



**AGENDA
FOR MEETING
OF
THE UNIVERSITY OF TEXAS SYSTEM
BOARD OF REGENTS**

**February 22-23, 2023
Austin, Texas**

Wednesday, February 22, 2023

Page

CONVENE THE BOARD IN OPEN SESSION TO RECESS TO EXECUTIVE SESSION PURSUANT TO *TEXAS GOVERNMENT CODE*, CHAPTER 551 1:30 p.m.

1. Individual Personnel Matters Relating to Officers or Employees – Section 551.074

U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents (academic and health institutions including interim 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, and Chief Audit Executive); Board members; and U. T. System and institutional employees

RECONVENE THE BOARD IN OPEN SESSION FOR POSSIBLE ACTION ON EXECUTIVE SESSION ITEM AND TO CONVENE COMMITTEE MEETINGS 2:00 p.m.

COMMITTEE MEETINGS 2:00 p.m. – 5:00 p.m.

RECESS 5:00 p.m.

Thursday, February 23, 2023

CONVENE THE BOARD IN OPEN SESSION TO CONSIDER AGENDA ITEMS 9:00 a.m.

STANDING COMMITTEE RECOMMENDATIONS AND REPORTS TO THE BOARD 9:05 a.m.

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RECESS TO EXECUTIVE SESSION PURSUANT TO *TEXAS GOVERNMENT CODE*, CHAPTER 551 10:00 a.m.

1. Individual Personnel Matters Relating to Officers or Employees – Section 551.074
 - a. **U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents (academic and health institutions including interim 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, and Chief Audit Executive); Board members; and U. T. System and institutional employees**
 - b. **U. T. Tyler: Discussion and appropriate action regarding proposed new hire and compensation for**
 - 1) **David I. Jones, M.D., Clinical Assistant Professor of Medicine in the Health Science Center at Tyler, Department of Pulmonary/Critical Care;**
 - 2) **Varalaxmi Nannaka, M.D., Clinical Assistant Professor of Medicine in the Health Science Center at Tyler, Department of Pulmonary/Critical Care;**
 - 3) **Ketan Patel, M.D., Clinical Assistant Professor of Medicine in the Health Science Center at Tyler, Department of Pulmonary/Critical Care; and**
 - 4) **Carla Wang-Kocik, M.D., Clinical Assistant Professor of Medicine in the Health Science Center at Tyler, Department of Pulmonary/Critical Care**

Thursday, February 23, 2023 (cont.)

- c. **U. T. Southwestern Medical Center: Discussion and appropriate action regarding**
 - 1) **proposed new hire and compensation for Nicholas D. Andersen, M.D., Associate Professor, Department of Cardiovascular and Thoracic Surgery;**
 - 2) **proposed new hire and compensation for Barbara Gaines, M.D., Professor, Department of Surgery;**
 - 3) **proposed compensation for W. P. Andrew Lee, M.D., Executive Vice President for Academic Affairs, Provost, and Dean, U. T. Southwestern Medical School; and**
 - 4) **proposed compensation for Holly G. Crawford, MBA, Executive Vice President for Business Affairs**

- d. **U. T. Health Science Center - Houston: Discussion and appropriate action regarding proposed new hire and compensation for**
 - 1) **Eric O. Klineberg, M.D., Professor, Spine Director, Vice Chair, Department of Orthopedic Surgery, McGovern School of Medicine; and**
 - 2) **Sohail Jalal, M.D., Associate Professor, Center for Advanced Cardiopulmonary Therapies and Transplantation - Electrophysiology, McGovern School of Medicine**

- e. **U. T. M. D. Anderson Cancer Center: Discussion and appropriate action regarding**
 - 1) **proposed new hire with tenure and compensation for Eyal Gottlieb, Ph.D., Vice President for Research and Professor, Department of Cancer Biology; and**
 - 2) **proposed new hire and compensation for Kerin Adelson, M.D., Chief Quality and Value Officer, and Professor, Office of the Chief Medical Executive**

- 2. **Negotiated Contracts for Prospective Gifts or Donations – Section 551.073**
 - a. **U. T. System Academic Institutions: Discussion and appropriate action regarding proposed negotiated gifts, including potential naming features**

 - b. **U. T. System Health Institutions: Discussion and appropriate action regarding proposed negotiated gifts, including potential naming features**

- 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 with Counsel on pending legal issues**

 - b. **U. T. System Board of Regents: Discussion and appropriate action regarding legal issues concerning pending legal claims by and against U. T. System**

Thursday, February 23, 2023 (cont.)

- c. **U. T. Health Science Center - Houston: Discussion and appropriate action regarding legal issues associated with**
 - a) **proposed transaction with Surgical Care Affiliates, LLC, a Delaware limited liability company, and/or its affiliate (SCA) pursuant to which U. T. Health Science Center - Houston and SCA shall, as members of two legal entities, own interest in, develop, operate, and manage an Ambulatory Surgery Center (ASC),**
 - b) **authorization for U. T. Health Science Center - Houston to develop and construct an ASC on the first floor of U. T. Health Science Center - Houston's and U. T. Physicians' multi-specialty clinic at Bellaire Station, 6500 W. Loop South, Bellaire, TX 77401 (Proposed Transaction);**
 - c) **allocation and authorization of expenditure of up to \$35 million of institutional funds for U. T. Health Science Center - Houston's portion of the project costs associated with the Proposed Transaction;**
 - d) **authorization for U. T. Health Science Center - Houston to supply physician services to the ASC through a professional coverage agreement;**
 - e) **delegation of authority to the institutional president to execute related documents and take other action necessary; and**
 - f) **finding of public purpose**
 - d. **U. T. M. D. Anderson Cancer Center: Discussion and appropriate action regarding legal issues associated with an additional capital contribution to an established joint venture with Resilience US, Inc., a subsidiary of National Resilience, Inc., for gene and cell therapy cGMP manufacturing for clinical development, commercial supply, and other mission related issues, and finding of public purpose**
 - e. **U. T. M. D. Anderson Cancer Center: Discussion and appropriate action concerning legal issues regarding the previously approved strategic collaborative relationship with Harris County Hospital District d/b/a Harris Health System to furnish certain cancer care services and other mission related issues, and a renewed finding of public purpose**
4. **Deliberation Regarding Security Devices or Security Audits – Sections 551.076 and 551.089**
- U. T. System Board of Regents: Discussion and appropriate action regarding safety and security issues, including security audits and the deployment of security personnel and devices**
5. **Deliberations Regarding the Purchase, Exchange, Lease, Sale, or Value of Real Property – Section 551.072**
- a. **U. T. Austin: Discussion and appropriate action regarding extension of the ground lease to the West Austin Youth Association, located at 1314 Exposition Boulevard, Austin, Travis County, Texas and related finding of public purpose**
 - b. **U. T. M. D. Anderson Cancer Center: Discussion regarding a previously approved ground lease with Harris Health System on Harris Health's Lyndon B. Johnson Hospital campus, 5656 Kelley Street, Houston, Harris County, Texas**

Thursday, February 23, 2023 (cont.)

