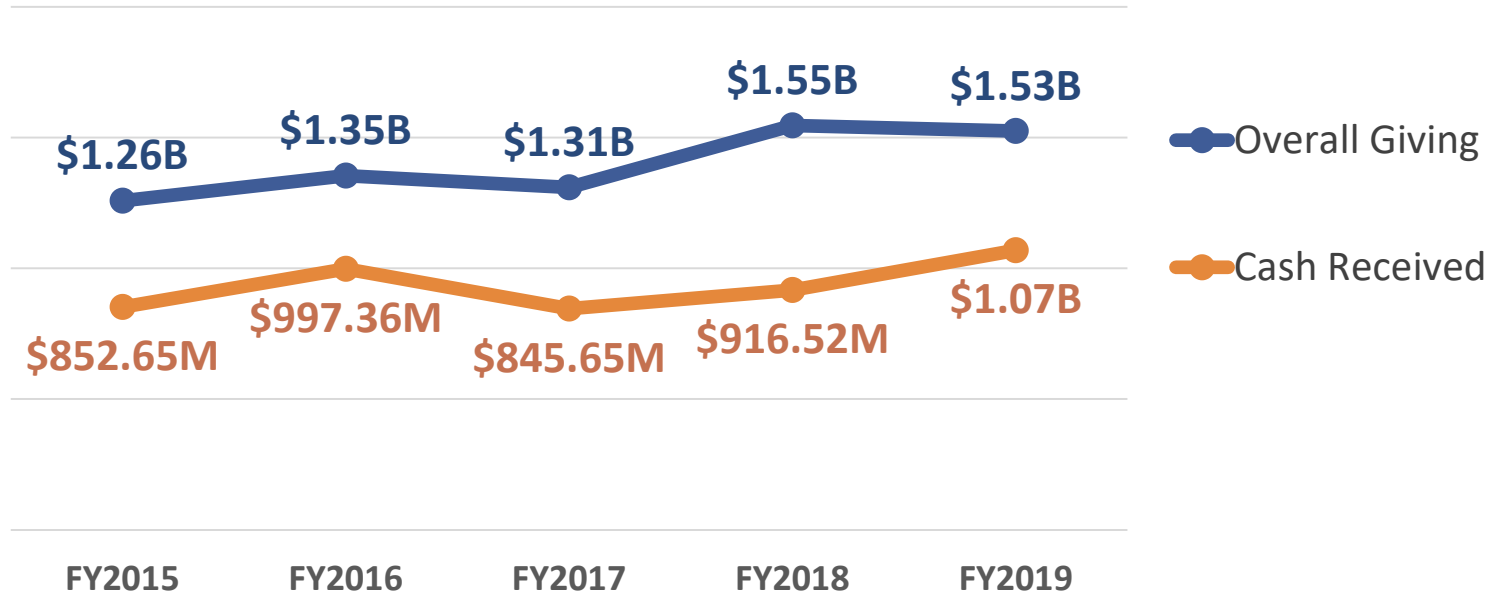


THE UNIVERSITY of TEXAS SYSTEM
FOURTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.

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Overall Giving & Cash Received FY2015 – FY2019

