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FOR  
MEETING OF THE BOARD**

**February 8-9, 2012**  
San Antonio, Texas

**Wednesday, February 8, 2012**

**A. COMMITTEE MEETING**

Technology Transfer and Research Committee..... 10:00 a.m.

**B. CONVENE THE BOARD IN OPEN SESSION TO RECESS TO EXECUTIVE SESSION PURSUANT TO TEXAS GOVERNMENT CODE, CHAPTER 551 (working lunch) 11:00 a.m.**

1. 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: Discussion and appropriate action regarding legal issues concerning impact of 1115 Medicaid waiver on health institutions**
- c. **U. T. Medical Branch - Galveston: Discussion and appropriate action regarding legal issues concerning the provision of correctional managed care**

2. Deliberations Regarding the Purchase, Exchange, Lease, Sale, or Value of Real Property – Section 551.072

a. **U. T. Arlington: Discussion and appropriate action regarding authorization to purchase approximately 5.24 acres and improvements located at 1225 South Pecan Street, Arlington, Tarrant County, Texas, from PSSH, Ltd., a Texas limited partnership, at a price not to exceed fair market value as established by independent appraisals for campus student housing** *Ms. Mayne*

b. **U. T. Austin: Discussion and appropriate action regarding the purchase of approximately 0.4586 of an acre and improvements located on adjoining lots at 300 West Martin Luther King, Jr. Boulevard and 1902 Whitis Avenue, Austin, Travis County, Texas, from Mr. Carlos Oliveira and Mr. Edward A. Hempe, at a purchase price not to exceed fair market value as established by independent appraisals and paid partially in cash and partially in the form of a leaseback to the sellers, with the property to be used upon termination of the leaseback for future programmed development of campus expansion or other purposes related to the institution's mission** *Ms. Mayne*

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<p>c. <b>U. T. M. D. Anderson Cancer Center: Discussion and appropriate action regarding authorization to acquire the remaining undivided interests in Lot 3, Block 38, Institute Place, Houston, Harris County, Texas, from Ms. Denise Felchak Brown, Ms. Joan Smith, and Ms. Gladys Wood, or their heirs, beneficiaries, successors, or assigns, at a price not to exceed fair market value as established by an independent appraisal or through a judicial partition by sale proceeding to complete a land assemblage for future use as a location for buildings for campus administrative and support functions</b></p>	<p><i>Ms. Mayne</i></p>
<p>3. Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees – Section 551.074</p>	
<p>a. <b>U. T. M. D. Anderson Cancer Center: Discussion and appropriate action regarding individual personnel matters relating to proposed compensation matters for Executive Vice President and Physician-in-Chief Thomas Burke, M.D.; Provost and Executive Vice President Raymond DuBois, M.D., Ph.D.; and Executive Vice President and Chief Business Officer Leon J. Leach</b></p>	<p><i>Dr. Shine</i></p>
<p>b. <b>U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of U. T. System and institutional employees</b></p>	
<p>c. <b>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 (Executive Vice Chancellors and Vice Chancellors), other officers reporting directly to the Board (Chancellor, General Counsel to the Board, and Chief Audit Executive), and U. T. System and institutional employees</b></p>	
<p>4. Negotiated Contracts for Prospective Gifts or Donations – Section 551.073</p>	
<p>a. <b>U. T. Austin: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features</b></p>	<p><i>Dr. Safady</i></p>
<p>b. <b>U. T. Medical Branch - Galveston: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features</b></p>	<p><i>Dr. Safady</i></p>
<p>C. RECONVENE IN OPEN SESSION TO CONSIDER ACTION, IF ANY, ON EXECUTIVE SESSION ITEMS AND TO CONSIDER AGENDA ITEM</p>	<p><i>1:00 p.m.</i></p>
<p><b>U. T. Medical Branch - Galveston: Discussion and appropriate action concerning the provision of correctional managed care</b></p>	<p><i>President Callender Dr. Shine</i></p>
<p>D. BRIEF DEMONSTRATION OF DILIGENT BOARDBOOKS, an electronic board portal</p>	<p><i>1:15 p.m. Mr. Manuel Marin, Diligent Boardbooks</i></p>

E. RECESS FOR COMMITTEE MEETINGS	1:45 p.m.
Facilities Planning and Construction Committee.....	1:45 p.m.
Finance and Planning Committee.....	2:45 p.m.
Joint Finance and Audit Committees.....	3:30 p.m.
Audit, Compliance, and Management Review Committee.....	4:15 p.m.
F. RECESS	5:00 p.m.

<u>Thursday, February 9, 2012</u>	<b>Board/Committee Meetings</b>	<b>Page</b>
G. COMMITTEE MEETINGS	8:30 a.m.	
Academic Affairs Committee.....	8:30 a.m.	
Health Affairs Committee.....	9:30 a.m.	
H. RECONVENE THE BOARD IN OPEN SESSION	11:00 a.m.	
I. APPROVAL OF MINUTES		
J. AGENDA ITEMS		
1. <b>U. T. System: Report on development performance for the U. T. System institutions</b>	11:05 a.m. <b>Report</b> <i>Dr. Safady</i>	<b>7</b>
2. <b>U. T. System Board of Regents: Proposed approval for the establishment of the Regents' Outstanding Student Awards in Arts and Humanities, and brief student performance</b>	11:20 a.m. <b>Action</b> <i>Chairman Powell</i>	<b>30</b>
3. <b>U. T. System Board of Regents: Amendment to the Regents' Rules and Regulations, Rule 30202 (Employee Benefits), Section 1, regarding the Optional Retirement Program (ORP)</b>	11:35 a.m. <b>Action</b>	<b>31</b>
4. <b>U. T. System Board of Regents: Amendment to the Regents' Rules and Regulations, Rule 31102, Sections 4 and 5, regarding evaluation of tenured faculty</b>	11:37 a.m. <b>Action</b> <i>Chancellor Cigarroa</i> <i>Dr. Reyes</i> <i>Dr. Timothy Allen,</i> <i>U. T. Health Science</i> <i>Center - Tyler</i>	<b>33</b>
5. <b>U. T. System Board of Regents: Amendments to the Regents' Rules and Regulations, Rule 60202, regarding Endowed Academic Positions</b>	11:39 a.m. <b>Action</b>	<b>41</b>
6. <b>U. T. System Board of Regents: Report on proposed revisions to the Systemwide policy on Criminal Background Checks for Employment (U. T. System Administration Policy UTS124)</b>	11:41 a.m. <b>Report</b> <i>Chancellor Cigarroa</i>	<b>42</b>
7. <b>U. T. System: Approval of \$10 million in additional Permanent University Fund Bond Proceeds for continued funding of the U. T. System Research Incentive Program (UTRIP)</b>	11:50 a.m. <b>Action</b> <i>Chancellor Cigarroa</i>	<b>44</b>
K. RECESS FOR MEETINGS OF THE STANDING COMMITTEES AND COMMITTEE REPORTS TO THE BOARD	12:00 p.m.	
L. ADJOURN	12:15 p.m.	

