



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

**August 19-20, 2020
Austin, Texas**

<u>Wednesday, August 19, 2020</u>	Page
COMMITTEE MEETINGS	<i>8:30 a.m. – 10:15 a.m.</i>
BREAK	<i>10:15 a.m. – 10:30 a.m.</i>
COMMITTEE MEETINGS	<i>10:30 a.m. – 11:30 a.m.</i>
ADJOURN	<i>11:30 a.m.</i>
<u>Thursday, August 20, 2020</u>	
CONVENE THE BOARD IN OPEN SESSION TO CONSIDER AGENDA ITEMS	<i>8:30 a.m.</i>
STANDING COMMITTEE RECOMMENDATIONS AND REPORTS TO THE BOARD	<i>8:35 a.m.</i>
1. U. T. System Board of Regents: Approval of Consent Agenda and consideration of any item referred to the full Board	<i>8:45 a.m.</i> 5
2. U. T. System: Annual Meeting with Officers of the U. T. System Faculty Advisory Council	6
3. U. T. System Board of Regents: Recognition of academic and health institution recipients of the 2020 Regents' Outstanding Teaching Awards	11
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6. U. T. System Board of Regents: Discussion and appropriate action regarding proposed amendments to Regents' <i>Rules and Regulations</i>, Rule 30104 (Conflict of Interest, Conflict of Commitment, and Outside Activities), prohibiting undisclosed relationships with programs sponsored, funded, directed, or controlled by a foreign government, foreign agency, or foreign institution	16

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

9:30 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: 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 (such as Chancellor, General Counsel to the Board, and Chief Audit Executive); U. T. System and institutional employees, and related personnel aspects of the operating budget for Fiscal Year 2021**
 - c. **U. T. System: Discussion and appropriate action concerning 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**
 - d. **U. T. Medical Branch - Galveston: Discussion and appropriate action regarding proposed compensation for Peter Tze Man Kan, M.D., MPH, Chair of Department of Neurosurgery, and Professor, Department of Neurosurgery (Regents' *Rules and Regulations*, Rule 20204, regarding compensation for highly compensated employees)**
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**

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- 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**
 - c. **U. T. System Board of Regents: Discussion regarding legal issues associated with proposed U. T. System budget**

- 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

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

11:00 a.m.

- 7. **U. T. System: Status update on plans for Fall 2020** **17**
- 8. **U. T. System: Approval of the nonpersonnel aspects of the operating budgets for Fiscal Year 2021, including Permanent University Fund Bond Proceeds allocations for Library, Equipment, Repair and Rehabilitation Projects and for the Faculty Science and Technology Acquisition and Retention program and Internal Lending Program funds and Available University Fund for Fiscal Year 2020 Regents' Outstanding Teaching Awards** **18**
- 9. **U. T. System: Discussion and appropriate action regarding personnel aspects of the U. T. System Administration and institutional operating budgets for Fiscal Year 2021** **20**
- 10. **U. T. System: Discussion and appropriate action regarding Fiscal Year 2022-2023 legislative appropriation requests** **21**
- 11. **U. T. System Board of Regents: Presentation of Certificate of Appreciation to Executive Vice Chancellor Steven Leslie** **22**

ADJOURN

*11:30 a.m.
approximately*

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

RECOMMENDATION

The Board will be asked to approve the Consent Agenda beginning on [Page 176](#).

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

INTRODUCTION

The U. T. System Faculty Advisory Council's recommendations will be taken into consideration by the Board of Regents. The Council's recommendations are set forth on the following pages.

BACKGROUND INFORMATION

The U. T. System Faculty Advisory Council was established in 1989 to facilitate the flow of ideas and information between and among the Board of Regents, the System Administration, and the institutions of the System. Council guidelines require that recommendations have a multi-institutional focus and that the Council explore individual campus issues with institutional administrators prior to any consideration. The Faculty Advisory Council consists of two faculty representatives from each U. T. System institution and meets quarterly. The Standing Committees of the Council are: Academic Affairs and Faculty Quality, Governance, and Health Affairs.

