



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

November 13-14, 2019
Austin, Texas

Wednesday, November 13, 2019

COMMITTEE MEETINGS

9:30 a.m. – 11:00 a.m.

CONVENE THE BOARD IN OPEN SESSION

1. U. T. Dallas: Recognition of eSports Team for winning National Championship 11:00 a.m.

RECESS TO EXECUTIVE SESSION PURSUANT TO TEXAS GOVERNMENT CODE, CHAPTER 551 11:15 a.m.

1. 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. System: Discussion and appropriate action regarding individual personnel matters relating to assignment and duties of the Chancellor, including responsibilities associated with the tuition and fee setting process and responsibilities associated with oversight of U. T. institutions**
2. Negotiated Contracts for Prospective Gifts or Donations – Section 551.073
 - a. **U. T. System Academic Institutions: Discussion and appropriate action regarding proposed negotiated gifts, including potential naming features**
 - b. **U. T. System Health Institutions: Discussion and appropriate action regarding proposed negotiated gifts, including potential naming features**
3. Consultation with Attorney Regarding Legal Matters or Pending and/or Contemplated Litigation or Settlement Offers – Section 551.071
 - a. **U. T. System: Discussion and appropriate action regarding legal authority to assess and collect tuition and fees**

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- b. 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 (TDCJ)**

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.
approximately*

COMMITTEE MEETINGS

1:00 p.m. - 2:30 p.m.

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

*2:30 p.m.
Ms. Tilly Clark,
Chair*

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

3:00 p.m.

- 4. 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. 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 extension of the lease to the West Austin Youth Association and related finding of public purpose**
- 5. Deliberations Regarding the Purchase, Exchange, Lease, Sale, or Value of Real Property – Section 551.072
 - a. 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 extension of the lease to the West Austin Youth Association and related finding of public purpose**
 - b. U. T. Southwestern Medical Center: Discussion and appropriate action regarding a proposed lease and purchase option for approximately 150,000 square feet of space at 3450 W. Camp Wisdom Road, Dallas, Dallas County, Texas, from 3662 Investors LP, or its successors or assigns, for mission purposes, including use for medical, clinical, and administrative offices**

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6. 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. Medical Branch - Galveston: Discussion of individual personnel matters related to presidential search**

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

*4:30 p.m.
approximately*

RECESS

5:00 p.m.

Thursday, November 14, 2019

RECONVENE THE BOARD IN OPEN SESSION TO CONSIDER AGENDA ITEMS

9:00 a.m.

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| 3. | U. T. System: Recognition of Nobel Prize recipient, Dr. John B. Goodenough, and ratification of designation as Regental Professor and allocation of funds | 8 |
| 4. | U. T. System Board of Regents: Approval of Consent Agenda and consideration of any items referred to the full Board | 10 |
| 5. | U. T. System Board of Regents: Discussion and appropriate action regarding amendments to Regents' <i>Rules and Regulations</i>, Rule 40401 (Assessment, Collection, Delegation, and Waiver of Tuition and Fees) and deletion of Regents' <i>Rules and Regulations</i>, Rule 40403 (Fees for Continuing Education and Self-Supporting Courses) | 11 |
| 6. | U. T. System Board of Regents: Discussion and appropriate action regarding proposed amendments to Regents' <i>Rules and Regulations</i>, Rule 60202 (Endowed Academic Positions) | 15 |
| 7. | U. T. System: Discussion and appropriate action related to proposal for funding of \$325,000 from interest on designated funds for the Association of College and University Educators (ACUE) program to credential faculty in the evidence-based teaching practices necessary for student success | 20 |
| 8. | U. T. System: Discussion and appropriate action regarding appropriation of Permanent University Fund (PUF) Bond Proceeds for capital projects at the academic and health institutions | 22 |
| 9. | U. T. System Board of Regents: Authorization for the Chancellor to submit Report Concerning Designated Tuition | 23 |

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10. U. T. System: Discussion and appropriate action to enhance funding for development operations at U. T. System institutions to increase philanthropic capacity and support their respective missions by authorizing an allocation of up to .80% (80 basis points) from the market value of the Long Term Fund and related policy issues

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11. U. T. System: Discussion and appropriate action regarding tuition and fee proposals for Fiscal Years 2021 and 2022 for the academic institutions; public hearing opportunity for changes to designated tuition pursuant to *Texas Education Code* Section 54.0513

STANDING COMMITTEE RECOMMENDATIONS AND REPORTS TO THE BOARD

10:00 a.m.

