



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

**February 11-12, 2015
Austin, Texas**

	Page
<u>February 11, 2015</u>	
COMMITTEE MEETINGS	<i>9:00 a.m. - 3:30 p.m.</i>
RECESS	<i>3:30 p.m.</i>
<u>February 12, 2015</u>	
CONVENE THE BOARD IN OPEN SESSION	<i>8:30 a.m.</i>
WELCOME TO CHANCELLOR MCRAVEN AND CHANCELLOR'S REMARKS	<i>Chancellor McRaven</i>
CONSIDER AGENDA ITEMS	<i>9:00 a.m.</i>
1. U. T. System Board of Regents: Approval of Consent Agenda items and referral of any items to the full Board or to Committee	<i>9:00 a.m.</i> Action 6
2. U. T. System Board of Regents: Proposed appointment to the Board of Directors of The University of Texas Investment Management Company (UTIMCO)	<i>9:10 a.m.</i> Action 7
3. U. T. System Board of Regents: Discussion and appropriate action regarding amendment of Regents' <i>Rules and Regulations</i>, Rule 30104 to clarify current requirements and definitions related to Conflict of Interest, Conflict of Commitment, and Outside Activities	<i>9:15 a.m.</i> Action 8
4. U. T. System Board of Regents: Approval of proposed new Regents' <i>Rules and Regulations</i>, Rule 50801, regarding Student Learning Assessment and Outcomes	<i>9:20 a.m.</i> Action 12
5. U. T. System Board of Regents: Amendment to the Regents' <i>Rules and Regulations</i>, Rule 70101 (Authority to Accept and Manage Assets), Section 11, regarding authority to sell securities received as gifts and/or bequests	<i>9:25 a.m.</i> Action 17
6. U. T. System Board of Regents: Delegation of authority to the Chancellor to approve certain contracts for U. T. Rio Grande Valley	<i>9:30 a.m.</i> Action 18
7. U. T. System: Report on development performance for the U. T. System institutions	<i>9:35 a.m.</i> Report <i>Dr. Safady</i> 19
STANDING COMMITTEE RECOMMENDATIONS AND REPORTS TO THE BOARD	<i>9:50 a.m.</i>
RECOGNITION OF RETIRING REGENTS	

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

10:00 a.m.

1. Deliberation Regarding Security Devices or Security Audits – Section 551.076

U. T. System Board of Regents: Discussion and appropriate action regarding safety and security issues, including security audits and the deployment of security personnel and devices

*Dr. Kelley
Director Heidingsfield
Chief David Carter,
U. T. Austin*

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

- a. **U. T. Austin: Discussion and appropriate action to modify the prior authorization for transactions for the master development, ground leasing, and related partial sales pertaining to approximately 109 acres and improvements located at the southwest corner of West Braker Lane and North MoPac Expressway, Austin, Travis County, Texas, to Hines Interests Limited Partnership, or a related entity, for commercial development purposes**

- b. **U. T. Austin: Discussion and appropriate action to enter into an academic affiliation agreement with the Texas State Historical Association (TSHA) and to lease approximately 7,500 square feet of office and storage space located at a) 3001 Lake Austin Boulevard, b) Walter Webb Hall on the institution's main campus, and c) the West Pickle Research Center, all in Austin, Travis County, Texas, to TSHA to support the institution's teaching, research, and publication opportunities regarding Texas history; and finding of public purpose**

- c. **U. T. Dallas: Discussion and appropriate action regarding authorization to lease approximately 4.2 acres of vacant land located at the northeast corner of Waterview Parkway and Synergy Park Boulevard in Richardson, Collin County, Texas, to the Richardson Chamber of Commerce, and/or assigns, for a term of 40 years plus construction time for the construction and operation of an office and event facility building with related parking facilities, and authorization to lease a portion of the space in the to-be-constructed building for general office and event use by U. T. Dallas**

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. Brownsville: Discussion and appropriate action regarding legal issues related to pending litigation (*Saenz, et al. v. City of Brownsville, et al.*)**

- c. **U. T. System Board of Regents: Discussion and appropriate action regarding legal issues related to the Office of the Attorney General's investigation and report on the relationship between the U. T. Austin School of Law and the Law School Foundation and related to compensation and benefits for employees of the Law School**

