



**AGENDA
FOR MEETING
OF
THE UNIVERSITY OF TEXAS SYSTEM
BOARD OF REGENTS**

August 21-22, 2024
Austin, Texas

Wednesday, August 21, 2024

PUBLIC HEARING OPPORTUNITY, PURSUANT TO *TEXAS EDUCATION CODE* SECTION 54.0513, REGARDING PROPOSED CHANGE IN TUITION AND FEE RATES FOR THE DOCTOR OF PHARMACY DEGREE PROGRAM AT U. T. TYLER AND FOR THE SCHOOL OF BEHAVIORAL HEALTH SCIENCES AT U. T. HEALTH SCIENCE CENTER - HOUSTON 1:00 p.m.

COMMITTEE MEETINGS 1:15 p.m. - 3:45 p.m.

CONVENE THE BOARD IN OPEN SESSION TO RECESS TO EXECUTIVE SESSION PURSUANT TO *TEXAS GOVERNMENT CODE*, CHAPTER 551 3:45 p.m.

1. Individual Personnel Matters Relating to Officers or Employees – Section 551.074

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 including interim presidents); 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); Board members; and U. T. System and institutional employees

2. Negotiated Contracts for Prospective Gifts or Donations – Section 551.073

- a. **U. T. System Academic Institutions: Discussion and appropriate action regarding proposed negotiated gifts, including potential naming features**
- b. **U. T. System Health Institutions: Discussion and appropriate action regarding proposed negotiated gifts, including potential naming features**

3. 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: Discussion with Counsel on pending legal issues**
- b. **U. T. System Board of Regents: Discussion and appropriate action regarding legal issues concerning pending legal claims by and against U. T. System**

RECONVENE THE BOARD IN OPEN SESSION FOR POSSIBLE ACTION ON EXECUTIVE SESSION ITEMS 4:45 p.m.

RECESS 5:00 p.m.

<u>Thursday, August 22, 2024</u>	Page
CONVENE THE BOARD IN OPEN SESSION TO CONSIDER AGENDA ITEMS	9:00 a.m.
STANDING COMMITTEE RECOMMENDATIONS AND REPORTS TO THE BOARD	9:05 a.m.
<ol style="list-style-type: none"> 1. U. T. System Board of Regents: Approval of Consent Agenda and consideration of any item referred to the full Board 2. U. T. System Board of Regents: Discussion and appropriate action regarding proposed appointment to the University Lands Advisory Board (ULAB) 3. U. T. System: Report from the U. T. System Employee Advisory Council 	<p>6</p> <p>7</p> <p>8</p>
RECESS TO EXECUTIVE SESSION PURSUANT TO <i>TEXAS GOVERNMENT CODE</i> , CHAPTER 551	10:00 a.m.
<ol style="list-style-type: none"> 1. Individual Personnel Matters Relating to Officers or Employees – Section 551.074 <ol style="list-style-type: none"> a. 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 including interim presidents); 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); Board members; and U. T. System and institutional employees b. 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 including interim presidents); U. T. System Administration officers (Executive Vice Chancellors and Vice Chancellors); other officers reporting directly to the Board (such as Chancellor, General Counsel to the Board, and Chief Audit Executive); U. T. System and institutional employees, and related personnel aspects of the operating budget for Fiscal Year 2025 c. U. T. System: Discussion and appropriate action concerning individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of U. T. System and institutional employees including employees covered by Regents’ <i>Rules and Regulations</i>, Rule 20204, regarding compensation for highly compensated employees, and Rule 20203, regarding compensation for key executives d. U. T. Tyler: Discussion with president regarding assignment and duties, including individual responsibilities regarding collaboration in behavioral health expansion in East Texas 	

Thursday, August 22, 2024 (cont.)