RECESS TO EXECUTIVE SESSION PURSUANT TO *TEXAS GOVERNMENT CODE*, CHAPTER 551 (Lunch available at noon)

10:15 a.m.

7. 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

8. 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. M. D. Anderson Cancer Center and U. T. Health Science Center - Houston: Discussion and appropriate action regarding legal issues related to TMC3 collaborative research development

d. U. T. M. D. Anderson Cancer Center: Discussion and appropriate action concerning legal issues regarding the lease of space at Life Science Plaza, located at 2130 West Holcombe Boulevard, Houston, Harris County, Texas, from Life Science Plaza Investment Group, L.P., and the purchase and acquisition of assets, including manufacturing equipment installed in the leased space, from Bellicum Pharmaceuticals, Inc., for the manufacture of cell therapy products and other mission-related uses

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- e. **U. T. M. D. Anderson Cancer Center: Discussion of legal issues regarding utilization of U. T. M. D. Anderson Cancer Center Science Park campus consisting of approximately 717 acres of land partially improved with research and related facilities adjacent to Buescher State Park in Smithville, Bastrop County, Texas**
 - 9. **Deliberations Regarding the Purchase, Exchange, Lease, Sale, or Value of Real Property – Section 551.072**
 - a. **U. T. M. D. Anderson Cancer Center and U. T. Health Science Center - Houston: Discussion and appropriate action regarding the lease of land and common facilities at the TMC3 collaborative research development located on approximately 28 acres bounded by Old Spanish Trail, South Braeswood Boulevard, and bisected by William C. Harvin Boulevard, from Texas Medical Center, Inc., for research and related uses**
 - b. **U. T. M. D. Anderson Cancer Center: Discussion and appropriate action regarding the lease of space at Life Science Plaza, located at 2130 West Holcombe Boulevard, Houston, Harris County, Texas, from Life Science Plaza Investment Group, L.P., and the purchase and acquisition of assets, including manufacturing equipment installed in the leased space, from Bellicum Pharmaceuticals, Inc., for the manufacture of cell therapy products and other mission-related uses**
 - c. **U. T. M. D. Anderson Cancer Center: Discussion regarding the uses and value of the U. T. M. D. Anderson Cancer Center Science Park campus consisting of approximately 717 acres of land partially improved with research and related facilities adjacent to Buescher State Park in Smithville, Bastrop County, Texas**
 - 10. **Deliberation Regarding Security Devices or Security Audits - Sections 551.076 and 551.089**

U. T. System Board of Regents: Discussion and appropriate action regarding safety and security issues, including security audits and the deployment of security personnel and devices
 - 11. **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
- RECONVENE THE BOARD IN OPEN SESSION TO CONSIDER ACTION, IF ANY, ON EXECUTIVE SESSION ITEMS *2:15 p.m. approximately*
- ADJOURN *2:30 p.m.*

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

Representatives of the U. T. System Employee Advisory Council will meet with the Board to discuss the Council's work and planned activities. Council members scheduled to attend are:

Chair: Ms. Tilly Clark, Assistant Director of Special Use Facilities, U. T. Medical Branch - Galveston

Vice Chair: Ms. Tricia White-Rhemtulla, Department Administrator, U. T. M. D. Anderson Cancer Center

Secretary: Ms. Kathy Murphy, Senior Organizational Development Consultant, U. T. Southwestern Medical Center

Historian: Ms. Latoya Oduniyi, Health Promotion and Substance Abuse Coordinator, U. T. Arlington

BACKGROUND INFORMATION

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

3. U. T. System: Recognition of Nobel Prize recipient, Dr. John B. Goodenough, and ratification of designation as Regental Professor and allocation of funds

RECOMMENDATION

On October 9, 2019, Dr. John B. Goodenough, Professor and Virginia H. Cockrell Centennial Chair in Engineering, was awarded the Nobel Prize in Chemistry. In recognition of this prestigious achievement, the Chancellor, the Executive Vice Chancellor for Academic Affairs, and President Fenves recommend that the U. T. System Board of Regents ratify an award to Dr. Goodenough of the title of Regental Professor.