C. **U. T. Medical Branch - Galveston: Discussion and appropriate action concerning the provision of correctional managed care**

**REPORT AND RECOMMENDATION**

Executive Vice Chancellor Shine and President Callender will provide an update on the status of the provision of correctional managed care at U. T. Medical Branch - Galveston (UTMB) and may recommend appropriate action by the Board by resolution concerning UTMB's involvement in the provision of correctional managed care.

1. **U. T. System: Report on development performance for the U. T. System institutions**

REPORT

Vice Chancellor Safady will report on development performance of U. T. System institutions and make recommendations for advancing philanthropic support using the PowerPoint presentation on the following pages.

In 2004, Dr. Safady initiated an annual review of campus development/fundraising operations and the preparation of a report to offer each institution a customized assessment and framework for performance measurement and continuous improvement. This service is designed to assist each institution to achieve its strategic philanthropic objective. The annual review is aligned with the U. T. System's goals of efficiency, transparency, and accountability.

# U. T. System Development Assessment FY 2011

Dr. Randa Safady  
Vice Chancellor for External Relations

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Board of Regents'  
Meeting  
February 2012



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## FY 2011 – Wax and Wane

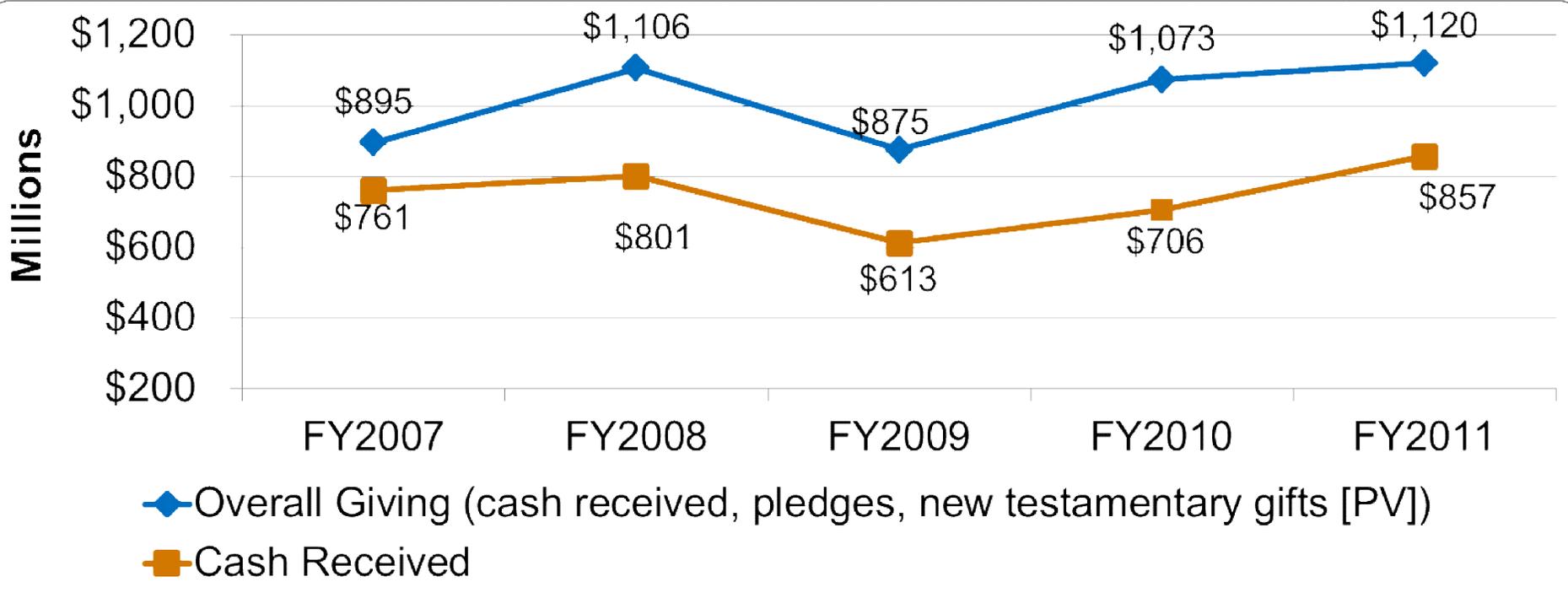
- Slower than expected economic recovery
- Continued high unemployment
- Volatile stock market
- Projected modest gains for giving
- Institutions worked much harder to simply maintain previous levels of support

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# Fundraising Summary and Five Year Trend