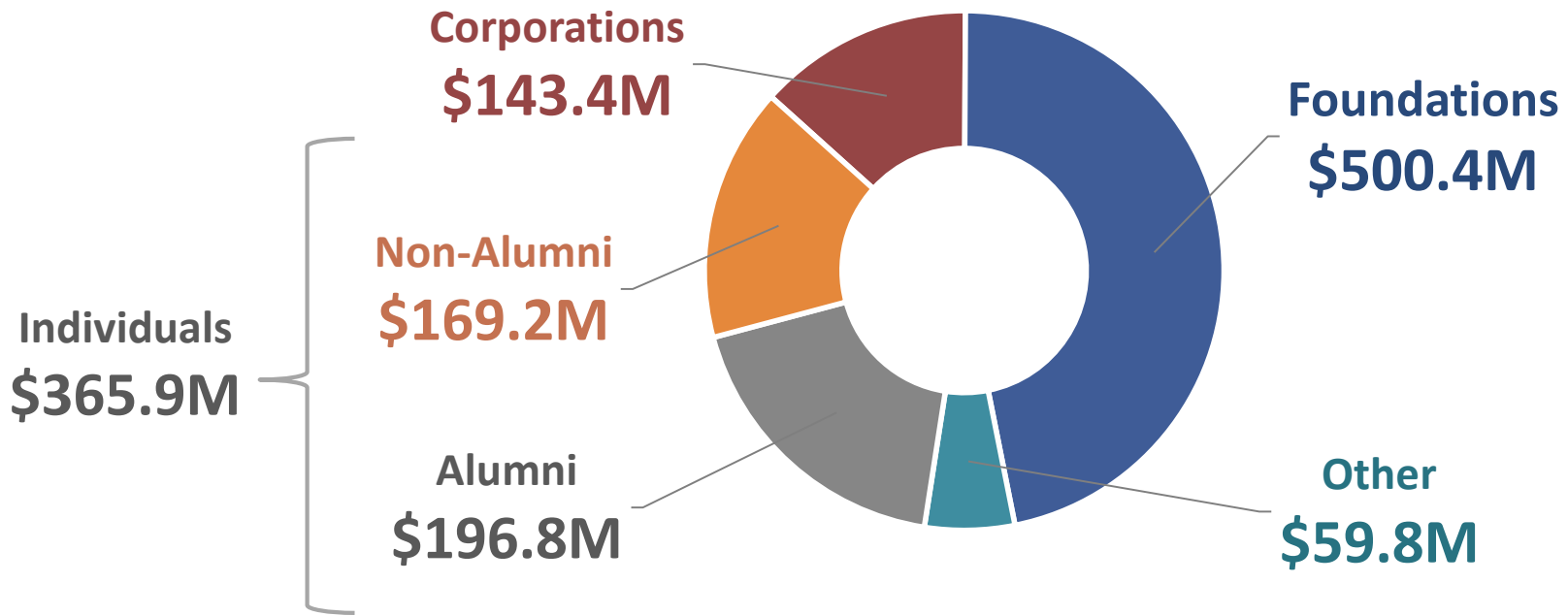
Record year for cash received



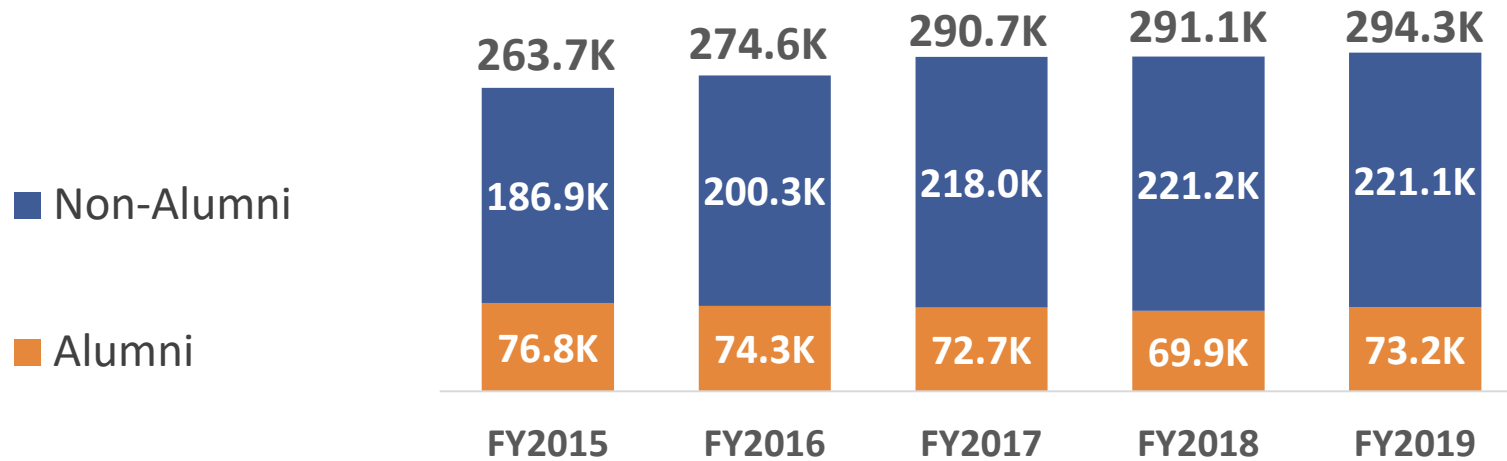
**Overall Giving = cash, pledges and new testamentary commitments at present value*



Sources of Gifts in FY2019



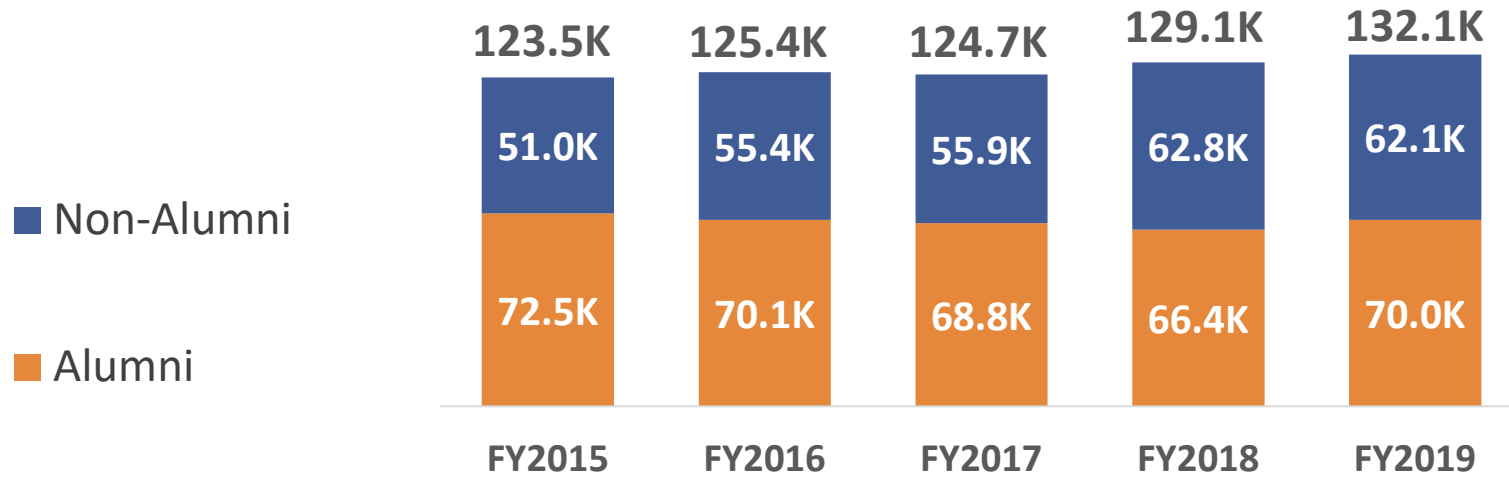
Individual Donor Count FY2015 – FY2019: Total