- e. **U. T. Tyler: Consideration, discussion, and appropriate action regarding recommendation of Faculty Hearing Tribunal concerning termination of Mickie Mwanzia Koster, Ph.D., a tenured faculty member**
 - f. **U. T. San Antonio and U. T. Health Science Center - San Antonio: Discussion and appropriate action including individual personnel issues related to strategic alignment**
2. **Negotiated Contracts for Prospective Gifts or Donations – Section 551.073**
- a. **U. T. System Academic Institutions: Discussion and appropriate action regarding proposed negotiated gifts, including potential naming features**
 - b. **U. T. System Health Institutions: Discussion and appropriate action regarding proposed negotiated gifts, including potential naming features**
3. **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: Discussion with Counsel on pending legal issues**
 - b. **U. T. System Board of Regents: Discussion and appropriate action regarding legal issues concerning pending legal claims by and against U. T. System**
 - c. **U. T. System Board of Regents: Discussion and appropriate action regarding pending litigation styled *Bobby Bellard, et. al. v. University of Texas MD Anderson Cancer Center, et. al.***
 - d. **U. T. Tyler: Discussion and appropriate action regarding legal issues associated with a proposed transaction with Oceans Acquisition, Inc., a Delaware corporation, and/or its affiliate(s) (Oceans) pursuant to which (a) The Health Science Center at U. T. Tyler and Oceans, as members of a to-be-formed and yet-to-be-named limited liability company (JointCo, LLC) will jointly own, develop, and operate certain behavioral health facilities in East Texas to be managed by Oceans pursuant to one or more management agreements, (b) The Health Science Center at U. T. Tyler will enter into a series of related agreements relating to the formation and operation of JointCo, LLC, including (i) a lease and sublease arrangement for the development of a new inpatient behavioral health facility in East Texas (the New Facility), (ii) a contribution agreement pursuant to which The Health Science Center at U. T. Tyler will make certain commitments to JointCo, LLC, including a commitment to cover certain costs, fees, and expenses relating to the opening of the New Facility, (iii) a trademark license agreement permitting JointCo, LLC to use the UT Health East Texas name and logo, (iv) an agreement to provide professional services to the behavioral health facilities that are part of JointCo, LLC, and (v) academic affiliation and clinical rotation agreements that will support the academic operations of U. T. Tyler (collectively as to (a) and (b), the Proposed Transaction), (c) delegation of authority to the institutional president to execute related documents and take other action necessary, and (d) a finding of public purpose**

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- 4. Deliberations Regarding the Purchase, Exchange, Lease, Sale, or Value of Real Property – Section 551.072
- 5. Deliberation Regarding Security Devices or Security Audits – Sections 551.076 and 551.089

U. T. System Board of Regents: Discussion and appropriate action regarding safety and security issues, including security audits and the deployment of security personnel and devices

RECONVENE THE BOARD IN OPEN SESSION TO CONSIDER ACTION, IF ANY, ON EXECUTIVE SESSION ITEMS AND TO CONSIDER OPEN SESSION ITEMS

*11:30 a.m.
approximately*

- 4. **U. T. System: Discussion and appropriate action related to updates to The University of Texas System Commitment to Freedom of Speech and Expression** **10**
- 5. **U. T. System Board of Regents: Discussion and appropriate action regarding proposed revision to Regents’ *Rules and Regulations*, Rule 20601 (Aircraft Use), regarding use of donor aircraft** **12**
- 6. **U. T. System: Discussion and appropriate action regarding establishment of the Regents’ Strategic Research Fund and allocation and expenditure of \$25 million in Available University Funds (AUF); and finding that the expenditure of AUF for this purpose is appropriate** **15**
- 7. **U. T. System: Discussion and appropriate action regarding a) the nonpersonnel aspects of the operating budgets for Fiscal Year 2025, including Permanent University Fund Bond Proceeds allocations for Library, Equipment, Repair and Rehabilitation Projects and for the Faculty Science and Technology Acquisition and Retention program, and Internal Lending Program or other available sources for funding new campus programs, and b) finding that expenditure of the Available University Fund is appropriate** **17**
- 8. **U. T. System: Discussion and appropriate action regarding personnel aspects of the U. T. System Administration and institutional operating budgets for Fiscal Year 2025** **19**
- 9. **U. T. San Antonio and U. T. Health Science Center - San Antonio: Discussion and appropriate action regarding strategic alignment**

ADJOURN

*12:00 p.m.
approximately*

1. **U. T. System Board of Regents: Approval of Consent Agenda and consideration of any item referred to the full Board**

RECOMMENDATION

The Board will be asked to approve the Consent Agenda beginning on [Page 188](#).

2. U. T. System Board of Regents: Discussion and appropriate action regarding proposed appointment to the University Lands Advisory Board (ULAB)

RECOMMENDATION

Chairman Eltife may recommend action concerning proposed appointment to the University Lands Advisory Board (ULAB).