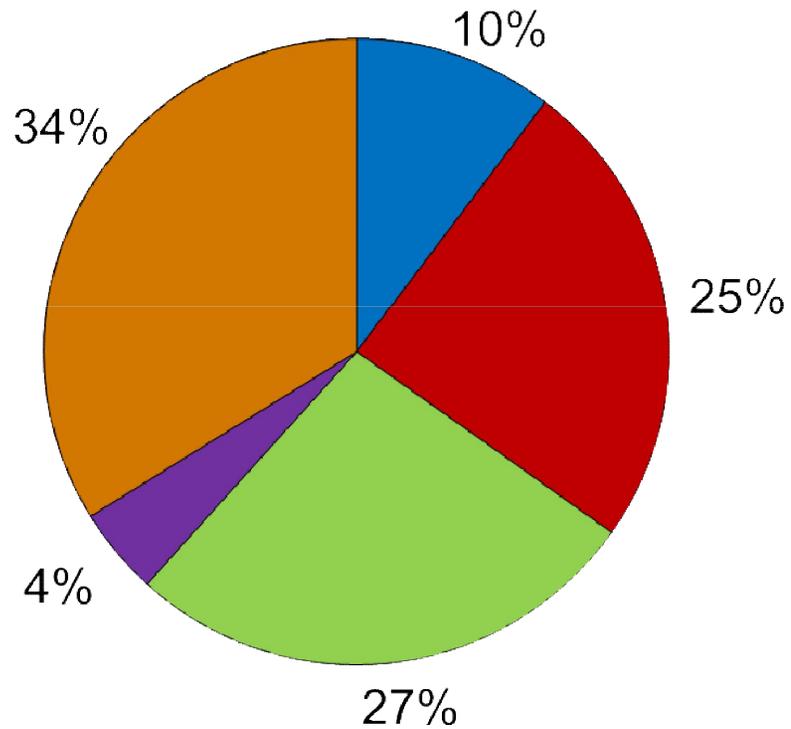
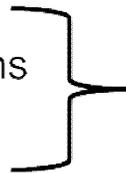
- FY 2011 was the highest year for overall giving and cash received, representing a 21.3% increase from FY 2010
- Cumulative Overall Giving for the past two years reached \$2.19B
- During that same period, actual cash received was \$1.56B



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# Sources of Giving FY 2011

14% Personal/Family Foundations  
20% Private Foundations

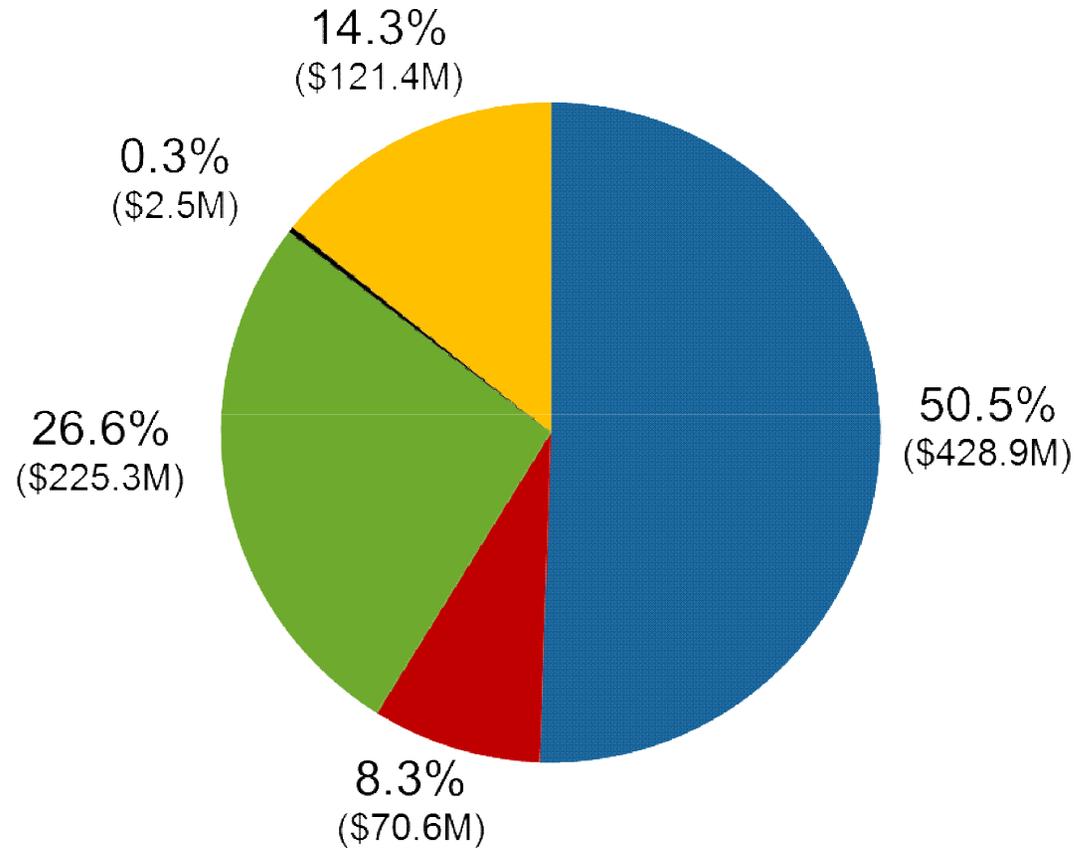


- Alumni
- Other Individuals
- Corporations
- Other Organizations
- Foundations



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# Purpose of Gifts



- Current operations represents 58.8% of all giving
- The percentage of gifts to capital increased 18.1% from FY 2010
- Less than 9% of all funds received are unrestricted



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# Individual Donors

	Average FY 2006–2010	FY 2011	Percent Change
Alumni donors	79,526	83,616	5.1%
Non-alumni donors	136,218	143,352	5.2%
All individual donors	215,743	226,968	5.2%

- FY 2011 represents a record number of alumni and individual donors
- Maintaining the donor base during these economic times is a significant accomplishment
- Non-alumni donors account for 63.1% of all individual donors



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# Alumni Giving

	Average FY 2006–2010	FY 2011	Percent Change
Alumni Participation*	8.2%	7.2%	-12.2%
Alumni Giving Amount	\$71.9M	\$88.2M	22.7%

\*Alumni Participation = alumni donors divided by alumni of record

- 1,160,044 alumni of record
- 295,000 new alumni since FY 2007 (34% growth)
- Rapidly growing alumni base is a factor in participation
- Amount received from alumni is trending upward



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# Planned Giving

	Average FY 2006–2010	FY 2011	Percent Change
New Testamentary Gifts (present value)	\$34.1M	\$56.2M	64.8%
New Testamentary Gifts #	126	228	80.9%
Realized Bequests	\$33.0M	\$75.7M	129.4%
Realized Bequests #	161	205	27.3%

- Planned giving results continue to improve
- Individuals are using planned giving to increase gift size
- Emphasis on planned giving in the past few years is showing positive results
- Realized bequests represent 23.9% of gifts from individuals in FY 2011



