

1. Title

Committees and Other Appointments

2. Rule and Regulation

Sec. 1 Standing Committees. The following committees shall be standing committees of the Board of Regents to consider policies for the government of all major areas: (a) Finance and Planning Committee; (b) Academic Affairs Committee; (c) Health Affairs Committee; (d) Facilities Planning and Construction Committee; and (e) Audit, Compliance, and Risk Management Committee:

1.1 Composition and Quorum of Standing Committees. Each standing committee is composed of not less than four members of the Board of Regents appointed by the Chairman. In the unanticipated absence of a quorum, the Chairman or Committee Chairman may appoint another member(s) of the Board to serve in a temporary capacity on the Committee.

1.2 Appointment of Committee Chairman. The Chairman of each standing committee shall be appointed by the Chairman of the Board of Regents shortly after his or her election, by and with the consent of the Board, and shall remain as Chairman of the standing committee (unless a vacancy shall be caused by death, resignation, or refusal of some member of a committee to act) until the succeeding Board Chairman shall reconstitute the committees.

1.3 Vacancy by Committee Chairman. If a vacancy occurs in the chairmanship of any standing committee, the Chairman of the Board of Regents shall appoint another member of the Board to serve as Chairman of the standing committee, by and with the consent of the Board.

1.4 Authority of Standing Committees. The authority of standing committees of the Board of Regents shall be subject to action of the whole Board. The committees' actions must be ratified by the Board before they shall become effective.

- 1.5 Duties of the Finance and Planning Committee. The Finance and Planning Committee shall:
- (a) Continue long-range planning activities, including institutionalization of the planning process, development of related plan implementation policies and procedures for the U. T. System and any of the institutions, and providing coordination of related legislative issues.
 - (b) Review and make recommendations to the Board as appropriate on matters related to business affairs such as: operating budget; debt financing transactions and issues concerning the Permanent University Fund, including administering standards for resource allocation; the University Lands Office; Systemwide and self-insured insurance programs; and special task forces, initiatives, and commissions for the U. T. System and any of the institutions.
 - (c) Review and recommend to the Board as appropriate on issues and activities related to The University of Texas/Texas A&M Investment Management Company (UTIMCO).
- 1.6 Duties of the Audit, Compliance, and Risk Management Committee. The Audit, Compliance, and Risk Management Committee (ACRMC) shall:
- (a) Provide strategic oversight and direction to Systemwide internal audit activities, a primary source of independent and objective risk information.
 - (b) Conduct appointment, evaluation, and dismissal duties, specifically:
 - i. Approve the appointment of System Administration and institutional audit committee chairs. By extension, this recognizes the role of the System Administration and institutional audit committees as risk advisors to the ACRMC and their authority derived from the Board of Regents.
 - ii. Take personnel actions regarding appointment and dismissal of the U. T. System Chief Audit Executive

following recommendations by the General Counsel to the Board of Regents and the Chancellor. The U. T. System Chief Audit Executive shall hold office subject to the pleasure of the ACRMC.

- iii. Perform the annual evaluation of the U. T. System Chief Audit Executive.
- iv. Provide concurrence with any president's appointment and dismissal of institutional chief audit executives with advice and recommendation from the U. T. System Chief Audit Executive.

(c) Consider, review, and when appropriate refer to the full Board of Regents matters regarding the activities of the Office of Systemwide Compliance, as an integral component of Systemwide risk oversight.

(d) Be primarily responsible for the Systemwide risk oversight function of the Board of Regents. Provide relevant information from risk management activities, risk assessments and reviews, and reports both internal and external to the Board of Regents.

(e) Consider, review, and when appropriate refer to the full Board of Regents matters regarding the activities of the Office of Risk Management, Office of Information Security, and any other management function with a significant Systemwide risk oversight role.

(f) Consider, review, and recommend to the full Board of Regents factors to be considered in establishing Board and Board Committee risk tolerance and risk mitigation strategies.

1.7 Duties of the Academic Affairs Committee. The Academic Affairs Committee shall:

- (a) Report to the Board on the instructional, research, and professional service programs and activities of the general academic institutions.

- (b) Report to the Board on policies relating to soliciting and securing gifts for the University's general academic institutions.
 - (c) Consider and report to the Board on matters affecting the libraries of the general academic institutions.
 - (d) Review proposed substantive changes in the doctoral degree program inventory and the academic administrative structure and recommend to the Board approval or disapproval of such changes.
 - (e) Report and recommend to the Board approval of matters related to education in the general academic institutions.
 - (f) Recommend appropriate Board action with respect to any recommendations by the Chancellor related to the appointment, promotion, and dismissal of such institutional officers as may be appropriate in the general academic institutions.
 - (g) Consider and report to the Board on matters relating to the research, training, and community service activities at the general academic institutions.
 - (h) Make recommendations concerning capital improvement priorities related to the approved missions of the general academic institutions.
 - (i) Periodically review and consider proposed changes to academic institution mission statements and make recommendations to the Board for approval.
- 1.8 The Duties of the Health Affairs Committee. The Health Affairs Committee shall:
- (a) Consider and report to the Board on matters concerned with substantive aspects of policies and programs related to the academic philosophy and objectives of the health institutions; with University relations; and with health academic planning, instruction, and research.

