

Meeting No. 1,114  
THE MINUTES OF THE BOARD OF REGENTS  
OF  
THE UNIVERSITY OF TEXAS SYSTEM

Pages 1 - 29

December 12, 2013

Austin, Texas

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 OF  
 THE UNIVERSITY OF TEXAS SYSTEM  
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 AUSTIN, TEXAS

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MEETING NO. 1,114

THURSDAY, December 12, 2013.--The members of the Board of Regents of The University of Texas System convened on Thursday, December 12, 2013, at 9:33 a.m. in the Board Room, Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas, with the following participation:

ATTENDANCE.--

Present

Chairman Foster  
Vice Chairman Powell  
Vice Chairman Hicks  
Regent Aliseda  
Regent Cranberg  
Regent Hall  
Regent Hildebrand  
Regent Pejovich  
Regent Stillwell  
Regent Horne, Student Regent, nonvoting

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

Chairman Foster recognized Ms. Patty Culler, Assistant Secretary to the Board of Regents, who is retiring on January 31, 2014, after 30 years of service to The University of Texas System.

1. U. T. System Board of Regents: Approval of Consent Agenda

The Board approved the following Consent Agenda item:

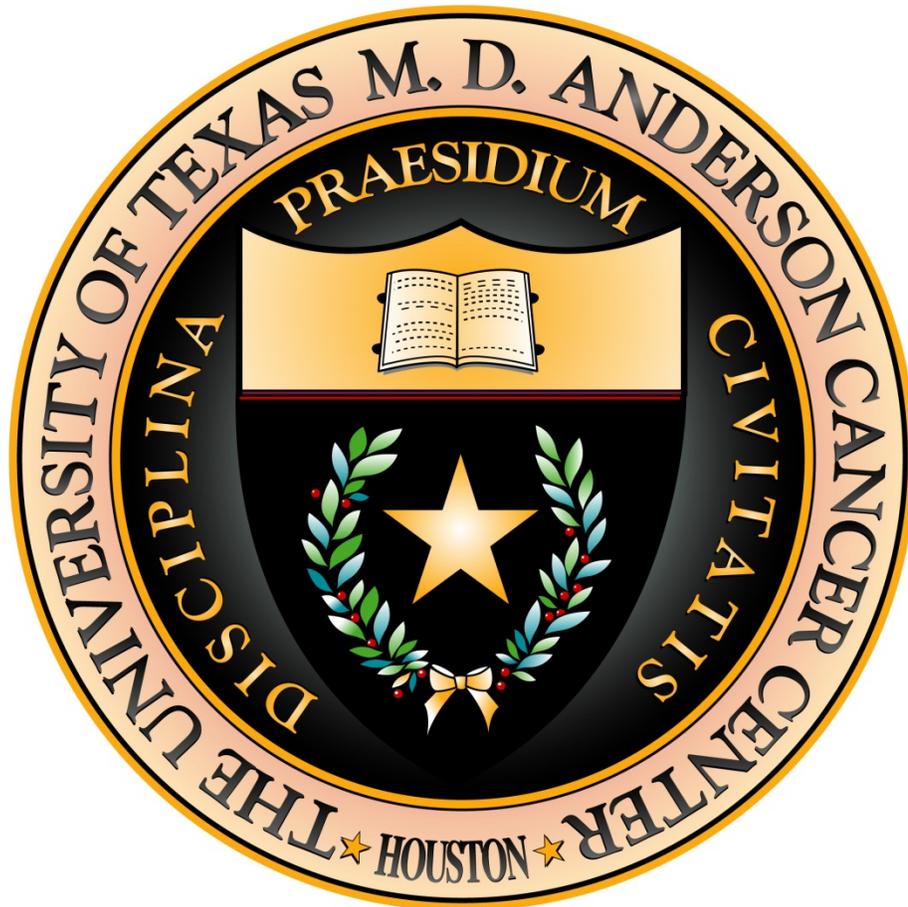
Seal - U. T. M. D. Anderson Cancer Center: Revision of Official Seal

The following revision of the official institutional seal for The University of Texas M. D. Anderson Cancer Center was approved as required by Regents' *Rules and Regulations*, Rule 40801.

This is the seal currently used by the institution, which was developed in 2000-2001 in connection with the accreditation of the U. T. M. D. Anderson Cancer Center School of Health Professions; however, the seal was not submitted by the institution for formal approval by the Board in connection with the institution's adoption of the seal in 2000-2001.

The Pantone Matching System colors included in the seal are Gold 136, Red 185, Red 208, Blue 331, Green 361 and Blue 7712. Noting that Section 1 of Regents' Rule 40801 allows for color variations, the seal for U. T. M. D. Anderson Cancer Center has never used the color orange as suggested by Section 2.

The Board previously approved an M. D. Anderson seal on December 7, 1973.



2. U. T. Permian Basin: Approval of the Football Initiative Business Plan, which includes the addition of a football program; construction of practice facilities, locker room, and training and office space; implementation of a fundraising plan; and the repurposing of an existing student-approved fee to support the costs of the program

The Board authorized The University of Texas of the Permian Basin to proceed with the Football Initiative Business Plan (Football Initiative), as set forth in the agenda materials, which includes the addition of a football program; construction of practice facilities, a locker room, and training and office space; implementation of a fundraising plan; and repurposing of an existing student-approved fee to support the costs of the program.

An Executive Summary of the Football Initiative is set forth on Pages 5 - 9.

President Watts introduced several staff members and others important to the initiation of the program, and he highlighted several points in the Plan, noting that there will not be an increase in student fees, although there is a proposal to repurpose a student fee (which may require legislative action) as described below. He also emphasized that the program will not commence until the necessary goal for external funding has been achieved.

U. T. Permian Basin developed a Strategic Plan for the period 2009 through 2019. As stated in this 10-year Plan, the intent of the University is to increase enrollment beyond 8,000 students by 2020. The Campus Master Plan developed in 2012 calls for the construction of housing and academic facilities necessary to accommodate approximately 8,400 students. The Football Initiative directly supports the University's Strategic Plan and the 2012 Campus Master Plan.

Athletics has been a key component in the transformation of U. T. Permian Basin from a commuter institution to a more traditional campus. Currently, student athletes and student participants involved in athletic-supported activities comprise approximately 13% of the full-time undergraduate students on campus. Athletics has provided a source of community and school spirit, as well as a steady and positive university presence in local print and electronic media.

From the University's inception, members of the community anticipated that a football team would be a part of the U. T. Permian Basin experience. The significance of football in Texas is well documented, and football programs serve as a focal point for the social life of students, faculty, staff, alumni, and community members. U. T. Permian Basin is the only public four-year university in this region of the state that does not currently support a football team.

The Football Initiative detailed in the Business Plan is designed to enhance enrollment directly through the recruitment of athletes and the matriculation of students who will participate in affiliated programs and activities such as band, cheerleading, and athletic training. Further, a football program will make U. T.

