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May 12-13, 2010
Austin, Texas

Wednesday, May 12, 2010

Board/Committee Meetings

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- B. CONVENE THE BOARD IN OPEN SESSION TO RECESS
TO EXECUTIVE SESSION PURSUANT TO TEXAS
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- b. **U. T. System Board of Regents: Discussion and
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- c. **U. T. System Board of Regents: Legal issues related
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- d. **U. T. Medical Branch – Galveston: Discussion and
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2. Deliberations Regarding the Purchase, Exchange, Lease, Sale,
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- U. T. Pan American: Discussion and appropriate action
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Thursday, May 13, 2010

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10. U. T. System Board of Regents: Presentation of Certificate of Appreciation to Student Regent Karim A. Meijer		
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1. **U. T. System Board of Regents: Recommendation to approve Chairman's appointment of Chairmen of Board Committees and Regental Representatives; and notification of appointments to Standing Committees and Liaison roles for the record (Regents' Rules and Regulations, Rule 10402, regarding Committees and Other Appointments)**

RECOMMENDATION

In accordance with the requirements of the Regents' *Rules and Regulations*, Rule 10402, Chairman McHugh requests the concurrence of the U. T. System Board of Regents on recommended appointments of Chairmen to Board Committees and Regental Representatives as underlined below. All appointments will be effective immediately upon approval by the Board.

Committee membership on all committees is listed below for the record. Unless otherwise noted, these appointments will remain in effect until the Board Chairman reconstitutes the committees.

Committees

Academic Affairs Committee

Robert L. Stillwell, Chairman

Paul L. Foster

James R. Huffines

Janiece Longoria

Note: Members of the Academic Affairs Committee also serve on The University of Texas at Brownsville/Texas Southmost College (UTB/TSC) Partnership Advisory Committee (PAC).

Audit, Compliance, and Management Review Committee

R. Steven Hicks, Chairman

Paul L. Foster

Janiece Longoria

Robert L. Stillwell

Facilities Planning and Construction Committee

Printice L. Gary, Chairman

James D. Dannenbaum

R. Steven Hicks

Wm. Eugene Powell

Finance and Planning Committee

Paul L. Foster, Chairman

Printice L. Gary

James R. Huffines

Wm. Eugene Powell

Health Affairs Committee

Janiece Longoria, Chairman

James D. Dannenbaum

Wm. Eugene Powell

Robert L. Stillwell

Student, Faculty, and Staff Campus Life Committee

James D. Dannenbaum, Chairman

Printice L. Gary

R. Steven Hicks

James R. Huffines

Note: The Chairman of the Board and the Student Regent are nonvoting *ex officio* members of all committees.

Regental Representatives

Athletics Liaison

R. Steven Hicks (Chairman's appointment)

Board for Lease of University Lands

James D. Dannenbaum

Printice L. Gary

Liaison to Governor's Office on Technology Transfer and Commercialization Issues

James D. Dannenbaum (Chairman's appointment)

M. D. Anderson Services Corporation Board of Directors

Janiece Longoria

Texas Growth Fund Board of Trustees

Wm. Eugene Powell

The Type 2 Diabetes Risk Assessment Program Advisory Committee

Janiece Longoria

The University of Texas Investment Management Company (UTIMCO)

Vice Chairman Foster, Vice Chairman Longoria, and Regent Gary were previously appointed to terms on the UTIMCO Board of Directors that expire in 2011.

2. **U. T. System Board of Regents: Presentation regarding the feasibility of possible merger of U. T. San Antonio and U. T. Health Science Center – San Antonio**

REPORT

Dr. Peter T. Flawn, President Emeritus at U. T. Austin, former President at U. T. San Antonio, and Chair of the Special Advisory Group appointed by former Chairman Huffines to advise the Board regarding the feasibility of merging The University of Texas at San Antonio and The University of Texas Health Science Center at San Antonio, will report on the work of the Special Advisory Group.

