



## TABLE OF CONTENTS FOR MEETING OF THE BOARD

February 11-12, 2009  
Austin, Texas

### Wednesday, February 11, 2009

#### COMMITTEE MEETINGS

Academic Affairs Committee 9:00 a.m.

Health Affairs Committee 10:30 a.m.

#### Concurrent

Audit, Compliance, and Management Review Committee 11:30 a.m.  
(Conference Room, Ashbel Smith Hall, 9<sup>th</sup> Floor)

Student, Faculty, and Staff Campus Life Committee

A. CONVENE THE BOARD IN OPEN SESSION TO RECESS 12:30 p.m.  
TO EXECUTIVE SESSION PURSUANT TO TEXAS Chairman Caven  
GOVERNMENT CODE, CHAPTER 551 (working lunch)

1. Personnel Matters Relating to Appointment,  
Employment, Evaluation, Assignment, Duties, Discipline,  
or Dismissal of Officers or Employees – Section 551.074

a. **U. T. Health Science Center – San Antonio:** Dr. Shine  
**Discussion of individual personnel matters  
related to presidential search**

b. **U. T. Austin: Discussion and appropriate action** President Powers  
**regarding proposed change in employment  
terms, compensation, and title for Assistant  
Football Coach William L. Muschamp**

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

2. Consultation with Attorney Regarding Legal Matters or Pending and/or Contemplated Litigation or Settlement Offers – Section 551.071
  - a. **U. T. System Board of Regents/U. T. Medical Branch – Galveston: Briefing on lawsuit titled Sandor, Puccetti, Lecornu, the Texas Faculty Association vs. The University of Texas System et al. and discussion of legal strategy** *Mr. Burgdorf*
  - b. **U. T. System Board of Regents: Discussion with Counsel regarding legal matters** *Mr. Burgdorf*
3. Negotiated Contracts for Prospective Gifts or Donations – Section 551.073
  - a. **U. T. Austin: Discussion and appropriate action regarding a proposed negotiated gift with potential naming feature** *Dr. Safady  
President Powers*
  - b. **U. T. Medical Branch – Galveston: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features** *Dr. Safady  
President Callender*
- B. RECONVENE IN OPEN SESSION TO CONSIDER ACTION ON EXECUTIVE SESSION ITEMS, IF ANY *1:20 p.m.*
- C. RECESS FOR COMMITTEE MEETINGS *1:30 p.m.*
  - Finance and Planning Committee *1:30 p.m.*
  - Facilities Planning and Construction Committee *2:30 p.m.*
- D. CONVENE THE BOARD IN OPEN SESSION TO CONSIDER AGENDA ITEM *3:30 p.m.  
Chairman Caven*
1. **U. T. Medical Branch – Galveston: Discussion and appropriate action related to the review of clinical operations and recommendations on redevelopment and strategic direction** *3:30 p.m.  
Dr. Shine  
President Callender  
Mr. Sherman T. Moore,  
Principal, and  
Mr. Michael T. Gavin,  
Manager, Kurt  
Salmon Associates* **1**
- E. RECESS *5:00 p.m.*

Thursday, February 12, 2009

	<b>Board/Committee Meetings</b>	<b>Page</b>
<b>COMMITTEE MEETINGS</b>		
Special Health Affairs Committee	9:00 a.m.	
F. RECONVENE THE BOARD IN OPEN SESSION	10:00 a.m.	
G. APPROVAL OF MINUTES		
H. CONSIDER AGENDA ITEMS		
2. <b>U. T. System Board of Regents: Presentation by Cooper, Robertson &amp; Partners, L. L. P., regarding the status of work on the master planning project for the Brackenridge Tract</b>	10:02 a.m. <b>Report</b> <i>Mr. Paul Milana and Dr. David McGregor, Cooper Robertson Ms. Mayne</i>	<b>2</b>
3. <b>U. T. System Board of Regents: Report on the plan for the permanent dedication of potential revenue realized from the development of the Brackenridge Tract</b>	10:32 a.m. <b>Report</b> <i>President Powers Dr. Prior</i>	<b>6</b>
4. <b>U. T. System Board of Regents: Amend Regents' Rules and Regulations, Rule 31008, regarding termination of a faculty member</b>	10:42 a.m. <b>Action</b> <i>Dr. Prior Mr. Sharphorn</i>	<b>6</b>
5. <b>U. T. System Board of Regents: Recommendation for authorization for the Board of Regents to serve as trustee of charitable lead trusts that benefit U. T. System institutions</b>	10:45 a.m. <b>Action</b> <i>Dr. Safady Mr. Burgdorf</i>	<b>13</b>
6. <b>U. T. System Board of Regents: Approval of proposed tuition rates for all undergraduate and graduate School of Nursing students for Fiscal Year 2010</b>	10:50 a.m. <b>Action</b> <i>Dr. Shine Dr. Prior</i>	<b>14</b>
7. <b>U. T. System Board of Regents: Reappointment of Mr. J. Philip Ferguson and Mr. Ardon E. Moore to the Board of Directors of The University of Texas Investment Management Company (UTIMCO)</b>	11:00 a.m. <b>Action</b> <i>Chairman Caven Vice Chairman Rowling</i>	<b>21</b>
8. <b>U. T. Medical Branch – Galveston, U. T. Health Science Center – Houston, and U. T. M. D. Anderson Cancer Center: Approval to settle commercial insurance claims associated with Hurricane Ike and authorization for the Chancellor to execute final settlement documents</b>	11:02 a.m. <b>Action</b> <i>Mr. Dendy</i>	<b>21</b>

**Thursday, February 12, 2009** (continued)

- |     |   |   |           |
|-----|---|---|-----------|
| 9.  | <b>U. T. System: Authorization to execute a Memorandum of Understanding with the United States Department of Agriculture Natural Resources Conservation Service to provide technical assistance for the improvement and protection of soil, water, and other natural resources on Permanent University Fund lands</b> | <i>11:05 a.m.</i><br><b>Action</b><br><i>Dr. Kelley</i> | <b>23</b> |
| 10. | <b>U. T. System: Report on development performance for the U. T. System institutions</b>  | <i>11:08 a.m.</i><br><b>Report</b><br><i>Dr. Safady</i> | <b>28</b> |
| 11. | <b>U. T. System Board of Regents: Discussion regarding enhanced academic efficiency and productivity</b>  | <i>11:18 a.m.</i><br><b>Report</b><br><i>Dr. Prior</i>  | <b>28</b> |
| I.  | RECESS FOR MEETINGS OF THE STANDING COMMITTEES AND COMMITTEE REPORTS TO THE BOARD   |   |           |
|     | Audit, Compliance, and Management Review Committee:<br>Chairman Foster  | <i>11:50 a.m.</i>                                       |           |
|     | Finance and Planning Committee: Chairman Rowling  |   |           |
|     | Academic Affairs Committee: Chairman Barnhill   |   |           |
|     | Health Affairs Committee: Chairman McHugh   |   |           |
|     | Facilities Planning and Construction Committee:<br>Chairman Huffines  |   |           |
| J.  | RECONVENE AS A COMMITTEE OF THE WHOLE TO ADJOURN  | <i>12:15 p.m.</i>                                       |           |

1. **U. T. Medical Branch – Galveston: Discussion and appropriate action related to the review of clinical operations and recommendations on redevelopment and strategic direction**

DISCUSSION

Chancellor Cigarroa, Executive Vice Chancellor Shine, and President Callender will lead a discussion concerning options identified by Kurt Salmon Associates (KSA) to provide for the strategic direction of the clinical enterprise of The University of Texas Medical Branch at Galveston (UTMB). Representatives of KSA will be present for this discussion. Dr. Callender will provide institutional comments on the various proposed options.