Council officers are:

Chair: Emily Bonner, Ph.D., U. T. San Antonio, Associate Professor

Chair-Elect: Nikos Vasilakis, M.D., U. T. Medical Branch - Galveston, Professor

Past-Chair: Gurur Biliciler-Denktaş, M.D., U. T. Health Science Center - Houston, Pediatric Cardiologist

Secretary: David Coursey, Ph.D., U. T. Arlington, Public Affairs



U. T. System Faculty Advisory Council (FAC)

Emily Bonner, Ph.D., Chair

U. T. System Board of Regents' Meeting
August 2020

Goals of the FAC

To gather and understand issues that affect faculty across the U. T. System, and bring them forward to System Administration to collaborate on innovative solutions;

To advise System Administration on issues that arise related to faculty across the 14 institutions as needed for the benefit of the U. T. System; and

To facilitate open and productive communication between System Administration and U. T. System faculty for the well-being and excellence of the academic and health institutions.

Areas of Focus

- **2019-2020**

- Parental leave
- Nontenure track faculty titles
- Grievance policies
- Faculty recruitment and retention
- Exit interviews

- **2020-2021**

- Taking action on items listed in our Black Lives Matter statement
- Supporting faculty through COVID-19
- Faculty recruitment and retention
- Medical nontenure track contracting

Questions for the Board and Chancellor



In what ways can we more effectively hear and provide feedback to you?



How can we support faculty and institutions to navigate an economic downturn without compromising their missions?

3. **U. T. System Board of Regents: Recognition of academic and health institution recipients of the 2020 Regents' Outstanding Teaching Awards**

PRESENTATION

The Board and Chancellor Milliken will recognize the 2020 recipients for the Regents' Outstanding Teaching Awards, as listed on the website at <http://www.utsystem.edu/sites/regents-outstanding-teaching-awards>.

BACKGROUND INFORMATION

The Board of Regents of the U. T. System places the highest priority on undergraduate teaching at U. T. System universities and encourages teaching excellence by recognizing those faculty who deliver the highest quality of undergraduate instruction, demonstrate their commitment to teaching, and have a history and promising future of sustained excellence with undergraduate teaching in the classroom, in the laboratory, in the field, or online.

On August 14, 2008, the Board established the Regents' Outstanding Teaching Awards (ROTA), which are a recognition of the importance the Board places on the provision of teaching and learning of the highest order, by honoring those who serve students in an exemplary manner and as an incentive for others who aspire to such service. These teaching awards complement existing ways in which faculty excellence is recognized and incentivized.

No more than 16 awards are given among the academic institutions across all faculty levels, and no more than 12 awards are given among the health institutions.

4. U. T. System: Recognition of 30th Anniversary of establishment of U. T. System Historically Underutilized Business (HUB) program

BACKGROUND INFORMATION

On August 9, 1990, The University of Texas System Board of Regents approved the policy concerning contracting with minority- and woman-owned small businesses, later renamed the Historically Underutilized Business (HUB) Policy, establishing its commitment to "promote full and equal opportunity for all businesses to supply the goods and services needed to support mission, administrative, and logistical operations of U. T. System Administration and U. T. System component institutions." Since approval of the Policy, over \$9 billion has been spent with HUB firms, nearly 13 percent of total reportable expenditures Systemwide. The current policy concerning Historically Underutilized Businesses is contained in Regents' Rule 20701. Highlights of the history of the HUB program are summarized below:

The Early Days: 1990-2000

When U. T. System launched the HUB program in 1990, the Board of Regents and System Administration executive leadership were deeply committed to its success. The late former Chancellor Dan Burck, who was Vice Chancellor of Business Affairs at the time, led the implementation of the policy on a Systemwide basis and provided a report at the December 5, 1991 Board meeting. He reported progress as follows:

Shortly after the policy was adopted, component institutions began designating personnel on each campus to assist minority- and woman-owned firms in dealing with their purchasing policies and procedures. On each campus, there is at least one designated staff member to help these businesses with procedures for goods, services, and construction contracts. Components began outreach programs with vendor opportunity fairs that have been held throughout the state.

