



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

**May 9-10, 2017
Austin, Texas**

| | Page |
|--|--|
| <u>Tuesday, May 9, 2017</u> | |
| CONVENE THE BOARD IN OPEN SESSION TO CONSIDER AGENDA ITEMS | 9:15 a.m. |
| 1. U. T. System Board of Regents: Approval of Chairman’s recommended Committee Chairmen and Regental representatives; and notification of appointments to Standing Committees and Liaison roles for the record (Regents’ Rules and Regulations, Rule 10402, regarding Committees and Other Appointments) and recommendations regarding committee names and committee structures | Action 6 |
| 2. U. T. System: Report on U. T. System commercialization performance | Report/Discussion 225 <i>Ms. Goonewardene</i> |
| 3. U. T. System: Report on creative industry partnerships | Report/Discussion 235 <i>Ms. Goonewardene</i> <i>Ferran Prat, Ph.D., J.D.,</i> <i>U. T. M. D. Anderson</i> <i>Cancer Center</i> |
| COMMITTEE MEETINGS | 10:00 a.m. - 12:15 p.m. |
| RECONVENE THE BOARD IN OPEN SESSION TO RECESS TO EXECUTIVE SESSION PURSUANT TO TEXAS GOVERNMENT CODE, CHAPTER 551 (Working lunch at noon) | 12:15 p.m. |
| 1. Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees – Section 551.074 | |
| a. U. T. Southwestern Medical Center: Periodic comprehensive performance review of institutional president (Regents’ Rules and Regulations, Rule 20201, Section 5, regarding Evaluation of Presidents) | |
| b. U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, assignment, and duties of individual System Administration and institutional officers or employees involved in the delivery of capital projects for U. T. Austin and U. T. Medical Branch - Galveston | |

- 2. Deliberation Regarding Security Devices or Security Audits – Section 551.076

U. T. System Board of Regents: Discussion and appropriate action regarding update on safety and security issues, including security audits and the deployment of security personnel and devices
- 3. Consultation with Attorney Regarding Legal Matters or Pending and/or Contemplated Litigation or Settlement Offers – Section 551.071
 - a. **U. T. System: Discussion and appropriate action regarding legal issues concerning delegation of responsibility for capital projects under oversight of the Office of Facilities Planning and Construction**
 - b. **U. T. System: Discussion and appropriate action regarding legal issues concerning returning direct oversight of internal audit functions to certain academic institutions**

RECONVENE THE BOARD IN OPEN SESSION TO RECESS TO COMMITTEE MEETINGS

2:00 p.m.

COMMITTEE MEETINGS

2:00 p.m. - 4:45 p.m.

Wednesday, May 10, 2017

RECONVENE THE BOARD IN OPEN SESSION TO CONSIDER AGENDA ITEMS

Board Meeting **Page**

9:00 a.m.

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

9:05 a.m.

Action

7

- 5. **U. T. System Board of Regents: Award of Regents' Outstanding Student Awards in Arts and Humanities -- creative writing winners**

9:15 a.m.

Presentation

8

Dr. Leslie

- 6. **U. T. System: Annual Meeting with Officers of the U. T. System Student Advisory Council**

9:25 a.m.

Report/Discussion

9

Mr. James Ruedlinger, Chair

- 7. **U. T. System: Discussion and appropriate action regarding returning direct oversight of internal audit functions to U. T. Arlington, U. T. Dallas, U. T. El Paso, U. T. Permian Basin, U. T. Rio Grande Valley, U. T. San Antonio, and U. T. Tyler, including allocation of funding**

10:05 a.m.

Action

14

Deputy Chancellor Daniel

- 8. **U. T. System: Discussion and appropriate action regarding delegation of responsibility for the delivery of institutional capital projects at U. T. Austin and U. T. Medical Branch - Galveston to the institutional presidents**

10:15 a.m.