It is further recommended that Nobel Laureate Goodenough be granted \$500,000 from Permanent University Funds (PUF) for equipment purchases in support of his work in the Department of Electrical and Computer Engineering and Department of Mechanical Engineering, to be paid \$100,000 annually for five years.

BACKGROUND INFORMATION

The designation of Regental Professor is in accordance with the Regents' *Rules and Regulations*, Rule 31001, Section 2.3(a), which allows a faculty member awarded the Nobel Prize to be given the title of Regental Professor upon recommendation of the president of the institution, the appropriate Executive Vice Chancellor, and the Chancellor.

Dr. Goodenough shares the Nobel Prize with M. Stanley Whittingham of the State University of New York at Binghamton and Akira Yoshino of Meijo University “for the development of lithium-ion batteries.” Dr. Goodenough was selected for identifying and developing the critical materials that provided the high-energy density needed to power portable electronics, initiating the wireless revolution. Today, batteries incorporating Dr. Goodenough's cathode materials are used worldwide for mobile phones, power tools, laptops, tablets and other wireless devices, as well as electric and hybrid vehicles.

Dr. Goodenough received his bachelor's degree in Mathematics, summa cum laude, from Yale University in 1944, where he was a member of Skull and Bones. After serving in the U.S. Army as a meteorologist during World War II, he went to the University of Chicago to complete a masters in physics and was awarded a Ph.D. in physics in 1952.

He began his career at the Massachusetts Institute of Technology's (MIT) Lincoln Laboratory in 1952, where he laid the groundwork for the development of random-access memory (RAM) for the digital computer. After leaving MIT, he became professor and head of the Inorganic Chemistry Laboratory at the University of Oxford. During this time, Goodenough made the lithium-ion discovery.

Since 1986, he has been a Professor at U. T. Austin in the Cockrell School of Engineering and holds faculty positions in the Department of Mechanical Engineering and the Department of Electrical and Computer Engineering where he serves as the Virginia H. Cockrell Centennial Chair in Engineering. During his tenure, he has continued his research on ionic conducting solids and electrochemical devices to study improved materials for batteries to help promote the development of more sustainable and energy-efficient battery materials.

Dr. Goodenough is the recipient of numerous national and international honors, including the Japan Prize, the Enrico Fermi Award, the Charles Stark Draper Prize, and the National Medal of Science.

4. **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 158](#).

5. **U. T. System Board of Regents: Discussion and appropriate action regarding amendments to Regents' Rules and Regulations, Rule 40401 (Assessment, Collection, Delegation, and Waiver of Tuition and Fees) and deletion of Regents' Rules and Regulations, Rule 40403 (Fees for Continuing Education and Self-Supporting Courses)**

RECOMMENDATION

The Chancellor concurs in the recommendation of 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 40401 (Assessment, Collection, Delegation, and Waiver of Tuition and Fees), be amended as set forth below in congressional style, and Regents' *Rules and Regulations*, Rule 40403 (Fees for Continuing Education and Self-Supporting Courses) be deleted.

a. Amend *Regents' Rule* 40401 as set forth in congressional style:

1. **Title**

Assessment, Collection, Delegation, and Waiver of Tuition, ~~and Fees~~, and Charges

2. **Rule and Regulation**

Sec. 1 Published Fees. Tuition, fees, and other charges will be fixed as prescribed or authorized by statute and the relative debt covenants of the Board and will be published in the institutional catalog with a description of the criteria for any authorized exemptions and waivers.

Sec. 2 Exemptions and Waivers. The authority of the Board of Regents to grant exemptions and waivers from tuition, fees, and other charges in accordance with statute, is delegated to the presidents of the institutions.

