



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

August 18-19, 2021
Austin, Texas

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<u>Wednesday, August 18, 2021</u>		
COMMITTEE MEETINGS	<i>10:00 a.m. – 11:30 a.m.</i>	
CONVENE THE BOARD IN OPEN SESSION TO RECESS TO EXECUTIVE SESSION AND WORKING LUNCH	<i>11:30 a.m. – 1:00 p.m.</i>	
Individual Personnel Matters Relating to Officers or Employees – Section 551.074		
U. T. Medical Branch - Galveston: Consideration, discussion, and appropriate action regarding recommendation of Faculty Hearing Tribunal concerning termination of Reuben Matalon, M.D., Ph.D., a tenured faculty member		
RECONVENE THE BOARD IN OPEN SESSION FOR POSSIBLE ACTION	<i>1:00 p.m.</i>	
COMMITTEE MEETINGS	<i>1:15 p.m. – 2:15 p.m.</i>	
RECESS	<i>2:15 p.m. approximately</i>	
<u>Thursday, August 19, 2021</u>		
CONVENE THE BOARD IN OPEN SESSION TO CONSIDER AGENDA ITEMS	<i>9:00 a.m.</i>	
STANDING COMMITTEE RECOMMENDATIONS AND REPORTS TO THE BOARD	<i>9:05 a.m.</i>	
1. U. T. System Board of Regents: Introduction and Welcome to Regent Stuart W. Stedman and Student Regent Thuy Dan “Mimi” Nguyen	<i>9:15 a.m.</i>	5
2. U. T. System Board of Regents: Approval of Consent Agenda and consideration of any item referred to the full Board		6
3. U. T. System: Annual Meeting with Officers of the U. T. System Faculty Advisory Council		7
4. U. T. System Board of Regents: Discussion and appropriate action regarding University Lands and University Lands Advisory Board (ULAB), including potential Board appointment		8
RECESS TO EXECUTIVE SESSION PURSUANT TO TEXAS GOVERNMENT CODE, CHAPTER 551	<i>10:30 a.m.</i>	

Thursday, August 19, 2021 (cont.)

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 (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 2022**
 - b. **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**
 - c. **U. T. System: Discussion and appropriate action regarding individual personnel matters relating to assignment and duties of the Chancellor, including responsibilities associated with the admissions procedures set forth in Regents' *Rules and Regulations*, Rule 40303**
 - d. **U. T. Health Science Center - Houston: Discussion and appropriate action regarding proposed compensation for Walter Richard Lowe, M.D., Edward T. Smith Professor and Chairman, Department of Orthopaedic Surgery, McGovern Medical School (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**
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, August 19, 2021 (cont.)

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- c. **U. T. System Board of Regents: Discussion regarding legal issues associated with proposed U. T. System budget**
- d. **U. T. M. D. Anderson Cancer Center: Discussion and appropriate action concerning legal issues regarding entering into a strategic manufacturing relationship for gene and cell therapy cGMP manufacturing for clinical development, commercial supply, and other mission related issues with National Resilience, Inc., and finding of public purpose**
- 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**
 - a. **U. T. Austin: Discussion and appropriate action regarding a ground lease and related agreements with The 2033 Higher Education Development Foundation, who will enter into a development contract with ACC SC Development LLC or a related entity, for Graduate Student Housing consisting of approximately 784 beds located in U. T. Austin’s East Campus area, located between Comal Street, East 21st Street, Leona Street, and south of Manor Road, and authorization to purchase the leasehold and the Graduate Student Housing improvements following completion**
 - b. **U. T. M. D. Anderson Cancer Center: Discussion and appropriate action regarding the sublease of cGMP facility space located at 2130 West Holcombe Boulevard, Houston, Harris County, Texas, to a to-be-formed joint venture between U. T. M. D. Anderson Cancer Center and National Resilience, Inc. for the manufacture of cell therapy products and other mission-related uses**

RECONVENE THE BOARD IN OPEN SESSION TO CONSIDER ACTION, IF ANY, ON EXECUTIVE SESSION ITEMS AND AGENDA ITEMS *1:00 p.m.*

- 5. **U. T. System: Approval of the nonpersonnel aspects of the operating budgets for Fiscal Year 2022, 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 Regents’ Outstanding Teaching Awards** **9**
- 6. **U. T. System: Discussion and appropriate action regarding personnel aspects of the U. T. System Administration and institutional operating budgets for Fiscal Year 2022** **11**
- 7. **U. T. System Board of Regents: Presentation of Certificate of Appreciation to Executive Vice Chancellor Scott Kelley** **12**
- 8. **U. T. System Board of Regents: Discussion and appropriate action regarding enacting proposed Regents’ *Rules and Regulations*, Rule 30204 (Family Leave Pool)** **300**

ADJOURN *1:30 p.m. approximately*

1. **U. T. System Board of Regents: Introduction and Welcome to Regent Stuart W. Stedman and Student Regent Thuy Dan “Mimi” Nguyen**

2. **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 212](#).