Action

16

Dr. Kelley

| | Page |
|--|--|
| 9. U. T. System: Discussion of issues from the 85th Texas Legislative Session | 17 |
| | <i>10:25 a.m.</i> Report <i>Mr. McBee</i> |
| 10. U. T. System: Discussion of U. T. System priorities and budget process | 17 |
| | <i>10:35 a.m.</i> Discussion |
| 11. U. T. System: Approval of the Fiscal Year 2018 Budget Preparation Policies and Calendar for budget operations | 17 |
| | <i>10:50 a.m.</i> Action |
| 12. U. T. System Board of Regents: Presentation of Certificate of Appreciation to U. T. M. D. Anderson Cancer Center President Ronald A. DePinho and Comments | 18 |
| | <i>10:55 a.m.</i> Presentation |
| 13. U. T. System Board of Regents: Presentation of Certificate of Appreciation to Student Regent Varun P. Joseph and Comments | 19 |
| | <i>11:00 a.m.</i> Presentation |
| STANDING COMMITTEE RECOMMENDATIONS AND REPORTS TO THE BOARD | <i>11:05 a.m.</i> |
| RECESS TO EXECUTIVE SESSION PURSUANT TO TEXAS GOVERNMENT CODE, CHAPTER 551 | <i>11:15 a.m.</i> |
| 1. Deliberations Regarding the Purchase, Exchange, Lease, Sale, or Value of Real Property – Section 551.072 | |
| U. T. Austin: Discussion regarding the lease or value of property related to the Brackenridge Tract, including Lions Municipal Golf Course, Austin, Travis County, Texas | |
| 2. Negotiated Contracts for Prospective Gifts or Donations – Section 551.073 | |
| a. U. T. System Academic Institutions: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features | |
| b. U. T. System Health Institutions: 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. Health Science Center - San Antonio and U. T. Rio Grande Valley: Discussion and appropriate action regarding legal issues associated with request to transfer an endowment from U. T. Health Science Center - San Antonio to U. T. Rio Grande Valley | |
| c. U. T. System Board of Regents: Discussion and appropriate action regarding legal issues concerning pending legal claims by and against U. T. System | |

- d. **U. T. Rio Grande Valley: Discussion and appropriate action regarding legal issues related to Transition and Settlement Agreement with Doctors Hospital at Renaissance, LTD**
 - e. **U. T. Austin: Discussion regarding legal issues related to the utilization of the Brackenridge Tract, including Lions Municipal Golf Course, Austin, Travis County, Texas**
 - f. **U. T. Health Science Center - Tyler: Discussion and appropriate action regarding legal issues related to the Northeast Texas Consortium of Colleges and Universities**
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 presidents (academic and health institutions), U. T. System Administration officers (Deputy Chancellor, Executive Vice Chancellors and Vice Chancellors), other officers reporting directly to the Board (Chancellor, General Counsel to the Board, and Chief Audit Executive), members of the Board of Regents, and U. T. System and institutional employees**
 - b. **U. T. Austin: Discussion and appropriate action regarding terms of employment agreement for Thomas J. Herman as Head Football Coach (Regents' *Rules and Regulations*, Rule 10501, Subsection 2.2.12, regarding Athletic Employment Agreements and Rule 20204, regarding highly compensated employees) and related Personal Service and License Agreement with 1-0 Culture LLC**
 - c. **U. T. Health Science Center - Houston: Discussion and appropriate action regarding a proposed increase in compensation for Cesar Nahas, M.D., Associate Professor in the Department of Cardiothoracic and Vascular Surgery of Radiation Oncology (Regents' *Rules and Regulations*, Rule 20204, regarding compensation for highly compensated employees)**
 - d. **U. T. Permian Basin: Discussion and appropriate action regarding the appointment of Dr. Sandra K. Woodley as President**
 - e. **U. T. System: Discussion and appropriate action regarding individual personnel matters relating to assignment and duties of the Chancellor, including responsibilities associated with the admissions procedures set forth in Regents' *Rules and Regulations*, Rule 40303**

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

12:45 p.m.