President Callender has been asked to coordinate an opportunity for public comment in Galveston on the suggested options preliminary to a special called meeting of the Board to consider action to select and implement needed future actions to assure a viable future for UTMB.

Chairman Caven has appointed a special Task Force of Vice Chairman Huffines, Regent McHugh, and Regent Longoria to be on the UTMB campus on February 20, 2009, to hear the public comments.

BACKGROUND INFORMATION

Following the aftermath of Hurricane Ike, the U. T. System engaged KSA, a leading national health care consulting group, to review the impact of the storm on the clinical operations of UTMB and to make recommendations on how best to redevelop this aspect of UTMB.

KSA will present options for redevelopment of UTMB to the Board of Regents.

2. **U. T. System Board of Regents: Presentation by Cooper, Robertson & Partners, L. L. P., regarding the status of work on the master planning project for the Brackenridge Tract**

REPORT

Mr. Paul Milana, Partner-in-Charge, and Dr. David McGregor, Project Director, will lead a presentation by the master planning team assembled by Cooper, Robertson & Partners, L. L. P., to update the Board on work to date on the master planning project for the Brackenridge Tract.

**Supplemental Materials: PowerPoint presentation is on Pages 1 - 96 of Volume 2.**

BACKGROUND INFORMATION

Cooper, Robertson & Partners, L. L. P. (Cooper Robertson), selected by the U. T. System Board of Regents on March 26, 2008, has entered the second phase of its work to develop a minimum of two conceptual master plans for the approximately 350-acre Brackenridge Tract in Austin, Texas. Because of the extensive scope of the work, the firm has divided the work into two phases: Analysis and Conceptual Plans.

Since March 2008, Cooper Robertson and its subcontractors have conducted numerous studies and analyses, including land surveys, traffic analyses, environmental analyses, and market analyses. In addition, and as directed by the Board of Regents, Cooper Robertson has been engaged in continuous and extensive efforts to provide opportunities for interested parties and groups to provide input.

As previously reported to the Board on August 14, 2008, Cooper Robertson conducted a public listening session on June 25, 2008, and a public informational session on August 12, 2008. The public listening session gave interested individuals an opportunity to express their concerns and interests; the public informational session gave Cooper Robertson and its team of subcontractors an opportunity to share with the public the results of the analyses to date.

During the week of November 3 through 7, 2008, Cooper Robertson conducted a series of workshops and public meetings to continue to offer opportunities to the public to provide input. At the outset of that week, Cooper Robertson provided to the public the draft Design Principles, which appear on Pages 3 - 4. Cooper Robertson also held three work sessions during the week to give the public an opportunity to give input on various design scenarios for the tract.

In addition to the public sessions, Cooper Robertson has continued its collaborative planning efforts with U. T. Austin, engaging student housing representatives and Brackenridge Field Laboratory representatives. The firm has also met with

representatives of the U. T. Austin student and faculty councils and with numerous public and governmental officials and interested members of the public.

Collaborative planning efforts will continue in 2009, as the firm moves into the conceptual planning phase of the project. As previously scheduled, conceptual plans will be presented to the Board of Regents in June 2009.

DRAFT DESIGN PRINCIPLES  
PREPARED BY COOPER, ROBERTSON & PARTNERS, L. L. P.

*Legacy*

*Honor the intent of Colonel Brackenridge's gift that the land be used "in trust for the University of Texas" at Austin for the "purpose of advancing and promoting University education" and preserve opportunities for future University uses on the Tract.*

*Context and Compatibility*

*Recognize and respond to the Tract's context within the City of Austin as a part of the City's waterfront and to the context of the West Austin neighborhood by respecting the character of its edges with appropriate land uses, building scale, landscape, and traffic mitigation.*

*Place Making and Public Realm*

*Conceive the Tract as a distinct and integrated whole, greater than the sum of its parts, organized as a collection of walkable neighborhoods with an integrated system of streets, trails, and freely accessible, usable open space, collectively known as the public realm.*

*Compact Development*

*Employ compact development strategies that maximize open space, embody a hierarchy of experiences, and encourage mixed-use, pedestrian friendly and vibrant areas that will characterize the Tract within the region, the city, and the vicinity.*

*Ecology and Environment*

*Celebrate the lakefront and other significant natural features of the Tract, such as its creek and mature trees, by organizing a larger open space system about these elements, while embracing the best methods and practices to ensure their preservation and to support the regional ecology.*

*Transportation and Connectivity*

*Recognize that transportation solutions are achieved at a city-wide scale, but design to minimize neighborhood traffic impacts by providing additional connections that reduce the dependence upon Enfield Road and Exposition, by mixing uses to capture otherwise off-site trips, and by planning for future transit options. Incorporate a hike and bike system that is interconnected to upland pathways.*

*Sustainability*

*Plan the future of the Tract based on a holistic approach to sustainability which considers social and economic, as well as natural, systems and resources, building upon the strengths of the past and what exists today while preserving options for future generations.*

*Feasibility, Flexibility, and Economic Viability*

*Develop an economically feasible plan that can be phased over time, be flexible to changing markets and conditions, and generate income from the Tract, using sound planning principles, to support the educational mission of the University while contributing positively to the community.*

A map depicting current uses on the Tract appears on Page 5.



# BRACKENRIDGE TRACT

Total Remaining Acreage: Approximately 345 Acres

3. **U. T. System Board of Regents: Report on the plan for the permanent dedication of potential revenue realized from the development of the Brackenridge Tract**

REPORT

President Powers will present an oral report on the plan for the permanent dedication of potential revenue realized from the proposed development of the Brackenridge Tract.

BACKGROUND INFORMATION

The Board's action on March 26, 2008, concerning the selection of a master planning firm for the Brackenridge Tract contained the additional requirement that U. T. System staff, working with U. T. Austin staff, return to the Board within the next 12 months with a plan for the permanent dedication of potential revenue realized from the development of the Brackenridge Tract to the benefit of faculty, graduate students, and undergraduate students at U. T. Austin, with examples of such uses to include, but not be limited to, recruitment and retention of faculty and funding of academic programs and essential services for students.