Alumni of Record:	1,079,534	1,226,058	1,278,090	1,394,619	1,457,555
Participation Rate:	7.1%	6.1%	5.7%	5.0%	5.0%



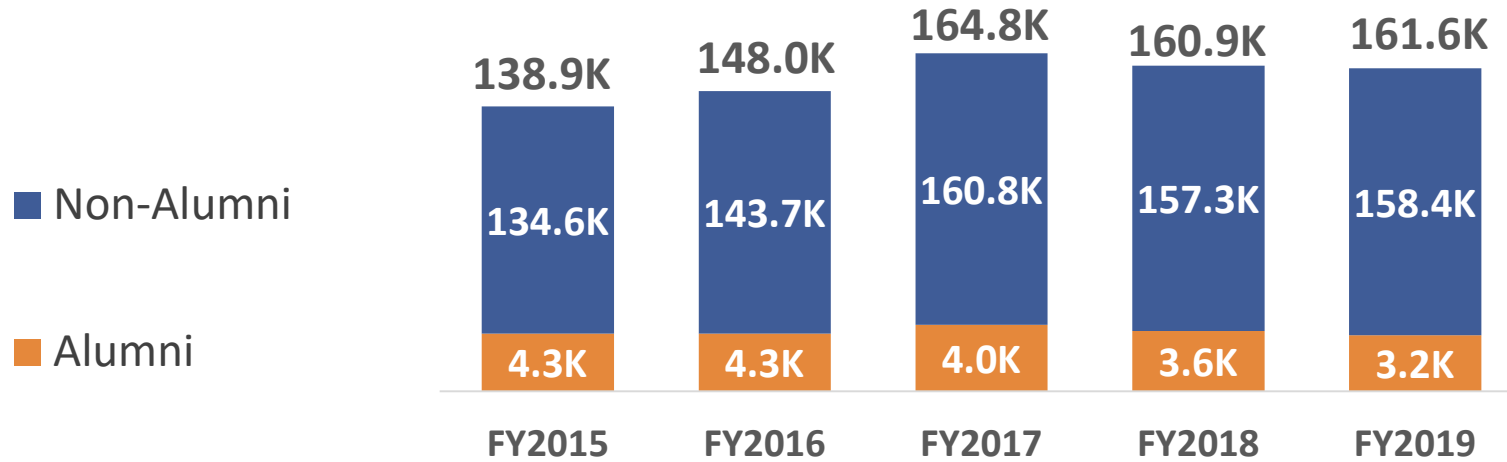
Individual Donor Count FY2015 – FY2019: Academic Institutions



Alumni of Record:	964,949	1,107,744	1,156,368	1,269,728	1,329,694
Participation Rate:	7.5%	6.3%	5.9%	5.2%	5.3%