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# Impact of Larger Gifts

	Average FY 2006–2010	FY 2011	Percent Change
Top 12* gifts as a percentage of cash received	19.8%	30.9%	56.5%

\* Top 12 gifts = 3 largest gifts from individuals, foundations, corporations, and bequests)

- Of the 226,000 gifts in FY 2011, the Top 12 make up nearly a third of all giving
- 53 gifts of \$1M or more; down slightly from 57 gifts in FY 2010



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# Academic Institutions FY 2011

Institutions	Overall Giving* (in millions)	Cash Received (in millions)	Cash Received as a % change from 5-year avg. FY 2006-2010	Cash Received as a % of Educational & General (E&G) Expenditures
U. T. Arlington	↑\$19.1	↑\$9.7	60.8%	2.2%
U. T. Austin	↑\$407.6	↑\$354.3	52.5%	18.1%
U. T. Brownsville	↑\$2.3	↑\$2.0	59.8%	1.1%
U. T. Dallas	↑\$43.3	\$23.4	6.3%	6.3%
U. T. El Paso	\$27.2	↑\$25.9	35.8%	7.2%
U. T. Pan American	↑\$9.1	↑\$4.7	13.9%	2.1%
U. T. Permian Basin	\$6.0	↑\$6.0	26.3%	10.9%
U. T. San Antonio	\$32.8	↑\$30.9	148.1%	7.4%
U. T. Tyler	\$4.5	\$2.6	-29.7%	3.2%

\*Overall Giving = testamentary commitments, pledges, and cash received    ↑ = increase from FY2010



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# Health Institutions FY 2011

Institutions	Overall Giving* (in millions)	Cash Received (in millions)	Cash Received as a % change from 5-year avg. FY 2006-2010	Cash Received as a % of Educational & General (E&G) Expenditures
UTMDACC	\$246.3	↑\$153.7	37.2%	11.6%
UTHSC - Tyler	\$1.9	↑\$1.1	-15.7%	3.0%
UTHSC - Houston	↑\$52.0	↑\$41.8	13.5%	5.2%
UTHSC - San Antonio	\$32.9	\$30.9	-41.1%	4.4%
UTMB	↑\$53.4	↑\$26.7	-22.5%	4.6%
UTSWMC	↑\$160.4	\$139.8	-2.0%	10.9%

\*Overall Giving = testamentary commitments, pledges, and cash received      ↑ = increase from FY2010



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# Fundraising Campaigns

- Seven fundraising campaigns underway and all at various stages
  - Combined campaign goals \$5.05B
  - Amount raised toward campaign goals as of October 2011 \$3.40B
- UTMDACC completed its \$1B campaign ahead of schedule raising in excess of \$1.2B



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## Observations

- U. T. System institutions collectively had very positive results in the midst of a flat economy
- Maintaining staff and development budgets paid dividends for those who stayed the course
- Planned giving played a more significant role and still more improvement is desired



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# Observations

- Annual giving showing sustainability
- Increased alumni participation/giving is desirable
- Donors continue to designate their giving
- Not all institutions advancing at the same pace



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## Going Forward – Strategy

- Philanthropy part of Chancellor's *A Framework for Advancing Excellence*
- Importance of recruiting and retaining exceptional development leadership and staff members
- Balanced fundraising programs and increased capacity



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## Going Forward – Strategy (cont.)

- Enhancing Philanthropy among U. T. System Institutions
  - Multi-year development business plans
  - Financial investment by Board of Regents  
(*Strength in Numbers*)
  - Collaborative services



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## Going Forward – Strategy (cont.)

- Institutions completed multi-year development business plans
  - Cumulative Giving Results by FY 2015
    - Cash received in excess of \$925M
    - Overall giving of \$1.2B
  - Essential elements in business plan feature
    - Cash received and overall giving
    - Individual donor count
    - Alumni participation
    - Budgeting



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## Going Forward – Strategy (cont.)

- \$10M approved and distributed to U. T. System institutions through *Strength in Numbers* to build balanced fundraising programs and enhance capacity
- All institutions requested and received funds
- Investment for three years to fund
  - 44 strategic fundraising positions
  - 14 programs



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## Going Forward – Strategy (cont.)

- Collaborative Services
  - Lower Rio Grande Valley Initiative
  - Donor Screening and Predictive Analytics
  - Explore annual giving program with multi-layered approach
- Center for Enhancing Philanthropy
  - Training and Workshops
    - System Seminar
    - Best practice – alumni, annual giving, major gifts, etc.
    - Vice Presidents of Research and Development forum
  - Assessments and strategic planning



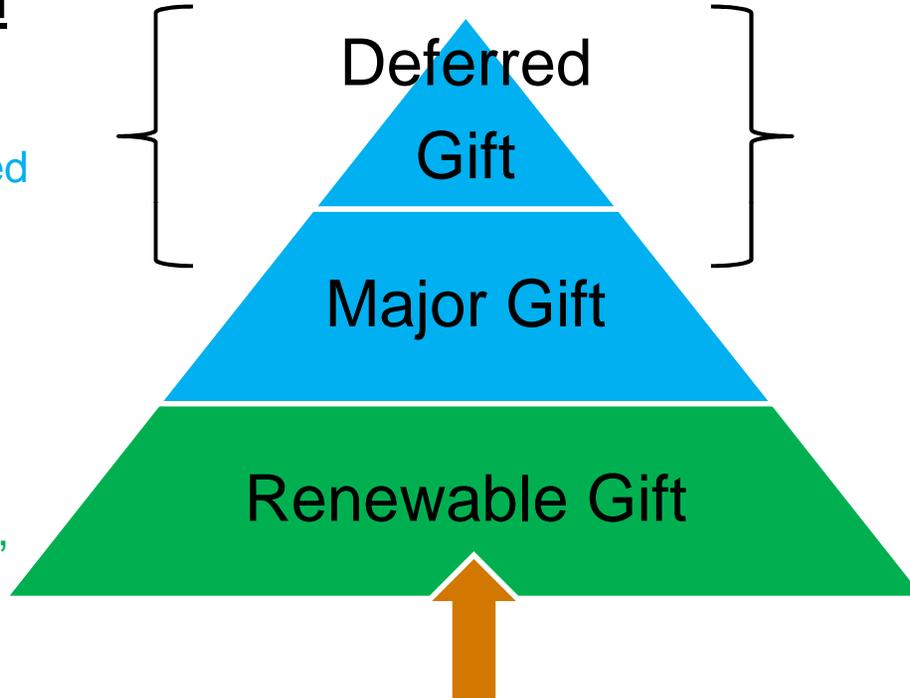
# Going Forward – Strategy (cont.)