4. **U. T. System Board of Regents: Amend Regents' Rules and Regulations, Rule 31008, regarding termination of a faculty member**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, and the Vice Chancellor and General Counsel that Regents' *Rules and Regulations*, Rule 31008, regarding termination of a faculty member be amended as set forth in congressional style on Pages 7 - 12.

BACKGROUND INFORMATION

The proposed amendments to the Regents' *Rules and Regulations*, Rule 31008, will streamline the process by which faculty terminations are currently accomplished. Proposed deletions eliminate a step in the process, allowing evidence to be obtained before decisions are considered by the president. Academic and health presidents, along with the U. T. System Faculty Advisory Council, were consulted on the proposed changes.

1. Title

Termination of a Faculty Member

2. Rule and Regulation

Sec. 1 Termination for Good Cause. Termination by an institution of the employment of a faculty member who has been granted tenure and of all other faculty members, before the expiration of the stated period of appointment, except as is otherwise provided in Rule 31007, Section 5, and *Texas Education Code* Section 51.943, or by resignation or retirement, will be only for good cause shown. Faculty member, as used in this section, includes a professional librarian with an academic title. In each case the issue of good cause will be determined according to the equitable procedures provided in this Section.

Sec. 2 Review of Allegation. The president of the institution (the president) shall assure that all allegations against a faculty member that involve the potential for termination are reviewed under the direction of the chief academic officer unless another officer is designated by the president. The faculty member who is the subject of the allegations shall be given an opportunity to be interviewed and shall have the right to present a grievance, in person or through a representative, to the chief academic officer on an issue or subject related to the allegations under review. The chief academic officer or another individual designated by the president if the allegations pertain to the chief academic officer shall take the grievance, if any, into consideration prior to making a determination whether the allegations are supported by evidence that constitutes good cause for justifies the initiation of termination procedures. Upon making that determination, the chief academic officer or other appropriate designee will recommend to the president whether to proceed with charges for termination. Failure to present a grievance to the chief academic officer or other appropriate designee prior to his or her recommendation shall not preclude a faculty member from presenting an issue or subject to the special hearing tribunal in defense of charges for termination that may result from the review. A tenured faculty member who is recommended for termination on the basis of periodic evaluation must be given the opportunity for referral of the matter to nonbinding alternative dispute resolution, as required by *Texas Education Code* Section 51.942 and in compliance with applicable policies and procedures for alternative dispute

resolution within The University of Texas System or any of ~~the~~ ~~its~~ institutions, prior to referral of the charges to a hearing tribunal under Section 4 of this Rule.

Sec. 3 Response to Allegation. If the president ~~of the institution~~ determines that the allegations are supported by evidence that ~~constitutes good cause for~~ justifies the initiation of termination procedures, the president will meet with the faculty member, explain the allegations and supporting evidence, and give the faculty member a reasonable amount of time, as determined by the president, to respond either orally or in writing. In cases of incompetency or gross immorality, where the facts are admitted, or in cases of felony conviction, the hearing procedures of Section 4 of this Rule shall not apply, and dismissal by the president will follow.

Sec. 4 Hearings Tribunal. In cases where other offenses are charged, and in all cases where the facts are in dispute, the accused faculty member will be informed in writing of the charges. If the president ~~of the institution~~ determines that the nature of the charges and the evidence are such that it is in the best interest of the institution, the accused faculty member may be suspended with pay pending the completion of the hearing and a final decision ~~by the Board of Regents~~. A special hearing tribunal of at least three faculty members will hear the charges. The academic rank of each member of the tribunal must be at least equal to that of the accused faculty member. The accused faculty member will be notified of the names of the faculty members selected for the tribunal and of the date, time, and place for the hearing. Such notification shall be made at least eight ~~working~~ ing days prior to the hearing. The hearing tribunal members are appointed by the president from a standing panel (pool) of members of the faculty. At least 50% of the panel members from which the hearing tribunal members are appointed shall be selected by a procedure established by the faculty governance organization, an existing faculty committee with oversight for university-wide faculty committee selection. The president ~~of an institution~~ shall appoint the remaining members of the panel. A minimum of one member of a hearing tribunal appointed by a president is to be from among panel members selected by the faculty input, existent faculty committee or faculty governance procedure. The president may request counsel from the System Administration's Office of General Counsel to advise the hearing tribunal.

- 4.1 Right to Cross-examine. In every such hearing the accused faculty member will have the right to appear in person and by counsel of the accused's selection and to confront and cross-examine witnesses who may appear. If counsel represents the accused faculty member, the institution is entitled to be represented by counsel from System Administration's Office of General Counsel.
- 4.2 Right to Testify. The accused faculty member shall have the right to testify, but may not be required to do so. He or she may introduce in his or her behalf all evidence, written or oral, which may be relevant and material to the charges.
- 4.3 Record of Proceeding. A stenographic or electronic record of the proceedings will be taken and filed with the Board of Regents, and such record shall be made accessible to the accused.
- 4.4 Burden to Prove Good Cause. A representative of the institution may appear before the hearing tribunal to present witnesses and evidence in support of the charge against such faculty member, and such institutional representatives shall have the right to cross-examine the accused faculty member (if the faculty member testifies) and the witnesses offered in behalf of the faculty member. The institution has the burden to prove good cause for termination by the greater weight of the credible evidence.
- 4.5 Make-up of Hearing Tribunal. The hearing tribunal shall not include any accuser of the faculty member. If the accused faculty member is not satisfied with the fairness or objectivity of any member or members of the hearing tribunal, the faculty member may challenge the alleged lack of fairness or objectivity, but any such challenge must be made in writing to the hearing tribunal at least three workdays prior to the date for the hearing. The accused faculty member shall have no right to disqualify any member or members from serving on the tribunal. It shall be up to each challenged member to determine whether he or she can serve with fairness and objectivity in the matter, and if any challenged member should voluntarily disqualify himself or herself, the president ~~of an institution~~ shall appoint a substitute member of the

tribunal from the panel described in Section 4 of this Rule.

4.6 Findings and Recommendations. The hearing tribunal, by a majority of the total membership, will make written findings on the material facts and will make a recommendation of the continuance or termination of the accused faculty member. The hearing tribunal, by a majority of its total membership, may make any supplementary suggestions it deems proper concerning the disposal of the case. The original of such findings and the recommendation, with any supplementary suggestions, shall be delivered to the ~~president Board of Regents~~ and a copy to the accused. If minority findings, recommendations, or suggestions are made, they shall be similarly treated. The original transcript of the testimony and the exhibits shall also be forwarded to the ~~president Board~~.