- d. **U. T. System Board of Regents: Discussion and appropriate action regarding legal issues related to independent investigation of admissions practices at U. T. Austin by Kroll Associates**
 - e. **U. T. System Board of Regents: Discussion and appropriate action regarding legal issues related to settlements involving resignation from tenured positions**
 - f. **U. T. System Board of Regents: Discussion and appropriate action regarding legal issues related to the Board's statutory responsibility to take all actions necessary to provide for an orderly completion of the affairs of U. T. Brownsville and U. T. Pan American**
 - g. **U. T. System Board of Regents: Discussion and appropriate action regarding legal issues related to eVerify system**
 - h. **U. T. System Board of Regents: Discussion and appropriate action regarding legal issues related to confidentiality of executive session and legal compliance**
4. **Negotiated Contracts for Prospective Gifts or Donations – Section 551.073**
- a. **U. T. Austin: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features**
 - b. **U. T. Pan American: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features**
 - c. **U. T. San Antonio: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features**
5. **Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees – Section 551.074**
- a. **U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of U. T. System and institutional employees including employees covered by Regents' *Rules and Regulations*, Rule 20204, regarding compensation for highly compensated employees, and Rule 20203, regarding compensation for key executives**
 - b. **U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents (academic and health institutions), U. T. System Administration officers (Executive Vice Chancellors and Vice Chancellors), other officers reporting directly to the Board (Chancellor, General Counsel to the Board, and Chief Audit Executive), and U. T. System and institutional employees and related personnel aspects of the operating budget for Fiscal Year 2015**
 - c. **U. T. M. D. Anderson Cancer Center: Discussion and appropriate action regarding proposed increases in compensation for Thomas Buchholtz, M.D., Executive Vice President and Physician-in-Chief, and Ethan Dmitrovsky, M.D., Provost and Executive Vice President (Regents' *Rules and Regulations*, Rule 20204, regarding compensation for highly compensated employees)**

- d. U. T. Austin: Discussion and appropriate action concerning individual personnel matters related to the appointment of a president, including discussion of individual candidates to be invited to interview**

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

*2:15 p.m.
approximately*

ADJOURN

*2:30 p.m.
approximately*

1. **U. T. System Board of Regents: Approval of Consent Agenda items and referral of any items to the full Board or to Committee**

RECOMMENDATION

The Board will be asked to approve the Consent Agenda items located at the back of the book under the Consent Agenda tab.

2. **U. T. System Board of Regents: Proposed appointment to the Board of Directors of The University of Texas Investment Management Company (UTIMCO)**

RECOMMENDATION

Chairman Paul Foster recommends the appointment of Chancellor William H. McRaven to The University of Texas Investment Management Company (UTIMCO) Board of Directors.

BACKGROUND INFORMATION

Texas Education Code Section 66.08 and Regents' *Rules and Regulations*, Rule 10402, Section 4 require that the U. T. System Board of Regents appoint seven members to the UTIMCO Board of Directors. Three of the seven 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, which may include the Chancellor of the U. T. System. Two additional members are appointed by The Texas A&M University System Board of Regents.

The approved UTIMCO Bylaws allow the Chancellor of the U. T. System to serve as a Director so long as he or she remains Chancellor. The Bylaws also allow the Chancellor to serve as Vice Chairman for Policy.

Chancellor McRaven is recommended to replace Chancellor Cigarroa, who served on the UTIMCO Board of Directors and as Vice Chairman for Policy from February 2, 2009, until his resignation as Chancellor effective January 4, 2015.

3. **U. T. System: Discussion and appropriate action regarding amendment of Regents' Rules and Regulations, Rule 30104 to clarify current requirements and definitions related to Conflict of Interest, Conflict of Commitment, and Outside Activities**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Vice Chancellor and General Counsel and the General Counsel to the Board that Regents' *Rules and Regulations*, Rule 30104, regarding Conflict of Interest, Conflict of Commitment, and Outside Activities, be amended to clarify certain existing requirements and definitions as set forth in congressional style on the following pages.

BACKGROUND INFORMATION

Regents' Rules 30103 and 30104 related to Standards of Conduct and Conflict of Interest were amended on July 11, 2012, to implement new policies concerning conflicts and outside activities and to require the creation of a database to aid in the prevention of conflicts and the management of potential conflicts. Following the work of a panel of individuals across the U. T. System, the implementing policy, U. T. Systemwide Policy UTS180, was amended to reflect the changes in the Regents' Rules.

The proposed changes are recommended to bring the language of the U. T. Systemwide Policy and the Regents' Rule into alignment and to clarify the existing requirements. Following one year's experience with the Rule and Policy, a review of UTS180 is anticipated. Any changes to the Policy will be circulated to the institutions for review prior to implementation.

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

Rule: 30104

1. Title

Conflict of Interest, Conflict of Commitment, and Outside Activities

2. Rule and Regulation

- Sec. 1 Primary Responsibility. The primary responsibility of employees of the U. T. System Administration and each of the U. T. institutions is the accomplishment of the duties and responsibilities assigned to one's position of appointment.
- Sec. 2 Outside Work or Activity. Employees may engage in work or activity with outside entities and individuals, including governmental agencies, industry, or other educational institutions so long as such work or activity complies, as applicable, with the approval and disclosure requirements of Section 5 below and does not violate State laws or U. T. System Administration or U. T. institution rules or policies governing the conduct of employees, including ethics standards and provisions prohibiting conflicts of interest, conflicts of commitment, and the use of State resources.
- Sec. 3 Unmanaged Conflicts of Interest Prohibited. U. T. System Administration and U. T. institution employees may not have a direct or indirect interest, including financial and other interests, or engage in a business transaction or professional activity, or incur any obligation of any nature that is in substantial conflict with the proper discharge of the employee's duties in the public interest.
- Sec. 4 Conflicts of Commitment Prohibited. Activities on behalf of outside entities or individuals must not interfere with a U. T. System Administration or U. T. institution employee's fulfillment of his/her duties and responsibilities to the University. Such conflicts of commitment may arise regardless of the location of these activities (on or off campus), the type of outside entity (individual, for-profit, not-for-profit, or government), or the level of compensation (compensated or unpaid).
- Sec. 5 Approval and Disclosure Requirements. U. T. System Administration and each institution shall adopt policies that clearly delineate the nature and amount of permissible outside work or activities. The policies shall include provisions to prevent, identify, and resolve manage conflicts of interest and conflicts of commitment and shall include specific processes for

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Rules and Regulations of the Board of Regents**

Rule: 30104

disclosing such work or outside activities, as well as the procedures for obtaining and documenting institutional approval to carry out such engagements, consistent with this Rule.

