

Meeting No. 1,057

THE MINUTES OF THE BOARD OF REGENTS
OF
THE UNIVERSITY OF TEXAS SYSTEM

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March 31, 2010

Austin, Texas

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WEDNESDAY, MARCH 31, 2010.--The members of the Board of Regents of The University of Texas System convened via telephone conference call at 9:15 a.m. on Wednesday, March 31, 2010, in the Board Meeting Room, Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas, with the following participation:

ATTENDANCE.--

Present

Chairman McHugh
Vice Chairman Foster
Vice Chairman Longoria
Regent Dannenbaum
Regent Gary
Regent Hicks
Regent Huffines
Regent Powell
Regent Stillwell
Regent Meijer, Student Regent, nonvoting

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman McHugh called the meeting to order.

RECESS TO EXECUTIVE SESSION.--At 9:18 a.m., Chairman McHugh announced the Board would recess to convene in Executive Session pursuant to *Texas Government Code* Sections 551.071, 551.072, 551.073, and 551.074 to consider those matters listed on the Executive Session agenda.

RECONVENE IN OPEN SESSION.--At 9:50 a.m., the Board reconvened in open session for the following action taken on matters discussed in Executive Session and to consider an agenda item.

1a. U. T. Austin: Approval of proposed negotiated gifts with potential naming features

Regent Huffines moved that the Board of Regents authorize President Powers and Vice Chancellor Safady to conclude negotiations necessary to finalize and accept gifts to benefit The University of Texas at Austin with potential naming features consistent with the terms outlined in Executive Session.

Vice Chairman Longoria seconded the motion, which carried unanimously.

- 2a. U. T. System Board of Regents: Discussion with Counsel on pending legal issues

No action was taken on this item.

- 2b. U. T. System Board of Regents: Discussion and appropriate action concerning legal issues related to employment matters

No action was taken on this item.

3. U. T. System: Deliberations regarding the purchase, exchange, lease, sale, or value of real property

No action was taken on this item.

- 4a. U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of U. T. System and institutional employees

No action was taken on this item.

- 4b. U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents (academic and health institutions), U. T. System Administration officers (Executive Vice Chancellors and Vice Chancellors), other officers reporting directly to the Board (Chancellor, General Counsel to the Board, and Chief Audit Executive), and U. T. System and institutional employees

No action was taken on this item.

CONGRATULATIONS TO DR. JOHN T. TATE, PROFESSOR EMERITUS OF MATHEMATICS AT U. T. AUSTIN.--Chairman McHugh congratulated Dr. John T. Tate, Professor Emeritus of Mathematics at The University of Texas at Austin, for winning the Abel Prize. The award, which was announced by the Norwegian Academy of Science and Letters on March 24, 2010, is considered akin to a Nobel Prize, for which there is no award for mathematics. Chairman McHugh said that Dr. Tate will be invited to the May 2010 Board of Regents' meeting so that the Board could congratulate him in person.

AGENDA ITEM

U. T. System: Approval to submit strategic plans for research to the Texas Higher Education Coordinating Board by U. T. Arlington, U. T. Dallas, U. T. El Paso, and U. T. San Antonio as well as U. T. Austin

As required by House Bill 51, passed during the 81st Regular Legislative Session, Texas Higher Education Coordinating Board rules require a research university or an emerging research university as designated in the Coordinating Board's accountability system to develop a long-term strategic plan for either achieving recognition as a research university, as is the case for The University of Texas at Arlington, The University of Texas at Dallas, The University of Texas at El Paso, and The University of Texas at San Antonio, or enhancing the institution's reputation as a research university, as is the case for The University of Texas at Austin. The strategic plans required approval by The University of Texas System Board of Regents prior to submission to the Coordinating Board by April 1, 2010.

Chairman McHugh said the actions and activities that will be based upon the initiatives that are described in the strategic plans and that will be generated from the ongoing discussions concerning implementation of the plans are of critical importance and will be the subject of considerable discussion and ongoing oversight. She said in the near future, Chancellor Cigarroa and Executive Vice Chancellor Prior will work with the institutional presidents on comprehensive business and financial plans to accomplish the goals identified and work, over the longer term, to provide the Board with periodic briefings on each institution's progress toward achieving or enhancing excellence.