Sec. 3 Delegation of Approval of Certain Fees and Charges. Subject to the obligation of the Board to set fees and charges at levels sufficient to comply with the covenants made in the Master Resolution Establishing the Revenue Financing System and in related agreements and debt instruments entered into or issued thereunder, the Board of Regents delegates to the presidents the authority to assess and collect the following fees and other charges, upon a finding by the president that such fees and other charges comply with the requirements of the statute authorizing such fees or charges, including statutory limitations on the amounts of such charges. Each institution shall adopt provisions in the institutional Handbook of Operating Procedures to incorporate institutional procedures for proposing and approving the fees and charges listed in this section. ~~and changes to such fees and other charges are required for the fee or other charge to reasonably reflect the actual cost to the institution of the materials or services to be provided. Except for the approval of continuing education course fees, which is delegated directly to the president by Rule 40403, the~~

3.1. Approval authority for the following fees granted herein is conditioned on prior review and approval by the Executive Vice Chancellor for Academic Affairs or the Executive Vice Chancellor for Health Affairs:-

1. Fees for Vehicle Registration and Fees and Other Charges associated with parking, as authorized by *Texas Education Code* [Sections 51.202\(a\)](#) and [54.505](#).
2. Matriculation Fee, as authorized by *Texas Education Code* [Section 54.006\(a-1\)](#)
3. Fees Associated with the Option to Pay Tuition by Installment, as authorized by *Texas Education Code* [Section 54.007\(c\)](#)
4. Supplemental Fees for coaching or individual instruction, as authorized by *Texas Education Code* [Section 54.051\(l\)](#)
5. Laboratory Fees, as authorized by *Texas Education Code* [Section 54.501\(a\)](#)
6. Incidental Fees, as authorized by *Texas Education Code* [Section 54.504](#) including, but not limited to, course fees.
7. Charges and Fees for Certain Payments, related to electronic funds transfer or credit card payment, as authorized by *Texas Education Code* [Section 54.5011](#)
8. Fees and Other Charges for rentals, rates, and charges for certain occupancy, services, use and availability of facilities or services including, but not limited to, student housing room and board rates as authorized by *Texas Education Code* [Section 55.16](#).

3.2. Approval authority for the following fees is delegated directly to the presidents:

91. Continuing Education or Self-Supporting Course Fees, as authorized by *Texas Education Code* [Section 54.545](#) and further detailed in [Rule 40403](#).
2. Elective non-academic charges for goods or services that are not typically required at any point over the course of a student's enrollment at an institution. Examples of such charges include those for theater or sporting event tickets, health center goods and services, or elective recreational activities such as intramural sports or personal training

Sec. 4 Approval of Method of Payment. The Board of Regents delegates to the presidents of the institutions the authority to collect the payment of tuition, fees, and other charges in accordance with those methods prescribed or authorized by statute.

Sec. 5 Student Fees Associated with CIP Projects. In accordance with [Rule 80301](#) of these Rules, Board approval of a Capital Improvement Program (CIP) project shall be obtained prior to the call for a student election to authorize new or increased fees to fund the CIP project.

- b. Delete Regents' *Rules and Regulations*, Rule 40403 (Fees for Continuing Education and Self-Supporting Courses), which is set forth following the below background information.

BACKGROUND INFORMATION

Regents' Rule 40401 regulates the assessment, collection, delegation and waiver of tuition, fees, and other student charges. Under the rule, the authority to set certain fees and charges are delegated to the presidents. The proposed amendments seek to clarify the types of fees and charges that require prior review and approval by the U. T. System Executive Vice Chancellors. Additionally, provisions were added to ensure that each institution includes a process for approving such fees and charges in its Handbook of Operating Procedures.

The proposed amendments also incorporate the substance of Regents' Rule 40403, related to the delegation of authority to set rates for continuing education and self-supporting courses. Therefore, deletion of Rule 40403 is recommended.

These proposed revisions do not impact the full-time equivalent (FTE) employee count Systemwide and have the potential for a slightly favorable budget impact through process simplification. 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.

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

Rule: 40403

1. Title

Fees for Continuing Education and Self-Supporting Courses

2. Rule and Regulation

Sec. 1 Authorization. Institutions are authorized by the Board of Regents in accordance with [Section 54.545](#) of the *Texas Education Code* to charge a reasonable fee to each person registered in an extension, correspondence or other self-supporting course at the institution and to set the fee in an amount sufficient to recover the costs for providing the course. Such courses may not include any course for which the institution collects tuition or receives formula funding.

