

Meeting No. 1,103

THE MINUTES OF THE BOARD OF REGENTS
OF
THE UNIVERSITY OF TEXAS SYSTEM

Pages 1 - 6

April 11, 2013

Austin, Texas

MEETING NO. 1,103

THURSDAY, APRIL 11, 2013.--The members of the Board of Regents of The University of Texas System convened this special called meeting at 8:45 a.m. on Thursday, April 11, 2013, in the Board Room on the Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas, with the following participation:

ATTENDANCE.--

Present

Chairman Powell
Vice Chairman Foster
Vice Chairman Hicks
Vice Chairman Dannenbaum
Regent Cranberg
Regent Gary
Regent Hall
Regent Pejovich
Regent Stillwell
Regent Purgason, Student Regent, nonvoting

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Powell called the meeting to order.

RECESS TO EXECUTIVE SESSION.--At 8:51 a.m., Chairman Powell announced the Board would recess to convene in Executive Session pursuant to *Texas Government Code* Sections 551.071 and 551.074 to consider those matters listed on the Executive Session agenda.

RECONVENE IN OPEN SESSION.--At 11:35 a.m., the Board reconvened in open session for the following actions taken on matters discussed in Executive Session.

- 1a. U. T. System Board of Regents: Discussion of legal issues related to constitutional and legal rights and responsibilities of members of the Board

No action was taken on this item.

- 1b. U. T. System Board of Regents: Discussion and appropriate action regarding legal issues related to the release of confidential, attorney-client privileged, and/or investigative information in response to requests for information under Chapter 552, Texas Government Code, including legislative requests made pursuant to Section 552.008

No action was taken on this item.

- 1c. U. T. System Board of Regents: Discussion regarding legal issues raised by the impact of legislation, including proposed legislation under consideration by the 83rd Texas Legislature related to board governance and appropriations

No action was taken on this item.

- 1d. U. T. System Board of Regents: Discussion and appropriate action regarding legal issues related to additional investigation or review concerning the relationship between the U. T. Austin School of Law and the Law School Foundation and the financial management and use by U. T. Austin of funds to support the School of Law

No action was taken on this item.

- 1e. U. T. System Board of Regents: Discussion of legal issues related to provisions of the Texas Public Information Act and the Texas Open Meetings Act

No action was taken on this item.

- 1f. U. T. System Board of Regents: Discussion with counsel on pending legal issues

No action was taken on this item.

2. U. T. System: Discussion regarding assignments and duties of individual personnel involved in issues concerning additional investigation or review of the relationship between the U. T. Austin School of Law and the Law School Foundation and the financial management and use by U. T. Austin of funds to support the School of Law

No action was taken on this item.

AGENDA ITEMS

1. U. T. System Board of Regents: Approval of action regarding options for handling of requests for information under Chapter 552, Texas Government Code, including legislative requests made pursuant to Section 552.008

Action on this item was considered after action on Item 2 below.

Regarding the handling of requests for information from The University of Texas System under Chapter 552, *Texas Government Code*, Chairman Powell made the following motion that he noted was prepared with input and advice from Vice Chairman Hicks.

Motion made jointly by Chairman Powell and Vice Chairman Hicks

I move that the U. T. System Board of Regents direct all employees of the U. T. System and all members of the Board to continue to comply fully with the provisions of *Texas Government Code* Section 552.008 and to provide all records related to the conduct of State business as requested by members of the Legislature, as soon as reasonably possible.

I further move, as provided by State law, that the documents provided will be marked as confidential where determined appropriate by legal counsel for U. T. System and the Board of Regents and will be provided pursuant to a signed confidentiality agreement from each requestor and appropriate staff member.

This motion is made with the understanding that no legal action will be initiated on behalf of the U. T. System or the Board of Regents or funded with monies under the control of the U. T. System or the Board of Regents to seek additional interpretation of the application of Section 552.008.

Vice Chairman Dannenbaum seconded the motion, which carried unanimously. Chairman Powell was noted for the record as voting "aye."

2. U. T. System Board of Regents: Approval of action regarding options for additional investigation or review regarding issues concerning the relationship of the U. T. Austin School of Law and the Law School Foundation and the financial management and use by U. T. Austin of funds to support the School of Law

Action on this item was considered before Item 1 above.