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RECONVENE THE BOARD IN OPEN SESSION TO CONSIDER ACTION, IF ANY, ON EXECUTIVE SESSION ITEMS AND TO CONSIDER AGENDA ITEM

*11:45 p.m.
approximately*

- 10. U. T. Health Science Center - Houston: Discussion and appropriate action regarding a) proposed transaction with Surgical Care Affiliates, LLC, a Delaware limited liability company, and/or its affiliate (SCA) pursuant to which U. T. Health Science Center - Houston and SCA shall, as members of two legal entities, own interest in, develop, operate, and manage an Ambulatory Surgery Center (ASC), b) authorization for U. T. Health Science Center - Houston to develop and construct an ASC on the first floor of U. T. Health Science Center - Houston's and U. T. Physicians' multi-specialty clinic at Bellaire Station, 6500 W. Loop South, Bellaire, TX 77401 (Proposed Transaction); c) allocation and authorization of expenditure of up to \$35 million of institutional funds for U. T. Health Science Center - Houston's portion of the project costs associated with the Proposed Transaction; d) authorization for U. T. Health Science Center - Houston to supply physician services to the ASC through a professional coverage agreement; e) delegation of authority to the institutional president to execute related documents and take other action necessary; and f) finding of a public purpose**

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ADJOURN

*12:00 p.m.
approximately*

1. **U. T. System Board of Regents: Approval of Consent Agenda and consideration of any item referred to the full Board**

RECOMMENDATION

The Board will be asked to approve the Consent Agenda beginning on [Page 232](#).

2. **U. T. System: Annual Meeting with Officers of the U. T. System Employee Advisory Council**

INTRODUCTION

The U. T. System Employee Advisory Council (EAC) will discuss the Council's work and planned activities, utilizing the summary on the following pages.

BACKGROUND INFORMATION

The U. T. System Employee Advisory Council was established in August 2000 to provide a vehicle for communication and to facilitate the flow of ideas and information between and among the Board of Regents, U. T. System Administration, and the institutions. The EAC functions to define, analyze, and make recommendations on employee issues to the Board through the Chancellor.

Council officers are:

Chair: Ms. Tilly Clark, Assistant Director for the Office of the President - Special Use Facilities, U. T. Medical Branch - Galveston

Vice Chair: Mr. Frank Merlino, Human Resources Business Partner, Employee Relations, U. T. Southwestern Medical Center

Secretary: Ms. Laura Rademacher, Program Manager for Student Affairs, U. T. Health Science Center - Houston

Historian: Ms. Shanese Williams, Assistant Director for Residence Life, U. T. Tyler

SUMMARY REPORT

Although the 2023 term is far from complete, the Employee Advisory Council (EAC) has already convened three council meetings, adopted an employee retention focus, and initiated a collaborative effort with the U. T. System Office of Talent and Innovation.

Throughout the Fall 2022 Semester, EAC collected data to identify opportunities that could positively impact employees. During that time, the EAC discovered that 57% of staff members surveyed by the College and University Professional Association for Human Resources said they were considering leaving their jobs in the next year. This data coupled with another report from the Chronicle of Higher Education sparked discussions within the EAC about the ongoing employee retention efforts across the U. T. System. In an effort to address this concern with cost-effective and powerful methods of improving staff retention throughout the U. T. System, the EAC opted to take a multipronged approach and developed two areas of focus: 1) Employee Benefits and 2) Employee Wellness.

1. Employee Benefits: Highlighting the value of working in higher education is an important component in retention practices. The employee benefits package offered by U. T. System is a key area that employees find extremely important to their career priorities.

Most U. T. System employees do not have access to a complete annual employment portfolio that outlines the cumulative value of their salary and benefits. Providing a Total Rewards Statement could educate employees on the advantages of being a member of the U. T. System, which in some cases enhances an employee's salary by as much as 30% in benefits alone. Furthermore, implementing such a statement would increase employee awareness of benefits and facilitate more informed decisions about career progression.

The EAC recommends implementing an annual Rewards Statement for all benefit-eligible employees as an impactful way to communicate the value of employment across the U. T. institutions and with the hope that this will have a direct influence on employee retention.

2. Employee Wellness: It is now widely understood that employee wellness is a growing strategic business priority, and employers are taking proactive steps to retain employees and build resilience within the workforce.

Employees appreciate the encouragement for self-care received from leadership, which has proven to enhance organizational culture and increase overall work satisfaction. By keeping wellness as a priority, U. T. institutions will build greater job satisfaction, strengthen employee retention, boost work productivity, and positively influence personal well-being.

The EAC is building a wellness best practices toolkit, to be recommended for sharing with the benefits coordinators, institutional staff councils, and HR professionals at each U. T. institution. This toolkit will supplement and bolster existing institutional programs for employee well-being, highlight creative solutions, and provide new opportunities for collaboration.

3. U. T. System Board of Regents: Discussion and appropriate action regarding proposed revision to Regents' Rules and Regulations, Rule 10501 (Delegation to Act on Behalf of the Board), regarding delegation of approval of certain contracts

RECOMMENDATION

The Chancellor, the Executive Vice Chancellors for Academic Affairs, Health Affairs, and Business Affairs, and the Vice Chancellor and General Counsel recommend that the U. T. System Board of Regents approve revisions to Regents' *Rules and Regulations*, Rule 10501 (Delegation to Act on Behalf of the Board), as shown below:

...

Sec. 2 Delegation

Sec. 2.2 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.

2.2.12 Athletic employment agreements. Contracts, contract revisions, and contract extensions with athletic directors and coaches except those with total annual compensation of \$1 million or greater ~~or those with proposed multiyear contracts totaling \$1 million or greater.~~

(a) Contracts, contract revisions, and contract extensions for such individuals with total annual compensation of \$1 million or greater ~~or those with proposed multiyear contracts totaling \$1 million or greater~~ may be negotiated and executed by the President following consultation with the Chancellor, the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor and General Counsel, and the Chairman of the Board of Regents and additional consultation, as requested by the Chairman, to determine if special circumstances require an offer or contract change to be made prior to a scheduled meeting of the Board and if the proposed offer or contract change is in the best interest of the institution.

...

Sec. 3 Matters Not Delegated. The following contracts or agreements, including purchase orders or vouchers and binding letters of intent or memoranda of understanding, must be submitted to the Board for approval or authorization:

...

3.2 Contracts with Foreign Governments. Contracts or agreements of any kind or nature, regardless of dollar amount, with a foreign government or agencies thereof, except:

- (a) affiliation agreements and cooperative program agreements, material transfer agreements, sponsored research agreements and licenses, or other conveyances of intellectual property owned or controlled by the Board of Regents prepared on an approved standard form or satisfying the requirements set by the Office of General Counsel; ~~or~~
- (b) agreements or contracts necessary to protect the exchange of confidential information or nonbinding letters of intent or memorandums of understanding executed in advance of definitive agreements each as reviewed and approved by the Vice Chancellor and General Counsel; and
- (c) agreements regarding cultural performances or the exchange of artistic materials where no funds are expended by the U. T. System or any of the U.T. institutions.

....