5.1 Approval Required for Compensated Outside Work or Activity and for Outside Board Service. No full-time member of the faculty or administrative and professional staff employed by the U. T. System or any of the institutions on a 12-month or nine-month basis shall be employed in any outside work or activity or receive from an outside source any compensation, or serve on an outside board until a description of the nature and extent of the employment or activity and the range of any compensation has been timely filed with and approved by the president of the institution, or his or her designee(s), or by the Chancellor or his or her designee(s) for U. T. System Administration employees, as set forth in the policies of the U. T. System or the *Handbook of Operating Procedures* of each institution. Filings and approvals for the presidents will be made to the appropriate Executive Vice Chancellor. Filings and approvals for the Chancellor, the General Counsel to the Board, and the Chief Audit Executive will be made to the Chairman of the Board.

5.2 Additional Financial Disclosures. All officers and employees shall, in a timely manner, furnish such additional written financial disclosures as may be required by State or federal authorities or by U. T. System Administration or institutional authorities.

5.3 Electronic Database. Disclosure of outside activity, documentation of requests for approval, and subsequent approvals required under Section 5.1, above, shall be maintained in an electronic database, following guidelines provided by U. T. System Administration.

~~5.4 — Effective Date. U. T. System Administration and each institution shall have approved policies implementing the provisions of Section 5 in place no later than January 15, 2013.~~

Sec. 6 Free Advice. Even in the case of employees specifically engaged only in residence work, there exists an obligation, usually intermittent, to furnish expert knowledge and counsel for

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public benefit free of charge, provided that the meeting of this obligation by an employee does not interfere with his or her regular duties, and provided further that in meeting this obligation an employee shall avoid undue competition with legitimate private agencies.

- Sec. 7 Separation of Activities. If a U. T. System Administration or U. T. institution employee ~~works in a private capacity~~ engages in any outside activity, the employee must make it clear to those who employ him or her that the work is unofficial and that the name of the U. T. System or any of the institutions is not in any way to be connected with the employee's name, except when used to identify the member as the author of work related to the employee's academic or research area as more fully described in Rule 90101 of the Regents' *Rules and Regulations* concerning general rules for intellectual property. No employee engaged in outside ~~remunerative~~ activities shall use in connection therewith the official stationery of the System, give as a business address any building or department of the U. T. System or any of the institutions, or any University telephone extension.
- Sec. 8 Use of University Property. U. T. System Administration and U. T. institutional property may only be used for State purposes appropriate to the System or institutional mission.
- Sec. 9 Opinions for Advertising Purposes. Every employee ~~who gives professional opinions~~ must protect the U. T. System ~~or any of the and U. T.~~ institutions against the use of ~~such~~ opinions for advertising purposes.
- Sec. 10 Noncompliance. Noncompliance with this Rule subjects an employee to disciplinary action, including termination, in accord with applicable procedures.

3. Definitions

Compensation – any form of benefit including but not limited to salary, retainer, honoraria, intellectual property rights, or royalties, or promised, deferred, or contingent interest.¹

¹ Sponsored or reimbursed travel is included for consistency with Public Health Service regulations and UTS175 governing conflicts of interest in research [42 CFR Sec. 50.603, definition of "significant financial interest," at (2)]. It does not apply to travel that is reimbursed or sponsored by a Federal, state, or local government agency, an institution of higher education, an academic teaching hospital, a medical center, or a research institute that is affiliated with an institution of higher education.

4. **U. T. System Board of Regents: Approval of proposed new Regents' *Rules and Regulations*, Rule 50801, regarding Student Learning Assessment and Outcomes**

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 proposed new Regents' *Rules and Regulations*, Rule 50801, regarding Student Learning Assessment and Outcomes, be adopted to ensure that each U. T. System institution and U. T. System Administration have internal policies that incorporate Student Learning Assessment and Outcomes. The proposed Rule is set forth on the following pages.

BACKGROUND INFORMATION

Student learning is the knowledge, skills, and attitudes that students acquire as a result of an educational experience and should always be at the forefront of what institutions of higher education do. Determining whether a student has learned a particular concept or skill set and to what extent she/he has learned it is a critical component of the higher education enterprise. The proposed Regents' Rule seeks to ensure that U. T. System institutions engage thoroughly in the assessment of student learning outcomes. The results of those assessments inform the public of the value added by the higher education experience and should also be used by the institutions as part of their commitment to continuous quality improvement.

