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Board Meeting: 2/7-8/2007  
Austin, Texas

### Board/Committee Meetings

Wednesday, February 7, 2007

#### COMMITTEE MEETINGS

|  |                              |
|--|------------------------------|
| Academic Affairs Committee.....  | 9:30-10:30 a.m.              |
| Facilities Planning and Construction Committee.....  | 10:30-11:30 a.m.             |
| Health Affairs Committee.....  | 11:30-12:30 p.m.             |
| Lunch.....   | 12:30-1:00 p.m.              |
| Finance and Planning Committee.....  | 1:00-2:00 p.m.               |
| Joint Meeting Audit and Finance Committees.....  | 2:00-2:20 p.m.               |
| Audit, Compliance, and Management Review Committee..   | 2:20-3:10 p.m.               |
| <br>   |                              |
| A. CONVENE THE BOARD IN OPEN SESSION TO RECESS<br>TO EXECUTIVE SESSION PURSUANT TO TEXAS<br>GOVERNMENT CODE, CHAPTER 551   | 3:10 p.m.                    |
| <br>   |                              |
| 1. Deliberations Regarding the Purchase, Exchange, Lease,<br>Sale, or Value of Real Property – Section 551.072   |                              |
| <br>   |                              |
| a. U. T. Tyler: Discussion regarding acquisition of<br>approximately 21.38 acres of land and improve-<br>ments located at 3402 Old Omen Road, Tyler,<br>Smith County, Texas, from Tyler Area Senior<br>Citizens Association, Inc. (TASCA), a Texas<br>corporation, for a purchase price not to exceed<br>fair market value as supported by independent<br>appraisals, for relocation and expansion of the<br>nursing program   | President Mabry<br>Ms. Mayne |
| <br>   |                              |
| b. U. T. Tyler: Discussion regarding purchase of<br>approximately 12.624 acres of vacant land located<br>along the east line of Old Omen Road in Tyler,<br>Texas, legally described as Lot 8-B, New City<br>Block 1444, The Cambridge at Tyler, William Keys<br>Survey, Abstract 526, Tyler, Smith County, Texas,<br>from Asset Plus Realty Corporation, a Texas<br>corporation, for a purchase price not to exceed<br>fair market value as established by independent<br>appraisals for recreational and parking facilities<br>initially and for future programmed development<br>of campus expansion | President Mabry<br>Ms. Mayne |

**Wednesday, February 7, 2007** (continued)

2. Negotiated Contracts for Prospective Gifts or Donations – Section 551.073
  - U. T. M. D. Anderson Cancer Center: Discussion regarding a proposed negotiated gift with potential naming features** *President Mendelsohn  
Dr. Safady*
  
3. 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 of legal issues regarding amendments to the Regents' Rules and Regulations, Series 90101, 90102, 90103, 90104, and 90105, concerning intellectual property, and Series 10501, Section 4.3, related to delegation to execute intellectual property documents** *Mr. Burgdorf  
Mr. Sanga*
  
  - b. U. T. System Board of Regents: Discussion of legal issues regarding a proposed amended and restated Declaration of Trust with Texas Student Publications (Texas Student Media) at U. T. Austin** *Mr. Burgdorf*
  
  - c. U. T. System Board of Regents: Discussion of legal issues related to possible affiliation agreement between U. T. Austin and Seton Healthcare Network** *Mr. Burgdorf*
  
  - d. U. T. System Board of Regents: Discussion with Counsel on pending legal issues** *Mr. Burgdorf*
  
4. Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees – Section 551.074
  - a. U. T. Medical Branch - Galveston: Discussion of individual personnel matters related to presidential search**
  
  - b. U. T. System: Consideration of individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents, U. T. System Administration officers (Executive Vice Chancellors and Vice Chancellors), other officers reporting directly to the Board (Chancellor, General Counsel to the Board of Regents, and Director of Audits), and U. T. System employees**

**Wednesday, February 7, 2007** (continued)

B. RECONVENE IN OPEN SESSION TO CONSIDER ACTION ON EXECUTIVE SESSION ITEMS INCLUDING THOSE LISTED BELOW 4:55 p.m.

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

a. **U. T. Tyler: Authorization to acquire approximately 21.38 acres of land and improvements located at 3402 Old Omen Road, Tyler, Smith County, Texas, from Tyler Area Senior Citizens Association, Inc. (TASCA), a Texas corporation, for a purchase price not to exceed fair market value as supported by independent appraisals, for relocation and expansion of the nursing program; modification to the 2006-2011 Capital Improvement Program to delete the expansion of the David G. and Jacqueline M. Braithwaite Building at U. T. Tyler; and reallocation of \$2.16 million in Permanent University Fund (PUF) Bond Proceeds from the expansion of the Braithwaite Building to fund a portion of the purchase price**

b. **U. T. Tyler: Authorization to purchase approximately 12.624 acres of vacant land located along the east line of Old Omen Road in Tyler, Texas, legally described as Lot 8-B, New City Block 1444, The Cambridge at Tyler, William Keys Survey, Abstract 526, Tyler, Smith County, Texas, from Asset Plus Realty Corporation, a Texas corporation, for a purchase price not to exceed fair market value as established by independent appraisals for recreational and parking facilities initially and for future programmed development of campus expansion**

2. Negotiated Contracts for Prospective Gifts or Donations – Section 551.073

**U. T. M. D. Anderson Cancer Center: Discussion regarding a proposed negotiated gift with potential naming features**

C. RECESS 5:00 p.m.

Thursday, February 8, 2007

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| <b>COMMITTEE MEETING</b><br>Student, Faculty, and Staff Campus Life Committee  | 9:00-10:00 a.m.  |             |
| D. RECONVENE IN OPEN SESSION   | 10:05 a.m.   |             |
| E. APPROVAL OF MINUTES   |  |             |
| F. CONSIDER AGENDA ITEMS   |  |             |
| 1. <b>U. T. System Board of Regents: Proposed reappointment of Mr. Clint D. Carlson to the Board of Directors of The University of Texas Investment Management Company (UTIMCO)</b>  | 10:10 a.m.<br><b>Action</b><br><i>Regent Caven</i>     | <b>1</b>    |
| 2. <b>U. T. System Board of Regents: Update on status of search for the President, Chief Executive Officer, and Chief Investment Officer for The University of Texas Investment Management Company (UTIMCO)</b>  | 10:12 a.m.<br><b>Report</b><br><i>Regent Caven</i>     | <b>1</b>    |
| 3. <b>U. T. System Board of Regents: Adoption of Regents' Rules and Regulations, Series 20901, related to the procurement of certain goods and services</b>  | 10:17 a.m.<br><b>Action</b><br><i>Mr. Burgdorf</i>     | <b>2</b>    |
| 4. <b>U. T. System Board of Regents: Amendments to the Regents' Rules and Regulations, Series 90101, 90102, 90103, 90104, and 90105, concerning intellectual property, and Series 10501, Section 4.3, related to delegation to execute intellectual property documents</b> | 10:20 a.m.<br><b>Action</b><br><i>Mr. Burgdorf</i>     | <b>4</b>    |
| 5. <b>U. T. System Board of Regents: Discussion and appropriate action regarding recommended approval of an amended and restated Declaration of Trust between the Board and Texas Student Publications</b>   | 10:25 a.m.<br><b>Action</b><br><i>Mr. Burgdorf</i>     | <b>19</b>   |
| 6. <b>U. T. System Board of Regents: Chancellor's Quarterly Update including comments on Statement on Board Accountability by the Association of Governing Boards of Universities and Colleges</b>   | 10:30 a.m.<br><b>Report</b><br><i>Chancellor Yudof</i> | <b>39</b>   |
| 7. <b>U. T. System: Update on implementation of the U. T. System Strategic Plan</b>  | 10:40 a.m.<br><b>Report</b><br><i>Dr. Malandra</i>     | <b>39</b>   |
| 8. <b>U. T. System: Presentation of the Accountability and Performance Report for 2006-2007 and request to accept Report</b>   | 10:50 a.m.<br><b>Action</b><br><i>Dr. Malandra</i>     | <b>45</b>   |
| 9. <b>U. T. System Board of Regents: Legislative Update for the 80th Legislative Session</b>   | 11:00 a.m.<br><b>Report</b><br><i>Mr. McBee</i>        | <b>45</b>   |

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| 10. <b>U. T. System: Report on The University of Texas Borderplex technology-transfer shared services initiative</b> | 11:10 a.m.<br><b>Report</b><br><i>Mr. Sanga</i>                                | <b>45</b>   |
| 11. <b>U. T. System: Report on Public Health and Wellness</b>  | 11:20 a.m.<br><b>Report</b><br><i>Dr. Shine</i><br><i>Dr. Joseph McCormick</i> | <b>46</b>   |
| G. RECESS FOR MEETINGS OF THE STANDING COMMITTEES AND COMMITTEE REPORTS TO THE BOARD                                 | 11:35 a.m.   |             |
| H. RECONVENE BOARD OF REGENTS AS COMMITTEE OF THE WHOLE TO ADJOURN   | 12:00 noon   |             |

1. **U. T. System Board of Regents: Proposed reappointment of Mr. Clint D. Carlson to the Board of Directors of The University of Texas Investment Management Company (UTIMCO)**

### RECOMMENDATION

Chairman Huffines recommends that Mr. Clint D. Carlson, Dallas, Texas, be reappointed to The University of Texas Investment Management Company (UTIMCO) Board of Directors for a term to expire April 1, 2010.

### BACKGROUND INFORMATION

Section 66.08 of the *Texas Government Code* requires that the U. T. System Board of Regents appoint all members of the Board of Directors of UTIMCO. Mr. Carlson was appointed to the UTIMCO Board of Directors on September 28, 2004, for a term ending on April 1, 2007. This is a public/external representative and is not an "affiliated Director" position.

Mr. Carlson is President and Chief Investment Officer of Carlson Capital, L.P., the investment advisor of the Black Diamond group of hedge funds.

2. **U. T. System Board of Regents: Update on status of search for the President, Chief Executive Officer, and Chief Investment Officer for The University of Texas Investment Management Company (UTIMCO)**

### REPORT

Regent Caven, Chairman of The University of Texas Investment Management Company (UTIMCO) Board of Directors, will provide an update on the status and a projected timetable for the search for the chief executive officer for UTIMCO.

