



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

May 3-4, 2023
Austin, Texas

Wednesday, May 3, 2023

Page

CONVENE THE BOARD IN OPEN SESSION TO RECESS TO EXECUTIVE SESSION PURSUANT TO *TEXAS GOVERNMENT CODE*, CHAPTER 551 1:30 p.m.

1. Individual Personnel Matters Relating to Officers or Employees – Section 551.074

U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents (academic and health institutions including interim presidents); 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 FOR POSSIBLE ACTION ON EXECUTIVE SESSION ITEM, AGENDA ITEM, AND TO CONVENE COMMITTEE MEETINGS 1:45 p.m.

1. **U. T. System: Discussion and appropriate action regarding non-resident and graduate tuition and non-academic mandatory fee increases for the academic institutions; public hearing opportunity for changes to designated tuition pursuant to *Texas Education Code Section 54.0513*** 5

COMMITTEE MEETINGS 2:15 p.m. – 5:00 p.m.

RECESS 5:00 p.m.

Thursday, May 4, 2023

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

STANDING COMMITTEE RECOMMENDATIONS AND REPORTS TO THE BOARD 9:05 a.m.

1. **U. T. System Board of Regents: Approval of Consent Agenda and consideration of any item referred to the full Board** 6

2. **U. T. System: Annual Meeting with Officers of the U. T. System Student Advisory Council** 7

3. **U. T. System Board of Regents: Discussion and appropriate action regarding proposed revisions to Section 2 of Regents' *Rules and Regulations*, Rule 60102 (Fees for Endowment Administration and Management and Enhancement of Philanthropy to Support University Missions)** 9

<u>Thursday, May 4, 2023 (cont.)</u>	Page
4. U. T. System Board of Regents: Discussion and appropriate action regarding proposed appointment to the Board of Directors of The University of Texas/Texas A&M Investment Management Company (UTIMCO)	11
5. U. T. System Board of Regents: Discussion and appropriate action regarding proposed appointment to the University Lands Advisory Board	12
6. U. T. System: Update on the U. T. System Historically Underutilized Business (HUB) program	13

RECESS TO EXECUTIVE SESSION PURSUANT TO *TEXAS GOVERNMENT CODE*, CHAPTER 551 10:00 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 including interim presidents); 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 Board of Regents: Discussion regarding the Board’s ongoing process for evaluation of its responsibilities and expectations [Regents’ *Rules and Regulations*, Rule 10101 (Board Authority and Duties), Section 4 (Board Self-Evaluation)]**
 - c. **U. T. Austin: Discussion and appropriate action regarding approval of terms of Employment Agreement and related Professional Services and License Agreement for Head Men’s Basketball Coach Rodney Terry**
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 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**

Thursday, May 4, 2023 (cont.)

Page

c. U. T. Austin: Discussion and appropriate action related to legal issues concerning terms of contracts associated with U. T. Austin's membership in the Southeastern Conference (SEC)

4. 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

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

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

*11:30 a.m.
approximately*

7. **U. T. System Board of Regents: Discussion regarding the Board's ongoing process for evaluation of its responsibilities and expectations [Regents' Rules and Regulations, Rule 10101 (Board Authority and Duties), Section 4 (Board Self-Evaluation)]** **25**
8. **U. T. System Board of Regents: Presentation of Certificate of Appreciation to Student Regent Neelesh C. "Neel" Mutyala** **25**
9. **U. T. System Board of Regents: Presentation of Certificate of Appreciation to Regent R. Steven Hicks** **25**
10. **U. T. System Board of Regents: Discussion and appropriate action regarding individual personnel matters associated with the reorganization of the Board of Regents and the election of Chairman and Vice Chairmen of the Board (Regents' Rules and Regulations, Rule 10102, regarding Chairman and Vice Chairmen)** **25**

ADJOURN

*12:00 p.m.
approximately*

1. **U. T. System: Discussion and appropriate action regarding non-resident and graduate tuition and non-academic mandatory fee increases for the academic institutions; public hearing opportunity for changes to designated tuition pursuant to Texas Education Code Section 54.0513**

RECOMMENDATION

The Chancellor and the Executive Vice Chancellors for Academic Affairs and Business Affairs recommend that the U. T. System Board of Regents approve increases to non-resident undergraduate tuition, graduate tuition, and non-academic mandatory fees, effective beginning with the 2023-2024 Academic Year, not to exceed the 2022 Higher Education Price Index® of 5.2%, as reported by Commonfund, with the understanding that the U. T. System Office of Academic Affairs will verify that the institutions' charges comply with these requirements.