Some of the key milestones reported were:

- U. T. Austin hires Annette Smith and the late John Trevino as its first HUB Coordinators in 1991. Both worked in the HUB program until their retirements. Ms. Smith retired in 2011, but she returned to work on a part-time basis in 2014 and continues work in the HUB program at U. T. Austin. Mr. Trevino retired in 2015.
- Systemwide HUB expenditures during the first 10 years increased more than 10-fold from the first full year, growing from \$15.6 million in fiscal year 1991 to \$171 million in fiscal year 2000.
- In 1990, the HUB goal was 10 percent.
- In 1993, the Texas Legislature changed the goal to 30 percent.
- The Legislature also mandated a study to assess the experience of minority- and woman-owned businesses and the effectiveness of the State's program in assisting them.

- New goals were established in six procurement categories during Fiscal Year 1996 for: building construction (26.1%), heavy construction (11.9%), special trade construction (57.2%), commodities (12.6%), professional services (20%), and other services (33%).

In 1999, the 75th Texas Legislature codified HUB program requirements including the requirement of HUB Subcontracting Plans for contracts with expected value over \$100,000.

The Middle Years: 2001- 2010

From 2001 to 2010, Systemwide HUB expenditures grew from \$150.6 million to \$521.5 million. The total HUB expenditures during this time period was \$3.4 billion.

Highlights for this decade were:

- Another disparity study is completed in March 2010 which changed statewide goals as follows: building construction (21.1%), heavy construction (11.2%), special trade construction (26.0%), commodities (21.1%), professional services (23.7%), and other services (33%).
- Service-disabled veterans are now eligible.
- The Office of Facilities Planning and Construction (OFPC) launched the Bonding and Technical Assistance (BTA) program to assist minority- and woman-owned businesses to build business capacity and to successfully compete for work on the U. T. M. D. Anderson Cancer Center Ambulatory Clinical Building, as well as other U. T. System projects.
- In fiscal year 2001, major capital projects under OFPC HUB construction expenditures were \$15.7 million with a HUB participation of 9.6 percent. By fiscal year 2004, HUB construction expenditures were \$120.6 million with 20 percent HUB participation.
- U. T. System Administration and Institutions sponsored several Mentor-Protege relationships between large companies and HUB firms to enhance the ability of HUBs to compete for contracting and subcontracting opportunities. The program produced several HUB firms that are still doing business with U. T. System including Possible Missions, an authorized product distributor for Fischer Scientific that was sponsored by U. T. Medical Branch - Galveston; Summus Industries, an authorized reseller of Dell Computers, sponsored by U. T. M. D. Anderson Cancer Center; and Haynes-Eaglin-Waters, a construction subcontractor sponsored by U. T. System Administration.

The Future

As U. T. System recognizes 30 years of commitment to the HUB program, the program remains a critical element of ensuring equity in access to contracting opportunities at all fourteen U. T. Institutions and U. T. System Administration.

5. **U. T. System Board of Regents: Discussion and appropriate action regarding proposed amendments to Regents' Rules and Regulations, Rule 10402 (Committees and Other Appointments), Section 3, regarding duties delegated to the University Lands Advisory Board**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor of Business Affairs and the Vice Chancellor and General Counsel that Regents' *Rules and Regulations*, Rule 10402 (Committees and Other Appointments), be amended as set forth below in congressional style:

...

Sec. 3 University Lands Advisory Board. The University Lands Advisory Board (ULAB) shall be composed of the following individuals:

- 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.

At least two of the members appointed by the U. T. Board and at least one of the members appointed by the A&M Board must be current Regents, with the ULAB Chairman to be named by the U. T. Board.

At least three of the members appointed by the U. T. Board and at least two of the members appointed by the A&M Board must have industry experience.

The ULAB will meet at least four times per year and will advise the Board of Regents on operations and management of the University Lands Office, including ~~the hiring of the Chief Executive~~, reviewing and recommending budgets to the Board, and providing strategic direction. University Lands will continue to be managed by U. T. System.