Chairman McHugh stated that the Board's role at this time was not to critique or compare the plans but to determine if each institution followed the proper reporting format and provided information on each topic required by the Coordinating Board. She then called on Chancellor Cigarroa for introductory comments regarding the strategic plans, followed by remarks from Executive Vice Chancellor Prior, as set forth on the following pages.

Chancellor Cigarroa's remarks

The future of Texas is dependent on a knowledge-based society and economy. Texas must excel on both a national and global scale in the creation of new knowledge, innovation, and the translation of those discoveries to the benefit of society. Tier One Universities, or national research intensive universities, attract a critical mass of gifted faculty, students, and staff. Their presence results in the advancement of excellence to the highest order in both undergraduate and graduate studies, highly competitive doctoral programs, research across multiple disciplines benefitting mankind, exposure of students to international issues necessary for the understanding of a global economy, and success in federal funding with total research expenditures often exceeding \$100 million. Of critical importance, Tier One Universities prepare a significant number of upcoming leaders necessary for a vibrant future for our nation and the world.

We are fortunate that Texas has three of the nation's 60 best research universities who are members of the Association of American Universities (AAU): The University of Texas at Austin, Texas A&M University at College Station, and Rice University. This number is not sufficient when one considers our state's growing population and the fact that our current public flagships are at near capacity.

In May 2008, Dr. David Daniel (U. T. Dallas President) wrote a compelling white paper on the need for more Tier One universities in Texas. He articulated several important points:

- a. Texas loses more than 10,000 high school graduates per year to attend out-of-state doctoral-granting universities, while attracting only about 4,000 students from other states to attend doctoral-granting universities in Texas. This annual brain drain represents a significant loss of critical young talent for Texas.
- b. Texas receives \$3.7 billion per year less than its fair share of Federal Research and Development dollars and venture capital investment, based on population proportion to the entire United States. Declining investment in Texas' flagship universities, and lack of more Tier One Universities, among other factors, is costing Texas every day in terms of human capital as well as real investment capital.
- c. Texas has three AAU universities while California has nine AAU universities. Since Texas has two thirds of California's population, one might say that Texas should have two-thirds as many AAU Universities for a total of six Tier One Universities.

Dr. Daniel's white paper resonated at our Capitol resulting in the 81st Legislature passing House Bill 51. The aim of this bill is to facilitate the transition of 70 emerging research universities into Tier One Universities through a competitive process centered on advancing excellence across their missions and enhancing the educational needs of Texas. I am proud that four of these seven emerging research universities are The University of Texas at Arlington, The University of Texas at Dallas, The University of Texas at El Paso, and The University of Texas at San Antonio.

An accompanying joint resolution allowed the voters to successfully pass Proposition 4, which makes available a National Research University Fund to these universities once certain metrics are achieved. Being eligible for National Research University Funds recognizes significant success in the trajectory of excellence, but it does not mean a university has achieved Tier One status.

Our Board of Regents should feel a great sense of pride, because in large part, the success of these universities and the entire U. T. System has been a result of the presidents that you have selected, the Competitiveness Initiative and STARs (Science and Technology Acquisition and Retention) funding which you established, and by your setting a national model of accountability, transparency, and performance measures that are focused on continual improvement and a demand for excellence.

The pursuit of achieving the stature of a national research intensive university is a welcome challenge, but it is incredibly hard work requiring an aligned culture of excellence at all levels of a university. As U. T. Austin President Emeritus Larry Faulkner stated, "A state or community cannot make one by enacting a law, or passing a resolution, or printing new banners, or winning a sports championship, or pouring a lot of money into a place. The job is done by having leadership with an eye for talent, patient investment, and a strong habit of continuous improvement. National competitiveness is a hard standard to meet, and it takes a long time to get there."

House Bill 51 asks for each emerging research intensive university to submit a strategic research plan to the Texas Higher Education Coordinating Board and asks The University of Texas at Austin and Texas A&M University at College Station to define a plan to enhance their research excellence and international stature. These plans must convey the advancement of excellence in undergraduate and graduate studies, doctoral programs, faculty, student body, philanthropy, peer reviewed research, and a repository of knowledge such as libraries, such that, when one considers it holistically, the result is in meaningful national and international visibility.