Sec. 2 Delegation. The Board of Regents delegates to the president of the respective institutions the authority and responsibility for approving the amount of the fee to be charged for each course.

Sec. 3 *Handbook of Operating Procedures*. Each institution shall adopt provisions in the institutional *Handbook of Operating Procedures* to reflect this policy and to incorporate institutional procedures for the approval process.

3. Definitions

None

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6. **U. T. System Board of Regents: Discussion and appropriate action regarding proposed amendment to Regents' Rules and Regulations, Rule 60202 (Endowed Academic Positions)**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellors; the Vice Chancellor for External Relations, Communications, and Advancement Services; and the Vice Chancellor and General Counsel that Regents' *Rules and Regulations*, Rule 60202 (Endowed Academic Positions), be amended as set forth below in congressional style:

- Sec. 1 Purpose of Endowed Academic Positions. Endowed Academic Positions are intended to promote excellence among individual institutions within the U. T. System. Faculty holders of Endowed Academic Positions shall have had a distinguished record of excellence (chairs/professorships) or demonstrated accomplishment or future promise in the intellectual field (fellowships). Holders of Endowed Academic Positions shall contribute substantially to the mission and goals of individual institutions. Holders of Endowed Academic Positions are stewards of the endowments and are subject to periodic evaluation to ensure satisfactory performance.
- Sec. ~~2~~4 Approval Prior to Announcement. Negotiations and fund raising for an endowment are permitted prior to its formal approval and establishment by the Board or its designee(s). However, an endowment ~~will~~ may not be announced as having been established prior to its establishment by the Board or its designee(s). ~~No All initial or new holder appointments will be made to a chair or professorship an endowed or named academic position without require prior approval as a Request for Budget Change by the president of an institution after review and approval by the appropriate Executive Vice Chancellor. Under special circumstances and when authorized by the Chancellor, an institution may grant an endowed professorship to an outstanding faculty member prior to achieving full professor status. The Chancellor may delegate authority for approval to the appropriate institution president or Executive Vice Chancellor. Subsequent new or continuing appointments to the endowed or named academic positions may be approved as a part of the annual operating budget.~~
- Sec. 3 Reporting. Each institution should report annually to the Chancellor on appointments to Endowed Academic Positions.
- Sec. ~~4~~2 Categories and Minimum Funding Levels. The six categories of endowed and named academic positions and the minimum funding levels to establish the positions are: Distinguished University Chair (\$2 million), Distinguished Chair (\$1 million), Chair (\$500,000), Distinguished Professorship (\$250,000), Professorship (\$100,000), and Fellowship (\$50,000). ~~All agreements related to endowed academic positions made prior to April 14, 1988, will remain in effect unless a specific request for change is made by the donor and the institution and approved by the Board of Regents.~~ Individual institutions are not required to utilize all categories of ~~endowed academic positions~~ Endowed Academic Positions and may, with advance administrative approval and inclusion in the institutional *Handbook of Operating Procedures*, limit institutional endowment

activity to those position categories which best fit the institution's ~~goals and mission~~ and goals.

~~42.1~~ Whether an endowment has attained the minimum funding level necessary to establish a particular academic position will be determined by the total value of gifts from donors and transfers of funds valued as of the gift date or date of transfer, ~~respectively~~. Funding levels ~~will~~ may not be determined by the amount of net sale proceeds received from a non-cash gift or by the current market value of the investments held in an endowment.

~~42.2~~ With the specific approval of the Board of Regents, ~~an a-named academic position~~ Endowed Academic Position may be established without the above minimum funding levels ~~only in accordance with agreements recommended by the Chancellor, the appropriate Executive Vice Chancellor, and the Vice Chancellor for External Relations~~. Such agreements must contain the provisions outlined in Sections ~~3.3 and 3.4~~ 2.3 and 2.4 immediately below.