ADJOURN

1:00 p.m.

1. **U. T. System Board of Regents: Approval of Chairman's recommended Committee Chairmen and Regental representatives; and notification of appointments to Standing Committees and Liaison roles for the record (Regents' Rules and Regulations, Rule 10402, regarding Committees and Other Appointments)**

RECOMMENDATION

In accordance with the Regents' *Rules and Regulations*, Rule 10402, Chairman Foster will request the concurrence of the U. T. System Board of Regents on recommended appointments of Committee Chairmen and Representatives of the Board, including Regental appointments to The University of Texas Investment Management Company (UTIMCO).

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

RECOMMENDATION

The Board will be asked to approve the Consent Agenda items and will discuss any items referred for consideration by the full Board.

5. **U. T. System Board of Regents: Award of Regents' Outstanding Student Awards in Arts and Humanities -- creative writing winners**

REPORT

Executive Vice Chancellor Leslie will report on the results of the Regents' Outstanding Student Awards in Arts and Humanities.

BACKGROUND INFORMATION

In recognition of its support of the arts and humanities, on February 9, 2012, the Board of Regents authorized the Office of Academic Affairs to establish the Regents' Outstanding Student Awards in Arts and Humanities. The awards program is designed to provide a framework that fosters excellence in student performance, rewards outstanding students, stimulates the arts and humanities, and promotes continuous quality in education. This year's awards are for creative writing.

The nominees were evaluated on creativity, originality, imagery, artistic quality, and mastery of expression, with the following recognitions:

Ms. Nooshin Ghanbari, U. T. Austin, for outstanding poetry writing

Mr. Frederick Tran, U. T. Arlington, for outstanding short fiction

6. **U. T. System: Annual Meeting with Officers of the U. T. System Student Advisory Council**

INTRODUCTION

The U. T. System Student Advisory Council will meet with the Board of Regents to discuss recommendations of the Council and plans for the future. The Council's recommendations are set forth on the following pages.

Council members scheduled to attend are:

Chair: Mr. James Ruedlinger, U. T. Arlington, Organizational Communication

Tuition and Fees Working Group: Ms. Kelly Zoch, U. T. San Antonio, Finance

Student Success Working Group: Ms. Akshitha Padigela, U. T. Dallas, Finance

Graduate Education Working Group: Mr. Alex Perakis, U. T. M. D. Anderson Cancer Center, Graduate School of Biomedical Sciences, Ph.D. candidate, Immunology

Diversity and Inclusion Working Group: Mr. Kevin Helgren, U. T. Austin, Neuroscience, Psychology, Liberal Arts Honors

Legislative Working Group: Mr. Andrew Hubbard, U. T. San Antonio, Finance

BACKGROUND INFORMATION

The U. T. System Student Advisory Council was established in 1989 to provide input to the U. T. System Board of Regents working through and with the Chancellor and U. T. System Administration on issues of student concern. The operating guidelines of the Council require that recommendations have a multi-institutional focus and that the Council explore individual campus issues with institutional administrators prior to any consideration thereof. The Student Advisory Council consists of two student representatives from each U. T. System institution enrolling students, and meets three times yearly in Austin. The Standing Committees of the Council are Academic Affairs, Student Involvement and Campus Life, Health and Graduate Affairs, and Financial and Legislative Affairs.



THE UNIVERSITY of TEXAS SYSTEM
FOURTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.



Student Advisory Council
sac@utsystem.edu
WWW.UTSYSTEM.EDU

TO: Chancellor William H. McRaven

FROM: 2016 – 2017 U. T. System Student Advisory Council

DATE: May 10, 2017

It is truly an honor for us to have the opportunity to present the work we have accomplished over the past academic year. Representing all fourteen U. T. System institutions, the Student Advisory Council has worked tirelessly to identify Systemwide policy issues facing our student body, engage in research and constructive dialogue with stakeholders, and provide what we believe to be the next steps in tackling some of these issues head-on. This year members of the Council decided to focus on five key areas: Tuition Accessibility, Graduate Education, Diversity and Inclusion, Student Success, and Legislative Affairs.