## Balanced Fundraising Model

### Amount Raised

70-90% of private funds from deferred and major gifts

10-30% of private funds from annual, recurring support



### Methods of Solicitation

Personal visits

- Direct mail
- Phone programs
- Social media
- Special events

**The Prospect Pool:** individuals with shared values (alumni and non-alumni), parents, board members, other volunteers, faculty, staff, foundations, corporations, grateful patients, and other entities



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## Going Forward – Strategy (cont.)

- Renewable Giving (annual support)
  - Entry point for most donors and major gift prospects
  - Lower level annual donors over many years make ideal planned giving prospects
  - Vital for alumni involvement, especially young alumni
  - Requires multi-layered approach to various audiences, including traditional mail and phone programs integrated with events, web, email, and social media



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## Forecast for FY 2012

- Do not expect geometric growth in FY 2012
- Annual fund programs will continue to hold their own
- Donor confidence in the economy will rise and fall making major gifts more challenging
- Planned gifts will increasingly be part of large gift commitments
- Implementation of sound, strategic development plans essential for success

2. **U. T. System Board of Regents: Proposed approval for the establishment of the Regents' Outstanding Student Awards in Arts and Humanities, and brief student performance**

**RECOMMENDATION**

Chairman Powell recommends and the Chancellor and Executive Vice Chancellor for Academic Affairs concur in the recommendation that the U. T. System Board of Regents approve the establishment of the Regents' Outstanding Student Awards in Arts and Humanities at the U. T. System. The program details and award criteria will be as written by the Executive Vice Chancellor for Academic Affairs with prior review by the Chairman of the Board, the Chancellor, the Executive Vice Chancellor for Health Affairs, and the Chairmen of the Academic Affairs Committee and the Health Affairs Committee.

There will be a student performance by a U. T. San Antonio student choir at the meeting.

**BACKGROUND INFORMATION**

In recognition of its support of the arts and humanities, the Board of Regents commissioned the Office of Academic Affairs to establish a new student awards program for outstanding achievement in the arts and humanities.

The proposed awards program will vary each year and commend outstanding students and student groups excelling in one of four areas: the musical arts, the visual arts, poetry writing, and short essays. In 2012, the U. T. System Board of Regents will recognize student performances in the musical arts in two categories. An award of \$1,500 will be made for an individual or duet performance, and an award of \$2,500 will be made for a group performance.

The awards program is designed to provide a framework that fosters excellence in student performance, rewards outstanding students, stimulates the arts and humanities, and promotes continuous quality in education.

3. **U. T. System Board of Regents: Amendment to the Regents' Rules and Regulations, Rule 30202 (Employee Benefits), Section 1, regarding the Optional Retirement Program (ORP)**

**RECOMMENDATION**

The Chancellor concurs in the recommendation of 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 that Regents' *Rules and Regulations*, Rule 30202 (Employee Benefits), Section 1 be amended as set forth below to clarify the original intent of the delegation of authority to amend the Optional Retirement Program (ORP):

Sec. 1 Optional Retirement Program. ~~The Board of Regents shall select those companies accepted as vendors to participate in the Optional Retirement Program (ORP), based upon recommendation from the Chancellor. Within a reasonable time period following selection by the Board of Regents, each vendor must execute a contract for products and services. The contract must be acceptable to The University of Texas System and must include the selection criteria contained in the Request for Proposals. As authorized by Texas Government Code, Chapter 830, eligible employees may participate in the Optional Retirement Program (ORP) administered by the U. T. System and established pursuant to Section 403(b) of the *Internal Revenue Code*.~~

1.1 Delegation of Authority. The Board of Regents delegates to the Chancellor authority to approve the ORP employer contribution rates for all institutions and U. T. System Administration in accordance with rules issued by the Texas Higher Education Coordinating Board. The Board of Regents further delegates to the Executive Vice Chancellor for Business Affairs the authority to sign and amend the ORP plan documents consistent with applicable law and to take all actions and make all decisions and interpretations necessary or appropriate to administer and operate the ORP consistent with the plan documents. The Executive Vice Chancellor for Business Affairs will perform, or cause to be performed, such record keeping functions as necessary to administer and maintain the Program in accordance with Section 403(b) of the *Internal Revenue Code*, consistent with *Texas Government Code* Section 830.001 et seq.

**BACKGROUND INFORMATION**

On November 13, 2008, Regents' *Rules and Regulations*, Rule 30202, Section 1.1 was amended to delegate authority to take all actions and make all decisions and interpretations necessary or appropriate to administer and operate the ORP consistent

with the plan documents. That amendment to Section 1.1 provided consistency with other Systemwide retirement plans, including the UTSaver Deferred Compensation Plan, the UTSaver Tax Sheltered Annuity Plan, and the University of Texas Governmental Retirement Arrangement. Section 1 was not amended at the same time. The current language in Section 1 states that the Board of Regents shall select those companies accepted as vendors to participate in the ORP, based upon recommendation from the Chancellor. Consistent with the delegation granted in Section 1.1, the proposed revision of Section 1 will provide clarification of the original intent of the delegation of authority.

4. **U. T. System Board of Regents: Amendments to the Regents' Rules and Regulations, Rule 31102, Sections 4 and 5, regarding the evaluation of tenured faculty**

**RECOMMENDATION**

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, and the Vice Chancellor and General Counsel that Regents' *Rules and Regulations*, Rule 31102, Sections 4 and 5, regarding evaluation of tenured faculty, be amended as set forth in congressional style on the following pages.

Dr. Timothy Allen, Chair of the U. T. System Faculty Advisory Council (FAC), may also provide comments at the meeting.