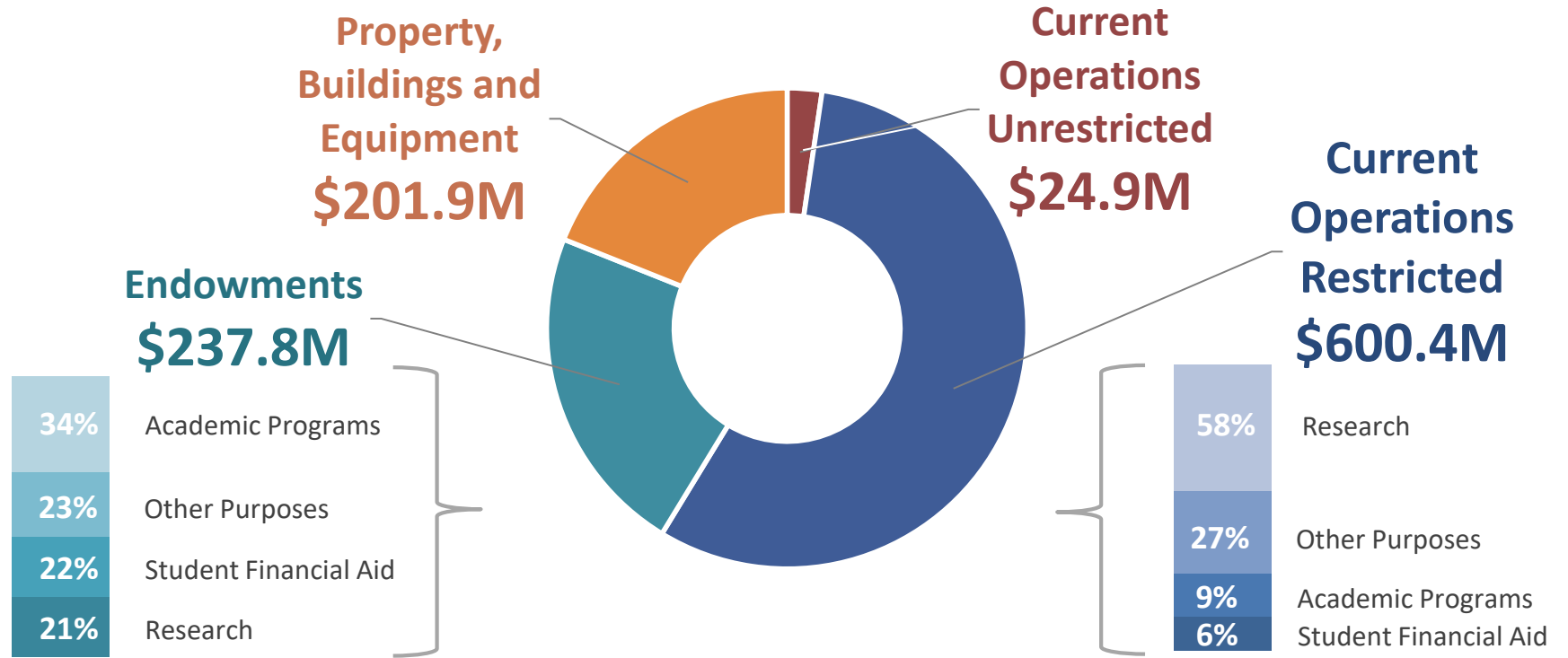
Individual Donor Count FY2015 – FY2019: Health Institutions



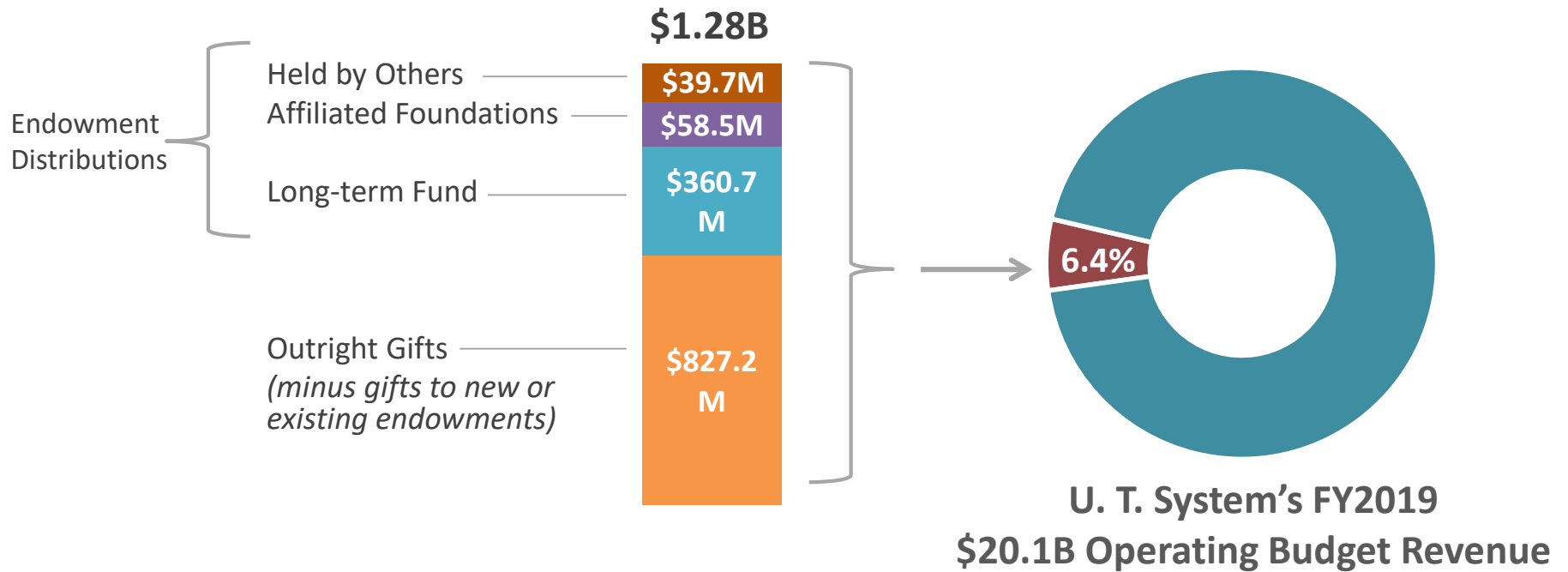
Alumni of Record:	114,585	118,314	121,722	124,891	127,861
Participation Rate:	3.8%	3.6%	3.2%	2.9%	2.5%