3. **U. T. System Board of Regents: Adoption of Regents' Rules and Regulations, Series 20901, related to the procurement of certain goods and services**

**RECOMMENDATION**

The Chancellor concurs in the recommendation of the Interim Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Health Affairs, and the Vice Chancellor and General Counsel that a new Rule, related to the procurement of certain goods and services, be adopted as Regents' *Rules and Regulations*, Series 20901 as set forth on Page 3.

**BACKGROUND INFORMATION**

Article XVI, Section 21 of the Texas Constitution requires that certain goods and services, including printing and natural gas, be performed under contract awarded to the lowest responsible bidder "under such regulations as shall be prescribed by law." According to longstanding Texas law, rules adopted by the Board of Regents have the force and effect of law. On June 16, 2006, the Texas Attorney General issued Opinion No. GA-0438 confirming that the Board of Regents may, consistent with Section 21, adopt rules having the force and effect of law that limit Section 21 and exclude certain purchases from the competitive procurement requirement of Section 21.

In compliance with Section 21 and in the absence of applicable regulations prescribed by law, U. T. institutions currently procure goods and services covered by Section 21 through the competitive bidding process. The exclusive use of competitive bidding for Section 21 goods and services has led to certain inefficiencies because Sections 51.9335, 73.115, and 74.008, *Texas Education Code*, authorize U. T. institutions to procure most other goods and services through the method that provides best value to the institution, including competitive bidding, competitive sealed proposals, a catalog purchase, a group purchase program, or an open market contract.

The proposed rule would have the force and effect of law and make the procurement practices applicable to the goods and services covered by Section 21 consistent with the procurement practices applicable to most other goods and services.

**1. Title**

Procurement of Certain Goods and Services

**2. Rule and Regulation**

Sec. 1 Establishment of Procedures. Each institution and System Administration may acquire goods and services covered by *Texas Constitution* Article XVI, Section 21 (including but not limited to stationery, printing, and fuel) from institutional departments or purchase the goods and services from external sources. If the goods or services are purchased from external sources, the goods and services shall be purchased as follows:

1.1 using the method that provides the best value to the institution or System Administration including competitive bidding, competitive sealed proposals, a catalog purchase, a group purchase program, or an open market contract; and

1.2 in accordance with (a) the requirements of *Texas Education Code* Sections 51.9335, 73.115, or 74.008, as applicable, (b) the Regents' *Rules and Regulations*, (c) the U. T. System *Administrative Rules*, and (d) the policies and procedures of the institution or System Administration.

Sec. 2 Competitive Procurement. If an institution or System Administration purchases goods or services covered by *Texas Constitution* Article XVI, Section 21 from external sources, the Board strongly encourages the use of a competitive procurement method unless a thorough analysis concludes that a noncompetitive method would provide the best value to the institution or System Administration. Any such analysis must be in writing and retained in the records of the institution or System Administration in accordance with the applicable record retention schedule.

**3. Definitions**

Fuel – for purposes of this Series, means anything consumed to produce energy including coal, natural gas, oil, diesel fuel, gasoline, and propane.

4. **U. T. System Board of Regents: Amendments to the Regents' *Rules and Regulations*, Series 90101, 90102, 90103, 90104, and 90105, concerning intellectual property, and Series 10501, Section 4.3, related to delegation to execute intellectual property documents**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Interim Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Health Affairs, the Vice Chancellor and General Counsel, and the Interim Vice Chancellor for Research and Technology Transfer that Regents' *Rules and Regulations*, Series 90101, 90102, 90103, 90104, and 90105, concerning intellectual property, and Series 10501, Section 4.3, concerning delegation to act on behalf of the Board of Regents, be amended as set forth in congressional style on Pages 6 - 18.

BACKGROUND INFORMATION

The revised Regents' *Rules and Regulations* concerning intellectual property will clarify U. T. System's support and encouragement of technology transfer initiatives and provide greater certainty regarding the process for and ownership of intellectual property that is to be commercialized. These revisions have received significant review by numerous technology transfer directors and professionals within the U. T. System.

One major proposed substantive change replaces "area of expertise for which the individual was hired" with "course and scope of employment." This language appears numerous times throughout Series 90101 and Series 90102 in the context of determining when the Board of Regents owns certain intellectual property. This revision is necessary because, in practice, "area of expertise for which the individual was hired" is overly broad and could be interpreted to work against U. T. System's technology transfer initiatives.

Additional revisions are proposed to promote and encourage technology transfer within the U. T. System. For example, amendment to Series 90102, Section 2.2 reduces the number of days an institution has before it must notify an inventor/creator of the institution's election not to assert U. T. System's ownership interest in intellectual property. Series 90102, Section 2.5 is proposed to be amended to allow an institution to adjust its allocation of royalties from 50% to creators and 50% to U. T. System to some other proportion with prior approval by the Board of Regents, but does not mandate approval as an Agenda Item as is currently required.

Other proposed revisions relate to the delegation of signature authority. Series 90105, Section 3 is proposed to be revised to (a) add the Vice Chancellor for Research and Technology Transfer to the list of individuals who may execute legal documents relating to intellectual property and (b) authorize an institution's president to execute corporate documents related to the formation of new companies after appropriate review and approval. Series 10501, Section 4.3, dealing with contracts not requiring Board of Regents approval, is revised to cross-reference delegation of signature authority added to Series 90105.

Finally, several proposed nonsubstantive revisions are intended to clarify the Regents' *Rules and Regulations* concerning intellectual property. Amendment to Series 90101, Section 7 will clarify the inventor's role in commercializing the technology created. Also, Series 90102, Section 2.1 is proposed to be amended to require an institution to communicate regularly with the creator during the decision-making process.

The allocation of royalties to the creators as set forth in Series 90102, Section 2.5 is currently under review by U. T. System staff, and appropriate recommendations will be made in the future.

1. Title

~~General~~ Rules for Intellectual Property: [Purpose, Scope, Authority](#)

2. Rule and Regulation

Sec. 1 ~~Philosophy. It is the objective of this policy to encourage the development of inventions and other intellectual creations for the best interest of the public, the creator, and the research sponsor, if any, and to permit the timely protection and disclosure of such intellectual property whether by development and commercialization after securing available protection for the creation, by publication, or both. The policy is further intended to protect the respective interests of all concerned by ensuring that the benefits of such property accrue to the public, to the inventor, to the U. T. System, and to sponsors of specific research in varying degrees of protection, monetary return and recognition, as circumstances justify or require.~~[Purpose. To balance the interests of the many contributors to the substantial creation of intellectual property at and by U. T. System, the Board of Regents promulgates these rules on intellectual property with the purpose to \(a\) provide certainty in research pursuits and technology-based relationships with third parties; \(b\) create an optimal environment for research, development and commercialization opportunities with private industry; and \(c\) encourage the timely and efficient protection and management of intellectual property.](#)

Sec. 2 Individuals Subject to ~~the~~[this](#) Policy. ~~The~~[This](#) intellectual property policy applies [\(a\)](#) to all persons employed by the U. T. System or any of its institutions including, but not limited to, full and part-time faculty and staff and visiting faculty members and researchers, [and \(b\)](#) to anyone using the facilities [or resources](#) of the U. T. System or any of its institutions, ~~and to~~[including, but not limited to, students enrolled at a U. T. System institution whether](#) undergraduate ~~students, to candidates for~~ master's and doctoral degrees, and ~~to~~ postdoctoral and predoctoral fellows. [All individuals subject to this policy must assign their rights in intellectual property included under this policy \(see Section 3 below\) in accordance with the provisions of Series 90102.](#)

Sec. 3 ~~Types of~~ Intellectual Property Included. Except as set forth in Sections 4 and 5 below and Series 90102 of the Regents' *Rules and Regulations*, this policy ~~shall apply to~~[applies to all types of](#) intellectual property ~~of all types~~, including, but not limited to, any invention, discovery, [creation, know-how](#), trade secret, technology, scientific or

technological development, research data, works of authorship, and computer software regardless of whether subject to protection under patent, trademark, copyright, or other laws.

- Sec. 4 Board ~~May~~Will Not Assert Interest in Certain Copyrights. ~~The~~Notwithstanding Section 3 above, the Board of Regents ~~shall~~will not assert its interest in the copyright of scholarly or educational materials, artworks, musical compositions, and ~~dramatic and nondramatic~~ literary works related to the author's academic or professional field, regardless of the medium of expression. This applies to works authored by students, professionals, faculty and nonfaculty researchers. The Board of Regents encourages these creators to manage their copyrights in accordance with the guidelines concerning management and marketing of copyrighted works (<http://www.utsystem.edu/ogc/intellectualproperty/COPYMGT.HTM>) consistent with applicable institutional policies.
- Sec. 5 Board May Not Assert Copyright Interest in Certain Software. The Board of Regents ~~normally~~ asserts ownership in software ~~as an invention~~; however, copyrights in original software that is content covered by Section 4 above or that is integral to the presentation of such content shall be owned by the creator in accordance with Section 4 above.
- Sec. 6 Works for Hire and Institutional Projects. Notwithstanding the provisions of Sections 4 and 5 above, the Board of Regents shall have sole ownership of all intellectual property created by (a) an employee who was, student, or other individual commissioned, required or hired specifically ~~or required~~ to produce ~~it or commissioned~~ such intellectual property by the U. T. System or any of its institutions and (b) an employee or student as part of an institutional project. Except as may be provided otherwise in a written agreement approved by the ~~president of the~~ institution or U. T. System, the provisions of the Regents' *Rules and Regulations*, Series 90102, Number 2, Section 2.5 relating to division of royalties shall not apply to intellectual property owned solely by the Board of Regents pursuant to this Section ~~6~~.
- Sec. 7 Role of Creator. Any person subject to this policy who creates intellectual property (other than a work for hire under Section 6 above or on government or other sponsored research projects where the grant agreements provide otherwise, should have a major role in the ultimate determination of how it is to be published;), may give reasonable input on commercialization of inventions; provided however, that the president may(s) of the applicable institution(s), or his or her designee(s), in his or her sole discretion, decide whether will

make final decisions, including determinations under Section 5 above, whether and how to develop and commercialize an invention ~~after securing available protection for the creation, if necessary.~~

- Sec. 8 ~~Service of Public Interest.~~ It is a basic policy of the U. T. System or any of its institutions that intellectual property be developed primarily to serve the public interest. ~~This objective usually will require development and commercialization by exclusive or nonexclusive licensing.~~ ~~Sec. 9~~ Use of Facilities and Resources. Neither the facilities nor the resources of the U. T. System or any of its institutions may be used (i) to create, develop, or commercialize intellectual ~~properties~~ property outside the ~~area of expertise for which~~ course and scope of employment of the individual ~~was hired~~ (~~See~~ See Regents' *Rules and Regulations*, Series 90102, Number 2, Section 1); or (ii) to further develop or commercialize intellectual properties that have been released to an inventor (~~See~~ See Regents' *Rules and Regulations*, Series 90102, Number 2, ~~Section~~ Sections 2.2 and 2.3) except as the institution's president may approve where the U. T. System retains an interest under the terms of the release.
- Sec. ~~409~~ Creation Use of Research Data. Research Data or results created by an employee is owned by the Board of Regents and, except to the extent that rights to such research data have not been contractually assigned or licensed to another, the creator shall have a nonexclusive license to use such data for nonprofit educational, research, and scholarly purposes within the scope of the employee's employment, subject to adherence to other provisions of this policy.

