

## EXCERPT FROM THE MINUTES

AUG 1 2000 2.

U. T. Board of Regents - Regents' Rules and Regulations, Part One:  
Amendment to Chapter II, Section 3 to Add Subsection 3.4 (Institutional  
Compliance)

On January 16, 1998, U. T. Board of Regents' Chairman Donald L. Evans requested the Chancellor create an ad hoc committee to develop an action plan to assist The University of Texas System in complying with applicable laws, regulations, policies, and procedures. In addition, Chairman Evans requested that the Action Plan include an appropriate governance structure and that it designate the appropriate officer who would be responsible to the U. T. Board of Regents for System-wide compliance.

In April 1998, the U. T. System Action Plan to Ensure Institutional Compliance was developed by the Ad Hoc Committee on Institutional Compliance upon recommendation by the Chancellor and presented to the Business Affairs and Audit Committee of the U. T. Board of Regents. The Action Plan included the key elements necessary to develop and support a comprehensive institutional compliance program that meets the requirements of the United States Sentencing Commission Guidelines.

Since April 1998, compliance programs have been established at each of the U. T. System component institutions and at U. T. System Administration under the direction of the Chairman and with the full support of members of the U. T. Board of Regents.

In order to formally document approval for the institutional compliance program for U. T. System, the Board amended the Regents' Rules and Regulations, Part One, Chapter II, Section 3 to add a new Subsection 3.4 as set forth below:

Sec. 3. Chancellor.

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3.4 Institutional Compliance.

The Chancellor, as chief executive officer of the System, is responsible for ensuring the implementation of an institutional compliance program for the System. Accordingly, the System-wide Compliance Officer prepares an executive summary of all institutional compliance activity of the components and System Administration.

3.41 System-wide Compliance Officer.

The System-wide Compliance Officer is responsible, and will be held accountable for, apprising the Chancellor and the Board of Regents of the institutional compliance functions and activities at System Administration and at each of the component institutions as set out in Subparagraph 3.412 of this Section. The System-wide Compliance Officer provides institutional compliance assistance to the Chancellor, the Executive Vice Chancellors and the Vice Chancellors in the exercise of their responsibilities.

- 3.411 Appointments and Tenure.  
The System-wide Compliance Officer shall be appointed by the Chancellor. The System-wide Compliance Officer shall hold office without fixed term, subject to the pleasure of the Chancellor.
- 3.412 Duties and Responsibilities.  
The primary responsibilities of the System-wide Compliance Officer include:
  - 3.4121 Developing an infrastructure for the effective operation of The University of Texas System Institutional Compliance Program.
  - 3.4122 Chairing the System-wide Compliance Committee and the Compliance Officers Council.
  - 3.4123 Prescribing the format for the annual risk based compliance plan and the quarterly compliance status reports to be submitted by each component institution and System Administration.
- 3.42 The System-wide Compliance Officer is the senior compliance official of The University of Texas System and provides assistance and advice covering all component and System Administration compliance programs.

## EXCERPT FROM THE MINUTES

AUG 10 2000

2.

U. T. Board of Regents - Regents' Rules and Regulations, Part One: Authorization to Amend Chapter III to Add Section 38 (Employee Advisory Council) and Establishment of Related Budget

The Board amended the Regents' Rules and Regulations, Part One, Chapter III to add Section 38, which authorizes an Employee Advisory Council as set forth below and authorized the Chancellor to establish a budget for the Council.

Sec. 38. Employee Advisory Council.--At the discretion of the Chairman of the Board of Regents and the Chancellor, a staff employee advisory council representing component institutions in the U. T. System may be formed to facilitate the flow of ideas and information between and among the Board of Regents, the System Administration, and the component institutions. The Chairman and Chancellor will promulgate guidelines for the selection of employee advisory council representatives. Representatives of the employee advisory council may from time to time address the Board at meetings of the Board and may recommend action to the Board through the Chancellor. At least once each year, a meeting will be arranged between the employee advisory council executive committee and the Board.

The addition of language concerning an Employee Advisory Council to the Regents' Rules and Regulations, Part One, Chapter III authorizes a council for staff employees of the U. T. System. The structure and purpose of the Council will be similar to the Faculty Advisory Council (Regents' Rules, Part One, Chapter IV, Section 3) and the Student Advisory Council (Regents' Rules, Part One, Chapter VI, Section 1, Subsection 1.6), both created in 1990. Funds for the Employee Advisory Council will be budgeted similar to budgets for the Faculty Advisory Council and the Student Advisory Council.

## EXCERPT FROM THE MINUTES

AUG 10 2000

1. U. T. Board of Regents - Regents' Rules and Regulations, Part One: Approval to Amend Chapter III, Section 6, Subsection 6.4 Regarding Disruption of Critical Activities

The Regents' Rules and Regulations, Part One, Chapter III, Section 6, Subsection 6.4 was amended as set forth below to update language to prohibit activities that are clearly disruptive of critical University activities. These amendments are consistent with the Regents' Rules, Part One, Chapter VI, Section 3, Subsection 3.2, Subdivision 3.25 related to the prohibition of such activities by students and are in addition to Sections 37.123 and 51.935 of the Texas Education Code which provide criminal penalties for certain disruptive activities on campus.

- 6.4 Any employee of the System or a component institution who, acting singly or in concert with others, obstructs, disrupts or interferes with any teaching, educational, research, administrative, disciplinary, public service, or other activity, meeting, or event authorized to be held or conducted on campus or on property or in a building or facility owned

or controlled by the System or component institution is subject to discipline, including dismissal. Obstruction or disruption includes but is not limited to any act that interrupts, modifies or damages utility service or equipment, communication service or equipment, university computers, computer programs, computer records or computer networks accessible through System or institutional computer resources.

EXCERPT FROM THE MINUTES

MAY 11 2000

2. U. T. Board of Regents - Regents' Rules and Regulations: Approval to Amend Part One, Chapter I, Section 7 (Committees and Other Appointments), Subsection 7.1, Subdivisions 7.15 through 7.18; Section 8 (Procedure), Subsection 8.5, Subdivision 8.52 and Subsection 8.6; and Part Two, Chapter II, Section 6 (Legislative Appropriation Requests)

The Board amended the Regents' Rules and Regulations as set forth below:

- a. Part One, Chapter I, Section 7 (Committees and Other Appointments), Subsection 7.1, Subdivisions 7.15 through 7.18 was amended to read as follows:

Sec. 7. Committees and Other Appointments.

7.15 Duties of the Business Affairs and Audit Committee.—The Business Affairs and Audit Committee shall:

7.151 Recommend appropriate Board action with respect to any recommendations by the Chancellor related to the appointment, promotion, and dismissal of such System Administration business affairs officers as report directly or indirectly to the Chancellor.