Regarding options for additional investigation or review regarding issues concerning the relationship of The University of Texas at Austin School of Law and the Law School Foundation and the financial management and use by U. T. Austin of funds

to support the School of Law, Chairman Powell called on Regent Stillwell for a motion. Regent Stillwell said that Vice Chairman Foster and Vice Chairman Hicks were involved in developing the motion.

Motion made by Regent Stillwell

I move that the U. T. System Board of Regents modify actions taken on March 20, 2013, to authorize Chairman Powell and Chancellor Cigarroa to ask the Office of the Attorney General to conduct a thorough investigation of the issues related to 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, including but not limited to the matters set forth below, any additional issues identified by the Chairman or Chancellor or by members of the Board in individual interviews with representatives of the Attorney General's Office, and other issues identified by the Office of the Attorney General:

- a. How the relationship between the Law School and the Law School Foundation functions in practice;
- b. Use and management by U. T. Austin of funds provided for the support of the School of Law;
- c. Transparency on all matters between U. T. Austin leadership and the leadership of the School of Law;
- d. Flow of funds to Law School employees and the School of Law, how funds were expended, and oversight for policies and procedures; and
- e. Process for decision-making at the Law School in relation to monies contributed by the Law School Foundation, structure of the policies and process in place to aid in informing decisions, and compliance with policies.

Acknowledging the dedicated work of Regent Hall, Vice Chairman Foster seconded the motion, which carried unanimously. Chairman Powell was noted for the record as voting "aye."

Chairman Powell then called on two Board members who had requested to speak.

Remarks by Regent Gary

I think it is important we acknowledge that the reality of the controversy between the Board of Regents and the Legislature has unfortunately and inadvertently cast a shadow on The University of Texas System, so much so that the present amendments proposed could potentially hurt innocent, hardworking, and dedicated U. T. System administrative employees who

serve the U. T. System and add extraordinary value to all 15 U. T. institutions by performing essential functions for all of them.

Let us remember that the Board of Regents is here to serve the System and its campuses. Our Chancellor, his executive team, and each of their respective departments deserve our gratitude and protection. The Chancellor's Framework for Advancing Excellence and the elements that compose it, require his full attention and that of the Executive Officers, and the Presidents. This is a great Board of Regents, and it is doing its job in an appropriate and diligent manner. It has authorized and, in many cases, created many exceptional incentives that can position the U. T. institutions to be the very best among their national peers and to make the State of Texas the national gold standard of higher education, health care, and research.

That is where we should focus our attention, influence, and resources. Let us allow the experts: the Chancellor, his executive team, the departments and the presidents to do their job. Let us give them the support, resources, and most importantly, the gratitude they so deserve. I hope we can all move forward from here in a productive and supportive way.

Remarks by Vice Chairman Dannenbaum
(essentially as delivered)

Mr. Chairman, for clarification, since I was involved in the call on legislative matters a week ago, I know the recent headlines have suggested that you may not have consulted legal expertise when you sent a letter last week to the Attorney General seeking a ruling on whether a governing body might withhold information from the Legislature when a request is made pursuant to Section 552.008 of the *Government Code* and if there is a specific time for responding.

I know differently, and I think it is important for the public to know that you did indeed seek and receive counsel from at least six attorneys in the Board of Regents' Office and System offices, some of whom were on the call when preliminary discussion of this matter took place and those individuals have expertise in public information and Board matters. I know your requests to the Attorney General were not made to withhold information, but to ensure that the Board was properly fulfilling its statutory and fiduciary responsibilities and was protected under attorney-client privilege where applicable. Your efforts to conduct this due diligence were appreciated and unfortunately miscommunicated, and I think the public needs some background on that.

In closing, Chairman Powell thanked members of the Board for the hard work they are doing together, and acknowledging difficult times, he said he has a deep respect that the U. T. System and the individual 15 U. T. System institutions continue to rise to the level of national prominence and continue to serve students by providing accessibility, affordability, and excellence in higher education in America. He thanked Chancellor Cigarroa for his work and said the Board unanimously continues to support the Chancellor and his efforts.

ADJOURNMENT.--At 11:45 a.m., there being no further business, the meeting was adjourned.

/s/ Carol A. Felkel
Secretary to the Board of Regents

April 15, 2013