

Chairman Caven
August 14, 2008
Motion

I move that the U. T. System Operating Budgets for the fiscal year ending August 31, 2009, including the compensation for those individuals requiring Board approval as recommended to and considered by the Board in Executive Session; Auxiliary Enterprises; Grants and Contracts; Designated Funds; Restricted Current Funds; and Medical and Dental Services, Research and Development Plans, be approved, with delegation to the Chancellor to authorize new or extended deferred compensation agreements, with the concurrence of the appropriate Executive Vice Chancellor, consistent with the Board's discussion in Executive Session.

Approval of the budget for Fiscal Year 2009 includes the appropriation of \$50 million of Permanent University Fund Bond Proceeds to fund Library, Equipment, Repair and Rehabilitation projects, with \$30 million of that to be appropriated directly to U. T. System institutions. In addition, approval of the budget includes \$20 million of PUF Bond Proceeds for the Science and Technology Acquisition and Retention Program to provide additional funding to build and enhance research infrastructure to attract and retain the best qualified faculty.

It is further recommended that LERR appropriations not expended or obligated by contract or purchase order within six months after the close of Fiscal Year 2009 are to be available for future System-wide reallocation.

I also recommend that up to \$1 million of Intermediate Term Funds be allocated to fund obligations related to construction of a fence on the U. T. Brownsville/Texas Southmost College campus consistent with the settlement agreement with the Department of Homeland Security.

Additionally, it is recommended that the Chancellor be authorized to make editorial corrections therein and that subsequent adjustments be reported to the U. T. System Board of Regents through the docket.

I have had a chance to reflect on the conversation yesterday at the Academic Affairs Committee meeting on the importance of teaching and its evaluation. You will recall that three presidents, from quite different academic institutions in the System, led a discussion on the great emphasis we all place on providing the very highest quality educational experience for all our students at all campuses. I know you will join with me in congratulating each of the presidents for their obvious shared commitment to educating the next generations of Texans in what I have come to learn is the very essence of higher education – teaching and learning, informed and enriched, by scholarship and discovery.

My reflection on these important subjects leads me to propose to my fellow Regents, whom I know are equally committed to teaching and its continuous innovation, that we strongly emphasize their importance by some new far-reaching initiatives.

First, I propose we allocate \$1 million annually for 5 years for a Regents' teaching recognition and incentive compensation program for U. T. Austin and \$1 million annually for 5 years for the other eight academic institutions. Our faculty are extremely dedicated to teaching and while there are existing ways to encourage teaching accomplishments, we should do more.

Additionally, I believe we should recognize faculty research that not only enriches teaching, but that adds to the competitiveness of Texas, through technology transfer and commercialization. Accordingly, I propose that the Board allocate \$1 million annually for 5 years to stimulate commercialization and technology transfer at U. T. Austin. These additional funds will enable our flagship institution to further take the lead in serving the economic development of Texas.

Lastly, the day-to-day work of the U. T. faculty in teaching, scholarship, and discovery clearly makes fundamental contributions in so many different ways. I believe we should ask the academic presidents to work with the Office of Academic Affairs to demonstrate the diversity and excellence of these contributions by the faculty, and the many different ways in which they are achieved. The U. T. System annual accountability report would be enhanced by including information about faculty activities and the resulting contributions to their institutions.

As Regents, we all share the responsibility to provide the very best education for the students of the U. T. System. I truly believe that our investment in these types of initiatives will serve to strengthen our commitment to this responsibility.

Therefore, I would like to modify the recommendation for operating budget approval made to the Board to include additional funding of \$15 million as follows:

- \$1 million each year for 5 years to benefit U. T. Austin through the establishment of a teaching excellence incentive compensation program,**
- \$1 million each year for 5 years to benefit U. T. Arlington, U. T. Brownsville, U. T. Dallas, U. T. El Paso, U. T. Pan American, U. T. Permian Basin, U. T. San Antonio, and U. T. Tyler through the establishment of teaching excellence incentive compensation programs, and**
- \$1 million each year for 5 years to support technology transfer and commercialization at U. T. Austin.**

I propose that these programs be funded by allocating:

- **Up to \$5 million of Intermediate Term Funds at \$1 million per year for 5 years for the general teaching excellence incentive program, and**
- **Up to \$10 million of Available University Funds to support excellence in teaching at U. T. Austin and to fund the tech transfer and commercialization center at U. T. Austin.**

I further recommend that we task Dr. Prior and the Office of Academic Affairs to work out the specific details of the new teaching excellence and commercialization incentives and present the proposals for Board approval at the November meeting.