BACKGROUND INFORMATION

Data from the annual Commonfund Higher Education Price Index® (HEPI) show that inflation for U.S. colleges and universities rose 5.2% in FY 2022, a sharp increase from the previous fiscal year's 2.7% rate and the highest since the 6.0% increase in FY 2001. HEPI is an inflation index designed specifically for use by institutions of higher education. Compiled from data reported by government agencies and industry sources, HEPI measures the average relative level in the price of a fixed market basket of goods and services purchased by colleges and universities each year through current fund educational and general expenditures, excluding research. A more accurate indicator of cost changes for colleges and universities than the Consumer Price Index (CPI), HEPI is used primarily to project future budget increases required to preserve purchasing power. With compilations dating back to 1961, HEPI offers more than 60 continuous years of higher education inflation data. It is an essential tool enabling schools to determine increases in funding necessary to maintain both real purchasing power and investment.

Even in the current inflationary environment, U. T. System understands the importance of offering world-class, affordable higher education opportunities within the state and remains fully committed to controlling costs for students wherever possible. As such, Chancellor Milliken signed on to an affordability compact on December 14th, 2022, along with chancellors of the five other major higher education systems in Texas, that proposes that in return for additional state investment, resident undergraduate academic costs, including tuition, mandatory academic fees, all academic-related general fees, and college course fees will remain at currently approved levels for the next two academic years. While the outcome of the aforementioned compact will not be certain until the Texas 88th Legislature approves a budget for the 2024 - 2025 biennium, the recommended increases apply only to the limited subset of tuition and fee charges that are not included in the proposed compact.

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

RECOMMENDATION

The Board will be asked to approve the Consent Agenda beginning on [Page 109](#).

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

INTRODUCTION

The U. T. System Student Advisory Council will provide an update to the Board of Regents on issues and priorities worked throughout the year. The Council's recommendations are set forth on the following page.

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 in addition to three elected officers and meets three times a year in Austin.

Council officers are:

Chair: Ms. Savannah Seely, U. T. Medical Branch - Galveston, Biochemistry and Molecular Biology

Vice Chair: Ms. Jasmin Paquet-Durand Ford, U. T. San Antonio, Economics

Secretary: Ms. Imaan Razak Macchiwalla, U. T. Dallas, Marketing

Undergraduate Committee: Mr. Brandon Lippert, U. T. Permian Basin, Music Education

Graduate Committee: Mr. Grayson Jackson, U. T. Medical Branch - Galveston, Institute for Bioethics & Health Humanities M.D.-Ph.D. Combined Degree Program

2022-23 Student Advisory Council: Summary of Priorities and Issues

Priority/Issue	Outcome
Student Success	<p>Provided feedback and a letter to U. T. System Executive Vice Chancellor for Academic Affairs regarding the holistic approach required to ensure student success beyond completion.</p> <p>Provided feedback to U. T. System Office of Academic Affairs staff on quality academic advising strategies and tools.</p> <p>Examined best practices related to freshman seminar courses and shared feedback with the U. T. System Faculty Advisory Council.</p>
Artificial Intelligence	<p>Provided feedback to U. T. System Executive Vice Chancellor for Academic Affairs regarding student engagement with artificial intelligence.</p>
Finish@UT	<p>Consulted with U. T. System Office of Academic Affairs staff on strategies for improving and expanding Finish@UT, U. T. System's cross-campus online enrollment program.</p>
Industry Credentials	<p>Provided feedback to U. T. System Office of Academic Affairs staff on student-centered strategies to make relevant industry credentials more accessible to students.</p>
Student Employment	<p>Conducted research on student employment best practices and shared information with student leaders across the U. T. System.</p>
Student Health Insurance	<p>Consulted with U. T. System Office of Employee Benefits staff on strategies to improve student engagement with U. T. System's Student Health Insurance Plan.</p>
Graduate Student Stipends	<p>Discussed challenges around increasing graduate student stipends and shared information among student leaders across the U. T. System.</p>
Affordability	<p>Examined best practices around tuition and fee transparency and shared information about best practices among student leaders across the U. T. System.</p>

3. **U. T. System Board of Regents: Discussion and appropriate action regarding proposed revisions to Section 2 of Regents' Rules and Regulations, Rule 60102 (Fees for Endowment Administration and Management and Enhancement of Philanthropy to Support University Missions)**

RECOMMENDATION

The Chancellor, the Executive Vice Chancellors for Academic Affairs, Health Affairs, and Business Affairs, the Vice Chancellor for External Relations, Communications and Advancement Services, and the Vice Chancellor and General Counsel recommend that the U. T. System Board of Regents approve revisions to Section 2 of Regents' *Rules and Regulations*, Rule 60102 (Fees for Endowment Administration and Management and Enhancement of Philanthropy to Support University Missions), as shown below:

Sec. 2 Type and Amount of Mandatory Fees. Type and Amount of Mandatory Fees. As authorized by *Texas Education Code* [Section 65.37](#), the Board of Regents assesses the following fees from Endowments for endowment administration, management and compliance, and the enhancement of philanthropy. Investment-related expenses are not covered under this Rule, but are covered by the Investment Management Services Agreement between the U. T. System Board of Regents and The University of Texas/Texas A&M Investment Management Company (UTIMCO).