- 7.152 Recommend to the Board compensation for the System Administration and the rates of professional compensation.
- 7.153 Make recommendations to the Board on matters related to employee personnel programs, fringe benefits, retirement programs, and labor relations in the System Administration and the component institutions.
- 7.154 Obtain, review, and report to the Board on State Auditor's Reports and Management Letters and System and institutional internal audit reports.
- 7.155 Approve the System-wide internal audit plan.
- 7.156 Transmit to the Chancellor, subject to the prior approval of the Board, such instructions as it deems necessary for the implementation of appropriate internal auditing practices.
- 7.157 Initiate System and institutional audits as deemed necessary to ensure management control within The University of Texas System. (In this regard, the System Director of Audits reports to the Chairman of the Business Affairs and Audit Committee.)
- 7.158 Make recommendations to the Board on matters relating to the fiscal management of The University of Texas System Administration and each component institution of the System.
- 7.159 Consider and recommend to the Board the operating budgets of The University of Texas System Administration and each component institution of the System.
- 7.15(10) Propose to the Board appropriations of funds and modifications of or additions to such appropriations.
- 7.15(11) Make recommendations to the Board on matters that commit the U. T. System or any component to operating expenditures in future fiscal years.
- 7.15(12) Consider and make recommendations to the Board concerning the availability of funds for, and application of funds to, capital improvement requests.
- 7.15(13) Make recommendations on matters relating to management of the lands constituting the permanent endowment of the University, including oversight of the offices of University Lands - Surface and Mineral Interests.

- 7.16 Duties of the Academic Affairs Committee.--The Academic Affairs Committee shall:
- 7.161 Report to the Board on the instructional, research, and professional service programs and activities of the general academic components.
  - 7.162 Report to the Board on policies relating to soliciting and securing gifts for the University's general academic institutions.
  - 7.163 Consider and report to the Board on matters affecting the libraries of the general academic institutions.
  - 7.164 Review proposed substantive changes in the degree program inventory and the academic administrative structure; and recommend to the Board approval or disapproval of such changes.
  - 7.165 Report and recommend to the Board approval of matters related to education in the general academic institutions.
  - 7.166 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.
  - 7.167 Consider and report to the Board on matters relating to the research, training, and community service activities at the general academic institutions.
  - 7.168 Recommend appropriate Board action with respect to any recommendations by the Chancellor related to the appointment, promotion, and dismissal of such System Administration academic affairs officers as report directly or indirectly to the Chancellor.
  - 7.169 Make recommendations concerning capital improvement priorities related to the approved missions of the general academic institutions.
- 7.17 Duties of the Health Affairs Committee.--The Health Affairs Committee shall:
- 7.171 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-related institutions; with University relations; and with health-related academic planning, instruction, and research.



- 7.172 Report and recommend to the Board approval of matters relating to education in the health-related institutions.
- 7.173 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-related institutions.
- 7.174 Consider and report to the Board on matters relating to the research, training, and community service activities of the health-related institutions.
- 7.175 Consider and report to the Board on matters affecting the libraries of the health-related institutions.
- 7.176 Report to the Board on policies relating to soliciting and securing gifts for the University's health-related institutions.
- 7.177 With respect to each Hospital, clinic and patient-care facility owned by The University of Texas System:
  - 7.1771 Counsel with the Executive Vice Chancellor for Health Affairs regarding the bylaws, and rules and regulations of the medical staff;
  - 7.1772 Review 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.
- 7.178 Recommend appropriate Board action with respect to any recommendations by the Chancellor related to the appointment, promotion, and dismissal of such System Administration health affairs officers as report directly or indirectly to the Chancellor.
- 7.179 Make recommendations concerning capital improvement priorities related to the approved missions of the health-related institutions.
- 7.18 Duties of the Facilities Planning and Construction Committee.--  
The Facilities Planning and Construction Committee shall:
  - 7.181 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.

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

b. Part One, Chapter I, Section 8, Subsection 8.5, Subdivision 8.52, relating to the procedure for addressing the Board of Regents, was amended as follows:

8.52 Except upon invitation of the Board, the Chairman of the Board, the Chancellor, or the appropriate Executive Vice Chancellor, no person shall appear before the Board or any committee thereof unless that person files with the Executive Secretary to the Board a written request explaining the purpose of such appearance at least three days before the date of such appearance and unless the Chairman of the Board, the appropriate Committee Chairman, or at least three members of the Board, shall approve the request. It is understood, however, that the president of a component institution or his or her delegate and/or the president or chair of the student or faculty governance organization(s) or his or her delegate may appear without prior notice or request before the Board or any committee whenever the matter under consideration directly affects the component institution represented by such person. Persons requesting to appear must identify the subject of their remarks, which must be directly related to a matter on the Agenda for consideration by the Board. Whenever time and other circumstances permit, the person making the request shall first consult with the president, or his or her delegate, of such institution regarding the purpose of the appearance prior to the meeting of the Board or committee. Insofar as possible, any person who appears before the Board shall provide a written statement of the substance of such person's presentation to the Board, and such written statement shall be delivered to the Executive Secretary to the Board in sufficient time for copies to be distributed to the Regents prior to the meeting.

Any person appearing before the Board or a committee shall be subject to restrictions on time, place and manner as may be prescribed by the Chairman or a majority of the Board or by the Chairman or a majority of a committee. The Chairman or a majority of the Board may prescribe sanctions against any person exceeding established time, place or manner limits; disrupting a meeting of the Board or a committee of the Board; or violating any provision of the Regents' Rules and Regulations. Sanctions may include the refusal to allow such person to speak again to the Board or committees of the Board for up to one year.

c. Part One, Chapter I, Section 8, Subsection 8.6 was amended as follows:

8.6 Report to Press on Actions of Board.--Reports on matters of public interest will be given to the press as promptly as possible during or after each meeting. These press reports shall be under the direction of the Chairman of the Board, the Chancellor or their designated representatives.

d. Part Two, Chapter II, Section 6 (Legislative Appropriation Requests) was amended as follows:

Sec. 6. Legislative Appropriation Requests.

6.1 Legislative appropriation requests, biennial or otherwise, shall be prepared in conformity with the Detailed Instructions for Agencies of Higher Education as prescribed by the Legislative Budget Board and the Governor's Office of Budget and Planning.

6.2 Appropriation requests for all component institutions shall be prepared by the president in conformity with these instructions and approved by the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Academic Affairs, and the Chancellor.

6.3 Appropriation requests shall be submitted to the Legislative Budget Board, to the Governor's Budget and Planning Office, and to other State offices as required in the form and at the time prescribed.

The nonsubstantive amendments to the Regents' Rules and Regulations, Part One, Chapter I, Section 7, Subsection 7.1, Subdivisions 7.15 through 7.18 regarding committees and other appointments, streamline and conform this Subsection to current committee processes, following delegation by the U. T. Board of Regents of certain approvals to The University of Texas System and the component institutions in 1997.

The amendments to Part One, Chapter I, Section 8, Subsection 8.5, Subdivision 8.52 of the Rules make the timing of requests to address the Board more flexible for a requestor by requiring that the request be submitted at least three days prior to the desired appearance.

The amendment to the Regents' Rules, Part One, Chapter I, Section 8, Subsection 8.6 authorizes the Office of Development and External Relations to provide press information prior to the end of a regular meeting.

Amendments to Part Two, Chapter II, Section 6 conform the text of the Regents' Rules to current practice related to Legislative Appropriation Requests (LAR) by indicating that each president will prepare the LAR with final approval by the Executive Vice Chancellors for Health Affairs, Business Affairs, and Academic Affairs, and the Chancellor prior to submission.

EXCERPT FROM THE MINUTES

MAY 11 2000

1.

U. T. Board of Regents - Regents' Rules and Regulations, Part One:  
Amendment to Chapter II, Section 14, Subsection 14.1, Subdivision 14.11  
(Advisory Committee for Selection of a President)

The Board amended the Regents' Rules and Regulations, Part One, Chapter II, Section 14, Subsection 14.1, Subdivision 14.11, regarding an advisory committee for selection of a president, as set forth below:

Sec. 14. Presidents of Component Institutions.