BACKGROUND INFORMATION

On October 12, 2009, former Chairman Huffines appointed a Special Advisory Group to advise the Board regarding the possible merger of U. T. San Antonio and U. T. Health Science Center – San Antonio. The Group was composed of:

- Dr. Peter T. Flawn (Chair), President Emeritus, The University of Texas at Austin, former President at U. T. San Antonio, and member of the National Academy of Engineering
- Dr. Jordan J. Cohen, President Emeritus of the Association of American Medical Colleges, Professor of Medicine and Public Health at George Washington University, and a member of the Institute of Medicine
- Dr. Haile T. Debas, Executive Director, University of California - San Francisco Global Health Sciences, and a member of the Institute of Medicine
- Dr. Patricia K. Donahoe, Director of Pediatric Surgical Research Laboratories, Simches Research Center, Massachusetts General Hospital and Marshall K. Bartlett Professor of Surgery, Harvard Medical School, and a member of the National Academy of Sciences
- Mr. Robert W. Shepard, Chairman of the Board, Shepard Walton King Insurance Group, and immediate past chairman, Texas Higher Education Coordinating Board
- Dr. Graham B. Spanier, President, The Pennsylvania State University, and former Chairman of the Association of American Universities
- Dr. Richard A. Tapia, University Professor, Maxfield-Oshman Professor in Engineering, and Director of the Center for Excellence and Equity in Education, Rice University, and a member of the National Academy of Sciences.

Chairman Huffines charged the Group with consulting with students, faculty, and administrators at both institutions as well as community leaders regarding a possible change in the operations of the institutions, to identify and evaluate potential financial and programmatic benefits and challenges concerning a possible merger, and to evaluate and make recommendations concerning any legal, administrative, or practical problems concerning a possible merger.

The Group conducted meetings in Austin and San Antonio, consulted with U. T. System officials, interviewed institutional administrators, faculty, and student leadership, and heard from business, academic, and political leaders.

The Board of Regents previously considered the possible merger of the institutions in 2002 following enactment of a law directing the Board to study the issue.

3. **U. T. System Board of Regents: Proposal to designate John T. Tate, Ph.D., Professor Emeritus of Mathematics at U. T. Austin, as Regental Professor Emeritus**

RECOMMENDATION

Chancellor Cigarroa concurs in the recommendation of Executive Vice Chancellor Prior and President Powers that the title of Regental Professor Emeritus be bestowed on John T. Tate, Ph.D., Professor Emeritus of Mathematics at U. T. Austin, for winning the Abel Prize.

BACKGROUND INFORMATION

The Regents' *Rules and Regulations*, Rule 31001, regarding honorific titles, permits bestowing the title of Regental Professor on any faculty member who is awarded the Nobel Prize. The Abel Prize for 2010 was awarded to Dr. Tate by the Norwegian Academy of Science and Letters for his vast and lasting impact on the theory of numbers. The award is considered akin to a Nobel Prize, for which there is no award for mathematics. The award was announced on March 24, 2010, and will be presented to Dr. Tate on May 25, 2010.

Professor Tate received his Bachelor of Arts from Harvard College and his Ph.D. from Princeton University. He taught at Princeton, Columbia University, and Harvard University. In 1990, he became Professor and Sid W. Richardson Chair in Mathematics at U. T. Austin, retiring in 2009. He received numerous awards and honors and was elected to the National Academy of Sciences in 1969. Many essential mathematical ideas and constructions were initiated by Dr. Tate and later named after him, including the Tate module, the Tate curve, the Tate cycle, the Tate conjecture, and the Tate algorithm.

4. **U. T. Austin: Honorific naming of two floors in the Jesse H. Jones Hall of the Law School as the Stephen D. Susman Academic Center**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor for External Relations, and President Powers that the U. T. System Board of Regents approve the naming of two floors in the Jesse H. Jones Hall of the U. T. Austin Law School as the Stephen D. Susman Academic Center to recognize the significant contributions of Mr. Susman to the Law School.

BACKGROUND INFORMATION

The Law School is in the beginning stage of remodeling several floors of the Jesse H. Jones Hall in the Law School complex. The honorific naming opportunity refers to floors five and six, which are being converted to faculty offices and meeting spaces for classes, seminars, research, and events. This space will create a two-floor academic center.