2.1 Institutional Endowment Fee. The Board of Regents assesses an endowment fee of 0.80% (80 basis points) of the market value of the Long Term Fund's (LTF's) net asset value of an institution's Endowments to be disbursed to each institution. Such endowment fee shall be used by each institution to ensure endowment administration and compliance; to provide more adequate funding for development operations at the institution; and to substantially increase philanthropic revenue to support the education, research, and clinical missions and goals of the institution.

All new Endowments created after September 1, 2022, will be assessed the Institutional Endowment Fee.

Only Endowments that were previously exempted from the Institutional Endowment Fee (formerly the "development allocation") prior to August 31, 2022, are grandfathered.

Donors with cumulative Endowments with a market value in excess of \$50 million at one institution may request an exception from the institutional president to allow their Endowments to be assessed the Institutional Endowment Fee at 20 basis points at that institution once the cumulative market value of the Endowment exceeds \$50 million.

2.2 ~~Endowment~~ Administration and Management Fee. The Board of Regents assesses an administrative fee of an amount up to 0.03% (3 basis points) of the market value of the LTF's net asset value ~~of all institutional Endowments~~ to be disbursed to U. T. System Administration for the support of Systemwide

endowment administration of the LTF and management efforts in the provision of direct service and support to the institutions. The amount of the fee assessed will be the amount needed to cover related operational costs approved by the Board of Regents in the annual budgeting process, up to the authorized amount.

- 2.3 System Administrative and Endowment Fee. The Board of Regents assesses an administrative fee of an amount up to 0.20% (20 basis points) of the market value of the LTF's net asset value of only U. T. System Administration's restricted Endowments (not institutional Endowments) to be disbursed to U. T. System Administration to ensure appropriate administration and management as well as compliance with the agreements made with Endowment donors. The amount of the fee assessed will be the amount needed to cover related operational costs approved by the Board of Regents in the annual budgeting process, up to the authorized amount.

BACKGROUND INFORMATION

Regents' Rule 60102 authorizes fees to be charged on endowments in the Long Term Fund. The Rule authorizes an allocation of 0.80% from the market value of an institution's endowments in the LTF to provide each institution funding for endowment administration and compliance and institutional development operations; 0.03% to fund Systemwide endowment administration and management efforts in direct System support to the institutions; and 0.20% assessed only on System Administration endowments to fund endowment compliance and administration for those endowments.

The proposed revisions clarify which funds are subject to each fee and provide flexibility for lesser fees to be charged when the full authorized amount exceeds what is needed to cover the operational costs that are approved by the Board in the annual budgeting process.

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

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

RECOMMENDATION

Chairman Eltife may recommend action concerning appointment to the UTIMCO Board of Directors.

BACKGROUND INFORMATION

Texas Education Code Section 66.08 and Regents' *Rules and Regulations*, Rule 10402, Section 6 require that the U. T. System Board of Regents appoint seven members to the UTIMCO Board of Directors of whom three must be members of the Board of Regents, three must have a substantial background and expertise in investments, and one must be a qualified individual as determined by the Board, who may be the Chancellor.

5. U. T. System Board of Regents: Discussion and appropriate action regarding proposed appointment to the University Lands Advisory Board

RECOMMENDATION

Chairman Eltife may recommend action concerning appointment to the University Lands Advisory Board (ULAB).

BACKGROUND INFORMATION

On March 19, 2018, the Board of Regents approved changes to the membership structure for the ULAB, as follows:

- five members appointed by The University of Texas System Board of Regents;
- three members appointed by The Texas A&M University System Board of Regents; and
- the Commissioner of the General Land Office.

Further, at least two of the members appointed by the U. T. System Board and at least one of the members appointed by the A&M System Board must be current Regents, with the ULAB Chairman to be named by the U. T. System Board. In addition, at least three of the members appointed by the U. T. System Board and at least two of the members appointed by the A&M System Board must have industry experience.

6. **U. T. System: Update on the U. T. System Historically Underutilized Business (HUB) program**

Mr. Hopeton Hay, Executive Director, HUB Programs, will report on Systemwide HUB expenditures for FY 2022, the highlights of which are set forth in the PowerPoint on the following pages.

