

1. Title

Committees and Other Appointments

2. Rule and Regulation

Sec. 1 Standing Committees. The following committees shall be standing committees of the Board of Regents to consider policies for the government of all major areas: (a) Finance and Planning Committee; (b) Academic Affairs Committee; (c) Health Affairs Committee; (d) Facilities Planning and Construction Committee; and (e) Audit, Compliance, and Risk Management Committee:

1.1 Composition and Quorum of Standing Committees. Each standing committee is composed of not less than four members of the Board of Regents appointed by the Chairman. In the unanticipated absence of a quorum, the Chairman or Committee Chairman may appoint another member(s) of the Board to serve in a temporary capacity on the Committee.

1.2 Appointment of Committee Chairman. The Chairman of each standing committee shall be appointed by the Chairman of the Board of Regents shortly after his or her election, by and with the consent of the Board, and shall remain as Chairman of the standing committee (unless a vacancy shall be caused by death, resignation, or refusal of some member of a committee to act) until the succeeding Board Chairman shall reconstitute the committees.

1.3 Vacancy by Committee Chairman. If a vacancy occurs in the chairmanship of any standing committee, the Chairman of the Board of Regents shall appoint another member of the Board to serve as Chairman of the standing committee, by and with the consent of the Board.

1.4 Authority of Standing Committees. The authority of standing committees of the Board of Regents shall be subject to action of the whole Board. The committees' actions must be ratified by the Board before they shall become effective.

- 1.5 Duties of the Finance and Planning Committee. The Finance and Planning Committee shall:
- (a) Continue long-range planning activities, including institutionalization of the planning process, development of related plan implementation policies and procedures for the U. T. System and any of the institutions, and providing coordination of related legislative issues.
 - (b) Review and make recommendations to the Board as appropriate on matters related to business affairs such as: operating budget; debt financing transactions and issues concerning the Permanent University Fund, including administering standards for resource allocation; the University Lands Office; Systemwide and self-insured insurance programs; and special task forces, initiatives, and commissions for the U. T. System and any of the institutions.
 - (c) Review and recommend to the Board as appropriate on issues and activities related to The University of Texas/Texas A&M Investment Management Company (UTIMCO).
- 1.6 Duties of the Audit, Compliance, and Risk Management Committee. The Audit, Compliance, and Risk Management Committee (ACRMC) shall:
- (a) Be primarily responsible for the Systemwide risk oversight function of the Board of Regents. Provide relevant information from risk management activities, risk assessments and reviews, and reports both internal and external to the Board of Regents.
 - (b) Direct, advise, and review the U. T. System Audit Office in the exercise of Systemwide internal audit, a primary source of independent and objective risk information. By extension, each institution's audit committee chair is considered a risk advisor to the chair of this committee and their authority is derived from the Board of Regents. The ACRMC Chairman approves the appointment of institutional audit committee chairs.

- (c) Consider, review, and when appropriate refer to the full Board of Regents matters regarding the activities of the Office of Systemwide Compliance, as an integral component of Systemwide risk oversight.
 - (d) Consider, review, and when appropriate refer to the full Board of Regents matters regarding the activities of the Office of Risk Management, Office of Information Security, the External Auditor, and any other management function with a significant Systemwide risk oversight role.
 - (e) Consider, review, and recommend to the full Board of Regents factors to be considered in establishing Board and Board Committee risk tolerance and risk mitigation strategies.
- 1.7 Duties of the Academic Affairs Committee. The Academic Affairs Committee shall:
- (a) Report to the Board on the instructional, research, and professional service programs and activities of the general academic institutions.
 - (b) Report to the Board on policies relating to soliciting and securing gifts for the University's general academic institutions.
 - (c) Consider and report to the Board on matters affecting the libraries of the general academic institutions.
 - (d) Review proposed substantive changes in the doctoral degree program inventory and the academic administrative structure and recommend to the Board approval or disapproval of such changes.
 - (e) Report and recommend to the Board approval of matters related to education in the general academic institutions.
 - (f) Recommend appropriate Board action with respect to any recommendations by the Chancellor related to the appointment, promotion, and dismissal of such institutional officers as may be appropriate in the general academic institutions.