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

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: Nikos Vasilakis, Ph.D., U. T. Medical Branch - Galveston, Professor

Chair-Elect: David Coursey, Ph.D., U. T. Arlington, Associate Professor

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

Secretary: Volker Quetschke, Ph.D., U. T. Rio Grande Valley, Professor

A video presentation from the Council reporting on work accomplished and goals for the next year will be shown during the August Board meeting.

4. **U. T. System Board of Regents: Discussion and appropriate action regarding University Lands and University Lands Advisory Board (ULAB), including potential Board appointment**

RECOMMENDATION

Chairman Eltife, University Lands Advisory Board (ULAB) Chairman Weaver, and Chancellor Milliken will provide an update regarding University Lands issues and the ULAB, and Chairman Eltife may recommend action concerning an appointment to the ULAB.

BACKGROUND INFORMATION

On March 19, 2018, the Board of Regents approved changes to the membership structure for the ULAB, which were effective immediately, 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.

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.

5. **U. T. System: Approval of the nonpersonnel aspects of the operating budgets for Fiscal Year 2022, 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 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 2022, 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 2022 Operating Budget
- Fiscal Year 2022 Library, Equipment, Repair and Rehabilitation (LERR) Budget
- Fiscal Year 2022 Faculty Science and Technology Acquisition and Retention (STARs) program
- Fiscal Year 2021 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 2022.

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 presented by the institutions.

It is further requested that funding be approved for ROTA for Fiscal Year 2021 in the amount of \$325,000 from the Internal Lending Program (ILP) and \$50,000 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 2022 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.

6. **U. T. System: Discussion and appropriate action regarding personnel aspects of the U. T. System Administration and institutional operating budgets for Fiscal Year 2022**

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 2022 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.

7. **U. T. System Board of Regents: Presentation of Certificate of Appreciation to Executive Vice Chancellor Scott Kelley**

ADDITIONAL AGENDA ITEM
MEETING OF THE BOARD
AUGUST 18-19, 2021

8. **U. T. System Board of Regents: Discussion and appropriate action regarding enacting proposed Regents' Rules and Regulations, Rule 30204 (Family Leave Pool)**

RECOMMENDATION

The Chancellor, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and the Vice Chancellor and General Counsel concur in the recommendation of the General Counsel to the Board that Regents' *Rules and Regulations*, Rule 30204, Family Leave Pool, be enacted as set forth on the following pages.

BACKGROUND INFORMATION

The 87th Texas Legislature enacted an amendment to *Texas Government Code* Chapter 661 by adding Subchapter A-1, which requires the establishment of an employee family leave pool program for each state agency. The program would allow employees to voluntarily transfer earned sick or vacation leave to a family leave pool. Employees are eligible to use such time if they have exhausted their own leave and have a qualifying event such as birth of a child, placement of a foster care child or adoption of a child, caring for a seriously ill family member or the employee, including for pandemic-related illnesses, or an extenuating circumstance created by an ongoing pandemic including caretaking obligations due to school closures.

Newly enacted *Texas Government Code* 661.022(c) requires the Board to adopt rules and prescribe procedures relating to the operation of the pool. The proposed Regents' Rule 30204 satisfies this requirement and sets forth the operational requirements prescribed by the statute and delegates administration of the U.T. System Administration pool to the Chancellor, or designee, and of the institutions' pools to their respective presidents, or designees, as is done in Regents' Rule 30203 regarding the analogous Sick Leave Pool.

This new legislation will require minimal administrative costs to support the management of this new pool. The proposed amendments have also been provided to the 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: 30204

1. Title

Family Leave Pool

2. Rule and Regulation

Sec. 1 Introduction. Pursuant to *Texas Government Code* Section 661.022, the Board of Regents is required to establish a program to allow a University of Texas System employee to voluntarily transfer previously earned sick or vacation leave to a family leave pool and is required to adopt rules and prescribe procedures relating to the operation of the pool. All institutions of the U. T. System shall establish and maintain a family leave pool except for those institutions which are exempt under *Texas Education Code* [Section 51.961](#), due to the adoption of a comprehensive leave policy.

The purpose of the state employee family leave program is to:

- (1) provide eligible employees more flexibility in:
 - (A) bonding with and caring for children during a child's first year following birth, adoption, or foster placement; and
 - (B) caring for a seriously ill family member or the employee, including pandemic-related illnesses or complications caused by a pandemic; and
- (2) allow employees to apply for leave time under the family leave pool.

Sec. 2 Family Leave Pool Administrator. The Chancellor, or his or her designee, shall administer the U.T. System Administration family leave pool.

The president, or his or her designee, shall administer the family leave pool at each U. T. institution.