Mr. Susman received an LLB degree from U. T. Austin in 1965 and is managing partner of a litigation firm, Susman Godfrey, LLP, based in Houston with offices in Dallas, Seattle, Los Angeles, and New York. Among numerous professional awards, he was recognized by *Who's Who Legal* as the Leading Commercial Litigator in the World in 2006 and 2007. Mr. Susman is deeply committed to U. T. Austin, providing leadership and financial support both personally and through his law firm. He previously made gifts of \$1 million to the University's Jack S. Blanton Museum of Art and his law firm gave \$2 million to create an excellence fund in the School of Law. In January 2005, the atrium in Townes Hall was renamed the Susman Godfrey Pavilion in honor of the firm's substantial endowment gifts. Mr. Susman has recently committed an additional \$5 million to the Law School to fund greatest need areas as determined by the dean. He serves as a member of the Development Board and on the Law School's Leadership Gifts committee for the Campaign for Texas.

Because of Mr. Susman's significant contribution of service and philanthropy to the U. T. Austin Law School, the honorific naming request is being made. The proposed naming is consistent with the Regents' *Rules and Regulations*, Rule 80307, relating to the honorific naming of facilities.

5. **U. T. System Board of Regents: Report on activities related to Texas Education Code Section 61.0665 on use and availability of electronic textbooks**

REPORT

Regent Meijer will report on activities related to the Texas Higher Education Coordinating Board's study regarding the use and availability of electronic textbooks in higher education.

BACKGROUND INFORMATION

Texas Education Code Section 61.0665 requires each Student Regent for each public university system or public university to assist the Texas Higher Education Coordinating Board to conduct a study and recommend policies regarding the use and availability of electronic textbooks at institutions of higher education. The study must focus on a pilot program on electronic textbooks conducted at U. T. Austin in 2009, with the report to be made to the Governor, Lieutenant Governor, Speaker of the House of Representatives, and presiding officer of appropriate legislative committees by December 1, 2010.

Regent Meijer has worked with Coordinating Board staff pursuant to the legislation and has also participated in discussions at U. T. Austin concerning additional activities related to the use of electronic textbooks.

6. **U. T. System Board of Regents: Approval to adopt the resolution regarding the list of individuals authorized to negotiate, execute, and administer classified government contracts (Key Management Personnel)**

RECOMMENDATION

To comply with the Department of Defense National Industrial Security Program Operating Manual (NISPOM) requirements, it is recommended that the list of individuals authorized to negotiate, execute, and administer classified government contracts [Key Management Personnel (KMP)] be amended to a) eliminate the titles of Regents, and b) add positions of KMPs at U. T. System and U. T. Austin. A Resolution amending the list was last adopted by the Board on May 13, 2009.

NISPOM defines KMP as "officers, directors, partners, regents or trustees." The manual requires that the senior management official and the Facility Security Officer must always be designated KMPs and be cleared at the level of the Facility Clearance. Other officials or KMPs, as determined by the Defense Security Service, must be granted Personal Security Clearances or be formally excluded by name from access to classified material.

BE IT RESOLVED:

- a. That the following named members of the U. T. System Board of Regents shall not require, shall not have, and can be effectively excluded from access to all classified information in the possession of The University of Texas System and do not occupy positions that would enable them to affect adversely the policies and practices of The University of Texas System in the performance of classified contracts for the Department of Defense or User Agencies of its Industrial Security Program, and need not be processed for a personnel clearance:

Members of the U. T. System Board of Regents:

James D. Dannenbaum
Paul L. Foster
Printice L. Gary
R. Steven Hicks
James R. Huffines
Janiece Longoria
Colleen McHugh
Wm. Eugene Powell
Robert L. Stillwell

- b. That those persons occupying the following positions among the officers of The University of Texas System shall be known as Key Management Personnel as described in the Department of Defense National Industrial Security Program Operating Manual for safeguarding classified information:

Chancellor, Chief Executive Officer, U. T. System
President, U. T. Austin
Vice President for Research, U. T. Austin
Associate Vice President for Research and Director, Office of Sponsored
Projects, U. T. Austin
U. T. System a.k.a. U. T. Austin Facility Security Officer

BACKGROUND INFORMATION

As a nonvoting member, the Student Regent is not listed.