~~42.3~~ If an external entity requests that the Board of Regents establish ~~an a-named academic position~~ Endowed Academic Position based upon the entity's agreement to hold and manage an endowment fund supporting the position, the entity must irrevocably agree to dedicate the endowment to the support of the academic position in perpetuity or for a specified term of years. The entity must agree to adhere to Board policies regarding minimum funding levels for an endowment. The entity must agree to employ annual payout policies that are consistent with the goal of distributing from the endowment, or otherwise contributing to the institution, an annual payout amount substantially similar to that distributed from a comparable Board-managed endowment. The entity must agree that funds distributed from the endowment shall be paid to the institution for further expenditure in accordance with Board policies. ~~The Board must retain the right to appoint all holders of the academic position.~~

~~42.4~~ If an external entity requests that the Board of Regents establish ~~an a-named academic position~~ Endowed Academic Position without the funding of an endowment to support the position, the entity must irrevocably agree to contribute annually, either in perpetuity or for a specified term of years, an amount substantially similar to that distributed from a Board-managed endowment in support of a comparable position. The entity must agree that the funds will be contributed for further expenditure in accordance with Board policies regarding the particular category of academic position being established. ~~The Board must retain the right to appoint all holders of the academic position.~~

Sec. ~~53~~ Distributions for Endowed Chairs and Professorships Academic Positions. The institution will ~~pay from its funds such amounts as are necessary to~~ set the salary of the holder at a level commensurate with his or her record, experience, and position in the faculty. Subject to donor criteria, dDistributions from the

endowment may be used ~~both~~ for a reasonable amount of salary support as determined by institutional policy, for salary supplementation, and for other professional support of the holder of the endowed position-Endowed Chair/Professorship, including assistance in the holder's research program. An institution may, with advance administrative approval and inclusion in the institutional Handbook of Operating Procedures, utilize a minimal portion of the distribution to support costs associated with administering the endowment (only if not already receiving endowment administration funding from other sources) and/or for strategic priorities, according to the purpose of the endowment. Chairs/professorships are intended to have holders. However, unfilled chairs/professorships may be used to support faculty fellows, according to the purpose of the endowment. Faculty may also be appointed as a fellow supported by funds available from a filled Endowed Chair/Professorship. ~~Endowment distributions also may be used to pay an appropriate part of the salary of the holder of the endowed position commensurate with an authorized reduced faculty workload when required by other duties of the position or when the holder is on part-time or full-time research leave which is otherwise unfunded. It is provided specifically, however, that in no event, will endowment distributions be used to supplant any other source of funds used to pay the base salary of the holder of the position when the holder is performing his or her regular duties.~~

Sec. 64 ~~Establishment and~~ Distributions for of Endowed Fellowships. Distributions from the an endowment may be used ~~to supplement the for reasonable~~ salary support, salary supplementation, and/or other professional support of the holder of the fellowship, who may be a qualified person of any academic rank irrespective of tenure status, ~~and will also be available for other professional support of the holder.~~ The ~~endowed fellowship~~ Endowed Fellowship may also will be used to provide temporary support (not to exceed one academic year) of:

- distinguished scholars who are in temporary residence at the institution while participating in planned academic programs;
- visiting scholars who are in temporary residence at the institution for special academic programs or purposes;
- institution faculty who have made unique contributions to academic life or the to knowledge in their academic discipline; and
- institution faculty of any academic rank, irrespective of tenure status, who have been selected for teaching excellence ~~through procedures established by the institution.~~

~~Grants for endowed visiting professorships and endowed teaching fellowships of at least \$50,000 already under contractual agreement for the future, bequests included in wills made prior to April 14, 1988, and other prior bona fide arrangements for endowed teaching fellowships and endowed visiting professorships are excepted in this regulation. Grants for endowed lectureships of at least \$20,000 already under contractual agreement for the future, bequests in wills made prior to April 14, 1988, and other prior bona fide arrangements for endowed lectureships are excepted from the minimum amount restriction in this regulation.~~

Sec. 7 Evaluation of Holders of All Endowed Academic Positions, including Fellowships. Individual institutions shall, with advance administrative approval and inclusion in the institutional Handbook of Operating Procedures, establish procedures for the review of holders of Endowed Academic Positions. Such review shall normally occur in conjunction with existing performance appraisal processes, such as annual evaluation (for fellowships) and comprehensive periodic review (for chairs/professorships).