BACKGROUND INFORMATION

Regents' Rule 10501 contains several delegations of the Board's contracting authority. The proposed revisions modify existing delegations to facilitate more expeditious execution of certain agreements.

The proposed revisions do not impact the full-time equivalent (FTE) employee count Systemwide and is potentially budget positive due to process efficiencies. The proposed Rules change was reviewed by the institutional presidents and representatives of the Student Advisory Council, the Faculty Advisory Council, and the Employee Advisory Council.

4. **U. T. System Board of Regents: Discussion and appropriate action regarding proposed revision to Section 3 of Regents' Rules and Regulations, Rule 20204 (Determining and Documenting the Reasonableness of Compensation), regarding Board approval of compensation**

RECOMMENDATION

The Chancellor, the Executive Vice Chancellors for Academic Affairs, Health Affairs, and Business Affairs, and the Vice Chancellor and General Counsel, recommend that the U. T. System Board of Regents approve revisions to Section 3 of Regents' *Rules and Regulations*, Rule 20204 (Determining and Documenting the Reasonableness of Compensation), as follows:

Sec. 3 Approval required.

- 3.1 Board Approval. Initial Total Annual Compensation and changes to Total Annual Compensation for all Highly Compensated Personnel that may exceed the amount set as the approved institutional contract threshold discussed in Regents' Rules and Regulations, Rule 10501, Subsection 2.2.17 must be approved by the Board of Regents, except as otherwise required or allowed by Rule 10501 for athletic directors or coaches ~~when special circumstances exist~~ or by Subsection 3.2 below. This approval can occur through the approval of the annual operating budget or as a stand-alone item during the fiscal year.
- 3.2 Chancellor approval. The Chancellor may approve changes of up to five percent per year in an institutional employee's Total Annual Compensation that was approved by the Board pursuant to subsection 3.1 if the changes for an institutional employee classified as Highly Compensated Personnel of up to five percent per year that were not included in the annual operating budget ~~may be approved by the Chancellor if the initial compensation was previously approved by the Board.~~
- 3.3 Documentation required. In all cases, the employing institution is responsible for maintaining ~~providing~~ documentation that the compensation was established or changed in accordance with applicable Systemwide policy.

BACKGROUND INFORMATION

Regents' Rule 20204 concerns approval of compensation for certain employees. The proposed revisions clarify the process for approval. The proposed revisions refine and clarify the process used to approve compensation for employees, including those classified as Highly Compensated Personnel and provide additional delegation, consistent with approved threshold levels for contracts requiring Board approval.

This revision does not impact the full-time equivalent (FTE) employee count Systemwide and is budget neutral. The proposed Rules change was reviewed by the institutional presidents and representatives of the Student Advisory Council, the Faculty Advisory Council, and the Employee Advisory Council.

5. **U. T. System Board of Regents: Discussion and appropriate action regarding proposed revision to Regents' Rules and Regulations to amend Rule 20205 (Expenditures for Travel and Entertainment by Chief Administrators) and to approve a new Rule 80107 regarding University residences**

RECOMMENDATION

The Executive Vice Chancellor for Business Affairs, the Vice Chancellor and General Counsel, and the General Counsel to the Board recommend that the U. T. System Board of Regents take the following actions:

- a) approve revisions to Regents' *Rules and Regulations*, Rule 20205 to delete language related to University residences from this Rule, clarify procedures, and renumber remaining sections accordingly and as set forth on the following pages, and
- b) approve a new Regents' *Rules and Regulations*, Rule 80107 that places language on University residences in Series 80000 on Facilities and includes and clarifies relevant language previously included in Rule 20205, also as set forth on the following pages.

BACKGROUND INFORMATION

Procedures related to the review and approval of expenditures and travel by the Chief Administrative Officers are well established and audited as needed. The recommended changes to Rule 20205 simplify language related to expectations and respond to recent questions about items to be included in the required annual summary of expenses.

When Rule 20205 was enacted, most institutional presidents occupied University Residences as a condition of employment and the Rule had general application to the Chancellor and all presidents; however, there are currently only two University residences and the relevant policy is better housed under "Facilities." In addition, decisions on expenditures for maintenance and upkeep of University Residences are not made by the occupants of the housing. Accordingly, a proposed revised Rule 20205 and new Rule 80107 are set forth on the following pages.

These revisions do not impact the full-time equivalent (FTE) employee count Systemwide and are budget neutral. The proposed Rules change was reviewed by the institutional presidents and representatives of the Student Advisory Council, the Faculty Advisory Council, and the Employee Advisory Council.

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

Rule: 20205

1. Title

Expenditures for Travel and Entertainment by Chief Administrators ~~and for the Maintenance of University Residences~~

2. Rule and Regulation

- Sec. 1 Purpose. The University of Texas System Administration and U. T. System institutions are governed by State law and rules and regulations promulgated under those laws, as well as Systemwide and institutional policies and procedures concerning expenses incurred by officials for travel, ~~and entertainment, and housing.~~ While recognizing the unique role of the Chief Administrators in representing the U. T. System and the institutions, the Board of Regents also recognizes the importance of oversight and accountability, transparency, and fiscal responsibility. The purpose of this *Rule* is to prescribe, clarify, and provide uniformity in the approval, review, and audit ~~of process for Travel and Entertainment Expenses incurred by the Chief Administrators and for Expenses for the Maintenance of University Residences.~~
- Sec. 2 Prudent Use of Funds. In the performance of their unique roles, the Chief Administrators are frequently called upon to travel on behalf of the U. T. System Administration and the institutions, to extend official hospitality to important visitors, and to entertain guests in conjunction with alumni and development activities, campus events, and other official functions. As a public institution, the U. T. System must make the most efficient and effective use of funds entrusted to it by various constituencies when making expenditures for those purposes and must be able to demonstrate compliance with applicable laws, ~~and rules,~~ and policies. Additionally, individuals seeking reimbursement must certify that expenditures support the mission and purpose of the U. T. System and that the expenditures are not made for a private purpose.
- Sec. 3 Travel and Entertainment Expenditures. All expenditures for travel and entertainment by a Chief Administrator that are paid or reimbursed by U. T. System Administration or an institution must be for a business purpose of the U. T. System or the institution and must comply with all laws, rules, and policies of the institution and the U. T. System Administration. All Foreign Travel must be approved in advance by the Chairman of the Board of Regents for the Chancellor and spouse and by the appropriate Executive Vice Chancellor for the presidents and spouses. Requests for approval of Foreign Travel must include a specific business purpose and an estimate of funds to be expended by U. T. System Administration or by the institution.

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

Rule: 20205

~~Sec. 4 Maintenance of University Residences. All Expenses for the Maintenance of University Residences that exceed \$10,000 must be approved in advance by a committee composed of the Executive Vice Chancellor for Business Affairs, the Vice Chancellor and General Counsel, and the General Counsel to the Board of Regents. Prior approval by the committee is not required for expenditures made on an emergency basis to prevent damage to property.~~

~~Sec. 5~~ Documentation and Review. Each Chief Administrator shall comply with all documentation requirements imposed by law and U. T. System Administration and institutional **rules and** policies for Travel and Entertainment Expenses ~~and for Expenses for the Maintenance of University Residences~~, including providing appropriate receipts and documentation of the purpose of the expense and the individuals or groups attending the event. Evidence of review, in all cases, must be documented. Each Chief Administrator shall take all necessary and reasonable steps to ensure that all employees follow applicable procedures for expense reimbursement.