4.7 President's Report. Within fourteen (14) workdays after receipt of the findings and recommendations of the hearing tribunal, the president shall make one of the following decisions based solely on the evidence of record in the proceedings and report that decision in writing to the accused faculty member:

(a) The president may decide to dismiss the matter or impose sanctions short of termination. In this case, the president's decision is final and the Board of Regents will not review the matter.

(b) If the allegations are supported by evidence that constitutes good cause for termination, the president may decide to recommend termination to the Board of Regents. If so, the president shall forward the findings and recommendations of the hearing tribunal, the original transcript of the testimony and the exhibits to the Board of Regents for its review, along with the president's report. If the president's recommendation is not the same as the majority recommendation of the hearing tribunal, the president shall state the reasons for the president's decision to recommend termination in his or her report. The accused faculty member may, within seven workdays after receiving the president's

report, submit a written response to the Board of Regents. The response must be based solely on the evidence of record in the proceeding.

- Sec. 5 Board Review. The Board of Regents, by a majority of the total membership, will approve, reject, or amend such findings, recommendations, and suggestions, if any, or will recommit the report to the same tribunal for hearing additional evidence and reconsidering its findings, recommendations, and suggestions, if any. Reasons for approval, rejection, or amendment of such findings, recommendations, or suggestions will be stated in writing and communicated to the accused.
- Sec. 6. Reasons for Termination Not Required. Full-time faculty members who are notified in accordance with Rule 31002, Section 1 of the Regents' *Rules and Regulations*, concerning notice of nonrenewal, that they will not be reappointed or who are notified in accordance with Rule 31007, Section 5 and Rule 31002, Sections 1 and 2 that the subsequent academic year will be the terminal year of appointment shall not be entitled to a statement of the reasons upon which the decision for such action is based. Such a decision shall only be subject to review pursuant to the following procedures:
- 6.1 Grievance. The affected faculty member may present a grievance, in person or through a representative, to the chief academic officer or another individual designated by the president if the allegations pertain to a chief academic officer on an issue or subject related to the nonrenewal decision. The chief academic officer shall meet with the faculty member. Unless a review by a hearing tribunal is requested and granted, pursuant to Section 6.2 below, the nonrenewal decision shall not be subject to further review.
- 6.2 Hearing Tribunal to Hear Grievance. A review by a hearing tribunal shall be granted only in those cases where the affected faculty member submits a written request for review by a hearing tribunal to the president ~~of an institution~~ and describes in detail the facts relied upon to prove that the decision was made for reasons that are unlawful under the Constitution or laws of Texas or the United States. If the president determines that the alleged facts, if proven by credible evidence, support a conclusion that the decision was made for unlawful

reasons, such allegations shall be heard by a hearing tribunal under the procedures in Rule 31008, Section 1 as in the case of dismissal for cause, with the following exceptions:

- (a) The burden of proof is upon the affected faculty member to establish by the greater weight of the credible evidence that the decision in question was made for reasons that are unlawful under the Constitution or laws of Texas or the United States.
- (b) The administration of the institution need not state the reasons for the questioned decision or offer evidence in support thereof unless the affected faculty member presents credible evidence that, if unchallenged, proves the decision was made for unlawful reasons.
- (c) The hearing tribunal shall make written findings and recommendations based on the evidence presented at the hearing and shall forward such findings and recommendations with the transcript and exhibits from the hearing to the president.
- (d) The president may approve, reject, or amend the recommendations of the hearing tribunal or may reach different conclusions based upon the record of the hearing. The decision of the president shall be final.

### 3. Definitions

None-Faculty Member – a faculty member is any individual holding an academic title listed in Regents' *Rules and Regulations*, Rule 31001, Section 2, with the exception of Assistant Instructors, Teaching Associates, and Teaching Assistants.

5. **U. T. System Board of Regents: Recommendation for authorization for the Board of Regents to serve as trustee of charitable lead trusts that benefit U. T. System institutions**

**RECOMMENDATION**

The Vice Chancellor for External Relations and the Vice Chancellor and General Counsel recommend, and the Chancellor concurs, that authorization be granted for the Board of Regents to serve as trustee of charitable lead trusts that benefit U. T. System institutions.

It is proposed that the Board may serve as trustee of a charitable lead trust if the Board, for benefit of U. T. System Administration or a U. T. System institution, is named a 50 percent or more irrevocable income beneficiary of the trust and the trust assets are comprised of cash and/or marketable securities valued at a minimum of \$2,000,000. For each such charitable lead trust, the Board would reserve the right to negotiate the type of lead trust to be used, the payout rate, the trust terms, and the total number of charitable beneficiaries. Additionally, the Board would reserve the right to charge reasonable fees for acting as trustee and administering the trust.

**BACKGROUND INFORMATION**

The Board may currently be designated as a beneficiary of a charitable lead trust; however, the U. T. System Gift Acceptance Procedures do not allow the Board to serve as trustee. Charitable lead trusts provide distributions to one or more qualified charities for a certain period of time, after which the charitable interest terminates and the trust remainder reverts to a designated beneficiary. These trusts are particularly attractive in the current economic climate when interest rates are low, because they reduce the value of the remainder interest for gift and estate tax purposes.

Several U. T. institutions have requested that planned giving options be expanded to facilitate charitable giving opportunities. As a result of this request, the U. T. System Office of External Relations surveyed a number of public and private peer institutions to determine their policies on serving as trustees of charitable lead trusts. The criteria recommended above are based on the information obtained from peer institutions.

The Office of General Counsel advised that the *Texas Education Code* provides legal authority for the Board to serve as trustee of charitable lead trusts and that there is no inherent conflict of interest with other beneficiaries when one beneficiary serves as trustee since such beneficiary is a fiduciary with a high standard of duty to the other beneficiaries under Texas law. This is the case where the Board serves as trustee of charitable remainder trusts and the same will be the case in situations where the Board serves as trustee of a charitable lead trust. The administration of charitable lead trusts is more complicated than the administration of charitable remainder trusts and requires more time and the filing of additional tax returns. Thus, it is recommended that the Board be able to charge reasonable trustee fees.

Allowing the Board of Regents to serve as trustee of charitable lead trusts would provide a value-added service to U. T. System institutions and donors. Upon approval, the U. T. System Gift Acceptance Procedures (U. T. System Administration Policy UTS 138) will be amended to reflect this authorization, and any proposed arrangement for the Board to serve as trustee of a charitable lead trust would be reviewed, accepted, and administered in accordance with delegations set out in Regents' *Rules and Regulations*, Rules 10501 and 60101.

If this recommendation is approved, the Office of External Relations, the Office of General Counsel, and UTIMCO will continue to develop the details associated with this service.