14.1 The Board selects the president of each component institution.

14.11 When there is a vacancy or it is known that there is to be a vacancy in the office of a president of a component institution having faculty and students and the Board does not have candidate(s) from recent searches at other component institutions, from within the U. T. System, and/or of national prominence from outside the U. T. System to advance for consideration, an Advisory Committee shall be established to recommend candidates to the Board. The Executive Vice Chancellor for Health Affairs or the Executive Vice Chancellor for Academic Affairs shall be chairman of the Advisory Committee. In circumstances where this Executive Vice Chancellor may be a candidate for the office, the chairman of the Advisory Committee shall be the Chancellor or the Chancellor's designee. In addition to the chairman, committee membership is as follows:

Not more than two representatives of the component's external constituency who have demonstrated a deep interest in and support of the institution, its programs and its role in community activities to be appointed by the Chairman of the Board of Regents. Where a component institution has a statewide mission; special area programmatic relationships or partnerships with junior or community colleges, private universities or public schools, business/corporate entities, community or public service

agencies; or other unique constituencies, the Chairman of the Board of Regents may appoint additional representatives.

Campus constituent groups with responsibility for selection of Advisory Committee representatives are expected to consider diversity, particularly as it relates to minority and female representation. Unless there are unusual delays in faculty, staff or student representative selection which postpone initiation of the committee process, the Chairman of the Board will make his or her appointments to the Advisory Committee after campus selections in order to maximize the prospect that the total committee composition reflects diversity.

See the Item for the Record on Page 106 relating to the Advisory Committee for the Selection of a President at The University of Texas Health Science Center at San Antonio.

EXCERPT FROM THE MINUTES

FEB 10 2000 1.

U. T. Board of Regents - Regents' Rules and Regulations, Part One:  
Amendments to Chapter III, Section 1, Subsection 1.8, Subdivision 1.83(i)  
(Academic Titles)

Upon recommendation of the Academic Affairs and Health Affairs Committees, the Board amended the Regents' Rules and Regulations, Part One, Chapter III, Section 1, Subsection 1.8, Subdivision 1.83(i), relating to academic titles, to read as set forth below:

- (i) Persons appointed to full-time positions for the primary purpose of research activities, patient care, and other service activities shall be given one of the following titles, even though the individuals may be assigned teaching responsibilities:

- (1) Professor of

\_\_\_\_\_  
(title of specialty)

- (2) Associate Professor of

\_\_\_\_\_  
(title of specialty)

- (3) Assistant Professor of

\_\_\_\_\_  
(title of specialty)

- (4) Instructor in

\_\_\_\_\_  
(title of specialty)

For persons appointed to positions pursuant to this Item, all appointment letters, personnel forms, budgets and other official documents shall state in parenthesis following the name and title of the individual either "(nontenure-track clinical appointment)" or "(nontenure-track research appointment)," as appropriate, and service in such positions shall not be credited as faculty service toward calculation of any maximum probationary period.

These amendments to the Regents' Rules and Regulations, Part One, Chapter III, Section 1, Subsection 1.8, Subdivision 1.83(i), relating to appointments to positions with academic titles in which tenure cannot be awarded, provide authority for the academic component institutions to give these titles to persons primarily engaged in research and provide uniformity in the use of titles at the academic and health component institutions.

EXCERPT FROM THE MINUTES

FEB 10 2000

3. U. T. Board of Regents - Regents' Rules and Regulations: Approval to Amend Part One, Chapter I, Section 7 (Committee Structure) to Add New Subsection 7.3

The Board amended the Regents' Rules and Regulations, Part One, Chapter I, Section 7 to add a new Subsection 7.3, relating to the Board of Directors of The University of Texas Investment Management Company (UTIMCO), as set forth below and directed that former Subsection 7.3 be renumbered as Subsection 7.4.

- 7.3 The University of Texas Investment Management Company (UTIMCO).--Pursuant to Section 66.08 of the Texas Education Code, the U. T. Board of Regents shall appoint the nine directors of The University of Texas Investment Management Company (UTIMCO). At least three members of the UTIMCO Board of Directors and the Chancellor shall be appointed by the Chairman of the U. T. Board of Regents, by and with the consent of the U. T. Board of Regents, as directors of UTIMCO. At least one director will be selected from a list of candidates with substantial background and expertise in investments that is submitted to the U. T. Board of Regents by the Board of Regents of The Texas A&M University System.

This amendment to the Regents' Rules and Regulations, Part One, Chapter I, Section 7 conforms the Rules to the Texas Education Code Section 66.08 (d) and (e) relating to the membership of the Board of Directors.

See Item 4 on Page 26 relating to an amendment to Article III (Board of Directors) of the UTIMCO Bylaws.



**EXCERPT FROM THE MINUTES**

- NOV 11 1999
3. U. T. Board of Regents: Approval to Amend the Regents' Rules and Regulations, Part One, Chapter VI, Section 6, Subsection 6.6 (Solicitation).-- Authorization was given to amend the Regents' Rules and Regulations, Part One, Chapter VI, Section 6, Subsection 6.6, relating to solicitation, to read as set forth below:

6.6 Solicitation.--The term "solicitation" means the sale, lease, rental or offer for sale, lease, rental of any property, product, merchandise, publication, or service, whether for immediate or future delivery; an oral statement or the distribution or display of printed material, merchandise, or products that is designed to encourage the purchase, use, or rental of any property, product, merchandise, publication, or service; the oral or written appeal or request to support or join an organization other than a registered student, faculty, or staff organization; the receipt of or request for any gift or contribution; or the request to support or oppose or to vote for or against a candidate, issue, or proposition appearing on the ballot at any election held pursuant to state or federal law or local ordinances.

6.61 . . .

- (p) The distribution or presentation to officers and employees of the U. T. System and component institutions of material related to health benefit plans, life insurance, tax sheltered annuities, retirement plans or programs, or other benefits that are available to such officers and employees through employee benefit plans or programs offered by or approved by the U. T. System. Such material may be distributed or presented only at the Office of Human Resources of the U. T. System or component institutions, at the benefits office of a health profession practice plan of a health component institution, or at meetings scheduled for that purpose pursuant to guidelines established by the U. T. System Office of Human Resources. Those companies that are currently authorized Optional Retirement Program vendors may, at

the invitation of the U. T. System and component institutions, be permitted to engage in on-campus group seminars for the purpose of providing education, product marketing, and participant enrollment, subject to such rules and limitations as the U. T. System and component institutions may deem necessary and appropriate. Currently authorized Optional Retirement Program vendors may advertise such on-campus meetings throughout the institution, subject to prior approval by the institution. The term "currently authorized Optional Retirement Program vendor" includes a company that has a current contractual agreement with the U. T. System to provide Optional Retirement Program products to officers and employees of the U. T. System but does not include those companies with grandfathered Optional Retirement Program participation or vendors of Tax Sheltered Annuity products or services.