- (g) Consider and report to the Board on matters relating to the research, training, and community service activities at the general academic institutions.
 - (h) Make recommendations concerning capital improvement priorities related to the approved missions of the general academic institutions.
 - (i) Review proposed changes to academic institution mission statements and make recommendations to the Board for approval.
- 1.8 The Duties of the Health Affairs Committee. The Health Affairs Committee shall:
- (a) Consider and report to the Board on matters concerned with substantive aspects of policies and programs related to the academic philosophy and objectives of the health institutions; with University relations; and with health academic planning, instruction, and research.
 - (b) Report and recommend to the Board approval of matters relating to education in the health institutions.
 - (c) Recommend appropriate Board action with respect to any recommendations by the Chancellor related to the appointment, promotion, and dismissal of such institutional officers as may be appropriate in the health institutions.
 - (d) Consider and report to the Board on matters relating to the research, training, and community service activities of the health institutions.
 - (e) Consider and report to the Board on matters affecting the libraries of the health institutions.
 - (f) Report to the Board on policies relating to soliciting and securing gifts for the U. T. System's health institutions.
 - (g) With respect to each hospital, clinic, and patient-care facility owned by The University of Texas System,

counsel with the Executive Vice Chancellor for Health Affairs regarding the bylaws and rules and regulations of the medical staff; and make recommendations to the Board concerning mechanisms and controls for the achievement and maintenance of high standards of professional practices in and at the hospital, clinic, or patient-care facility.

- (h) Make recommendations concerning capital improvement priorities related to the approved missions of the health institutions.
- (i) Review proposed changes to health institution mission statements and make recommendations to the Board for approval.

1.9 Duties of the Facilities Planning and Construction Committee. The Facilities Planning and Construction Committee shall:

- (a) Consider matters relating to the acquisition and use of the grounds and buildings on campus and campus-related real property of The University of Texas System.
- (b) Review proposed construction projects and make decisions on the selection of architects for projects determined by the Board to be of special interest; approve plans and accept bids for construction projects.
- (c) Make recommendations to the Board on the award and execution of construction and equipment contracts.
- (d) Make recommendations to the Board with respect to the naming of University buildings and other major facilities.

Sec. 2 Board for Lease of University Lands. At the first available opportunity following February 1 of each odd-numbered year, two qualified members of the Board of Regents, as specified in *Texas Education Code Section 66.62*, shall be selected by the Board, upon recommendation of the Chairman of the Board of Regents, to serve on the Board for Lease of University Lands. In

the event a Board member appointed to the Board for Lease of University Lands is unable to attend a regular meeting of the Board for Lease of University Lands, the Chairman may appoint, as a substitute, a qualified member of the Board of Regents to attend the meeting. The Office of Business Affairs, on behalf of the Board of Regents, will assign employees of The University of Texas System to assist the Board for Lease of University Lands in the performance of its duties and responsibilities and will consult with the Chancellor and the Office of General Counsel as necessary and appropriate. The Executive Vice Chancellor for Business Affairs shall report significant activities of the Board for Lease of University Lands to the Board, as appropriate.

Sec. 3 University Lands Advisory Board. The University Lands Advisory Board (ULAB) shall be composed of the following individuals:

- five members appointed by The University of Texas System Board of Regents;
- three members appointed by The Texas A&M University System Board of Regents; and
- the Commissioner of the General Land Office.

At least two of the members appointed by the U. T. Board and at least one of the members appointed by the A&M Board must be current Regents, with the ULAB Chairman to be named by the U. T. Board.

At least three of the members appointed by the U. T. Board and at least two of the members appointed by the A&M Board must have industry experience.

The ULAB will meet at least four times per year and will advise the Board of Regents on operations and management of the University Lands Office, including the hiring of the Chief Executive, reviewing and recommending budgets to the Board, and providing strategic direction. University Lands will continue to be managed by U. T. System.