Each designated administrator shall adopt forms and procedures appropriate for administration of this Rule.

Sec. 3 Family Leave Pool. Each family leave pool shall consist of the sick and vacation leave voluntarily contributed by employees.

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Rules and Regulations of the Board of Regents**

Rule: 30204

- 3.1 Contributions. Contributions to each pool must be in units of eight (8) hours. Employees are permitted to contribute an unlimited number of hours to a family leave pool.

A retiring employee has the option to contribute accrued sick or vacation leave hours to a family leave pool as well as designate accrued sick or vacation leave to be used for retirement credit. A retiring employee has discretion to designate the amount of accrued leave to be used for each purpose.

- 3.2 Crediting of Family Leave. Each pool administrator shall credit the family leave pool with the amount of time contributed by an employee and shall direct the appropriate office to deduct a corresponding amount from that employee's earned sick or vacation leave as if the employee had used the time for personal purposes.

- 3.3 Non-designation of Use. Sick or vacation leave contributed to a pool may not be designated for the use of a particular person.

Sec. 4 Withdrawal of Leave.

- 4.1 Eligibility. An employee is eligible to use time contributed to a family leave pool if the employee has exhausted the employee's eligible compensatory, discretionary, sick, and vacation leave because of:

- (1) the birth of a child;
- (2) the placement of a foster child or adoption of a child under 18 years of age;
- (3) the placement of any person 18 years of age or older requiring guardianship;
- (4) a serious illness to an immediate family member or the employee, including a pandemic-related illness;
- (5) an extenuating circumstance created by an ongoing pandemic, including providing essential care to a family member; or
- (6) a previous donation of time to the pool.

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

Rule: 30204

If a pool administrator determines an employee is eligible, the administrator shall approve the transfer of time from the pool to the employee and credit the time to the employee.

4.2 Applications for Withdrawal of Leave.

An employee may apply to a pool administrator for permission to withdraw time from the family leave pool. Applications must be submitted on the form prescribed by the pool administrator.

Each pool administrator will consider applications in the order in which they are received and will approve or deny an application as soon as practicable after receipt.

4.3 Required Documentation.

An employee who applies to use time to care for another person under 4.1(1)-(3) must submit and be listed on the other person's birth certificate, birth facts, or adoption or foster paperwork for a child under 18 years of age, including being listed as the mother, father, adoptive parent, foster parent, or partner of the child's mother, adoptive parent, or foster parent or must provide documentation that the employee is the guardian of a person who is 18 years of age or older and requiring guardianship.

If an employee is seeking permission to withdraw time because of a serious illness, including a pandemic-related illness, of an immediate family member or the employee and does not qualify for or has exhausted time available in the sick leave pool, the employee must provide the pool administrator with a written statement from the licensed practitioner who is treating the employee or the employee's immediate family member.

If an employee is seeking permission to withdraw time because of an extenuating circumstance created by an ongoing pandemic, including providing essential care to a family member, the employee must provide any applicable documentation, including an essential

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

Rule: 30204

caregiver designation, proof of closure of a school or daycare, or other appropriate documentation.

- 4.4 Amount Assigned. In determining the amount of family leave to be assigned to an eligible employee from a pool, the pool administrator shall take into consideration the information contained in the employee's application, the number of applications then pending, and the amount of family leave available in the pool.

The decision of the administrator regarding withdrawals from the family leave pool shall be final.

In no event shall the family leave allocated to an eligible employee from the pool exceed ninety (90) days or one-third (1/3) of the family leave pool balance, whichever is less.

Upon approval of an employee's application, the pool administrator shall notify the appropriate institution office of the amount of family leave to be assigned to the employee.

- 4.5 Equal Treatment. The employee may use family leave assigned from the pool in the same manner as sick leave earned by the employee and shall be treated for all purposes as if the employee were absent on earned sick leave.
- 4.6 Deceased Employees. The estate of a deceased employee shall not be entitled to payment for unused sick leave assigned from a pool.

3. Definitions

Employee - an eligible employee of the U. T. System or any of the institutions. An eligible employee is defined as employed for at least 20 hours per week for a period of at least four and one-half months, and not employed in a position for which student status is required as a condition of the employment.

4. Relevant Federal and State Statutes

Texas Government Code, Section 661.022 – State Employee Family Leave Pool

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

Rule: 30204

Texas Education Code [Section 51.961](#) – Leave Provisions for Employees

5. Relevant System Policies, Procedures, and Forms

Regents' Rules and Regulations, [Rule 30203](#) – Sick Leave Pool

6. Who Should Know

Employees

7. System Administration Office(s) Responsible for Rule

Office of Talent and Innovation

8. Dates Approved or Amended

August 19, 2021

9. Contact Information

Questions or comments regarding this Rule should be directed to:

- bor@utsystem.edu