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

Rule: 50801

1. Title

Student Learning Assessment and Outcomes

2. Rule and Regulation

Sec. 1 Board Commitment. The Board of Regents and U. T. System Administration are committed to the principles and practices of continuous improvement as a means of ensuring institutional effectiveness and ongoing enhancement of all academic programs. Assessing student learning -- the outcomes of an institution's educational programs -- is at the heart of these efforts.

Sec. 2 Purpose. The purpose of this Rule is to (a) ensure that U. T. System institutions design and implement appropriate strategies for assessing student learning outcomes and for using assessment findings for continuous improvement of teaching and learning, and (b) set forth general principles and guidelines for the implementation of learning outcomes assessment at U. T. System institutions.

Sec. 3 Rationale. Outcomes assessment is based on explicit learning goals or expectations associated with particular educational programs. It involves the systematic collection and analysis of data -- both qualitative and quantitative -- to determine how well student performance matches goals or expectations. The major purpose of outcomes assessment is to improve student learning.

Sec. 4 Principles and Guidelines.

4.1 Student learning outcomes assessment should be used to inform the continuous improvement of teaching and learning of the core objectives of the Texas Core Curriculum for the undergraduate degree programs offered at each U. T. System institution.

4.2 Assessment of student learning outcomes at the program level should be designed, implemented, and interpreted by the faculty most directly associated with the program. Administrators should provide coordination, support, professional development opportunities, and technical assistance, as needed. Each institution should

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

Rule: 50801

- establish mechanisms for monitoring the extent and effectiveness of learning outcomes assessment in its educational programs. Internal and external reviews of the assessment process should be conducted, as appropriate.
- 4.3 Student learning outcomes assessment provides data about student achievement. Taken in the aggregate, learning assessment data may inform the ongoing improvement of instruction, but should not be used in the evaluation of individual faculty or staff members.
- 4.4 Students should be informed on the course syllabus of the learning outcomes associated with the course and should be informed in program materials of the learning outcomes associated with the degree program. Findings from course-embedded assessments should be shared with students to assist them in meeting established learning goals. The goal of an effective assessment system is to establish a “culture of assessment,” in which both faculty and students regard outcomes assessment as a critical part of the teaching and learning process.
- 4.5 Given the multifaceted, cumulative nature of learning, assessment is most effective when multiple strategies are employed. Direct measures of student performance -- such as comprehensive examinations, problem-solving exercises, demonstrations, observations of student skill, research projects, analysis of student work through portfolios -- assess students’ learning in relation to particular program goals. Indirect measures of student learning, such as responses from students and alumni on surveys or in interviews, may provide indirect evidence of student learning.
- 4.6 Direct assessments of student learning are generally linked to particular learning goals or desired outcomes in terms of the acquisition of knowledge, skills, and understanding. Such goals need not be regarded as unchangeable; rather, they are likely to evolve and change as increasing amounts of data become available on actual learning outcomes and on the expectations of employers, graduate programs, and students themselves.

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

Rule: 50801

Sec. 5 Requirements.

5.1 In accordance with the *Principles of Accreditation: Foundations for Quality Enhancement* as promulgated by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC), the accrediting body for all U. T. System institutions, U. T. System institutions will develop and implement methods for assessing the most important student learning outcomes in the following areas:

Undergraduate Programs

- General Education
- Academic Majors

Graduate and Professional Programs

- Master's
- Doctoral
- Professional

System institutions should also assess, as appropriate, certificates, concentrations, and co-curricular programs in accordance with the requirements of SACSCOC.

5.2 Assessment findings should be systematically analyzed and used as a basis for making changes in curriculum, instruction, advising, or other aspects of an educational program to improve student learning and success.

5.3 The academic institutions shall administer the Collegiate Learning Assessment (CLA+) on an annual basis to assess the critical thinking, complex reasoning, and writing skills of students. A convenience sample of first-time entering students and graduating seniors should be selected. Institutions should strive to achieve a sample size sufficient to provide external validity within a 90% confidence interval.

5.4 As relevant to an institution's degree program offerings, each institution will collect initial licensure/certification exam pass rates for graduates from the following programs: engineering, nursing, teaching, law, pharmacy, accounting, medicine, and dentistry and use the information as part of each program's continuous improvement process.

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

Rule: 50801

Sec. 6 Implementation

- 6.1 Implementation of the provisions of this policy at the U. T. System institutions is in keeping with the *Principles of Accreditation: Foundations for Quality Enhancement* as promulgated by the SACSCOC.
- 6.2 On a schedule that aligns with its reaffirmation of accreditation with SACSCOC, each institution shall submit an assessment report on student learning outcomes to the Office of Academic Affairs or to the Office of Health Affairs.

3. Definitions

Texas Core Curriculum 2014 – Statement of purpose: students will gain a foundation of knowledge of human cultures and the physical and natural world, develop principles of personal and social responsibility for living in a diverse world, and advance intellectual and practical skills that are essential for all learning. Core objectives: critical thinking skills, communication skills, empirical and quantitative skills, teamwork, social responsibility, and personal responsibility.

Collegiate Learning Assessment (CLA+) – A standardized assessment that evaluates the critical-thinking and written-communication skills of college students. It measures analysis and problem solving, analytic reasoning, and critical reading and evaluation, in addition to writing mechanics and effectiveness. The assessment consists of open-ended questions, is administered to students online, and controls for incoming academic ability.