BACKGROUND INFORMATION

On March 19, 2018, the Board of Regents approved changes to the membership structure for the University Lands Advisory Board (ULAB), effective immediately, as follows:

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

Further, at least two of the members appointed by the U. T. System Board and at least one of the members appointed by the A&M System Board must be current Regents, with the ULAB Chairman to be named by the U. T. System Board. In addition, at least three of the members appointed by the U. T. System Board and at least two of the members appointed by the A&M System Board must have industry experience.

3. U. T. System: Report from the U. T. System Employee Advisory Council

A summary of the U. T. System Employee Advisory Council's (EAC) work and planned activities is on the following page.

BACKGROUND INFORMATION

The U. T. System Employee Advisory Council was established in August 2000 to provide a vehicle for communication and to facilitate the flow of ideas and information between and among the Board of Regents, U. T. System Administration, and the U. T. institutions. The EAC functions to define, analyze, and make recommendations on employee issues to the U. T. System Administration, the Chancellor, and the Board of Regents.

EMPLOYEE ADVISORY COUNCIL EXECUTIVE OFFICERS:

Chair:

Ms. Tilly Clark,
Director of Presidential Affairs – Office of the President,
U. T. Medical Branch - Galveston

Vice Chair:

Mr. Jason A. Duca, MHA,
Scientific Project Director, STRIDE
U. T. M. D. Anderson Cancer Center

Secretary:

Ms. Laura Rademacher, MEd,
Program Manager for Student Affairs and Career Development,
U. T. Health Science Center - Houston

The University of Texas System Employee Advisory Council (EAC) Summary

The EAC held three separate in-person meetings in Fiscal Year 2024. EAC core tasks focused on development of a campaign to foster enhanced partnerships with key U. T. System organizations and raising awareness of the EAC throughout the System. The goals of this campaign aimed to improve communication amongst U. T. System organizations, identify shared interests, and promote EAC member leadership development and stakeholder engagement.

During the fall semester, the EAC conducted an extensive data collection initiative among its members to identify opportunities to enhance the effectiveness of EAC efforts towards positive change. The insights gained from this data inspired implementation of a multi-faceted campaign centered on four key areas: Assessment, Awareness, Collaboration, and Networking.

1. **Assessment:** A committee was established to focus on strategic future planning and to review the EAC's previous work. Surveys were designed to gather insights from new, current, and outgoing EAC members, aiming to enhance the overall EAC experience based on their feedback.
2. **Awareness:** As part of the campaign, we have strategically updated and redesigned the digital resources associated with the EAC, enhancing the tools employees can use to connect with the EAC. Furthermore, we are incorporating videos to elevate the EAC experience and emphasize the Council's value and achievements.
3. **Collaboration:** The EAC developed a committee to identify strategies to improve communication and collaboration among stakeholders. Importantly, the EAC recognizes that issues can sometimes be interconnected: faculty issues impact staff and students, staff concerns affect faculty and students, and student issues reverberate across both faculty and staff. The committee primarily focused its efforts on establishing and improving the EAC's connection and relationships with the institutional Staff Councils, the institutional Chief Human Resources Officers (CHRO), the U. T. System Faculty Advisory Council (FAC) and the U. T. System Students Advisory Council (SAC). EAC members proactively engaged with these groups to raise awareness about the work of the EAC and gather information on collaboration opportunities. So far, the collaboration committee has convened all U. T. institution staff council chairs as well as all U. T. CHROs and had 100% attendance for both meetings.
4. **Networking:** The EAC established a new U. T. System Networking initiative aimed to foster collaboration, share best practices, and facilitate professional development opportunities across the U. T. institutions. The primary objective is to create a platform for employees in similar positions across U. T. institutions to come together virtually, engage in meaningful dialogue about the latest developments and challenges within their field, and leverage each other's expertise to enhance their respective roles and functions within the U. T. System. So far, the EAC has convened a pilot group for the U. T. institution President's Executive Assistants, which has achieved a 73% attendance rate and a 100% satisfaction rate for improving working relationships, processes, professional development, and best practices.

These strategic initiatives leverage varied perspectives and expertise, which are anticipated to lead to more effective decision-making and enhanced institutional support and success.

4. **U. T. System: Discussion and appropriate action related to updates to The University of Texas System Commitment to Freedom of Speech and Expression**

RECOMMENDATION

The U. T. System Board of Regents is asked to consider adopting additional elements originating with the University of Chicago's Kalven Committee Report on the University's Role in Political and Social Action as set forth below.