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Successful participation in the self-directed Optional Retirement Program (ORP) requires participants to make informed investment decisions based on their continuous investment education. These amendments to the Regents' Rules and Regulations, Part One, Chapter VI, Section 6, Subsection 6.6 will:

- a. Permit marketing meetings, coupled with retirement investor educational seminars, by authorized ORP vendors at the component institutions and at The University of Texas System
- b. Prohibit similar marketing activities by ORP vendors not currently authorized or by Tax Sheltered Annuity vendors
- c. Provide a degree of control by both the U. T. System and each individual component institution, with respect to extending invitations to vendors, promoting the seminars, selecting time and location of seminars, and identifying the general rules under which seminars are held.

**EXCERPT FROM THE MINUTES**

2. U. T. Board of Regents - Regents' Rules and Regulations, Part One: Amendment of Chapter I, Section 9 (Documents Executed on Behalf of the Board), Subsection 9.2, Subdivision 9.22.--The Board amended the Regents' Rules and Regulations, Part One, Chapter I, Section 9, Subsection 9.2, Subdivision 9.22, relating to documents executed on behalf of the Board, to read as set forth below:

Sec. 9. Documents Executed on Behalf of the Board.

- 9.22 All contracts or agreements, including purchase orders and vouchers, with a cost or monetary value to the U. T. System Administration or the component institution of more than \$500,000 must be approved by the Executive Committee of the Board or approved by the Board via the docket or the agenda except the following, which do not require prior approval or ratification by the Executive Committee of the Board or the Board regardless of the contract amount:
- 9.221 Contracts, agreements, and documents relating to construction projects previously approved by the Board in the Capital Improvement Program and Capital Budget.
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- 9.222 Contracts or grant proposals for sponsored research, including institutional support grants, that do not include a license for or conveyance of intellectual property owned or controlled by the Board.
- 9.223 Contracts or agreements for the purchase of replacement equipment or replacement software.
- 9.224 Contracts or agreements for the purchase of routinely purchased supplies.
- 9.225 Purchases made under a group purchasing program.
- 9.226 Purchases of new equipment or new software identified specifically in the institutional budget approved by the Board.
- 9.227 Loans of institutional funds to certified nonprofit health corporations, which loans have been approved as provided in Part Two, Chapter III, Section 4, Subsection 4.5 of these Rules and Regulations.

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These amendments to the Regents' Rules and Regulations, Part One, Chapter I, Section 9, Subsection 9.2, Subdivision 9.22 clarify the provision relating to the requirement that the U. T. Board of Regents or the Executive Committee of the Board approve certain contracts or agreements, including purchase orders and vouchers, with a cost or value of more than \$500,000, to show that the cost or value of the contract or agreement is determined by considering the cost or monetary value to U. T. System Administration or a component institution.

**EXCERPT FROM THE MINUTES**

AUG 12 1999

4. U. T. Board of Regents - Regents' Rules and Regulations, Part One: Amendments to Chapter III, Section 6, Subsection 6.3 (Tenure, Promotion, and Termination of Employment).--A new Section 51.960 was added to the Texas Education Code by the 76th Texas Legislature that requires a person employed by an institution of higher education as a full-time faculty member, including a person employed as a professional librarian, who is notified that he or she will not be reappointed or who is under review for termination for good cause, be provided the right "to present a grievance, in person, to a member of the institution's administration designated by the governing board of the institution on an issue related to the nonrenewal or termination."

To comply with Section 51.960, Texas Education Code, the Regents' Rules and Regulations, Part One, Chapter III, Section 6, Subsection 6.3, relating to tenure, promotion, and termination of employment, was amended to read as set forth below:

- 6.3 Termination by an institution of the employment of a faculty member who has been granted tenure and of all other faculty members before the expiration of the stated period of appointment, except as is otherwise provided in Subdivision 6.26 and Subsections 6.(11) and 6 (12) or by resignation or retirement, will be only for good cause shown. Faculty member, as used in this Subsection, includes a professional librarian with an academic title. In each case the issue of good cause will be determined according to the equitable procedures provided in this Subsection.

6.31 The chief administrative officer shall assure that all allegations against a faculty member that involve the potential for termination are reviewed under the direction of the chief academic officer unless another officer is designated by the chief administrative officer. The faculty member who is the subject of the allegations shall be given an opportunity to be interviewed and shall have the right to present a grievance, in person, to the chief academic officer on an issue or subject related to the allegations under review. The chief academic officer shall take the grievance, if any, into consideration prior to making a determination whether the allegations are supported by evidence that constitutes good cause for termination. Upon making that determination, the chief academic officer will recommend to the chief administrative officer whether to proceed with charges for termination. Failure to present a grievance to the chief academic officer prior to his or her recommendation shall not preclude a faculty member from presenting an issue or subject to the special hearing tribunal in defense of charges for termination that may result from the review. A tenured faculty member who is recommended for termination on the basis of periodic evaluation must be given the opportunity for referral of the matter to nonbinding alternative dispute resolution, as required by Texas Education Code Section 51.942 and in compliance with applicable U. T. System and institutional policies and procedures for alternative dispute resolution, prior to referral of the charges to a hearing tribunal under Subdivision 6.33. A faculty member under review for matters that may result in charges for termination may file a grievance pursuant to a faculty grievance procedure only if the subject of the grievance is not involved in the review. A pending grievance may proceed only if it does not involve a subject under review.

6.35 Full-time faculty members, including professional librarians with academic titles, who are notified in accordance with Subsection 6.7 that they will not be reappointed or who are notified in accordance with Subdivision 6.23 or Subsections 6.7 or 6.8 that the subsequent academic year will be the terminal year of appointment shall not be entitled to a statement of the reasons

upon which the decision for such action is based. Such a decision shall only be subject to review pursuant to the following procedures:

6.351 The affected faculty member may present a grievance, in person, to the chief academic officer on an issue or subject related to the nonrenewal decision. The chief academic officer shall meet with the faculty member. Unless a review by a hearing tribunal is requested and granted pursuant to Subparagraph 6.352 below, the nonrenewal decision shall not be subject to further review.

6.352 A review by a hearing tribunal shall be granted only in those cases where the affected faculty member submits a written request for review by a hearing tribunal to the chief administrative officer and describes in detail the facts relied upon to prove that the decision was made for reasons that are unlawful under the Constitution or laws of Texas or the United States. If the chief administrative officer determines that the alleged facts, if proven by credible evidence, support a conclusion that the decision was made for unlawful reasons, such allegations shall be heard by a hearing tribunal under the procedures in Subsection 6.3 as in the case of dismissal for cause, with the following exceptions:

- (1) the burden of proof is upon the affected faculty member to establish by the greater weight of the credible evidence that the decision in question was made for reasons that are unlawful under the Constitution or laws of Texas or the United States;
- (2) the administration of the institution need not state the reasons for the questioned decision or offer evidence in support thereof unless the affected faculty member presents credible evidence that, if unchallenged, proves the decision was made for unlawful reasons;
- (3) the hearing tribunal shall make written findings and recommendations based on the evidence presented at the hearing and shall forward such findings and recommendations with the transcript and exhibits from the hearing to the chief administrative officer;
- (4) the chief administrative officer may approve, reject, or amend the recommendations of the

hearing tribunal or may reach different conclusions based upon the record of the hearing. The decision of the chief administrative officer shall be final.



## EXCERPT FROM THE MINUTES

AUG 12 1999

**MEETING WITH REPRESENTATIVES OF THE UNIVERSITY OF TEXAS SYSTEM FACULTY ADVISORY COUNCIL.**—On behalf of the Board, Chairman Evans welcomed the Executive Committee members of The University of Texas System Faculty Advisory Council to the annual meeting with the Board and asked Chair Joel Dunnington to make the appropriate introductions and to begin the discussions per the agenda before the Board and on file in the Office of the Board of Regents.