1. Title

Intellectual Property Rights and Obligations

2. Rule and Regulation

Sec. 1 Intellectual Property Owned by the Creator. ~~For all individuals subject to this policy, intellectual~~Intellectual property ~~developed or created by a U. T. System employee~~ outside the ~~area of expertise for which~~course and scope of employment of the individual ~~was hired that is developed~~which is developed or created on his/her own time and without the support of the U. T. System or any of its institutions or use of their facilities ~~or resources~~, is the exclusive property of the creator.

Sec. 2 Intellectual Property Owned by U. T. System. Intellectual property either ~~related to the area of expertise for which and~~developed within the ~~course and scope of employment of the~~ individual ~~was hired~~ or resulting from activities performed on U. T. System time, or with support by State funds, or from using facilities ~~or resources~~ owned by the U. T. System or any of its institutions ~~is subject to ownership~~(other than incidental use) ~~is owned~~ by the Board of Regents. To effectively implement this rule and provide certainty to individuals subject to this policy, U. T System institutions may promulgate institutional rules, regulations, or policies defining the course and scope of employment for persons or classes of persons and specifying that authorized (pursuant to existing rules and procedures) outside employment is or is not within an employee's course and scope of employment.

2.1 Determination of U. T. System's Interest. Before intellectual property subject to ownership by the Board of Regents is disclosed to any party outside the U. T. System, to the public generally, or for commercial purposes, and before publishing same, the creator shall submit a reasonably complete and detailed disclosure of such intellectual property to the president of the creator's institution for determination of the U. T. System's interest. The institution will regularly and promptly communicate with the creator during this decision-making process.

2.2 Election Not to Assert Ownership Interest. If the institution's president elects not to assert ~~and exploit~~U. T. System's interest, the U. T. System Office of General Counsel and the primary creator shall be notified in writing within ~~30~~20 business days after a decision is made not to assert ownership rights that the ~~invention~~institution will ~~be offer the~~ released intellectual property to the creator (see Series 90101, Section 8), except where

prohibited by law or contractual obligations or requirements.

Thereafter, he or she will be free to obtain and exploit a patent or other intellectual property protection in his or her own right and the U. T. System and its institutions shall not have any further rights, obligations, or duties with respect thereto except that, in appropriate circumstances, the institution's president may elect to impose certain limitations or obligations ~~or retain income rights, including, but not limited to, a nonexclusive license for the creator, U. T. System, and any of its institutions to use the released invention for patient care, teaching, scholarly and other academically related purposes, and nonprofit research.~~

- 2.3 Later Release of Invention. ~~The~~ Except where prohibited by law or contractual obligations or requirements, the institution's president may elect to release an invention to its creator at any time after asserting U. T. System's interest, with notice to the U. T. System Office of General Counsel (see Series 90101, Section 8); however, such a release ~~shall~~ must include provisions for the recovery of patent and licensing expenses, if any, as well as the retention of income rights, and may include certain limitations or obligations, including those set forth in Section 2.2 above.
- 2.4 Protection and Commercialization of Intellectual Property. With respect to intellectual property in which the U. T. System or any of its institutions asserts an interest, the institution's president, or his or her designee, shall decide how, when, and where the intellectual property is to be protected and commercialized. Outside counsel services may be contracted with the prior consent of the U. T. System Vice Chancellor and General Counsel and, if required by law, the approval of the Attorney General. ~~It shall be mandatory for all persons subject to this policy to assign the rights to intellectual property and patents to the Board of Regents when such creations fall within Number 2, Section 2 of this Series. U. T. System shall establish an intellectual property data collection system.~~
- 2.5 Reimbursement of Licensing Costs and Allocation of Income. In those instances where the U. T. System or any of its institutions licenses rights in intellectual property to third parties, and other than with regard to elections under Section 2.2 above, the costs of licensing, including, but not limited to, the costs to operate and support a technology transfer office and the costs of obtaining a patent or other protection for the property on behalf

of the Board of Regents must first be recaptured from any royalties or other license payments received by the U. T. System or any of its institutions ~~before the~~. The remainder of any such income (including but not limited to license fees, prepaid royalties, minimum royalties, running royalties, milestone payments, and sublicense payments) shall be divided as follows:

50% to creator(s)  
50% to U. T. System.

With the prior approval of the Board ~~as an agenda item and after review by the U. T. System Vice Chancellor and General Counsel, the Vice Chancellor for Research and Technology Transfer, and the appropriate Executive Vice Chancellor~~, an institution may adjust the allocation of royalties set forth herein for ~~all its creators, but in no event shall the creator receive more than 50% or less than 25% of such proceeds. Any other deviation from this rule in individual cases requires the prior approval of the Board~~ a creator.

- Sec. 3 Intellectual Property Involving Sponsored Research. Intellectual property resulting from research supported by a grant or contract with the federal government, or an agency thereof, with a nonprofit or for-profit nongovernmental entity, or by a private gift or grant to the U. T. System or any of its institutions shall be subject to ownership by the Board of Regents.
- 3.1 Nonconformance with Intellectual Property Guidelines. Administrative approval of such grants and contracts containing provisions inconsistent with this policy or other policies and guidelines adopted by the Board imply a decision that the value to the U. T. System or any of its institutions of receiving the grant or performing the contract outweighs the impact of any nonconforming provisions on the intellectual property policies and guidelines of the U. T. System or any of its institutions (Reference Regents' *Rules and Regulations*, Series 90105, Number 2, Section 2).
- 3.2 Conflicting Provisions. The intellectual property policies and guidelines of the U. T. System or any of its institutions are subject to, and thus amended and superseded by, the specific terms pertaining to intellectual property rights included in federal

grants and contracts, or grants and contracts with nonprofit and for-profit nongovernmental entities or private donors, to the extent of any conflict.

- 3.3 Cooperation with Necessary Assignments. Those persons subject to this policy whose intellectual property creations result from a grant or contract with the federal government, or any agency thereof, with a nonprofit or for-profit nongovernmental entity, or by private gift to the U. T. System or any of its institutions shall make such assignment of such creations ~~as is~~ and will execute and deliver such documents and instruments as is reasonably necessary in each case in order that the U. T. System or any of its institutions may discharge its obligation, expressed or implied, under the particular agreement.
- 3.4 Sharing of Royalty Income. In the event that two or more persons who are entitled to share royalty income pursuant to Number 2, Section 2.5 of this Series (or equity pursuant to Regents' *Rules and Regulations*, Series 90103 concerning equity interests) cannot agree in writing on an appropriate sharing arrangement, that portion of the royalty income to which the creators are entitled will be distributed to them as the institution's president or, in the event that the creators are located at two or more institutions within the U. T. System, the Chancellor may deem appropriate under the circumstances and such decision shall be binding on the creators.
- 3.5 Geographical Scope of Protection. A decision by the U. T. System or any of its institutions to seek patent or other available protection for intellectual property covered by Number 2, Section 2 of this Series shall not obligate the U. T. System or any of its institutions to pursue such protection in all national jurisdictions. The U. T. System's decision relating to the geographical scope and duration of such protection shall be final.

1. Title

Equity Interests

2. Rule and Regulation

Sec. 1 Agreements with Business Entities. In agreements with business entities relating to rights in intellectual property owned by the Board of Regents, the U. T. System or any of its institutions may receive equity interests as partial or total compensation for the rights conveyed. In any such instance, the institution where the intellectual property was created may elect, at its option, to share an equity interest, dividend income, or the proceeds of the sale of an equity interest with the creator(s) in the same manner as royalties are shared pursuant to Regents' *Rules and Regulations*, Series 90102, Number 2, Section 2.5. The U. T. System or any of its institutions may also receive equity interests in a business entity as consideration for the institution's role as a founder or cofounder of the business entity, and shall not be obligated to share such equity interests with the creator(s).

Sec. 2 Creator Holding Equity and Managing Conflict of Interest. Employees of the U. T. System or any of its institutions who conceive, create, discover, invent, or develop intellectual property may hold an equity interest in a business entity that has an agreement with the U. T. System or any of its institutions relating to the research, development, licensing, or exploitation of that intellectual property only so long as the institution where the intellectual property was developed is in full compliance with the requirements to have, implement, and enforce for that employee an effective conflict of interest management plan approved by the institution's president as set forth in the [U. T. System's Procedure for Obtaining Approval of Plan to Manage Conflicts of Interest](http://www.utsystem.edu/ogc/IntellectualProperty/conflict.htm) (<http://www.utsystem.edu/ogc/IntellectualProperty/conflict.htm>). In any case where actual conflict of interest is found, the employee may be required to divest the equity interest or terminate affected research.

Sec. 3 Employee Equity Interests. The U. T. System or any of its institutions may, but shall not be obligated to, negotiate an equity interest on behalf of any employee as a part of an agreement between the U. T. System or any of its institutions and a business entity relating to intellectual property conceived, created, discovered, invented, or developed by the employee and owned by the Board of Regents.

