

Meeting No. 1,163

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

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June 20, 2017

Austin, Texas

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THE UNIVERSITY OF TEXAS SYSTEM
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AUSTIN, TEXAS

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MEETING NO. 1,163

TUESDAY, JUNE 20, 2017.--The members of the Board of Regents of The University of Texas System convened a special called meeting at 10:31 a.m. via telephone conference call on Tuesday, June 20, 2017, in the Board Room, Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas, with the following participation:

ATTENDANCE.--

Present

Chairman Foster
Vice Chairman Hicks
Vice Chairman Hildebrand
Regent Aliseda
Regent Beck
Regent Eltife
Regent Longoria
Regent Tucker
Regent Weaver
Regent Castro, Student Regent, nonvoting

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

RECESS TO EXECUTIVE SESSION.--At 10:33 a.m., the Board recessed to convene in Executive Session pursuant to *Texas Government Code* Sections 551.071, 551.073, and 551.074 to consider the matters listed on the Executive Session agenda.

RECONVENE IN OPEN SESSION.--The Board reconvened in Open Session at 10:57 a.m. to consider the following action on Executive Session Item 1a and to consider the following Agenda Items.

- 1a. U. T. San Antonio: Discussion and appropriate action concerning individual personnel matters related to the search for a president, including discussion of candidates to be invited to interview

Regent Aliseda moved that the Board interview candidates for The University of Texas at San Antonio presidency at a future Board meeting as discussed in Executive Session. He said this motion is premised on the understanding that the names of finalists for the presidency will be made public at least 21 days before a vote to name a president.

Regent Weaver seconded the motion, which carried unanimously.

- 1b. 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 (Deputy Chancellor, Executive Vice Chancellors, and Vice Chancellors), other officers reporting directly to the Board (Chancellor, General Counsel to the Board, and Chief Audit Executive), members of the Board of Regents, and U. T. System and institutional employees

No action was taken on this item.

- 2a. U. T. System Academic Institutions: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features

No action was taken on this item.

- 2b. U. T. System Health Institutions: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features

No action was taken on this item.

3. U. T. System Board of Regents: Discussion with Counsel on pending legal issues

No action was taken on this item.

AGENDA ITEMS

1. U. T. Austin: Discussion and appropriate action related to proposed agreement for the Governor's Center for Management Development at the LBJ School of Public Affairs to provide leadership training services to the University of Adelaide, Australia

The Board approved an agreement for the Governor's Center for Management Development at The University of Texas at Austin's LBJ School of Public Affairs to provide leadership training services to the University of Adelaide, Australia.

Under the agreement, the Governor's Center for Management Development, a unit of U. T. Austin's Lyndon B. Johnson School of Public Affairs, will provide leadership training services and two keynote presentations to the University of Adelaide's Executive Education Program. The term for the agreement will be July 17, 2017 through May 1, 2018, and revenue generated from the program's learner participation fee is expected to total approximately \$45,000. Regents' *Rules and Regulations*, Rule 10501, Section 3.2 requires contracts or agreements with foreign governments or agencies to be approved by the Board of Regents regardless of dollar amount.

2. U. T. Permian Basin: Discussion and appropriate action regarding approval of terms of employment agreement with Sandra K. Woodley, Ph.D., as President

The Board approved the terms of the employment agreement with Sandra K. Woodley, Ph.D., as President of The University of Texas of the Permian Basin. Although Dr. Woodley will begin employment on July 1, 2017, she will not be paid with appropriated funds prior to September 1, 2017. In approving this item, the Board made a finding, as required by state law, that this appointment is in the best interest of U. T. Permian Basin and The University of Texas System. Dr. Woodley will also hold an appointment as Professor, with Tenure, in the College of Business at U. T. Permian Basin without compensation. The employment agreement is on the following pages.

Terms of employment under this agreement are subject to Regents' *Rules and Regulations*, Rules 10501 and 20201, and *Texas Education Code* Section 51.948. Appropriate advance notice was provided to the Legislative Budget Board.



THE UNIVERSITY of TEXAS SYSTEM
FOURTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.

Office of Academic Affairs
601 Colorado Street, 3rd Floor
Austin, Texas 78701-2980
512-499-4233
WWW.UTSYSTEM.EDU

May 10, 2017

Dr. Sandra Woodley
[REDACTED]
[REDACTED]

Dear Sandy:

On behalf of the Board of Regents of The University of Texas System, it is my pleasure to offer you the position of President of The University of Texas of the Permian Basin, effective July 1, 2017. Your annual salary rate as of that date will be \$425,000. You are entitled to other State-paid fringe benefits required to be provided to higher education employees by State law and for which you are eligible. Among these benefits are State-paid OASI, longevity pay, workers' compensation liability, insurance coverage, retirement, insurance premium sharing, and paid leave.

Pursuant to the Regents' Rules and Regulations, Rule 20201, the presidents of The University of Texas academic institutions are selected by the Board of Regents of The University of Texas System and serve without fixed term, subject to the pleasure of the Executive Vice Chancellor for Academic Affairs and approval by the Chancellor and the Board of Regents. Also, your performance as President of U. T. Permian Basin will be evaluated in accordance with Rule 20201 and you will be asked to make a presentation to the Board on your vision and goals for U. T. Permian Basin within 12 to 18 months of taking office.