Fiscal Year 2022 HUB Program Update

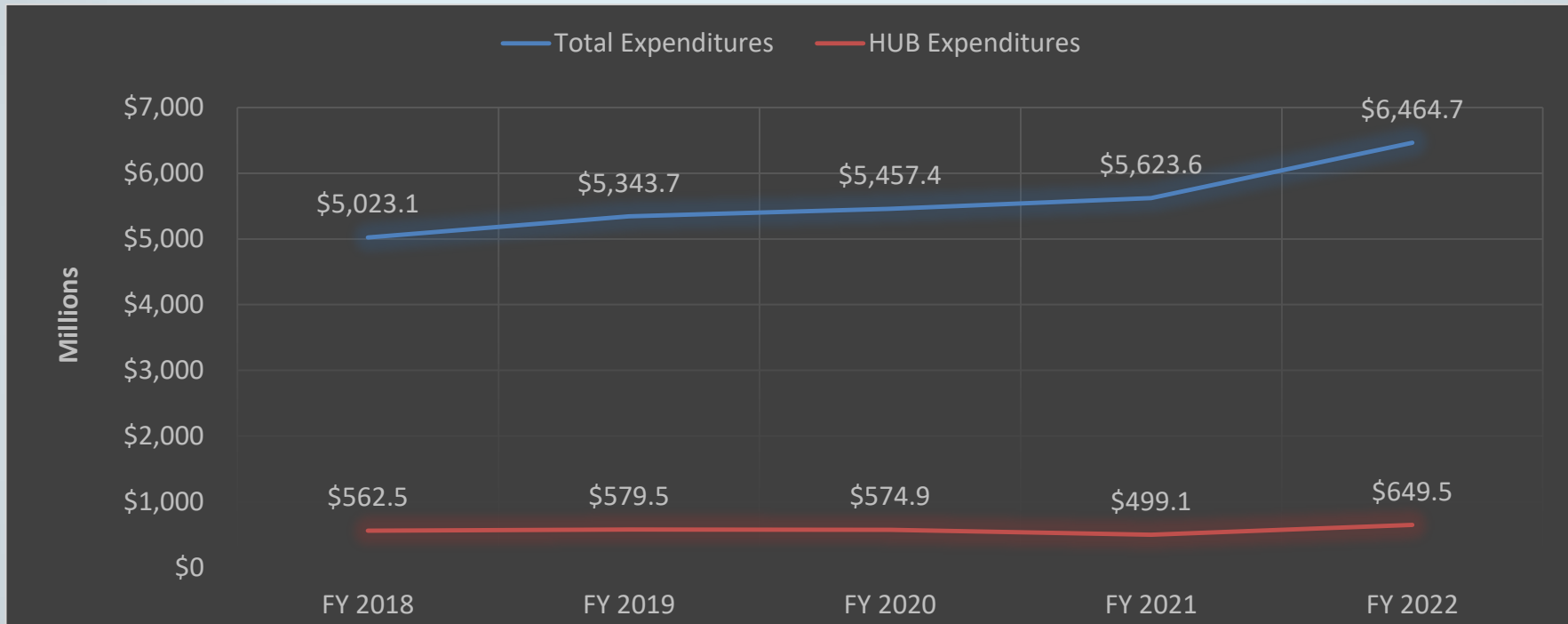
Hopeton Hay
Executive Director, HUB Office

U. T. System Board of Regents Meeting
May 2023



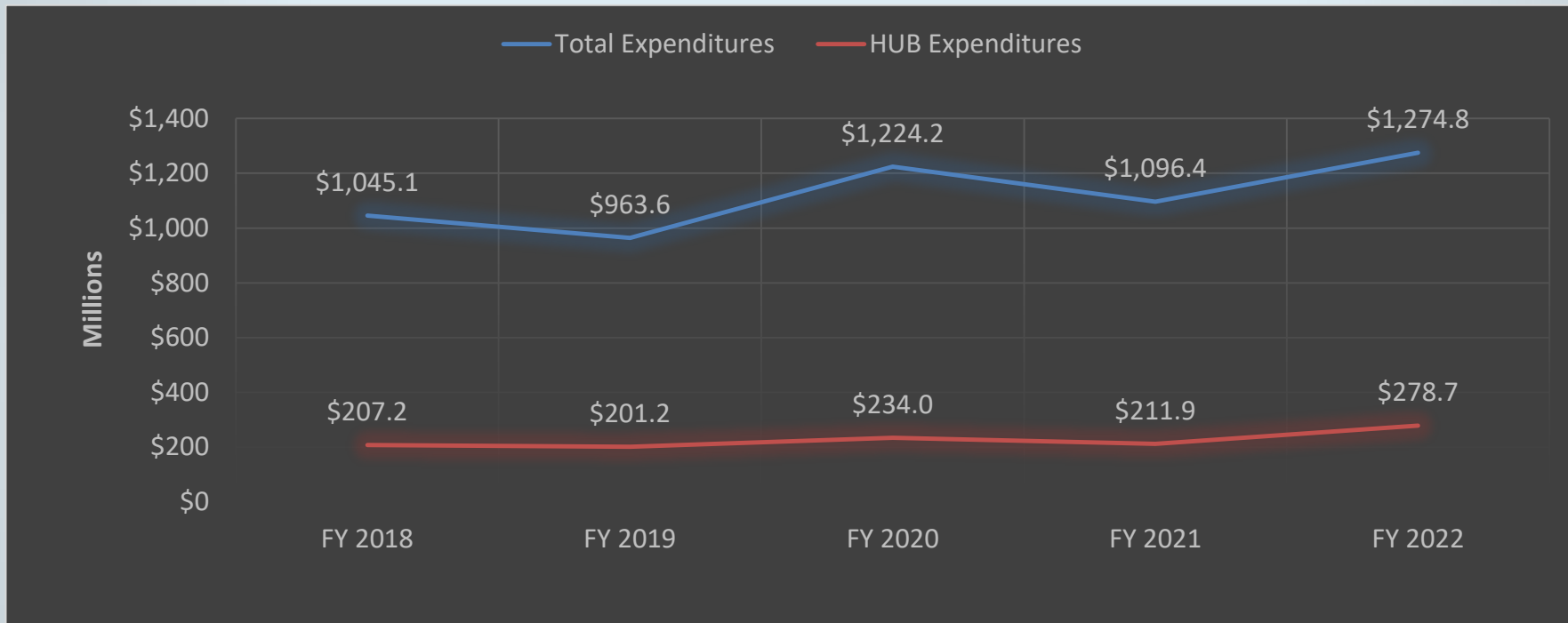
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U. T. Systemwide HUB Expenditures