1. Title

Business Participation and Reporting

2. Rule and Regulation

- Sec. 1 Approval to Serve as Officer or Director. Any employee of the U. T. System or any of its institutions who conceives, creates, discovers, invents or develops intellectual property may serve, in his/her individual capacity, as a member of the board of directors or other governing board or as an officer or an employee (other than as a consultant) of a business entity that has an agreement with the U. T. System or any of its institutions relating to the research, development, licensing, or exploitation of that intellectual property only so long as the institution where the intellectual property was developed is in full compliance with the requirements to have, implement, and enforce for that employee an effective conflict of interest management plan approved by the institution's president as set forth in the [U. T. System's Procedure for Obtaining Approval of Plan to Manage Conflicts of Interest \(http://www.utsystem.edu/ogc/IntellectualProperty/conflict.htm\)](http://www.utsystem.edu/ogc/IntellectualProperty/conflict.htm). In any case where actual conflict of interest is found, the employee may be required to terminate the business relationship or the relevant research.
- Sec. 2 Request for Employee to Serve as Officer or Director. When requested by the Board of Regents, an employee may serve on behalf of the Board of Regents as a member of the board of directors or other governing board of a business entity that has an agreement with the U. T. System or any of its institutions relating to the research, development, licensing, or exploitation of intellectual property, but may not accept any consideration offered for service on such board.
- Sec. 3 Report of Equity Interest and Service as Officer or Director. Any employee covered by Regents' *Rules and Regulations*, Series 90103, Number 2, Section 2 concerning conflict of interest and Sections 1 or 2 above must report in writing to the president of the institution the name of any business entity in which the person has an interest or for which the person serves as a director, officer, or employee and shall be responsible for submitting a revised written report upon any change in the interest or position held by such person in such business entity. The Vice Chancellor and General Counsel will file a report by

October 1 of each year with the Board of Regents as required by *Texas Education Code* Section 51.912 and include this information in the annual financial report sent to the State officials listed in *Texas Education Code* Section 51.005.

1. Title

Execution of Legal Documents Related to Intellectual Property

2. Rule and Regulation

Sec. 1 Execution of Agreements. Agreements that grant an interest in Board intellectual property, including but not limited to option and license agreements and contracts with corporate sponsors may be executed and delivered in accordance with the provisions of the Regents' *Rules and Regulations*, Series 10501, after any required review by [the](#) U. T. System ~~Administration's~~ Office of General Counsel.

Sec. 2 Agreements That Do Not Conform to the Rules. Any agreement that deviates substantially from the basic intellectual property policy of the U. T. System as set out in the Regents' *Rules and Regulations* may be executed and delivered as set forth in Section 1 above if, in the judgment of the institution's president [and after any required review by the U. T. System Office of General Counsel](#), the benefits from the level of funding for proposed research and/or other consideration from a sponsor, licensee, or other party outweigh any potential disadvantage that may result from the policy deviation.

Sec. 3 Authority to Execute Documents. The Chancellor, the appropriate Executive Vice Chancellor, ~~or the Vice Chancellor and General Counsel, or the Vice Chancellor for Research and Technology Transfer~~ may execute, on behalf of the Board of Regents, legal documents relating to the Board's rights in intellectual property, including, but not limited to, applications, declarations, affidavits, powers of attorney, disclaimers, and other such documents relating to patents and copyrights; applications, declarations, affidavits, affidavits of use, powers of attorney, and other such documents relating to trademarks; and corporate documents related to the formation of new companies. In addition, the institution's president may execute, on behalf of the Board, [\(a\)](#) institutional applications for registration or recordation of transfers of ownership and other such documents relating to copyrights

and (b) corporate documents related to the formation of new companies if (i) first reviewed and approved by the U. T. System Office of General Counsel or (ii) first reviewed and approved by institution's outside counsel working under a U. T. System Office of General Counsel-approved outside counsel agreement.

1. Title

Delegation to Act on Behalf of the Board

2. Rule and Regulation

. . .

Sec. 4 Contracts Not Requiring Board Approval. The following contracts or agreements, including purchase orders and vouchers, do not require prior approval by the Board of Regents regardless of the contract amount.

. . .

4.3 Intellectual Property. ~~Contracts~~[Legal documents, contracts,](#) or grant proposals for sponsored research, including institutional support grants, and licenses or other conveyances of intellectual property owned or controlled by the Board of Regents;~~provided that licenses and other conveyances of intellectual property owned or controlled by the Board shall have the advance approval of the appropriate Executive Vice Chancellor~~ [as outlined in Series 90105 of these Rules.](#)

. . . .

5. **U. T. System Board of Regents: Discussion and appropriate action regarding recommended approval of an amended and restated Declaration of Trust between the Board and Texas Student Publications**

**RECOMMENDATION**

Chancellor Yudof concurs in the recommendation of the Interim Executive Vice Chancellor for Academic Affairs, the Vice Chancellor and General Counsel, the General Counsel to the Board of Regents, and President Powers that the Board approve an amended and restated Declaration of Trust between the Board of Regents as Trustees and Texas Student Publications (to be renamed Texas Student Media), as set forth on Pages 21 - 38, to be effective upon execution.

**BACKGROUND INFORMATION**

The assets and operations of certain student publications at U. T. Austin, including *The Daily Texan*, are held and maintained pursuant to a Declaration of Trust put into place in 1971. Pursuant to the terms of the Declaration of Trust, these student publications are managed under a unique governance structure, including an 11 member Board of Operating Trustees and the Board of Regents. Recent review of the trust document revealed a need to update the trust to 1) reflect the current operation of student media, such as television and radio, that extend beyond print media; 2) create a more efficient operational structure for Texas Student Media to optimize student educational opportunities; and 3) modernize trust language.

The proposed amended and restated Declaration of Trust has been developed through discussions among representatives of U. T. System Administration, U. T. Austin, and Texas Student Publications. Vice Chairman Krier and Regent Haley have participated in the discussions at the request of Chairman Huffines. The current trust document requires that any amendments or revisions be approved by a majority vote of the Board of Regents and the Board of Operating Trustees of Texas Student Publications. The amended and restated trust document proposed for approval by the Board of Regents was approved by the Board of Operating Trustees of Texas Student Publications at a regularly scheduled Board meeting on January 19, 2007.

Key provisions of the proposed document are as follows:

1. Creation of the position of Media Advisor - an employee or independent contractor who will have "substantial training and experience" to work with and advise students on legal and compliance issues related to media enterprises.
2. Agreements by Texas Student Media to use the Media Advisor for training and consultation and certify annually to the Board of Regents the existence and effectiveness of the role of the Media Advisor.

3. Comprehensive provisions specifying the educational mission of Texas Student Media and defining a role in that educational mission for the U. T. Austin College of Communication.
4. Greater day-to-day operational control and responsibility by the Board of Operating Trustees.
5. Mechanisms for the timely and efficient evaluation of the General Manager of Texas Student Media by interested parties.
6. Financial reporting by Texas Student Media to the Board of Regents.
7. Requirements that Texas Student Media purchase and maintain appropriate liability insurance.
8. Indemnification and Exculpation provisions for the Board.
9. A triggering provision stating that, if and when Texas Student Media raises an inflation-adjusted endowment in the current dollar amount of \$5 million, the Board of Regents will reasonably discuss conversion of the Trust to an independent 501(c)(3) entity.
10. An easier procedure to amend the trust document in the future, whereby the Board of Regents may agree to proposed amendments without the necessity of a Board vote.

**AMENDED AND RESTATED DECLARATION OF TRUST  
OF  
TEXAS STUDENT MEDIA TRUST**

1. INTRODUCTION AND DEFINITIONS

1.1. Trust Established. The Texas Student Media Trust (the “Trust”) was originally established on August 27, 1971, when Texas Student Publications, Inc., acting by and through its officers and directors, conveyed, assigned and transferred all assets of Texas Student Publications, Inc. to the Board of Regents of The University of Texas System (the “Trustees”), in trust, subject to the terms and conditions of a written declaration of trust.

1.2. Trust Assets. All Trust Assets are held by the Trustees to be used solely for the maintenance and support of the Student Media, and shall be recorded in the accounting records of the University in accordance with the standard practices for the management of this type of funds and account.

1.3. Declaration of Trust. This Amended and Restated Declaration of Trust (the “Declaration of Trust”) amends and restates the declaration of trust dated August 27, 1971 (as the Declaration of Trust has been further amended and restated from time to time through the Effective Date).

1.4. Definitions. As used in this Declaration of Trust, the following terms shall have the specified meanings:

(a) “Academic Departments” shall have the meaning set forth in Paragraph 2.3.

(b) “Applicable Laws” shall mean all laws, statutes, constitutions, rules, regulations, principles of common law, resolutions, codes, ordinances, requirements, judgments, orders, decrees, injunctions and writs of any Governmental Entity which has, or is reasonably likely to have, jurisdiction over the Trust, the Trust Assets or the Student Media including, without limitation, Applicable Laws related to libel, slander, defamation, advertising injury and broadcast decency.

(c) “Board of Regents” shall mean the Board of Regents of The University of Texas System.

(d) “Board of Operating Trustees” shall mean those persons serving as Operating Trustees of the Trust at any given time.

(e) “Code” shall mean the Internal Revenue Code of 1986, as amended.

(f) “College of Communication” shall mean the College of Communication of the University.

(g) “Declaration of Trust” shall have the meaning set forth in Paragraph 1.3.

(h) “Effective Date” shall mean [\_\_\_\_\_] [\_\_\_], 2007.

(i) “Endowment” shall have the meaning set forth in Paragraph 4.5.

(j) “FCC” shall mean the Federal Communications Commission.

(k) “FCC Licenses” shall mean all of the licenses, permits and other authorizations issued by the FCC to the Trustees or the Board of Regents and all applications of the Trustees or the Board of Regents, if any, to the FCC relating to or used in connection with the ownership or operation of the Media Assets and listed on Schedule 1.4(k) to this Declaration of Trust (as such schedule may be amended or supplemented from time to time), together with any pending applications therefor and renewals, extensions or modifications thereof.

(l) “Governmental Entity” shall mean any national, state, municipal, local or foreign government, any instrumentality, subdivision, court, administrative agency or commission or other governmental authority or instrumentality, or any quasi governmental or private body exercising any regulatory, taxing, importing or other governmental or quasi governmental authority.

(m) “Governmental Permits” shall mean all licenses, certificates of occupancy, permits, franchises, registrations, certificates of public convenience and necessity, approvals, easements, authorizations and operating rights granted by an Governmental Entity having jurisdiction over the Media Assets, including any applications therefor.

(n) “Indemnified Persons” shall have the meaning set forth in Paragraph 4.3.

(o) “Losses” shall have the meaning set forth in Paragraph 4.3.