~~5.4.1~~ Chancellor Expenses. Reimbursements made directly to the Chancellor for Travel and Entertainment Expenses must be reviewed and approved by the General Counsel to the Board of Regents before payment to assure compliance with applicable laws, rules, and policies. Payments for Travel and Entertainment Expenses made on the Chancellor's behalf in excess of \$100 must **also** be reviewed ~~and approved by the General Counsel to the Board~~ but may be reviewed after payment.

~~Reimbursements made directly to the Chancellor for Expenses for the Maintenance of a University Residence must be reviewed and approved by the General Counsel to the Board of Regents before payment. Payments for Expenses for the Maintenance of a University Residence made on the Chancellor's behalf in excess of \$1,000 must be reviewed and approved by the General Counsel to the Board of Regents but may be reviewed after payment.~~

~~5.4.2~~ President Expenses. Reimbursements made directly to a president of a U. T. System institution for Travel and Entertainment Expenses must be reviewed and approved by the institution's chief business officer before payment to assure compliance with applicable laws, rules, and policies. Payments for Travel and Entertainment Expenses made on the president's behalf in excess of \$100 must **also** be reviewed ~~and approved by the institution's chief business officer~~ but may be reviewed after payment.

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

Rule: 20205

~~Reimbursements made directly to a president of a U. T. System institution for Expenses for the Maintenance of a University Residence must be reviewed and approved by the institution's chief business officer before payment. Payments for Expenses for the Maintenance of a University Residence made on the president's behalf in excess of \$1,000 must be reviewed and approved by the institution's chief business officer but may be reviewed after payment.~~

~~5.3~~ Spouse Expenses. Requirements, processes, and guidelines applicable to a Chief Administrator will also apply to his or her spouse.

Sec. ~~6~~⁵ Timeliness of Requests for Reimbursements. A Chief Administrator must request any reimbursement for Travel and Entertainment Expenses ~~or Expenses for the Maintenance of University Residences~~ within 60 days of the date on which the expense was incurred.

Sec. ~~7~~⁶ Reporting. Each Chief Administrator shall prepare annual reports, based on fiscal year, of Travel and Entertainment Expenses ~~and Expenses for the Maintenance of University Residences~~ in a standard format. The Chancellor shall file the report with the General Counsel to the Board of Regents for review by the Chairman of the Board of Regents ~~and each~~. Each president shall file the report with the institution's chief business officer ~~for review~~. The reports are due not later than the 30th day of October ~~and will include all expenses reimbursed to or paid on behalf of the Chief Administrator and are to be reviewed by the institution's chief business officer for compliance.~~

~~7.1~~ Annual Reporting on Travel and Entertainment Expenses ~~and Expenses for the Maintenance of University Residences~~. The annual reports must include each expense that exceeds \$1,000 and that is reimbursed to the Chief Administrator during the year or directly paid to a vendor on the Chief Administrator's behalf, except for Entertainment Expenses at which more than 10 individuals are present. The report must include the payee, the date and amount of the expense, the type, and if applicable, the location of the event/expense, the participants if any, the business purpose of the expense, and the account charged for the expense.

~~7.2~~ Annual Certification. The institution's chief business officer will provide an annual certification to the Executive Vice Chancellor for Academic Affairs or Health Affairs ~~who will forward to the General Counsel to the Board documenting review of the Chief Administrator's annual expense reports. The General Counsel to the Board will confirm receipt of all certifications to the Board.~~

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

Rule: 20205

Sec. ~~8~~**7** Audits. The System Audit Office shall audit the Travel and Entertainment Expenses and ~~Expenses for the Maintenance of University Residences~~ reimbursed to and directly paid to a vendor on behalf of the Chief Administrators at a minimum after the first full fiscal year after assuming office and periodically thereafter, based on an assessment of risk factors.

~~8.1 The System Audit Office shall submit the results of the audit of the Chancellor and the Chancellor's spouse's expenses to the Chairman of the Board, the Chancellor, and to the General Counsel to the Board of Regents. The System Audit Office shall submit the results of the audit of the president and the president's spouse's expenses to the president and the appropriate Executive Vice Chancellor.~~

~~8.2 A summary of the results from the audits shall be submitted to the Audit, Compliance, and Risk Management Committee.~~

3. Definitions

Chief Administrator – means the Chancellor or the president at each U. T. System institution. An individual serving as interim Chancellor or interim President is included in the definition, for purposes of compliance with this Rule.

Entertainment Expenses – includes all expenses associated with meals and events hosted by a Chief Administrator in furtherance of a business purpose of U. T. System Administration or an institution.

~~Expenses for the Maintenance of University Residences – includes expenses for the furnishing, maintenance, or repair of a residence or its grounds owned by the U. T. System, but does not include the salary supplement described by the Regents' *Rules and Regulations*, Rule 20202.~~

Foreign Travel – travel to, in, or from a destination that is neither in the United States nor a territory of the United States.

Travel Expenses – includes transportation except for business travel utilizing the UT plane or a state plane, lodging, meals, and other expenses incurred in connection with travel in furtherance of a business purpose of U. T. System Administration or an institution, but does not include Entertainment Expenses or meals for others.

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

Rule: 80107

1. Title

Expenditures for the Maintenance of University Residences

2. Rule and Regulation

Sec. 1 Purpose. The purpose of this *Rule* is to prescribe, clarify, and provide uniformity in the approval, review, and audit of Expenditures for the Maintenance of University Residences.

Sec. 2 Maintenance of University Residences. All Expenditures for the Maintenance of University Residences that exceed \$10,000 must be approved in advance by a committee composed of the Executive Vice Chancellor for Business Affairs, the Vice Chancellor and General Counsel, and the General Counsel to the Board of Regents. Prior approval by the committee is not required for expenditures made on an emergency basis to prevent damage to property.

2.1 Bauer House Expenditures. Expenditures for the maintenance of Bauer House in excess of \$1,000 must be reviewed and approved by the General Counsel to the Board of Regents but may be reviewed after payment.

2.2 Hoover House Expenditures. Expenditures for the maintenance of Hoover House in excess of \$1,000 must be reviewed and approved by the institution's chief business officer but may be reviewed after payment.

Sec. 3 Documentation and Review. Expenditures for the Maintenance of University Residences must be supported by appropriate receipts and must follow all applicable procedures for the procurement of services, supplies, or equipment.

Sec. 4 Reporting. An annual report of Expenditures for the Maintenance of each University Residence will be prepared not later than the 30th day of October and filed for review with the General Counsel to the Board of Regents, for Bauer House, and with the institution's chief business officer, for Hoover House. The report for the Bauer House will be sent to the Chairman of the Board of Regents for review.

4.1 The annual reports must include each expense that exceeds \$1,000 and must include the payee, the date and amount of the expense, the type, and the account charged for the

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

Rule: 80107

expense.