6. **U. T. System Board of Regents: Approval of proposed tuition rates for all undergraduate and graduate School of Nursing students for Fiscal Year 2010**

**RECOMMENDATION**

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and the Executive Vice Chancellor for Health Affairs that the U. T. System Board of Regents approve the proposed tuition and fee rates for U. T. System nursing schools for Fiscal Year 2010 as originally submitted to the Board of Regents on March 26, 2008.

**BACKGROUND INFORMATION**

In March 2008, the Board of Regents approved proposed tuition and fees for Fiscal Years 2009 and 2010, but approved tuition increases for nursing students for only Fiscal Year 2009. The Board had a desire to reevaluate "the need for the U. T. System nursing schools' tuition increases for Fall 2009 as changes occur in State revenue allocation for the next biennium."

The proposed tuition and fee rates for the Schools of Nursing submitted for consideration at the March 2008 meeting are consistent and within the guidelines established by the Board of Regents for the tuition and fee proposals for both Fiscal Years 2009 and 2010.

The Board of Regents directed that tuition and fee increases for Fiscal Years 2009 and 2010 be limited to 4.95 percent, or \$150 per semester, whichever is greater. Additionally, a minimum of 20 percent of the increases was to be used for financial aid.

Clarifications to the tuition and fee approvals presented to the Board of Regents on March 26, 2008 included:

- Application to all undergraduate programs, including both academic and health.
- For health institutions, the 4.95 percent or \$150 per semester is based on tuition and mandatory fees for the specific academic program.
- For academic institutions, total academic costs include tuition, mandatory fees, and average course and academically-related fees.
- The base amount for tuition and fees is the total academic costs submitted to the State Comptroller for the designated tuition report.
- The 4.95 percent or \$150 per semester is applied in two ways. The increase in total academic costs for resident undergraduates taking 15 hours must not exceed the cap. Second, the weighted average of all tuition increases may not exceed the 4.95 percent cap.
- In the case of differential tuition by majors for academic institutions, the weighted average of tuition and fees charged to all undergraduates is used.
- New fees proposed and approved via referendum by students and by the legislature are allowed above the cap.

Additional clarifications were made concerning graduate and professional tuition increases proposed in March 2008. These clarifications were:

- Graduate tuition increases are discipline specific and reflect widely different factors.
- Resident tuitions significantly lower than out-of-state.
- Factors affecting increases:
  - Generally low tuition by comparison to peers
    - Opportunity for additional funds
  - Private sector competition for faculty
    - Business, Law, Nursing
  - Preserve national rankings against others moving up
    - Law
  - Operational costs
    - Architecture, Nursing, Performing Arts
  - Formula differences between academic/health institutions
    - Nursing, Pharmacy

Finally, some institutions at the undergraduate level have differential tuition rates for selected majors, e.g., nursing, engineering, performing arts, architecture. Some of the

increases to these majors exceeded the 4.95 percent cap, but in keeping with the Board of Regents' directive, the weighted average of tuition and fees charged to all undergraduates did not exceed 4.95 percent. Thus, some majors have a tuition increase less than 4.95 percent so the weighted average of 4.95 percent could be maintained for the institution.

The charts set out on Pages 17 - 18 reflect the tuition charged in Fall 2007, the approved increase for Fall 2008, and the proposed increases for Fall 2009 for Schools of Nursing. Also included for the academic institutions on Pages 19 - 20 are the authorized tuition and fee levels that include student authorized fee increase exemptions for Fall 2008 and Fall 2009.

**NURSING TUITION AT UT SYSTEM ACADEMIC INSTITUTIONS**

	Fall 2007		Fall 2008		Fall 2009		Percent Increase
	Rate	Approved	Proposed	Increase	Proposed	Increase	
UTA	Undergraduate Graduate	194.26/sch 270.75/sch	210/sch 302/sch	224/sch 318/sch	14/sch 16/sch	6.7% 5.3%	
UT Austin (see note)	Undergraduate Graduate	295/sch 380/sch	315.64/sch 424.33/sch	337.86/sch 463.33/sch	22.22/sch 39/sch	7.0% 9.2%	
UTEP*	Undergraduate Graduate	143.70/sch 181.70/sch	151.70/sch 209.70/sch	160.20/sch 218.20/sch	8.50/sch 8.50/sch	5.6% 4.1%	
UTB*	Undergraduate	116/sch	127.50/sch	130.62/sch	3.12/sch	2.4%	
UTPA*	Undergraduate	129.15/sch	137.70/sch	147/sch	9.30/sch	6.8%	
UTT*	Undergraduate	135/sch	145/sch	155/sch	10/sch	6.9%	

Note: UT Austin charges flat rate tuition; amount shown includes all academic charges, including student fees.

\* Undergraduate nursing tuition at UTEP, UTB, UTPA and UTT is the same as that charged to all undergraduates at the university.

Prepared by Office of Academic  
Affairs

January, 2009

**NURSING TUITION AT UT SYSTEM HEALTH INSTITUTIONS**

**Undergraduate Level Nursing Programs**

	UTMB		UTHSC H		UTHSC SA	
	Fall 07	Approved Fall 08 Proposed Fall 09	Fall 07	Approved Fall 08 Proposed Fall 09	Fall 07	Approved Fall 08 Proposed Fall 09
<b>Statutory</b> (per sch)	\$50	\$50	\$50	\$50	\$50	\$50
<b>Designated</b> (per sch)	\$100	\$106.5	\$86	\$92.29	\$102.46	\$126.46
<b>Total Tuition</b>	\$150	\$156.5	\$136	\$142.29	\$152.46	\$200.46
<b>ANNUAL TUITION &amp; MANDATORY FEES</b> (1)	<b>\$2,572</b>	<b>\$2,719</b>	<b>\$2,652</b>	<b>\$2,791</b>	<b>\$2,686</b>	<b>\$2,986</b>
<b>Increase</b>		<b>\$147</b>		<b>\$139</b>		<b>\$150</b>
<b>Percent Increase</b>		<b>5.5%</b>		<b>5.14%</b>		<b>5.3%</b>

(1) UTMB, UTHSC H and UTHSC SA based on 15 SCH.

**Graduate Level Nursing Programs**

	UTMB		UTHSC H		UTHSC SA	
	Fall 07	Approved Fall 08 Proposed Fall 09	Fall 07	Approved Fall 08 Proposed Fall 09	Fall 07	Approved Fall 08 Proposed Fall 09
<b>Statutory</b> (per sch)	\$50	\$50	\$50	\$50	\$50	\$50
<b>Designated</b> (per sch)	\$80	\$110	\$46	\$46	\$52.46	\$100.46
<b>Differential</b> (per sch)	\$40	\$50	\$40	\$50	\$50	\$50.00
<b>Total Tuition</b>	\$170	\$210	\$136	\$146	\$152.46	\$200.46
<b>ANNUAL TUITION &amp; MANDATORY FEES</b> (2)	<b>\$5,357</b>	<b>\$6,453</b>	<b>\$3,890</b>	<b>\$4,297</b>	<b>\$5,372</b>	<b>\$6,863</b>
<b>Increase</b>		<b>\$1,096</b>		<b>\$407</b>		<b>\$843</b>
<b>Percent Increase</b>		<b>16.74%</b>		<b>0.0%</b>		<b>10.4%</b>

(2) UTMB based on 27 SCH; UTHSC H based on 23 SCH; and UTHSC SA based on 27 SCH.