(p) “Media Advisor” shall mean an employee of the University or the Board of Operating Trustees, or an or independent contractor who reports to the Board of Operating Trustees, which employee or independent contractor shall have substantial training and experience in the area of operating print, broadcast and electronic media in compliance with Applicable Laws.

(q) “Media Assets” shall mean the right, title and interest of the Trustees in and to the assets listed or described on Schedule 1.4(q) to this Declaration of Trust (as such schedule may be amended or supplemented from time to time).

(r) “Media Contracts” shall mean any written, oral or other agreement, contract, subcontract, lease, understanding, instrument, note, warranty, license, sublicense or legally binding commitment or undertaking of any nature, whether express or implied, related to the Media Assets.

(s) “Nonprofit Corporation” shall mean a Texas non-profit corporation exempt from federal income taxation under Section 501(a) of the Code, as an organization described in Section 501(c)(3) of the Code.

(t) “Operating Trustees” shall mean the voting members of the Board of Operating Trustees elected to serve in that capacity pursuant to Section 3.

(u) “Public Purpose” shall have the meaning set forth in Paragraph 2.1.

(v) “Student Media” shall mean the student publications and other print, broadcast and electronic media, published, broadcast, distributed, disseminated or otherwise communicated on or from the campus of the University and set forth on Schedule 1.4(v) to this Declaration of Trust, together with such other student media as may be authorized by the Board of Operating Trustees from time to time (which such other student media shall be reflected on an amendment or supplement to Schedule 1.4(v) adopted in accordance with Paragraph 4.7 of this Declaration of Trust).

(w) “Trust” shall have the meaning set forth in Paragraph 1.1.

(x) “Trust Assets” shall mean all Media Assets, Media Property, Media Contracts, Governmental Permits and FCC Licenses.

(y) “Trustees” shall have the meaning set forth in Paragraph 1.1.

(z) “University” shall mean The University of Texas at Austin.

## 2. TRUST PURPOSES

2.1. Public Purpose. The purpose of the Trust is (a) to further the academic and educational mission of the University by providing educational opportunities for students of the University and (b) to serve as an information resource for students and other persons interested in the affairs of the University (collectively, the “Public Purpose”).

### 2.2. Operation of Student Media.

(a) In furtherance of the Public Purpose, the Board of Operating Trustees shall (1) operate and control the Student Media, Trust Assets, Media Contracts and Media Assets for the benefit of the University community; (2) publish, broadcast, distribute, disseminate or otherwise communicate the Student Media to the University community and (3) establish and maintain controls and procedures that are reasonably designed to ensure that the activities of the Student Media are operated in a manner consistent with the Public Purpose and Applicable Laws.

(b) The controls and procedures established and maintained by the Board of Operating Trustees pursuant to this Paragraph 2.2 shall provide, without limitation, for (1) the regular training of all employees, editors, managers, editorial workers and staff members of the Student Media by a Media Advisor and (2) the timely consultation by the Media Advisor with the employees, editors, managers, editorial workers and staff members of the Student Media, in each case, to ensure that the Student Media are operated in a manner consistent with the Public Purpose and Applicable Laws. The parties to this Declaration of Trust intend that these controls and procedures be designed to provide the employees, editors, managers, editorial workers and staff members of the Student Media with training and consultation resources similar to those training and consultation resources available to commercial media operations. The Board of Operating Trustees shall establish the initial controls and procedures required by this Paragraph 2.2 within 90 days following the Effective Date.

(c) The Board of Operating Trustees shall certify in writing to the Board of Regents within 90 days following the close of each fiscal year that the Board of Operating Trustees has evaluated the controls and procedures established and maintained pursuant to this Paragraph 2.2, and shall include in such certification the conclusions of the Board of Operating Trustees as to the effectiveness of such controls and procedures as of the close of such fiscal year.

2.3. Coordination with Educational Activities. In furtherance of the Public Purpose, the Board of Operating Trustees shall coordinate the publication, broadcast, distribution, dissemination or other communication of the Student Media with the educational activities of the College of Communication and the School of Journalism, the Department of Radio, Television and Film, the Department of Communication Studies, the Department of Advertising and such other colleges, schools or departments of the University as may be identified by the Trustees from time to time (collectively, the “Academic Departments”). The Board of Operating Trustees and the Dean of the College of Communication (or such other college, school or department of the University as may be identified by the Trustees from time to time) shall establish and maintain controls and procedures reasonably designed to ensure the coordination of the publication, broadcast, distribution, dissemination or other communication of the Student Media with the educational activities of the Academic Departments. The controls and procedures required by this Paragraph 2.3 are set forth on Schedule 2.3 to this Declaration of Trust (as such schedule may be amended or supplemented from time to time). At least annually, the Board of Operating Trustees and the Dean of the College of Communication shall evaluate the controls and procedures required by this Paragraph 2.3, and shall recommend for approval by the Board of Operating Trustees and the Board of Regents modifications to such controls and procedures as the Board of Operating Trustees and the Dean of the College of Communication deem necessary or advisable to further the purposes of this Paragraph 2.3 (which approval shall be evidenced by an amendment or supplement to Schedule 2.3). The Board of Operating Trustees shall certify in writing to the Board of Regents within 90 days following the close of each fiscal year that the Board of Operating Trustees and the Dean of the College of Communication have evaluated the controls and procedures maintained pursuant to this Paragraph 2.3, and shall include in such certification the conclusion of the Board of Operating Trustees and the Dean of the College of Communication that (a) such controls and procedures are designed to ensure the coordination of the publication, broadcast, distribution, dissemination or other communication of the Student Media with the educational activities of the Academic Departments and (b) that as of the close of such fiscal year, the Board of Operating Trustees and the Dean of the College of Communication are not aware of any deficiency or weakness in the design or operation of such controls and procedures which are reasonably likely to adversely affect the coordination of the publication, broadcast, distribution, dissemination or other communication of the Student Media with the educational activities of the Academic Departments.

#### 2.4. Financial Support.

(a) The Board of Operating Trustees shall use all commercially reasonable efforts to generate advertising revenues, sponsorships and charitable and other financial contributions and support for the Student Media in order to defray the costs of holding and maintaining the Trust Assets and operating the Student Media. Notwithstanding the foregoing, all advertising revenues, sponsorships and charitable and other financial contributions and support for the

Student Media shall be used exclusively for the support of the University and in a manner consistent with the Public Purpose.

(b) Provided that the Board of Operating Trustees is in compliance with the terms and conditions of this Declaration of Trust (including, without limitation, the certification requirements set forth in Paragraphs 2.2, 2.3, and 4.2(a)(4)), the Board of Regents, acting through the President of the University, shall take such actions as it determines are necessary to provide the Board of Operating Trustees with the opportunity to participate in the allocation of a portion of the student services fee of the University for use by the Board of Operating Trustees in the operation of the Student Media. The Board of Operating Trustees acknowledges that the allocation of the student services fee is determined on an annual basis by a committee of students, faculty and staff of the University and that this Declaration of Trust shall not be interpreted or construed as a commitment or guarantee that the Board of Operating Trustees shall be eligible to receive any allocation of such student services fee or that, if eligible, the Board of Operating Trustees will receive any guaranteed amount or level of financial support. Any historical allocations of the student services fee to the Trust, the Board of Operating Trustees or the Student Media is not an indication of future allocations, and the Board of Operating Trustees expressly disclaims any reliance on such historical allocations.

### 3. OPERATING TRUSTEES

3.1. Control of Student Media. The Board of Operating Trustees shall (a) operate and control the Student Media, Trust Assets, Media Assets and Media Contracts, (b) acquire and dispose of such additional assets as are reasonably necessary to further the Public Purpose (which such acquisition or disposition of assets shall be reflected on an amendment to Schedule 1.4(q) adopted in accordance with Paragraph 4.7 of this Declaration of Trust), (c) be responsible for the publication, broadcast, distribution, dissemination or other communication of the Student Media, (d) determine the character and policies of all Student Media, (e) enter into contracts with suppliers and vendors and (f) subject to Paragraph 1.2, maintain and control the bank accounts of the Trust. Notwithstanding any provision of this Declaration of Trust to the contrary, all actions, policies and procedures of the Board Operating Trustees and all operations of the Student Media shall be in accord with the Board of Regents' *Rules and Regulations* and the University's *Handbook of Operating Procedures*; provided, that to the extent there is any conflict among the Board of Regents' *Rules and Regulations*, the University's *Handbook of Operating Procedures* and the terms of this Declaration of Trust, the terms of this Declaration of Trust shall govern.

#### 3.2. Board Composition.

(a) Voting Members. The Board of Operating Trustees shall have 11 voting members, composed as follows:

(1) College of Communication Students. Three undergraduate students from the College of Communication, elected (two to be elected in even-numbered years and one to be elected in odd-numbered years) by (A) those students certified in writing by the Dean of the College of Communication as being majors in a discipline offered in the College of Communication and (B) those students with less than 60 hours who are registered in the College of Communication as certified by the Dean of the College of Communication. The election

contemplated by this Paragraph 3.2(a)(1) shall be held each year concurrently with the Spring student government election at the University, and shall be conducted in accordance with rules and procedures adopted by the Board of Operating Trustees in their reasonable discretion. No student shall be eligible to be a candidate for election pursuant to this Paragraph 3.2(a)(1) unless he or she has completed, or will have completed by the end of the Spring semester in which the election is held, at least 12 hours of journalism or advertising courses, is in good standing (not on scholastic probation) and has completed at least one semester in residence in the long term at the University. The Dean of the College of Communication shall certify in writing to the Board of Operating Trustees as to the eligibility of any candidate for election pursuant to this Paragraph 3.2(a)(1).

(2) At-Large Students. Three students elected at-large from the student body of the University (one to be elected in even-numbered years and two to be elected in odd-numbered years) in the same election as the editor of The Daily Texan is elected pursuant to Paragraph 4.1(a). A student eligible to be a candidate for election as a voting member under Paragraph 3.2(a)(1) is neither qualified to be a candidate nor eligible to serve as an at-large member of the Board of Operating Trustees.

(3) Faculty. Two members of the voting faculty of the College of Communication (one to be appointed in even-numbered years and one to be appointed in odd-numbered years) and one member of the voting faculty of the McCombs School of Business (to be appointed in even-numbered years), with all three of these faculty members to be appointed directly by the President of the University.