Sec. 5 Audits. The System Audit Office shall audit Expenditures for the Maintenance of a University Residences at a minimum after the first full fiscal year after assuming residency and periodically thereafter, based on an assessment of risk factors.

3. Definitions

Expenditures for the Maintenance of University Residences – includes expenses for the furnishing, maintenance, or repair of a University Residence or its grounds owned by the U. T. System.

The University Residences – are the following:

Bauer House – Residence of the Chancellor of the U. T. System, located in Austin, Texas

Hoover House – Residence of the President of U. T. El Paso, located in El Paso, Texas

6. **U. T. System Board of Regents: Discussion and appropriate action regarding proposed revision to Regents' Rules and Regulations, Rule 20601 (Aircraft Use), regarding research-related travel**

RECOMMENDATION

The Chancellor, the Executive Vice Chancellors for Academic Affairs, Health Affairs, and, Business Affairs, and the Vice Chancellor and General Counsel recommend that the U. T. System Board of Regents approve revisions to Regents' *Rules and Regulations*, Rule 20601 (Aircraft Use), as shown below:

....

Sec. 19 Research Exception. Given the unique challenges of certain research-related travel, the provisions of this Rule may be waived by the Chancellor, based upon the prior written request of an institutional president, when compliance with all requirements of the Rule is impracticable. If a waiver is granted, the travel must occur in the safest manner reasonable in the context of the research project and in compliance with applicable law.

BACKGROUND INFORMATION

Regents' Rule 20601 sets forth required procedures for use of aircraft for non-commercial flights in furtherance of U. T. business. As applied, some of the requirements are impracticable in the context of research-related travel, where the demands of the research do not always allow for compliance with the requirements set forth in the Rule (e.g., travel in small aircraft to remote locations).

The proposed revision would allow for exceptions to individual rule provisions, as appropriate, when the circumstances of research-related travel do not allow for compliance. Travel being conducted subject to an exception would still require consideration of safety to the most reasonable degree in the context of the research project and compliance with requirement imposed by law. If approved, it is anticipated that such waivers will be a rare occurrence.

This revision does not impact the full-time equivalent (FTE) employee count Systemwide and is budget neutral. The proposed Rule change was reviewed by the institutional presidents and representatives of the Student Advisory Council, the Faculty Advisory Council, and the Employee Advisory Council.

7. **U. T. System Board of Regents: Discussion and appropriate action regarding proposed revision to Regents' Rules and Regulations, Rule 40101 (Faculty Role in Educational Policy Formulation) to delete outdated provisions**

RECOMMENDATION

The Chancellor, the Executive Vice Chancellors for Academic Affairs, Health Affairs, and Business Affairs, the Vice Chancellor and General Counsel, and the General Counsel to the Board recommend that the U. T. System Board of Regents approve revisions to Regents' *Rules and Regulations*, Rule 40101 (Faculty Role in Educational Policy Formation), to delete Sections 4, 5, and 6.

~~Sec. 4 — Necessity of Approval by Regents. Legislation recommended by an institutional faculty, or legislative body thereof, requiring approval of the Board of Regents, shall not be effective unless and until approved by the Board. Such legislation by a college or school faculty shall not be presented to the Board until it has been approved by the institutional faculty, either directly or through its legislative body, and has received the consideration and recommendation of the institutional president, the appropriate Executive Vice Chancellor, and the Chancellor. The faculty affected will be notified by the Board, through administrative channels, of its action on recommended faculty legislation.~~

~~Sec. 5 — Approval of Degree Candidates. It shall be the duty of the several institutional faculties to recommend approval or disapproval of all candidates for degrees. This duty may be delegated by affirmative vote of the institutional faculty, or its legislative body, to the respective deans or other appropriate official. Should this duty not be delegated, the institutional registrar, or his or her equivalent, shall furnish to the members of the institutional faculty a complete list of the degree candidates for recommendation.~~

~~Sec. 6 — List of Degree Candidates. The institutional registrar, as soon as possible after each commencement, shall provide the secretary of his or her institutional faculty, or its legislative body, with a complete list of all successful degree candidates.~~

BACKGROUND INFORMATION

Regents' Rule 40101 sets forth the role of faculty in educational policy formation. Following a routine review of Board Rules, the inclusion of three sections of this Rule were identified as outdated and are no longer needed.

Section 4 sets forth a process for Board approval of faculty bylaws and resolutions, which is no longer standard practice. Sections 5 and 6 describe operational processes that are within the institutions' purview. Accordingly, it is recommended that these sections be deleted from the Regents' Rules.

This revision does not impact the full-time equivalent (FTE) employee count Systemwide and is budget neutral. The proposed Rules change was reviewed by the institutional presidents and representatives of the Student Advisory Council, the Faculty Advisory Council, and the Employee Advisory Council.

8. **U. T. System: Report on development performance for the U. T. Institutions**

REPORT

Vice Chancellor Safady will report on development performance of the U. T. System institutions for Fiscal Year 2022 and make recommendations for advancing philanthropic support, using the PowerPoint presentation set forth on the following pages.

Philanthropic Performance and Outcomes Across U. T. Institutions, FY 2022

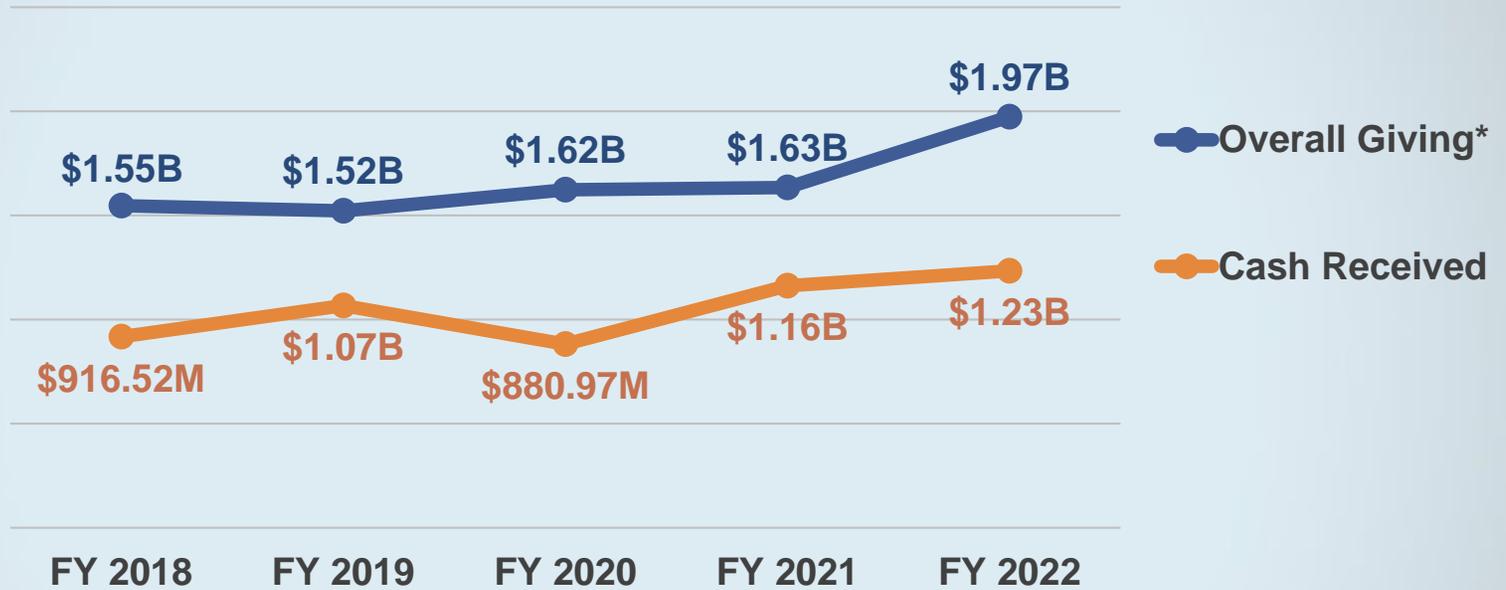
Dr. Randa Safady, Vice Chancellor for External Relations, Communications and Advancement Services