3.1 Duties delegated to the ULAB include:

- (a) Developing and recommending policy for Board approval;
- (b) Provide advice on the approval of routine contracts and contract forms by the Executive Vice Chancellor for Business Affairs;
- (c) Promulgating policies and procedures for daily operations;
- (d) Provide advice concerning staffing ~~levels changes, including hiring the University Lands Chief Executive with approval by the Board and routine staffing with approval by the Executive Vice Chancellor for Business Affairs;~~
- ~~(e) Setting compensation levels within parameters set by the Board;~~

~~(f) Reviewing performance and making recommendations about compensation for the University Lands Chief Executive consistent with Board policy;~~

~~(ge)~~ Advising on the strategic direction for University Lands;

~~(hf)~~ Developing and recommending policy to the Board for Lease of University Lands (Board for Lease);

~~(ig)~~ Recommending changes in oil and gas development terms and conditions to the Board for Lease; and

~~(jh)~~ Reviewing and overseeing operations as appropriate.

3.2 The Board of Regents will retain its statutory responsibility and authority to:

(a) Approve budgets;

(b) Appoint members of ULAB;

(c) Purchase and sell any property;

(d) Approve policy recommendations and set policy for University Lands;

(e) Approve decisions critical to the mission of University Lands, including compensation parameters;

(f) Modify delegations to ULAB; and

(g) Approve ~~ULAB recommendations related to~~ the hiring and compensation of the University Lands Chief Executive Officer.

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BACKGROUND INFORMATION

Regents' Rule 10402 provides the composition and authorized duties of the University Lands Advisory Board. The enumerated duties include making recommendations to the Board regarding personnel and compensation decisions for University Lands staff, including the Chief Executive Officer. The proposed revisions would remove these advisory responsibilities from the Advisory Board's delegated duties and would instead assign those duties to the Chancellor.

The proposed changes best align administrative oversight of matters related to the employment and compensation for University Lands employees with the Chancellor, allowing the Advisory Board to focus on the strategic direction and goals for University Lands.

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.

6. U. T. System Board of Regents: Discussion and appropriate action regarding proposed amendments to Regents' Rules and Regulations, Rule 30104 (Conflict of Interest, Conflict of Commitment, and Outside Activities), prohibiting undisclosed relationships with programs sponsored, funded, directed, or controlled by a foreign government, foreign agency, or foreign institution

RECOMMENDATION

The Chancellor, the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Academic Affairs, and the Vice Chancellor and General Counsel recommend that the U. T. System Board of Regents approve amendment to Regents' *Rules and Regulations*, Rule 30104 (Conflict of Interest, Conflict of Commitment, and Outside Activities) to add a new Section 5 specifically prohibiting undisclosed relationships with programs sponsored, funded, directed, or controlled by a foreign government, foreign agency, or foreign institution, as set out below, and renumbering the remaining sections:

1. Rule 30104

Conflict of Interest, Conflict of Commitment, and Outside Activities

...

Sec. 5 Protection of Intellectual Property and Other Assets. Each University of Texas institution shall have a policy in place to provide for disclosure and management of substantial foreign relationships. Substantial relationships between any U. T. officer or employee, including a faculty member or researcher, and programs sponsored, funded, directed, or controlled by a foreign government, foreign agency, or foreign institution are prohibited, unless properly and timely disclosed in accordance with an institution's applicable policy. Such institutional policies shall be submitted in writing to the appropriate Executive Vice Chancellor and approved by the U. T. System Office of General Counsel and the Executive Vice Chancellor.

....

BACKGROUND INFORMATION

U. T. System values international research and academic collaborations and supports such collaborations when they further institutional missions. However, to manage the risk of significant and irreparable harm to the U. T. System, the state, and the nation, the Chancellor recommends amendments to Regents' Rule 30104 to specifically prohibit relationships with programs sponsored, funded, directed, or controlled by a foreign government, foreign agency, or foreign institution that are not properly disclosed and approved pursuant to institutional policies.

Similar policies have been adopted or recommended by the Department of Energy, the Association of American Universities, and JASON, the independent science advisory group.

These proposed revisions do not significantly impact the full-time equivalent (FTE) employee count Systemwide and have the potential for a favorable budget impact through enhanced risk management and protection of university assets. 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.