Our four emerging research universities and our flagship, U. T. Austin, have submitted to the Chancellor's Office strategic research plans consistent with the guidelines set forth by House Bill 51 and the Coordinating Board. The

plans are bold and marked by quality objectives but will require a more in-depth understanding of each goal, and a more comprehensive business plan as these campuses move forward. I do respectfully request the Board of Regents to authorize me to submit these plans to the Coordinating Board. It is my intention to work not only with these five campuses, but with all of our institutions, to assure that each of their strategic plans can be advanced based on thoughtful decisions and investments.

In closing, let me add that this journey towards achieving the highest levels of excellence catalyzed by House Bill 51 is exciting, but it is important for me to state that a mandate for excellence has been the expectation of every Board of Regents since they held their first meeting in 1881 chaired by Dr. Ashbel Smith. This journey will benefit the five universities we have addressed today, and it will have a positive impact in advancing excellence across the entire University of Texas System. To this end, we will be carefully assessing progress and reporting regularly to the Board, as our institutions move towards their highest levels of achievement in education, research, health care, and service. These plans being proposed for submission to the Coordinating Board cannot be static and must adapt to our changing world consistent with continual improvement and our mandate to be an institution of the first class.

Dr. Prior's remarks

The comments that follow essentially relate to the four U. T. institutions: U. T. Arlington, U. T. Dallas, U. T. El Paso, and U. T. San Antonio, which have been designated by the Texas Higher Education Coordinating Board as emerging research universities.

As you know, the plans and strategies which you have reviewed were required by House Bill 51 of the 81st Legislature. Each institution of Higher Education designated as a research university or emerging research university must submit to the Coordinating Board, in the form and manner prescribed by the Coordinating Board, a detailed long-term plan documenting the strategy by which the institution intends to achieve recognition as a research university.

Thus, it is important to note that the structure of each of the plans you have seen strictly and successfully follows the Coordinating Board standard reporting guidelines which were provided to you earlier.

While resources are a fundamental issue, it must be emphasized that these plans do not purport to be carefully constructed business plans with details of costs, revenues, and future investments from the State, the System, tuition, research earnings, and/or philanthropy.

As mentioned earlier, we will be working closely with our campuses as they develop more detailed financial scenarios related to the strategies described by the Coordinating Board, as well as general progress towards teaching and research excellence. This effort to relate fiscal resources to strategies and priorities will not be limited to the emerging research institutions but will involve the U. T. System as a whole following Chancellor Cigarroa's vision statement.

And, of course, the emerging research competition is not just about money; it is about quality of educational service and research outcomes. The essential relevant elements of resources at our institutions that must support each plan include:

- the quality of the students
- the quality of the faculty
- effective teaching and research programs
- the quality of the infrastructure
- shared visionary leadership and management
- operational and capital investment funds.

Not surprisingly, you will have seen that these factors are all powerfully and comprehensively addressed in each plan. Each campus has employed the effective format of defining specific objectives, identifying strategies needed to get there, as well as relevant metrics that can be used to assess progress.

What else do we see in these plans? Basically there is a realistic engagement in understanding the vast challenges that lie ahead:

- Each institution has clearly identified current Tier One institutions for comparison and benchmarking purposes.
- Each institution actively sets goals for improvement.
- There are defined future contributions to the State of Texas.
- Each institution demonstrates a critical appreciation of past performance and discusses to what extent it can be used as a predictor of future trends.
- In most cases there is evidence of past trajectories and data to underpin the predictions.
- Each institution has set priorities identified in terms of centers of excellence.
- There are clear indications of the need to focus on productivity gains.
- Diversity targets are identified for each institution.
- Actions to be taken are designed to achieve a desired outcome.
- The institutions all demonstrate the importance of strong leadership and shared vision across each campus for the future.

In my view, the progress and future success of these plans will also depend upon focused and balanced actions:

- how efficiently each institution will balance and manage inputs of available resources with desired and measured outcomes
- how effectively resources are focused and managed
- how creative and balanced the campuses will be in embracing change and innovation
- how focused the campuses will be in aggressively pursuing continuous improvement
- how successful and balanced each campus will be in seeking and implementing new paradigms in teaching and learning, scholarship and discovery, efficiency and productivity

Some realities:

- The Coordinating Board has not yet finalized and published all of the specific criteria that define targets for institutions to qualify for the National Research University Fund (NRUF) as specified in House Bill 51. Further discussions will take place this afternoon.
- It is not clear exactly how the Coordinating Board will use these plans, although we understand the plans for all seven emerging research universities may be used to guide the development of needed programs for the state and the Coordinating Board's approval role.
- Our institutions are in this for the long haul -- could be a 20 or 30 year trajectory.
- We must accept that not all of our four institutions will qualify, on the same time scale, for additional state funding from the NRUF.
- Nor will they achieve national research or full Tier One university status on the same time scale. Each institution is starting from a unique base of capability.
- Irrespective of individual aspirations for Tier One status, the competitive journey will ensure increased excellence in all participating U. T. institutions.
- Some will likely progress faster than others, but all will certainly move forward on a path of increasing excellence. Our existing accountability system will allow us to monitor and evaluate the progress of our four emerging research universities in the same manner we monitor and evaluate each of our nine institutions.
- Finally, we cannot assume that the resources of the past will be available in the future. Uncertainty about the economic future, especially over a protracted time scale will inevitably mean adjustments in budgets, strategies, and plans, but not at the expense of excellence.

In this respect, it will be readily apparent that these early strategies and directions described in the plans will necessarily evolve and change. Achieving long-term success to Tier One status will inevitably be influenced

by changes in both internal and external factors. Success in research outputs and discoveries will likely breed success in enhanced external research funding. Improved internal focus on priorities, increased cost effectiveness, and productivity gains will provide new ways forward. Flexibility and creativity will be needed for strategies to be adjusted to seize opportunities and abandon impediments to progress towards Tier One status.

Let me conclude by emphasizing that these beginning strategies and plans are clearly an important first step in what will undoubtedly be a challenging journey with energetic competition between all seven powerful emerging institutions across the State.

It is also essential we all understand that achieving access to the NRUF, at some point, does not mean success in achieving national research or Tier One university status. NRUF funding will be but one of many important milestones. It alone will not signify the attainment of a truly national reputation and recognition based upon sustained competitive excellence.

Please permit some final points about U. T. Austin's Strategic Plan for Research. House Bill 51 also required existing research universities to submit a plan "documenting the strategy by which the institution intends to...enhance the university's reputation as a research university..." House Bill 51 also establishes the Research University Development Fund (RUDF) "to provide funding to research universities and emerging research universities for the recruitment and retention of highly qualified faculty and the enhancement of research productivity at those institutions."

The U. T. Austin plan is elegant in its simplicity and clarity, although ambitious in some of the self-selected goals. Key target areas are identified and specific ways described to move forward. Strong leadership at both the university and college level has already achieved progress in focusing upon specific areas of excellence, both in teaching and in research. U. T. Austin is a model for other institutions in Texas and nationwide in its very strong commitment to the quality of the undergraduate experience, as well as enhancing its research portfolio. It has the vision and commitment to do both successfully.

In my opinion, the single major impediment to U. T. Austin moving to a top 10 national ranking overall is the lack of a sustained, long-term funding strategy that is not limited by the present inequities of an appropriation funding formula based largely upon growth in student numbers.

In conclusion we can all be proud of what has been achieved so far. U. T. Austin is a model national research university. Four other U. T. institutions are clearly in the race to progress to national research or Tier One university status. The work that has been done to this point has resulted in thoughtful initial strategies setting broad directions that look aggressively to the future, with both realism and optimism. Thus, it is my pleasure to recommend to the Board that these plans be submitted to the Coordinating Board.

Vice Chairman Longoria then moved that the U. T. System Board of Regents authorize Chancellor Cigarroa to submit to the Texas Higher Education Coordinating Board, on behalf of the Board of Regents, the strategic plans for research prepared by U. T. Arlington, U. T. Dallas, U. T. El Paso, and U. T. San Antonio as well as the plan prepared by U. T. Austin.

She further moved that the Board direct the Chancellor and the Executive Vice Chancellor for Academic Affairs to work with the presidents to draft business plans necessary to move each institution to greater excellence, that the Board be provided with periodic briefings on progress of each institution to achieve or enhance excellence, and that the Chancellor and the Executive Vice Chancellor for Academic Affairs make recommendations to the Board concerning the best methodology to track progress toward the plan goals over time.

Regent Stillwell seconded the motion, which carried unanimously.

Secretary's Note: The strategic plans were submitted to the Coordinating Board on April 1, 2010.

SCHEDULED MEETING.--The next regularly scheduled meeting will be held on May 12-13, 2010, in Austin, Texas.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 10:15 a.m.

/s/ Carol A. Felkel
Secretary to the Board of Regents

April 13, 2010