Permian Basin more attractive to prospective students who seek a more complete university experience and will serve to strengthen the ties between the University and the citizens residing within the region of Texas that it primarily serves.

As the Football Initiative describes, the Initiative will be funded through a repurposed student-approved fee, corporate and private support, and other revenue streams that do not detract from the institutional academic budget.

The Plan will be implemented in phases and U. T. Permian Basin will only move forward with each phase when funds are raised, specified conditions are achieved, and appropriate approvals are obtained, thus mitigating financial risk.

The following conditions are related to the Plan:

1. The U. T. Permian Basin Offices of Business Affairs, Financial Services, Audit, and Compliance must be adequately staffed by the end of May 2014.
2. A repurposed student fee must have appropriate approvals from students via referendum and all other necessary approvals including that of the Board of Regents. (General Counsel's Note: Legislative action may also be required.)
3. Students will not be assessed any additional athletic fees during the implementation of this football program.
4. The Football Initiative Budget Plan summary and projections, including enrollment projections, fee revenue, ticket sales, philanthropy, and reserve balances are to be presented annually by February 15 to The University of Texas System Offices of Academic Affairs and Business Affairs and approved by March 15.
5. \$9.5 million in gifts (with executed written agreements) must be committed by December 31, 2014. Pledges may be paid over a five-year period, with requests for longer payout periods to require authorization by the U. T. System Office of External Relations.
6. To assure the self-sustainability of the program, the University must have ongoing philanthropic support of the football program beyond the \$9.5 million.
7. The University must commit to a specific exit plan if the program is not financially sustainable within five years.

## **U. T. Permian Basin Football Initiative: Executive Summary**

### **Project Description**

The expansion of the U. T. Permian Basin Athletic Program through the Football Initiative consists of the following strategies:

1. Secure external funding to start-up the football program and support its operation for four years.
2. Construct practice facilities, locker areas, and training room and office space required for the daily operations of the football team.
3. Secure a site to utilize for the hosting of football contests off campus.
4. Identify a conference in which the football team will play.
5. Utilize the combination of a fundraising campaign, expected enrollment growth, and the repurposing of an existing student-approved fee to support the costs of the program.

### **Strategic Implications**

Athletics enhances student life, involves the community in the University, and provides a site for socialization between students, faculty, community members, and staff. Athletics have also proven to garner significant and regular attention from local media including Midland and Odessa television, radio, and newspapers. Though U. T. Permian Basin does not count the number of televised reports of the activities of the sports teams, the University does keep track of articles appearing in the *Midland Reporter Telegram* (MRT) and the *Odessa American* (OA). In 2012-2013, U. T. Permian Basin had 460 articles printed the OA and MRT concerning their athletic teams.

From the University's inception, members of the community anticipated that a football team would be a part of the U. T. Permian Basin experience. The significance of football to University life in Texas is well documented and it serves as a focal point for the social life of students, faculty, staff, alumni, and community members.

Football is an important part of the social fabric of communities such as Odessa, Midland, and the smaller towns of the Permian Basin. As a testament to this fact, the Odessa Chamber of Commerce passed a resolution in support of this Football Initiative and the Board of the Ector County Independent School District (ECISD) passed a resolution of support for this feasibility phase of the Football Initiative.

Earning a college degree is the most important reason for college attendance. U. T. Permian Basin undeniably offers prospective students a high quality education. However, students also consider social opportunities in their choice of a college.

Prospective students often ask coaches and admissions recruiters if the University supports a football team. The lack of a football team prevents the University from offering what many potential students and their families expect in a complete university experience. This places the University at a distinct competitive disadvantage compared to other four-year universities in this region of the state as well as other institutions within Texas.

The Football Initiative directly supports the University's Strategic Plan and recently adopted Campus Master Plan. The addition of a football team is expected to lead to significant and immediate growth in the undergraduate enrollment, graduate student enrollment, and semester credit hour (SCH) production. Further, a football team will directly serve to fill classroom spaces, and supply additional on-campus residents. Athletes and associated students gained through implementation of the Football Initiative will assist the University in outreach and community engagement, making the University a more integral and valued part of the community in which it serves.

### **Strategy Descriptions and Effective Dates**

Review and estimates of the costs and implications associated with the addition of a football team have been regularly conducted since 1993 when the University first considered implementing a limited athletics program. The athletic program grew because it was proven to be an effective means of attracting traditional students to campus and because athletics helped to enhance campus life. Football will both directly and indirectly enhance University enrollment and campus life.

The strategies presented and discussed below outline the steps involved in bringing a football team to the University and paying for its continued operation.

#### **Strategy 1: Secure external funding to start up the football program and support its operation for four years**

The cost of start-up and four seasons of play (six-year total) is \$9.5 million. The \$9.5 million total is inclusive of all football-related costs including scholarship support and facility construction/improvement.

A group of University supporters has already started to seek commitments from business leaders in the Permian Basin to contribute to the \$9.5 million goal. At this time, commitments totaling \$3 million have been secured.

#### **Strategy 2: Construct practice facilities, locker areas, and training room and office space required for the daily operations of the football team**

Renovation to existing facilities will be made for office space and locker facilities for the football program. Completion date: August 1, 2014.

A practice area adjacent to the current student recreation field will be constructed for use by the team for practices. Completion date: August 1, 2014.

A field house will be constructed to house offices, meeting/film rooms, additional athletic training facilities, and a weight training facility to be used by all Athletic Teams. Completion Date: August 1, 2015.

Strategy 3: Secure a site to utilize for the hosting of football contests off campus

Home football games will be played at Ratliff Stadium in Odessa, Texas. The facility is owned and operated by the ECISD. Stadium rental will consist of charges of \$1,500 per event. Other costs associated with the use of the facility and personnel required will bring the cost of staging each home event to \$11,687.

Playing at Ratliff Stadium will relieve the University of the costs associated with construction of an on-campus venue for competitions. The ECISD passed a resolution of support for the football program in July 2013.

Regional Division II football teams including Angelo State University and Abilene Christian play their home games off campus in high school stadiums. U. T. Permian Basin believes that the attendance figures will grow to match those of its peers.

Strategy 4: Identify a conference in which the football team will play

U. T. Permian Basin currently belongs to the Heartland Conference. The football team would most likely compete within the Lone Star Conference. The University may become an associate member of the Lone Star Conference for the purposes of generating a healthy conference schedule. For example, McMurry University is an associate member of the Lone Star Conference, and a full member of the Heartland Conference for all other sports. It could prove to be more advantageous for the University to become a full member of the Lone Star Conference in all sports.

At this time, it would be impossible to make an informed decision as to which option would be best, as the conference landscape has been and is changing within the National Collegiate Athletic Association (NCAA) Division II and the National Association of Intercollegiate Athletics (NAIA). For example, the Heartland Conference and Lone Star Conferences are considering a merger.