### PARTICIPANTS

Dr. Joel S. Dunnington, M.D., Chair, Faculty Advisory Council,  
The University of Texas M. D. Anderson Cancer Center

Dr. Betty Travis, Ph.D., Chair-Elect, Faculty Advisory Council,  
The University of Texas at San Antonio

Dr. Terese Verklan, Ph.D., Secretary, Faculty Advisory Council,  
The University of Texas Health Science Center at Houston

Dr. Robert Nelsen, Ph.D., Co-Chair Governance Committee,  
The University of Texas at Dallas

Dr. Jerry McLarty, Ph.D., Co-Chair Governance Committee,  
The University of Texas Health Center at Tyler

Dr. Corbett Gauden, Ph.D., Co-Chair Academic Affairs,  
The University of Texas of the Permian Basin

Professor Martha Hilley, M.A., Co-Chair Academic Affairs,  
The University of Texas at Austin

Dr. James Bartlett, Ph.D., Co-Chair Faculty Quality,  
The University of Texas at Dallas

Dr. Mellick Sykes, M.D., Co-Chair Health Affairs,  
The University of Texas Health Science Center at San Antonio

## AGENDA AND DISCUSSION

1. The use of Regents' Rule 6.35 at U. T. M. D. Anderson Cancer Center and the improvements being made on campus in the tenure process, credentialing process, and the grievance process

Dr. Dunnington reported progress related to the handling of nonrenewals but noted concerns about a draft Regents' Rules revision concerning the grievance process that would be covered by Dr. Nelsen.

2. Concern with the proposed Regents' Rules on grievance procedures

Dr. Nelsen asked that the Faculty Advisory Council have an opportunity for additional input regarding amendments to Part One, Chapter III of the Regents' Rules and Regulations to add a new Section 38, to assure that current institutional grievance policies are not automatically replaced or revised.

Chairman Evans noted he is pleased The University of Texas M. D. Anderson Cancer Center grievance policy is now viewed as satisfactory. He said that he has not heard of problems related to the draft faculty grievance policy from U. T. staff; he asked the Faculty Advisory Council to first work through the U. T. System staff if communications became an issue.

3. Follow-up on the fields of study and core curriculum laws passed in 1997 and their continued implementation by the Coordinating Board and the campuses

The Council expressed concern about the quality of course work and whether all students satisfying the core curriculum were ready for more advanced work. The Council reported that, over the year, it would track individual student records, extract information on academic progress and report back to the Board. Vice-Chairman Loeffler suggested that the process be expedited to be of value.

**4. Discussion of distance learning, including a draft four-part resolution from the Faculty Advisory Council**

Dr. Gaulden reported on the Faculty Advisory Council's satisfaction with the distance learning guidelines written by Vice Chancellor Mario Gonzalez and Ms. Georgia Harper of the Office of General Counsel and noted that the Council had been consulted several times during the drafting process.

Dr. Gaulden urged that faculty oversight for the implementation of degree programs to be offered via the UT TeleCampus is critical and introduced a draft four-part resolution (on file in the Office of the Board of Regents) that outlined a philosophy for campus control of academic quality. Regent Sanchez agreed that faculty input is important, but that the success of the initiative must be based upon trust. Regent Oxford noted that others are implementing distance learning programs and that we need to move forward with implementation and evaluation now. Regent Sanchez said that we must attempt new things and be prepared to react to what works and what doesn't. Vice-Chairman Clements agreed that trust and a close relationship on these issues were important. Regent Miller noted he would give the approval to faculty if institutional committees would agree to immediate program closures as needed.

Chairman Evans asked how the U. T. distance education effort compares to the rest of the country. Dr. Bartlett and Dr. Gaulden noted that U. T. is behind in some ways, but that the new MBA degree online is viewed as a leading edge program. Dr. Gaulden commented that he knew the campuses and the faculty were not moving as fast as Vice Chancellor Gonzalez wished.

Chairman Evans thanked the Council members for their input and views and stated that he hopes U. T. will become a leader in distance education.

**5. Board of Regents' search for a new Chancellor and whether this will include faculty representatives**

Regarding the search for a new Chancellor for the U. T. System, Dr. Dunnington recommended consideration of an individual with strong academic credentials and recommended that the Chair and

Chair-Elect of the Faculty Advisory Council serve on the Search Committee. Chairman Evans assured the Council that the Board will listen to input but had not decided on a specific structure to gather those comments.

6. Discussion of the proposed U. T. System compliance document and its effect on faculty

Discussion centered on the perceived lack of faculty involvement in institutional implementation of the model compliance document. This issue was referred to Vice Chancellor Sharpe for further review in consultation with Executive Vice Chancellor Mullins, Executive Vice Chancellor Burck, and Mr. Charles Chaffin, Director of Audits.

Dr. Dunnington commended Ms. Francie Frederick, former Acting Vice Chancellor for Academic Affairs and current Executive Secretary to the Board of Regents, for her very able assistance to the faculty over the years.

He announced the Council would skip the last two items on the agenda (Faculty Satisfaction Survey and Summary of Legislative Issues) due to the shortage of time.

EXCERPT FROM THE MINUTES

AUG 12 1999

3. U. T. Board of Regents: Amendments to the Regents' Rules and Regulations, Part One, Chapter III, Section 13 (Outside Employment).—The Regents' Rules and Regulations, Part One, Chapter III, Section 13, relating to outside employment, was amended to read as follows:

Sec. 13. Outside Employment and Nonelective Positions of Honor, Profit, or Trust.

- 13.1 Members of the faculty or staff of the System and the component institutions should not be discouraged from accepting appointments of a consultative or advisory capacity with governmental agencies, industry, or other educational institutions. The consideration to the System and the component institutions of such activity is the improvement of the individual by virtue of his or her continuing contact with nonacademic problems in the nonacademic world.
- 13.2 The primary responsibility of members of the faculty and staff of the System and the component institutions is the accomplishment of the duties and responsibilities assigned to one's position of appointment; external consulting or other outside employment that interferes with those duties and responsibilities should not be accepted. In connection with any outside employment, faculty and staff must comply with state laws governing the conduct of state employees, including ethics standards and

provisions prohibiting conflict of interest and use of state resources. For special provisions relating to standards of conduct for employees, see Section 4 of this Chapter.

- 13.3 Even in the case of members of the faculty or staff specifically engaged only in residence work, there exists an obligation, usually intermittent, to furnish expert knowledge and counsel for public benefit free of charge, provided that the meeting of this obligation by a faculty or staff member does not interfere with his or her regular duties, and provided further that in meeting this obligation a full-time faculty or staff member shall avoid undue competition with legitimate private agencies.
- 13.4 No member of the faculty or staff engaged in outside remunerative activities shall use in connection therewith the official stationery of the System or any of the component institutions, or give as a business address any building or department of the System or the component institution.
- 13.5 Every member of the faculty or staff who gives professional opinions must protect the System and the component institutions against the use of such opinions for advertising purposes. If the faculty or staff member does work in a private capacity, the faculty or staff member must make it clear to those who employ him or her that the work is unofficial and that the name of the System and the component institutions is not in any way to be connected with the faculty or staff member's name, except when used to identify the faculty or staff member as the author of work related to the faculty or staff member's academic or research area as more fully described in Part Two, Chapter XII, Section 2.
- 13.6 No member of the faculty or staff shall accept pay from private persons or corporations for tests, assays, chemical analyses, bacteriological examinations, or other such work that involves the use of property owned by the

System or the component institutions, unless advance permission has been obtained from the chief administrative officer and provision has been made for compensation to the System or the component institutions.