(4) Media Professionals. Two media professionals (one to be appointed in even-numbered years and one to be appointed in odd-numbered years), to be appointed by the President of the University. In determining media professionals eligible for appointment pursuant to this Paragraph 3.2(a)(4), the President of the University shall give preference to media professionals who are graduates of the University.

(b) Terms for Voting Members. Each voting member elected or appointed to the Board of Operating Trustees shall serve a term of two years beginning June 1 of each calendar year. The terms of these voting members shall be staggered in the manner provided for in Paragraph 3.2(a). No voting member of the Board of Operating Trustees shall serve more than four years consecutively.

(c) Resignation and Removal; Vacancies. Subject to Paragraph 3.2(a), the Board of Operating Trustees shall adopt rules and procedures governing the resignation and removal of voting members of the Board of Operating Trustees and the fulfillment of vacancies resulting from the resignation or removal of voting members of the Board of Operating Trustees. All rules and procedures contemplated by this Paragraph 3.2(c) shall be adopted by the Board of Operating Trustees in their reasonable discretion.

(d) Other Members. The President of the Student Government of the University (provided that the President of the Student Government is not otherwise elected as a voting member of the Board of Operating Trustees pursuant to Paragraph 3.2(a)) and the Dean of Students of the University (or his or her designee) shall be non-voting members of the Board of

Operating Trustees. In addition to the foregoing, the Board of Operating Trustees may appoint such other, non-voting members to the Board of Operating Trustees, as the Board of Operating Trustees determines in its reasonable discretion.

3.3. Board Officers. The officers of the Board of Operating Trustees shall be a President, a Vice-President, a Secretary and such other officers as the Board of Operating Trustees may from time to time find necessary or convenient to carry out the duties of the Operating Trustees. Officers shall be elected from among the voting members of the Board of Operating Trustees at the first meeting after June 1 of each year. Officers' terms shall be for one year, but a person serving as an officer is eligible to be reelected the following year.

3.4. Operating Procedures.

(a) Procedures. The Board of Operating Trustees shall establish and maintain controls and procedures governing the operation of the Student Media that are reasonably designed to ensure that the Operating Trustees and the employees, editors, managers, editorial workers and staff members of the Student Media operate the Student Media in a manner consistent with the Public Purpose and in compliance with all Applicable Laws, including, without limitation, the controls and procedures required by Paragraphs 2.2 and 2.3.

(b) Board Meetings. The Board of Operating Trustees shall conduct its meetings in accordance with the Texas Open Meetings Act and shall post all Texas Open Meetings Act notices by and through the Office of the Board of Regents. The Board of Operating Trustees shall maintain its records and the records of the Trust to ensure compliance with the Texas Public Information Act and shall coordinate any responses to Texas Public Information Act requests with the Office of the General Counsel of The University of Texas System.

#### 4. MISCELLANEOUS

4.1. Student Media Officers and Employees.

(a) Editor of The Daily Texan. Concurrently with the student government elections, the Board of Operating Trustees shall arrange for a student publications election on the campus of the University. At such election, the students of the University shall elect the Editor of The Daily Texan. The eligibility of a candidate for Editor of The Daily Texan shall be certified in writing by the Board of Operating Trustees to the Board of Regents, based on standards adopted by the Board of Operating Trustees prior to such election, and shall be approved by the President of the University or his or her designee. The Board of Operating Trustees shall determine the conditions under which such election may be held, including the length of the campaign. The Editor of The Daily Texan shall serve for a term of one year beginning on June 1 of such calendar year, but if the person elected as Editor of The Daily Texan ceases to serve in that capacity prior to the end of such term, a majority of the Board of Operating Trustees shall appoint a replacement to fill out the remainder of the term.

(b) Employment Matters.

(1) Subject to Paragraph 4.1(b)(4) and except as provided in Paragraph 4.1(a) or otherwise limited by this Section 4, the Board of Operating Trustees shall have the power to

select (or establish rules and procedures for the selection of) and employ for the Trust, all employees, editors, managers, editorial workers and staff members of the Student Media; provided, that the President of the University or his or her designee, must consent to the selection of any such person who will be employed by the University or will otherwise be compensated for his or her services.

(2) Subject to Paragraph 4.1(b)(4), all decisions regarding the employment status or discipline of any employee, editor, manager, editorial worker or staff member of the Student Media (including, without limitation, performance evaluations) shall be made in accordance with the University's *Handbook of Operating Procedures*, all other applicable policies and procedures of the University and Applicable Law. Notwithstanding any provision of this Declaration of Trust to the contrary, decisions regarding the employment status or discipline of any employee, editor, manager, editorial worker or staff member of the Student Media who is also an employee of the University shall require the prior written approval of the President of the University or his or her designee.

(3) Not later than April 15 of each fiscal year (a) the Chairman of the Board of Operating Trustees, (b) one additional voting member of the Board of Operating Trustees appointed pursuant to Paragraphs 3.2(a)(1), 3.2(a)(2) or 3.2(a)(3) and (c) the Vice President for Student Affairs of the University shall evaluate and conduct a performance assessment of the General Manager of the Student Media (or any successor), and shall report and make recommendations to the Board of Operating Trustees based on the results of such evaluation and performance assessment.

(4) The Board of Trustees may form or cause the formation of a Nonprofit Corporation which may hire and manage its own employees and, if desirable, contract for use of University facilities and resources. Notwithstanding the foregoing, all employees of the University who report to the Board of Operating Trustees shall comply with the Board of Regent's *Rules and Regulations* and the University's *Handbook of Operating Procedures* to the extent they are applicable and do not conflict with the terms of this Declaration of Trust.

#### 4.2. Board of Regents Oversight.

(a) Financial Reports and Other Information. The Board of Operating Trustees shall furnish to the President of the University and the Chancellor of The University of Texas System the following information for distribution to such additional persons as each of the foregoing may direct:

(1) within 90 days following the close of each fiscal year, a balance sheet of the Trust as of the end of such year and statements of operations and cash flows for such year, certified by a firm of certified public accountants of established reputation selected by the Board of Operating Trustees, and prepared in accordance with generally accepted accounting principles;

(2) within 45 days after the end of each of the first three fiscal quarters of each fiscal year a balance sheet of the Trust as of the end of such quarter and unaudited statements of operations and of cash flows for such quarter and for the current fiscal year to the

end of such quarter, setting forth in comparative form the operating budget for the corresponding periods for the current fiscal year;

(3) as soon as available, but in any event not later than 30 days prior to the beginning of each new fiscal year, an operating budget for the Trust for such fiscal year approved by the Board of Operating Trustees and prepared in accordance with Paragraph 4.2(b);

(4) within 90 days following the close of each fiscal year, the annual certifications required by Paragraphs 2.2 and 2.3;

(5) within 90 days following the close of each fiscal year, evidence of insurance required by Paragraph 4.3; and

(6) with reasonable promptness, such other notices, information and data with respect to the Student Media or the Trust Assets as the Board of Regents, the President of the University or their designees may from time to time reasonably request.

(b) Operating Budget Requirements. The Board of Operating Trustees shall adopt reasonable and financially prudent budgetary controls and procedures. Notwithstanding any provision of this Declaration of Trust to the contrary, the Board of Operating Trustees shall not adopt an operating budget for the Trust that provides for the Trust to incur a net operating loss for any fiscal year without the prior written approval of the Board of Regents.

(c) Material Event Notification. The Board of Operating Trustees shall promptly notify in writing the Vice Chancellor and General Counsel of The University of Texas System, the Office of the Board of Regents, the President of the University or their respective designees of any material adverse change in the operations, results of operations, prospects, assets, liabilities or condition, financial or otherwise, of the Trust or any of the Student Media which has had, or could reasonably be concluded to have, a material adverse effect on the operations, results of operations, prospects, assets, liabilities or condition, financial or otherwise, of the Trust or any Student Media. The Board of Operating Trustees shall promptly notify in writing the Board of Regents and the President of the University of any and all litigation or governmental proceeding or investigation brought, or, to the knowledge of any Operating Trustee, threatened, against the Trust, any Student Media, the Trustees, the Board of Regents, the University, the Board of Operating Trustees, any Operating Trustee or any officer, director or employee of any of the foregoing.

(d) Inspection Rights. The Board of Operating Trustees shall permit the Board of Regents or any authorized representative or agent thereof to visit, inspect and audit the properties used by any of the Student Media and their business and financial records, and to discuss the business and finances of any Student Media with its officers and directors, during normal business hours upon reasonable notice.

4.3. Liability and Casualty Insurance. The Board of Operating Trustees, on behalf of the Trust, shall at all times maintain with financially sound and reputable insurers liability and casualty insurance coverage of the types and in the amounts set forth on Schedule 4.3 to this Declaration of Trust (as such schedule may be amended or supplemented from time to time). The Board of Operating Trustees shall cause the Trust to maintain the insurance coverage

required by this Paragraph 4.3 in force, except as otherwise determined by the Board of Regents. Such policies of insurance shall name the Trustees, the Operating Trustees, the Board of Regents, The University of Texas System and the University as additional insureds and as loss payees and shall prohibit cancellation or substantial modification, termination or lapse in coverage by the insurer without at least 30 days prior written notice to the Board of Regents, except for non payment of premium, in which case such policies shall provide for at least 10 days prior written notice to the Board of Regents. Annually, the Board of Operating Trustees shall furnish to the Board of Regents evidence of the insurance required to be maintained by this Paragraph 4.3 in form and substance reasonably satisfactory to the Board of Regents.