Strategy 5: Utilize the combination of a fundraising campaign, expected enrollment growth, and the repurposing of an existing student-approved fee to support the costs of the program

Following the start-up and first four years of play (six-year period), operating revenue in the amount of \$2,476,482 per year will be required to continue football operations and associated athletic department activities. The funds will be supplied through the points set forth on the following pages.

1. A combination of the following revenue and support strategies:
  - a. Increases in student SCH production based on enrollment generate \$240,000 above current income and departmental expenditures based upon 2019 - 2020 projections.
  - b. The repurposing of the current Student Union Fee will provide more than \$1.9 million in revenue available to support the Football Program from FY 2014 through the first four years of the program and \$430,500 in FY 2020 based on projections.  
(General Counsel's Note: The Office of Governmental Relations advises that the revenue may not be available until 2015.)
  - c. The proposed existing fee to be repurposed is \$35 for each long semester. This would not increase the cost of a year's studies for a student attending both long semesters, as the fee amount would not change; only its purpose would.
  - d. When the repurposing takes effect, the fees supporting U. T. Permian Basin athletics would cost a student taking 15 credit hours \$215 a semester. For comparison, the student athletic fee at U. T. San Antonio will be \$240 a semester in Fall 2013 (<http://utsa.edu/fiscalservices/tuition.html>).
  - e. If necessary, U. T. Permian Basin will use a subsidy from the U. T. Permian Basin Student Housing Auxiliary (Housing). Based on the housing business plans already approved Housing will generate a net income approximately \$4 million in FY 2020.
  - f. If the proposed fee repurposing is approved, the use of Housing Auxiliary net assets will not be required until midway through FY 2021.

These income projections are based upon a 50% increase in current SCH production due to projected growth by 2020.

2. Gate Receipts and Premium Season Ticket Sales

- a. Income from general ticket sales is estimated to be \$120,000.
- b. Premium season ticket sales are estimated to generate \$250,000
  - 500 season tickets @ \$500 each = \$250,000
- c. U. T. Permian Basin believes the income estimates to be reasonable as premium season tickets will be highly valued. The demand for football is not satiated in Odessa. High school season tickets have a waiting list and they are passed on from generation to generation. U. T. Permian Basin

football will provide another means to meet the community demand for football. Businesses are actively seeking benefits for their clientele and employees in the Permian Basin.

3. Annual Fundraising Campaign

- a. An annual fundraising goal of \$250,000 in external donations and signage sales/sponsorships will be conducted by the Development Office to support the athletic department's activities.
- b. An athletics development officer will be hired and paid through the budget associated with this proposal/business plan and will be held accountable.

4. Guarantees

- a. Guarantees to support football team operations will be generated in most years through the scheduling of a Division I or another NCAA II opponent. Because the ability to do so is not certain and because the amount of income cannot be accurately predicted, guarantees have not been placed into the financial plan.
- b. Guarantees will generally generate \$25,000 - \$40,000 annually. \$25,000 was used for the budget associated with this proposal.

3. U. T. System Board of Regents: Authorization to name the new University of Texas in South Texas as The University of Texas Rio Grande Valley

Chairman Foster introduced Senator Juan “Chuy” Hinojosa, who expressed appreciation to members of the Board and Chancellor Cigarroa for their support of education in South Texas. He spoke of the Board’s investment in education by making the medical school and the new University in South Texas a reality, which promises growth in South Texas.

Chancellor Cigarroa provided a brief history on Project South Texas, and Vice Chancellor Safady showed a brief video and reported on the successful naming campaign, “What’s in a Name?”

Upon motion by Regent Aliseda, seconded by Vice Chairman Powell, the Board approved the name of the new University of Texas in South Texas as The University of Texas Rio Grande Valley.

This name was the most popular choice among students, staff, and community members who said the name will bring pride to the Rio Grande Valley and makes the most sense, considering the geographic area the University represents. This name also fits the pattern of using geographic names for the existing University of Texas System institutions, and it also received additional support from several South Texas legislators.

The Project South Texas “What’s in a Name?” campaign was launched on November 11 and ended on December 6. The campaign was an invitation to the community to engage in a dialogue about the name of the new institution. The other four most descriptive and popular recommendations were:

- The University of Texas-South. Those who liked the name said it is a short name that packs a lot of power and sounds prestigious.
- Keeping U. T. Pan American. Some noted that this name is not limited to a specific area and that U. T. Brownsville was once a branch campus of U. T. Pan American.
- Other U. T. System-proposed names such as U. T. for the Americas and U. T. International received modest levels of support.

The Regents’ *Rules and Regulations*, Rule 40601, was amended to include the name of the new University.

4. U. T. System Board of Regents: Amendment of Regents' *Rules and Regulations*, Rule 40401 (Assessment, Collection, Delegation, and Waiver of Tuition and Fees) and Rule 80301 [(Capital Improvement Program) (CIP)] requiring approval for CIP projects prior to student vote on associated fees

The Board authorized revisions to the Regents' *Rules and Regulations*, Rule 40401 (Assessment, Collection, Delegation, and Waiver of Tuition and Fees) and Rule 80301 (Capital Improvement Program) (CIP) to read as set forth below. The revisions add language requiring approval for CIP projects prior to student vote on associated fees.

a. Rule 40401

Sec. 5 Student Fees Associated with CIP Projects. In accordance with Rule 80301 of these Rules, Board approval of a Capital Improvement Program (CIP) project shall be obtained prior to the call for a student election to authorize new or increased fees to fund the CIP project.

b. Rule 80301

Sec. 7 Timing of Student Election. For such additions to the CIP that are anticipated to be funded in part by student fees, the project must be presented to the Board by the institutional President or his/her delegate and student representative(s) for approval prior to the call for a student election on the authorization or increase of the associated fee. This Section does not require a student election if one is not otherwise required by statute.

These Rules amendments were reviewed by the institutional presidents and The University of Texas System Student Advisory Council and were revised to address comments from representatives of the Council.

Student Regent Horne recognized the work of the Student Advisory Council in this matter, and he thanked Chancellor Cigarroa and Executive Vice Chancellors Reyes and Greenberg for taking time to visit with students and listen to their concerns about the process. He called on the Chancellor to lay out the process and changes for the benefit of the students' understanding.

Chancellor Cigarroa explained that he had conveyed to his executive team, to Student Regent Horne, and to the students his concern that, unlike the usual path of putting facilities on the CIP, he felt it was important that students have an opportunity to visit with the institutional President and leadership to provide input on a proposed facility, including consideration of a vote on a student fee. The institutional President would then determine if the proposed CIP project is mission-aligned, and if so, would present the proposal to the appropriate Executive Vice Chancellor, the Chancellor, and then to the Board of Regents with proposed funding of revenue streams. Once a project is on the CIP, students could vote on the student fee.