Duties delegated to the ULAB include:

- (a) Developing and recommending policy for Board approval;

- (b) Provide advice on the approval of routine contracts and contract forms by the Executive Vice Chancellor for Business Affairs;
- (c) Promulgating policies and procedures for daily operations;
- (d) Provide advice concerning staffing changes, including hiring the University Lands Chief Executive with approval by the Board and routine staffing with approval by the Executive Vice Chancellor for Business Affairs;
- (e) Setting compensation levels within parameters set by the Board;
- (f) Reviewing performance and making recommendations about compensation for the University Lands Chief Executive consistent with Board policy;
- (g) Advising on the strategic direction for University Lands;
- (h) Developing and recommending policy to the Board for Lease of University Lands (Board for Lease);
- (i) Recommending changes in oil and gas development terms and conditions to the Board for Lease; and
- (j) Reviewing and overseeing operations as appropriate.

The Board of Regents will retain its statutory responsibility and authority to:

- (a) Approve budgets;
- (b) Appoint members of ULAB (ratifying the appointment of The Texas A&M University System representatives, who will be appointed by The Texas A&M University System Board of Regents);
- (c) Purchase and sell any property;
- (d) Approve policy recommendations and set policy for University Lands;
- (e) Approve decisions critical to the mission of University Lands, including compensation parameters;

- (f) Modify delegations to ULAB; and
- (g) Approve ULAB recommendations related to the hiring and compensation of the University Lands Chief Executive Officer.

Sec. 4 Health Care Advisory Committee. The Health Care Advisory Committee (HCAC) will be composed of individuals who collectively have expertise in the following areas of health and health care operations: clinical and business operations, finance, reimbursement, law, policy, and quality of care. The membership of the HCAC will include a minimum of three and a maximum of seven members.

In addition to specific duties listed below, the HCAC will advise the Board of Regents, the Chancellor, the Office of Health Affairs, the Office of Academic Affairs, and the U. T. System health institutions by providing a rapid response mechanism to deal with time-sensitive matters and additional health care expertise to help the Board of Regents discharge their responsibilities more fully.

HCAC advisory duties will include:

- (a) Recommending strategic direction;
- (b) Reviewing major initiatives, joint ventures, contracts, and affiliations;
- (c) Recommending a balanced scorecard of financial and clinical performance measures to be reviewed quarterly;
- (d) Reviewing operations and making recommendations as appropriate; and
- (e) Recommending policy for approval by the Board of Regents or the Chancellor.

The Board of Regents will retain all of its statutory responsibilities and authorities to:

- (a) Approve institutional budgets;

- (b) Appoint members of HCAC;
- (c) Purchase and sell any property;
- (d) Approve policy recommendations and set policy;
- (e) Approve decisions critical to the mission including compensation parameters; and
- (f) Modify HCAC responsibilities.

Sec. 5 The University of Texas/Texas A&M Investment Management Company (UTIMCO). Pursuant to *Texas Education Code Section 66.08*, the U. T. System Board of Regents shall appoint seven members of the Board of Directors of UTIMCO and two members will be appointed by The Texas A&M University System Board of Regents. Appointments made by U. T. System shall include three 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. Such individual may be the Chancellor of the U. T. System. Of the two members appointed by The Texas A&M University System Board of Regents, at least one must have substantial background and expertise in investments.

The selection process for the external members of the UTIMCO Board of Directors appointed by the U. T. System Board of Regents is as follows:

- 5.1 **Soliciting of Nominations.** The Chairman of the U. T. System Board of Regents and the Chairman of UTIMCO send a joint letter to leaders in the public and private sector soliciting nominations. Nominations are to be provided to the Chairman of the U. T. System Board of Regents.
- 5.2 **Advisory Committee.** The Chairman of the U. T. System Board of Regents appoints a selection advisory committee to review nominations.
- 5.3 **Recommendations.** After review, the selection advisory committee makes recommendations to the Chairman of the U. T. System Board of Regents.