#### 4.4. Indemnification; Exculpation.

(a) Indemnification. The Board of Operating Trustees shall, or shall cause the Trust to, indemnify, defend and hold harmless the Trustees, the Board of Regents, The University of Texas System and the University and their respective officers, employees, agents, heirs, successors and assigns (each, an “Indemnified Person” and collectively, the “Indemnified Persons”), out of the assets of the Trust, including, without limitation, the insurance coverage available under any insurance policies maintained on behalf of the Trust pursuant to Paragraph 4.3, from and against (and shall on demand reimburse them for), any and all losses, claims, damages, liabilities, obligations, fines, penalties, judgments, settlements, costs, expenses and disbursements (including attorneys’ fees and expenses) (collectively, “Losses”) imposed on, incurred by or asserted against any Indemnified Person in any way relating to or arising from this Declaration of Trust or the operations, publication, broadcast, distribution, dissemination or other communication of the Student Media. **THE PARTIES TO THIS DECLARATION OF TRUST INTEND THAT THE INDEMNIFIED PERSONS BE INDEMNIFIED PURSUANT TO THIS DECLARATION OF TRUST FROM AND AGAINST LOSSES RESULTING FROM, BASED UPON OR ARISING OUT OF THE SOLE, PARTIAL OR CONCURRENT NEGLIGENCE OF AN INDEMNIFIED PERSON OR ANY PERSON WHOSE NEGLIGENCE, DUTIES, ACTIONS OR LIABILITIES MAY BE ATTRIBUTED OR IMPUTED TO AN INDEMNIFIED PERSON.**

(b) EXCULPATION; DISCLAIMER OF LIABILITY. WITHOUT WAIVING OR MODIFYING ANY PROVISION OF THIS DECLARATION OF TRUST OR OTHERWISE LIMITING THE AUTHORITY OF THE BOARD OF REGENTS AND THE TRUSTEES TO ENFORCE THE TERMS OF THIS DECLARATION OF TRUST OR ADMINISTER THE BOARD OF REGENTS’ *RULES AND REGULATIONS* AND THE UNIVERSITY’S *HANDBOOK OF OPERATING PROCEDURES*, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE TRUSTEES, ON BEHALF OF THE INDEMNIFIED PERSONS, EXPRESSLY DISCLAIM ANY AND ALL DUTIES, OBLIGATIONS OR RESPONSIBILITIES IN ANY WAY RELATING TO OR ARISING FROM THE EDITORIAL, ADVERTISING OR OTHER CONTENT OF ANY STUDENT MEDIA. THE INDEMNIFIED PERSONS HAVE NOT INVESTIGATED, MONITORED OR TAKEN OTHER ACTIONS TO ENSURE THAT THE STUDENT MEDIA ARE OPERATED IN COMPLIANCE WITH APPLICABLE LAWS, NOR HAVE THEY UNDERTAKEN OR ASSUMED ANY DUTY, OBLIGATION OR RESPONSIBILITY TO DO SO. THE INCLUSION OF ANY STUDENT MEDIA UNDER THIS DECLARATION OF TRUST SHALL NOT BE CONSIDERED AS THE APPROVAL OR ENDORSEMENT OF THE

EDITORIAL, ADVERTISING OR OTHER CONTENT OF ANY STUDENT MEDIA BY ANY INDEMNIFIED PERSON. THE INDEMNIFIED PERSONS ASSUME NO LIABILITY OR RESPONSIBILITY FOR THE GOODS OR SERVICES SOLD OR OFFERED FOR SALE THROUGH ADVERTISING IN THE STUDENT MEDIA.

(c) Interpretation. This Paragraph 4.4 shall not be interpreted as relieving the Trustees or the Board of Operating Trustees of liability for (1) a breach of trust committed (A) in bad faith, (B) intentionally or (C) with reckless indifference to the interest of a beneficiary of the Trust or (2) any profit derived by a Trustee or a member of the Board of Operating Trustees from a breach of trust.

4.5. Conversion of Trust. The Board of Operating Trustees may establish an endowment or other reserve fund (the "Endowment") for the support of the Student Media. Upon establishment of an Endowment with an aggregate principal amount equal to or exceeding \$5,000,000 (as adjusted for inflation from and after the Effective Date using the Consumer Price Index), the Board of Regents and the Board of Operating Trustees shall negotiate in good faith for the conversion of the Trust into a Nonprofit Corporation. Notwithstanding the foregoing, the Board of Operating Trustees, the Trustees and the Board of Regents acknowledge and agree that the provisions of this Paragraph 4.5 shall not be interpreted as constituting or giving rise to a binding obligation of the Board of Operating Trustees, the Trustees or the Board of Regents to approve or recommend for approval the conversion of the Trust into a Nonprofit Corporation.

4.6. Notices. All notices, certifications and other communications given in accordance with this Declaration of Trust shall be in writing and shall be deemed given if delivered by hand, mailed by registered or certified mail (return receipt requested), sent by facsimile or sent by Federal Express or other recognized overnight courier to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(a) if to the Trustees or the Board of Regents:

[\_\_\_\_\_]
[\_\_\_\_\_]
[\_\_\_\_\_]
[\_\_\_\_\_]

(b) if to the Board of Operating Trustees:

[\_\_\_\_\_]
[\_\_\_\_\_]
[\_\_\_\_\_]
[\_\_\_\_\_]

Any of the above addresses may be changed at any time by notice given as provided above; provided, that any such notice of change of address shall be effective only upon receipt. All notices, certifications and other communications given in accordance with this Declaration of Trust shall be deemed received on the date of delivery, if hand delivered, on the date of receipt, if transmitted by facsimile, three business days after the date of mailing, if mailed by registered

or certified mail, return receipt requested, and one business day after the date of sending, if sent by Federal Express or other recognized overnight courier.

4.7. Amendments.

(a) Except as otherwise set forth in Paragraph 4.7(b), the provisions of this Declaration of Trust, including, without limitation, any schedule attached hereto, may be amended from time to time, only with the prior written approval of the President of the University and the Board of Operating Trustees.

(b) Notwithstanding Paragraph 4.7(a), if the Board of Operating Trustees authorizes additional student media to become Student Media pursuant to Paragraph 1.4(v), the Board of Operating Trustees shall submit in writing to the President of the University a proposed amendment to Schedule 1.4(v). Such proposed amendment to Schedule 1.4(v) shall become effective on the 30th day following its receipt by the President of the University unless objected to in writing by the President of the University prior to such date.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned Trustees and Operating Trustees have executed and delivered this Declaration of Trust to be effective as of the Effective Date.

**TRUSTEES:**

**THE BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM,  
as TRUSTEES**

By: \_\_\_\_\_  
Name: Barry D. Burgdorf  
Title: Vice Chancellor and  
General Counsel  
The University of Texas System

**OPERATING TRUSTEES:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_

**ACKNOWLEDGED:**

**THE UNIVERSITY OF TEXAS  
AT AUSTIN**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**SCHEDULE 1.4(k)**

**FCC LICENSES**

**SCHEDULE 1.4(g)**

**MEDIA ASSETS**

**SCHEDULE 1.4(v)**

**STUDENT MEDIA**

The Daily Texan

Cactus

Texas Student Television

KVRX Radio

Texas Travesty

**SCHEDULE 2.3**

**COORDINATION WITH EDUCATIONAL ACTIVITIES**

**SCHEDULE 4.3**

**INSURANCE**

6. **U. T. System Board of Regents: Chancellor's Quarterly Update including comments on Statement on Board Accountability by the Association of Governing Boards of Universities and Colleges**

REPORT

Chancellor Yudof will provide a quarterly update on U. T. System activities including comments on the Statement on Board Accountability by the Association of Governing Boards of Universities and Colleges.

7. **U. T. System: Update on implementation of the U. T. System Strategic Plan**

REPORT

Dr. Geri H. Malandra, Interim Executive Vice Chancellor for Academic Affairs and Vice Chancellor for Strategic Management, will present an update on implementation of the U. T. System Strategic Plan following the Strategic Plan and Management Outline and the draft Investment Reporting Matrix attached on Pages 40 - 44.

## Strategic Plan and Management The University of Texas System

Implementation Update  
February 2007

The UT System is implementing specific strategic initiatives and tracking progress and outcomes through the following steps. These steps aggregate from investments in specific facilities and faculty recruitment, to campus-level and all-System oversight and reporting.

1. Individual Investment Reporting – annual reports on progress and outcome measures for all special investments. Metrics include, as relevant to project: mission alignment; leveraging of additional external funding (philanthropic and competitive research grants; publications and citations; patent applications and awards; licensing revenue; faculty honors. Customized measures may be added in particular cases.
  - PUF investments for UT System competitiveness initiative
  - Faculty STARS investments
  - PUF contributions to Emerging Technology Fund/Enterprise Fund projects
  - Regents' Research Scholar investments
  - Special investments in Nursing and Public Health
2. Facilities Investment Reporting – Beginning in May 2007, proposals to the Board for facilities investments will include specific progress/output measures to track. These may include: increase in space for research or classrooms, increase in research expenditures per square foot of research space. Customized measures may be added in particular cases.
3. Campus-level Reporting – each campus identifies and reports on the progress and impact of its most critical initiatives and investments in the annual compact. The compacts are 18-24 month extracts of the campuses' longer-range planning.
4. Campus-level Strategic Planning – by 2007-08, each campus will have completed a longer-range strategic plan that identifies areas of distinctive strength, and that reflects as appropriate the goals of the UT System strategic plan. The campus master plans are to be aligned with the strategic plan.
5. UT System Accountability and Performance Reports – these annual reports, presented in February to the Board, track and analyze performance on over 100 key measures, and compare institutional performance to individualized lists of peers. These indicators are used to inform assessment of institutional and presidents' performance.
6. Annual Reports Schedule for Board on Specific Topics and Strategic Initiatives – these reports analyze in greater detail progress on high priority topics, accountability goals, and strategic initiatives. See schedule on following pages for annual reports and special topic reports