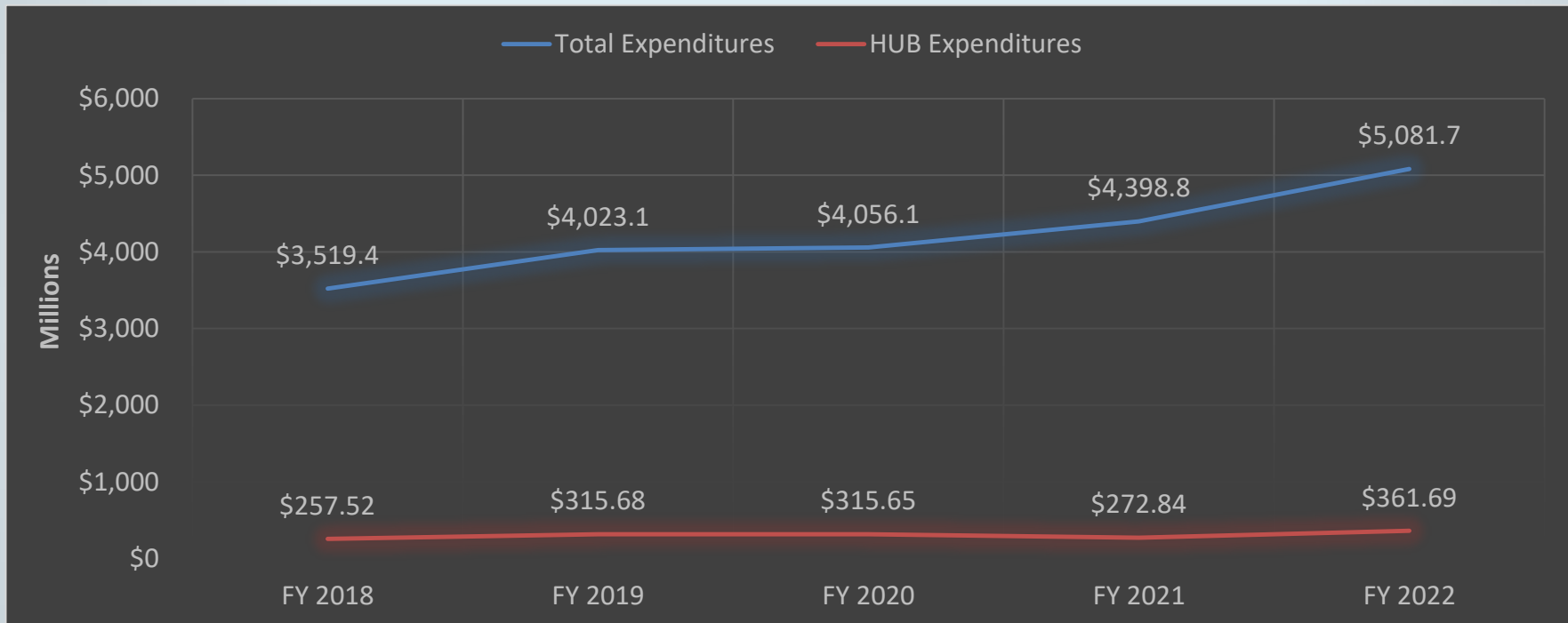
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THIRTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.