Designation of Gifts in FY2019

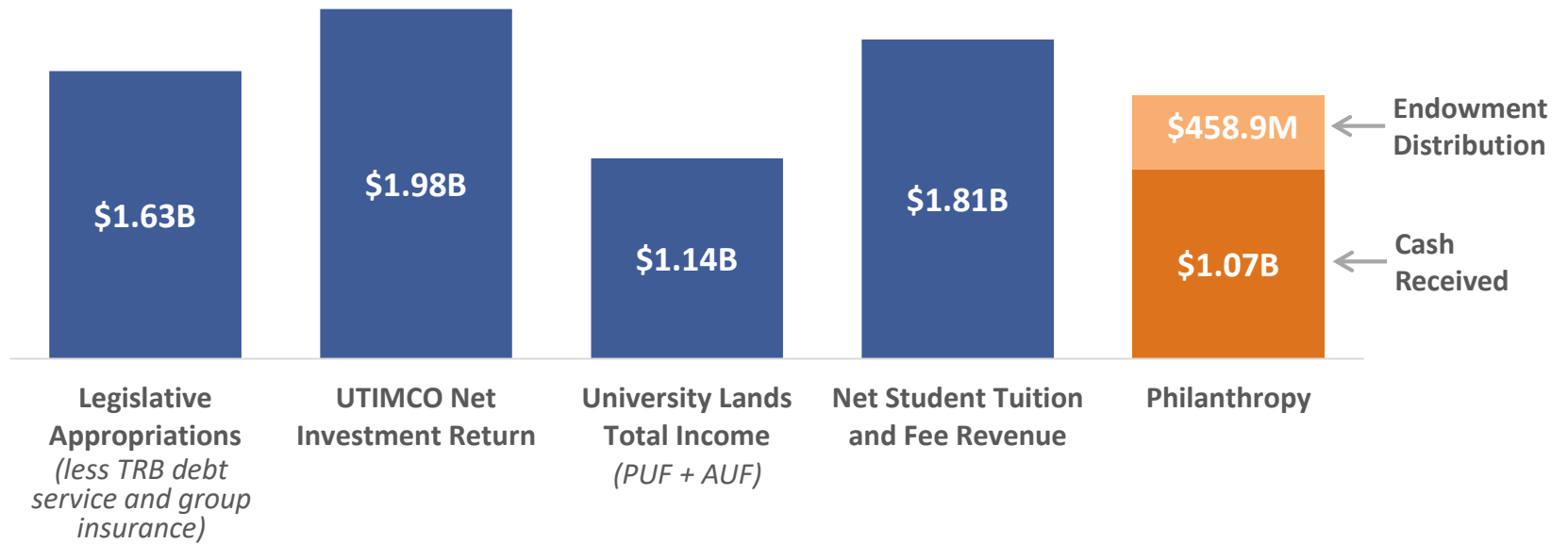


Impact of Philanthropy



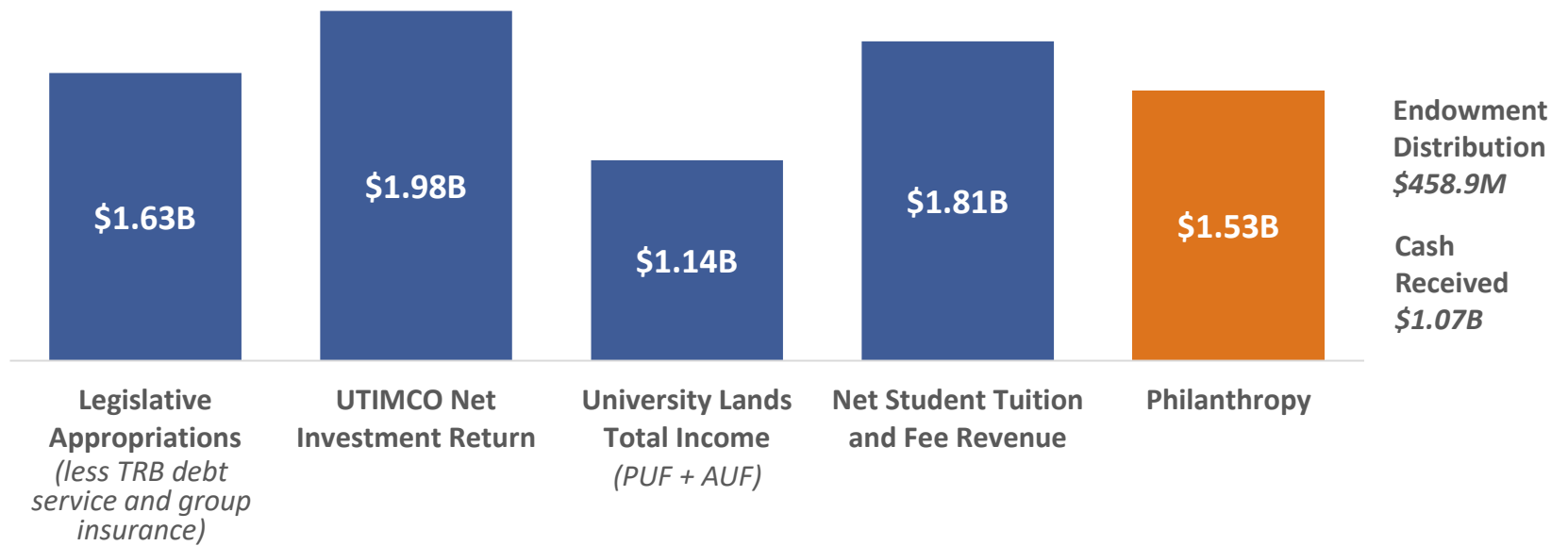
Select Revenue Sources

Philanthropy is a major revenue source for UT institutions



Select Revenue Sources

Philanthropy is a major revenue source for UT institutions

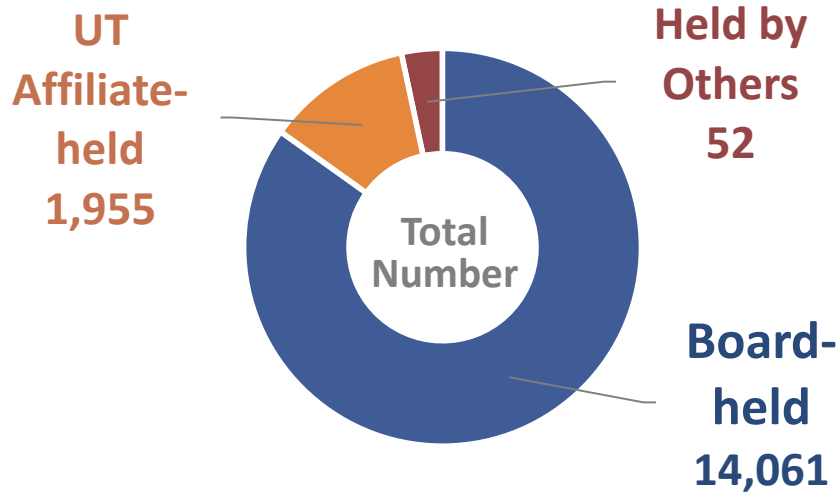


Supporting Philanthropy at UT Institutions: Long Term Fund Allocation

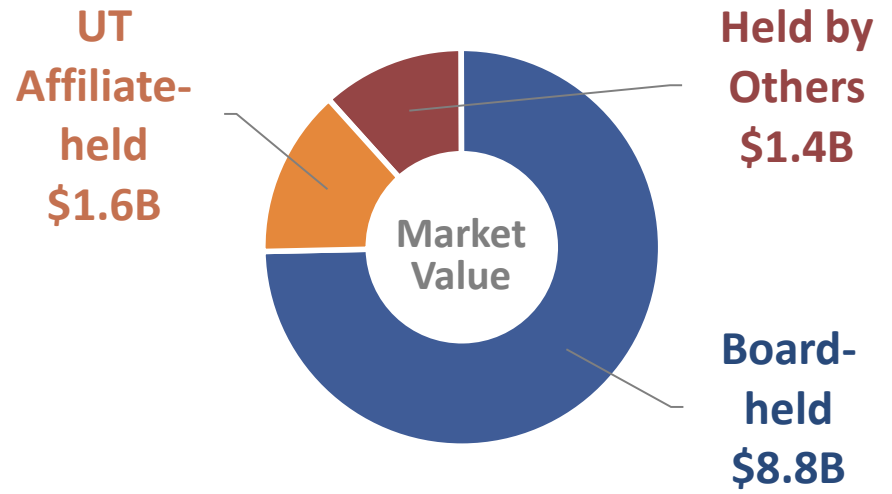
- Following Board authorization in FY2018, UT institutions were able to receive up to 60BPS of the institution's endowment market value for development purposes with a target for endowment growth
- Board authorization in 2019 increased the allocation to 80BPS for eligible institutions
- Progress to date:
 - Record fundraising year in FY2019
 - 244 development FTE supported partially or fully by allocation since implementation; enriched annual, major gifts, and planned giving programs



Endowment Status FY2019



16,068 total endowments held by Board and external entities



\$11.8 billion in total market value



Supporting Philanthropy at UT Institutions

- **Advancement Academy**
 - Customized institutional assessments
 - Tailored training and education
 - Professional development conferences
 - UT Student Internship Program in philanthropy
- **Advancement Services**
 - Endowment compliance administration
 - Estates and trust administration
 - Namings
 - Stock transactions
 - Gift acceptance policies and procedures
 - Complex gifts
- **Chief Development Officer Working Group**
- **Master Service Agreements**



3. **U. T. System Board of Regents: Discussion and appropriate action regarding the Health Care Advisory Committee**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and the Vice Chancellor and General Counsel that the U. T. System Board of Regents recognize the contributions of the Health Care Advisory Committee (HCAC), thank the members of the HCAC for their work on behalf of the U. T. System, and acknowledge the successful conclusion of the HCAC's advisory role.

BACKGROUND INFORMATION

The Health Care Advisory Committee (HCAC) was established by the Board of Regents on August 20, 2015, and Regents' *Rules and Regulations*, Rule 10402, regarding Committees and Other Appointments, was subsequently editorially amended to include the HCAC. HCAC membership was comprised of individuals with collective expertise in the following areas of health and healthcare operations: clinical and business operations, finance, reimbursement, law, policy, and quality of care. HCAC members were to advise the Board of Regents, the Chancellor, the Office of Health Affairs, the Office of Academic Affairs, and the U. T. System health institutions on strategic directions; major initiatives, contracts, and affiliations; recommending financial and clinical performance measures to be reviewed; reviewing operations and making recommendations as appropriate; and recommending policy for approval by the Board of Regents or the Chancellor.