(3) UTMB's Nursing PhD program is in the Graduate School of Biomedical Sciences and has the same tuition charge as the Graduate Nursing program.

Prepared by Office of  
Academic Affairs  
January, 2009

**SUMMARY OF TUITION AND FEE PROPOSALS INCLUDING AUTHORIZED CAP AND  
STUDENT AUTHORIZED FEE INCREASE EXEMPTIONS**

**Fall 2008**

<b>Institution</b>	<b>Fall 2008 TAC w/Approved Increase</b>	<b>Plus: Student-approved Fees for Fall 2008</b>	<b>Fall 2008 TAC w/Student Fee Increases</b>
<b>UT Arlington</b>	\$ 4,011	\$ 60	\$ 4,071
<b>UT Austin</b>	\$ 4,266	\$ -	\$ 4,266
<b>UT Brownsville*</b>	\$ 2,573	\$ 75	\$ 2,648
<b>UT Dallas</b>	\$ 4,571	\$ 134	\$ 4,705
<b>UT El Paso</b>	\$ 3,034	\$ -	\$ 3,034
<b>UT Pan Am</b>	\$ 2,612	\$ -	\$ 2,612
<b>UT Permian Basin</b>	\$ 2,639	\$ 75	\$ 2,714
<b>UT San Antonio</b>	\$ 3,800	\$ 32	\$ 3,832
<b>UT Tyler**</b>	\$ 2,925	\$ 30	\$ 2,955

Notes:

- TAC: Total Academic Costs, includes tuition, mandatory fees, and average of course fees.
- Allowable Increase: 4.95 percent or \$150 per semester, whichever is greater.

\* UT Brownsville has been granted permission to distribute its \$405 per semester two-year allowable increase as follows: \$313 in FY09 and \$92 in FY10 to offset impact of new student satisfactory academic progress policy.

\*\*Less than Board-approved amounts of \$2,964 and \$2,994, respectively.

**SUMMARY OF TUITION AND FEE PROPOSALS INCLUDING AUTHORIZED CAP  
AND STUDENT AUTHORIZED FEE INCREASE EXEMPTIONS**

**Fall 2009**

<b>Institution</b>	<b>Fall 2008 TAC</b>	<b>Allowable Increase**</b>	<b>Percentage Increase</b>	<b>Plus: Student-approved Fees for Fall 2009</b>	<b>New TAC</b>
<b>UT Arlington</b>	\$ 4,071	\$ 201.52	4.95%	\$ -	\$ 4,273
<b>UT Austin</b>	\$ 4,266	\$ 211.18	4.95%	\$ -	\$ 4,477
<b>UT Brownsville*</b>	\$ 2,648	\$ 150.00	5.66%	\$ 30	\$ 2,828
<b>UT Dallas</b>	\$ 4,705	\$ 232.88	4.95%	\$ -	\$ 4,937
<b>UT El Paso</b>	\$ 3,034	\$ 150.18	4.95%	\$ -	\$ 3,184
<b>UT Pan American</b>	\$ 2,611	\$ 150.00	5.75%	\$ -	\$ 2,761
<b>UT Permian Basin</b>	\$ 2,714	\$ 150.00	5.53%	\$ -	\$ 2,864
<b>UT San Antonio</b>	\$ 3,833	\$ 189.72	4.95%	\$ 24	\$ 4,046
<b>UT Tyler***</b>	\$ 2,955	\$ 150.00	5.08%	\$ -	\$ 3,105

Notes:

- TAC: Total Academic Costs, includes tuition, mandatory fees, and average of course fees.
- Student Approved Fees: See following table for explanation.

\* UT Brownsville has been granted permission to distribute its \$405 per semester two-year allowable increase as follows: \$313 in FY09 and \$92 in FY10 to offset impact of new student satisfactory academic progress policy.

\*\* Allowable increase for 2009: 4.95 percent or \$150 per semester, whichever is greater, including student-approved fee increases that take effect Fall 2009.

\*\*\*Less than Board-approved amounts of \$2,994 and \$3,144, respectively.

7. **U. T. System Board of Regents: Reappointment of Mr. J. Philip Ferguson and Mr. Ardon E. Moore to the Board of Directors of The University of Texas Investment Management Company (UTIMCO)**

RECOMMENDATION

Chairman Caven and UTIMCO Chairman Rowling recommend that Mr. J. Philip Ferguson and Mr. Ardon E. Moore be reappointed to the UTIMCO Board of Directors, each for a term to expire on April 1, 2012.

BACKGROUND INFORMATION

*Texas Government Code* Section 66.08 requires that the U. T. System Board of Regents appoint all members of the UTIMCO Board of Directors.

Mr. Ferguson is the former Chief Investment Officer for AIM Capital Management, Inc. and currently serves as UTIMCO's Vice Chairman, Chairman of UTIMCO's Compensation Committee, and as a member of the Risk Committee. Mr. Moore is the President of Lee M. Bass, Inc. and currently serves as a member of UTIMCO's Compensation Committee and Policy Committee.

Regents' Rule 10402, Section 4, provides that up to four of the nine directors may be "external" directors, and the approved UTIMCO bylaws allow external directors to serve a maximum of three terms of three years each. Terms for two of the external directors, Mr. Ferguson and Mr. Moore, expire on April 1, 2009. They are both eligible for reappointment.

8. **U. T. Medical Branch – Galveston, U. T. Health Science Center – Houston, and U. T. M. D. Anderson Cancer Center: Approval to settle commercial insurance claims associated with Hurricane Ike and authorization for the Chancellor to execute final settlement documents**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for the Health Affairs, the Executive Vice Chancellor for Business Affairs, and the Vice Chancellor and General Counsel that the Board of Regents approve settlement of the Commercial Property Insurance claims associated with Hurricane Ike.

It is also recommended that the Chancellor be authorized to execute all proofs of loss and related settlement documents related to claims covered under the Comprehensive

Property Protection Plan (CPPP) including the named windstorm coverage under the CPPP, Texas Windstorm and Insurance Association (TWIA), National Flood Insurance Program (NFIP), and any other related policies.