**BACKGROUND INFORMATION**

Consistent with *Texas Education Code* Section 51.942, the U. T. System Board of Regents adopted Regents' Rule 31102 for the evaluation of tenured faculty members. The proposed revisions to Rule 31102 are intended to clarify some provisions and to strengthen the comprehensive evaluation process:

- The Rule has been reformatted to clarify the differences between post-tenure annual reviews and post-tenure comprehensive reviews.
- Specific review categories have been created: exceeds expectations, meets expectations, does not meet expectations, and unsatisfactory.
- Post-tenure comprehensive reviews must be conducted no less than every six years and may be conducted any time an individual receives two consecutive unsatisfactory annual reviews.
- Outcomes of post-tenure evaluation may be used for salary consideration, awards, and advancement.
- Remediation remains a central part of the improvement process when it is clear that a faculty member would benefit from such support.
- A faculty member failing remediation may be subject to termination procedures (Regents' Rule 31008) for incompetence neglect of duty or other good cause.

The proposed revisions have been reviewed by the institutional presidents and the FAC. *Texas Education Code* Section 51.942(b) requires a governing board to give "utmost consideration" to "advice and comment from the faculty on the performance evaluation of tenured faculty;" the FAC has endorsed the recommended revisions.

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

**Rule: 31102**

**1. Title**

Evaluation of Tenured Faculty

**2. Rule and Regulation**

...

Sec. 4 Institutional Policies. Each institution of The University of Texas System shall have an institutional policy and plan consistent with the following guidelines for the periodic (annual and comprehensive) performance evaluation of tenured faculty. Institutional policies in accordance with the model policy [LINK to be developed] shall be developed with appropriate faculty input, including consultation with and guidance from faculty governance organizations, and shall be included in each institutional *Handbook of Operating Procedures* after review and appropriate administrative approval and submission to the Board of Regents for review and final approval. ~~Periodic evaluations, while distinct from the annual evaluation process required of all employees, may be integrated with the annual evaluation process to form a single comprehensive faculty development and evaluation process.~~ Nothing in these guidelines or the application of institutional evaluation policies shall be interpreted or applied to infringe on the tenure system, academic freedom, due process, or other protected rights nor to establish new term-tenure systems or to require faculty to reestablish their credentials for tenure.

Sec. 5 Minimum Elements. Institutional *Handbook of Operating Procedures* policies should include the following minimum elements for periodic evaluation:

5.1 Annual Reviews. Annual reviews are not the comprehensive periodic evaluations required under Texas Education Code Section 51.942. Annual reviews should focus on individual merit relative to assigned responsibilities in accordance with Regents' Rule 30501.

(a) Review Categories. Each faculty member being reviewed shall be placed in one of the following categories: a. exceeds expectations; b. meets expectations; c. does not meet expectations; or d. unsatisfactory. Expectations shall be set by institutional policy according to the faculty member's rank, discipline, and institution.

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Rules and Regulations of the Board of Regents**

**Rule: 31102**

- (b) ~~Scheduled Reviews. Evaluation of tenured faculty will shall be performed annually with a comprehensive periodic evaluation of all tenured faculty performed every six years. The evaluation may not be waived for any tenured faculty member but may be deferred in rare circumstances when the review period will coincide with approved leave, comprehensive review for tenure or promotion, or appointment to an endowed position. No deferral of review of an active faculty member may extend beyond one year from the scheduled review. Institutional policy may specify that periods when a faculty member is on leave need not be counted in calculating when the comprehensive evaluation is required. The requirement of periodic review does not imply that individuals with unsatisfactory annual evaluations may not be subject to further review and/or appropriate administrative action.~~
- 5-2(c) Responsibilities Reviewed. The evaluation shall include review of the faculty member's professional responsibilities in teaching, research, service, patient care, and administration. Institutional policies shall detail the criteria and factors to be evaluated.
- 5-3 ~~Notice of Evaluation. Reasonable individual notice of at least six months of intent to review will be provided to a faculty member.~~
- 5-4(d) Material Submitted. The faculty member being evaluated shall submit a résumé curriculum vita, including a summary statement of professional accomplishments, and shall submit or arrange for the submission of ~~annual reports and teaching evaluations~~. The faculty member may provide copies of a statement of professional goals, a proposed professional development plan, and any other additional materials the faculty member deems appropriate.
- 5-5(e) Review of Evaluation. In accordance with institutional policy, initial evaluation of the faculty member's performance may be carried out by the department, department chair (or equivalent), dean, or peer review ~~panel~~ committee, but in any event must be reported to the chair (or equivalent) and dean for review. Evaluation shall include review of the current résumé curriculum vita,

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Rules and Regulations of the Board of Regents**

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student and any peer evaluations of teaching for the review period, ~~annual reports for the review period,~~ and all materials submitted by the faculty member.

5.6 ~~Peer Review. If peer review is not required by institutional policy, the peer review process may be initiated by the faculty member, department chair (or equivalent), or dean. If peer committees are involved, the members shall be representative of the college/school and will be appointed, on the basis of their objectivity and academic strength, by the dean in consultation with the tenured faculty in the college/school or pursuant to other process as defined in institutional policies. If peer review is involved, the faculty member will be provided with an opportunity to meet with the committee or committees.~~

5.7(f) Communication of Results. Results of the evaluation will be communicated in writing to the faculty member, the department chair/dean, the chief academic officer, and the president for review and appropriate action.

(g) Uses. Possible uses of the information contained in the report ~~should include~~ the following:

(a1) ~~For individuals found to be performing well, t~~The evaluation may be used to determine salary recommendations, nomination for awards, or other forms of performance recognition.

(b2) For individuals whose performance indicates they would benefit from additional institutional support ~~or a remediation plan~~, the evaluation ~~may~~shall be used to provide such support or a remediation plan (e.g., teaching effectiveness assistance, counseling, or mentoring in research issues/service expectations). Schools/colleges and/or departments, in consultation with a peer committee, shall monitor individuals receiving such support for evidence of improvement and, if there is insufficient improvement, shall take action under (4) or Section 5.3, below, if appropriate.

(3)- Individuals whose performance is unsatisfactory may be subject to further review and/or to appropriate administrative action. Institutional policies shall provide procedures for appeals.

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(4) Individuals whose performance is unsatisfactory for two consecutive annual reviews may be subject to a comprehensive review (Section 5.2, below) or action under (3) above or Section 5.3 below, if appropriate.