Chancellor Cigarroa noted this is a transparency issue as there was a concern that students might lose a voice through the process of putting projects on the CIP. Regent Horne recommended that Executive Vice Chancellors Reyes and Greenberg develop a formal process with guidelines for students to provide input, if desired, on a proposed facility.

5. U. T. Austin: Approval of a) a contract with Workday, Inc. to provide a cloud-based, enterprise resource planning (ERP) system that includes a full suite of integrated human resources, payroll, purchasing, and financial applications; b) expenditure of \$14 million from Designated Funds and Educational and General (E&G) Funds for the initial 60 months; and c) expenditure of \$16 million from Designated Funds and E&G Funds for an optional 60 month renewal

In his presentation, Vice President and Chief Financial Officer Hegarty emphasized the total cost of the Workday enterprise resource planning (ERP) system being proposed for The University of Texas at Austin is \$87.9 million, with \$30 million being requested at this meeting. Mr. Hegarty said a recommendation on an integrative consultant would be brought to the Board in February 2014.

Chairman Foster pointed out that this item was deferred from the November 14, 2013 Consent Agenda due to the significant investment being proposed.

In response to a question from Regent Hildebrand about the spread in cost in retaining the existing ERP system (\*DEFINE), Mr. Hegarty said the disadvantage in staying with the existing system grows 10-15% per year. He thought the operating cost would remain the same, but said the differentiator is the benefit that is not able to be harvested because they do not have the benefit of the technology, and the cost of maintaining the current system grows exponentially each year. Executive Vice Chancellor Kelley commented that eventually the current aging system will not work.

Regent Hildebrand asked if there is a desire ultimately to centralize business services throughout The University of Texas System, such as payroll and human resources, and he questioned if U. T. Austin is the best beta site or test site for such a costly and complex program. Dr. Kelley explained the status of consolidation efforts at the academic institutions and, separately at the health institutions, to bring business services together. He stated that centralization might take place at U. T. Austin or at another campus. Mr. Hegarty said U. T. Austin has the benefit of size and experience to make this implementation a success in terms of time and budget. He added that Workday is the epitome for shared services and could be the solution for all U. T. System institutions.

Chancellor Cigarroa spoke about the importance of working toward a common payroll and other common business services, remarking on the work to date to move to PeopleSoft. He said the promise of interoperability of platforms is critically important, and he commented that U. T. Austin has stated its commitment toward

making other campuses a part of this implementation in hopes that it will increase efficiency and lower costs. Dr. Cigarroa committed to work towards enhancing efficiency and lowering costs, so that the U. T. System institutions can concentrate on their educational missions.

Regent Cranberg spoke briefly in support of the proposal, especially for ease of responding to data and information requests, and Chairman Foster reiterated that U. T. Austin is leading the way instead of going in a different direction. He clarified with Mr. Hegarty that the request today was for \$30 million.

On behalf of The University of Texas at Austin, the Board,

- a. approved a contract with Workday, Inc. for the provision of a cloud-based, state-of-the-art ERP system for U. T. Austin that will include a full suite of integrated human resources, payroll, purchasing, and financial applications. The contract term will be for a period of 60 months, with the option to renew for one additional term of 60 months;
- b. authorized expenditure of \$14 million from Designated Funds and Educational and General (E&G) Funds for the system, including ERP software, maintenance, and support services for the initial 60 months; and
- c. authorized expenditure of \$16 million from Designated Funds and E&G Funds for the possible renewal of an additional 60 months.

The enterprise resource planning system from Workday, Inc. will replace the current **DE**partmental **F**inancial **I**nformation **NE**twork (\*DEFINE) system that is accessed through the University's mainframe computer. The Administrative Systems Master Plan to replace the legacy administrative systems was approved by the institution in March 2012. Replacement of the existing system is needed to mitigate the increasing risks of relying on aging information technologies and to take advantage of technical advancements. The institution is now in the dialogue phase of its proposal to pilot a shared services model for delivering finance, procurement, human resource, and information technology services to the campus. A more modern administrative systems environment will maximize the benefits of a shared services model.

By replacing the current \*DEFINE system with a Web-based system from Workday, Inc., the University will be able to achieve the following goals: automation of labor intensive activities, including improved workflow and system configuration; reduction of training costs by moving to a more intuitive Web-based system; lowering system support costs; and improvement of technology to enable the implementation of shared services.

The Request for Proposal (RFP) was comprehensive and included more than 4,500 functional requirements from hundreds of participants across campus. The

RFP responses were scored by 60 campus functional and technical experts, and a senior-level evaluation team scored the overall RFP responses. The Workday cloud-based Software-as-a-Service (SaaS) solution received the highest overall score.

This system will take advantage of the significant shift in the administrative software market towards cloud-based computing, and will support the U. T. System Framework for Advancing Excellence goal to reduce administrative costs. In addition, the contract will provide the opportunity for other U. T. System institutions to participate in the contract at a later date should they so choose.

6. U. T. System Board of Regents: Acceptance of final report and recommendations from the Task Force on Employee/Student Relationships

Task Force Chairman Foster provided a final report and recommendations on the activities of the Task Force on Employee/Student Relationships. The report was then accepted by the Board.

Remarks by Chairman Foster

The work of the Task Force on Employee/Student Relationships has been completed after beginning in March of this year. Our work has benefitted from the diversity of the group, which consisted of campus presidents, faculty, administrators, attorneys both within and outside the U. T. System, and student representation through our former Student Regent Ashley Purgason.

We heard from experts in the fields of sexual harassment and misconduct policy, athletics, and organizational culture change, reviewed the applicable policies across System, and looked at model policies for best practices.

We learned a lot about the potential problems facing students, student-athletes, and staff on campuses and the issues surrounding the best ways to address them. Ultimately, this is an issue of student welfare and safety and must be taken very seriously through both policy and culture change.

I am confident that we have identified the best practices to address sexual misconduct on campus by creating a policy for all our campuses that does not merely discourage inappropriate relationships, and clearly prohibits certain relationships where a real, or perceived, abuse of power exists.

At the same time, we are laying out recommendations for the best path to a culture that fosters a safe environment and that does not tolerate inappropriate relationships. This will be done by supporting campus leadership in administration, faculty, and students; forming new programs to educate students and faculty; and reinforcing accountability from the top down.

A sample of the recommendations for policy change includes the following:

- a careful review of sexual harassment and assault policies should be conducted to ensure full institutional compliance,
- ensuring that the central elements of the consensual relationships policy at each U. T. System institution, including the definition of what is prohibited, should be the same for all institutions, that the consensual relationships policy should require mitigation plans to be documented, should address the impact of “indirect authority” on these imbalanced relationships, and that the concept of “consensual sexual relationships” should be expanded to include “romance and dating,”
- athletic departments should be required to adopt more stringent consensual relationships policies,
- student discipline policies and procedures should make it clear that all allegations of misconduct by student athletes are to be reported through the appropriate channels within each institution, as well as to the athletic department, and
- we must ensure the availability of counseling services for individuals concerned about inappropriate consensual relationships or sexual harassment

Recommendations for culture change include:

- changing the status quo,
- identifying campus champions and seeking support of campus leaders,
- developing workshops and presentations for faculty members,
- reinforcing student responsibility to change student culture, and
- engaging campus groups, including faculty, staff, and students.