5. **U. T. System Board of Regents: Amendment to the Regents' Rules and Regulations, Rule 70101 (Authority to Accept and Manage Assets), Section 11, regarding authority to sell securities received as gifts and/or bequests**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Vice Chancellor for External Relations and the Vice Chancellor and General Counsel that the Regents' *Rules and Regulations*, Rule 70101 (Authority to Accept and Manage Assets), Section 11, regarding authority to sell securities received as gifts and/or bequests, be amended as set forth below in congressional style.

Sec. 11. Authority to Execute Securities Transactions - Development and Gift Planning Services. The Associate Vice Chancellor for Development and Gift Planning Services, the Director of Gift Planning Services, and the Director of Endowment Compliance and Development Operations shall be authorized to sell, for and on behalf of the Board of Regents, any and all securities received as gifts and/or bequests, registered in the name of the Board, or in any other form of registration of such securities held for the account of the Board in whatever manner, including all fiduciary capacities and including those registered in the names of trusts managed and controlled by said Board.

BACKGROUND INFORMATION

The proposed amendment to Rule 70101 will ensure the availability at all times of at least one person in the Office of Development and Gift Planning Services who is authorized to issue sale instructions to brokers and other entities that hold securities that have been transferred into the name of the Board of Regents as gifts or bequests, are registered in the name of the Board, or are held for account of the Board in whatever manner.

6. **U. T. System Board of Regents: Delegation of authority to the Chancellor to approve certain contracts for U. T. Rio Grande Valley**

RECOMMENDATION

The Chancellor, the Executive Vice Chancellor for Academic Affairs, and the Executive Vice Chancellor for Business Affairs concur with the recommendation of the Vice Chancellor and General Counsel that the U. T. System Board of Regents delegate authority to the Chancellor or his delegate to approve contracts, with a value of less than \$5 million, for U. T. Rio Grande Valley that would otherwise require approval by the Board of Regents pursuant to the Regents' *Rules and Regulations*, Rule 10501, Delegation to Act on Behalf of the Board.

This delegation is recommended to be conditioned upon a requirement that the Chancellor provide a quarterly report to the Board of Regents of those contracts approved under this delegation of authority. The recommended delegation is to be effective February 12, 2015, and to terminate April 30, 2016.

BACKGROUND INFORMATION

The University of Texas Rio Grande Valley was created by the Texas Legislature in 2013 under Senate Bill 24. Guiding principles for the new university were enacted by the Board of Regents on July 10, 2013. Senate Bill 24 requires the Board to provide for the maximum operating efficiency of U. T. Rio Grande Valley.

Regents' Rule 10501 requires that certain contracts, particularly some contracts valued at \$1 million or more, must be approved by the Board of Regents. If approved, this delegation of authority will facilitate the expeditious and efficient handling of contracts needed to establish and begin operations of U. T. Rio Grande Valley.

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

REPORT

Vice Chancellor Safady will report on development performance of the U. T. System institutions for Fiscal Year 2014 and make recommendations for advancing philanthropic support, using the PowerPoint presentation set forth on the following pages.

Development Assessment FY 2014

Dr. Randa Safady
Vice Chancellor for External Relations

U. T. System Board of Regents' Meeting
February 2015



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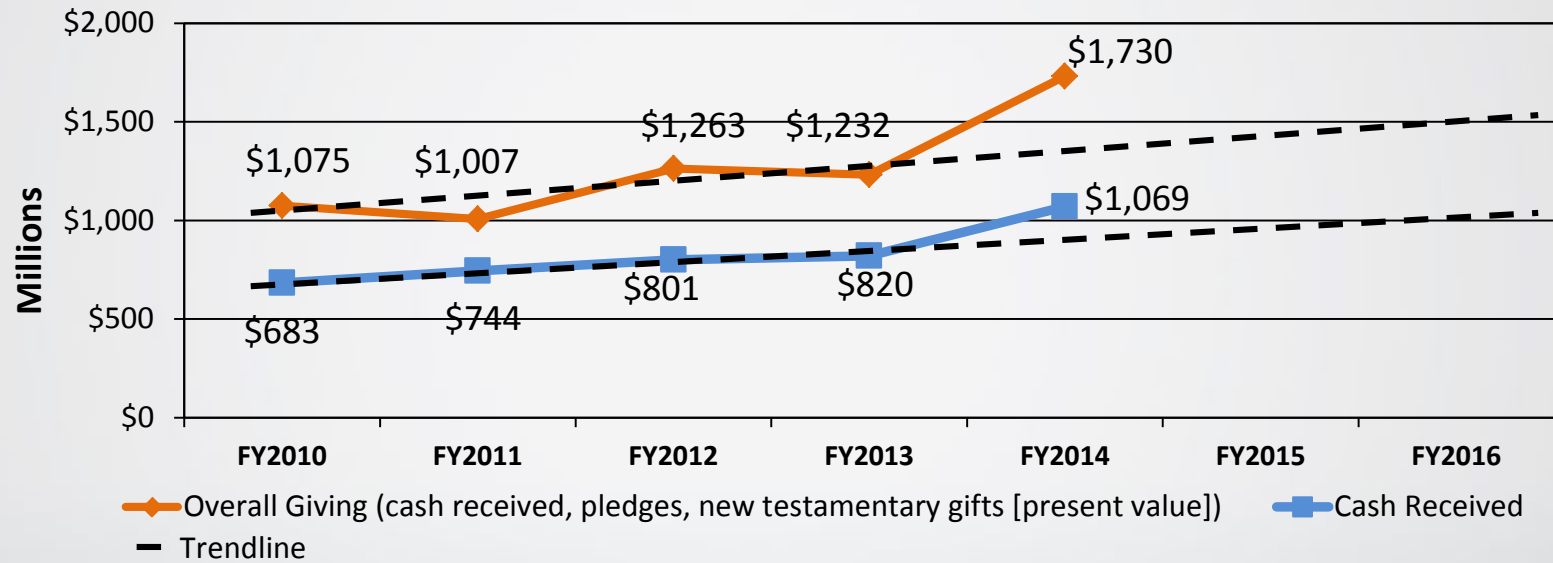
By the Numbers