The University of Texas System Commitment to Freedom of Speech and Expression

Because The University of Texas System (UT System) is committed to free and open inquiry in all matters, it guarantees all members of the UT System the broadest possible latitude to speak, write, listen, challenge, and learn. Except insofar as limitations on that freedom are necessary to the functioning of the UT System, the UT System and the UT institutions fully respect and support the freedom of all members of the UT System community "to discuss any problem that presents itself."

Of course, the ideas of different members of the UT System community will often and quite naturally conflict. But it is not the proper role of the UT System or the UT institutions to attempt to shield individuals from ideas and opinions they find unwelcome, disagreeable, or even deeply offensive.

Nor is it the role of the UT System or UT institutions to adopt positions based on political or social passions or pressures. Institutions should not, in their official capacity, issue or express positions on issues of the day, however appealing they may be to some members of the university community. This has no bearing, of course, on freedom of speech of individuals in the university community, and only relates to official university statements, functions, ceremonies, and publications.

Although the The UT System greatly values civility, and although all members of the UT System community share in the responsibility for maintaining a climate of mutual respect, concerns about civility and mutual respect can never be used as a justification for closing off discussion of ideas, however offensive or disagreeable those ideas may be to some members of the UT System community.

The freedom to debate and discuss the merits of competing ideas does not, of course, mean that individuals may say whatever they wish, wherever they wish. UT institutions may restrict speech and expression that violates the law, that falsely defames a specific individual, that constitutes a genuine threat or harassment, that unjustifiably invades substantial privacy or confidentiality interests, or that is otherwise directly incompatible with the functioning of any UT institution. In addition, the UT institutions may reasonably regulate the time, place, and manner of speech and expression to ensure that it does not disrupt the ordinary activities of the institution. But these are narrow exceptions to the general principle of freedom of speech and expression, and it is vitally important that these exceptions never be used in a manner that is inconsistent with the UT System commitment to a completely free and open discussion of ideas.

In a word, the fundamental commitment is to the principle that debate or deliberation may not be suppressed because the ideas put forth are thought by some or even by most individual members of the UT System community to be offensive, unwise, immoral, or wrong-headed. It is for the individual members of the UT System community, not for the UT System or the UT institutions, to make those judgments for themselves, and to act on those judgments not by seeking to suppress speech, but by openly and vigorously contesting the ideas that they oppose. Indeed, fostering the ability of individual members of the UT System community to engage in such debate and deliberation in an effective and responsible manner is an essential part of the educational mission of the UT System and the UT institutions.

As a corollary to the commitment to protect and promote free speech and expression, members of the UT System community must also act in conformity with the principle of free speech and expression. Although members of the UT System community are free to criticize and contest the views expressed on campus, and to criticize and contest speakers who are invited to express their views on campus, they may not obstruct or otherwise interfere with the freedom of others to express views they reject or even loathe. To this end, the UT System and the UT institutions have a solemn responsibility not only to promote a lively and fearless freedom of debate and deliberation, but also to protect that freedom when others attempt to restrict it.

BACKGROUND INFORMATION

On November 17, 2022, the U. T. System Board of Regents approved The University of Texas System Commitment to Freedom of Speech and Expression, reflecting its agreement with principles set forth originally by the University of Chicago. In approving the U. T. System Commitment, the Board formally endorsed and acknowledged the long-standing commitment of the U. T. System to these principles with the expectation that the Commitment will serve to continue to protect the freedom of speech and expression on campuses in a way that promotes free and open inquiry and provides transparency regarding the U. T. System commitment to the promotion and protection of free speech and expression within the U. T. System community.

The Chicago Statement on Free Speech articulates a commitment to free and open inquiry in all matters and guarantees members of the university community broad latitude to speak, write, listen, and learn. The Chicago Statement recognizes that there must, at times, be restrictions on speech, as long as such restrictions are not used in a manner inconsistent with the law and free and open discussion of ideas. Over 80 institutions and faculty bodies have adopted or endorsed the Chicago Statement or a substantially similar statement. The Kalven Report set forth principles in support of institutional neutrality on political and social issues of the day to ensure that the university would be home to diverse and sometimes conflicting ideas, not a participant in those issues.