Our findings and recommendations have been presented to the Student Advisory Council, the Faculty Advisory Council, and the Employee Advisory Council Executive Committee for their thoughts and comments. The feedback we received was constructive and will serve a vital role in implementation of the policies and procedures going forward.

Chairman Foster said that the Office of External Relations will have copies of the final report available as soon as possible.

Regent Stillwell expressed concern about the complexity of the regulatory and enforcement structure, and he suggested that several campuses work together for a more streamlined approach that is reasonably understood, monitored, and enforced. Chairman Foster remarked that the Task Force recommendations recognize this complexity and include reference to a culture change that is important, but difficult to implement.

Chancellor Cigarroa spoke about the sensitivity of the issues addressed by the Task Force and said it is incumbent on him and others to provide campus cultures that are conducive to learning, research, and education with a code of conduct that supports the culture. He noted the importance of keeping campuses safe and providing avenues for conversation about these sensitive matters.

On November 15, 2012, Board Chairman Powell created and charged this Task Force to look at all existing programs directed at preventing inappropriate relationships, including preventing and addressing sexual abuse, sexual harassment, sexual misconduct and other inappropriate relationships to ensure a safe, healthy environment for students and employees.

Chairman Foster had provided a brief update on the Task Force's work at the Board's May 9 and August 22, 2013 meetings. Since that time, The University of Texas System institution presidents and athletic directors; U. T. System Faculty, Student, and Employee Advisory Councils; and other interested stakeholders reviewed and commented on the draft report.

Task Force recommendations will be effected through policy changes and educational campaigns implemented by U. T. System Administration and each institution.

7. U. T. System Board of Regents: Acceptance of final report and recommendations from the Task Force on Engineering Education for the 21st Century

Regent Cranberg and University of Texas at Dallas President Daniel, Co-Chairmen of the Task Force on Engineering Education for the 21st Century, provided a final report on the activities of the Task Force and made recommendations for Board consideration. The report was then accepted by the Board.

Remarks by Regent Cranberg

The Engineering Task Force was appointed by Chairman Powell and Chancellor Cigarroa in late 2012. The Task Force members included the Engineering Deans of the U. T. System institutions, individuals from industry, academic leaders, and members of the U. T. System Board of Regents. It was co-chaired by President Daniel and myself, and ably also led and supported by Executive Vice Chancellor Pedro Reyes, Vice Chancellor Stephanie Huie, and their staffs, for whose assistance we were very grateful. Ultimately, we wanted to put into a larger context the many significant

decisions being made at U. T. System related to engineering. Task Force members were charged with reviewing and identifying key issues related to demand, capacity, efficiency, supply, and research related to engineering programs in Texas, how these issues impact Texas and the nation, as well as what the U. T. System can do to be responsive to students' needs and employers' workforce demand.

Five all-day face-to-face meetings were held in Austin from January to June 2013. These meetings centered on discussions amongst the Task Force members and frequently included guests who were invited to address specific topics, such as what industry is seeking from graduates of the U. T. System institutions, how to better engage industry in university research, how intellectual property is managed, and what other Texas institutions are doing to expand the production of engineers.

The Task Force elaborated on nine findings from which its recommendations flow that President Daniel will discuss in more detail. I think of these findings as being in four major groups. Texas has particular needs and competitive advantages that stem, among other things, from its oil reserves. One third of our graduates work in the energy industry. We need the talent and knowledge to optimize this potential at a time that this is not always a priority in Washington, or even in other states with engineering schools. Producing more engineers responds to student and employer needs. A student with an engineering bachelor's degree is estimated to earn \$3.4 million over a lifetime, compared to \$2.4 million average lifetimes' earnings of a college graduate. Texas Workforce Commission estimates suggest that Texas needs to double its output of engineers. Quality for research and educational missions can be enhanced along with greater quantity through greater engagement with industry, with Houston, and with regional innovation hubs. Also, quality can be enhanced by reexamining the alignment of degree requirements, definition, and curriculum with market needs.

Finally, engineers can and should be instrumental in enhancing the value of the West Texas Lands, that in turn will increasingly be a game changer in empowering the entire University of Texas System with vital resources. This effort is also an opportunity to leverage a unique advantage to enhance engineering research and education. With that, I'll turn to President Daniel to discuss recommendations.

#### Remarks by President Daniel

Thank you, Regent Cranberg. Let me first thank Regent Cranberg for the opportunity to serve as Co-Chair. We had a lot of fun, and many useful discussions. I too want to thank all the members of the Task Force, including Regent Hildebrand. I also want to express my appreciation to Dr. Reyes and his staff, and to Chancellor Cigarroa, who sat in on most of our meetings, critiqued, and helped to edit our reports.

We have five essential recommendations.

#### Recommendation #1

The first one is to expand production of engineers and computer scientists in Texas. As indicated, the Texas Workforce Commission says that we are producing about

half as many in Texas as we should. The need is a big need, and I think our anecdotal information is very consistent with the data. There is just a tremendous need in this technology-intensive state. We are recommending that U. T. System institutions over the next 10 years increase enrollment in engineering and computer science programs by 57% by adding 16,000 more students and by increasing degree production by more than 50%, or about 2,500 more degrees. That will not address the total need of 9,000, but 2,500 more will be a nice chunk of the challenge.

We note that some of the obvious things that will be needed to accomplish this are more infrastructure and more faculty, but we also think there is a lot of opportunity for collaboration among the engineering schools. For example, shared online courses, opportunities for students to visit other campuses, and many, many other ways in which we can engage. Our recommendation is to think of this as a 10-year process. One does not have a 50% increase in enrollment or degree production in a year or two, and do that in a quality way. It takes a thoughtful, sustained effort.

I think one question is -- why do this? The answer is two-fold. Number one, if we do not control our own destiny in Texas by producing the people that this state needs, either the companies will go elsewhere, or we will have to rely on other states and other countries, perhaps, to provide the manpower that we need. And controlling one's own destiny is clearly a better place to be.

Secondly, engineering careers are very attractive careers for Texas residents. If we do not provide those students with those opportunities, in a sense it would be an abrogation of responsibility. The numbers are pretty compelling. We all know that a bachelor's degree tends to add about a million dollars of lifetime earnings for an individual compared to a high school degree. But the data show that a bachelor's degree in engineering adds about a million dollars of lifetime income, compared to an average bachelor's degree. Actually, the U. T. System beats the national averages. A bachelor's degree in engineering from a U. T. System institution adds almost a million and a half dollars of annual income for an individual compared to a bachelor's degree in a nonengineering field from the U. T. System.