### BACKGROUND INFORMATION

Hurricane Ike resulted in extensive wind and water damage to U. T. Medical Branch – Galveston and some wind and water damage to U. T. Health Science Center – Houston and U. T. M. D. Anderson Cancer Center. It is estimated that upon final measurement, property damage and business interruption losses at these three institutions will total approximately \$710 million at U. T. Medical Branch – Galveston, \$23 million at U. T. M. D. Anderson Cancer Center, and \$7.4 million at U. T. Health Science Center – Houston.

Adjusters have provided sufficient documentation to substantiate an actual cash value loss that has exceeded the \$50 million deductible and \$100 million named windstorm limit provided in the commercial insurance policy. A portion of the named windstorm limit has been advanced pending final adjustment. The adjusters have made a final recommendation to tender the remaining loss limit in exchange for a final Proof of Loss.

On November 13, 2008, the Board authorized the issuance of \$50 million of Revenue Financing System debt to cover the repair and renovation capital improvement losses within the deductible at the three U. T. System institutions.

In accordance with Section 3, Rule 80601 of the Regents' *Rules and Regulations*, the Chancellor is authorized to execute all documents related to the partial payment or adjustment in the case of a catastrophic occurrence where the loss is so extensive that commercial insurance payments in excess of \$1,000,000 are necessary. Final settlement of commercial insurance claims in excess of \$1,000,000 requires approval by the Board.

In 1995, the CPPP was established as a means of financing catastrophic property losses to U. T. System and the institutions. From 1995 - 2001, the CPPP included coverage for perils such as fire, tornado, hail, named windstorm, and flood.

In June 2001, U. T. Health Science Center – Houston and U. T. M. D. Anderson Cancer Center experienced significant physical damage and business interruption losses resulting from Tropical Storm Allison. As a result of that loss, along with other forces at work in the marketplace after September 11, 2001, commercial insurance to cover catastrophic losses including named windstorm and flood perils was no longer reasonably available and/or affordable.

In 2002, the CPPP was restructured into two separate programs to include commercial insurance for fire and other non-catastrophe perils and self-insurance for named windstorm and flood (Wind and Flood) perils. The Wind and Flood self-insurance program is supported by a mechanism to issue debt up to \$50 million for direct physical loss. To provide underlying protection, primary insurance policies providing relatively

low limits were purchased through the TWIA for facilities in Tier 1 seacoast territories and the NFIP for properties located in various flood zones.

Each year since the program was restructured and during the renewal process, the U. T. System explored the feasibility of purchasing named windstorm and flood coverage. In 2008, the commercial insurance marketplace softened and the worldwide marketplace was canvassed including U.S., European, and Bermudian markets.

In the CPPP renewal effective April 1, 2008, the U. T. System was able to obtain \$100 million of named windstorm and flood coverage. Because of the limited carrier capacity, a shared and layered program is required with a number of carriers participating at different levels. The insurance carriers in the program include Lexington, Ironshore, AWAC, Starr, Ace, Zurich, and RSUI.

9. **U. T. System: Authorization to execute a Memorandum of Understanding with the United States Department of Agriculture Natural Resources Conservation Service to provide technical assistance for the improvement and protection of soil, water, and other natural resources on Permanent University Fund lands**

**RECOMMENDATION**

The Chancellor concurs with the Executive Vice Chancellor for Business Affairs and the Vice Chancellor and General Counsel that the U. T. System Board of Regents authorize the Executive Vice Chancellor for Business Affairs to enter into a Memorandum of Understanding (MOU) with the United States Department of Agriculture (USDA) Natural Resources Conservation Service (NRCS), as attached on Pages 25 - 27, to:

- a. provide technical assistance for the improvement and protection of soil, water, and other natural resources on Permanent University Fund lands (University Lands) through development and revision of USDA NRCS conservation plans;
- b. apply conservation practices that are contained in USDA NRCS conservation plans to University Lands, including, but not limited to, cost-share assistance utilizing funding from the USDA Farm Bill;
- c. encourage University Lands grazing lessees to utilize USDA Farm Bill programs that may provide cost-sharing for conservation practices that are a part of the USDA NRCS conservation plans; and
- d. annually review the MOU and amend, extend, or modify it by mutual consent of the authorizing official of the NRCS and the Executive Director of University Lands.

## BACKGROUND INFORMATION

The purpose of the Memorandum of Understanding is to formalize the agreement between the U. T. System and the USDA NRCS to provide technical assistance for the improvement and protection of soil, water, and other natural resources on University Lands through the development and revision of USDA NRCS recommended conservation plans. The MOU would further allow the application of conservation practices that are contained in USDA NRCS conservation plans including, but not limited to, cost-share assistance utilizing funding from the USDA Farm Bill to University Lands.

The USDA NRCS is a federal agency that works hand-in-hand with the people of Texas to improve and protect the soil, water, and other natural resources. The U. T. System, through its ownership of 2.1 million acres of University Lands located in West Texas, is one of many Texas landowners benefiting from the USDA NRCS conservation programs. For decades, Texas landowners have voluntarily worked with USDA NRCS specialists to prevent erosion, improve water quality, and promote sustainable agriculture. To maintain these many programs, the USDA NRCS employs conservation experts to help U.S. and Texas landowners develop conservation plans to manage natural ecosystems.

On February 6, 2007, U. T. System Executive Director of University Lands, Mr. Steve Hartmann, was honored with the W.R. Chapline Land Stewardship Award by the International Society for Range Management for his commitment to the stewardship of University Lands. He credits the assistance of the USDA NRCS as being a big part of the reason he received this unique award. Mr. Hartmann has always valued and cultivated the relationship University Lands has with the NRCS because of NRCS's commitment to assist with the application of high-quality conservation practices on University Lands.

USDA NRCS provides science-based technical services to address ever-changing environmental concerns. These services are provided through the local soil and water conservation districts.

A USDA NRCS conservation plan will be encouraged for use on every University Lands grazing lease through collaboration between USDA NRCS experts, U. T. System staff, and the grazing lessee.

**MEMORANDUM OF UNDERSTANDING**

**BETWEEN THE**

**BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM**

**AND THE**

**UNITED STATES DEPARTMENT OF AGRICULTURE  
NATURAL RESOURCES CONSERVATION SERVICE**

**RELATIVE TO**

**PROVIDING TECHNICAL ASSISTANCE TO THE APPROXIMATELY 116 LESSEES ON  
2,084,737 ACRES OF PERMANENT UNIVERSITY FUND LANDS LOCATED IN ANDREWS,  
CRANE, CROCKETT, CULBERSON, DAWSON, ECTOR, EL PASO, GAINES, HUDSPETH,  
IRION, LOVING, MARTIN, PECOS, REAGAN, SCHLEICHER, TERRELL, UPTON, WARD  
AND WINKLER COUNTIES IN WEST TEXAS.**

This Memorandum of Understanding (MOU) is between the Board of Regents of The University of Texas System (University Lands) and the Natural Resources Conservation Service (NRCS) of the United States Department of Agriculture.