Academic Institutions



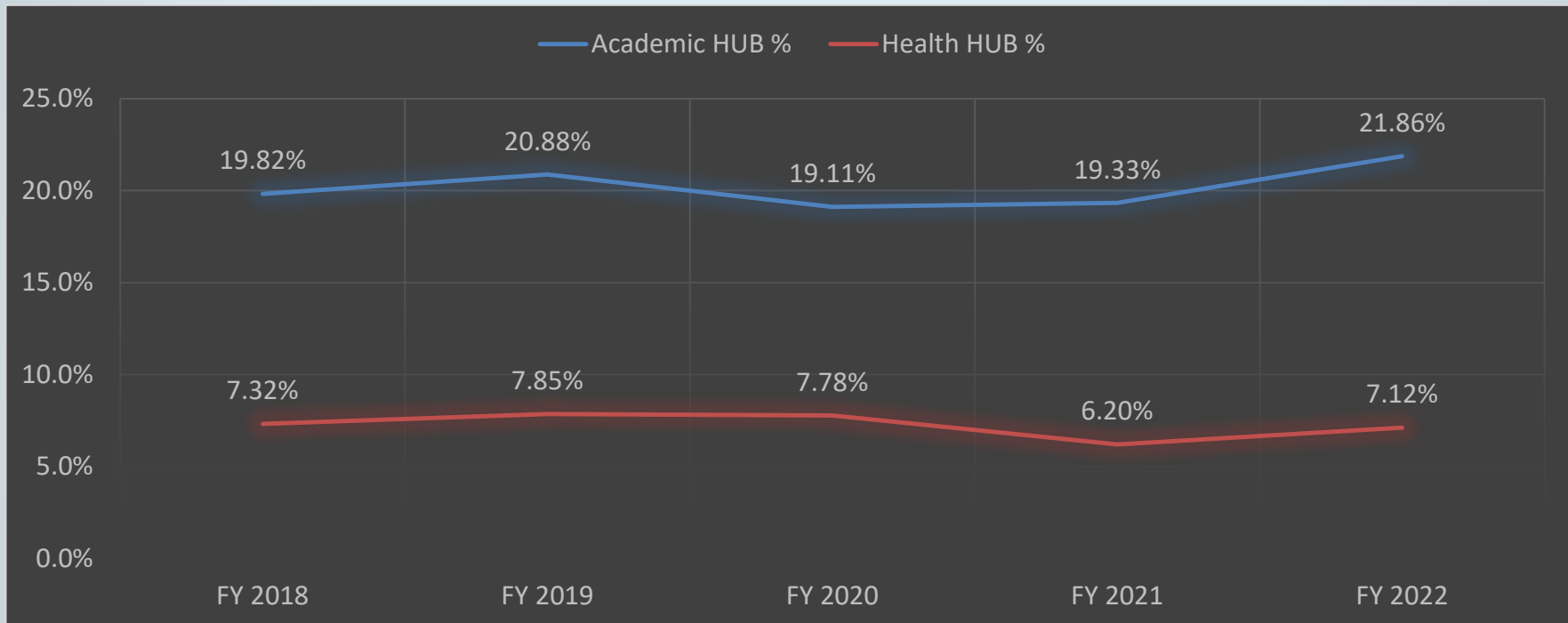
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Health Institutions



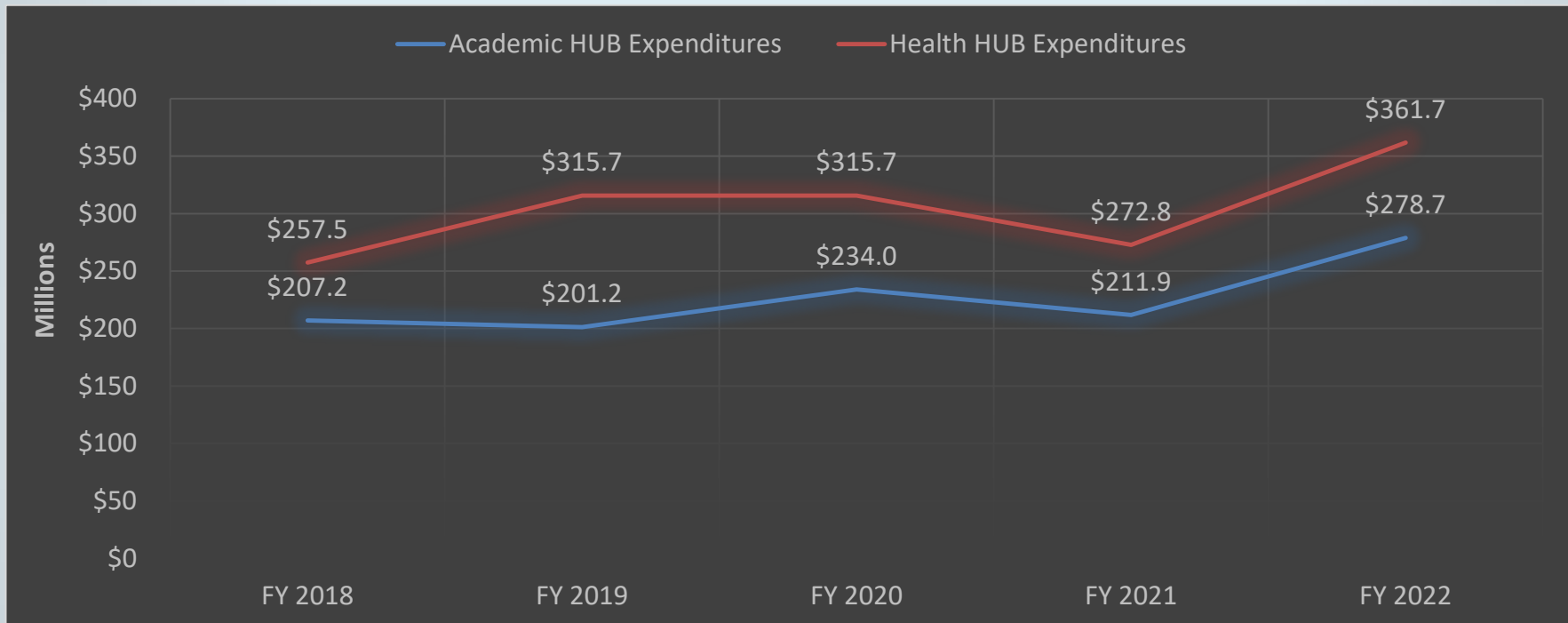
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THIRTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.