- 5.4 Background Checks. At the direction of the Chairman of the U. T. System Board of Regents, the Office of the Board of Regents asks individuals to complete a background questionnaire. The Office of the Board of Regents apprises those individuals of the UTIMCO Code of Ethics and disqualifications from service. Using information from the questionnaires, the Office of the Board of Regents:
- (a) confirms the educational degrees and professional certifications.
 - (b) assures that professional licensures and certifications are in good standing.
 - (c) reviews business relationships, if any, with members of the Board of Regents or the UTIMCO Board or with U. T. System or UTIMCO; and
 - (d) initiates review by the U. T. System Director of Police of the Texas conviction database and contacts local law enforcement.
- 5.5 Interviews. The Chairman of the U. T. System Board of Regents and the Chairman of UTIMCO conduct personal interviews, as needed, to assure that the nominees possess varied investment backgrounds and risk management expertise.
- 5.6 Appointment Approval. The Chairman of the U. T. System Board of Regents submits a recommended appointment for approval by the U. T. System Board of Regents.
- Sec. 6 M. D. Anderson Services Corporation. M. D. Anderson Services Corporation (formerly M. D. Anderson Cancer Center Outreach Corporation) was established in 1989 to enhance revenues of The University of Texas M. D. Anderson Cancer Center by establishing joint ventures in selected markets, providing additional referrals to the institution, contracting for delivery of inpatient and outpatient management, utilizing existing U. T. M. D. Anderson Cancer Center reference laboratory services, and fostering additional philanthropy in distant areas. Pursuant to bylaws approved by the Board of Regents, M. D. Anderson Services Corporation shall be managed by a seven-person

Board of Directors. One of the Directors shall be a Regent appointed by the Chairman and two of the Directors shall be administrative officers of The University of Texas System, serving by virtue of their position as follows:

- The Executive Vice Chancellor for Health Affairs
 - The Executive Vice Chancellor for Business Affairs.
- In the absence of an appointment by the Chairman of the Board, the Chairman of the U. T. System Board of Regents' Health Affairs Committee shall serve. The President of U. T. M. D. Anderson Cancer Center appoints the other four directors.

Sec. 7 Athletics Liaison. The Chairman of the Board may name a member or members of the Board to serve as liaison to the Board on matters concerning intercollegiate athletics. Contacts related to institutional athletics matters made to the Athletics Liaison or Liaisons will be made in consultation with the Chancellor or the Deputy Chancellor and the Executive Vice Chancellor for Academic Affairs.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Education Code [Section 66.08](#) – Investment Management

Texas Education Code [Section 66.62](#) – Board for Lease of University Lands

5. Relevant System Policies, Procedures, and Forms

The University of Texas System Administration Policy [UTS124, Criminal Background Checks](#)

UTIMCO Bylaws

UTIMCO Code of Ethics

M. D. Anderson Services Corporation Bylaws

6. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Office of the Board of Regents

8. Dates Approved or Amended

March 19, 2018

February 27, 2018

Editorial amendment made on August 31, 2017, to delete Sec. 8 (U. T. Austin Intercollegiate Athletics Council for Men/Women)

Editorial amendment made on July 31, 2017, to delete Sec. 2 (Special Compensation Committee) and renumber remaining sections

Editorial amendments made May 25, 2017, per Board action on May 9-10, 2017

August 20, 2015

Editorial amendment made to Sec. 7 on July 13, 2015

November 6, 2014

Editorial amendments to add new Sec. 4 (University Lands Advisory Board) made June 16, 2014, and remaining sections renumbered May 15, 2014

Editorial amendment to Sec. 4 made September 20, 2013

Editorial amendment to add 1.10(b) to the duties of the Technology Transfer and Research Committee made March 19, 2013

Editorial amendment to delete reference to Texas Growth Fund (Sec. 5) made March 7, 2013

Editorial amendment to Sec. 3 made June 14, 2012

Editorial amendment to Number 5 made April 16, 2012

Editorial amendments to Sec. 4 and 4.5 made September 8, 2011

Editorial amendment to delete Sec. 7 made September 1, 2011

August 25, 2011

February 17, 2011

Editorial amendment to add Sec. 2.5(b) made September 3, 2010

Editorial amendment to add Sec. 9 made November 17, 2009

August 20, 2009

Conforming amendment to Sec. 6 made May 13, 2009, following Board action

Editorial amendment to Sec. 1.6 and Sec. 3 made March 17, 2008

Editorial amendment to Sec. 7 made February 12, 2008

Editorial amendment to Sec. 6 made December 31, 2007

December 6, 2007

August 23, 2007

April 16, 2007

July 14, 2006

December 10, 2004

9. Contact Information

Questions or comments regarding this Rule should be directed to:

- bor@utsystem.edu