Record Year for U. T. institutions

- \$1.7 billion overall giving (\$1.2 billion in FY 2013)
- \$1.0 billion cash received (\$820 million in FY 2013)
- \$162 million in new testamentary commitments at present value (\$96 million in FY 2013)
- 167,209 non-alumni donors (137,603 in FY 2013)
- \$10.46 the collective return on investment for \$1 invested in development (\$8.18 in FY 2013)
- #1 - U. T. Austin's rank nationally among all public universities for cash received

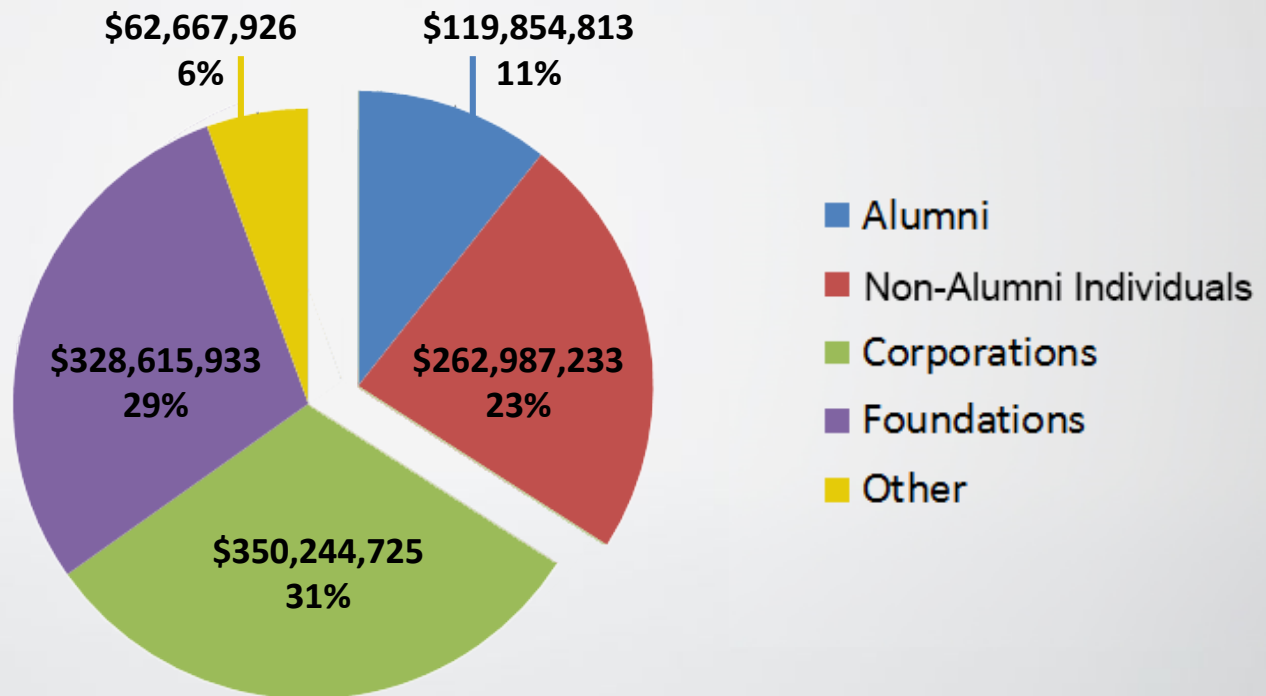


Fundraising Summary and Five-year Trend



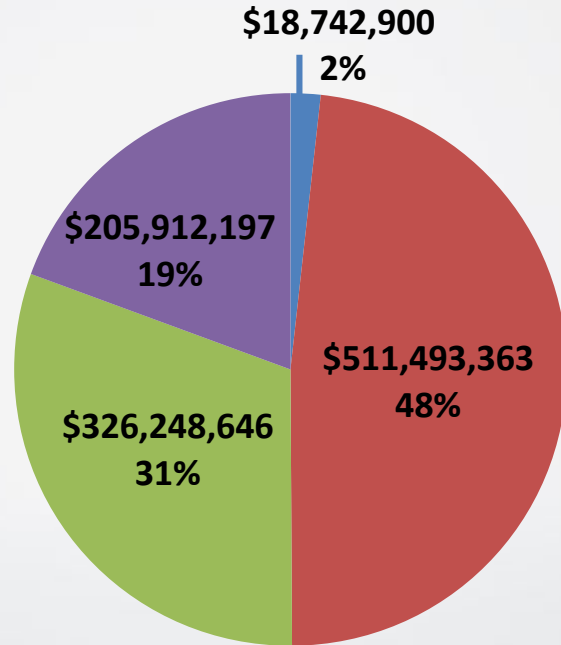
- 61% increase in overall giving from FY 2010 to FY 2014
- 44% increase in cash received from FY 2010 to FY 2014