Sec. 8 Oversight of Endowments Supporting Faculty Positions. Each president is responsible for maintaining oversight of endowments established to support faculty positions, including assignment of holders and use of distributions, but may delegate this authority.

3. Definitions

Endowed Academic Position – a Distinguished University Chair, Distinguished Chair, Chair, Distinguished Professorship, Professorship, or Fellowship.

Endowed Chair/Professorship Academic Position – an endowed academic position is a faculty position supported by an endowment from which distributions are dedicated to reasonable salary support (as determined by institutional policy), salary supplementation, research support, and/or other professional support needs of a faculty member, subject to donor criteria. The position-holder will normally be a faculty member who has had a distinguished career. Except in extraordinary circumstances, the A holder will may be named to an endowed Endowed Chair/Professorship academic position for a specified length of time, the remainder of his or her employment, or for a term of years, and T the chair/professorship position may be renewable or non-renewable.

Endowed Fellowships – an endowed fellowship (or faculty fellowship) is a faculty position supported by an endowment from which distributions are dedicated to reasonable salary support (as determined by institutional policy), salary supplementation, research support, and/or other professional support needs of a faculty member of any academic rank, subject to donor criteria. The holder will normally be a faculty member who exhibits demonstrated accomplishment or future promise in the intellectual field. The endowed fellowship Endowed Fellowship will be awarded for a specified length of time. The fellowship and may or may not be renewable or non-renewable.

BACKGROUND INFORMATION

Regents' Rule 60202 currently prohibits faculty endowment distributions to support faculty salaries and does not address the possibility of allowing endowed professorships to be awarded to faculty members who have demonstrated accomplishments and future promise in their intellectual fields, but do not yet hold the rank of professor.

The current rule was adopted many years ago, when far fewer faculty endowments existed and during a time when other sources of funding supported a higher percentage of faculty salaries. Today, the Board of Regents holds 2,906 academic endowments with a market value of more than \$3 billion (as of June 30, 2019). Most, if not all, private universities and many public universities in the United States allow some portion of faculty endowment distributions to support faculty salaries.

The proposed revisions to Regents' Rule 60202 allow institutions to develop new procedures to utilize a reasonable amount of faculty endowment distributions for reasonable salary support of the endowed position holder and to award endowed professorships to rising faculty stars who have not yet achieved full professor status. The delegation to the Chancellor to authorize such an award may be further delegated as authorized by Regents' Rule 10501.

These revisions will enable universities to better and more strategically utilize faculty endowment funds granted to them by the generosity of donors. Each institution would develop clear administrative procedures in their respective institutional Handbook of Operating Procedures, clearly outlining required administrative approvals and processes for determining "reasonable amounts" for distributions.

The proposed revisions also remove all language related to Board appointment of endowment holders.

Under the U. T. System Endowment Administration and Compliance program, all faculty endowments will continue to be reviewed annually to ensure donor intent is honored and distributions are made appropriately.

Agreements related to endowed academic positions made prior to April 14, 1988, will remain in effect when there is a request for change made by the donor and institution and approved by the Board of Regents. Also consistent with the prior rule, grants for endowed visiting professorships and endowed teaching fellowships of at least \$50,000 already under contractual agreement for the future, bequests included in wills made prior to April 14, 1988, and other prior bona fide arrangements for endowed teaching fellowships and endowed visiting professorships are excepted from this rule. Grants for endowed lectureships of at least \$20,000 already under contractual agreement for the future, bequests in wills made prior to April 14, 1988, and other prior bona fide arrangements for endowed lectureships are excepted from the minimum amount restriction in this rule.

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

7. **U. T. System: Discussion and appropriate action related to proposal for funding of \$325,000 from interest on designated funds for the Association of College and University Educators (ACUE) program to credential faculty in the evidence-based teaching practices necessary for student success**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and the Executive Vice Chancellor for Business Affairs that the Board of Regents approve the proposal for funding of \$325,000 from interest on designated funds for the Association of College and University Educators (ACUE) program to credential up to 272 faculty members at the eight U. T. academic institutions in the evidence-based teaching practices necessary for student success.

