

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; (e) Audit, Compliance, and Management Review 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; University Lands - West Texas Operations; 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 Investment Management Company (UTIMCO).
- 1.6 Duties of the Audit, Compliance, and Management Review Committee. The Audit, Compliance, and Management Review Committee shall:
- (a) Recommend an Audit Charter for the Audit, Compliance, and Management Review Committee for review and approval by the Board and oversee all internal and external auditing and compliance functions within The University of Texas System.
 - (b) Recommend the approval of the hiring of the Chief Audit Executive after nomination by the Chancellor.
 - (c) Recommend the approval of the annual Systemwide risk assessment and annual internal auditing plan.
 - (d) Initiate System Administration and institutional audits, compliance activities, and operations management reviews as deemed necessary to ensure appropriate

risk management and control processes within The University of Texas System.

- (e) Provide the Board with relevant information obtained from ongoing reviews of auditing, compliance, and operations activities and reports of internal auditors, external auditors, and the State Auditor's Office.
- (f) Meet with external auditors, internal audit directors, and compliance officers as deemed necessary to discuss specific risk management and control issues.

1.7 Duties of 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.

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.

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 Special Compensation Committee. In addition to the standing committees, a special committee shall oversee the evaluation and assessment of key executives, as defined in [Rule 20203](#) of these *Rules*, and shall review and report to the Board on compensation issues. The Committee will be composed of the Chairman of the Board, the Chairman of the Finance and Planning Committee, the Chairman of the Academic Affairs Committee, the Chairman of the Health Affairs Committee, and another member or members of the Board as may be appointed by the Chairman.

Sec. 3 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 Vice Chancellor for Business Affairs shall report significant activities of the Board for Lease of University Lands to the Board, as appropriate.

- Sec. 4 The University of Texas Investment Management Company. Pursuant to *Texas Education Code* [Section 66.08](#), the Board of Regents shall appoint the nine directors of The University of Texas Investment Management Company (UTIMCO). At least three members of the U. T. System Board of Regents and the Chancellor shall be appointed to the UTIMCO Board of Directors by the Chairman of the Board of Regents, by and with the consent of the Board of Regents. At least one director will be selected from a list of candidates with substantial background and expertise in investments, as submitted to the Board of Regents by the Board of Regents of The Texas A&M University System. The selection process for external members of the UTIMCO Board of Directors 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 external UTIMCO directors 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 Texas Growth Fund. Pursuant to [Section 70\(m\), Article XVI](#) of the *Texas Constitution*, the Texas Growth Fund II shall be managed by a Board of Trustees that "includes one member from and elected by" the Board of Regents.

Sec. 6 M. D. Anderson Services Corporation. M. D. Anderson Services Corporation (formerly M. D. Anderson Cancer Center Outreach Corporation) was established in 1989 to enhance revenues of The University of Texas M. D. Anderson Cancer Center by establishing joint ventures in selected markets, providing additional referrals to the institution, contracting for delivery of inpatient and outpatient management, utilizing existing U. T. M. D. Anderson Cancer Center reference laboratory services, and fostering additional philanthropy in distant areas. Pursuant to bylaws approved by the Board of Regents, M. D. Anderson

Services Corporation shall be managed by a seven-person Board of Directors. One of the Directors shall be a Regent appointed by the Chairman and two of the Directors shall be administrative officers of The University of Texas System, serving by virtue of their position as follows:

- The Executive Vice Chancellor for Health Affairs
- The Executive Vice Chancellor for Business Affairs.

In the absence of an appointment by the Chairman of the Board, the Chairman of the U. T. System Board of Regents' Health Affairs Committee shall serve. The President of U. T. M. D. Anderson Cancer Center appoints the other four directors.

Sec. 7 Type 2 Diabetes Risk Assessment Program Advisory Committee. Pursuant to [Texas Health and Safety Code, Chapter 95](#), one member of the Board of Regents will serve on the Type 2 Diabetes Risk Assessment Program Advisory Committee for the program administered by The University of Texas - Pan American Border Health Office.

Sec. 8 Athletics Liaison. The Chairman of the Board may name a member of the Board to serve as liaison to the Board on matters concerning intercollegiate athletics.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Constitution [Section 70\(m\), Article XVI](#) – Texas Growth Fund

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

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

[Texas Health and Safety Code, Chapter 95](#) – Risk Assessment for Type 2 Diabetes

5. Relevant System Policies, Procedures, and Forms

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

August 20, 2009

Conforming amendment to Sec. 6 made May 13, 2009, following Board action.

Editorial amendment to Sec. 1.6 and Sec. 3 made March 17, 2008

Editorial amendment to Sec. 7 made February 12, 2008

Editorial amendment to Sec. 6 made December 31, 2007

December 6, 2007

August 23, 2007

April 16, 2007

July 14, 2006

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

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