We applaud the strides you have made to improve The University of Texas System. We also hope to provide beneficial feedback on current policy issues as the official mechanism to voice student opinion on the direction of the U. T. System. This year, your direction to increase the depth of our recommendations and to provide the steps we believe are necessary to carry out the recommendation drove our efforts.

It has been our pleasure to serve the student body of The University of Texas System in this past year. We hope that our research and policy recommendations have indeed risen to your challenge. Unlike in past years, the Council decided to distribute targeted and relevant information, research, and policy recommendations in the form of memoranda. The memoranda were directed to key members of U. T. System Administration who have engaged with us on identifying and implementing both meaningful and feasible policy solutions. We have provided an attached list of each of the projects conducted in each of the five key areas and a status/progress update on each of those initiatives.

We thank you, Chancellor, for the opportunity to serve the students and the U. T. System institutions. We are grateful for the time you have taken to listen to both our praise and concerns. We hope our findings may provide value to The University of Texas System and improve each student's experience at our institutions.

Sincerely,

James Ruedlinger, Jr.
Chair, 2016- 2017 Student Advisory Council
U. T. Arlington, Class of Spring 2017

cc: Dr. David Daniel, Deputy Chancellor; Dr. Steve Leslie, Executive Vice Chancellor for Academic Affairs; Dr. Ray Greenberg, Executive Vice Chancellor for Health Affairs



**ATTACHMENT: 2016 – 2017 Student Advisory Council
Summary of Policy Projects and Status Updates, by Working Group**

| Working Group | Working Group Leadership | Policy Issue/Project | Status Update |
|-------------------------|--|---|---|
| Tuition Accessibility | Sachin Shah, U. T. Southwestern Medical Center Kelly Zoch, U. T. San Antonio | The goal of the working group on tuition and fees is to address the process of changing tuition and fees at U. T. System institutions and to provide student feedback on how the process might be improved. Key issues include timeliness, transparency, and student input. | A policy memorandum outlining identified issues was distributed to U. T. System leadership in April 2017 so that recommendations specific to timeliness of the process and student feedback mechanisms could be addressed during planning for the next tuition and fee cycle. |
| Diversity and Inclusion | Kevin Helgren, U. T. Austin Cory Hamilton, U. T. Health Science Center – Tyler | The goal of the working group is to define the scope of diversity and inclusion challenges facing students Systemwide, to research implementation and efficacy of efforts at national peer systems and institutions, and to recommend potential policy solutions or next steps to key leadership. | A meeting was held on April 6, 2017 at U. T. System to discuss key findings and potential next steps. Deputy Chancellor Daniel and Chief Human Resources Officer Kim Sullivan are actively engaged in conversation about these issues. A policy memorandum was shared with U. T. System leadership in April 2017. |
| Graduate Education | Alix Baycroft, U. T. Health Science Center – Houston Alex Perakis, U. T. M. D. Anderson Cancer Center | The group engaged in policy research and proposed recommendations to improve clarity about expectations among graduate students and faculty in advisory roles. | A policy memorandum proposing a policy and proposed content of graduate student compacts was shared with key leadership and the U. T. System Faculty Advisory Council (FAC). SAC hopes to engage FAC and U. T. System leadership in the upcoming year for feedback on the proposed compacts and implementation. |
| | | The working group sought student feedback regarding the sustainability of the Graduate Student Career Symposia (Mikiten Graduate Research Symposium). | A policy memorandum was shared with U. T. System staff and leadership expressing support for the continued sustainability of the symposia as a means to educate students and expand opportunities for graduate students in non-academic career paths. |



THE UNIVERSITY of TEXAS SYSTEM
FOURTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.