HUB Percentage Academic and Health



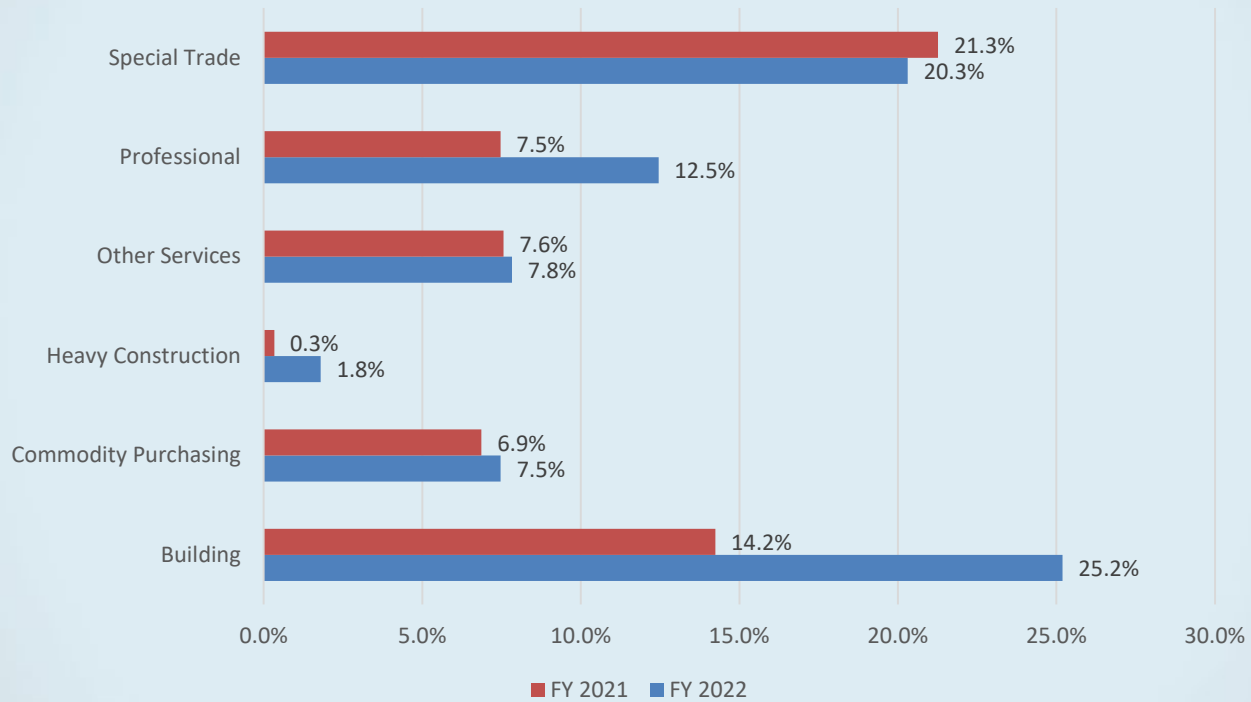
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HUB Expenditures Academic and Health



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U. T. Systemwide HUB Percentages Procurement Category



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HUB Percentages and Expenditures – FY 2021 and FY 2022