7. **U. T. System: Status update on plans for Fall 2020**

8. **U. T. System: Approval of the nonpersonnel aspects of the operating budgets for Fiscal Year 2021, including Permanent University Fund Bond Proceeds allocations for Library, Equipment, Repair and Rehabilitation Projects and for the Faculty Science and Technology Acquisition and Retention program and Internal Lending Program funds and Available University Fund for Fiscal Year 2020 Regents' Outstanding Teaching Awards**

RECOMMENDATION

Chancellor Milliken, with the concurrence of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Health Affairs, and the presidents of the U. T. System institutions, recommends that the nonpersonnel aspects of the U. T. System Operating Budgets for Fiscal Year 2021, including Educational and General Funds, Auxiliary Enterprises, Grants and Contracts, Designated Funds, Restricted Current Funds, and Medical, Dental, Nursing, and Allied Health Faculty Services, Research and Development Plans, be approved.

It is further recommended that the Chancellor be authorized to make editorial corrections to the approved budget and that subsequent adjustments be reported to the U. T. System Board of Regents through the Consent Agenda subject to the requirements of the Budget Rules and Procedures. Executive Vice Chancellor Scott Kelley will present the following recommended items:

- Fiscal Year 2021 Operating Budget
- Fiscal Year 2021 Library, Equipment, Repair and Rehabilitation (LERR) Budget
- Fiscal Year 2021 Faculty Science and Technology Acquisition and Retention (STARs) program
- Fiscal Year 2020 Regents' Outstanding Teaching Awards (ROTA)

It is requested that Permanent University Fund (PUF) Bond Proceeds in the amount of \$35 million be appropriated directly to the institutions to fund LERR Projects for Fiscal Year 2021.

It is also requested that \$35 million of PUF Bond Proceeds be appropriated to provide additional funding to build and enhance research infrastructure to attract and retain the best qualified faculty through the Faculty STARs program. Through a competitive proposal process determined by U. T. System Administration, funds will be distributed for the purpose of recruiting or retaining top researchers. It is also requested that the Chancellor be authorized to transfer or delegate authority to transfer Faculty STARs funding to the Rising STARs program to take advantage of recruitment and retention opportunities that may arise.

It is further requested that funding be approved for ROTA for Fiscal Year 2020 in the amount of \$625,000 from the Internal Lending Program (ILP) and \$75,000 from Available University Fund reserves.

BACKGROUND INFORMATION

Budget materials titled "Operating Budget Summaries and Reserve Allocations for Library, Equipment, Repair and Rehabilitation and Faculty STARS" will be available online at <https://utsystem.edu/offices/budget-and-planning/operating-budget-summaries>.

The appropriation of PUF Bond Proceeds will be presented in the Fiscal Year 2021 LERR Budget and is subject to the budget rules and expenditure guidelines adopted therein. The allocation of LERR funds to the U. T. institutions was developed from prioritized lists of projects submitted by the institutions and reviewed by U. T. System Administration staff. The allocation of PUF Bond Proceeds for Faculty STARS are also subject to the LERR budget rules, and expenditure guidelines. Additionally, PUF Bond Proceeds appropriated as indicated above to LERR and Faculty STARS must be spent in accordance with Article VII, Section 18 of the Texas Constitution. PUF Bond Proceeds may only be used for acquiring land either with or without permanent improvements, constructing and equipping buildings or other permanent improvements, major repair and rehabilitation of buildings and other permanent improvements, acquiring capital equipment, and acquiring library books and library materials.

Executive Vice Chancellor Scott Kelley has determined that for the distribution of ILP for ROTA based on Board approval of this item, revenues generated through the ILP will exceed amounts needed to maintain a sufficient interest rate buffer to meet principal and interest due on external debt and to provide necessary liquidity.

9. **U. T. System: Discussion and appropriate action regarding personnel aspects of the U. T. System Administration and institutional operating budgets for Fiscal Year 2021**

RECOMMENDATION

Chancellor Milliken concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, and the Executive Vice Chancellor for Business Affairs that approval be granted regarding personnel aspects of the U. T. System Administration operating budget for Fiscal Year 2021 as included in the previous Agenda Item.

See also the Executive Session items related to the individual personnel aspects of the U. T. System Operating Budgets.

10. **U. T. System: Discussion and appropriate action regarding Fiscal Year 2022-2023 legislative appropriation requests**

11. **U. T. System Board of Regents: Presentation of Certificate of Appreciation to Executive Vice Chancellor Leslie**