- (b) Report and recommend to the Board approval of matters relating to education in the health institutions.
 - (c) Recommend appropriate Board action with respect to any recommendations by the Chancellor related to the appointment, promotion, and dismissal of such institutional officers as may be appropriate in the health institutions.
 - (d) Consider and report to the Board on matters relating to the research, training, and community service activities of the health institutions.
 - (e) Consider and report to the Board on matters affecting the libraries of the health institutions.
 - (f) Report to the Board on policies relating to soliciting and securing gifts for the U. T. System's health institutions.
 - (g) With respect to each hospital, clinic, and patient-care facility owned by The University of Texas System, counsel with the Executive Vice Chancellor for Health Affairs regarding the bylaws and rules and regulations of the medical staff; and make recommendations to the Board concerning mechanisms and controls for the achievement and maintenance of high standards of professional practices in and at the hospital, clinic, or patient-care facility.
 - (h) Make recommendations concerning capital improvement priorities related to the approved missions of the health institutions.
 - (i) Periodically review and consider proposed changes to health institution mission statements and make recommendations to the Board for approval.
- 1.9 Duties of the Facilities Planning and Construction Committee. The Facilities Planning and Construction Committee shall:
- (a) Consider matters relating to the acquisition and use of the grounds and buildings on campus and campus-

related real property of The University of Texas System.

- (b) Review proposed construction projects and make decisions on the selection of architects for projects determined by the Board to be of special interest; approve plans and accept bids for construction projects.
- (c) Make recommendations to the Board on the award and execution of construction and equipment contracts.
- (d) Make recommendations to the Board with respect to the naming of University buildings and other major facilities.

Sec. 2 Board for Lease of University Lands. At the first available opportunity following February 1 of each odd-numbered year, two qualified members of the Board of Regents, as specified in *Texas Education Code Section 66.62*, shall be selected by the Board, upon recommendation of the Chairman of the Board of Regents, to serve on the Board for Lease of University Lands. In the event a Board member appointed to the Board for Lease of University Lands is unable to attend a regular meeting of the Board for Lease of University Lands, the Chairman may appoint, as a substitute, a qualified member of the Board of Regents to attend the meeting. The Office of Business Affairs, on behalf of the Board of Regents, will assign employees of The University of Texas System to assist the Board for Lease of University Lands in the performance of its duties and responsibilities and will consult with the Chancellor and the Office of General Counsel as necessary and appropriate. The Executive Vice Chancellor for Business Affairs shall report significant activities of the Board for Lease of University Lands to the Board, as appropriate.

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 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;
- (e) Advising on the strategic direction for University Lands;
- (f) Developing and recommending policy to the Board for Lease of University Lands (Board for Lease);
- (g) Recommending changes in oil and gas development terms and conditions to the Board for Lease; and
- (h) 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 the hiring and compensation of the University Lands Chief Executive Officer.

Sec. 4 The University of Texas/Texas A&M Investment Management Company (UTIMCO). Pursuant to *Texas Education Code Section 66.08*, the U. T. System Board of Regents shall appoint seven members of the Board of Directors of UTIMCO and two members will be appointed by The Texas A&M University System Board of Regents. Appointments made by U. T. System shall include three members of the Board of Regents, three individuals with a substantial background and expertise in investments, and one qualified individual, as determined by the Board. Such individual may be the Chancellor of the U. T. System. Of the two members appointed by The Texas A&M University System Board of Regents, at least one must have substantial background and expertise in investments.

The selection process for external members of the UTIMCO Board of Directors appointed by the U. T. System Board of Regents is as follows:

- 4.1 **Soliciting of Nominations.** The Chairman of the U. T. System Board of Regents and the Chairman of UTIMCO send a joint letter to leaders in the public and private sector soliciting nominations. Nominations are to be provided to the Chairman of the U. T. System Board of Regents.
- 4.2 **Advisory Committee.** The Chairman of the U. T. System Board of Regents appoints a selection advisory committee to review nominations.

- 4.3 Recommendations. After review, the selection advisory committee makes recommendations to the Chairman of the U. T. System Board of Regents.
- 4.4 Background Checks. At the direction of the Chairman of the U. T. System Board of Regents, the Office of the Board of Regents asks individuals to complete a background questionnaire. The Office of the Board of Regents apprises those individuals of the UTIMCO Code of Ethics and disqualifications from service. Using information from the questionnaires, the Office of the Board of Regents:
- (a) confirms the educational degrees and professional certifications.
 - (b) assures that professional licensures and certifications are in good standing.
 - (c) reviews business relationships, if any, with members of the Board of Regents or the UTIMCO Board or with U. T. System or UTIMCO; and
 - (d) initiates review by the U. T. System Director of Police of the Texas conviction database and contacts local law enforcement.
- 4.5 Interviews. The Chairman of the U. T. System Board of Regents and the Chairman of UTIMCO conduct personal interviews, as needed, to assure that the nominees possess varied investment backgrounds and risk management expertise.
- 4.6 Appointment Approval. The Chairman of the U. T. System Board of Regents submits a recommended appointment for approval by the U. T. System Board of Regents.
- Sec. 5 Athletics Liaison. The Chairman of the Board may name a member or members of the Board to serve as liaison to the Board on matters concerning intercollegiate athletics. Contacts related to institutional athletics matters made to the Athletics Liaison or Liaisons will be made in consultation with the Chancellor and the Executive Vice Chancellor for Academic Affairs.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Education Code [Section 66.08](#) – Investment Management

Texas Education Code [Section 66.62](#) – Board for Lease of University Lands

5. Relevant System Policies, Procedures, and Forms

The University of Texas Systemwide Policy [UTS 124, Criminal Background Checks](#)

UTIMCO Bylaws

UTIMCO Code of Ethics

M. D. Anderson Services Corporation Bylaws

6. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Office of the Board of Regents

8. Dates Approved or Amended

[Regents' Rules Revision History](#)

9. Contact Information

Questions or comments regarding this Rule should be directed to:

- bor@utsystem.edu