Sources of Giving



Purpose of Gifts

Research	40%
Student Financial Aid	25%
Academic Programs	18%
Faculty/Staff	8%



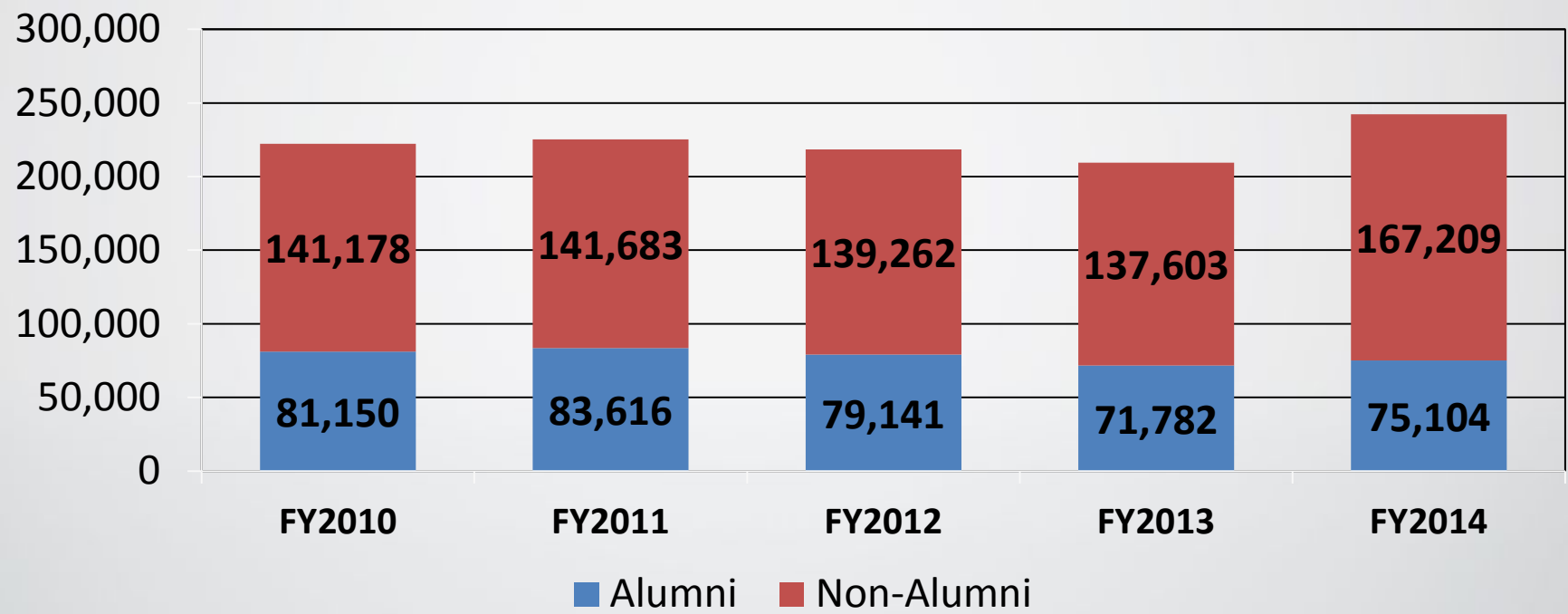
Research	61%
Academic Programs	11%
Athletics	8%
Student Financial Aid	5%

- Current Operations Unrestricted
- Current Operations Restricted
- Property, Buildings and Equipment
- Endowment

24



Individual Donors (Alumni and Non-Alumni)



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Academic Institutions FY 2014

Institutions	Overall Giving* (in millions) FY 2014	Overall Giving as a % change from 5-year average FY 2009-2013	Cash Received (in millions) FY 2014	Cash Received as a representative % of Educational & General (E&G) Expenditures
UTA	\$20.6	0.5%	\$15.0	3.2%
UTAUS	↑\$875.6	154.7%	↑ \$529.4	25.2%
UTB	\$1.7	-26.9%	↑ \$1.5	1.3%
UTD	↑ \$66.5	104.1%	↑ \$55.6	9.9%
UTEP	\$20.6	-33.6%	\$18.5	4.8%
UTPA	\$4.4	-18.9%	\$3.9	1.7%
UTPB	↑\$11.9	87.6%	↑\$6.6	13.0%
UTSA	↑ \$23.9	-6.3%	↑ \$15.5	3.6%
UTT	↑ \$9.9	88.2%	↑ \$5.9	5.7%