### Recommendation #2

Our second recommendation is to encourage more young Texans to pursue engineering degrees. It would not be enough to simply say we are going to produce more engineers if the pipeline does not provide the talented young Texans to pursue those careers. We do not think we ought to reinvent the wheel, but we ought to rely on a lot of proven programs and expand those, such as the UTeach program, more summer internships, and collaboration with industry programs that reach all parts of the state. Clearly these sorts of incentives for young people to pursue careers is the type of thing that cannot be accomplished by a single institution, but a complex, well-regarded System like ours might have a shot at that.

We must attack the math problem, and indeed programs such as our Institute for Transformational Learning (ITL) may be able to help us with that. We need better programs with community colleges, and we need to attack the diversity problem.

If we do not attract more women and underrepresented minorities to these fields, we are going to be hard-pressed to produce the people that the state needs.

### Recommendation #3

Our third core recommendation is to encourage stronger interactions with industry. There is a lot of language in the report on specific ideas on how to do that. For example, our intellectual property practices at the Board of Regents' level are complex, and in fact, perception may be as important as reality in terms of how industry views us. So we recommend that they be reviewed.

We have a number of other specific recommendations. We need to think seriously about how our engineering schools and institutions can work with industry to drive regional innovation hubs. We think internships and co-op programs for our students are win-wins between industry and our students, and we recommend thinking more seriously about those.

A very important recommendation centers around Houston, where we have significant medical investments, but we do not have a major academic investment in this city, which comprises about a third of the state's population, and a third of the economy. We talked a lot about how we might have a presence in Houston. U. T. Tyler actually has a very interesting program just getting started in collaboration with community colleges that might be an example of a way to build a footprint there quickly and effectively. Oil and gas institutes centered in the Houston area that lets our students from across the state connect with the industries might be very useful.

Programs that bring professors, if you will, from industry into our research and teaching programs can help build those stronger linkages between our academic programs and industry. And finally, making sure that industry has a voice on the leadership teams within the deans' inner circles of our academic institutions is another mechanism to try to build those bridges.

### Recommendation #4

Our fourth recommendation is to support research on University Lands that will derive more income and value from that land. We have incredible expertise within the U. T. System, and the feeling was let us put that to work in collaboration with industry and produce more value for the University of Texas System and its institutions.

### Recommendation #5

Finally, for the fifth one, we recommend an overall branding initiative for this program. We would recommend doing this in a way that knits together the various elements of a program. A branding exercise can be very useful internally to get all the pieces moving in the same direction and positively impact the overall program. We would note that this program would not be inexpensive, but spread over a 10-year period in a thoughtful way. We think the return on investment to the State could be enormous.

Finally, we recommend some specific steps, if the Board wishes to proceed. Essentially those steps are further planning. Each campus has a preliminary plan as to how it would increase its enrollment and degree production, and we recommend that they develop those in more depth. We recommend thinking seriously about how we might coordinate some of the programs between the various colleges of engineering. We recommend that a plan be developed for our presence in Houston. We recommend more thorough development of information about cost and schedule, and finally a plan for how we might enhance the value of our University Lands.

Those are our five essential recommendations, with a follow-up set of actions suggested essentially to develop these thoughts in further detail if the Board wishes to head in that direction.

Regent Hildebrand, who served on the Task Force, provided brief comments on the benefits of the bottom-up process, the commitment to quality programs, and the specificity for each institution to increase enrollment of engineers and computer scientists (Recommendation #1). He emphasized the importance of measurement and accountability to the plan, and he recommended that implementation of the Task Force's recommendations be measured and inspected on a periodic basis to ensure goals are being obtained.

Regent Pejovich asked if the risk of students switching majors out of engineering had been addressed by the Task Force, and Regent Cranberg noted the access to opportunities might address this matter. He said the large investment at The University of Texas at Austin for the construction of the Engineering Education and Research Center addresses the institution's commitment to increase the number of engineering graduates. President Daniel also commented about integrating the preparation of students and making them aware of job opportunities.

Vice Chairman Powell suggested a continued effort by Regent Cranberg, President Daniel, and Dr. Reyes for the next few years to implement these recommendations.

Chancellor Cigarroa suggested efforts be made to attract more engineering students, more internships, and more cooperation with industry, with possibilities in the Houston area and with technology transfer and commercialization opportunities. He suggested amending the Regents' *Rules and Regulations* to promote intellectual property and multisharing to attract industry, and he recommended an annual presentation to the Board on progress and tracking enrollment growth via the Productivity Dashboard.

Dr. Reyes promised that the council of deans would be kept intact with metrics recorded.

On November 15, 2012, Board Chairman Powell created this Task Force and charged the Task Force with reviewing and identifying key issues related to demand,

capacity, efficiency, supply, and research related to engineering programs in the State of Texas; how these issues impact Texas and the nation; and what The University of Texas System can do to be most responsive to the State of Texas' needs.

Regent Cranberg had provided a brief update on the work of the Task Force at the Board's May 9 and August 22, 2013 meetings.

An implementation plan will be devised and brought to the Board of Regents for approval. Chairman Foster said that the Office of External Relations and the Office of Academic Affairs will coordinate to make the final report available.

8. U. T. Medical Branch - Galveston: Building 17 Expansion - Amendment of the FY 2014-2019 Capital Improvement Program to include project (Preliminary Board approval)

The Board amended the Fiscal Year 2014-2019 Capital Improvement Program (CIP) to include the Building 17 Expansion project at The University of Texas Medical Branch at Galveston (UTMB) as follows:

**Project No.:** 601-818

**Project Delivery:** Competitive Sealed Proposals

**Substantial Completion Date:** September 2017

<b>Total Project Cost:</b>	<u>Source</u>	<u>Current</u>
	Permanent University Fund Bond Proceeds	\$30,500,000
	Revenue Financing System Bond Proceeds <sup>1</sup>	<u>\$11,500,000</u>
		\$42,000,000

**Funding Note:** <sup>1</sup> Revenue Financing System debt proposed to be repaid from Hospital Revenues

**Investment Metrics:**

- Maintain competitive position in research funding by containing operating costs of Animal Resource Center through consolidation of animal facilities
- Mitigate critical research assets from future flood damage
- Address facility deficiency issues and assure accreditation

The project will construct a six-story, 93,000 gross square foot (GSF) addition to current Building 17. The project will replace critical research support space lost to Hurricane Ike in 2008, move critical functions to an elevation of 25 feet above mean sea level, and provide centrally-located vivarium space for functions that support all of UTMB's animal research. The ground floor will house noncritical functions such as lobby and meeting space. Floors 2, 3, and 4 will house animals and related facilities such as cage washing, veterinary support, pharmacy, and mechanical space. Floors 5 and 6, to be shelled during initial construction, will be dedicated to laboratory and office space.