The authority for this MOU is derived from **Public Law No. 74-46, 16 U.S.C. 590a (3)**.

**I. PURPOSE:**

The purpose of this MOU is to formalize the agreement between the University Lands and the NRCS to provide technical assistance for the development and revision of conservation plans and for the application of conservation practices contained in the conservation plans, including, but not limited to, cost-share assistance using Farm Bill funding.

**II. RESPONSIBILITIES**

**A. University Lands agrees to:**

- Encourage lessees to develop and implement a conservation plan with NRCS. A prescribed grazing plan will be an integral part of the conservation plan.
- Assure that all lessees are aware of potential assistance under Farm Bill programs that may provide cost-share to implement conservation practices that are a part of their conservation plans.
- Encourage lessees to participate in these programs.

- Utilize the NRCS Field Office Technical Guide (eFOTG) standards and specifications for all conservation practice installation and maintenance.
- Provide the NRCS Assistant State Conservationist (Field Operations) in San Angelo with an annual list of current grazing lessees, lease numbers, acreage, and date of expiration.
- Inform lessees of the NRCS' role in developing and servicing lessee's conservation plans. The lessee will be advised that it will be his/her responsibility to schedule a date whereby he/she can participate with the NRCS representative to develop a conservation plan.
- Present ten (10) University Lands leases proposed for conservation plan development during the upcoming calendar year to NRCS in December of each year. The ten (10) plans recommended will be dispersed among the 15 counties commensurate with current NRCS staffing.
- Host and conduct Grazing Lessee meetings as necessary to encourage and promote lessee participation in current Farm Bill programs that would benefit University Lands.

**B. NRCS agrees to:**

- Develop ten (10) conservation plans per calendar year with University Lands lessees. The conservation plan will follow guidance in the National Planning Procedures Handbook and General Manual. The conservation plan will contain the following elements:
  - A conservation plan map (aerial photograph) with pasture names and pasture acreage identified;
  - A soils map with pasture names and pasture acreage identified;
  - An ecological site map with pasture names and pasture acreage identified;
  - A water distribution map with pasture names and pasture acreage identified. The water distribution map will contain both existing and planned watering facilities (pipelines, storage, etc).
  - The conservation plan will contain a forage inventory, recommended stocking rates, a grazing management plan and a drought plan.
  - Provide a copy of the conservation plan to both the lessee and University Lands as they are developed.
- The Assistant State Conservationist (Field Operations) will notify University Lands by January 31 of any conflicts in developing the ten (10) selected conservation plans for that calendar year due to lack of personnel or heavy workload. In the event of conflicts, University Lands will work with NRCS to select another lease(s).

- Provide technical assistance to University Lands lessees based on the annual request from University Lands. Where applicable, Farm Bill programs will also be made available to University Lands lessees.
- Provide a copy of all Farm Bill contracts to both the lessee and University Lands as they are developed.
- Participate in the University Lands Grazing Lessee meetings upon request.

**III. IT IS MUTUALLY AGREED:**

- This MOU becomes effective on the date of signature of all parties. NRCS and University Lands will annually review this MOU and amend, extend, or modify it by mutual consent of the authorizing official of the NRCS and the Executive Director of University Lands. Either party may terminate this MOU by providing a 30-day written notice to the other party.
- Activities conducted under this MOU will be in compliance with the nondiscrimination provisions as contained in Titles VI and VII of the Civil Rights Act of 1964, as amended, the Civil Rights Restoration Act of 1987 (Public Law 100-259), and other nondiscrimination statutes, namely Section 504 of the Rehabilitation Act of 1973, Title IX of the Educational Amendments of 1972, the Age Discrimination Act of 1975, as amended, and in accordance with regulations of the Secretary of Agriculture (7CFR-15, Subparts A and B), that provide that no person of the United States shall, on the grounds of race, color, national origin, age, sex, religion, marital status, or handicap be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity receiving federal financial assistance from the Department of Agriculture or any agency thereof.

**BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM**

**BY:** \_\_\_\_\_  
**NAME:** **Scott C. Kelley**  
**TITLE:** **Executive Vice Chancellor for Business Affairs**  
**DATE:** \_\_\_\_\_

**UNITED STATES DEPARTMENT OF AGRICULTURE  
 NATURAL RESOURCES CONSERVATION SERVICE**

**BY:** \_\_\_\_\_  
**NAME:** \_\_\_\_\_  
**TITLE:** \_\_\_\_\_  
**DATE:** \_\_\_\_\_

10. **U. T. System: Report on development performance for the U. T. System institutions**

REPORT

Vice Chancellor Safady will report on development performance of the U. T. System institutions. At the end of her presentation, Dr. Safady will present a brief preview of *State of Tomorrow*<sup>™</sup> television ads that will begin airing statewide in February 2009.

In 2004, Dr. Safady initiated an annual review of campus development operations and the preparation of a feedback report to offer each institution a framework for performance measurement and continuous improvement. With demand on U. T. System institutions to increase philanthropic support, this service aims to help each institution achieve its strategic objectives. This annual review is aligned with the goals of the U. T. System's comprehensive Accountability and Performance program.

**Supplemental materials: PowerPoint presentation on Pages 97 - 112 of Volume 2.**

11. **U. T. System Board of Regents: Discussion regarding enhanced academic efficiency and productivity**

REPORT

At the request of Chairman Caven, Executive Vice Chancellor Prior will provide a summary of the efforts of The University of Texas System to enhance academic efficiency and productivity in relation to proposed higher education reforms described as "breakthrough solutions."

BACKGROUND INFORMATION

On May 21, 2008, Governor Perry convened a meeting of members of the Boards of Regents of all public institutions of higher education in Texas to discuss seven proposed "breakthrough solutions" related to higher education. Two of the solutions (related to putting state funding directly in the hands of students and creating new accrediting alternatives) are beyond the purview of the state's public institutions of higher education and are not the subject of this discussion. The remaining five solutions are summarized as follows:

Breakthrough solution 1 – Measure teaching efficiency and effectiveness and publicly recognize extraordinary teachers

Breakthrough solution 2 – Recognize and reward extraordinary teachers

Breakthrough solution 3 – Split research and teaching budgets to encourage excellence

Breakthrough solution 4 – Require evidence of teaching skill for tenure

Breakthrough solution 5 – Use “results-based” contracts with students to measure quality

During a subsequent smaller telephone meeting of invited Regents, each public university system was asked to provide a summary of what was currently being done related to the proposed solutions. The U. T. System responded, as requested, with detailed statements concerning the five proposals.

An additional meeting of invited Regents and higher education officials was held in December 2008 to further discuss higher education reforms. On January 13, 2009, a document titled Higher Education Reforms was sent to U. T. System calling for actions within specific timeframes.