U. T. System Institutions and Administration				
INSTITUTION	FY 2021 HUB PERCENT	FY 2022 HUB PERCENT	FY 2021 HUB DOLLARS	FY 2022 HUB DOLLARS
U. T. Arlington**	15.03%	20.50%	\$25,001,048	\$40,337,821
U. T. Austin*	17.43%	16.78%	\$100,259,661	\$109,244,166
U. T. Dallas**	28.61%	35.22%	\$23,285,055	\$37,049,178
U. T. El Paso*	26.19%	23.74%	\$14,094,118	\$15,153,352
U. T. Permian Basin*	11.78%	13.09%	\$3,416,790	\$3,359,030
U. T. Rio Grande Valley**	25.52%	30.26%	\$14,333,377	\$18,730,125
U. T. San Antonio**	27.55%	38.03%	\$29,563,387	\$51,970,999
U. T. Tyler**	7.36%	8.48%	\$1,992,250	\$2,868,584
U. T. Southwestern Medical Center*	7.85%	7.80%	\$111,962,513	\$122,044,609
U. T. Medical Branch - Galveston**	6.39%	6.80%	\$36,192,383	\$43,009,204
U. T. Health Science Center - Houston*	10.49%	11.20%	\$29,272,219	\$26,004,724
U. T. Health Science Center - San Antonio**	8.77%	14.19%	\$22,275,451	\$59,674,848
U. T. Health Science Center - Tyler**	4.76%	8.52%	\$3,823,303	\$4,449,710
U. T. M. D. Anderson Cancer Center**	3.87%	4.89%	\$69,316,266	\$106,511,460
U. T. System Administration	11.16%	8.36%	\$14,330,803	\$9,047,229
U. T. Systemwide	8.88%	10.05%	\$499,118,624	\$649,455,038

Institutions with two asterisks increased HUB percentage and HUB expenditures over previous year, institutions with one asterisk increased HUB percentage or HUB expenditures



U. T. Systemwide Key Expenditures Trends FY 2021 – FY 2022

- ❖ **Total reportable expenditures grew by 15%**
- ❖ Total HUB expenditures grew by 30%
- ❖ Total HUB building construction expenditures grew by 30%
- ❖ Total HUB commodity expenditures grew by 27%
- ❖ Total HUB other services expenditures grew by 30%
- ❖ Total HUB professional services grew by 107%



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THIRTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.

Systemwide Collaborations

- Systemwide virtual HUB outreach events
 - Goods and Services (April)
 - Construction (June)
- U. T. System Supply Chain Alliance
 - Seventeen contracts with HUB firms
 - \$262 million spent with Alliance members in FY 2022
- Development and enhancement of collaborative mentor protégé relationships between U. T. System Administration and institutions
- Launching a U. T. Systemwide HUB Coordinator training program in collaboration with institutions
- HUB Power Bi Dashboard – A collaboration with the U. T. System Office of Institutional Research and Analysis that provides detailed HUB data for all institutions and state agencies for last five fiscal years



Institution	Accomplishments
U. T. Arlington	Provide real time HUB performance with ability to track participation to department and transaction level. Additional insight to identify informal procurements to increase HUB participation
U. T. Austin	Initial indicators – will update when more impact information is available
U. T. Dallas	Meetings have been beneficial by providing better sharing of information, teamwork and workflow processes.
U. T. El Paso	Continuous training has allowed the University to identify HUB vendors in the El Paso Region
U. T. Permian Basin	Educating university community on what and who HUB is and the importance of the program and how to be a part of it
U. T. Rio Grande Valley	Increased end user awareness
U. T. San Antonio	Quarterly post-pandemic workshop series designed to provide HUBs information on how to develop/recover business post pandemic, prepare them to do business with local agencies and other State entities; improve skills or get insight on RFPs, contracts, writing proposals, knowledge on public grant funding for relief, etc. Over 800 HUB vendors attended workshops. FY2023 series in currently in process.
U. T. Tyler	There has been an increase in the use of HUB vendors, dollars spent with HUB vendors and in the overall awareness of the HUB program by the campus departments when purchasing commodities.
U. T. Southwestern Medical Center	Requestor training (September 22); 1,700 completed; requestors select products within departments – training explains what HUB is and why it's important
U. T. Medical Branch - Galveston	Increased HUB percentage participation and HUB expenditures
U. T. Health Science Center - Houston	Increased HUB participation and visibility to program through creation of e-commerce dashboard.
U. T. Health Science Center - San Antonio	Improved reporting on website – streamlined and more appealing
U. T. M. D. Anderson Cancer Center	Increased HUB percentage participation and HUB expenditures

7. **U. T. System Board of Regents: Discussion regarding the Board's ongoing process for evaluation of its responsibilities and expectations [Regents' Rules and Regulations, Rule 10101 (Board Authority and Duties), Section 4 (Board Self-Evaluation)]**

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