U. T. System Board of Regents Meeting
February 2023



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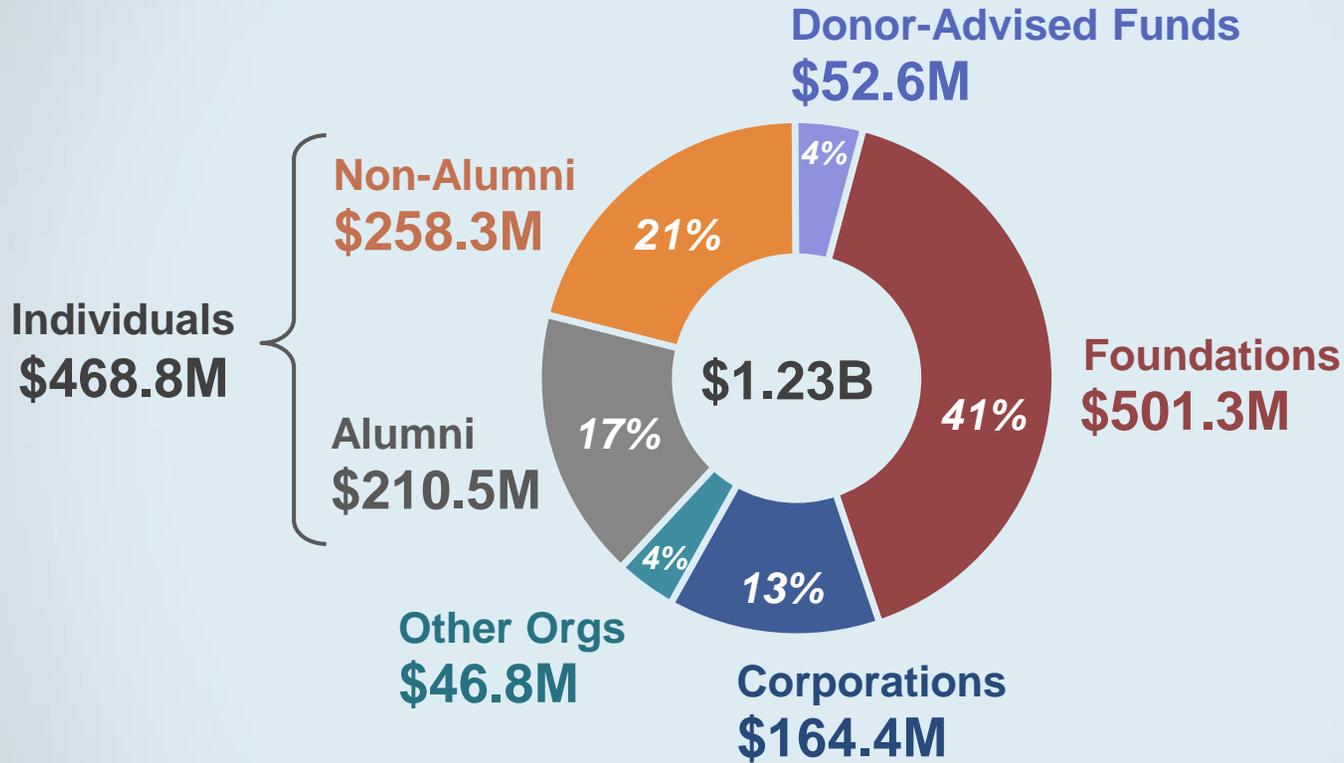
Overall Giving and Cash Received FY 2018-2022



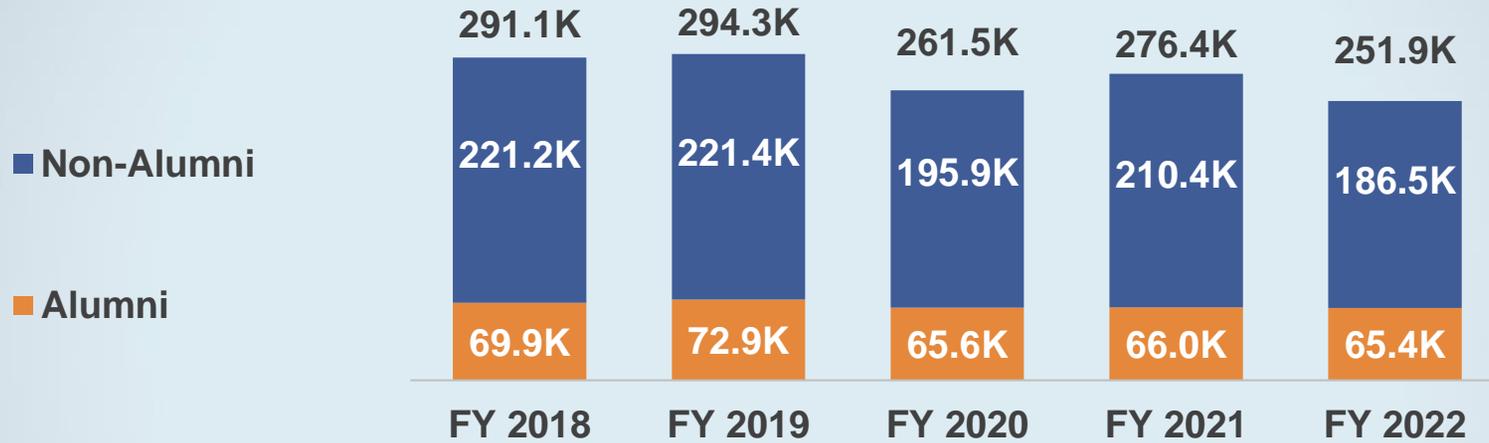
*Overall Giving = cash, new pledges balances, and new testamentary commitments at face value. FY21 and prior displays new testamentary commitments at present value, per previous Voluntary Support of Education (VSE) Survey reporting requirements.