5. **U. T. System Board of Regents: Discussion and appropriate action regarding proposed revision to Regents' Rules and Regulations, Rule 20601 (Aircraft Use), regarding use of donor aircraft**

RECOMMENDATION

It is recommended that the U. T. System Board of Regents consider the following revisions to Regents' Rules and Regulations, Rule 20601 (Aircraft Use):

...

Sec. 12 Minimum Number of Pilots. With the exception of helicopter flights, two pilots are required for all flights used in conjunction with official University business. This Section is applicable to U. T. System aircraft, leased aircraft, chartered flights, ~~privately~~ employee-owned or -leased aircraft, and ~~donor aircraft~~ Donor Aircraft.

...

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 the Controller 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 TxDOT each month following the month in which travel occurred.

(b) Reports to the Board. ~~Passenger manifests for U. T. System aircraft, TxDOT aircraft flown on behalf of U. T. System, privately owned aircraft, and leased and charter aircraft, including donor or chartered aircraft paid for by outside entities on behalf of the University,~~ Passenger manifests for U. T. System aircraft and TxDOT aircraft, employee-owned or -leased aircraft, leased and charter aircraft, and Donor Aircraft flown on behalf of the U. T. System, except for Donor Aircraft provided by a supporting foundation to a U. T. System institution, will be sent to the General Counsel to the Board twice a year in April and October for distribution to the Board's Finance and Planning Committee for review. For Donor Aircraft ~~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, Communications and Advancement Services, the Vice Chancellor and General Counsel, and/or the General Counsel to the Board.

Sec. 16 ~~Leased and Privately~~ Employee-Owned or -Leased Aircraft. No U. T. System employee may operate ~~leased or privately owned~~ aircraft owned or leased in the employee's personal capacity in conjunction with official University business unless authorized in writing by the Chancellor or designee.

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Sec. 18 Donor Aircraft.

18.1 Usage. Approval to use Donor Aircraft, including the acceptance of a gift of the use of a passenger seat on a noncommercial flight within the definition of Donor Aircraft, in the scope and conduct or furtherance of official University business is conditioned upon the confirmation of the following requirements prior to the acceptance of flight:

- (a) Use of Donor Aircraft must be approved in writing and in advance by the Chancellor or designee following submission of a request using a Donor Aircraft Request for Approval form. In evaluating whether to allow the use of a Donor Aircraft, an individual should first assure that such use does not create a conflict of interest under Regents' [Rule 30104](#). For such travel by U. T. System Administration employees, officers, and institutional presidents, any potential conflict of interest shall be evaluated by the U. T. System Vice Chancellor and General Counsel or designee prior to approval of the use. For other institution employees, the conflict of interest analysis may be performed by the institution's legal counsel and/or ethics advisor. In addition to the conflict of interest review, the Chancellor or designee shall review and approve such proposed travel by U. T. System institutional Presidents and System Administration employees. Presidents shall review and approve such proposed travel of their employees. In every instance, the decision to approve shall be based upon the totality of the circumstances. The reviewing parties may request additional information to assist them in review. Use of Donor Aircraft provided by a supporting foundation to a U. T. System institution can instead be reviewed for compliance with the Regents' Rules and approved pursuant to contracts and memoranda of understanding between the institution and the supporting foundation.
- (b) U. T. System insurance requirements must be met with a minimum of \$1,000,000 per seat/passenger.
- (c) With the exception of helicopters, Donor Aircraft must be multiengine turboprop or jet.
- (d) With the exception of helicopter flights, each flight must have 2 current and qualified pilots.
- (e) The aircraft owner may not serve as pilot or copilot.

- (f) No passenger may enter the cockpit or distract pilots during flight, takeoff, or landing.
 - (g) Students must be accompanied by a University staff member for the duration of any flight.
 - (h) Donor is not a registered lobbyist.
 - (i) Donor flight information (date of flight, aircraft tail number, origin/destination) along with a passenger list and emergency contact for each must be maintained by a responsible University individual on the ground.
- 18.2 Reporting. For each donor Donor Aircraft flight, the following will be provided, if applicable:
- (a) Donor Aircraft Request for Approval form will be forwarded to U. T. System Aircraft Operations prior to departure.
 - (b) Detailed flight information will be reported as required by ~~Section 17.1~~ of this Rule.

...