7. **U. T. System Board of Regents: Amend Regents' *Rules and Regulations*, Rule 31003, regarding abandonment of academic positions or programs**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, and the Vice Chancellor and General Counsel that the Regents' *Rules and Regulations*, Rule 31003, regarding abandonment of academic positions or programs, be amended as set forth in congressional style on Pages 9 - 15.

BACKGROUND INFORMATION

The proposed amendments to the Regents' *Rules and Regulations*, Rule 31003, will reinforce the importance of meaningful faculty involvement at all stages of financial exigency, will ensure a reasonable level of transparency in the process, and will clarify what is meant by "financial exigency" that would trigger this policy. The proposed revisions were reviewed by presidents at both the academic and health institutions and members of the U. T. System Faculty Advisory Council.

1. Title

Abandonment of Academic Positions or Programs

2. Rule and Regulation

Sec. 1 President's Responsibility. The president of an institution of The University of Texas System ~~has the responsibility~~ is responsible for determining when to eliminate occupied academic positions, the titles of which are given in the Regents' *Rules and Regulations*, Rule 31001, or abandon academic programs or both, subject to approval by the appropriate Executive Vice Chancellor. The decision of the president shall include full and meaningful faculty input as specified below and in the institution's *Handbook of Operating Procedures*, and the implementation of that decision shall be subject to the following minimum procedural requirements.

Sec. 2 Elimination for Academic Reasons. An academic program under consideration for abandonment or an academic position that is under consideration for elimination for bona fide academic reasons should be reviewed in depth through a procedure determined by the president that includes the elements specified below and in the institution's *Handbook of Operating Procedures*. Neither the procedures specified in Rule 31008 of the Regents' *Rules and Regulations* concerning termination of a faculty member, the notice requirements of Rule 31007, Section 5 concerning tenure, nor Rule 31002, Sections 1 and 2, concerning notice of nonrenewal to nontenured faculty members, shall be applicable.

2.1 Notification. Tenured faculty in a program that is under consideration for abandonment or in an academic position that is under consideration for elimination will be notified and afforded an opportunity to contribute to the review process through a duly constituted committee consisting of faculty members and administrators and have those contributions fairly considered.

2.2 Supporting Rationale. Upon completion of the review process, a recommendation with supporting rationale should be submitted to the chief academic officer for review and recommendation to the president.

2.3 Review by Executive Vice Chancellor. If the president determines that an academic program should be

abandoned, a request for approval with supporting documentation should be forwarded to the appropriate Executive Vice Chancellor.

2.4 Appeal Procedures. The president of an institution shall appoint a hearing committee comprised of faculty members to consider any appeals for reconsideration of termination decisions. Within 30 days from the date of notice of termination, a ~~person~~ faculty member shall have the right to appeal to the hearing committee for reconsideration of the termination decision. The appeal for reconsideration shall be in writing and addressed to the president of the institution. A ~~person to be terminated~~ faculty member who appeals to the hearing committee (the appellant) shall be given a reasonably adequate written statement of the basis for the initial decision to reduce academic positions and, upon request of the person, shall be given any written data or information relied upon in arriving at such decision. The hearing committee shall conduct the hearing in accordance with the following conditions and procedures:

- (a) The hearing committee shall set the date, time, and place for hearing the appeal for reconsideration. Such hearing shall be held within 30 days of the date of the written request unless the ~~person to be terminated~~ appellant waives such time requirement; however, such hearing shall be held within 90 days from the date of the request.
- (b) The hearing will be closed to the public unless requested to be open by the ~~appealing person~~ appellant.
- (c) The ~~appealing person~~ appellant may be represented by legal counsel at ~~their~~ his or her expense.
- (d) The ~~appealing person~~ appellant and the institution may offer any written evidence or oral testimony that is material to the issues.
- (e) The burden shall be upon the ~~appealing person~~ appellant to show by a preponderance of the credible evidence that the decision to terminate the ~~appealing person~~ appellant as compared to another individual

in the same discipline or teaching specialty was arbitrary and unreasonable based upon the evidence presented.