Additional elements of your compensation package are:

- a. You are eligible to participate in the Board of Regents' "Incentive Plan for The University of Texas System Presidents and System Administration Executive Officers" subject to the requirements and terms specified therein. The compensation earned from this incentive plan will vary depending on your attainment of certain specific performance goals.
- b. The cost of club membership(s) approved by the Executive Vice Chancellor for Academic Affairs will be paid, including initial fees for joining the club and all properly documented and reasonable business-related expenses. All personal expenses, including the portion of dues related to personal use, is calculated based on the personal expenses for that month as a percent of total expenses. That percentage is applied to the dues owed to determine the personal amount.
- c. Appointment as Professor, with tenure, in the College of Business at U. T. Permian Basin, with a beginning academic rate of \$138,242. During your presidency, you will not be paid your salary as Professor. When your

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administrative appointment as President ends you will be entitled to return to your tenured faculty position as professor, consistent with Regents' Rule 31007, which governs tenured appointments at U. T. Permian Basin, and to be compensated at your academic salary rate. *Texas Education Code*, Section 51.948, states that if a university administrator is reassigned to a faculty or other position at the institution, the institution cannot pay that person a salary that exceeds the salary of other persons with similar qualifications performing similar duties.

- d. State law allows the granting of a development leave at the individual's academic salary rate for one academic year to a faculty member who has held an administrative position at the institution for more than four years. An administrator who receives development leave must return to work (as a faculty member) at a U.T. System institution for an amount of time equal to the amount of time the administrator received development leave or repay the institution for all the costs of the development leave. To the extent required by law, these provisions will apply in your situation. The specific length of the development leave will be negotiated dependent on your term of service as President and other pertinent considerations should you leave the presidency and return to the faculty.
- e. Reimbursement or direct payment of actual costs of IRS qualified moving expenses related to moving and storage, if needed, of household, personal, and professional possessions from Elmore, Alabama to Odessa, Texas. Qualified moving expenses are not taxable to the employee and include: transportation of household goods and personal effects, travel expenses incurred (including lodging but not meals) relocating to your new home and travel expenses for members of the household who reside at both the old and new residence. Please contact Mark McGurk, V.P. for Business Affairs at U. T. Permian Basin before making any arrangements related to relocation.
- f. Reasonable temporary housing cost will be reimbursed beginning July 18, 2017 while you are searching for a permanent residence. If the search for a permanent residence exceeds six-months this reimbursement will need to be revisited. Federal tax consequences are likely related to this temporary housing reimburse.

Please note that the benefits described in (d) may, at the discretion of the Board, be denied should you be terminated from the position of President for good cause, as determined by the Board.

Business-related travel and entertainment expenses shall be in accordance with the Regents' Rules 20205, and with current travel and entertainment budgets of the institution. Reasonable expenses will be paid directly or reimbursed as appropriate.

Appropriate and timely submission of documentation required for reimbursement of travel and entertainment expenditures is required by Regents' Rules 20205. Annual reports on travel and entertainment shall be filed with the Executive Vice Chancellor for Academic Affairs.

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Full-time faculty and administrative and professional staff employed by the U. T. System may not 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 approved by the Chancellor.

Your base salary is all inclusive and there are no additional allowances provided for housing or automobile consistent with the Regents' *Rules and Regulations* on compensation for chief administrative officers. Reimbursement will be made for mileage associated with business use of a vehicle in accordance with the latest published Internal Revenue Service guidelines, the State Travel Regulations Act (*Texas Government Code*, Chapter 660) and applicable institutional policies. There is no separate provision for the use of a cellular telephone or other wireless device. Such use shall follow the policy for wireless devices at your institution.

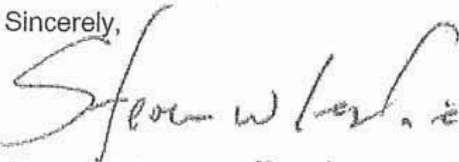
In accordance with our agreement regarding your transition to U. T. Permian Basin, you are authorized to be compensated for a half-time appointment at your administrative rate starting at the time of your Board of Regents' approved appointment as president and concluding on your official starting date of July 1, 2017. During this period reasonable business related travel expenses including overnight accommodations for yourself from your home to U. T. Permian Basin will be reimbursed.

Information about benefits including health insurance, disability, life insurance and retirement has been transmitted under separate cover.

Some elements in this compensation package will be subject to federal income tax and as such will be subject to withholding and reported on the W-2 form along with base salary paid. You should consult your tax adviser as to the handling of business or other offsetting deductions.

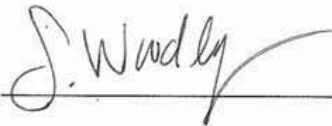
I look forward to the opportunity to work with you as President of The University of Texas of the Permian Basin. If you have any questions, please let me know.

Sincerely,



Steven W. Leslie
Executive Vice Chancellor for Academic Affairs

Accepted: _____



Date: _____

6/8/17

SWL/smr

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cc: Chancellor William H. McRaven
Randy Wallace, Associate Vice Chancellor – Controller and Chief Budget
Officer
Mark McGurk, V.P. for Business Affairs
Francie Frederick, General Counsel to the Board of Regents

ADJOURNMENT.--At 10:59 a.m., there being no further business, the meeting was adjourned.

/s/ Tina E. Montemayor
Assistant Secretary to the Board of Regents

June 29, 2017