- 13.7 No full-time member of the faculty or staff employed by the System or the component institutions on a twelve-month or nine-month basis shall be employed in any outside work or activity or receive from an outside source a regular retainer fee or salary until a description of the nature and extent of the employment has been filed with and approved by appropriate administrative officials as set forth in the policies of the System or the Handbook of Operating Procedures of each component institution. For special provisions relating to other state or federal employment, see Subsections 13.8 and 13.9 of this Section.
- 13.8 Subject to the other provisions of this Section, a member of the faculty or staff of the System or the component institutions may hold other nonelective offices or positions of honor, trust, or profit with the State of Texas or the United States if holding the other offices or positions is of benefit to the State of Texas or is required by state or federal law and if there is no conflict between holding the office or position and holding the office or position with the System or the component institutions for which the member of the faculty or staff receives salary or compensation.
- 13.9 Before a member of the faculty or staff of the System or the component institutions may accept an offer to serve in other nonelective offices or positions of honor, trust, or profit with the State of Texas or the United States, the member of the faculty or staff must obtain from the appropriate administrative officials and the Board a finding via the docket that the requirements of Subsection 13.8 have been fulfilled. The docket entry shall also record any compensation the employee is to receive from the nonelective office or position, including salary, bonus, or per diem payment.

A recent court challenge to the constitutionality of legislative and institutional limitations on faculty and staff outside employment, including employment as an expert witness, has prompted modification of Section 13 of Chapter III, Part One of the Regents' Rules and Regulations. Although Subsection 13.6 has been omitted, Subsection 13.2 has been modified to clarify that external consulting and outside employment are considered secondary activities to be engaged in only after one's duties and responsibilities to the employing U. T. institution are fulfilled. The change in Subsection 13.2 also provides that faculty and staff members who maintain outside employment must comply with state laws governing the conduct of state employees, including provisions concerning conflict of interest, ethics standards, and use of state resources. The change to Subsection 13.9 makes the language consistent with the requirements of Texas Government Code Section 574.002. The remaining modifications to Section 13 are editorial in nature.



EXCERPT FROM THE MINUTES

2. U. T. Board of Regents - Regents' Rules and Regulations: Amendments to Part One, Chapter II, Section 9, Subsection 9.2, Subdivision 9.24 (Vice Chancellor for Development and External Relations, Duties and Responsibilities) and Part Two, Chapter I, Section 1, Subsection 1.1 (Gifts to The University of Texas System). --The Regents' Rules and Regulations, Parts One and Part Two, were amended as set forth below:

- a. Part One, Chapter II, Section 9, Subsection 9.2, Subdivision 9.24, relating to the duties and responsibilities of the Vice Chancellor for Development and External Relations, was amended to read as follows:

9.24 Promulgating the "U. T. System Gift Acceptance Procedures" and preparing other guidance documents relating to acceptance, processing, and administration (excluding investment management) of gifts for the U. T. System and the component institutions.

- b. Part Two, Chapter I, Section 1, Subsection 1.1, regarding gifts to The University of Texas System, was amended to read as follows:

Sec. 1. Gifts to The University of Texas System.

- 1.1 The authority to accept gifts to the U. T. System or to any of the component institutions is vested in the Board and delegated by the Board as specifically set out in this Section. The Board delegates to the Vice Chancellor for Development and External Relations the authority and responsibility to promulgate a set of guidelines regarding the acceptance, processing, investment, and administration of gifts. These guidelines will be known as the "U. T. System Gift Acceptance Procedures" and shall be adhered to by the component institutions and U. T. System. In promulgating the "U. T. System Gift Acceptance Procedures", the delegate shall also consider provisions to:
- 1.11 Accomplish the goal of increasing financial support for the U. T. System through the appropriate assistance of donors,
- 1.12 Allow staff members to respond to donor initiatives quickly and with certainty,

- 1.13 Establish administrative processes to accept and administer gifts in a prudent and efficient manner, with fiduciary responsibilities of fundamental importance,
- 1.14 Comply with the Texas Constitution and applicable federal and state law,
- 1.15 Comply with the provisions of the Internal Revenue Code and related regulations,
- 1.16 Specifically incorporate provisions related to the acceptance of pledges to fund endowments as follows:
  - 1.161 At least 20% of the donors' total proposed funding must be received prior to the acceptance of an endowment, and
  - 1.162 The pledge for payment of the remaining funds shall not extend beyond five years from the date of execution of the gift agreement.
- 1.17 Specify that requests to establish quasi-endowments are to be submitted only when it is expected that the endowment will be maintained permanently, and
- 1.18 Provide that, in the interest of financial responsibility and efficiency, it is the specific preference of the Board that all endowment gifts be eligible for commingling for investment purposes with other endowment funds.

In August 1995, the U. T. Board of Regents adopted the current "U. T. System Gifts Policy Guidelines", as amended in November 1995, as a part of the recommendations of The University of Texas System Process Review Committee. These guidelines have greatly increased efficiency in accepting and processing private gifts to the U. T. System Administration and component institutions.

Since these procedural guidelines need to be updated periodically and other guidance documents relating to gifts need to be prepared, these amendments to Parts One and Two of the Regents' Rules and Regulations delegate to the Vice Chancellor for Development and External Relations the authority to promulgate "U. T. System Gift Acceptance Procedures" which are consistent with the Regents' Rules and Regulations without formal action by the

U. T. Board of Regents. Proposed gifts that constitute exceptions to the Gift Acceptance Procedures will continue to be considered by the U. T. Board of Regents via the agenda process.

The current version of the "U. T. System Gifts Policy Guidelines" contains a section of special provisions applicable to gifts of real estate which will be formatted as a separate guidance policy and presented to the U. T. Board of Regents for approval.

EXCERPT FROM THE MINUTES

- 400 1 8 1999
1. U. T. Board of Regents - Regents' Rules and Regulations, Part One: Amendments to Chapter I, Section 5, Subsection 5.3, Subdivision 5.38 (Rules and Regulations) and Subsection 5.4 (Assistant Secretary to the Board); Section 7, Subsection 7.2 (Board for Lease of University Lands); and Section 8, Subsection 8.2 (Order of Business) and Subsection 8.6 (Report to Press on Actions of Board).—The Board amended the Regents' Rules and Regulations, Part One, Chapter I, Section 5, Subsection 5.3, Subdivision 5.38 (Rules and Regulations) and Subsection 5.4 (Assistant Secretary to the Board); Section 7, Subsection 7.2 (Board for Lease of University Lands); and Section 8, Subsection 8.2 (Order of Business) and Subsection 8.6 (Report to Press on Actions of Board) as set forth below:
    - a. Section 5, Subsection 5.3, Subdivision 5.38 was amended to read as follows to authorize the Executive Secretary to make editorial changes to the Regents' Rules and Regulations and Regental Policies.
      - 5.38 Rules and Regulations and Regental Policies.—The Executive Secretary shall be charged with the responsibility of keeping current the Official Copies of the Regents' Rules and Regulations and furnishing to members of the Board and the administrative officers on the approved list any changes or additions as soon as possible after the meeting at which they are finally adopted.