*Overall Giving = testamentary commitments (present value), pledges, and cash received ↑ = increase from FY 2013



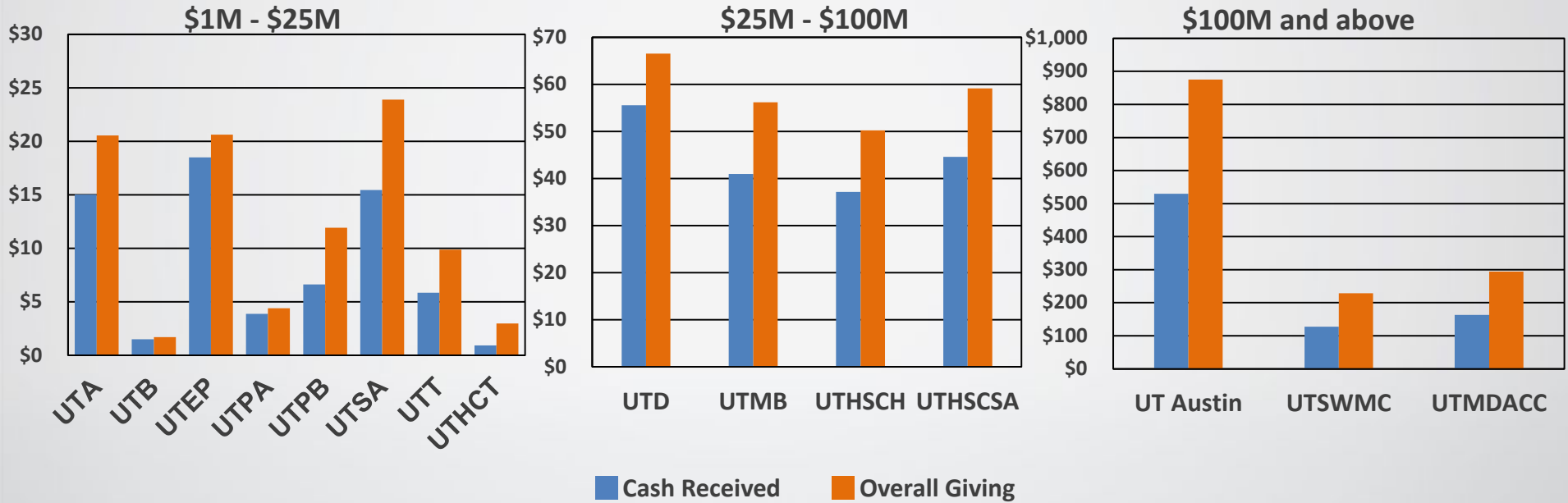
Health Institutions FY 2014

Institutions	Overall Giving* (in millions) FY2014	Overall Giving as a % change from 5-year average FY 2009-2013		Cash Received (in millions)	Cash Received as a representative % of Educational & General (E&G) Expenditures
UTSWMC	↑\$228.9	45.0%		↑\$127.9	8.0%
UTMB	↑\$56.2	-33.9%		↑ \$41.0	6.8%
UTHSCH	↑\$50.2	-1.2%		\$37.2	4.1%
UTHSCSA	↑ \$59.2	19.0%		↑ \$44.6	5.3%
UTMDACC	\$294.6	9.5%		\$163.2	10.2%
UTHSCT	↑ \$3.0	29.1%		↑ \$0.9	2.3%

*Overall Giving = testamentary commitments (present value), pledges, and cash received ↑= increase from FY 2013



FY 2014 Fundraising Grouped by Levels



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Meeting of the U. T. System Board of Regents - Meeting of the Board



Investing in Philanthropy

- Strength in Numbers
 - Regents' investment to increase fundraising capacity
 - Strength in Numbers I: \$5 million FY 2008 – FY 2009
 - Strength in Numbers II: \$10 million FY 2012 – FY 2014
- Collectively institutional development budgets exceed \$100 million in FY 2014 representing 1% of Education and General Expenditures
- For every dollar invested in development, \$10.46 was returned
- Additional resources are making a difference



Where Do We Need to Pay Attention?

- Growing the base of support – demographics
- Aligning philanthropy with institutional priorities
- Donor-centric approach to philanthropy – culture
- Large gifts via collaborative and leveraged solutions
- Leadership and succession plans
- Recruitment and retention of high performing staff
- Donor advised funds
- Trends in philanthropy and communications



Where Can We Change?

- Maximize performance of existing personnel and incorporate best practices
- Recruit and retain high performers
- Strategic leadership
- Improved stewardship
- Invest appropriately in philanthropy
- Communicate effectively
- Adapt to successful trends in philanthropy

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Adding Value

The Center for Enhancing Philanthropy

- Partnering with U. T. System Institutions
 - Advancement Academy with four learning tracks
 - Leadership and Management
 - Major and Principal Gifts
 - Annual Giving and Alumni Relations
 - Advancement Services and Constituent Relations
 - Talent Management (recruiting, retaining, and developing superior professionals)
 - Performance assessments, metrics, campaign planning, strategy, and reorganization models.
- Special Projects Fundraising