~~(4) Individuals whose performance is unsatisfactory may be subject to further review and/or to appropriate administrative action.~~

(5) If incompetence, neglect of duty, or other good cause is determined to be present, appropriate disciplinary action may be taken under Section 5.3 below.

~~(c) For individuals found to be performing unsatisfactorily, review to determine if good cause exists for termination under the current Regents' *Rules and Regulations* may be considered. All proceedings for termination of tenured faculty on the basis of periodic performance evaluation shall be only for incompetency, neglect of duty, or other good cause shown and must be conducted in accordance with the due process procedures of the Regents' *Rules and Regulations*, Rule 31008, including an opportunity for referral of the matter to alternative dispute resolution. Such proceedings must also include a list of specific charges by the president and an opportunity for a hearing before a faculty tribunal. In all such cases, the burden of proof shall be on the institution, and the rights of a faculty member to due process and academic freedom shall be protected.~~

5.2 Comprehensive Periodic Evaluations. Comprehensive periodic evaluations are required in compliance with *Texas Education Code* Section 51.942.

(a) Review Categories. Each faculty member being reviewed shall be placed in one of the following categories: a. exceeds expectations; b. meets expectations; c. does not meet expectations; or d. unsatisfactory. Expectations shall be set by institutional policy according to the faculty member's rank, discipline, and institution.

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- (b) Scheduled Reviews. Comprehensive periodic evaluation of tenured faculty shall be performed no less often than every six years. The evaluation may not be waived for any tenured faculty member but may be deferred in rare circumstances when the review period will coincide with approved leave, comprehensive review promotion, or appointment to an endowed position. No deferral of review of an active faculty member may extend beyond one year from the scheduled review. Institutional policy may specify that periods when a faculty member is on leave need not be counted in calculating when the comprehensive evaluation is required.
- (c) Responsibilities Reviewed. The evaluation shall include review of the faculty member's professional responsibilities in teaching, research, service, patient care, and administration. Institutional policies shall detail the criteria and factors to be evaluated.
- (d) Notice of Evaluation. Reasonable individual notice of at least six months of intent to review shall be provided to a faculty member.
- (e) Material Submitted. The faculty member being evaluated shall submit a curriculum vita, including a summary statement of professional accomplishments, and shall submit or arrange for the submission of annual reports and teaching evaluations. The faculty member may provide copies of a statement of professional goals, a proposed professional development plan, and any other additional materials the faculty member deems appropriate.
- (f) Review of Evaluation. In accordance with institutional policy, initial evaluation of the faculty member's performance may be carried out by the department, department chair (or equivalent), dean, or peer review committee, but in any event must be reported to the chair (or equivalent) and dean for review. Evaluation shall include review of the current curriculum vita, student and any peer evaluations of teaching for the review period, annual reports for the review period, and all materials submitted by the faculty member.
- (g) Peer Review. Comprehensive periodic evaluation of tenured faculty shall include peer review. The members

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of peer review committees shall include representatives of the college/school or department and will be appointed, on the basis of their objectivity and academic strength, by the dean or chair in consultation with the tenured faculty in the college/school or department or pursuant to other process as defined in institutional policies. The faculty member shall be provided with an opportunity to meet with the committee or committees.

(h) Communication of Results. Results of the evaluation will be communicated in writing to the faculty member, the department chair/dean, the chief academic officer, and the president for review and appropriate action.

(i) Uses. Possible uses of the information contained in the report include the following:

(1) The evaluation may be used to determine salary recommendations, nomination for awards, or other forms of performance recognition.

(2) For individuals whose performance indicates they would benefit from additional institutional support or a remediation plan, the evaluation shall be used to provide such support or a remediation plan (e.g., teaching effectiveness assistance, counseling, or mentoring in research issues/service expectations). Schools/colleges and/or departments, in consultation with a peer committee, shall monitor individuals receiving such support for evidence of improvement and, if there is insufficient improvement, shall take action under (3) or Section 5.3, below, if appropriate.

(3) Individuals whose performance is unsatisfactory may be subject to further review and/or to appropriate administrative action. Institutional policies shall provide procedures for appeals.

(4) If incompetence, neglect of duty, or other good cause is determined to be present, appropriate disciplinary action may be taken under Section 5.3 below.

5.3 Termination or Other Appropriate Disciplinary Action. For tenured faculty members for whom incompetence, neglect of duty, or other good cause is found, review to determine if good cause exists for termination under the

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current Regents' Rules and Regulations shall be considered, in accordance with the due process procedures of the Regents' Rules and Regulations, Rule 31008. If disciplinary action other than termination is considered appropriate, such faculty members shall have access to procedures that include notice of the specific charges and a hearing prior to the imposition of disciplinary action.

- Sec. 6 Follow-up Review. The acceptance and success of periodic evaluation for tenured faculty will be dependent upon a well-executed, critical process and an institutional commitment to assist and support faculty development. Thus, remediation and follow-up review for faculty, who would benefit from such support, as well as the designation of an academic administrator with primary responsibility for monitoring such needed follow-up activities, are essential.

5. **U. T. System Board of Regents: Amendments to the Regents' Rules and Regulations, Rule 60202, regarding Endowed Academic Positions**

**RECOMMENDATION**

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, the Vice Chancellor for External Relations, and the Vice Chancellor and General Counsel that Regents' *Rules and Regulations*, Rule 60202, regarding Endowed Academic Positions, be amended as set forth below in congressional style:

**3. Definitions**

Endowed Academic Position – an endowed academic position is a faculty position supported by an endowment from which distributions are dedicated to salary supplementation, research support, or other professional needs of a ~~senior~~ faculty member. The position holder will normally be a ~~tenured~~ faculty member who has had a distinguished career. A holder may be named to an endowed academic position for the remainder of his or her employment, or for a term of years, and the position may be renewable or nonrenewable.

Endowed Fellowships – an endowed fellowship (or faculty fellowship) is a faculty position supported by an endowment from which distributions are dedicated to salary supplementation, research support, or other professional needs of a faculty member of any academic rank, ~~irrespective of tenure status~~. The endowed fellowship will be awarded for a specified length of time and may or may not be renewable.