(f) No other issues shall be heard or considered by the hearing committee.

- 2.5 Establishment of Date. The date for abandoning or phasing out an academic program should take into consideration the time required for anticipated completion by students currently enrolled or ~~to facilitate~~ for facilitation of their placement in acceptable alternative programs.
- 2.6 Requests for Reassignment. The administration will notify tenured faculty in the program to be abandoned and ask each faculty member to inform the president or designee, in writing, of the faculty member's request for reassignment to other academic program(s) and to provide details of their qualifications ~~to teach in~~ for appointment to such academic program(s).
- 2.7 Employment Alternatives. The president or designee will meet individually with tenured faculty who respond to discuss possible employment alternatives to termination.
- 2.8 Non-retention. If the decision is not to retain, the president or designee will send a written response stating reasons for non-retention.
- 2.9 Displacement. If retention of a tenured faculty member results in displacement of a tenured faculty member in another ~~area~~ program, the displaced faculty member is entitled to the above procedures.
- 2.10 Benefit Information. Any faculty member whose employment is terminated pursuant to this Subsection shall be informed of applicable benefits available upon termination, such as retirement, accrued leave, and opportunity to continue insurance coverage.
- 2.11 Employment Assistance. U. T. System institutions shall provide appropriate assistance to affected faculty members concerning available alternative employment opportunities.

- Sec. 3 Elimination Due to an Institutional Financial Exigency. When such reductions are necessary as a result of financial exigency, the procedure for the selection and notification of those academic positions that are to be terminated shall be governed by this Section, and the institution's Handbook of Operating Procedures. ~~Neither the procedures specified in Rule 31008 of the Regents' Rules and Regulations concerning termination of a faculty member, nor the notice requirements of Rule 31007, Section 5 concerning tenure, or Rule 31002, Sections 1 and 2, concerning notice of nonrenewal to nontenured faculty members, shall be applicable.~~
- 3.1 Committee Recommendations. Upon determining the existence of a financial exigency and the need to reduce academic positions or academic programs, or both, the president of an institution shall appoint a committee composed of faculty and administrative personnel to make recommendations to the president as to which academic positions and/or academic programs should be eliminated as a result of the financial exigency. At least one-half of the total committee membership shall be faculty members and at least one-half of the faculty members on the committee shall be appointed from recommendations submitted to the president from the institution's faculty governance body.
- 3.2 Assessment of Academic Program. The committee will review and assess the academic programs of the institution and identify those academic positions that may be eliminated with minimum effect upon the degree programs that should be continued and upon other critical components of the institution's mission. The review will include, but not be limited to, as relevant: (a) an examination of the course offerings, degree programs, supporting degree programs, teaching specialties, and semester credit hour production; (b) an evaluation of the quality, centrality, and funding of research activities; and/or (c) an assessment of the productivity, community service, and quality of clinical services (in relation to teaching, health care delivery, and scholarly activity).
- 3.3 Review Consideration. Upon determining that one or more academic positions in a degree program or teaching specialty should be eliminated, the committee will recommend to the president, in writing, the particular

position or positions to be terminated ~~by~~ after reviewing the academic, research, and clinical qualifications and talents of holders of all academic positions in those degree programs or clinical or academic teaching specialties, the needs of the program and the needs of the school or college they serve, past ~~academic~~ performance, and the potential for future contributions to the development of the institution. Tenure status of a faculty member shall not be a consideration in the determination of whether a particular position should be eliminated except as permitted in Section 3.4 below.