Former Building 18, which was essential to UTMB's research pursuits, was heavily damaged during Hurricane Ike and was recently demolished, compromising to an even greater extent UTMB's already stressed animal research facilities. This expansion of Building 17 is the final major component in the institution's \$1.2 billion recovery and rebuilding from the hurricane.

Building 17, formerly called the Multi-Purpose Research Building, then the Research Facilities Expansion, and now called the Research Building, at 105 11th Street, was constructed in 2005 following Board of Regents' approval on February 9, 2000.

Beyond the existing renovation and mitigation efforts currently underway at UTMB, the construction of this facility is the highest priority for UTMB to assure greater opportunities for scientific collaboration, while providing a safe and secure location for staff and critical research assets. Maintaining adequately sized and state-of-the-art animal research facilities is critical to obtaining new grant awards in the current, highly competitive environment.

UTMB requested the transfer of \$30.5 million of Permanent University Fund Bond Proceeds (PUF) previously designated for the University Boulevard Research Building to support this project. The University Boulevard Research Building project will be removed from the CIP, as assessment of critical facilities needs has caused UTMB to revise campus research priorities.

This project has been approved by University of Texas System staff and meets the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of funding will be presented to the Board for approval at a later date.

9. U. T. Southwestern Medical Center: Appointment of C. Kern Wildenthal, M.D., Ph.D., as President Emeritus and Professor of Medicine Emeritus

The Board appointed C. Kern Wildenthal, M.D., Ph.D., as President Emeritus and Professor of Medicine Emeritus at The University of Texas Southwestern Medical Center. This approval is in accordance with the Regents' *Rules and Regulations*, Rule 20301.

Dr. Wildenthal was the second President of U. T. Southwestern Medical Center, serving in that position from 1986-2008. He joined the U. T. Southwestern faculty as an Assistant Professor of Medicine and Physiology in 1970, became an Associate Professor in 1971, and full Professor in 1975. From 1976 to 1980, he served as Dean of the Graduate School, and from 1980 to 1986, he was Dean of the Medical School.

During Dr. Wildenthal's administrative tenure at U. T. Southwestern, the institution more than quintupled in size and emerged as one of the leading medical institutions in the world. Four of its faculty won Nobel Prizes, 19 were elected members of the National Academy of Sciences, and 50 were named as presidents of national societies of their clinical and research specialties.

During this period, research expenditures grew more than tenfold to nearly \$400 million per year. During Dr. Wildenthal's presidency, more than 250 new endowed chairs and professorships were established; total endowments grew from \$40 million to more than \$1.3 billion; land was acquired to expand the campus from 65 to 300 acres; two referral hospitals and outpatient facilities totaling 1 million square feet were added to the campus; and the first half of a planned 4 million square foot research complex was completed.

10. U. T. System Board of Regents: Authorization for the Chancellor to submit Report Concerning Designated Tuition

The Board granted authority to the Chancellor to submit on its behalf the "Report Concerning Designated Tuition" as required by the current General Appropriations Act, Senate Bill 1, Article III, Section 50 to the Lieutenant Governor, Speaker of the House, Chair of the Senate Finance Committee, Chair of the House Appropriations Committee, and members of the Legislative Oversight Committee on Higher Education.

A Report Concerning Designated Tuition is to be filed not later than January 1, 2014, by the governing board of each public institution of higher education that charges students designated tuition under Section 54.0513 of the *Texas Education Code*.

The Report identifies the amount of designated tuition collected, the purposes for which it was spent, the amount spent for each purpose, the amounts set aside for resident undergraduate and graduate student assistance as required by Sections 56.011 and 56.012, *Texas Education Code*, and how those amounts are allocated among various types of student assistance.

Completion of the Report requires certain financial information contained in the pending annual financial report. A copy of the [Report](#) will be provided to members of the Board.

RECESS TO EXECUTIVE SESSION.--At 11:11 a.m., Chairman Foster announced the Board would 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 4:23 p.m., the Board reconvened in Open Session to consider the following agenda items and to consider actions taken on matters discussed in Executive Session.

## AGENDA ITEMS

11. U. T. System Board of Regents: Comments by Chairman concerning possible future Regents' Rules amendments regarding changes to policy and practice concerning governance issues, including the most efficient methods of processing data and information requests

Chairman Foster said that as he had mentioned previously (October 25, 2013), changes to policy and practice concerning governance issues should be considered, including issues related to efficient methods of processing data and information requests. He said he remains concerned about those issues and is moving forward, with the assistance of the Vice Chairmen and the Chancellor, to review and evaluate best practices. However, he said that recommendations for the Board's consideration are not yet ready to be made.

12. U. T. System Board of Regents: Amendment of Regents' Rules and Regulations, Rule 20601, Section 15, regarding Record Keeping and Reports on Aircraft Use

The Board amended the Regents' *Rules and Regulations*, Rule 20601, Section 15, regarding Record Keeping and Reports for Aircraft Use, to read as set forth below:

Sec. 15 Record Keeping and Reports. The approved reservation requests forms and post-flight passenger manifests will serve as the official record of flights.

15.1 The U. T. System Office of Business Affairs shall prepare and submit the following reports:

(a) Travel Log. In accordance with *Texas Government Code* Section 2205.039, the passenger manifests for the month will be sent to the Texas Department of Transportation each month following the month in which travel occurred.

(b) Reports to the Board. Passenger manifests for U. T. System aircraft, Texas Department of Transportation aircraft flown on behalf of U. T. System, privately owned aircraft, leased, and charter aircraft, including donor or chartered aircraft paid for by outside entities on behalf of the university, will be sent to the General Counsel to the Board of Regents twice a year in April and October for distribution to the Finance and Planning Committee of the U. T. System Board of Regents for review.

For donor aircraft, passenger and donor names may be omitted consistent with State law, but will be provided, upon request, to the Board, to the Chancellor, the appropriate Executive Vice Chancellor, the Vice Chancellor for External Relations, the Vice Chancellor and General Counsel, and/or the General Counsel to the Board.

- (c) Annual Aircraft Use Form. In accordance with *Texas Government Code* Section 2205.041 passenger manifests for the year and the aircraft costs summary will be submitted to the Legislative Budget Board with copies to the General Counsel to the Board of Regents and the Chancellor by November 15th.

This revision to Regents' Rule 20601 clarifies the intent that, for donor aircraft, passenger and donor names need not be disclosed to the public to the extent consistent with State law but are to be provided to the Chancellor, the appropriate Executive Vice Chancellor, the Vice Chancellor for External Relations, the Vice Chancellor and General Counsel, and/or the General Counsel to the Board upon request.

#### EXECUTIVE SESSION ITEMS

1. U. T. System: Deliberations Regarding the Purchase, Exchange, Lease, Sale, or Value of Real Property

No action was taken on this item.

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

No action was taken on this item.

- 2b. U. T. Austin: Discussion and possible appropriate action regarding legal issues concerning the U.S. Supreme Court ruling in *Fisher v. State of Texas, University of Texas at Austin, et al.*, including discussion with outside legal counsel

No action was taken on this item.