3. Definitions

Donor Aircraft – aircraft and crew, or individual passenger seat on aircraft, provided at reduced or no cost to transport passengers or cargo to/from a predetermined departure location to a specific destination, including any aircraft and crew provided by a supporting foundation to a U.T. System institution at reduced or no cost. Donor Aircraft does not include a reduced or no cost airline ticket on a noncharter commercial airline flight.

BACKGROUND INFORMATION

Regents' Rule 20601 sets forth required procedures for use of aircraft for non-commercial flights in furtherance of U. T. business, including required approval and reporting processes for the use of Donor Aircraft. The proposed revisions are recommended to prevent the currently prescribed processes from becoming cumbersome as use of Donor Aircraft from institution-supporting foundations becomes more routine.

The proposed revisions allow for an exception to the standard approval and reporting processes for use of aircraft donated by an institution-supporting foundation. The proposed revisions also clarify terminology used in the Rule.

The proposed revisions do not impact the full-time equivalent (FTE) employee count Systemwide and are budget-neutral. The proposed Rules change was reviewed by the institutional presidents and representatives of the Student Advisory Council, the Faculty Advisory Council, and the Employee Advisory Council.

6. U. T. System: Discussion and appropriate action regarding establishment of the Regents' Strategic Research Fund and allocation and expenditure of \$25 million in Available University Funds (AUF); and finding that the expenditure of AUF for this purpose is appropriate

RECOMMENDATION

The Chancellor and the Executive Vice Chancellors for Academic Affairs, Health Affairs, and Business Affairs recommend that the U. T. System Board of Regents:

- a. establish the Regents' Strategic Research Fund in support of the goal adopted by Regents in August 2023 to accelerate the U. T. System's national research prominence and the state's economy and to enhance the U. T. System's global research competitiveness; and
- b. authorize the allocation of \$25 million of Available University Funds (AUF) for the Regents' Strategic Research Fund in furtherance of the U. T. System Administration's responsibility to provide oversight and coordination of the activities of the U. T. System;
- c. find that expenditure of AUF for the purpose of providing oversight and coordination of the activities of the U. T. System is appropriate and that the expenditure benefits a broad number of U. T. System institutions.

BACKGROUND INFORMATION

On August 24, 2023, the U. T. System Board of Regents adopted and implemented a goal for U. T. System to boost its national research prominence and the state's economy and to enhance the U. T. System's global research competitiveness by establishing the U. T. System Regents' Research Excellence Program (RREP) to support the four emerging research institutions within the U. T. System. The RREP provides recurring funding for faculty and postdoctoral researcher salaries and benefits to accelerate the rate of growth of high-quality research by the U. T. System. The RREP also will establish U. T. System communities of practice to allow participating faculty to actively collaborate with faculty at other U. T. System institutions.

To further this goal, the Regents' Strategic Research Fund (Fund) is now proposed. The Fund will provide the support required to continue to develop capabilities that align with current or emerging state or federal priorities, to advance research programs from prominence to preeminence, and to support collaborative engagement with industry and agencies, while enhancing the competitiveness of Texas and its research universities. This Fund, in combination with other investment funds, aims to ensure that the U. T. System and U. T. institutions achieve national research prominence at the highest levels, in areas of critical need and importance, and to continue to help drive the state's innovation economy.

Since August 2004, the U. T. System Board of Regents has approved allocations for the Science and Technology Acquisition and Retention (STARs) program designed to help U. T. System institutions attract and retain the best qualified faculty by funding research start-up costs, including research equipment and laboratory renovations. In addition, the RREP provides the support needed to enhance the pace of faculty hiring. While the STARs and RREP programs have been, and will continue to be, instrumental in helping U. T. institutions attract and retain high-quality faculty, while providing resources to enable the startup of their research programs, additional funds made available through the proposed Fund are needed to provide more flexible, targeted, on-demand support in areas where there is an opportunity to take nascent research strengths and elevate those capabilities to national prominence, exploit state, national, and global research investment trends, and accelerate innovative collaborations.

Advance notice of this proposed System initiative funded with AUF was provided to the Legislative Budget Board as required by Rider 7, Page III-78 of the current *General Appropriations Act*.