The current members are Mr. Carrol Aulbaugh, Mr. Charles J. Barnett, Mr. Douglas D. Hawthorne, Mr. Stephen J. Rohleder, and Dr. Eduardo Sanchez.

With the Board's approval, Rule 10402 will be amended to remove Section 4 referencing the HCAC and remaining sections will be renumbered as appropriate.

4. U. T. System Board of Regents: Discussion and appropriate action regarding amendment of Regents' *Rules and Regulations*, Rule 80307 (Naming Policy), Section 5, regarding Honorific Naming

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and the Vice Chancellor and General Counsel that Regents' *Rules and Regulations*, Rule 80307 (Naming Policy), Section 5, regarding Honorific Naming, be replaced with the language set forth below. The language to be replaced is included in the Background Information on the following page.

- Sec.5 Honorific Naming. As a matter of general practice, namings will recognize significant philanthropic gifts. Under special circumstances, honorific namings may be considered. Honorific namings are exceptional in nature and shall be granted for individuals or organizations that have made extraordinary contributions to a U. T. institution, the state or nation. Recommendations for honorific namings may be proposed by an institution president to the Chancellor, who will determine on a case-by-case basis whether to advance the request to the Board of Regents for consideration.
- 5.1 Namings Criteria. All requests for honorific namings should identify how the honoree meets one or more of the following criteria:
- (a) Reflects the mission of the university through remarkable service and leadership of lasting value to the university or society
 - (b) Reflects the mission of the university through pinnacle achievements in discovery, scholarly work and citizenship
 - (c) Reflects the mission of the university through a longstanding relationship of engagement and support that has contributed to qualitative and transformational university advancements
 - (d) Represents the highest degree of historical significance
- 5.2 Restrictions on Honorific Namings.
- (a) Any naming in honor of U. T. System administrative officials, faculty, or staff members or for elected or appointed public officials shall normally occur at least five years after the individual's retirement from university or public office or death.
 - (b) Namings that bring into question the reputation of the university are subject to rejection or termination after approval.

- (c) The honorific naming will likely serve for the useful life of the facility or program. If the asset is later modified or replaced, the University reserves the right to rename it or offer an alternative honorific naming as close to the spirit as possible of the original naming.
- 5.3 Prominent Facilities and Programs/Other Prominent Facilities and Programs. Honorific namings of Prominent Facilities and Programs or Other Prominent Facilities and Programs must be approved by the Board of Regents following the recommendation of the Chancellor.
- 5.4 Less Prominent Facilities and Programs. Under appropriate circumstances, honorific namings of Less Prominent Facilities and Programs may be granted by the president of the institution, with approval of the Chancellor. Such naming for a U. T. System or institution administrative official, faculty, or staff member or for an elected or appointed public official shall be approved by the Board of Regents following the recommendation of the Chancellor.

BACKGROUND INFORMATION

As a matter of general practice, most namings at U.T. institutions authorized by the Board of Regents recognize philanthropic gifts. In rare cases, the Board may find it appropriate to grant a naming for an individual or organization in recognition of exemplary service or leadership, with the potential for everlasting value to the University community or state or nation. Revisions to Regents' Rule 80307 are proposed to provide greater clarity and definition of standards for the awarding of an honorific naming, including restrictions associated with such namings. The revisions also provide for U. T. System Administration oversight over all honorific namings, including those at Less Prominent Facilities and Programs. The proposed modifications conform with model naming practices at large universities and university systems across the country.

Section 5 currently provides:

- Sec. 5 Honorific Naming. Honorific namings may be considered for individuals who have made exemplary or meritorious contributions to the U. T. System or any of the institutions or society. Any naming in honor of U. T. System administrative officials, faculty, or staff members or for elected or appointed public officials shall normally occur only after the campus employment or public service has concluded.
- 5.1 Honorific namings of Prominent Facilities and Programs or Other Prominent Facilities and Programs must be approved by the Board of Regents. Requests shall be forwarded to the Board of Regents with the recommendations of the Chancellor, the Executive Vice Chancellor for Academic or Health Affairs, the Vice Chancellor for External Relations, Communication and Advancement Services, and the president of the institution.

- 5.2 Under appropriate circumstances, honorific namings of Less Prominent Facilities and Programs may be granted by the president of the institution. Such naming for a U. T. System administrative official, faculty, or staff member or for an elected or appointed public official will be submitted to U. T. System Administration and to the Board of Regents on the Consent Agenda.

These proposed revisions do not impact the full-time equivalent (FTE) employee count Systemwide and have a neutral budget impact. The proposed amendments were reviewed by the U. T. institutional presidents and representatives of the Student Advisory Council, the Faculty Advisory Council, and the Employee Advisory Council.

If the proposed revisions are approved, corresponding editorial changes will be made to Section 9 of the Rule to update the chart summarizing approval authorizations.

5. **U. T. System Board of Regents: Discussion and appropriate action regarding proposed appointments to the Board of Directors of The University of Texas/Texas A&M Investment Management Company (UTIMCO)**

RECOMMENDATION

Chairman Eltife recommends the reappointment of Mr. Robert Gauntt and Ms. Janet Handley to The University of Texas/Texas A&M Investment Management Company (UTIMCO) Board of Directors.