- 3.4 Tenure Preference. If, in the opinion of the committee, two or more faculty members are equally qualified and capable of performing ~~a particular~~ the same teaching, research, and/or clinical role, the faculty member or members having tenure shall be given preference over nontenured faculty. However, if such faculty members ~~has~~ have the same tenure status and equal qualifications, consideration will be given to other documented needs of the institution.
- 3.5 Recommendation. Upon completion of its review, the committee shall promptly recommend in writing to the president those persons who may be terminated, ranked in order of priority, with the reasons for their selection. The president shall, with such consultation with institutional administrative officers as ~~they~~ the president may deem appropriate, determine which academic positions are to be terminated because of the financial exigency and shall give the holders of these positions written notice of the decision.
- 3.6 Notification of Vacancies. Any person terminated due to financial exigency will be notified when a vacancy occurs in the same institution in their field of teaching within the next two academic years following the termination. If such person makes timely application and is qualified for the position to be filled, they shall be offered employment in that position. If the vacancy is in a field of teaching in which two or more persons have been terminated because of financial exigency, all will be notified of the vacancy and of those so notified and making timely application, employment will be offered to the person who is the better qualified for the position to be filled.

3.7 Hearing Committee. The president shall appoint a hearing committee comprised of faculty members to hear any appeals for reconsideration of termination decisions based upon financial exigency. Within 30 days from the date of the notice of termination, a ~~person~~ faculty member shall have the right to appeal to the hearing committee for reconsideration of the termination decision. The appeal for reconsideration shall be in writing and addressed to the president. A ~~person to be terminated~~ faculty member who appeals to the hearing committee (the appellant) shall be given a reasonably adequate written statement of the basis for the initial decision to reduce academic positions and, upon request of the person, shall be given ~~any~~ all written data or information relied upon in arriving at such decision.

3.8 Appeal Procedures. The hearing committee shall set the date, time, and place for hearing the appeal for reconsideration. Such hearing shall be held within 30 days of the date of the written request unless the ~~person to be terminated~~ appellant waives such time requirement; however, such hearing shall be held within 90 days from the date of the request. The hearing committee shall conduct the hearing in accordance with the following conditions and procedures.

- (a) The hearing will be closed to the public unless requested to be open by the ~~appealing person~~ appellant.
- (b) The ~~appealing person~~ appellant may be represented by legal counsel at ~~their~~ his or her own expense.
- (c) The ~~appealing person~~ appellant and the institution may offer any written evidence or oral testimony that is material to the issues.
- (d) The burden shall be upon the ~~appealing person~~ appellant to show by a preponderance of the credible evidence that:
 - (1) Financial exigency was not in fact the reason for the initial decision to reduce academic positions;
or

(2) The decision to terminate the ~~appealing person~~ appellant as compared to another individual in the same discipline or teaching specialty was arbitrary and unreasonable based upon the evidence presented.

(e) No other issues shall be heard or considered by the hearing committee.

(f) The hearing committee shall make written findings of fact and recommendations to the president of ~~an~~ the institution as soon as practical following the hearing. The president shall have the final decision to either accept or reject the recommendation of the hearing committee.

Sec. 4 Institutional policies and procedures implementing this Rule shall be approved in accordance with applicable Regents' Rules (including Rule 20201, Sec. 4.9) and placed in each institution's Handbook of Operating Procedures.

3. Definitions

None

Financial exigency: a demonstrably bona fide financial crisis that adversely affects an institution as a whole and that, after considering other cost-reducing measures, including ways to cut faculty costs, requires consideration of terminating appointments held by tenured faculty.¹

Governance body: the elected body representative of the faculty and charged with developing academic policy in the areas designated in Regents' Rule 40101.

¹ Includes faculty holding seven-year term appointments during the term of their appointments, (see Regents' Rule 31007, Sec. 2).

8. **U. T. System Board of Regents: Adoption of Regents' Rules and Regulations, Rule 20206, regarding the delegation of responsibility for oversight of intercollegiate athletics**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the Vice Chancellor and General Counsel that the Board of Regents adopt a new Regents' *Rules and Regulations*, Rule 20206, regarding the delegation of responsibility for oversight of intercollegiate athletics, as set forth on Page 17. The Rule proposes to delegate to the president the ultimate responsibility and authority for the operation, fiscal integrity, and personnel of the institution's athletics program.