Sources of Cash Gifts in FY 2022



Total Individual Donor Count FY 2018-2022

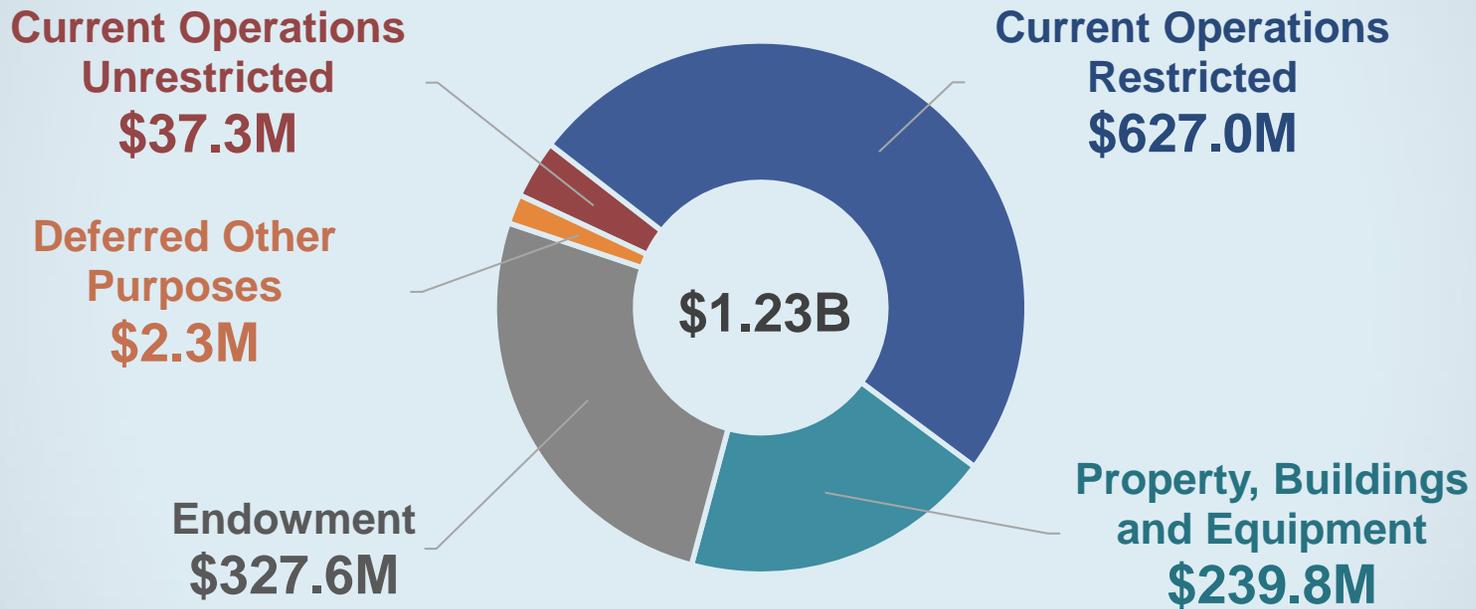


<i>Alumni of Record:</i>	1,394,619	1,457,555	1,514,106	1,549,281	1,617,771
<i>Participation Rate:</i>	5.01%	5.00%	4.33%	4.26%	4.04%

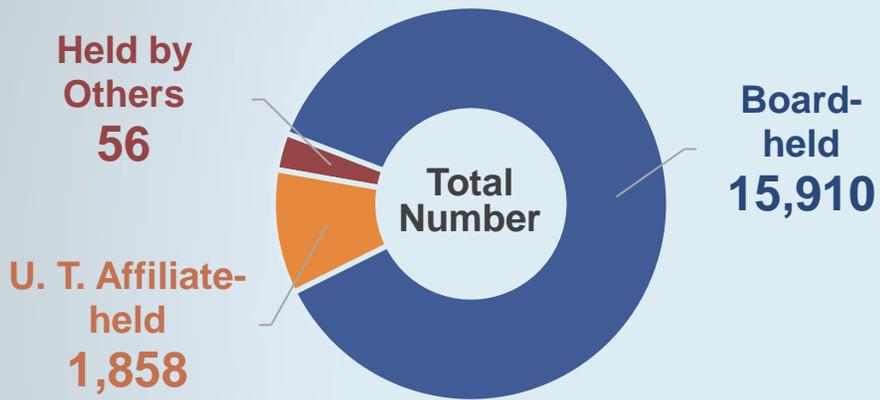
Note: alumni counts for FY21 and prior include alumni spouses, while counts for FY22 onward do not, per new VSE reporting requirements.