- 2c. U. T. System: Discussion of legal issues related to the provision of complimentary tickets to third parties

No action was taken on this item.

- 2d. U. T. System: Discussion and appropriate action regarding pending litigation with General Land Office involving determination of real property boundaries

No action was taken on this item.

- 2e. U. T. Brownsville: Delegation of authority to settle claims by Dr. Marvin Lovett

Regent Hall moved that Board delegate to President García the authority to settle claims by Dr. Marvin Lovett on behalf of The University of Texas at Brownsville within the parameters recommended in Executive Session, including the reinstatement of the title of Professor, with tenure, following consultation and approval by Chancellor Cigarroa, Executive Vice Chancellor Reyes, and Interim Vice Chancellor and General Counsel Sharphorn.

Regent Aliseda seconded the motion, which carried unanimously.

- 3a. U. T. Austin: Approval of proposed negotiated gifts with potential naming features

Regent Pejovich moved that the Board authorize the Presidents of The University of Texas at Austin, The University of Texas at San Antonio, The University of Texas Medical Branch at Galveston, and The University of Texas Health Science Center at San Antonio and the Vice Chancellor for External Relations to conduct and/or conclude negotiations necessary to finalize and accept gifts to benefit those institutions with potential naming features consistent with the terms and conditions outlined and recommended in Executive Session.

Regent Stillwell seconded the motion, which carried unanimously.

- 3b. U. T. San Antonio: Approval of proposed negotiated gifts with potential naming features

See Item 3a for action taken on this item.

- 3c. U. T. Medical Branch - Galveston: Approval of proposed negotiated gifts with potential naming features

See Item 3a for action taken on this item.

- 3d. U. T. Health Science Center - San Antonio: Approval of proposed negotiated gifts with potential naming features

See Item 3a for action taken on this item.

- 4a. U. T. System: Discussion 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.

- 4b. U. T. System Board of Regents: Discussion 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 including the discussion of goal attainment of the U. T. System Incentive-Based Compensation Plan

Regent Hildebrand moved that the Board approve the incentive compensation recommendations for The University of Texas System officials as proposed and discussed in Executive Session.

Regent Stillwell seconded the motion, which carried unanimously.

- 4c. U. T. Austin: Remarks by Chancellor Cigarroa concerning employment of William C. Powers, Jr., as President of The University of Texas at Austin

Chairman Foster called on Chancellor Cigarroa for remarks concerning employment of William C. Powers, Jr., as President of The University of Texas at Austin.

Remarks by Chancellor Cigarroa  
concerning President Powers

In August of 2013, I conveyed to the Board of Regents that the existing relationship between President Powers and U. T. System Administration was significantly strained.

The main reason for the strain is that Bill and I would agree upon certain principles and then I would act on those principles, but then Bill Powers would often convey a message of misalignment, leading to conflict between U. T. System Administration and The University of Texas at Austin. Additionally, conversations with President Powers were frequently difficult, seeming like an ongoing negotiation.

I conveyed to the Board that the best path forward was for President Powers to come forward with a plan that would allow him to accomplish his very important goals and that would be acceptable to me and the Board. I have met since that time on numerous occasions with President

Powers to discuss the future of his presidency. I have also listened to many constituents and individuals related to President Powers, adding to my own personal knowledge.

Here is what I know and what I've learned. President Powers has not drafted a transition plan. As he stated, he still has much to accomplish such as a capital campaign that supports the mission of The University of Texas at Austin and that he would like to represent Texas with distinction in his role as Chair of the AAU. There exists strong faculty, undergraduate, and graduate student support for President Powers, represented by three resolutions of support by each group. There exists strong alumni support for President Powers. The alumni and The University of Texas at Austin staff and the Development Board are working exceptionally hard and are within reach of achieving the \$3 billion capital campaign goal by August 2014.

President Powers and Provost Fenves are making great progress in the hiring of a dean of the Dell School of Medicine. I have also been told that a change in leadership at this moment would jeopardize the recruitment of an outstanding dean as well as other important leaders. Faculty has conveyed to me that President Powers remains committed to improving student success. U. T. Austin's faculty, partnering with the Institute of Transformational Learning, has been successful in implementing nine massive open online courses (MOOCs) with enrollment increasing over 175,000, and discussions with U. T. Austin's undergraduates reveal that they remain very pleased with their undergraduate courses.

The current relationship between President Powers and myself and several members of the System Administration remain strained. However, it's important to convey to all of you that since August, and after very serious discussions that I've had with President Powers, he has reached out to me, he has improved his communication, and this has been greatly appreciated by this Chancellor. In my most recent meeting with President Powers, he was very respectful, and he conveyed how much he wants to advance excellence at The University of Texas at Austin and continue to work with the Framework for Advancing Excellence.

In this context, understanding that I am hopeful that the strained relationship can be improved, it is my recommendation as Chancellor that Bill Powers should continue his appointment as President of The University of Texas at Austin. I believe it is in the best interest of the University. This continuation of appointment, however, would require good citizenship, respect for one another, a commitment to rebuilding trust among us, cooperation with The University of Texas System, as well as its Systemwide initiatives, and important inquiries, and a continued advancement of excellence.

So Mr. Chairman, that is my recommendation as Chancellor. I am hopeful that this relationship will improve. This appointment is contingent upon these very important values that I believe Bill Powers and I need to work on. And I also hope that in the months ahead, that all of us can focus on what is the most important. And what is the most important to me is putting our attention on our students, on our faculty, on our patients, and on our staff, and also on the importance of the creation of new knowledge that improves all of our lives. We have nine academic institutions and six health institutions that deserve our fullest attention, and it is my expectation that, with this recommendation and with what I have conveyed today, Bill Powers, this Chancellor, and this Board remain committed to advancing excellence, turning the page, and getting to a very bright horizon because there is so much for our 10 Regents, for this Chancellor, and for our Presidents and our Executive Officers to do to make The University of Texas System the best system of higher education in the world.

There are problems, I have addressed these problems, and it is my full expectation that together, President Powers and I will work towards resolving them and moving ahead.

Chairman Foster applauded Chancellor Cigarroa's efforts to provide improvements to The University of Texas System through, among other things, the Framework for Advancing Excellence. He stated support for President Powers and applauded his many accomplishments. He also recognized that a difficult relationship exists, and has existed, between President Powers and many members of the Board, as well as the U. T. System Administration. He commented on President Powers' appointment to serve as Chairman of the Association of American Universities and stated that he is optimistic about the future of U. T. Austin and confident that the controversy will soon be a distant memory. He then called on all constituents to be supportive and proactive, noting there would be no action on this matter today.

SCHEDULED MEETING.--The next regularly scheduled meeting will be held on February 5-6, 2014, in Austin, Texas.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 4:33 p.m.

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

January 3, 2014