BACKGROUND INFORMATION

Texas Education Code Section 66.08 and *Regents' Rules and Regulations*, Rule 10402, Section 6 require that the U. T. System Board of Regents appoint seven members to the UTIMCO Board of Directors of whom three must be members of the Board of Regents, three must have a substantial background and expertise in investments, and one must be a qualified individual as determined by the Board. The approved UTIMCO bylaws allow external directors to serve a maximum of three terms of three years each.

Robert P. Gauntt is a Founding Partner at Avalon Advisors and is a member of the University of Texas System Chancellor's Council Executive Committee, the Pro-Vision Charter School, and Hope for Africa Advisory Group. The U. T. System Board of Regents first appointed him to a three-year term as an external director on the UTIMCO Board on August 24, 2017.

Janet Handley is former Vice President for Investments of the Texas A&M Foundation. She is a member of the Texas A&M Legacy Society, Texas Wall Street Women, and Greater Texas Foundation Investment Committee. The U. T. System Board of Regents first appointed Ms. Handley to a three-year term as an external director on the UTIMCO Board on May 10, 2017. Her appointment was recommended by the Texas A&M University System Board of Regents.

6. U. T. System: Discussion and appropriate action regarding request for annual funding of \$1 million from the Internal Lending Program in support of the operational budget for the Archer Center, Washington, D.C.

RECOMMENDATION

The Chancellor concurs with the recommendation of the Executive Vice Chancellor for Academic Affairs and the Executive Vice Chancellor for Business Affairs that the U. T. System Board of Regents approve annual funding of \$1 million from the Internal Lending Program for the Archer Center, Washington, D.C.

BACKGROUND INFORMATION

Founded in 2001, the Archer Fellowship Program is a unique academic and experiential learning program located in Washington, D.C. that seeks to develop the next generation of leaders by introducing bright, highly accomplished students from Texas to the federal policy process.

The Archer Center and the Archer Fellowship Program, which serves both undergraduate and graduate students from all U. T. academic and health institutions, are managed academically and administratively by U. T. Dallas and are located in the U. T. System office in Washington, D.C. Archer Fellows earn in-residence course credit at their home U. T. institution during their semester of participation. At present, the Archer Center has five full-time staff and six part-time adjunct faculty and policy lecturers who are funded by revenue generated by student program fees, support from U. T. Dallas, and a small endowment managed by the U. T. Foundation.

Archer Fellows spend a transformative and impactful semester interning for a variety of public and private organizations including the White House, Congress, and the U.S. Supreme Court, to name a few. More than 1,400 students have participated in the Archer Center's semester-long and summer programs. The undergraduate Archer Fellowship Program enrolls 96 students annually from the eight academic institutions (48 each fall and spring semester). The Graduate Archer Fellowship Program enrolls between 30 and 46 graduate and medical students each summer from across the U. T. System's academic and health institutions.

The Archer Fellowship elevates the reputation of U. T. institutions and their students. It has served as a springboard for graduate and professional careers at prestigious universities and medical centers such as Harvard University, Yale University, and the University of Oxford, as well as virtually every U. T. institution. The program has also enabled students to enter high-impact careers in the public and private sector. Archer Fellows have been awarded many distinguished scholarships, including The Harry S. Truman Scholarship, the Marshall Scholarship, the Rhodes Scholarship, the Schwarzman Scholarship, and the Fulbright Scholarship.

The Board's approval of the proposed funding request will provide the base of reliable and dedicated financial support needed to ensure a strong future for the Archer Fellowship.

Funding Details

For many students and their families, the Archer Fellowship is cost-prohibitive as students must relinquish jobs or graduate assistantships during their semester of participation while also funding the extra cost of living in Washington, D.C., the fifth most expensive city in the U.S. Funds are requested to: 1) increase program accessibility by providing financial support for scholarships/fellowships; 2) increase program excellence through mental health services and adequate staffing and faculty; and 3) expand programming, resulting in enrollment increases of approximately 40 to 60 additional students per year.

The Archer Center is a U. T. System program administered by U. T. Dallas. Funds will be transferred annually to U. T. Dallas for the program. The proposed use of funds is as follows:

- | | |
|-----------|--|
| \$600,000 | Scholarships and Fellowships <ul style="list-style-type: none">• Undergraduate Scholarships (need-based, from \$2,000 to \$8,000)• Graduate Fellowships (from \$4,000 to \$8,000)• Stipends for Unpaid Internship Support (need-based, up to \$4,000) |
| \$250,000 | Staffing and Faculty (hired through U. T. Dallas) <ul style="list-style-type: none">• FTE (Austin-based) – administrative, recruitment, alumni relations, data, and development – \$50,000• FTE (D.C.-based) – new special programs (e.g., STEM Policy Program, expanded Congressional internship program or other short courses) – \$100,000• Increase academic faculty – \$100,000 |
| \$100,000 | Programmatic Support for New Programs <ul style="list-style-type: none">• Provide alternate and expanded programming to include new special programs, short courses, and new course development |
| \$50,000 | Mental Health Services for Archer Fellows in D.C. with Local Provider |