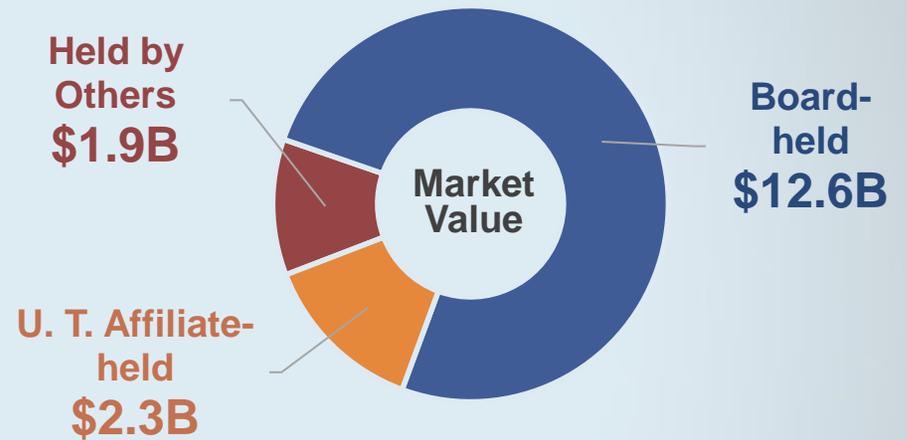
Designation of Cash Gifts in FY 2022



Endowment Status FY 2022



17,824 total endowments held by Board and external entities



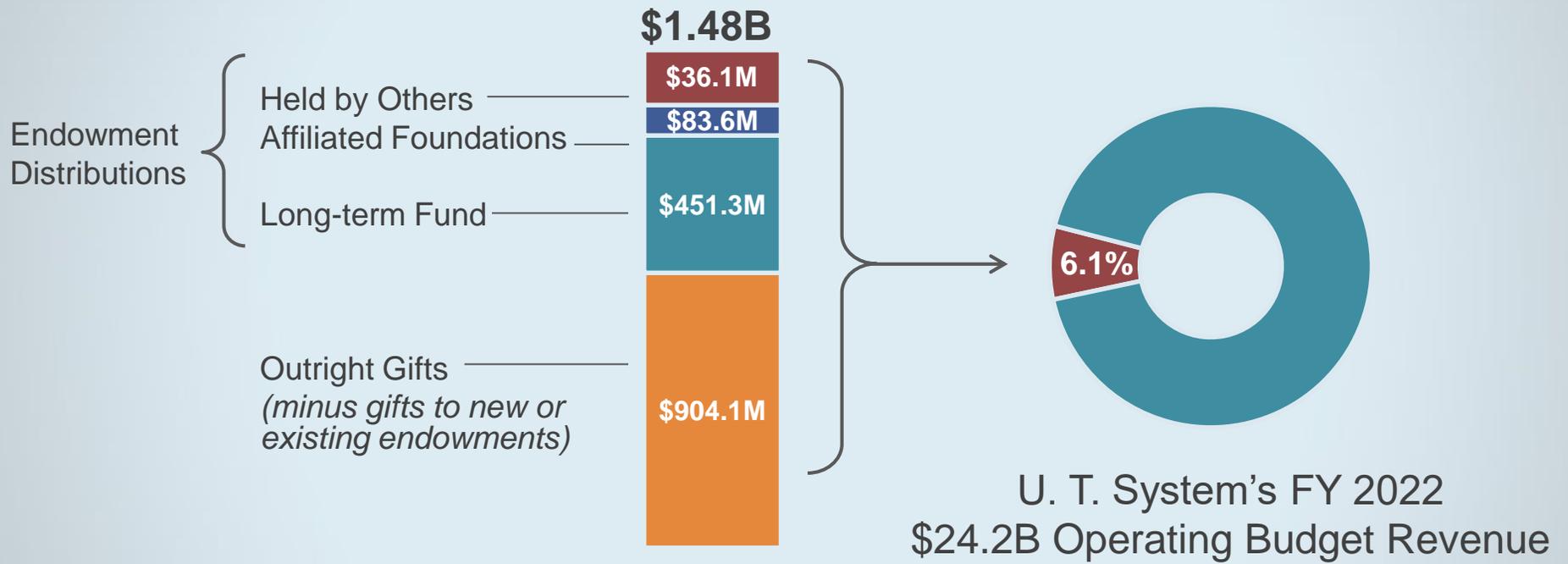
\$16.8 billion in total market value



Endowment Growth FY 2018-2022

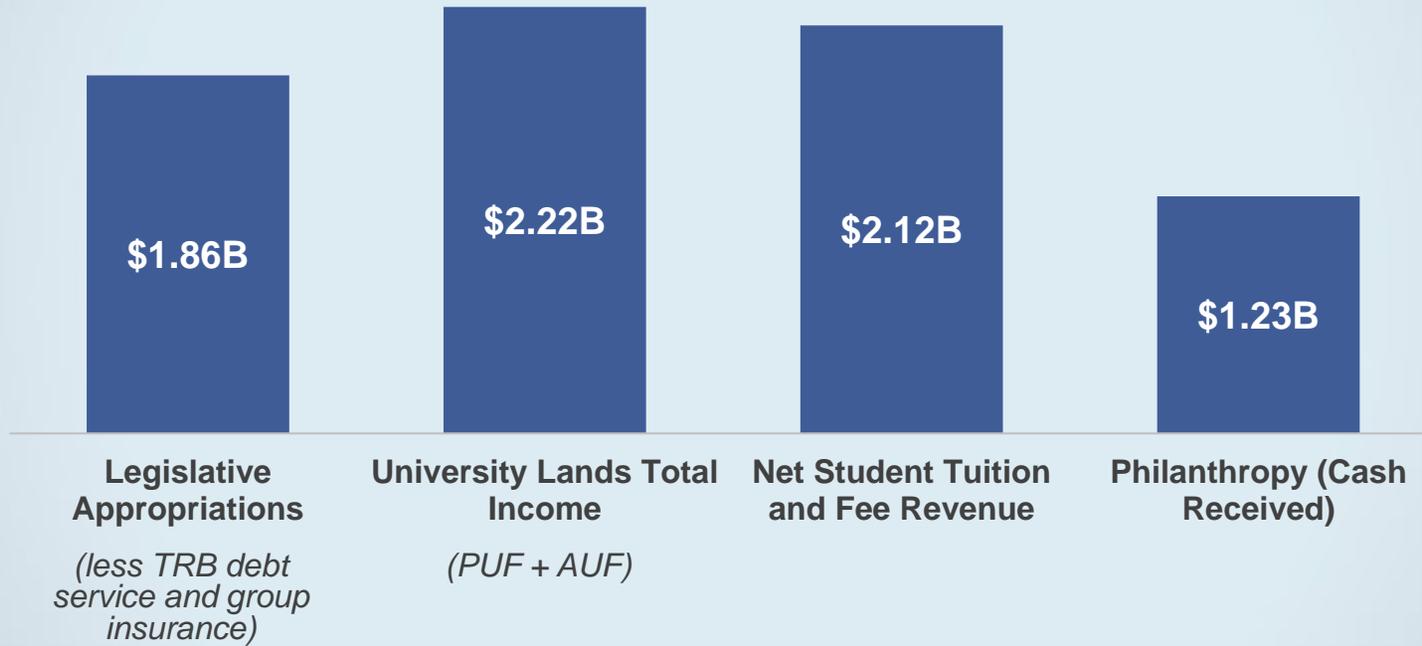


Impact of Philanthropy in FY 2022



Select Revenue Sources in FY 2022

Philanthropy is a major revenue source for U. T. institutions



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Philanthropy in Higher Education – Nationally

- Some are questioning the value of higher education
- Fundraising campaigns are more likely to focus on building the “virtual” campus
- More dollars being raised from fewer donors
- Online giving is on the rise and will continue to increase



Going Forward in Philanthropy – U. T. Institutions

- Donors are aligning with causes (not institutions) important to them
- Communications, advancement, and events offices coordinate strategic messages
- Successful fundraising programs provide a quality donor experience
- Strategic investment in advancement



9. **U. T. System Board of Regents: Discussion and appropriate action regarding proposed appointment to the Board of Directors of The University of Texas/Texas A&M Investment Management Company (UTIMCO)**

RECOMMENDATION

Chairman Eltife may recommend action concerning appointment to the UTIMCO Board of Directors.

BACKGROUND INFORMATION

Texas Education Code Section 66.08 and Regents' *Rules and Regulations*, Rule 10402, Section 6 require that the U. T. System Board of Regents appoint seven members to the UTIMCO Board of Directors of whom three must be members of the Board of Regents, three must have a substantial background and expertise in investments, and one must be a qualified individual as determined by the Board, who may be the Chancellor.

10. **U. T. Health Science Center - Houston: Discussion and appropriate action regarding legal issues related to a) proposed transaction with Surgical Care Affiliates, LLC, a Delaware limited liability company, and/or its affiliate (SCA) pursuant to which U. T. Health Science Center - Houston and SCA shall, as members of two legal entities, own interest in, develop, operate, and manage an Ambulatory Surgery Center (ASC), b) authorization for U. T. Health Science Center - Houston to develop and construct an ASC on the first floor of U. T. Health Science Center - Houston's and U. T. Physicians' multi-specialty clinic at Bellaire Station, 6500 W. Loop South, Bellaire, TX 77401 (Proposed Transaction); c) allocation and authorization of expenditure of up to \$35 million of institutional funds for U. T. Health Science Center - Houston's portion of the project costs associated with the Proposed Transaction; d) authorization for U. T. Health Science Center - Houston to supply physician services to the ASC through a professional coverage agreement; e) delegation of authority to the institutional president to execute related documents and take other action necessary; and f) finding of a public purpose**