**BACKGROUND INFORMATION**

The proposed amendments to the Regents' *Rules and Regulations*, Rule 60202, will conform the Rules to current and best practices regarding eligibility to hold endowed positions and fellowships.

6. **U. T. System Board of Regents: Report on proposed revisions to the Systemwide policy on Criminal Background Checks for Employment (U. T. System Administration Policy UTS124)**

REPORT

Chancellor Cigarroa will report on proposed revisions to the Systemwide policy on Criminal Background Checks for Employment (The University of Texas System Administration Policy UTS124).

BACKGROUND INFORMATION

In August 2010, amendments to the Systemwide policy on criminal background checks (UTS124) were approved by the Chancellor and distributed to U. T. System institutions for implementation. The highlights of the 2010 amendments to UTS124 are:

- Institutions are required to conduct a criminal background check on any applicant who is under final consideration for regular employment;
- Institutions are required to conduct a criminal background check on all current employees for whom a criminal background check had never been obtained (“catch-up” checks);
- Individuals for whom a report is received indicating a criminal record are to be notified and given the opportunity to provide additional information relating to the record; and
- Current employees are required to self-report criminal convictions, excluding misdemeanor offenses punishable by fine.

Over the course of the last year, the institutions updated their criminal background check policies and procedures to be consistent with UTS124 and performed the catch-up checks. Although many institutions had been conducting criminal background checks since at least 2001 or 2002 on most of their positions, prior to the 2010 amendments not all institutions were conducting criminal background checks on all applicants for employment. The impetus for the policy amendment was to ensure that all institutions were requiring criminal background checks on applicants for regular employment, and to obtain a criminal background check on anyone who had been employed prior to an institutional policy that required a check.

In cases where a criminal background check identified a criminal background, law and institutional policy require the institution to determine on a case-by-case basis whether the individual will be allowed to continue employment based on factors such as the

nature and gravity of the offense, the specific duties of the position, the length of time since the offense, and the individual's employment history.

The institutions reported that in most cases where a conviction was found, it was determined that the conviction was of a nature and age such that continued employment did not constitute a risk to the institution and the individual was cleared for employment. A common example was a conviction for driving while intoxicated that was dated or not related to the individual's job duties. The institutions also reported that additional scrutiny was given to offenses that were more serious or were applicable to the duties of the position. In some instances, after the case-by-case analysis, the individual was cleared for employment. Four employees who were subject to the catch-up check were terminated from the employing institution after the institution determined that the individual should not continue in the positions they held.

At the direction of the Chancellor, UTS124 was further reviewed for any additional recommended enhancements. Following the review and consultation with the institutions, the following changes were approved by the Chancellor:

- Temporary employees and faculty members without salary who provide instruction to U. T. students will now be required to have criminal background checks;
- The criminal background check requirements for persons volunteering in day care centers and at youth camps have been tightened;
- All volunteers working in health care facilities and students assigned to health care facilities must have criminal background checks; and
- U. T. System institutions must develop a process for determining when criminal background checks will be required for contractors.

The newly revised policy will be distributed to the institutions for implementation.

7. **U. T. System: Approval of \$10 million in additional Permanent University Fund Bond Proceeds for continued funding of the U. T. System Research Incentive Program (UTRIP)**

**RECOMMENDATION**

The Chancellor, with the concurrence of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the Vice Chancellor for External Relations, recommends an additional \$10,000,000 of Permanent University Fund (PUF) Bond Proceeds be appropriated for Fiscal Year 2012 to provide continued funding to enhance and enrich research infrastructure for The University of Texas System Research Incentive Program (UTRIP) to benefit the four U. T. System emerging research institutions designated by the Texas Higher Education Coordinating Board: The University of Texas at Arlington, The University of Texas at Dallas, The University of Texas at El Paso, and The University of Texas at San Antonio.

**BACKGROUND INFORMATION**

The Texas Legislature, during its 81st Regular Session, authorized the Texas Research Incentive Program (TRIP) to provide State matching funds for research-oriented philanthropy at the seven emerging research institutions of Texas, as designated by the Texas Higher Education Coordinating Board. Among those seven are U. T. Arlington, U. T. Dallas, U. T. El Paso, and U. T. San Antonio.

On August 20, 2009, the Board authorized Vice Chancellor Safady to act on behalf of the Board to facilitate the acceptance of gifts by U. T. System institutions that qualified for matching under the TRIP, as appropriate, and to work closely with U. T. System institutions to ensure compliance with requirements of the Texas Higher Education Coordinating Board related to this Program.

On October 12, 2009, the Board appropriated \$10,000,000 of PUF Bond Proceeds to provide one-time matching funds through UTRIP to assist the four U. T. System institutions, identified above, in leveraging private gifts for the enhancement of research productivity and faculty recruitment. According to the Texas Constitution, PUF Bond Proceeds may only be used to fund capital and equipment items related to the educational mission of the U. T. System and its institutions.

The gifts were to be matched using the following criteria:

- Gifts of \$500,000 to \$999,999 from a single source will be matched at 10% (creating a matching gift possibility ranging from \$50,000 to \$99,999)
- Gifts of \$1,000,000 to \$2,999,999 from a single source will be matched at 20% (creating a matching gift possibility ranging from \$200,000 to \$599,999)

- Gifts of \$3,000,000 to \$4,999,999 from a single source will be matched at 30% (creating a matching gift possibility ranging from \$900,000 to \$1,499,999)
- Gifts of \$5,000,000 or greater from a single source will be matched at 50% (with a matching cap of \$2.5 million).

On August 12, 2010, the Board allocated an additional \$10,000,000 to continue and extend UTRIP through December 31, 2011, to benefit the U. T. System's four emerging research universities subject to the matching requirements approved by the Board on October 12, 2009, with a modification to allow matches to also be made for gifts with a payment period of up to two years.

The four U. T. System institutions have greatly benefited from these programs, and the leveraging of private gifts for the enhancement of research productivity and faculty recruitment has resulted in almost \$26 million secured from the TRIP. Further funding made available through UTRIP has greatly enhanced their efforts for private gifts. Since the Board approved UTRIP, over \$41 million in private gifts have been submitted for matching and over \$15 million in matching funds have been paid or committed.