The Executive Secretary is authorized to make minor and non-substantive editorial changes to the Regents' Rules and Regulations and to Regental Policies enacted by the Board as necessary to keep the Rules and policies current and correct. In the event such editorial changes are necessary, the Executive Secretary will assure that members of the Board, administrative officers and members of the public have ready access to the current version of the Regents' Rules and Regulations and each Regental Policy.

- b. Section 5, Subsection 5.4 was deleted to remove the position of Assistant Secretary to the Board in the Office of the Board of Regents.
- c. Section 7, Subsection 7.2, related to the Board for Lease of University Lands, was amended as follows:

7.2 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, as specified in Section 66.62, Texas Education Code, shall be selected by the Board, upon recommendation of the Chairman of the Board, to serve on the Board for Lease of University Lands. 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 Secretary of the Board for Lease of University Lands shall report the activities of the Board for Lease of University Lands to the Board at each of the Board's regularly scheduled meetings.

- d. Section 8, Subsection 8.2, relating to the order of business at meetings of the Board of Regents, was amended to read as follows:

8.2 Order of Business.--Customarily, the order of business at a regular meeting of the Board shall be as follows:  
8.21 Executive Session of the Board.  
8.22 Correction and approval of Minutes of preceding meeting(s).  
8.23 Consideration of Special Items referred directly to the Board.

- 8.24 Consideration of items relating to The University of Texas Investment Management Company (UTIMCO).
- 8.25 Consideration of approval of items contained in reports of standing committees:
  - (a) Executive Committee
  - (b) Business Affairs and Audit Committee
  - (c) Academic Affairs Committee
  - (d) Health Affairs Committee
  - (e) Facilities Planning and Construction Committee
- 8.26 Reports of special committees.

e. Section 8, Subsection 8.6, relating to reports to the press, was amended to read as follows:

- 8.6 Report to Press on Actions of Board.--Reports on matters of public interest will be given to the press as promptly as possible after each meeting. These press reports shall be under the direction of the Chairman of the Board, the Chancellor or their designated representatives.

The amendments to Section 5, Subsection 5.3, Subdivision 5.38 authorize the Executive Secretary to make minor and nonsubstantive editorial changes to the Regents' Rules and Regulations and to Regental Policies to keep the Rules and Regental Policies current and correct.

The amendment to the Regents' Rules and Regulations, Part One, Chapter I, Section 5, Subsection 5.4 removes the position of Assistant Secretary to the Board in the Office of the Board of Regents, as the Office has been reorganized.

The amendments to Section 7, Subsection 7.2 relating to the Board for Lease of University Lands delete language repeating the statutory qualifications for Board for Lease service set forth in the Texas Education Code Section 66.62, and harmonize the language related to selection of members of the Board for Lease with actual practice.

The amendments to Section 8 are primarily editorial to conform the usual order of business at a regularly scheduled meeting of the Board of Regents with current practice and to clarify the procedure for issuing press reports.

EXCERPT FROM THE MINUTES

MAY 13 1999 1.

U. T. Board of Regents - Regents' Rules and Regulations: Amendments to Part One, Chapter I, Section 9 (Documents Executed on Behalf of the Board) and Part Two, Chapter III, Section 4 (Local Institutional Funds).—Upon recommendation of the Health Affairs Committee, the Board amended the Regents' Rules and Regulations, as set forth below:

- a. Part One, Chapter I, Section 9, Subsection 9.2, Subdivision 9.22, relating to dollar limitations on delegated authority, was amended to add a new Item 9.227 as follows:
  - 9.227 Loans of institutional funds to certified nonprofit health corporations, which loans have been approved as provided in Part Two, Chapter III, Section 4, Subsection 4.5 of these Rules and Regulations.
- b. Part Two, Chapter III, Section 4, relating to local institutional funds, was amended to add a new Subsection 4.5 to authorize the Chancellor and the Executive Vice Chancellor for Health Affairs to approve loans of institutional funds to certified nonprofit health corporations and to execute and deliver on behalf of the U. T. Board of Regents contracts, agreements, and other documents or instruments relating to such loans, as set forth below:
  - 4.5 Subject to Subdivisions 4.51 and 4.52 of this Subsection and the general provisions of Part One, Chapter I, Section 9 and, except as otherwise specified in these Rules and Regulations, the Board delegates to the Chancellor and to the Executive Vice Chancellor for Health Affairs the authority to act on behalf of the Board to approve loans of institutional funds, which are not otherwise restricted, to a certified nonprofit health corporation and to execute contracts, agreements, and other documents or instruments related to such loans. As used in this Subsection, the term "certified nonprofit health corporation" means a nonprofit health corporation that has been authorized

## EXCERPT FROM THE MINUTES

by the Board and certified under Section 5.01(a) of the Medical Practice Act (Article 4495b, Texas Civil Statutes), as amended from time to time.

- 4.51 The delegate shall comply with guidelines issued by the Office of General Counsel.
- 4.52 The delegate shall consult with the institutional chief administrative officer prior to approving and executing any agreement or instrument relating to a loan.

These amendments to the Regents' Rules and Regulations delegate authority to the Chancellor and the Executive Vice Chancellor for Health Affairs to act on behalf of the U. T. Board of Regents to approve loans of institutional funds, not otherwise restricted, to certified nonprofit health corporations that have been authorized by the U. T. Board of Regents and to execute contracts, agreements, and other documents or instruments related to those loans. Loans may be in any amount approved by the Chancellor and the Executive Vice Chancellor for Health Affairs.

All loans are to be made in accordance with guidelines established from time to time by the Office of General Counsel. The Office of General Counsel has advised that such loans fall under the principles announced by the Texas Attorney General in Attorney General Opinion No. JM-1030, which require that the expenditure of institutional funds be for a public purpose, that the institution receive adequate consideration in return, and that the institution retain sufficient control over the use of the funds to ensure that the public purpose is achieved.

Nonprofit health corporations are certified under Section 5.01(a) of the Medical Practice Act. On April 14, 1994, the U. T. Board of Regents authorized each health component of The University of Texas System to establish a certified nonprofit health corporation and stipulated certain requirements for the establishment of those corporations. Each corporation is a single member corporation; and the single member is the chief administrative officer of the health component. The model articles of incorporation and bylaws approved by the U. T. Board of Regents identify the purpose of the nonprofit health corporations as providing health care to the public, as well as support for health care education, scholarships and loans to students, grants to the component institution for research and development of education programs, and opportunities for clinical experience in connection with medical education.



EXCERPT FROM THE MINUTES

MAY 13 1999

1. U. T. Board of Regents - Regents' Rules and Regulations, Part One: Approval to Amend Chapter III, Section 1, Subsection 1.8 (Academic Titles), Subdivision 1.83(c).--Upon recommendation of the Academic Affairs and the Health Affairs Committees, the Board amended the Regents' Rules and Regulations, Part One, Chapter III, Section 1, Subsection 1.8, Subdivision 1.83(c), regarding academic titles, to read as set forth below:

1.83

...

- (c) Lecturer. This title may be used for individuals who will serve as teachers and whose experience and qualifications are comparable to those of faculty members in untenured, tenure-track positions. Upon approval by the chief administrative officer, an institution may identify up to three divisions within this rank to be designated Lecturer I, Lecturer II, and Lecturer III.