BACKGROUND INFORMATION

Article 22 of the Division I NCAA Constitution delineates the NCAA's athletics certification program, which is designed to "validate the fundamental integrity of member institutions' athletics programs through a verified and evaluated institutional self-study" (Article 22.01). Article 22.2 requires "an institutional self-study, verified and evaluated through external peer review" every 10 years; part of the self-study requires each institution to demonstrate that:

- (a) The institution's governing board provides oversight and broad policy formulation for intercollegiate athletics in a manner consistent with other units of the institution; and
- (b) The chancellor or president is assigned ultimate responsibility and authority for the operation, fiscal integrity, and personnel of the athletics program.

It has long been the opinion of the Office of General Counsel (OGC) that the authority delegated to the Board of Regents under the *Texas Constitution*, Article VII, Section 10; *Texas Education Code* Section 65.11; and the authority delegated to the institutional presidents under Section 4 of Regents' Rule 20201, regarding duties and responsibilities of presidents, satisfied (a) and (b) above. So that there is no question about these delegations, the director of NCAA compliance for U. T. Austin has recommended, and OGC concurs, that a Regents' Rule be adopted that explicitly states these authorities.

1. Title

Intercollegiate Athletics

2. Rule and Regulation

Sec. 1 Board Oversight. The Board provides oversight and broad policy guidelines for the budget, operational activities, and intercollegiate athletics program in a manner consistent with the operation of other units of the U. T. System.

Sec. 2 Delegation of Authority. The president of the institution is assigned ultimate responsibility and authority for the operation, fiscal integrity, and personnel of the institution's athletics program, including appointment and supervision of the athletics director(s). Each president is also responsible for ensuring that the institution's athletics program is in compliance with all applicable laws and regulations and that the mission, values, and goals of the athletics program are compatible with those of the institution.

9. U. T. System: Report on the Texas Ignition Fund

REPORT

Vice Chancellor McDowell and Assistant Vice Chancellor Swain will present a report on the Texas Ignition Fund (TIF), using a PowerPoint presentation set forth on Pages 19 - 28.

BACKGROUND INFORMATION

The TIF is a proof-of-concept (POC) grant program designed to stimulate commercialization activities at U. T. System institutions by providing grants up to \$50,000 for the development and maturation of research discoveries into marketable intellectual property. On December 6, 2007, the U. T. System Board of Regents authorized one-time funding of \$2 million for creation of the TIF, which has been administered by the U. T. System Office of Research and Technology Transfer (RTT).

The TIF program addresses a crucial funding gap and reinforces the many other elements of the innovation ecosystem that define a culture of commercialization at U. T. System institutions. Well-documented evidence of the success of mature POC funding programs across the country, including a fund managed by the U. T. M. D. Anderson Cancer Center Office of Technology Discovery, suggests that the TIF program will continue to leverage other funding sources and commercialization benefits over many years, long after awards are funded.

Of the 45 TIF projects funded at 12 U. T. System institutions, 23 startup companies have been formed, 9 licenses and options have been executed, 59 patent applications have been filed, 12 patents have been issued, and \$7.7 million in external funding has been received.

Texas Ignition Fund Report

Keith McDowell, PhD

Vice Chancellor for Research and Technology Transfer

Cathy Swain, MS, CFA, AIFA®

Assistant Vice Chancellor for Commercial Development
Office of Research and Technology Transfer

U. T. System Board of Regents' Meeting
May 2010



THE UNIVERSITY OF TEXAS SYSTEM
Nine Universities. Six Health Institutions. Unlimited Possibilities.

Background of the Texas Ignition Fund

- Established in December 2007 as a proof-of-concept grant program to stimulate commercialization at U. T. System institutions.
- Grants up to \$50,000 support the development and maturation of research discoveries into marketable intellectual property.
- The one-time allocation of \$2 million by the Board of Regents is administered by the Office of RTT.
- TIF Reviewer Panel of 6 external volunteers (venture firms, Texas Emerging Technology Fund representatives, lawyers, consultants)