Student Advisory Council
sac@utsystem.edu
WWW.UTSYSTEM.EDU

| | | | |
|--------------------------------|---|--|--|
| Graduate Education (continued) | | The working group conducted research into best practices and policies regarding paid parental leave for graduate students, specifically the paid parental leave policy for the National Institute of Health funded students for Kirschstein-NRSA trainees. | The group recommended no further policy action at this time but shared a recommended list of further questions about policy, practice, and implementation issues that future Student Advisory Council members should consider if they choose to focus on this issue in future years. |
| | | The working group researched the potential use of telemedicine to address student mental health demand. They researched options for sharing best practices in mental health services among the U. T. System institutions. | A policy memorandum was shared with U. T. System Administration and institutional stakeholders including the Office of Academic Affairs and the Office of Health Affairs as well as institutional counseling center directors and student health providers. An op-ed regarding the importance of utilizing mental health services already in place, written in collaboration with U. T. System staff, may be published during the May 2017 National Mental Health Awareness Month. |
| Student Success | Akshitha Padigela, U. T. Dallas Laura Baker, U. T. Arlington | The goal of this working group is to engage in efforts related to the Chancellor's Quantum Leap in Student Success, specifically related to best practices and policy recommendations in the area of undergraduate advising. | Each member of the group engaged U. T. System academic institutions in identifying data and information about the advising process. A memorandum outlining a few key findings (based on the data), and outlining a few policy recommendations was shared with Dr. Rebecca Karoff, Student Success Quantum Leap Lead and other key leadership in April 2017. Two members of the working group continue to be engaged as student representatives in the Quantum Leap affinity group project. Information |



THE UNIVERSITY of TEXAS SYSTEM
 FOURTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.



Student Advisory Council
 sac@utsystem.edu
 WWW.UTSYSTEM.EDU

| | | | |
|---------------------|-----------------------------------|---|---|
| | | | and data were also shared with the Quantum Leap research team. |
| Legislative Affairs | Andrew Hubbard, U. T. San Antonio | The Council prepared three legislative value statements that expressed the positions and priorities of the group. Value statements addressed public support for higher education, tuition autonomy, and student well-being. | A memorandum outlining the value statement was shared U. T. System Administration. Members continue to engage in weekly calls to discuss relevant legislation and policy efforts related to the three value statements. |

7. **U. T. System: Discussion and appropriate action regarding returning direct oversight of internal audit functions to U. T. Arlington, U. T. Dallas, U. T. El Paso, U. T. Permian Basin, U. T. Rio Grande Valley, U. T. San Antonio, and U. T. Tyler, including allocation of funding**

RECOMMENDATION

The Chancellor concurs with the recommendation of the Deputy Chancellor, the Executive Vice Chancellor for Business Affairs, and the Chief Audit Executive that an allocation be made of \$15,366,630 of Permanent University Fund (PUF) Bond Proceeds to seven academic campuses and return of direct oversight and funding of campus auditors to the campuses effective September 1, 2017.

There are potential efficiencies associated with centralizing campus audit functions at U. T. System Administration. However, the experience of direct oversight at U. T. System Administration of internal auditors at the seven academic campuses has been that potential benefits have been minimal and are outweighed by the functional benefits of an institutional-level reporting relationship for the internal auditors. It was concluded that the appropriate course of action is to return the seven academic institutions to the previous institution direct oversight model. This will also result in a return to a consistent structure for all 14 academic and health institutions.

This action would transfer campus audit functions from U. T. System Administration to the seven academic campuses effective September 1, 2017. The change would affect 48.25 audit positions. The seven academic campuses are expected to employ most if not all of the current campus-stationed, U. T. System-employed auditors, but employment decisions regarding specific audit staff members would reside with the campuses.

To allow time for campuses to absorb the cost of the auditors, the U. T. System would provide each campus with funding equal to three years of salary, fringe benefits, travel, and operating costs of current audit staff. This would allow campuses, in effect, three years to absorb the cost of the audit staff without any additional financial burden. This would also eliminate \$5.1 million in annual AUF spending by U. T. System Administration. It may be necessary in three years to revisit the adequacy of the funding support provided to the campuses, depending on future developments.