7. **U. T. System: Discussion and appropriate action regarding a) the nonpersonnel aspects of the operating budgets for Fiscal Year 2025, including Permanent University Fund Bond Proceeds allocations for Library, Equipment, Repair and Rehabilitation Projects and for the Faculty Science and Technology Acquisition and Retention program, and Internal Lending Program or other available sources for funding new campus programs, and b) finding that expenditure of the Available University Fund is appropriate**

RECOMMENDATION

Chancellor Milliken, with the concurrence of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Health Affairs, and the presidents of the U. T. institutions, recommends

- a) approval of the nonpersonnel aspects of the U. T. System Operating Budgets for Fiscal Year 2025, including Educational and General Funds, Auxiliary Enterprises, Grants and Contracts, Designated Funds, Restricted Current Funds, and Medical, Dental, Nursing, and Allied Health Faculty Services, Research and Development Plans;
- b) that the Chancellor be authorized to make editorial corrections to the approved budget and that subsequent adjustments be reported to the U. T. System Board of Regents through the Consent Agenda subject to the requirements of the Budget Rules and Procedures;
- c) allocation of Permanent University Fund (PUF) Bond Proceeds in the amount of \$41.2 million directly to the institutions and U. T. System Administration to fund Library, Equipment, Repair and Rehabilitation (LERR) Projects for Fiscal Year 2025;
- d) allocation of PUF Bond Proceeds in the amount of \$35.8 million to provide additional funding to build and enhance research infrastructure to attract and retain the best qualified faculty through the Faculty Science and Technology Acquisition and Retention (STARs) program. Funding authorized may be used by institutions in either the Faculty STARs or the related Rising STARs programs to take advantage of recruitment and retention opportunities presented by the institutions;
- e) allocation of \$20 million from the Internal Lending Program (ILP) or other available sources to fund investments in the development of new campus programs; and
- f) find that expenditure of Available University Fund (AUF) for the purpose of providing operational support to the U. T. System institutions and identified in the U. T. System Administration Operating Budget for Fiscal Year 2025 as Direct Campus Support is appropriate under the U. T. System's responsibilities to oversee and coordinate the activities and operations of the U. T. institutions, with the intent that expenditures will benefit all academic and health institutions.

BACKGROUND INFORMATION

Executive Vice Chancellor Jonathan Pruitt and Associate Vice Chancellor Derek Horton will present the following recommended items:

Fiscal Year 2025 Operating Budgets

Allocations from PUF Bond Proceeds

- Fiscal Year 2025 LERR Budget
- Fiscal Year 2025 STARs program, including Rising STARs

Budget materials titled "Operating Budget Summaries and Reserve Allocations for Library, Equipment, Repair and Rehabilitation and Faculty STARs" will be available online at <https://utsystem.edu/offices/budget-and-planning/operating-budget-summaries>.

Included in the U. T. System Administration Operating Budget for Fiscal Year 2025 is a \$75.4 million allocation of AUF for Direct Campus Support to provide assistance to U. T. academic institutions.

The appropriation of PUF Bond Proceeds for LERR and STARs will be presented in the Fiscal Year 2025 LERR Budget and is subject to the budget rules and expenditure guidelines adopted therein.

The PUF Bond Proceeds appropriated as indicated above must be spent in accordance with Article VII, Section 18 of the Texas Constitution. PUF Bond Proceeds may only be used for acquiring land either with or without permanent improvements, constructing and equipping buildings or other permanent improvements, major repair and rehabilitation of buildings and other permanent improvements, acquiring capital equipment, and acquiring library books and library materials.

The proposed allocation of \$20 million of ILP or other available sources will be provided directly to U. T. System institutions to fund the development of new campus programs upon approval of specific programs by the Chancellor.

Executive Vice Chancellor Jonathan Pruitt has determined that for the distribution of ILP for amounts included in the U. T. System Administration Operating Budget based on Board approval of this item and allocated for development of new campus programs, revenues generated through the ILP will exceed amounts needed to maintain a sufficient interest rate buffer to meet principal and interest due on external debt and to provide necessary liquidity.

8. **U. T. System: Discussion and appropriate action regarding personnel aspects of the U. T. System Administration and institutional operating budgets for Fiscal Year 2025**

RECOMMENDATION

Chancellor Milliken, with the concurrence of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and the presidents of the U. T. institutions, recommends that approval be granted regarding personnel aspects of the U. T. System Administration and U. T. institution operating budgets for Fiscal Year 2025 as included in the previous Agenda Item.

See also the Executive Session items related to the individual personnel aspects of the U. T. System Operating Budgets.