**ANNUAL REPORT SCHEDULE: STRATEGIC INITIATIVES AND ACCOUNTABILITY GOALS**

| <b>Report</b>  | <b>Agenda</b>                  | <b>Mailing</b> | <b>Responsible Office(s)</b>  |
|--|--------------------------------|----------------|---|
| <b>FEBRUARY</b>  |                                |                |   |
| Accountability and Performance Report  | X                              |                | Institutional Planning and Accountability                                   |
| Student Learning (CLA)   | X (Academic Affairs)           |                | Academic Affairs  |
| National Survey of Student Engagement (NSSE)   | X (Campus Life)                |                |   |
| Summary of Fire/Safety LERR investments from previous fiscal year                      | X (Facilities Planning)<br>New | X              | Facilities Planning   |
| <b>MAY</b>   |                                |                |   |
| Diversity/Demographics   | X (Campus Life)                |                | Institutional Studies and Policy Analysis                                   |
| Institutional Graduation Rates - Assessment of Progress Toward Target                  | X (AAC) New                    |                | Academic Affairs/ Institutional Studies and Policy Analysis                 |
| Post-tenure Review Reports   | X (AAC & HAC)                  |                | Academic Affairs/Health Affairs   |
| Endowment Compliance   | X New                          |                | External Relations  |
| Research (expenditures and assessment of campus infrastructure)                        | X                              |                | Research & Technology Transfer  |
| Technology Transfer trends   | X New                          |                |   |
| STARS  | X                              |                | Academic Affairs/Health Affairs   |
| <b>AUGUST</b>  |                                |                |   |
| Development operations assessment (monitors gift giving performance)                   | X                              |                | External Relations  |
| Small class reports  | X (Docket)                     |                | Academic Affairs/Health Affairs   |
| Strategic plan and facilities investments  | X New                          |                | Strategic Management, Facilities Planning, Business Affairs                 |
| Strategic initiatives, and indicators [see next page for list]                         | X New                          |                |   |
| <b>SEPTEMBER</b>   |                                |                |   |
| Organized Research Units approved in previous fiscal year                              |                                | X New          | Academic Affairs/Health Affairs   |
| Academic program approvals, mergers, discontinuations approved in previous fiscal year |                                | X New          | Academic Affairs/Health Affairs   |
| Nonprominent namings approved in previous fiscal year                                  |                                | X New          | Academic Affairs/Health Affairs/External Relations                          |
| <b>NOVEMBER</b>  |                                |                |   |
| Affordability and Access (HB 3015, TEC 51.4031)  |                                | X              | Chancellor/Academic Affairs   |
| Timely Graduation Report [HB 1172 (79th Leg)]  |                                | X              | Academic Affairs  |
| Impact of capital investments  | X New                          |                | Strategic Management, Academic Affairs, Health Affairs, Facilities Planning |
| <b>DECEMBER</b>  |                                |                |   |
| Charter Schools Report (One - Board of Regents; One - TEA)                             |                                | X              | U.T. Austin/Institute for Public School Initiatives                         |

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**The UT System: New Strategic Initiatives, 2006-07**

| <i>Topic and Offices</i>  | <i>Timeline</i>   |
|---|---|
| <i>Academic Affairs</i>   |   |
| Enrollment Management (admission standards, tuition modeling, financial aid)<br><i>(Academic Affairs with Strategic Management, Business Affairs)</i> | Initiate in January 2007<br>Campus outlines/plans due Fall 2007   |
| Community College initiative<br><i>(Academic Affairs and IPSI)</i>  | White paper draft 12.2006; develop proposal for staffing 12.2006<br>form advisory group, winter 2007<br>report in fall 2007 |
| Increasing undergraduate STEM majors – UTS workshop<br><i>(Academic Affairs)</i>  | Trends data drafted; workshop planned for spring 2007<br>report in fall 2007  |
| Faculty /Administrative Leadership Development<br><i>(Academic Affairs, Academic Fellow, with FAC)</i>  | Academic Fellow, 2006-07, preliminary workshops 2007<br>recommendations in June 2007  |
| Doctoral/Postdoctoral Task Force<br><i>(Academic and Health Affairs)</i>  | Convened spring 2006<br>final report due summer 2007  |
| Research Collaborations (symposium)<br><i>(Academic and Health Affairs; Research and Tech Transfer)</i>   | Planning group formed, series to begin winter/spring 2007<br>report in summer 2007  |
| Global Initiatives  | Planning group formed, survey in 2007<br>recommendations by fall 2007   |
| Campuses' academic program review analysis <i>(Academic Affairs)</i>  | Plan outlined and presidents briefed winter 2007, cycle begins spring 2007<br>first reports, fall 2008                      |
| Arts programs (examples; emphasis)  | Survey to be designed, implemented summer, 2007   |
| <i>Health Affairs</i>   |   |
| Expand JAMP/diversity programs  | Tracking is ongoing, reports on progress for specific metrics on annual basis   |
| Access to care/uninsured  | Ongoing; Code Red   |
| GME   | Ongoing with OGR  |
| Electronic order entry, joint purchasing  | June 2007   |
| Electronic patient records  | Ongoing   |
| Reimbursement efficiencies  | Ongoing   |
| Centralized payroll services  | On hold   |
| Medical Education Initiative  | Ongoing   |
| Cognitive Neuroscience  | Planning Meeting – 12/15/06   |
| Business Planning Workshop  | Planning – June 2007  |
| Leadership Training   | Uncertain   |

| <i>Topic and Offices</i>  | <i>Timeline</i>                                      |
|---|--|
| <i>Research</i>   |  |
| Pursue topics for potential System – wide centers (energy, bioinformatics, drug development, security) (with Academic and Health Affairs) | Brainstorming groups formed, recommendations in 2007 |
| Nanoelectronics   | Report on progress of collaboration                  |
| System symposia   |  |
| Drug development institute  |  |
| Technology Transfer services  |  |
| Technologies showcase   |  |
| Research development services   |  |
| <i>Business Affairs</i>   |  |
| Bearing Point shared services: Arlington Data Center; etc.  |  |
| Productivity ratios and cross-tab analyses  |  |
| Development of five-year campus financial plans   |  |
| <i>Communication</i>  |  |
| Development plans and accountability  | Annual reports to Board                              |
| UT System communication: TV series  | Series to begin fall 2006, continue in 2007          |
| <i>Strategic plan/accountability</i>  |  |
| Revise Compact guidelines   | To be implemented for compacts due in fall 2007      |
| Revise Accountability Framework   | To be implemented for Feb 2008 report                |

Investment Reporting Matrix  
The UT System

Scope and purpose:

- The scope of this matrix includes major investments of PUF and other System resources.
- The purpose is to inform the board of progress and impact of these investments: mission alignment; leveraging; and specific outcomes.
- Reporting to the Board will occur on an annual basis, by institution and by fund.
- An inventory of investments will be maintained and updated annually, by project, by institution and by funding source.
- In addition to these in-depth reports, the overall impact of these investments will be included in institutional compacts, and reflected in the annual accountability data trends.
- Moving forward, progress and outcome indicators for each project will be specified when investments are reviewed and approved. Beginning in May 2006, Board agenda materials will be modified to accommodate these notations.

Investments to track:

STARS

Academic Affairs  
Health Affairs

New PUF Investments

ETF/EFT Fund  
Regents Research Scholars  
Special PUF Projects

LERR-Public Health Awards

Special LERR investments (Libraries)

Medical Malpractice Liability Fund – Nursing Initiative

Facilities Investments

TRB PUF Matching projects  
CIP Metrics

Indicators to track: These will be customized to particular kind of investment and project. A preliminary list, which will be customized and amended for particular projects, includes:

- Initial investment
- Leveraged additional external funding, including private philanthropy and federal grants (numbers, amounts)
- Evidence of technology transfer (as appropriate) – patent applications, awards, intellectual property revenue
- Number of faculty recruited/retained
- Use of buildings – research expenditures/square foot of research space; SCHs produced in classroom buildings
- Published research
- National/international rankings and evidence of faculty recognition (major prizes, academy appointments)
- Evidence of economic impact (spin-offs; number of jobs created)

8. **U. T. System: Presentation of the Accountability and Performance Report for 2006-2007 and request to accept Report**

RECOMMENDATION

Dr. Geri H. Malandra, Interim Executive Vice Chancellor for Academic Affairs and Vice Chancellor for Strategic Management, will present the U. T. System Board of Regents' Accountability and Performance Report for 2006-2007 following the PowerPoint presentation attached on Pages 1 - 10 of the Supplemental Materials (Volume 2) of the Agenda Book. Following the presentation, the Board will be asked to accept the Report.

BACKGROUND INFORMATION

The Report, separately bound in a blue notebook, was mailed to the Board with this Agenda Book. Highlights of the Report may be found on the pages following the Highlights tab in the Report.

Additional copies of the Report will be available at the meeting.

9. **U. T. System Board of Regents: Legislative Update for the 80th Legislative Session**

REPORT

Vice Chancellor Barry McBee will provide a legislative update for the 80th Legislative Session.

10. **U. T. System: Report on The University of Texas System Borderplex technology-transfer shared services initiative**

REPORT

Interim Vice Chancellor for Research and Technology Transfer, Dr. Arjuna Sanga, will report on The University of Texas System Borderplex technology-transfer shared services initiative involving U. T. Health Science Center - San Antonio, U. T. San Antonio, U. T. Pan American, and U. T. Brownsville.

## BACKGROUND INFORMATION

The University of Texas System must continually enhance its national reputation in multidisciplinary, multi-institutional research. Through the 15 institutions, U. T. System will lead the nation in forming and implementing innovative and diverse partnerships within and external to the U. T. System to bring the "best and the brightest" together to solve pressing national needs in areas such as biotechnology, nanotechnology, and energy. Such partnerships are critical in keeping the nation competitive in a global marketplace by generating intellectual capital that can be used to spur economic development by generating new technologies and high technology companies. It follows that an integral part of the research mission of the U. T. System is Intellectual Property management. Successful Intellectual Property management benefits the university, the public, researchers, students, communities in which the institutions reside, the State of Texas, and the nation. The strategic plan for Intellectual Property management for regional technology transfer, in the form of The University of Texas System Borderplex technology-transfer shared services initiative, is directed toward increasing these benefits.

This initiative creates efficiencies in the U. T. System by combining two technology transfer offices and providing resources that can be shared across four institutions. In this manner, smaller institutions will gain access to resources, infrastructure, and highly skilled technology transfer personnel of larger institutions. Accordingly, new invention disclosures at any one of the four institutions should receive consistent review, protection, and marketing. The first phase of the shared initiatives program is underway. U. T. Health Science Center - San Antonio and U. T. San Antonio have signed a memorandum of understanding creating a joint technology transfer office and are currently in the process of hiring an Assistant Vice President/Director for that office. The second phase involves developing a new position with the U. T. System Research and Technology Transfer department. This position will report to the Associate Vice Chancellor for Technology Transfer with a dotted line responsibility to the Director of the joint office and will have responsibility for providing education, outreach, and marketing services for the four Borderplex institutions - U. T. Health Science Center - San Antonio, U. T. San Antonio, U. T. Pan American, and U. T. Brownsville. Executive Vice Chancellor for Health Affairs Shine has approved funding for a two-year pilot program through rebates from The University of Texas System Professional Medical Liability Benefit Plan.

### **11. U. T. System: Report on Public Health and Wellness**

#### REPORT

Joseph McCormick, M.D., Dean of the School of Public Health, Regional Academic Health Center at Brownsville and the 2006 Chancellor's Health Fellow in Public Health, and Executive Vice Chancellor for Health Affairs Shine will outline public health issues, trends, concerns, and the U. T. System Wellness Initiative.