...

This amendment to the Regents' Rules and Regulations allows The University of Texas System component institutions to make distinctions among Lecturers based upon experience, teaching performance, and qualifications. At this time, only The University of Texas at San Antonio plans to use these divisions of Lecturers.

EXCERPT FROM THE MINUTES

MAY 13 1999 2.

U. T. Board of Regents - Regents' Rules and Regulations, Part One: Amendments to Chapter II (Administration), Section 8, Subsection 8.2 (Vice Chancellor for Governmental Relations) and Addition of New Section 11 (Vice Chancellor for Federal Relations).—The Regents' Rules and Regulations, Part One, Chapter II, relating to the Vice Chancellor for Governmental Relations and new position of the Vice Chancellor for Federal Relations, were amended as follows:

- a. Section 8, Subsection 8.2, relating to the duties and responsibilities of the Vice Chancellor for Governmental Relations, was amended to read as follows:

8.2 Duties and Responsibilities.

The primary responsibilities of the Vice Chancellor for Governmental Relations include:

- 8.21 The provision of staff assistance to the Chancellor and the Executive Vice Chancellors in the execution of their responsibilities.
- 8.22 Representing the Board of Regents of The University of Texas System in its relations with state and local legislative bodies and agencies.
- 8.23 Making recommendations to the Chancellor in the area of public policy as it affects the relationship of the System with state and local governments.
- 8.24 Informing appropriate administrative officers of current operations and long-range developments on the state level, which may affect the System.
- 8.25 Maintaining and distributing information and advising appropriate System Administration and component institution officials, in order to assure proper action by the System with respect to state and local governmental programs and activities.

...

- b. A new Section 11, relating to the Vice Chancellor for Federal Relations, was added as set forth below:

Sec. 11. Vice Chancellor for Federal Relations.

The Vice Chancellor for Federal Relations reports to the Chancellor and is responsible for coordinating the effective representation of The University of Texas System at the federal level before all branches of the federal

government. The Vice Chancellor for Federal Relations provides staff assistance to the Chancellor and the Executive Vice Chancellors in the exercise of their responsibilities.

**11.1 Appointment and Tenure.**

The Vice Chancellor for Federal Relations shall be appointed by the Board after nomination by the Chancellor. The Vice Chancellor for Federal Relations shall hold office without fixed term, subject to the pleasure of the Chancellor. The Chancellor's actions regarding the Vice Chancellor for Federal Relations are subject to review and approval by the Board.

**11.2 Duties and Responsibilities.**

The primary responsibilities of the Vice Chancellor for Federal Relations include:

- 11.21** The provision of staff assistance to the Chancellor and the Executive Vice Chancellors in the execution of their responsibilities.
- 11.22** Representing the Board of Regents and other officials of The University of Texas System in its relations with all branches of the federal government.
- 11.23** Making recommendations to the Chancellor in the area of public policy as it affects the relationship of the System with the federal government.
- 11.24** Informing appropriate administrative officers of current operations and long-range developments on the federal level which may affect the System.
- 11.25** Maintaining and distributing information to and advising appropriate System Administration and component institution officials in order to assure proper action by the System with respect to federal governmental programs and activities.
- 11.26** Interacting with federal government officials at all levels regarding the mission, needs, and issues of the U. T. System and coordinating System initiatives at the federal level with the broader higher education community.

- 11.27 Directing the administration of the U. T. System Office of Federal Relations and defining the job responsibilities, the assignment of duties, and supervising staff members employed in or assigned to work in the federal relations area.
- 11.28 Performing such other duties and responsibilities for the efficient operation of the System as shall be assigned by the Chancellor.

- c. Present Sections 11 through 14 were renumbered as Sections 12 through 15 and the Executive Secretary to the Board was authorized to make editorial changes in the Regents' Rules and Regulations to include the title of Vice Chancellor for Federal Relations where appropriate.

These amendments to the Regents' Rules and Regulations, Part One, Chapter II, Section 8, Subsection 8.2, clarify that the duties and responsibilities of the Vice Chancellor for Governmental Relations cover activities and issues with regard to state and local legislative bodies and agencies.

The addition of Section 11 to Chapter II describes the newly established position of Vice Chancellor for Federal Relations and outlines the duties and responsibilities of this office. This new position and the establishment of the Office of Federal Relations in the Washington, D. C., area are part of The University of Texas System efforts to become more effective in the federal arena, particularly in identifying and securing funding opportunities provided by the federal government.

EXCERPT FROM THE MINUTES

FEB 11 1999

2. U. T. Board of Regents: Regents' Rules and Regulations, Part One: Amendments to Chapter I, Section 9, Subsection 9.2, Subdivision 9.29 (Delegation of Authority to Execute and Deliver Contracts, Agreements, and Documents).—Authorization was given to amend the Regents' Rules and Regulations, Part One, Chapter I, Section 9, Subsection 9.2, Subdivision 9.29, regarding delegation of authority to execute and deliver contracts, agreements, and documents, to read as set forth below:

9.2 . . .

9.29 The following contracts and agreements must be approved by the Board via the docket or the agenda, regardless of the contract amount:

9.291 Contracts and agreements of any kind or nature with a foreign government or agency thereof, except affiliation agreements prepared on the standard form approved by the Office of General Counsel.

9.292 Contracts and agreements for sponsored research with a corporation or other entity organized and operating under the laws of a foreign state.

. . . .

These amendments to the Regents' Rules and Regulations, Part One, Chapter I, Section 9, Subsection 9.2, Subdivision 9.29 will streamline the process for approval of standard foreign affiliation agreements by eliminating the need for approval by the Executive Vice Chancellor for Health Affairs or the Vice Chancellor for Academic Affairs and subsequent approval by the U. T. Board of Regents. The chief administrative officer or his or her designate will have approval authority for all affiliation agreements prepared on the standard form approved by the Office of General Counsel.

EXCERPT FROM THE MINUTES

FEB 11 1999 2.

U. T. Board of Regents - Regents' Rules and Regulations, Part One: Amendments to Chapter I, Section 3, Subsection 3.1 (Chairman of the Board).-- Section 3, Subsection 3.1 of Chapter I, Part One of the Regents' Rules and Regulations currently requires the Chairman of the Board to resign after 24 months of service, and Section 4 and Section 5, Subsection 5.1 of this Chapter require the election of the Vice-Chairmen and Executive Secretary to the Board to be held at the time the Chairman is elected. Subsection 3.1 is not sufficiently flexible to allow slightly longer or slightly shorter terms of office dependent upon the actual date of reorganization of the Board following appointment of new members of the Board by the Governor and confirmation of the appointments.

In order to make the timing of the Board's election of officers more consistent with variations in appointment dates, the Board amended the Regents' Rules and Regulations, Part One, Chapter I, Section 3, Subsection 3.1, regarding the election of the Chairman, to read as set forth below:

Sec. 3.        Chairman of the Board.

- 3.1        Election of Chairman.--The Chairman of the Board shall be elected by the Board from its number, shall serve at the pleasure of the Board, and shall report and be responsible to the Board. In case of the death, resignation, disability, removal, or disqualification of the Chairman, the Board shall elect a successor Chairman as soon as practicable. Election of the Chairman shall take place during the February meeting held in odd-numbered years or, if new members of the Board have not been appointed and received the consent of the Senate, at the next available opportunity.

.....