Funding Activity

45 Awards, 123 Proposals, \$2 Million

	#	\$	% of all	#	\$	% of all
	Awards (x 1,000)	Awards (x 1,000)	\$	Awards (x 1,000)	\$	\$
<i>Academic</i>						
UTA	10	475	24%	3	85	4%
UT Austin	9	398	20%	5	250	13%
UTD	4	200	10%	3	150	8%
UTEP	3	110	5%	1	50	2%
<i>Health</i>						
UTSWMC						
UTMB						
UTHSCH						
UTHSCSA						
UTMDACC	2	94	5%	3	90	5%
UTHSCT	1	50	2%	1	50	2%
Subtotal	29	1,327	66%	16	675	34%



Technologies in Various Industries; 68% in Biotech and Life Sciences

Industry Cluster of Funded Projects

Industry	# Awards
Biotechnology and life sciences	31
Micro-electrical mechanical systems (MEMS)	10
Energy	7
Advanced technologies and manufacturing	4
Nanotechnology	4
Information and computer technology	3
Petroleum refining and chemical products	3
Software technology/wireless	3
Aerospace and defense	1
Semiconductor	1

Note: Many technologies cross more than one industry



Projects Show Significant Outcomes to Date

- **23** startup companies (6 of which are in formation)
- **9** licenses and options executed
- **59** patent applications
- **12** patents issued
- **\$7.7** million in external investments & funding

Texas Ignition Fund Outperforms Peer Funds in Startups and Licenses

	U. T. System Texas Ignition Fund	UTMDACC Discovery Fund	U. C. San Diego von Liebig Center	M. I. T. Deshpande Center
Year Launched	2008	2003	2001	2002
Investment to date	\$2M	\$2M	\$4M	\$9M
Projects funded	45	31	70	80
Licenses/Options	9	20	22	1
Startups	23	7	16	18
Capital raised	\$8M	\$8M	\$78M	\$140M

Selected Startup Companies



U. T. Pan American



Organic Fuels
U. T. Austin



U. T. Austin



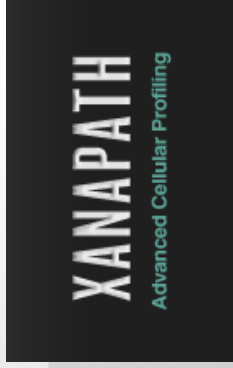
UTMDACC



U. T. Dallas



UTSWMC



UTSWMC



U. T. Arlington

Cirasys, Inc.

U. T. Dallas

Inspired Solar, Inc.

U. T. Austin

Paragonix Technologies

UTHSCSA

Lone Star Advanced Technology

U. T. Arlington

Kidney Stone Tech, Inc.

U. T. Dallas

Seniton

U. T. Arlington

Limelight Technologies, Inc.

U. T. San Antonio



THE UNIVERSITY of TEXAS SYSTEM
Nine Universities. Six Health Institutions. Unlimited Possibilities.

Lone Star Advanced Technology, LLC



- Energy industry: Alternative fuel conversion process that transforms lignite coal into heavy crude using an efficient and cost-effective method
- More than 50 inquiries from potential licensees and investors as of October 2009
- Received \$2.4 million in external funding from the Department of Energy, DARPA, and others
- Plan to develop a micro-refinery this year
- Principal Investigators: Drs. Richard Billo, Brian Dennis, and John Priest





- Manufacturing industry: Forcespinning™ technology -- proprietary method of creating nanofibers in the advanced manufacturing industry
- Product applications are numerous, ranging from filtration to textiles, from tissue engineering to drug delivery, from energy to cosmetics
- Named one of the top innovations of 2010 by the American Society of Manufacturing Engineers
- Received the Silver award from the World's Best Showcase in March
- Principal Investigator: Dr. Karen Lozano
- Collaborators: Drs. Kamal Sarkar and Horacio Vasquez





- Biotechnology and life sciences industry: An aerosolized lung innate immune stimulant (ALIIS)
- Significant “proof-of-concept” data existed; needed more work to reach clinical trials
- Received \$1.4M in external funding
 - \$575K in research funding from the National Cancer Institute and private foundations
 - \$2M in outside investments
 - \$600K from the Texas Emerging Technology Fund
- Principal Investigator: Dr. Burton Dickey