Because of legal restrictions on the use of funds, the U. T. System would provide campuses with funding in the form of Permanent University Fund (PUF) debt. Each campus may determine whether the institution wishes to receive the entire three-year allocation of PUF funding to allow for specific capital projects or to receive an annual supplement to the Library, Equipment, Repair and Rehabilitation (LERR) budget distributed annually and also funded with PUF debt. The expectation is that the campuses would use the PUF funding for eligible capital projects where they currently had planned to use institution resources and in turn redirect funds to cover the cost of auditors.

The chart below represents how the \$15,366,630 would be allocated:

| Campus | PUF for Campus |
|-------------------|-----------------------|
| Arlington | \$1,863,441 |
| Dallas | \$2,894,781 |
| El Paso | \$3,096,561 |
| Permian Basin | \$ 954,618 |
| Rio Grande Valley | \$2,771,181 |
| San Antonio | \$2,808,177 |
| Tyler | \$ 977,871 |
| TOTAL | \$15,366,630 |

BACKGROUND INFORMATION

On August 21, 2014, the U. T. System Board of Regents requested that U. T. System Administration identify ways to transfer costs from academic campuses to U. T. System Administration so that a tuition increase would not be necessary. The “tuition offset” was straightforward for U. T. Austin, which may receive Available University Fund (AUF) allocations from U. T. System to cover operating expenses. For the other academic campuses, the tuition offset program involved transferring several types of services and expenses, including the institutional internal auditors, to U. T. System Administration. The auditors remain physically located at the campuses and perform audit functions for the campuses as part of a centrally managed audit program, but they became employees of U. T. System Administration effective September 1, 2014. The U. T. System Administration campus audit function involves 48.25 full-time equivalent (FTE) campus auditors at an annual cost of \$5,122,210 in salaries, fringe benefits, and operating expenditures.

8. **U. T. System: Discussion and appropriate action regarding delegation of responsibility for the delivery of institutional capital projects at U. T. Austin and U. T. Medical Branch - Galveston to the institutional presidents**

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 Executive Vice Chancellor for Business Affairs that the Office of Facilities Planning and Construction be authorized to delegate responsibility for the delivery of institutional capital projects at U. T. Austin and U. T. Medical Branch - Galveston to the respective institutional presidents.

BACKGROUND INFORMATION

Executive Vice Chancellor Kelley, who chaired the U. T. System Executive Committee on Outsourcing, will make a presentation and present a recommendation concerning the responsibility for delivery of institutional capital projects at U. T. Austin and U. T. Medical Branch - Galveston.

In Fall 2016, the U. T. System Executive Committee on Outsourcing was formed to evaluate potential outsourcing options for decentralized project management services supplied by the U. T. System Office of Facilities Planning and Construction (OFPC). The Committee convened in December 2016 and met as a group three additional times. After review and discussion of existing OFPC services, the Committee developed six scenarios for delegating oversight to selected institutional presidents or outsourcing to private sector firms.

Based on reviews of the various options, the Committee recommends that the Presidents of U. T. Austin and U. T. Medical Branch - Galveston be delegated authority to manage the project delivery of their institution's capital program. These new delegations will be similar to those existing at U. T. M. D. Anderson Cancer Center and U. T. Southwestern Medical Center.

9. **U. T. System: Discussion of issues from the 85th Texas Legislative Session**

10. **U. T. System: Discussion of U. T. System Administration budget and priorities**

11. **U. T. System: Approval of the Fiscal Year 2018 Budget Preparation Policies and Calendar for budget operations**

12. **U. T. System Board of Regents: Presentation of Certificate of Appreciation to U. T. M. D. Anderson Cancer Center President Ronald A. DePinho and Comments**

13. **U. T. System Board of Regents: Presentation of Certificate of Appreciation to Student Regent Varun P. Joseph and Comments**