BACKGROUND INFORMATION

U. T. System requests funding to support a one-year partnership with the Association of College and University Educators (ACUE), an organization that prepares, credentials, and supports faculty to teach with the practices that improve student achievement. The funding would enable up to 272 faculty members at the eight academic institutions to take ACUE's Course in Effective Teaching Practice, an evidence-based, 25-week online course that leads to a Certificate in Effective College Instruction for faculty participants, endorsed by the American Council on Education (ACE). The certificate can also be worth three credits towards a graduate degree through an arrangement with ACE.

In Academic Year 2018-2019, the Office of Academic Affairs and Faculty Advisory Council (FAC) partnered to offer a pilot iteration of the ACUE course. The requested funding would support an expansion of the program with funding going directly to each academic institution, which would determine how to implement the ACUE course on behalf of its faculty.

The Course in Effective Teaching Practice includes modules and implementation strategies on topics such as aligning assessment with course outcomes, promoting a civil learning environment, using interactive learning techniques for classes of various sizes, developing self-directed learners, and higher-order thinking skills in students. The recommended practices fully align to ACUE's Effective Practice Framework, an independently validated statement of teaching describing competencies faculty members should possess. The ACUE course is delivered online, with expert facilitation, to cohorts of faculty through a Quality Matters certified learning design.

Faculty participants go through the course while they are teaching. Participation entails synchronous incorporation of the ACUE modules and strategies into the courses they are currently teaching, along with reflection and self-evaluation. Participation requires a significant time commitment, on top of regular teaching, service, and research responsibilities.

In addition to the U. T. System/FAC-sponsored pilot, U. T. El Paso also partnered with ACUE to offer the Course in Effective Teaching Practice in Academic Year 2018-2019, geared towards faculty who teach core curriculum courses to first-year students, courses critical to the retention, and subsequent academic performance. The U. T. El Paso experience has been so successful that the University has committed to a second year to allow participation in the ACUE course by additional instructors.

Likewise, U. T. Arlington has signed on to offer the ACUE course to its faculty beginning in Spring 2020. The requested funding will allow support for both U. T. El Paso and U. T. Arlington in their ACUE offerings, as well as support for the other six academic universities.

U. T. System's ACUE partnership is an investment in teaching, learning, and student success, as well as an opportunity for U. T. System to invest in and support the highest quality professoriate. Based on the 2018-2019 pilots and results from other colleges, universities, and systems using the ACUE course, U. T. System is confident this program will result in student success outcome gains for each faculty member that participates, along with more intentional engagement of faculty in high-impact and cutting-edge pedagogies. With deeper learning and mastery in ACUE-faculty-taught courses, there will be a corollary impact on students as they move into subsequent coursework throughout their degree programs.

8. **U. T. System: Discussion and appropriate action regarding appropriation of Permanent University Fund (PUF) Bond Proceeds for capital projects at the academic and health institutions**

Chairman Eltife and Chancellor Milliken will make recommendations and lead a discussion concerning appropriation of Permanent University Fund (PUF) Bond Proceeds.

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

RECOMMENDATION

It is requested that the Board of Regents grant authority to the Chancellor to submit the required "Report Concerning Designated Tuition" for academic years 2017-2018 and 2018-2019 to the Lieutenant Governor, Speaker of the House, Chair of the Senate Finance Committee, Chair of the House Appropriations Committee, and the Legislative Budget Board.

It is further requested that the Board also authorize submission of the report, for future academic years, if the report is required by action in future Legislative Sessions.

BACKGROUND INFORMATION

The current General Appropriations Act (HB1, Article III, Section 46) requires the "Report Concerning Designated Tuition" be filed, by the governing board of each public institution of higher education that charges designated tuition as outlined by state law (Section 54.0513, *Texas Education Code*), no later than January 1, 2020. The report must include the amount of designated tuition collected, the purposes for which it was spent, and the amount spent for each purpose. The report must also provide the amounts set aside for resident undergraduate and graduate student assistance as required by Sections 56.011 and 56.012, *Texas Education Code*, and how those amounts are allocated.

Completion of the report requires certain financial information which will not be available until after the November Board meeting. The requested delegation will allow the report to be completed and delivered by the deadline. Upon completion a copy of the report will be provided to members of the Board.